

Imperialism: The highest stage of global capitalism

"Death-boom"

The names on the cannon below the smokestacks are names of weapons manufacturers. The (very fuzzy) caption in the upper left hand reads: "The weapons industry prays, 'The more lives the Chinese give up, the more our smokestacks smoke. One thousand dead Chinese cover our costs. One hundred thousand dead Chinese and we'll make a profit. Ten million dead Chinese will deliver us from this crisis! Oh Lord, stay with us, the Lords of the earth, and make the fire in the East bigger!'" This refers to the weapons the imperialists were selling to Chiang Kai-shek.

The location of the war may have changed, but this graphic remains as topical here in Amerika today as it was in Germany in 1933.

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This is a report on what has been called "globalization," a nebulous term that conceals as much as it reveals. MIM hopes that this pamphlet will help dispel some of the confusion among radicals and revolutionaries considering this issue. We want to focus our attention on the imperialist system, the system that reflects the real globalization of capitalism, the system that spawned two world wars in the last century and fuels the current World War III between imperialism and the oppressed nations of the world. Opposing this system is not about fighting a particular trade deal, treaty, or factory relocation. We here argue that opposing this system requires an organized movement of the broad progressive forces under proletarian communist leadership. For many activists and potential activists, the first step is gaining a systematic understanding of imperialism, and this pamphlet is intended to get that ball rolling.

The intended audience for this pamphlet is people who are already opposed to some of all of imperialism, people who are activists already or know they want to be activists on these questions. Much of the information and analysis here is drawn from articles in MIM Notes in the last few years. The complete text of those articles, which are listed at the end, is available on the MIM web site at www.etext.org/Politics/MIM/. We urge readers to visit the MIM web site to read more about these questions and MIM's work.

—MC12, Editor

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The Unchanging Nature of Imperialism

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Imperialism Is Monopoly Capitalism*

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Before the 1870s, capitalism was in a stage of free competition. From the 1870s onward, free competition steadily developed into monopoly. At the end of the nineteenth century and in the beginning of the twentieth century, capitalism completed its transition from free competition to monopoly and developed into imperialism. Lenin gave a complete and precise definition to imperialism: "Imperialism is a special stage of capitalism. This special nature is manifested in three ways: (1) imperialism is monopoly capitalism; (2) imperialism is parasitic and decaying capitalism; and (3) imperialism is moribund capitalism." (1) This chapter first deals with the basic attributes of imperialism as monopoly capitalism.

Lenin pointed out that there are five basic characteristics in the economic aspect of imperialism. They are: "(1) production and capital concentration have been developed to such an extent that economic life is dominated by the monopoly organization; (2) banking capital and manufacturing capital have merged, and a financial oligarchy has emerged on the basis of this 'financial capital'; (3) capital export, as distinct from commodity export, assumes special significance; (4) an international monopoly

*Ti-kuo-chu-i ti pen-hsing shih pu hui kai-pien ti — ti-kuo-chu-i shih lung-tuan ti tzu-pen-chu-i.

alliance has been formed; and (5) the most powerful capitalist powers have dismembered the territories of the world." (2) Lenin's theory concerning imperialism is our telescope and microscope for understanding the reactionary nature of imperialism.

Monopoly Is the Deep-rooted Economic Basis of Imperialism

Monopoly Is an Inevitable Development of Capitalism

The transition from free competition to monopoly is the most marked economic phenomenon in the development of capitalism into imperialism. Other characteristics of imperialism are all related to monopoly and developed on the basis of monopoly. Therefore, imperialism is often known as monopoly capitalism. The birth of monopoly capitalism passed through three basic stages.

In the first stage in the 1860s and 1870s, free competition in capitalism reached its zenith of development. In manufacturing, the electric motor, the internal combustion engine, and a new steel-refining method were invented. The development of productive forces shifted the relative share of light and heavy industry in favor of heavy industry. With the development of heavy industry characterized by a higher organic composition of capital, concentration of capital was accelerated. Monopoly organizations began to emerge.

In the second stage after the explosion in 1873 of the most severe economic crisis in the nineteenth century, competition among enterprises became more acute. Many medium and small enterprises closed down, making way for the extensive development of monopoly organizations. In the United States, in 1879 Rockefeller set up the first trust (the Standard Oil Company). In 1880, the total production of anthracite coal was monopolized by seven companies. However, monopoly was still

not in a dominant position. In the short-term, the nineteenth century saw the rise of the steam locomotive, the telephone, and the electric light. The forces were still in the process of development. The industry was still in the process of development. Monopoly was still in the process of development.

In the third stage, at the beginning of the twentieth century, the concentration of capital was concentrated in the hands of a few large organizations. The major manufacturing life. In the beginning of the twentieth century, monopoly or oligopoly in the industrial industry, the concentration of the capital, the production, 80 percent and 95 percent of the free competition in capitalism was said, "Monopoly."

The transition to imperialism has not only changed the economic basis, but also the means of production between the standing economic production are still in the process of development. It is pointed out: "The transition to imperialism is developed into a new stage between the production of the capitalist stage, some of the existing conditions."

not in a dominant position. Most monopoly agreements were short-term and unstable. In the last thirty years of the nineteenth century, the steam turbine, the automobile, and the diesel locomotive were invented one after another. Productive forces were highly developed. The relative share of heavy industry was further increased. Conditions for a transition to the monopoly stage were basically completed.

In the third stage at the end of the nineteenth century and the beginning of the twentieth century, the accumulation and concentration of capital greatly accelerated. More and more capital was concentrated in the hands of big enterprises. Monopoly organizations rapidly developed to gain control over various major manufacturing sectors and formed the basis of all economic life. In the beginning of the twentieth century, United States monopoly organizations controlled 70 percent of the metallurgical industry, 66 percent of the iron and steel industry, 81 percent of the chemical industry, 85 percent of the aluminum production, 80 percent of the tobacco and sugar refining industries, and 95 percent of coal and oil production. From this time on, free competition capitalism grew into monopoly capitalism, and capitalism was transformed into imperialism. Hence, Lenin said, "Monopoly is the deep-rooted basis of imperialism." (3)

The transition from free competition capitalism to imperialism has not changed the fundamental nature of capitalism. Its economic basis is still capitalist private ownership of the means of production. Its class contradiction is still the contradiction between the proletariat and the bourgeoisie. Long-standing economic laws such as competition and chaotic production are still playing their active roles. Chairman Mao pointed out: "When the free competition stage in capitalism has developed into imperialism, the fundamental contradictions between the proletariat and the bourgeoisie, as well as the nature of the capitalist society, have not changed." (4) In the imperialist stage, some new features emerged, intensifying and magnifying the existing contradictions of capitalism.

Monopoly Organization Guarantees the Extraction of High Monopoly Profits

Monopoly organization is either the largest capitalist enterprise or an alliance of capitalist enterprises. They control the production and distribution of certain products and set monopoly prices by virtue of their monopoly position in order to extract high monopoly profits. The economic pulses of capitalist countries are under their manipulation.

Monopoly organizations assume many forms: some are "short-term price agreements" in which various enterprises collude to fix prices; some are "cartels" in which the enterprises are independent in production but have agreements concerning how to share the market, set up quotas, and fix prices; some are "syndicates" in which the enterprises are independent in production but cooperate in purchasing inputs and selling final products; others are "trusts" in which the enterprises producing identical goods merge; and some are "consortia" which consist of enterprises of different trades (manufacturing and mining, trading companies, transport and shipping companies, as well as banks). The development of monopoly organizations of various kinds gradually controls all economic sectors and the economic pulses of capitalist countries. Especially since the end of the Second World War, social production and social wealth have been increasingly concentrated in the hands of a few monopoly capitalists. This is manifested by:

1) A continuous expansion in the size of enterprises and increasing monopolization. Take the United States as an example. There was only one company with capital assets exceeding one billion dollars in 1901. In 1960, this had increased to 96 companies. In 1970, it had again increased to 282 companies.

2) Increasing control of industrial fields by a few monopoly capitalists. In many industrial fields, a few big companies control a major share of the production or even the whole production. In the United States, in 1969 the big automobile companies monopolized 78.1 percent of the nation's total automobile production. In England, in 1970 one iron and steel company monop-

olized 93 percent of the steel output. In Japan, in 1970 seven big monopoly organizations controlled 95.5 percent of the total shipbuilding tonnages of the country. In France, in 1968 one electric power company controlled the electric power generation for the whole country.

3) Increasing concentration and monopolization of agricultural production. In 1939, there were 6.097 million farms in the United States. In 1959, this was reduced to 3.701 million. In 1971, only 2.800 million were left. An average of 90,000 farms went bankrupt each year. In fact, in the United States fewer than 50,000 big monopoly farms, or 2 percent of all the farms, produce and market more than 80 percent of the total United States agricultural produce.

4) Increasing diversification of the monopoly organization. In the past, many companies produced only one or two products. But by the end of the 1960s, their operations extended to many areas. For example, the United States International Telephone and Telegraph Company was established in 1920. During the first forty years, its primary business was to manufacture telecommunications equipment. But during the last decade, it has purchased 50 companies unrelated to telecommunications equipment. Its operations have extended to bread, artificial fibers, construction, hotels, and insurance. It controls 150 companies all over the world, and its distribution networks have spread over more than 100 countries and regions.

Though there are differences among various forms of monopoly organization and further changes may develop, their nature is identical. They all seek to guarantee high monopoly profit to the monopoly capitalist by monopolizing production and markets.

High monopoly profit is profit well in excess of average profit which is obtained by the monopoly capitalist through his monopoly position. Where does high monopoly profit come from? It still comes from the surplus value created by the worker in the monopoly enterprise. The monopoly organization adopts various blood and sweat labor systems to increase labor intensity and exploit the worker. In addition, the monopoly cap-

capitalist also transfers part of the income of the worker and other people into his own hands by raising prices of consumer goods. Taking advantage of his monopoly position, the capitalist depresses the purchasing price of agricultural produce and raises the selling price of manufactured products to extract part of the value created by the peasant. Through monopoly pricing, he grabs part of the profit of the capitalists outside the monopoly organization. By nonequivalent exchanges, the monopoly capitalist plunders the people of colonies, satellites, and other countries. This shows that what the monopoly organization gains in the form of high monopoly profit is exactly what the worker, the small producer, and the people of colonies and satellites lose. A small part is extracted from nonmonopoly medium and small capitalists. From the viewpoint of the capitalist world as a whole, therefore, monopoly pricing has not changed the sum of the value nor the surplus value created in the capitalist world. In other words, monopoly pricing has operated within the sphere of the law of value; it has merely changed the form in which the law manifests itself. Similarly, the law of surplus value, the fundamental economic law of capitalism, is still functioning in the monopoly stage; only its effects and forms have changed. Prior to the monopoly stage, it was manifested through the average profit; in the monopoly stage, it is manifested through high profit.

The rising of monopoly profits implies that the working class and the laboring people are subject to increasingly heavier exploitation and that the exploitative measures of the monopoly capitalists have become more ruthless than ever before. From 1940 to 1949, the United States monopoly companies obtained an average of 24.356 billion dollars of high monopoly profit every year. From 1960 to 1969, this increased to 67.47 billion dollars. In Japan, the rate of surplus value in manufacturing amounted to 182 percent in 1930; it increased to 313 percent in 1954 and 345 percent in 1960. From these two sets of figures, we can see the acute polarization between the rich and the poor in the capitalist country.

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Monopoly Leads to More Intense Competition

Free competition leads to monopoly. But monopoly cannot eliminate competition. On the contrary, it intensifies competition because competition is a product of capitalist private ownership. Monopoly has not changed the nature of capitalist private ownership and therefore cannot eliminate competition. This is especially true because means of production are increasingly concentrated in the hands of a few oligopolists. In order to eliminate their opponents, the monopoly organizations resort to any conceivable means to discourage their competitors. Competition becomes more acute and cruel. In the imperialist stage, life and death struggles among capitalists and capitalist cliques are manifested in the following ways:

Competition between monopoly organizations and nonmonopoly organizations. Under capitalist conditions, no matter how concentrated production is, it is impossible to achieve absolute monopoly. A certain number of nonmonopoly organizations always exists. Even in countries where monopoly capitalism is most developed, a large number of medium and small enterprises still exists. For example, in the United States, of her 4 million manufacturing enterprises, medium and small enterprises account for more than 3 million. Life and death struggles between monopoly and nonmonopoly enterprises are inevitable.

Intense competition also exists among monopoly organizations in their fight for sources of raw materials, markets, and transportation facilities.

There also exists among various enterprises in the same monopoly organization competition for markets and higher production and sales quotas. This kind of competition may even lead to the disintegration of some monopoly organizations and results in new monopoly organizations and new competition.

In trusts and consortia, the struggle among various big capitalists for leadership, stock control, and share of profits never ceases.

Therefore, monopoly capitalism is not "organized capitalism"

as the bourgeoisie and the revisionists claim. On the contrary, monopoly intensifies competition and aggravates the capitalist contradiction between social production and private ownership and between the organized production of individual enterprises and the chaotic conditions of social production. Lenin pointed out long ago, "Monopoly arising from free competition cannot eliminate competition. It is superimposed on competition and coexists with competition, consequently leading to many very acute contradictions, frictions, and confrontations." (5) "The combination of the two contradicting 'principles' of competition and monopoly represents the true nature of capitalism. It is exactly this combination that leads to disintegration, namely socialist revolution." (6)

Financial Capital Is an Omnipotent Monopolist

Financial Capital Is Formed by a Merger of Banking Capital and Manufacturing Capital

The first economic attribute of imperialism is monopoly. The second is the formation of financial capital and the rule of financial oligopoly. With the emergence of monopoly in manufacturing, monopoly also appears in the banking industry. When free competition is dominant, the bank serves as a middleman. It pools idle funds in society for the use of manufacturing and commercial capitalists through short-term loans. With the arrival of the imperialist stage, the bank is transformed from a middleman into an all-powerful monopolist. Monopoly in the banking industry leads to a fundamental change in the relation between the bank and the manufacturing industry. Big banks infiltrate the manufacturing industry by purchasing manufacturing stocks. Manufacturing monopoly organizations infiltrate the banks by purchasing banking stocks. As a result, monopoly banking capital and monopoly manufacturing capital gradually merge to form financial capital. "The concentration of capital; the development of monopoly from concentration; the merger between the banks and the manufacturing industry or their

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mixed growth — these are the origins of financial capital and the content of this concept." (7) "The characteristic of imperialism is not manufacturing capital, but financial capital." (8) The few largest capitalists who control a large amount of financial capital are the financial oligopolists. The chief means by which financial capital controls the national economy is the "participation system." Through a major joint-stock company ("mother company") which the financial capitalist controls, stocks of other joint-stock companies are purchased. Once their stocks are under control, they become "son companies." These "son companies" use the same method to control more "grandson companies." In this way, a relatively small amount of capital can control and manipulate capital many times the amount of the original capital. The national economy and most of the wealth created by the laboring people are thus under the control of a few financial oligopolists. In 1968, eighteen financial groups in the United States controlled capital assets worth 678.4 billion dollars. Of these, the Morgan and Rockefeller groups were the two biggest monopoly financial organizations. They had the most economic power and their influence covered the whole capitalist world. As of 1970, these two financial groups controlled capital assets totaling 330.4 billion dollars, representing about half of the capital assets controlled by the eighteen United States financial monopoly organizations and exceeding all the capital assets controlled by the financial monopoly organizations of England, France, Japan, and West Germany combined. Enterprises controlled by the Morgan group covered various departments of the national economy, especially basic industries such as iron and steel, electricity and gas, electronics, and chemicals. In public utilities and transportation, the Morgan group's position was even stronger, playing a vital role in the United States economy. Enterprises controlled by the Rockefeller group were more concentrated. Its five major oil companies controlled 94.1 percent of the oil extraction in the United States in 1967. The two groups exercise a decisive influence in the United States economy.

Financial Capital Directly Controls State Political Power and Other Superstructures

Lenin pointed out, "Once monopoly is formed, controlling vast amounts of capital, it inevitably infiltrates into various aspects of society's life." (9) To further exploit and oppress the laboring people for high monopoly profit, financial capital seeks control not only of the economic lifeblood of the state but also of state political power. Financial oligopolists bribe high-level officials and state legislators to serve as their spokesmen for the control of the state machinery. Sometimes they personally occupy the leadership positions of the state. Take the postwar Eisenhower administration as an example. Eisenhower came into power with the support of the Rockefeller and Morgan groups. Of the 272 high-level officials in his administration, 150 were big capitalists. Among them, Secretary of State Dulles was a trustee of the Rockefeller Foundation, Defense Secretary Wilson was a general manager of the General Motors Company, Gates, another defense secretary, was an important person in the Morgan group and served as the director of the Morgan Guaranty Trust Company in 1965, and Secretary of the Treasury Humphrey was a responsible official of the Hanna Mining Company which was a major enterprise of the Cleveland group. The financial oligopoly controlled not only state political power but also various spheres of the superstructure. The newspaper, publishing, broadcasting, television, and movie industries were all under the control of monopoly capital and financial oligopoly. The Rockefeller group also owned the largest "philanthropic enterprises," various foundations, learned societies, museums, hospitals, "welfare organizations," and "cultural" centers. These were all tools used by the Rockefeller financial group to expand into various aspects of social life.

State Monopoly Capitalism Pushes the Relation between Capital and Labor to the Ultimate

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certain stage, "the real agent of the capitalist society, the state, must take the responsibility for managing production." (10) In the imperialist stage when the productive forces have been greatly developed, some monopoly capital groups are shown to be increasingly incapable of controlling the productive forces. Consequently, the phenomenon arises in which "the state merges ever closer with the alliance of capitalists which possesses enormous power. Its scandalous oppression of the laboring people becomes more severe." (11) This is state monopoly capitalism. State monopoly capitalism is monopoly capitalism based on capitalist ownership and the merger of monopoly capital with state political power.

The rapid development of state monopoly capitalism is a prominent feature of contemporary imperialism. Since the Second World War, imperialist countries have implemented so-called "nationalization" by having the state purchase private enterprises; or the state has invested directly in so-called "state enterprises." These state monopoly capitalist enterprises constitute a very high proportion of capitalist enterprises. In 1968, the share of state monopoly capitalist enterprises in four major countries in Western Europe was as follows:

| Countries | Percentage share | |
|----------------|----------------------|----------------------------|
| | in staff and workers | Percentage share in assets |
| France | 11.2 | 33.5 |
| West Germany | 8.7 | 22.7 |
| Italy | 11.6 | 28 |
| United Kingdom | 8.5 | 17 |

The development of United States state monopoly capitalism had its own characteristics. During the Second World War, the United States government established a large number of "state enterprises." After the war, they were sold to the monopoly

capital groups at very low prices. At the same time, the United States government adopted the "blood transfusion" technique of supporting the monopoly capital groups by means of taxes extracted from the people.

The services rendered by the imperialist countries to the monopoly bourgeoisie, in addition to "nationalization" and "state enterprises," assumed the following forms, assuring the monopoly groups high monopoly profits: (1) Using federal treasury funds and the people's taxes to subsidize the capitalists when they undertook the risks of investment; (2) redistributing a large part of the national income in favor of the monopoly capital organization through state legislation and budgets; (3) creating facilities conducive to the monopoly capitalist's concentration and accumulation of capital and to his absorption of medium and small enterprises; and (4) though the means by which the imperialist countries serve their monopoly bourgeoisie are different, their objective is always the same, namely, the strengthening of the capitalist enslavement of the proletariat. "The more of the productive forces which the bourgeois state takes into its possession, the more it becomes a truly total capitalist, and the more it exploits the people. The worker is still a hired laborer and a proletarian. The capitalist relation has not only not been eliminated, it has been elevated to its ultimate." (12)

Contrary to the claims of the bourgeois apologists and the modern revisionists, state monopoly capitalism does not have any "socialist element" which can exercise planned leadership over the national economy. On the contrary, state monopoly capitalism has not changed the capitalist nature of production relations a bit. It is merely a tool of the imperialist countries to serve the monopoly organization and strengthen the rule of the financial oligopoly. State monopoly capitalism strengthens the exploitation of the working class and the laboring people by monopoly capital, strengthens the plunder of the people of the colonies by monopoly capital, accelerates armament and war preparations, and intensifies competition and chaos so that the inherent contradiction in the capitalist society becomes more

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acute. It runs into increasing opposition from the proletariat and the broad laboring people and, at the same time, goes a step further in preparing the material conditions for the proletarian revolution.

Capital Export Leads to World Domination by Financial Capital

Capital Export Is an Indication of Relative Capital Surplus

"The characteristic of the old capitalism in which free competition was dominant is commodity export. The characteristic of the newest capitalism in which monopoly is dominant is capital export." (13) Capital export exists in the premonopoly stage of capitalism; but it is widespread and significant only in the stage of monopoly capitalism. This is because the cruel exploitation of the domestic laboring people by the monopoly organization in the imperialist countries helps accumulate a large amount of capital. However, since almost all profitable business has already been monopolized inside the country and high monopoly profit cannot be guaranteed in other, less developed, domestic sectors, a large amount of accumulated capital thus becomes "surplus capital." Where can profitable outlets be found for this "surplus capital"? In those developing countries where capital is scarce, wages are low, land and raw materials are cheap, and high profit can be obtained. Therefore, capital is exported for high monopoly profits through direct investment (mining, manufacturing, railroads, shops) and indirect investment (loans), greedily exploiting the broad laboring people of the developing countries. Capital export has developed rapidly only since the beginning of the twentieth century. In 1970, the total capital export from major capitalist countries reached more than 300 billion dollars, an increase of more than five times over that of 1914.

Capital Export Is an Imperialist Tool to Exploit
and Oppress the People of Various Countries

In the search for monopoly profits and external expansion, capital export is an important tool used by the monopoly capitalist to exploit and plunder the people of various countries, especially the peoples of the developing Asian, African, and Latin American countries. Take old China as an example. On the eve of the Anti-Japanese War, foreign capital in China totaled 4.3 billion dollars. Near the end of the war, it increased to 9.8 billion dollars, of which, the share of investment by Japanese imperialism was the highest, amounting to 6 billion dollars. This foreign capital controlled 70 percent of China's modern industry and transportation, 95 percent of the iron and steel and petroleum industries, 75 percent of the electric power and coal industry. More than half of the food processing industry was operated by foreign capital. In 1945, after imperialist Japan surrendered, United States imperialism replaced Japanese imperialism as the dominant power in China. In 1948, the American imperialist investment in China (including so-called "United States aid") represented 80 percent of foreign investment in China. The invasion of foreign capitalism "not only played a role in undermining China's feudal economic basis, but also created certain objective conditions and possibilities for the development of capitalist production in China." (14) However, "the purpose of the imperialist powers in invading China was definitely not to transform feudal China into a capitalist China. Their purpose was just the opposite. They wanted to transform China into their semicolony or colony." (15) The influx of a large amount of foreign capital on a long-term basis seriously undermined the social productive forces of China and brought extreme poverty to the livelihood of the Chinese people, reducing China to a semicolonial and semifeudal status.

After the Second World War, there was a large increase of capital export from the capitalist countries, and the United States became the largest capital-exporting country. In 1914, the United States exported only 3.5 billion dollars of capital.

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In 1970, it rapidly rose to 155.5 billion dollars, an increase of more than forty-three times in fifty-six years. With the rapid increase in capital export, there were also large increases in the high monopoly profits of the monopoly capitalists. From 1950 to 1970, the profit from United States private direct investment in foreign countries amounted to 88.77 billion dollars, or 14 percent higher than the total United States private direct investment in foreign countries up to the end of 1970. Profit from investments made by imperialism in Asia, Africa, and Latin America was astonishingly high. For example, in 1970 United States direct investment in Asia, Africa, and Latin America accounted for 27.3 percent of her total foreign direct investment. In the same year, profit extracted from Asia, Africa, and Latin America accounted for 43.5 percent of the total profit from all foreign direct investment. At the present time, imperialism has become the greediest bloodsucker of the people over a large area of the world.

After the Second World War, in addition to further developing private capital export, the imperialist countries paid increasing attention to state capital export. The major form of this state capital export was foreign "aid." From mid-1945 to mid-1971, the total amount of United States foreign aid reached 149.6 billion dollars. This foreign "aid" was classified into so-called "grants" and "loans." "Grants" were nominally free; but in fact, they were the strings by which the grantee countries were controlled. Chairman Mao long ago exposed the reactionary political objective of United States imperialist "aid": "Gifts, yes; but with conditions. What conditions? You have to follow my footsteps." (16) In recent years, the proportion of loans from the imperialist countries is increasing, and the proportion of "grants" is correspondingly decreasing. These so-called loans all have interest rates exceeding 5 percent per annum. The highest rate reached 8 percent per annum. In addition, many political, economic, and military strings are attached. It is not only a bloodsucking straw but is also an important tool for the implementation of the aggressive and expansionary policies of imperialism and the fight for world hegemony.

Capital export from the imperialist countries inflicts severe hardships on the colonial and semicolonial countries and their people. However, the imperialists and revisionists try their best to defend these aggressive acts. They claim that capital export can "help" the economically underdeveloped countries to reach economic prosperity. The Soviet revisionist renegades even unabashedly suggested that imperialism could spend all the money saved through total disarmament to "help" the economically underdeveloped countries in Asia, Africa, and Latin America create a new era. All nations and people of the world who have been subject to exploitation and slavery have had their full share of the hardship brought about by the so-called "aid" of imperialism. The market is shrinking for such arguments of the Soviet revisionist renegades.

The International Monopoly Alliance Carved up the World Economically

The International Monopoly Alliance Is a Supermonopoly

The monopoly organizations of a country first carve up the domestic market. Under capitalism, the domestic market is closely related to the foreign market. With increasing capital export and the expansion of the international association and the sphere of influence of the largest monopoly alliance, a few large monopoly organizations of several countries can control most of the world's production and distribution of some commodities. These large monopoly organizations are comparable in power and may, out of self-interest and under certain conditions, make temporary international agreements and form alliances to set international monopoly prices, divide up sources of raw materials and distribution markets, limit production quotas, and thus form an international monopoly organization. These monopoly organizations have already exceeded the boundary of one country. Lenin called them "supermonopolies."

These supermonopoly organizations appeared as early as the

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1870s and developed rapidly in the twentieth century. After the Second World War, new international monopoly organizations were formed, and some old international monopoly organizations disintegrated. According to statistics, up to 1968 the total foreign capital assets (accounting value) of international monopoly companies amounted to 94 billion dollars. The annual production value of their foreign subsidiary companies was 240 billion dollars. The five largest international monopoly organizations were: the General Motors Company, the New Jersey Standard Oil Company, the Ford Motor Company, the British-Dutch Shell Oil Company, and the General Electric Company. As a result of the rapid development of international monopoly companies, the monopoly financial groups' monopoly of world production and trade is strengthened. Some manufacturing fields in the capitalist world such as rubber tires, oil, tobacco, pharmaceuticals, and automobiles are almost completely controlled by international monopoly organizations. In recent years, there have been new developments in regional international monopoly alliances. The Common Market and the European Free Trade Area of Western Europe are, economically speaking, regional international monopoly alliances of sorts. Their development and expansion provide checks and balances to the vain attempts of the United States and the Soviet Union to divide up the world.

The Struggle among International Monopoly Alliances Is Intensifying

In the imperialist stage, the enormous development of monopoly organizations requires more supplies of resources and markets for commodities and more areas for capital investment. Take 1969 for instance: the proportion of raw materials which the United States imported from Asia, Africa, and Latin America was as follows: tin ore, close to 100 percent; manganese ore, 91.9 percent; copper ore, 78.2 percent; petroleum, 62.9 percent; chromium and others, 41.6 percent. The proportion of raw material imports by Japan, West Germany, and the United Kingdom from Asia, Africa, and Latin America was also high. The

struggle for sources of raw material supply among international monopoly organizations, therefore, has become increasingly severe. To fight for oil in the Middle East, the monopoly capitalists of many countries tried very hard to get into this area, and consequently, the struggle was especially acute and complex.

The struggle among the monopoly organizations of various countries for markets to sell commodities is also very acute. After the Second World War, the United States dominated the capitalist world market for some time. Her total volume of exports accounted for one-third of the total capitalist world exports. But with the rising economic power of Western Europe and Japan, the United States hegemony began to decline. In 1971, her share of the capitalist world exports was reduced to only 14.2 percent. In Asia, Africa, and Latin America, the monopoly organizations of Western Europe, North America, and Australasia repeatedly engaged in intense struggle for markets. Faced with the influx of Japanese automobiles on the West Coast of the United States, Henry Ford II, the president of the Ford Motor Company, lamented: "This is only the beginning. These Japanese will soon invade the heart of America." Lenin pointed out profoundly: "The dismembering of the world among the capitalists is not due to their specific vicious character. Rather, it occurs because concentration has reached such a stage that they cannot but take this path to obtain profit." (17)

The international monopoly alliance is originally an international monopoly organization set up by the monopoly capitalists of various countries to divide up the world market for high monopoly profits. But agreements and alliances among the monopoly capitalists of various countries to divide up the world are at best temporary and relative. Their pursuit of high monopoly profits guarantees that the struggle among them will go on forever. Imperialism and revisionism hold that the internationalization of capital will bring the possibility of peace to nations. This wishful thinking has been sharply criticized by Lenin. Lenin pointed out: "The form of struggle among international monopoly organizations may change frequently for various comparatively local and temporary reasons. But the nature of the

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struggle and the class content of the struggle will never change as long as classes exist." (18) The history of the last half-century or so has fully confirmed Lenin's scientific judgment.

Competition among the Imperialist Powers for the Division and Redivision of the World

Colonies Are Important Conditions for the Existence of Imperialism

In the imperialist era, the economic division of the world by monopoly capital must inevitably be followed by the territorial division of the world into colonies. The implementation of the colonial policy and the seizure of colonies began in the stage of primitive accumulation. But only in the imperialist stage is the "climax" of struggle for colonies begun, and the struggle to divide the world's territories among imperialist countries intensified. This is because:

First, colonies are the most important source of raw materials for imperialism. Monopoly leads to large-scale production. The larger the scale of production, the more raw materials are needed, and the more important it is to control the sources of raw materials. Lenin pointed out, "The more advanced capitalism is, the scarcer raw materials are, and the more acute the struggle for the world's sources of raw materials becomes, the more intense the struggle to colonize is." (19)

Second, colonies are the most profitable outlets for the capital exports of imperialism. In colonies, the monopoly organizations of the suzerain can exploit and enslave the laboring people more ruthlessly. They can more easily eliminate competitors through monopolistic means and guarantee high monopoly profits for the exported capital.

Third, colonies are the most profitable sales market for the monopoly organizations. The suzerain can use protective tariffs to guarantee their monopolist position.

Fourth, colonies are also military strategic bases in the struggle for world hegemony among imperialist countries.

The suzerain can establish a large number of military bases there, plunder large quantities of strategic materials, and recruit large numbers of soldiers to serve the military policies of imperialism.

In sum, colonies are important conditions for the existence of imperialism. "Only by occupying colonies can the triumph of the monopoly organization be fully secured." (20) Therefore, the imperialist countries are always fighting for more colonies. After the 1870s, the struggle to divide the world's territories among the imperialist powers reached an extremely acute degree. Up to 1914, the colonies occupied by England, Russia, France, Germany, the United States, and Japan reached 65 million square kilometers, and they ruled 523 million people. Among them, the area of the colonies owned by the czar of Russia was second only to that of England. At that time, out of Russia's 22.8 million square kilometers, 17.4 million square kilometers were colonies. Lenin pointed out clearly, "The czarist government expressed more vividly than other national governments the reactionary nature of war, plundering, and enslaving peoples." (21) Czarist Russia was the "prison of various nationals." (22)

China had long been fiercely carved up by the imperialist powers. From the latter part of the nineteenth century, the imperialist countries who invaded China marked out their respective spheres of influence according to their economic and military power in China and reduced her to a semicolony. For example, the provinces in the middle and lower reaches of the Yangtze River were under British influence; Yunnan, Kwangtung, and Kwangsi provinces were under French influence. After the Russo-Japanese War in 1905, the southern part of northeast China was brought under Japanese influence. In the process of imperialism's slaughter of China, czarist Russia was the first "to stretch out her grisly hands." (23) The old czar invaded China "like a thief" (24) and occupied more than 1.5 million square kilometers of Chinese territory, equal to three times the area of France or twelve times that of Czechoslovakia.

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The Division and Redivision of Colonies
Inevitably Leads to Wars

To obtain high monopoly profits, imperialism must engage in aggression and expansion and fight for the division and redivision of world territories. The outcome of such competition is determined by the relative strength of the imperialist countries. The mightiest holds world hegemony. The highest form of resolving conflicts through strength is war. As long as imperialism exists, wars are inevitable. Imperialism fights for colonies and world hegemony and obtains high monopoly profits through wars. Lenin pointed out, "Modern wars are created by imperialism." (25) The two world wars in the first half of the twentieth century were caused by the division and redivision of the world and the struggle for world hegemony among the imperialist powers.

Economic monopoly inevitably intensified the fundamental contradictions of imperialism and accentuated the political and economic crises of capitalism. To free themselves from political and economic crises, to reduce domestic class contradictions, and to save the capitalist system, the imperialist powers ran the risk of wars, engaging in moribund struggles. Chairman Mao pointed out, "The outbreak of imperialist world wars was an attempt by the imperialist countries to extricate themselves from new economic and political crises." (26)

Once we understand the economic reality of imperialism, we will understand Lenin's famous statement that "on the economic basis of private ownership of means of production, imperialist wars are inevitable." (27) United States imperialism prospered through wars. In the two world wars, the United States monopoly organization engaged in large-scale rearmament transactions and obtained windfall gains from wars. In the First World War, United States monopoly capitalists obtained 38 billion dollars as windfall profit; in the Second World War, they obtained 117 billion dollars as windfall profit and became the dominant power in the capitalist world. From then on, the United States monopoly bourgeoisie looked all the more to wars as shortcuts

to prosperity and continuously waged aggressive wars. According to statistics, in the aggressive war in Korea, United States monopoly capital obtained 115.4 billion dollars as a windfall profit; in the aggressive war in Vietnam, in 1964 and 1965 alone, the windfall profit amounted to 76 billion dollars. Every dollar in the pocket of the United States millionaires is stained with the blood of the laboring people. As long as imperialism exists, the source of modern wars exists. To eliminate wars, we must eliminate the imperialist system.

However, the imperialist and revisionist always fabricate all sorts of nonsense to deceive the people in order to protect the imperialist system. A typical absurdity is found in On Superimperialism, a work which the chief of the Second International, Kautsky, fabricated on the eve of the First World War. Purportedly overlooking the fact that the external expansion and aggression of imperialism are determined by the substance of monopoly capitalism, he vigorously contended that those were the imperialists' conscious policies. Hence, he alleged: "These policies of neosuperimperialism would replace international financial struggles with international cooperation to exploit the world." As a result, a permanent peace would emerge. Pointedly exposing this fallacy, Lenin asserted: "Kautsky's On Superimperialism is aimed at creating an illusion that permanent peace could be achieved under capitalism. It is an extremely reactionary idea attempting to dupe the masses; it is a means to detract people's attention from contemporary acute contradictions and outstanding problems to an illusory future of the so-called 'neosuperimperialism.'" (28) Since the fabrication of Kautsky's On Superimperialism, all revisionists have treated it as a most valuable treasure. They repeatedly propagated this "theory" under different guises and conditions. Modern Soviet Russian revisionists headed by Brezhnev described certain relative, temporary agreements between the two contemporary superpowers as so-called "structures for permanent peace," vainly attempting to conceal the deep-seated contradictions between them and to deceive the people and tranquilize the opposite side in order to facilitate their own imperialist expansion.

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Within imperialism, there is both competition and collusion. Collusion is for the purpose of larger competition. Competition is absolute and long term, and collusion is relative and temporary. Temporary agreements today set the stage for larger competition tomorrow.

Monopoly is the most deep-seated economic basis of imperialism. It determines the aggressive and plundering nature of imperialism and will not change. Just as Chairman Mao pointed out: "When we say that 'imperialism is very dangerous,' we mean that its nature cannot change. Imperialist elements will never put down their weapons or transform themselves into Buddhas until their extinction." (29)

Major Study References

Lenin, Imperialism, the Highest Stage of Capitalism, chaps. 1-6.

Chairman Mao, "On New Democracy."

Chairman Mao, "Cast Away Illusions and Prepare for Struggle."

Review Problems

1. What are the basic characteristics of imperialism? Why do we say monopoly is the most deep-seated economic basis of imperialism?

2. Why do we say the nature of imperialism will never change? Criticize On Superimperialism and its disguised versions.

Notes

1) "Imperialism and the Split in the Socialist Movement," Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, p. 883.

2) Ibid., p. 808.

3) Ibid., p. 817.

- 4) "On Contradiction," Selected Works of Mao Tse-tung, Vol. 1, Jen-min ch'u-pan-she, 1968, p. 289. 23) p. 335
- 5) Imperialism, the Highest Stage of Capitalism, Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, pp. 807-08. 24) 25) Works
- 6) "Materials for the Amendment of the Party Charter," Complete Works of Lenin, Vol. 24, pp. 431-32. 26) Works
- 7) Imperialism, the Highest Stage of Capitalism, Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, p. 769. p. 578 27) alism
- 8) Ibid., p. 810. of Len
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- 10) Engels, Anti-Dühring, Selected Works of Marx and Engels, Vol. 3, Jen-min ch'u-pan-she, 1972, p. 317. Select p. 836
- 11) State and Revolution, Selected Works of Lenin, Vol. 3, Jen-min ch'u-pan-she, 1972, p. 171. 29) Works
- 12) Engels, Anti-Dühring, Selected Works of Marx and Engels, Vol. 3, Jen-min ch'u-pan-she, 1972, p. 318. pp. 13
- 13) Imperialism, the Highest Stage of Capitalism, Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, p. 782.
- 14) "The Chinese Revolution and the Chinese Communist Party," Selected Works of Mao Tse-tung, Vol. 2, Jen-min ch'u-pan-she, 1968, p. 589.
- 15) Ibid., p. 591.
- 16) "Farewell, Leighton Stuart!" Selected Works of Mao Tse-tung, Vol. 4, Jen-min ch'u-pan-she, 1968, p. 1384.
- 17) Imperialism, the Highest Stage of Capitalism, Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, p. 795.
- 18) Ibid., p. 795.
- 19) Ibid., pp. 802-03.
- 20) Ibid., p. 802.
- 21) "Socialism and War," Complete Works of Lenin, Vol. 21, pp. 313-14.
- 22) "The Revolutionary Proletariat and National Self-Determination," Complete Works of Lenin, Vol. 21, p. 392.

23) "Chinese Wars," Complete Works of Lenin, Vol. 4, p. 335.

24) Ibid., p. 336.

25) "Draft Decisions of the Left Zimmerwaldists," Complete Works of Lenin, Vol. 21, p. 324.

26) "The Current Situation and the Party's Tasks," Selected Works of Mao Tse-tung, Vol. 2, Jen-min ch'u-pan-she, 1968, p. 578.

27) "Preface to the French and German Editions of Imperialism, the Highest Stage of Capitalism," Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, p. 733.

28) Imperialism, the Highest Stage of Capitalism, Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, p. 836.

29) "Cast Away Illusions and Prepare for Struggle," Selected Works of Mao Tse-tung, Vol. 4, Jen-min ch'u-pan-she, 1968, pp. 1375-76.

Imperialism Is the Eve of Proletarian Socialist Revolution

Imperialism Is Decaying and Moribund Capitalism*

After capitalism develops from free competition to the monopoly stage, its various contradictions intensify. These contradictions, like volcanos, threaten the existence of imperialism. The life of imperialism is then limited. Despite its fierce facade, imperialism is a paper tiger. Imperialism is the eve of socialist revolution.

Imperialism Is Parasitic or Decaying Capitalism

The Stagnating Tendency of the Development of Production and Technology

When capitalism develops into imperialism, it begins to decay and decline. Imperialism is parasitic or decaying capitalism. The decaying nature of imperialism is brought about by monopoly rule. Monopoly is the economic basis of the decaying nature of imperialism.

The decaying nature of imperialism is primarily manifested in the serious obstruction of the development of productive

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forces by the monopoly organization. It artificially prevents technical progress and ushers a stagnating tendency into the development of production and technology. Before monopoly, the capitalist cannot neglect technological advancement in his pursuit of excess profits at the expense of his competitors. In the monopoly stage, because the monopoly capitalist controls an absolute majority of some production sectors, he can obtain high monopoly profits by setting monopoly prices. Thus, the motive to adopt advanced technology is weakened to a certain degree. Under monopoly rule, the capitalist is afraid that advanced technology may weaken his monopoly position. He often artificially obstructs the development of new technology.

Why is the monopoly capitalist so afraid of advanced technology and why does he obstruct it? First, the widespread adoption of new technology and new equipment almost certainly reduces the cost of products and increases output. But it will also result in capital loss or the obsolescence of his original machines and equipment and bring about invisible depreciation; second, the adoption of new technology and equipment will lead to competition from similar and cheaper commodities which may threaten his monopoly position. The monopoly capitalist often reduces production to maintain monopoly prices and extract high monopoly profits. Therefore, many new techniques and inventions beneficial to the development of production are put aside once their patents have been bought by the monopoly capitalist. For example, the technology of artificial petroleum is detrimental to the monopoly of the petroleum companies and has been put aside for exactly twenty years. The invention of atomic energy is a great scientific achievement, but it is used by imperialism to make atomic weapons for aggression and not fully used as motive power for industry.

The obstruction of the development of production and technology by monopoly results in a gradual decline in the rate of capitalist expanded reproduction. Take the United States as an example. Its industrial production increased by about 3.9 times during the thirty years from 1871 to 1900. But in the thirty years [sic] from 1901 to 1929, it increased by only 2.7 times. In the

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thirty years from 1930 to 1959, the average (annual) rate of increase in industrial production was only 4.4 percent. The decreasing rate of development in United States production fully exposes the decaying nature of imperialism.

The appearance of a stagnating and decaying tendency in the development of production and technology in the imperialist stage does not mean that the development of production technology in the imperialist countries has come to a standstill. Lenin pointed out: "Should we think that this decaying tendency precludes any rapid development of capitalism, we would be mistaken. No, in the imperialist phase, individual industrial fields, individual bourgeois classes or strata, and individual countries will manifest in different degrees first this tendency and then that tendency." (1) This is because free competition leads to monopoly. But monopoly by no means eliminates competition. It only makes competition more acute or ruthless. In competition, various monopoly capital groups adopt violence, bribery, deception, and fraud to eliminate competitors. At the same time, the relative economic strength among various major capitalist countries may change. Under the general tendency of frustrated development of productive forces, the position of some capitalist countries may deteriorate, but the position of others may improve. Therefore, in the monopoly stage, the development of production and technology in the imperialist countries suffers a general stagnating tendency. But this by no means precludes the possibility of more rapid development in the production technology of a particular period, individual, or sector.

In the imperialist phase, the production technology of individual countries may undergo more rapid development. But, it is often temporary and exceptional. Take Japan as an example. In the 1950-1971 period, Japan's national product increased by an average annual rate of more than 10 percent. This trend cannot long be maintained. This faster development of Japan's production was a result of substantial help from United States imperialism to the monopoly capital of Japan. The aggressive wars against Korea and Vietnam by United States imperialism brought

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windfall profits to the monopoly capitalists of Japan. During the aggressive war against Korea in the 1950-53 period, United States imperialism paid Japan at least 2 billion dollars for military "special needs" orders. During the aggressive war against Vietnam, United States imperialism's payment to Japan for "special needs" amounted to 300-400 million dollars per year in the first half of the 1960s. From 1965 onward, it increased to 500-600 million dollars per year. United States imperialism also gave large quantities of loans to the monopoly capital of Japan, invested directly in Japan's heavy industry, and exported a large number of technical patents to Japan. At the same time, Japanese monopoly capital cruelly exploited the domestic laboring people and received large amounts of subsidies from the state budget. All these also contributed to the fast development of Japan's industry. The undervalued Japanese yen made Japanese goods very competitive in the world market. The above shows that the factors that promoted the development of Japan's industry cannot last long. The fast development of the Japanese economy is not only temporary but also abnormal and without foundations. First, along with the blind development of Japanese industry, agricultural production steadily declined. After the Second World War, the production of wheat cereals in Japan plummeted, the production of beans decreased substantially, and rice production has declined since 1968. From 1960 to 1970, the self-sufficiency rate of Japan's food products fell from 90 percent to 73 percent. Second, raw materials are largely imported and commodities depend heavily on the export market. The import ratio of ten major items of raw materials, including copper, aluminum, iron ore, petroleum, and coal, was 71 percent in 1960 and increased to 90 percent in 1970. The export ratio of Japanese industrial products increased from 18.3 percent in 1950 to 30.1 percent in 1969, including 46.4 percent of synthetic fiber woven goods, 67.4 percent of sewing machines, and 68.9 percent of ships. These facts show that the foundation of Japan's economic development is very shaky. It is impossible to sustain development at present rates on a long-term basis. The tendency toward stagnation will inevitably dominate.

The Militarization of the National Economy Seriously Undermines the Social Productive Force

The militarization of the national economy runs into a blind alley that imperialist economic development must ultimately follow. It is an inevitable result of the development of the inherent contradictions of capitalism and is also a concrete manifestation of the increasingly decaying nature of imperialism. To reduce the contradiction between the growth of capitalist productive forces and inadequate effective demand for the laboring masses and to avoid economic crises and redivide the world to obtain high monopoly profits, imperialism madly expands rearmament to prepare for wars. An increasing amount of the national income is used to support a large army, make weapons, support war-related research, and engage in imperialist aggressive wars.

The militarization of the national economy in the imperialist countries is first expressed in the increase of military expenditures. After the Second World War, the share of military defense expenditures in the United States budget steadily increased. From 1946 to 1970, direct United States military expenditures totaled 1,100 billion dollars, averaging 45 billion dollars a year. In the 1972-73 fiscal year, direct military expenditures totaled 78.3 billion dollars. With 11.7 billion dollars as subsidies for veterans and 3.2 billion dollars for the space program, the three items added up to 93.2 billion dollars. It was also manifested in the increasing shares of industrial production and scientific research in armament industries and military scientific research. A large amount of the labor force was transferred from the production sphere of social wealth to armament industries and military scientific research fields. In 1967-68, the level of employment in United States armament production in several sectors and its ratio to the total labor force were: 126,900 in electronic equipment, or 33.8 percent; 256,900 in radio equipment, television sets, and telecommunications tools, or 38.6 percent; and 615,900 in aircraft and accessories, or 72.4 percent. Of the total United States scientific and technical

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manpower, two-thirds is related to armament and space research. In the United States labor force of 77 million (excluding armed forces), about 20 percent depends on armament orders from the Defense Department.

The general militarization of the national economy in the imperialist countries led to serious unfavorable consequences. In recent years, the United States has spent about 100 billion dollars on armament and aggression. The products are either used to murder people in the battlefield and destroy social wealth or, if stored away, soon become scrap. They may become "obsolete" before even leaving the plant when new weapons are invented. The militarization of the national economy has brought about strange results: the inflationary expansion of the armament industry and the deflationary contraction of civilian industries. In the past twenty years, the production of guided missiles, aircrafts, and space vehicles in the aeronautics and space industries in the United States has increased its value by six times. On the other hand, the development of civilian industries has been slow. Some industries have had to reduce production. Take the textile industry as an example. The output in 1970 was only 88 percent that of 1950. The policy of aggression and wars pursued by imperialism and the militarization of the national economy lead to an immense waste of manpower, goods, and wealth and to great destruction of social wealth. This is a notable feature of the decaying nature of imperialism.

The Bourgeoisie Increasingly Becomes a Stratum That Thrives Solely on Interest

The parasitic and decaying nature of imperialism is further manifested by the bourgeoisie's increasingly becoming a stratum that thrives solely on interest. This so-called stratum that thrives on interest refers to those who have lost all connection with the production process and "live on interest." The bourgeoisie has never been engaged in production labor and has led an extravagant life by exploiting the worker. In the stage of imperialism, the parasitic nature of the bourgeoisie develops

further. Capitalist enterprises are wholly managed by specialized managerial personnel. The bourgeoisie, especially the monopoly bourgeoisie, is completely divorced from the production process and lives a parasitic life solely on income from stocks and shares. Lenin pointed out long ago, "Imperialism is simply a great concentration of money capital in a few countries," "and thus the stratum of people who live on interest and do not work increases rapidly." (2) For example, the income from dividends and individual interest in the United States in 1950 totaled 19.5 billion dollars. In 1963, it reached 50.3 billion dollars, an increase of 157 percent. The national income increased by only 102 percent in the same period. In 1970, the income from dividends and individual interest in the United States reached 89.7 billion dollars. The United States monopoly bosses lead extravagant lives with the income from exploitation. Some bosses of financial groups not only build villas, golf courses, and hunting grounds, using a lot of land for their own pleasure, but also show off their riches to each other. In 1964, one big United States monopoly capitalist named Ford spent half a million dollars for a party to celebrate his daughter's birthday. Not too long afterward, another big monopoly capitalist named Mellon spent a million dollars on a party to introduce his daughter to "society" to impress Ford. This incident fully exposed the parasitic nature of the monopoly bourgeoisie.

Another feature of imperialism is a rapid increase in capital export. With the increase in capital export, a few rich countries can become interest-earning countries that specialize in exploiting the people of colonies and satellite countries, being parasites on many economically underdeveloped countries. According to statistics, from 1950 to 1970 the interest from direct private United States investment reached 88.77 billion dollars, 14 percent higher than the total amount of direct private foreign investment up to the end of 1970. Direct United States investment in Latin America was 3 billion dollars in 1946 and increased to 11.7 billion dollars in 1969. But in these twenty-four years, interest derived from direct investment in Latin American countries which was paid to the United States alone

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amounted to 23.49 billion dollars, much higher than the net amount of direct United States investment.

United States interest derived from overseas is largely remitted annually to the United States to be spent by a handful of monopoly bourgeoisie. In the 1960-1970 period, remitted interest reached 43.4 billion dollars. During this period, unremitted interest amounting to 19 billion dollars was used for reinvestment to increase foreign exploitation. Thus, with United States imperialism's annual increase in foreign investment and interest, its parasitic nature also increased yearly.

All this shows that capital export is a solid foundation for imperialism's oppression and exploitation of the majority of nations and countries and a solid foundation for the parasitic capitalism of a few rich countries.

The Appearance of Worker-Elites Is Another Manifestation of the Parasitic Nature of Capitalism

The parasitic nature of imperialism is inevitably reflected in the labor movement. The formation of worker-elites and the appearance of revisionism are reflections of the parasitic nature of imperialism in the labor movement. Lenin pointed out: "Interest-earning countries are parasitic and decaying capitalist countries. This condition cannot but have effects on all social and political conditions of these countries, especially on two basic factions in the labor movement." (3) The monopoly bourgeoisie plunders and exploits the proletariat of colonies, satellite countries, and their own countries to obtain large amounts of high monopoly profits. To suppress opposition from the toiling masses, they use a small part of the huge monopoly profits to bribe a number of scabs to become agents of the monopoly bourgeoisie. These are worker-elites who get high salaries and live like the bourgeoisie, serving the monopoly bourgeois class. They mingle with the workers and specialize in selling out the interests of the working class and subverting worker movements. These worker-elites are loyal running dogs of the monopoly bourgeoisie of the imperialist countries.

High profits from monopoly capital is the economic basis of revisionism in the labor movement. Under imperialist conditions and with the appearance of the worker-elites, a revisionist theory and line to protect imperialist rule emerges. The worker-elites are bourgeois elements disguised as workers. Revisionism is a bourgeois class theory under the guise of Marxism. The worker-elites and revisionists are the most treacherous hidden enemies in the labor movement, and they may be regarded as boils on the body. If these boils are not completely removed, imperialism will maintain its decaying condition for a longer period of time. But, just as Lenin pointed out, "The rapid and vicious development of opportunism does not assure its victory." (4) Lenin further pointed out, "If the struggle against imperialism is not closely associated with the struggle against opportunism, then it is just so many empty words." (5)

Toward Total Political Reaction and the Steady Increase in the Severity of Social Crises

In the stage of capitalist free competition, the bourgeoisie still uses "democracy," "freedom," "equality," and "universal love" as guises to conceal the truth of bourgeois dictatorship. In the stage of imperialism, these thin "veils" are steadily trimmed down. Whoever opposes oppression and exploitation will be cruelly suppressed. Lenin pointed out: "The political superstructure of this new economic order, namely, monopoly capitalism (imperialism is monopoly capitalism), is transformed from democracy to political reaction. Free competition requires democracy, but monopoly requires political reaction." (6) In the United States, not only people who oppose violence were suppressed, but people who championed nonviolence have also been slaughtered. In 1968, a black American minister named Martin Luther King was murdered by the United States imperialists because he opposed racial discrimination and fought for civil rights. In line with total political reaction, imperialism has also degenerated in its ideology and culture. In imperialist countries, publications and movies devoted to violence and sex

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have flooded the market. In California, there have been thirty companies specializing in making sex movies. In the capitalist world, strange clothing, modern dances, and "Beatles" music bands have been common, and exhibitions of "impressionist" art painted by monkeys have been much in vogue. International contests of women "crying" and crawling races for babies under a year old are reported to have taken place. The culture and art under imperialism have been rotten to the core. Criminal activities such as theft and robbery and gangsterism and drug abuse have reached crisis proportions.

Facing this rotten society, many youths perceive a spiritual void, feeling that life is empty and meaningless and without a future. Some United States historians think that the United States "faces a situation in which the people have lost faith in their ideals, system, and future" and "are plagued by numerous crises." Some are even more blunt: "Our crises, which are spiritual in nature, can be traced to the obvious failure of our self-inflating capitalist social system" (Newsweek, July 6, 1970). Amidst the profound contradictions of imperialism, a few progressive elements gradually wake up to accept Marxism and reestablish the Marxist party and organization, unite the masses, and engage in resolute struggle against the imperialist system.

The parasitic and decaying nature of imperialism which results from the basic characteristic of imperialism, namely, monopoly, reveals that imperialism is merely a paper tiger. It looks fierce, but in fact it does not have much strength. The masses are the ones with real power, not imperialism or reactionaries. Just as Chairman Mao pointed out, "From a strategic viewpoint, or a long-run viewpoint, or looking at their substance, we must in effect treat imperialism and all reactionaries as paper tigers." (7)

Imperialism Is Dying Capitalism

The Intensification of the Contradiction between the Proletariat and the Bourgeoisie within the Imperialist Countries

Stalin said: "Lenin called imperialism 'dying capitalism.'

Why? Because imperialism carries the contradictions of capitalism to their end. What follows is the beginning of revolution." (8) When capitalism develops into the monopoly stage, the basic contradictions between the proletariat and the bourgeoisie and the capitalist nature of society have not changed. However, in the imperialist stage, monopoly has not only pushed social production to a larger scale but has also brought about even more concentration of the private ownership of the means of production. The development of the basic contradictions of capitalism intensifies all external and internal contradictions of imperialism. Chairman Mao pointed out, "The intensification of the contradiction between the two classes (the proletariat and the bourgeoisie), the development of contradictions between monopoly and competitive capital, the intensification of contradictions between the suzerain and the colonies, and the acute manifestation of contradictions among imperialist countries due to their uneven development lead to a special stage of capitalism, namely, imperialism." (9) Because of the serious intensification of all external and internal contradictions in imperialist countries, imperialism becomes dying capitalism, and the eve of proletarian socialist revolution draws near.

To pursue high monopoly profits, the monopoly bourgeoisie doubles its efforts to exploit and plunder the workers and push millions of laboring masses to the brink of starvation. The monopoly bourgeoisie devises various intensive labor systems, raises labor intensity, worsens labor conditions, and indiscriminately and incessantly increases its exploitation of the workers. The bourgeoisie also consciously relies on inflation to reduce real wages and lower purchasing power. For example, in the 1963-1970 period, prices and the cost of living increased yearly in major capitalist countries because of inflation. In this period, the United States' cost of living increased 26.8 percent. In Britain, it increased 35.3 percent; in France, 30.9 percent; in West Germany, 20.6 percent; and in Japan, 44.4 percent. Wages, however, did not increase sufficiently to offset inflation and the increasing cost of living. The livelihood of the laboring people worsened further. Through the government,

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monopoly capital plundered the laboring masses even more with excessive taxation. In the 1940-1970 period, tax revenue in the United States increased by sixteen times, from 16.5 billion dollars in 1940 (20 percent of the national income) to 278 billion dollars in 1970 (35 percent of the national income). Heavy taxation weighed down the laboring people, choking them breathless.

To protect its economic interests, monopoly capital inevitably resorts to fascist dictatorship to intensify the suppression of the workers through the state machinery. Overall political reaction is a natural political reflection of a monopoly capitalist economy. To implement fascist dictatorship and to suppress the people, imperialism expands the reactionary government machinery to a horrifying extent. Take the United States for example, where one out of every twenty people is an employee of the reactionary state machinery.

The ruthless economic exploitation and bloodthirsty political suppression of the proletariat by the monopoly bourgeoisie intensify the contradiction between the proletariat and the bourgeoisie. The heavier the oppression, the stronger the resistance. The daily awakening of millions of members of the proletariat and the laboring masses continuously wages revolutionary struggle against the capitalist system.

Since the Second World War, especially in recent years, strong and massive worker movements have come into existence. The struggle against imperialism is intensifying. According to obviously deflated official United States figures, in 1970 United States workers were on strike 5,600 times and 3.3 million workers participated. In 1971, both a nationwide strike involving 500,000 telephone workers and a strike involving 160,000 railway workers occurred. In the strikes, the workers chanted the combat slogan of "oppose (aggressive) wars, oppose poverty, oppose oppression," and they increasingly combined economic struggle with political struggle. According to official data from Britain (also obviously deflated), in 1970 there were 3,888 strikes with 1.65 million workers participating. In 1971, 13.5 million workdays were lost in connection with strikes in Britain. The revolutionary struggles of the Japanese working

class have also gathered strength. According to official Japanese statistics, the number of so-called "labor-capital disputes" (actually struggles of the worker against the capitalist) increased from 1,345 in 1955 to 5,283 in 1969, an increase of 2.9 times. In the same period, the number participating increased from 3.748 million to 14.483 million, an increase of about three times.

The mushrooming development of worker movements is a revolt by a vital organ of imperialism. It promotes the further deterioration of capitalist economic and political crises and incessantly deals serious blows to the rule of monopoly capital. The fate of imperialism is increasingly precarious.

The Contradiction between Imperialism and the Oppressed Nations Widens

"Colonies were seized with gunpowder and swords." (10) After it has seized colonies and semicolonies with force, imperialism ruthlessly exploits and enslaves these areas and nations. To exercise political control, it buttresses puppets, stations armed forces, and establishes military bases. To facilitate economic exploitation, it forcibly opens trading ports, controls customs and external trade, monopolizes money and finance, and forcibly seizes the rights to mine, operate factories, and navigate on inland waterways. To obtain high monopoly profits, the imperialist country ruthlessly exploits and oppresses the people of the colonies and semicolonies. The contradictions between imperialism and the oppressed nations are aggravated to an unprecedented degree. Imperialism controls the economic pulse of the colonies and semicolonies and colludes with local feudal power and comprador capital to restrict the development of their national economies. Imperialism also resorts to various measures to force the national economies of the colonies and semicolonies to be "simplified," that is, to produce only a few commodities required by foreign monopoly organizations, and thus cause their economic development to be lopsided and abnormal. As a result, the economies of these areas cannot be

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Since the Second World War, new upsurges have been appearing continuously in the national liberation movements of Asia, Africa, and Latin America. Many countries and areas have freed themselves from the fetters of imperialism and colonialism and have started on their independent roads. However, imperialism will never automatically retreat from the large-areas of Asia, Africa, and Latin America. In addition to their usual colonial measures, they have increasingly resorted to neo-colonial measures and have vainly attempted, under the guise of economic "aid," to further their vicious scheme of controlling these newly emerging independent countries. Through "aid," the capitalists have sought to dump their surplus goods and have used "aid" as a means of selling commodities. Through "aid," they have sought to control the economic policy of the recipient countries and control the development of these national economies. When some countries have refused to buy this imperialist trick, the imperialists have resorted to aggression and subversion and have gathered reactionary forces to instigate coups d'etat and overthrow progressive governments that have opposed imperialism and insisted on national independence.

The cruel plunder and bloodstained enslavement have widened and intensified the contradictions between the imperialists and the oppressed nations and peoples. From the day when the imperialist bandits set their feet on the sacred land of Asia, Africa, and Latin America, the oppressed nations and people who dearly treasure their freedom and independence have taken up stones, bows and arrows, spears, and artilleries to deal blows to imperialism. The heavier the exploitation and the tighter the oppression by imperialism, the more intense has become the resistance struggle of the oppressed nations and peoples. After the October Revolution, the national liberation movement ushered in a new historical era, constituting part of the proletarian socialist world revolution. The national liberation movements and the proletarian revolutionary movements in the imperialist countries are interrelated and mutually supporting. The colonies and semicolonies, once the reserve army of imperialism,

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have now become the reserve army of the proletarian world revolution. Just as Chairman Mao pointed out, "The revolutionary storm which has swept over Asia, Africa, and Latin America will surely deal a decisive and demolishing blow to the whole old world." (11)

The Intensification of Contradictions among Imperialist Countries

Imperialism's struggle to divide the world economically and territorially has intensified the contradictions among the imperialist countries. Their struggles for hegemony and territory and their mutual fighting and massacring will really help the oppressed and exploited nations rise up to revolt.

The increasingly uneven economic and political development among capitalist countries in the imperialist stage further intensifies the contradictions among the imperialist countries.

Lenin pointed out, "Uneven economic and political development is the absolute law of capitalism." (12) In the capitalist world, some countries develop faster, and others slower. Some countries even advance by leaps and bounds in certain periods of time. The uneven economic development among the capitalist countries inevitably leads to uneven political development. In other words, uneven economic development must inevitably lead to changes in the relative strength of the imperialist countries.

The law of uneven economic and political development has played a role in the whole history of capitalism. However, in the imperialist period, this uneven development of capitalism intensifies. In the second half of the nineteenth century, England, an old capitalist country, seized a great number of colonies and assumed a monopoly position in the world. Her relatively easy and complacent position of manipulating high profits from her territories all over the world lulled her into stagnation in technology and production. Meanwhile, armed with new technology, the capitalist countries which arose later, especially the United States and Germany, accelerated their development. In the 1880s, the United States had already caught up with

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England and had taken the lead in world industrial production, and by the early twentieth century, Germany had also surpassed England, assuming second place in world industrial production. The shift in the relative positions of economic strength had brought about a relative shift in political power. Following the shift of the balance of power, the countries began to struggle to redivide their spheres of influence and colonies.

Since the Second World War, the law of uneven economic and political development among imperialist countries has continued to play a role. Its characteristics have been: the decline of the United States, the continued decline of England, the rapid ascension of West Germany and Japan, and the substantial gains of Italy and France. In the twenty years from 1949 to 1969, the annual average growth rates in the national product of these countries were: the United States — 3.9 percent in the first ten years and 4.3 percent in the second ten years; England — 2.5 percent in the first ten years and 3 percent in the second ten years; West Germany — 7.4 percent in the first ten years and 5.2 percent in the second ten years; France — 4.5 percent in the first ten years and 5.9 percent in the second ten years; Italy — 6.1 percent in the first ten years and 5.6 percent in the second ten years; Japan — more than 10 percent for the whole period. New and uneven conditions appeared in their relative strength in terms of industrial production, capital and commodity exports, and international financial positions. The intensification of uneven economic and political development among the imperialist countries inevitably intensified the struggles among them for markets and supply bases for raw materials and for outlets for capital exports.

The operation of the law of uneven economic and political development inevitably led to wars and slaughter among the imperialist countries, thus revealing their weak links. These then became favorable conditions for the proletariat and the revolutionary peoples to bury imperialism. In his study of the laws of imperialist development, Lenin arrived at an important conclusion: Because of their uneven economic and political development, the imperialist battlefront will be smashed at its

weakest link, and socialist revolution will first triumph in one or several countries. Lenin not only created a revolutionary theory for our achievement of victory, he also set a brilliant example of how to carry out revolution. In the First World War, Russia was the focal point of all contradictions in imperialism at that time and was also the weakest link in the imperialist chain. Lenin seized this link and led the Russian proletariat to launch the great socialist October Revolution, overthrow the Russian bourgeois dictatorship with revolutionary violence, establish the world's first socialist country under proletarian dictatorship, and usher in a new era in human history. After the Second World War, the great victory of the national revolutions in China and other countries of Asia and Europe further confirmed the accuracy of Lenin's scientific theory.

The outbreak of the two world wars, the victorious march of the proletarian socialist revolutions, and the upsurge of national liberation movements further aggravated imperialism's political, economic, and social crises.

Although immense changes have occurred in the world, the imperialist period is not yet over. Chairman Mao often teaches us: We are still in the period of imperialism and proletarian revolution. Lenin's scientific analysis of imperialism based on the fundamental principles of Marxism is entirely correct. The basic principle of Leninism is not outdated; today it still remains the theoretical basis of our thought.

The life of imperialism will not be long. It is parasitic and dying capitalism on the eve of proletarian socialist revolution. But, it will never retreat from the historical stage of its own free will. The nature of imperialism determines that the closer it draws to the end of its life, the more desperately it will struggle for survival. We must realize that imperialism is basically weak, a paper tiger. We must cultivate a bold spirit, daring to struggle and being good at struggle. And we must unite the revolutionary peoples of the world to carry the struggle against imperialism to the end. 'Make trouble, fail, make trouble again, fail again until doom — this is the logic used by imperialism and all reactionary groups of the world to deal with the

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people's uprisings. They will never deviate from this logic." (13)
Making trouble is an expression of the desperate struggle of imperialism; to be doomed to failure until its elimination is the inevitable destiny of imperialist development. No one can change this law of history.

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Chairman Mao, "Talk with American Correspondent Anna Louise Strong."

Review Problems

1. Why do we say that imperialism and all reactionaries are paper tigers?

2. Why do we say that imperialism is the eve of proletarian socialist revolution?

Notes

1) Imperialism, the Highest Stage of Capitalism, Selected Works of Lenin, Vol. 2, Jen-min ch'u-pan-she, 1972, p. 842.

2) Ibid., p. 818.

3) Ibid., p. 820.

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6) "On the Ridicule of Marxism and 'Imperialist Economism,'" Complete Works of Lenin, Vol. 23, p. 34.

7) Notes on "Talk with American Correspondent Anna Louise Strong," Selected Works of Mao Tse-tung, Vol. 4, Jen-min ch'u-pan-she, 1968, p. 1088.

8) "On the Basis of Leninism," Complete Works of Stalin, Vol. 6, p. 65.

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11) Chairman Mao, "A Congratulatory Telegram to the Fifth Congress of the Labor Party of Albania," quoted in Jen-min jih-pao [People's Daily], November 4, 1966.

12) "On the Slogan of European Alliance," Complete Works of Lenin, Vol. 21, p. 321.

13) "Cast Away Illusions and Prepare for Struggle," Selected Works of Mao Tse-tung, Vol. 4, Jen-min ch'u-pan-she, 1968, p. 1375.

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reactionary government for the purpose of gaining points for the recognition of the status of belligerency under international law. At any rate, the GRP-NDFP negotiations are bound by The Hague Joint Declaration of 1992, which prevents the Manila government from imposing its constitution on the NDFF.

Do the theses of Chairman Mao on bureaucrat capitalism, protracted people's war and the proletarian cultural revolution continue to be valid for you?

Yes, those theses of Mao remain valid. They were scientifically and socially proven in Mao's time. The evil consequences of negating those theses also verify their validity.

Protracted people's war is the invincible weapon of the people in semicolonial and semifeudal countries. This strategic line allows the proletariat to give the fullest play to its basic alliance with the peasantry in order to overthrow the enemy and install a people's democratic state.

Bureaucrat capitalism is characteristically the key force of the comprador big bourgeoisie in semicolonial and semifeudal

countries. After the new-democratic revolution is completed and when the socialist revolution is going on, failure to grasp class struggle as the key link can lead to the emergence of bureaucrat capitalism on the basis of a petty-bourgeoisified bureaucracy and intelligentsia and under the influence of the international bourgeoisie.

The basic principles and methods put forward in the theory of continuing revolution under proletarian dictatorship and in the practice of the great proletarian cultural revolution have been proven correct by the proletarian revolutionary forces and people in Mao's time as well as by the subsequent revisionist betrayal and capitalist restoration in the post-Mao period.

End of interview

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On Monopoly Capitalist 'Globalization'

Excerpts From:

**On Monopoly Capitalist 'Globalization' —
Contribution of the Communist Party of the
Philippines to the 5th Conference of the
International Conference of Marxist-Leninist
Parties and Organizations (ICMLPO)
September 29, 1996**

Capitalism has been globalizing since the 16th century. In the manufacturing stage of capitalism, colonialism was a major part of the primitive accumulation of capital in addition to the exploitation of the proletariat and the peasants in Europe.

In their critique of capitalism, Marx and Engels saw the implications and consequences of colonialism and free trade in the period of free competition capitalism, when the industrial revolution was in progress and the bourgeoisie was wielding more political power than ever before. In fact, the propagandists of the neoliberal Right retrogressively pick up their liberal slogans from earlier centuries.

Towards the end of the 19th century, competition and the commercial crises led to concentration of capital and monopoly as the dominant force in the industrial capitalist countries. Industrial capital merged with bank capital to accelerate the

growth of capitalism as never before. The export of surplus capital gained crucial importance over the export of surplus commodities thus making the role of finance capital decisive. International combines of monopolies (cartels, syndicates and so on) arose. By the start of the 20th century, monopoly capitalism or modern imperialism had completely divided the world. Outside the imperialist countries, territories were divided into colonies, semicolonies and dependent countries.

Monopoly capitalism and the crisis of overproduction drove the imperialist powers to combine against each other in order to redivide the world and wage war. The first general crisis of monopoly capitalism led to World War I and the establishment of the first socialist country. The second general crisis of monopoly capitalism was even more severe. It led to World War II and to the rise of several socialist countries and the great wave of national liberation movements.

The third general crisis of monopoly capitalism did not result in any global war among the imperialist powers. The Cold War, which started out as the struggle between the capitalist camp and the socialist camp, eventually became a struggle between the imperialist alliance headed by the United States and Soviet social-imperialism. The revisionist rule and restoration of capitalism in the Soviet bloc countries since 1956 served to undermine the world proletarian revolution as

the two superpowers colluded against the interests of the world proletariat and people while they engaged in neocolonial competition.

Up to the middle of the '70s, however, the cause of world proletarian revolution advanced, especially through the Great Proletarian Cultural Revolution, the victory of the Indochinese revolution, and the perceivable strategic decline of US imperialism, despite the Soviet revisionist betrayal. But eventually, the traditional imperialist powers prevailed by integrating the revisionist-ruled countries, including China, and defeating the revisionist-ruled bureaucrat monopoly capitalism in the Soviet Union. The situation today is comparable to the early years of the 20th century before World War I. There is a unified world capitalist economy in the sense that no socialist country poses any serious challenge to the capitalist system. At the same time, this world economy has been divided among the traditional imperialist powers. But driven by monopoly competition and the crisis of overproduction, they strain to redivide the world, notwithstanding all their efforts to unify against the world proletariat and the people.

So far, monopoly capitalism has not made any fundamental departure from the five features of imperialism as defined by Lenin. We are still in the era of modern imperialism and proletarian revolution. This is especially because imperialism has warded off the challenge of socialism and national liberation movements in the wake of World War II. It has done so by using military power, finance capital and neocolonialism and by taking

New edition of Philippine Society and Revolution

"Integrating Marxist-Leninist theory with Philippine practice is a two-way process. We do not merely take advantage of the victories achieved abroad so that we may succeed in our own revolution. But we also hope to add our own victory to those of others and make some worthwhile contribution to the advancement of Marxism-Leninism and the world proletarian revolution so that in the end mankind will be freed from the scourge of imperialism and enter the era of communism"

—Amado Guerrero

MIM hails the publication of the new edition of *Philippine Society and Revolution* by Amado Guerrero. This book is essential reading for people interested in understanding the basic principles of the national-democratic revolution in the Philippines. *Philippine Society and Revolution* is also a shining example of concretely applying the correct principles of Marxism-Leninism-Maoism to the specific characteristics of a society in a living way. MIM highly recommends this book to all of its readers and commends the Philippine Information Network Service for its work in getting the book re-published.

Armado Guerro (the *nom de guerre* of Jose Maria Sison, founding chairperson of the Communist Party of the Philippines) wrote *Philippine Society and Revolution* in 1970. The book presents the main strands of Philippine history and the basic problems facing the Filipino people today: feudalism, bureaucrat capitalism, and imperialism. The book also presents the basic tasks of the people's revolution, emphasizing 1) the leadership of the Communist Party and the struggle against modern revisionism, 2) protracted people's war and Chairman Mao's strategic line of encircling the cities from the countryside, and 3) the revolutionary united front.

This new edition also includes "Specific Characteristics of our People's War, Our Urgent Tasks," and several contemporary

articles by Jose Maria Sison. The first two works were written in the 1970s and expand the fundamental analysis of *Philippine Society and Revolution*, summing up the first few years of political organizing and armed struggle. The contemporary articles show that the basic analysis of *Philippine Society and Revolution* apply today — the Philippines is still semi-colonial and semi-feudal, and protracted people's war and the eventual development of socialism are still the keys to true national liberation.

In the late 80s and early 90s, "left" and right opportunist forces sought to derail the revolutionary movement by changing the basic analyses and perspective of the movement. The Second Great Rectification Campaign, launched in 1992, largely succeeded in reaffirming the guiding principles laid out in documents such as *Philippine Society and Revolution*. The publication of a new edition of *Philippine Society and Revolution* will help to thoroughly defeat the "left" and right opportunist lines and ensure that the revolutionary movement remains on the correct path.

Revolutionaries here inside American borders can learn several lessons from *Philippine Society and Revolution*. On the one hand, we can increase our knowledge of the specific characteristics of the Philippine situation and better expose and combat the crimes of American imperialism in the Philippines. On the other, *Philippine Society and Revolution* provides us with an excellent introduction to some of the basic principles of Marxism-Leninism-Maoism, and serves as an inspiration to us to take these principles and apply them to the concrete conditions here. Ultimately, we can best serve the revolutionary movement in the Philippines and all other societies by making revolution here.

The new edition of Philippine Society and Revolution is available from MIM for \$20. Write to MIM Distributors, PO Box 29670, Los Angeles, CA, 90029-0670.

advantage of the revisionist betrayal and capitalist restoration in the Soviet Union since 1956.

Since a long time ago, capitalism in the pursuit of profit has shrunk the globe by bombarding the backward countries with surplus commodities and surplus capital. It has been driven to do so by its own laws of motion, the class struggle between the bourgeoisie and proletariat, the struggle between the imperialists and oppressed peoples and nations and inter-imperialist contradictions. To free themselves effectively from the clutches of monopoly capitalism, the world proletariat and people have no choice but to wage class struggle and armed revolution in order to establish the proletarian dictatorship or the people's democratic dictatorship, as the case may be.

Interimperialist contradictions impelled the rapid scientific and technological advances during World War II and the Cold War. The use of nuclear, electronic and other new technologies in social production by the traditional imperialist powers was a major factor in the victory over Soviet bureaucrat monopoly capitalism, which had rushed headlong into the arms race and failed to renovate civil production and to compete in the production and marketing of new consumer products. Now, high technology is more than ever accelerating the crisis of monopoly capitalism and the intensification of the basic contradictions of the world capitalist system. Among the winning imperialists, the higher social character of high-tech production comes into a more severe contradiction with the greedier methods of private appropriation under the global monopoly capitalist policy of neoliberalism. The recrudescent liberal jargon cannot change the nature of imperialism and its dire consequences to the world's proletariat and people.

I. THE TERM AND CONCEPT OF GLOBALIZATION

As used by the big bourgeoisie and its petty-bourgeois followers, "globalization" is a supraclass, supranational and universalist process of irresistible all-round homogenization of the world under the auspices of monopoly capitalism, through the multilateral agencies (United Nations (UN), International Monetary Fund (IMF), World Bank (WB)/IBRD and World Trade Organization (WTO)) and the multinational or transnational firms and banks.

It seeks to deny Lenin's theory of uneven development, his description of the current era as that of modern imperialism and proletarian revolution, the class struggle and the need for proletarian dictatorship in imperialist countries, the oppression of peoples and nations by imperialist states and foreign monopolies, and the need for the anti-imperialist revolutionary struggle under the leadership of the proletariat.

It seeks to obscure such basic contradictions in the world capitalist system as those between the bourgeoisie and the proletariat, between the imperialists and the oppressed peoples and nations and among the imperialists and monopoly combines themselves. It seeks to deny the national and ultranation-

al character of the monopoly bourgeoisie and the need for establishing the proletarian dictatorship in specific countries. It is an idealist and reactionary concept for denying and glossing over the reality of imperialist states and exploiting classes, for exaggerating the unification of the industrial capitalist states and the monopolies, for metaphysically separating the imperialist states from the monopolies and then claiming that the latter decide on their own (without using their own states) the "development" or exploitation of the world.

Both petty-bourgeois exponents and critics of "globalization" agree on the same virtual reality that transnational corporations now rule the world independently of and more effectively than national states, as if there were no necessary connection between the monopolies and the national states as well as the imperialist-controlled multilateral agencies. They mystify "globalization", they browbeat and keep out of the discussion those who advocate anti-imperialist and class struggle and they limit the debate to one between outright pro-imperialism and reformism.

Marshall McLuhan (1962) first popularized the term "globalization", particularly in the use of his catchphrase "global village". He described the electronic means of instant global communications as changing the content of modern culture. Indeed, with the further development of modern communications and transport, the imperialists would gain another advantage and weapon for further seizing economic, political and cultural initiative and determining the trends of thought and entertainment in the world against their revolutionary opponents as well as their social-imperialist rival.

In the '60s and '70s, petty-bourgeois minded academics were encouraged with research grants to undermine or put aside Marxist-Leninist theory with pseudo-Marxist theorizing about the nature of the world capitalist system. Their ideas about the "post-industrial society" and "development" were sidestreams to the growing "mainstream" debate of the Keynesians and monetarists in bourgeois society.

Immanuel Wallerstein (1974) came forward with his "world system" theory, conceptually dividing the world into a center or core of industrial capitalist countries and the periphery of underdeveloped countries but exaggerating the coherence of the world capitalist system to the point of glossing over the distinction of national modes of production. The theorists of "dependent capitalism" played along with their own nuances on the unification of the world and dichotomy into metropolis and dependent countries. They slurred over the real differences between the far more numerous semifeudal countries and the fewer dependent capitalist countries and conceptually dissolved the former.

Petty-bourgeois technocrats in UN agencies, academics in the UN university system, bourgeois institutes of development, imperialist state agencies, neoconservative think tanks and the Munich-based Max Planck Institute orchestrated the propaga-

tion of the neo-Kautskyite notion that monopoly capitalism is benign, even if painful, criticizable and therefore reformable, because it supposedly breaks down precapitalist formations and opens the way to capitalist development and free market economies. In the '70s, the multinational corporations (MNCs) were quick to adopt "globalization" as a shibboleth and marketing strategy. They saw the combination of culture and market as the way to maximize the global sales of products through global advertising, exemplified by Coca Cola offering the image of an assembly of people of all nations singing in "perfect harmony".

While the Soviet social-imperialists competed with the US imperialists in neocolonialism and military interventions and prated about "noncapitalist development", China's Deng revisionist clique whipped up the Kautskyite "theory of productive forces" and pushed big comprador modernization by carrying out capitalist-oriented reforms and integrating China into the world capitalist system as a "developing" country.

The nationalization of oil production in OPEC countries and the demand of third world countries for a new international economic order were undercut by imperialist control of the global market and overloading of the neocolonial client states with loans to induce infrastructure building, an overproduction of raw materials, higher military spending, conspicuous consumption and bureaucratic corruption.

Since the '80s, the bourgeois economists have been celebrating as the most important feature of globalization the dismantling of national barriers to the operation of capital markets. Simultaneous dealing in the main markets of New York, London, Tokyo and Frankfurt is supposed to be beyond the control of any one national agency even as in fact the stocks and bonds traded are still mainly and characteristically those of the national shareholders, firms and governments in the country of the capital market. So far, without losing their national basing and instrumentation of their states, the monopolies have "globalized" most such aspects as finance capital, trade and the use of high-tech communications rather than productive capital. There is no such thing as the limitless internationalization of the capitalist mode of production as to dissolve the far more numerous semifeudal economies and the lesser number of dependent capitalist economies and the so-called newly-industrializing economies.

Reaganism and Thatcherism, the rise of monetarism, neoliberalism and the drive for privatization and deregulation, the collapse of revisionist-ruled states and the rampage of neocolonialism have meant the unification of the monopoly capitalists against the proletariat and oppressed peoples and nations, without eliminating nationality and monopoly competition among imperialists themselves.

Such instruments of capitalist "globalization" as the monopoly corporations and banks have not lost their national character (if one examines the main nationality of the investors

and the special advantages taken from their respective states). Multilateral agencies like the UN, IMF, WB, WTO, OECD, Group of 7, Group of 24 and so on involve the individual participation and combinations of imperialist states, according to their relative strengths, at the expense of a majority of states.

Both the illusion and some real degree of the unification and homogenization of the monopoly capitalists and the world capitalist system to the extent that there has yet been no inter-imperialist war, except the real localized and regional "proxy" wars between one imperialist and another social-imperialist power during the Cold War, have been the consequence of the US-led capitalist alliance since the end of World War II against several socialist countries and the great wave of national liberation movements.

To allow the expansion of capital, restrain interimperialist contradictions and defeat the socialist challenge in a constricted world market, the monopoly capitalists have used state monopoly capitalism to muster resources and create outlets for surplus capital in the reconstruction of war-ravaged capitalist economies, military research and development, the arms race, the competition in space exploration, suburbia and the car culture, the production of new consumer goods, neocolonialism and the penetration of the bureaucrat capitalist regimes.

In the wake of capitalist restoration in China and the collapse of the earlier revisionist-ruled states and economies in the Soviet bloc, the basic contradictions in the world capitalist system are exposed and intensified because the winning capitalist powers are now weighed down by both the costs of winning the Cold War and the ever pressing crisis of overproduction, which is accelerated by high technology for private profit and the self-defeating ravages of finance capital and neocolonialism. The costs of winning the Cold War include the colossal deficit-spending of the United States for the arms race and accommodating the exports of its allies for so many decades, the strengthening of capitalist allies which have become competitors, and the widescale neocolonial destruction of productive forces in most countries. The counterproductive character of neocolonialism is the result of imperialist financing for the overproduction of raw materials and some manufactures for the consumption of the capitalist countries and the upper classes in the underdeveloped countries since the '70s.

Even as the slogans of free market economies and free trade are ringing loud, the US, the European Union and Japan are scrambling to consolidate their respective national and regional markets and penetrate each other's secure markets.

Under the global regime of privatization, deregulation and free trade, the former Soviet bloc countries, China and India should be huge additions to the world capitalist system as fields for all sorts of investments and as markets. But the main thrust of the multinational firms is to take over profitable enterprises, dump their surplus products and speculative capital on these countries, undermine and close down national

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industries without replacing them and prioritize in a few low-wage countries export-oriented sweatshop manufacturing which is now overproducing the consumer goods for the industrial capitalist countries.

The basic point to keep in mind about high technology for private profit is that it has an unprecedentedly high social character (so many units for society at so small a labor cost per unit) but the capitalist relations of production involve an unprecedentedly rapacious method of private appropriation.

Taking advantage of its lead in research and development and possession of property rights over high-tech processes, the US has been renovating its equipment, overproducing high-tech goods for production and consumption and unsettling the balance of its relations with the other industrial capitalist countries. The United States is now notorious for its bullying tactics in trying to break the Japanese market wide open for US products and to reduce or take back previous market accommodations to Japan in the Asia-Pacific.

The United States raises its own productive capacity for export and at the same time directly subordinates Japan through bilateral agreements on investments, trade, finance, technology, energy sourcing and security. It has the NAFTA as a regional market. And in East Asia, it puts Japan and other countries within the framework of US hegemony through the Asia-Pacific Economic Cooperation (APEC). While the US and Japan compete, they unite at the expense of other countries and the world proletariat and people.

It is only the low end of high technology, such as nonreproductive manufacturing equipment and consumer goods, that is being brought to only a few underdeveloped countries and the "newly-industrializing economies." The high end of high technology or the know-how and equipment to produce high-tech equipment are held tightly by the few industrial capitalist countries.

The kind of equipment and processes that is brought to the underdeveloped countries of East Asia and elsewhere involve mainly the use of cheap labor for the reassembly of parts to make such consumer goods as electronic gadgets, clothes, toys, shoes and the like for the industrial capitalist countries as well as for a small portion (not more than 10 percent) of the local population.

However, in most of the underdeveloped countries where the low end of high technology does not reach, production with the use of older equipment becomes uncompetitive in the world capitalist market. There is today a widescale closure of old plants without any replacement. The overproduction of goods in a few "newly-industrializing economies" and underdeveloped countries crushes the production of goods by older equipment in a far greater number of underdeveloped countries.

International finance for the so-called emerging markets is used to stimulate the production and sale of consumer goods of

the multinational companies and to cover the debt service burden and the current budgetary and trade deficits of particular countries. A worse form of finance capitalism has arisen as a result of a series of IMF-WB structural adjustment programs (SAP). The amount of loan capital available for infrastructure building and stimulation of raw material production has decreased. But more than a trillion dollars of speculative capital move daily to finance consumerism, debt service, deficits and privatization of public assets. Ninety percent of the investments moving about daily are in the form of speculative portfolio investments and are concentrated in the United States, European Union and Japan.

In a social and cultural sense, "globalization" is nothing but a new fancy term for the old darned bourgeois cosmopolitanism that is so contemptuous of proletarian internationalism and the anti-imperialist solidarity of the peoples of the world. Like the petty bourgeois-minded academic pedants of the '60s and onward, the present-day petty-bourgeois camp followers of the big bourgeoisie, whose babbling numbers have increased in academia and NGOs due to official adoption and funding by imperialist agencies, love to spring the term "globalization" in a vain attempt to confound others and declare as "outdated" the Marxist-Leninists and anti-imperialists. To pass themselves off as progressive, they criticize to some extent the multilateral agencies of imperialism and the multinational firms and banks but they use the technocratic concepts and pseudoliberal language of the imperialists, the UN and bourgeois institutions and merely advocate some reforms within the world capitalist system.

In academic gibberish, they present themselves as "post-modern", departing from the abstractions of "modernism" and returning to the human shape in the form of "mass" or "pop" culture and "multiculturalism" or more precisely the bourgeois assimilation of folk culture in response to the criticism of "globalization" as cultural imperialism.

The petty-bourgeois camp followers, who parade under the signboard of "globalization", speak in the high-flown "classless", "supraclass", "universalist" terms of having a sense of the common fate of humanity, of being supranationalist at the level of individual commitment to "globalist" values and of engaging in social movements without class and national commitments, especially in such issues as environment, gender, ethnicity and the like, which they misappropriate for their anticommunist and pro-imperialist purposes.

In both industrialized capitalist countries and underdeveloped countries, monopoly capitalism has systematically and cleverly used the petty-bourgeois mentality to separate the white collars from the blue collars as well as the higher stratum of the blue collars from the lower strata and pave the way for the acceptance of the undiluted ideas of the big bourgeoisie.

The petty-bourgeois mentality has also been used to pene-

trate the working class movement and to subvert socialist societies and pave the way for the revision of the basic principles of scientific socialism, the coming to power of revisionist cliques and the emergence of bureaucrat monopoly capitalism.

Petty-bourgeois ideology and sentiments have been so well developed in bourgeois academic institutions and so well publicized by high-tech mass media in support of monopoly capitalism that the bourgeois concept of "globalization" has seeped into some parties that try to take the working class stand. The so-called information superhighway is littered with a great deal of trash. It is in fact a disinformation superhighway dispensing a glut of disinformation in the service of monopoly capitalism. The concept of "globalization" is inducing certain wrong notions such as the following:

1. That Lenin's era of imperialism and proletarian revolution belongs to the past and that neocolonialism is a post-imperialist phenomenon.

2. That Kautsky is after all correct with his theory of ultra-imperialism, contradicting Lenin's theory of uneven capitalist development and misrepresenting imperialism as a unified benign force that breaks down precapitalist formations and brings about industrial capitalist development and the growth of the working class on a global scale.

3. That the study of the Marxist-Leninist theory of state and revolution, class struggle and proletarian dictatorship can be put in the backburner to give priority to higher but purely economic demands (e.g. equal pay for equal work the world over) as the main preparation for the world proletarian revolution, instead of the burning issues (e.g. the current reality of rising mass unemployment and deteriorating wage and living conditions) that immediately make the class struggle a political struggle.

4. That the new-democratic revolution led by the proletariat in the underdeveloped countries cannot be but bourgeois-nationalist if it cannot await a new wave of socialist revolutions in the imperialist countries.

5. That the world proletarian revolution can only be the result of a simplified struggle between a globally unified monopoly bourgeoisie and the world proletariat and that the total collapse of that unified imperialism is impending despite the current state of the subjective forces of the revolution in the world.

II. FACTS ABOUT MONOPOLY CAPITALISM

The United Nations Commission on Trade and Development (UNCTAD) has been an outstanding propagandist of the line that transnational corporations (TNCs) have been internationalizing the capitalist mode of production to the extent that these entities have been doing away with their national basing and that these have little or no more national basing.

It preaches the following: "Enabled by increasingly liberal

policy frameworks, made possible by technological advance and driven by competition, globalization more and more shapes today's world economy. Foreign direct investments by transnational corporations (TNCs) now play a major role in linking many national economies; building an integrated international productive system as the productive core of the globalizing world economy."

In the World Investment Report of 1995, where the above quotation appears, the UNCTAD unwittingly belies its own panegyric for the TNCs with the statistical data it provides. TNCs are exceedingly few in comparison to multinational corporations (MNCs). The overwhelming majority of monopoly firms that conduct international business are nationally based and are controlled by national shareholders. They practically carry national flags as they consolidate their control over the own national and regional markets and try to penetrate the markets of others.

They invest and trade multinationally but the large majority of their assets and sales are in their home countries. According to a 1993 listing of Fortune Global, only 18 of the 100 largest companies kept the majority of their assets abroad. Shareholdings are even more limited to nationals, especially because the underdeveloped host countries of subsidiaries succumb to the economic and political pressures of the imperialist states and allow nationals of a foreign country to own up to 100 percent of the subsidiary firm. It is also a myth that management is being internationalized. Only 2.1 percent of the board members of the top 500 US companies are foreign nationals.

All monopoly firms benefit from the industrial, financial, trade and security policies of their own states. Many of them are beneficiaries of contracts, export incentives, investment insurance and financial bailouts provided by their governments. State monopoly capitalism provides so many kinds of incentives to the monopoly firms. Most research and development are undertaken at home, often with state assistance. Imperialist states and monopoly firms of various states are increasingly engaged in industrial and economic intelligence and counterintelligence against each other.

According to UNCTAD's own index of transnationality based on shares of foreign assets, foreign sales and foreign employment, the top 100 MNCs reduced their foreign activities because of depressed conditions in most underdeveloped countries. These activities include production and speculation.

Far from creating an international capitalist mode of production or an "integrated production system" on a global scale, the MNCs are reinforcing the economic domination of the world by a small minority of imperialist countries, are destroying national industries of other countries without replacing them with new productive assets and are making more grossly uneven the development of the world. They jealously guard and keep their basic technology and core processes in the

own countries and concentrate the low-end of high technology on some 10 countries in the world, where they avail of cheap labor in sweatshops that can be easily relocated as soon as the wage level rises. Rather than the TNCs, the MNCs are the principal instrument of the imperialist countries for competing with each other and redividing the world.

There is a growing surge of finance capital, especially in the form of speculative portfolio investments. This is pushed by recurrent recessions and stagnation in the industrial capitalist countries and by the economic devastation of the third world and the former Soviet bloc countries. Foreign direct investments (FDI) have increased five times faster than the value of trade and ten times faster than the value of world output since 1983, according to David Yaffe, who provides further data below.

From 1991 to 1993, global FDI stocks increased about twice as fast as global exports and three times as fast as global GDP. In 1995, the FDI of MNCs stood at around USD 230 billion. But it generated a global FDI stock of USD 2.6 trillion and global sales of foreign affiliates at USD 5.2 trillion and up to USD 7 trillion, including the subcontractors, franchise holders and licensees. The financial bloat is unprecedentedly large in the entire world history of capitalism.

Investment stocks and flows inward and outward are concentrated in the three global centers of capitalism, the United States, Japan and the European Union and their regional trading partners. Seventy per cent of the outflows from the imperialist countries (60-65 percent of global flows) comes from only 5 countries: US, Japan, Germany, France and the United Kingdom. Recently, the US has recovered the lead in FDI, accounting for one-quarter of the global stock and one-fifth of global flows.

FDI outflows from the third world economies are merely 10 percent of global FDI outflows in 1994 and come from a small number of so-called newly-industrializing economies (NIEs), mainly in East Asia, with Hongkong alone accounting for 64 per cent of the total. The outward investment involves moving labor-intensive activities to lower-wage countries in the same region. Only 6 percent of FDI outward stock is accounted for by third world economies, even as their share of global exports and global GDP are 23 and 21 percent, respectively.

FDI outflows from the imperialist countries into the third world countries increased from USD 35 billion in 1990 to USD 84 billion in 1994 and about USD 90 billion in 1995. Seventy-five percent of the inflows into third world countries went to only 10 countries in 1993, with China taking 37 percent of the total.

FDI stock of the imperialist countries abroad was also highly concentrated, with 67 percent going to only 10 countries. Asia accounted for 70 percent of total flows into the third world in 1994. Latin America received 24 percent, with

Mexico and Venezuela taking 71 percent of this. Africa got a measly 4 percent of the total flow into the third world. Thus, it continues to be the most abandoned continent, with FDI flowing mainly to oil-producing countries.

Central and Eastern Europe received USD 6.3 billion of FDI from the imperialist countries in 1994. The amount has been used mainly for taking over profitable enterprises and facilitating the dumping of surplus goods overproduced by the imperialist countries.

To demonstrate the worsening uneven development of the capitalist world, let us consider FDI in terms of its distribution among the world's population. The United States, Japan and European Union have only 14 percent of the world's population but have 75 percent of the total of global FDI flows.

If we add the population of China's coastal regions, into which flows the biggest part of the FDI from the imperialist countries, then only 28 percent of the world's population get 91.5 percent of FDI. Between 57 and 72 percent of the world's population receive only 8.5 percent of total global FDI. What integrated production system is UNCTAD babbling about? The promotion of export-oriented manufacturing in China's coastal regions as well as all the consumption-driven and import-dependent economic activities undertaken by the MNCs and the Chinese new bourgeoisie have undermined the comprehensive industrial foundation built under socialism and Mao. The heavy and basic industries under bureaucrat capitalist management are being bankrupted, breaking down, being opened to privatization or being closed down.

There are about 40,000 MNCs with 250,000 foreign affiliates today. The largest 100 MNCs (excluding those in banking and finance) have about USD 3.7 trillion of global assets, with USD 1.3 trillion outside their home countries. They account for a third of the combined FDI stock of their countries.

The world's 500 largest industrial corporations employ 0.05 percent of the world's population and control 25 percent of the world's economic output. A mere 1 percent of all MNCs own half of the global stock of FDI. Two-thirds of world trade is controlled by MNCs, with half of this or USD 1.3 trillion exports being intra-firm trade between MNCs and their affiliates. USD 4 out of USD 5 received for goods and services sold abroad by US MNCs are actually earned from goods and services produced by their foreign affiliates or sold to them. The goods are processed with cheap labor abroad.

The top five MNCs control nearly 70 percent of the global market for consumer durables. So do the top five firms in automotive, airline, aerospace, electrical components, electronics and steel industries control more than 50 percent of output. The top five MNCs in oil, personal computer and media industry account for more than 40 percent of global sales. The foreign affiliates of 23 MNCs account for 80 percent of the total world sales in electronics. Seventy to 80 percent of global research and development (R&D) expenditures and 80 to 90

percent of technology payments are within the confines of the MNCs.

Most FDI flowing into the imperialist countries do not involve new productive investments but mere speculation, ownership switching and busting of unions through mergers, acquisitions and privatizations. Ninety percent of the value of the FDI going to the US in 1993 was for acquisitions of existing companies. In the case of outward FDI from the US, the ratio of the number of new establishment to acquisitions was 0.96 in other imperialist countries and 1.8 in third world countries.

The FDI flowing from the MNCs to third world countries was only 7 percent of the domestic investment of these countries in 1993. The 10 countries where this FDI is concentrated are attractive to the MNCs for various reasons: high rates of profit, access to large markets, relatively good infrastructure, cheap labor, deregulated economy, security guarantees, repression of the working people and no requirements of environmental protection.

The rate of return to US FDI in third world countries in 1993 was officially at 16.8 percent, nearly twice the level in imperialist countries at 8.7 percent. The rate of return is actually far higher in third world countries, if we take into account transfer-pricing (overpricing imports and underpricing exports by MNCs in host countries). Under third world conditions of deteriorating terms of trade, debt servitude and policy subservience, the depreciation of labor power and tax avoidance are easily done.

Export-oriented manufacturing has been shifted by the MNCs to some countries in the third world and Eastern Europe because the cost of labor is low. Labor power can be as low as USD 1 per day in China compared to USD 31 per hour in Japan. Average labor cost in Eastern Europe is USD 1.50 per hour, while it is USD 26 in Germany. It is USD 5 per day in Mexico, while it is USD 16.17 per hour in the US.

UNCTAD and the MNCs expect that the FDI flows into the third world and East European countries can generate industrial development and a middle class as a consumer market even without the establishment of heavy and basic industries and in fact with the destruction of national industries. But what they miss is the growing overproduction in export-oriented manufacturing whose products are destined mainly for the imperialist countries. The overproduction of textile and apparel has been conspicuously worsening in China and the rest of East Asia since 1994. Likewise, the glut in the reassembly of electronic products is increasingly showing.

The sweatshops of China and the rest of East Asia are bound to be in trouble as the US expands the same type of operations in Mexico within the NAFTA framework, especially after the fall of the Mexican peso. This has made Mexican labor far cheaper than before. The crisis of overproduction in the imperialist countries results in mass unemployment and a

reduced market for the exports of the South and the E. where more and more countries are enticed to overproduce consumer goods for the imperialist countries. Previously stated by the crisis of overproduction in raw material since the '70s, most of the third world countries are debt-ridden, depressed and impoverished. Now the tigers and kittens among them in export-oriented manufacturing are in for the crisis of overproduction in consumer manufactures for the imperialist countries. This coincides with the crisis of overproduction of high-tech and other goods in the imperialist countries.

The current rapid expansion of production and foreign trade, followed by crisis, is similar to that in the period before World War II. FDI stock was 9 percent of world output in 1913, while it was 8.5 percent in 1991. But far more unsettling to the world capitalist system now is the flow of USD 1.23 trillion a day through the foreign exchange system as investment. Firms and MNCs are increasingly drawn to speculation and sheer finance capital operations.

Third world debt, now at more than USD 1.8 trillion, continues to rise despite the resort to rapid local public borrowing, attraction of speculative portfolio investments, privatization of public assets and rising levels of taxation, if only to cover trade and budgetary deficits. The former Soviet bloc countries generally are afflicted with conditions similar to those of the third world countries. They are economically depressed and are weighed down by rising deficits and debt burden.

The global market for the imperialist countries is shrinking and giving rise to more intense competition among the imperialist countries. Despite the WTO, the imperialist countries gear themselves up for trade wars by consolidating national and regional markets and by trying to penetrate each other's markets. The interimperialist struggle to redivide the world is sharpening.

The development of the world capitalist system has become more grossly uneven than ever before. We should not see onesidedly only the integrative and constructive consequences of high technology in capitalist production for profit. It is absolutely necessary to see the disintegrative and destructive aspect. In fact, the destruction of productive forces is the main aspect adversely affecting all the imperialist countries and the underdeveloped countries, as a result of the concentration of high-tech production in a few imperialist countries, the rapid accumulation of capital there and the accelerated crisis of overproduction.

It is a basic law of monopoly capitalism that the expansion of productive capital in the world runs up to certain limits and goes into destruction of productive forces. The world capitalist system is now in the throes of a great spasm, which has already created a new world disorder.

III. PERSPECTIVE OF THE WORLD PROLETARIAN REVOLUTION

The scientific basis for the revolutionary optimism of the revolutionary forces of anti-imperialism and socialism is to be found in the accelerated contradiction between the forces and relations of production under capitalism.

Productivity has been raised so high by high technology and a far more educated and trained work force than ever before has arisen in the world. And yet the relations of production have become far more avaricious than ever before with the worst forms of finance capital and far more destructive than ever before to the forces of production. This fact is emphasized by the monopoly capitalist propagation of the dogma of neoliberalism. The irrationality of capitalism is seen most starkly in the unemployment and impoverishment of the people in the face of the stupendous amount of productivity available.

Computer technology is potentially a tool for socialist economic planning and obtaining the general and specific demands of the people. In the meantime, however, the imperialists use information technology for their own purposes in the mode of production and superstructure. The absurdity of capitalism is flagrant in the reign of imperialist and petty-bourgeois disinformation and miseducation with the use of powerful high-tech means of information and education. In due time, the class struggle between the bourgeoisie and proletariat will sharpen in the superstructure as the latter intensifies its resistance in all forms of social activity.

CONTRADICTIONS BETWEEN IMPERIALISM AND THE OPPRESSED PEOPLES AND NATIONS

Through the use of neocolonialism and wars of aggression, the imperialists have carried out the most bitter oppression and exploitation and the ruination of national economies in Asia, Africa and Latin America and in the former Soviet bloc countries in Eastern Europe and elsewhere. The new world disorder is currently on a rampage in the countries of the oppressed peoples and nations as a result of intensified exploitation under the banner of neoliberalism, privatization and free trade.

The intolerable economic dictates, blockades, intervention and aggression of the imperialist countries and the conflicts of reactionary cliques using the slogans of nationalism, ethnocentrism and religion are currently generating instability, tension and violence on a wide scale. There are revolutionary movements led by the revolutionary parties of the proletariat but are still few as a result of imperialist suppression, neocolonialism and revisionist betrayal. Even then the struggle between armed revolution and armed counterrevolution is focused on the countries of the oppressed peoples and nations. The world proletariat and people should cherish and support the armed revolutionary movements led by the proletariat because these are

the harbingers of the resurgence of the world proletarian revolution on an unprecedented scale.

CONTRADICTIONS AMONG THE IMPERIALISTS

Since the advent of Soviet monopoly bureaucrat capitalism in 1956, there had been a bitter interimperialist struggle between two superpowers even as the revisionists and social-imperialists misrepresented this as a struggle between capitalism and socialism during most of the run of the Cold War. In the wake of the collapse of the Soviet Union, the traditional capitalist powers headed by the United States have remade a world capitalist market without the challenge of a socialist productive system, and continue to be united against the revolutionary forces and the people. But they are increasingly competing and maneuvering against each other.

The expansion of capital from the traditional imperialist powers to China, the former Soviet bloc countries and other countries with some industrial foundation is aimed at the destruction of the national industries. The consequence is self-defeating for the imperialist countries because there is eventually a destruction of the market for their surplus capital and surplus goods. The global market becomes more constricted and becomes the ground for an increasingly intense and bitter competition among the imperialist powers.

But it will take some time for the worsening crisis of overproduction to sharpen the interimperialist contradictions to the point of breaking up the current alliance of imperialist countries and bring forth the imminent danger of interimperialist war. Local wars involving the intervention of the imperialists are on the rise. So far, the US has been able to use the authority of the UN Security Council or the name of the UN to expand its hegemonic interests, as in the war of aggression against Iraq in 1991 or at the least to come on top of interimperialist contradictions, as in Bosnia. The danger of a world war can arise not only from direct contradictions among the traditional imperialist powers due to competition and crisis that can bring forth counterrevolutionary nationalist and fascist movements but also due to the far more desperate situation of imperialist Russia which is driven to expand arms production and sales and is now prone to the rise of nationalism and military-led fascism. The foreign interventions of both principal and secondary imperialist powers can lead to collisions among them.

There is now neither an imminent interimperialist world war nor an impending total collapse of imperialism nor an unhindered and unlimited growth of industrial capitalism in the world. But there is more than enough disorder and instability to stimulate the emergence and development of revolutionary forces.

Marxist-Leninist resoluteness, militancy and a sense of protracted struggle are required of proletarian revolutionaries. Resistance is generated by the intolerable conditions of oppres-

sion and exploitation. Revolutionary mass struggles are rising in different parts of the world. The germinal formations of proletarian revolution must be prepared all over the world. In the foreseeable future, there can be a widespread and sustained upsurge of the broad anti-imperialist mass movement and socialist movement on an unprecedented scale. The new-democratic and socialist revolutions can be accomplished in specific countries under the leadership of specific revolutionary parties of the proletariat. It is probable for revolutions to occur in several countries at the same time because of the severity of the crisis on a world scale. But the revolution has to develop on the basis of the concrete conditions of a country and the proletarian dictatorship can arise only in each country.

The fundamental teachings of all the great communist thinkers and leaders retain their basic validity and will be upheld in the next round of new-democratic and socialist revolutions. There are ceaselessly new conditions to comprehend but there are also the qualitatively persistent conditions due to the continuing dominance of imperialism. We cannot presume that we are already in a post-imperialist situation. We continue to be in the era of modern imperialism and proletarian revolution, especially because socialism was defeated in the Soviet Union in 1956 and further on in China in 1976 and because the full restoration of capitalism in these countries has undermined the comprehensive industrial foundation previously built by socialism.

Democratic & Socialist Revolutions in Colonial & Semicolonial Countries

Excerpts from:

Lenin & Stalin on the Relationship of Democratic & Socialist Revolutions in Colonial & Semicolonial Countries

By Jose Maria Sison

Founding Chairman

Communist Party of the Philippines

May 1997

Comrades and friends,

I wish to convey to all of you sincere greetings of solidarity on the occasion of this year's Brussels International Seminar, which is sponsored by the Workers' Party of Belgium and has as its theme the road of the October revolution, in advance celebration of the 80th anniversary of this great socialist revolution.

I thank the Workers' Party of Belgium for inviting me to participate in this seminar and to deliver the main report on Lenin and Stalin and on the relationship of the democratic and socialist revolution in colonies and semicolonies.

My presentation covers the teachings of Lenin on the two stages of the Russian revolution, the implementation of these teachings by Lenin and Stalin, the extension and further development of these in colonies and semicolonies, the violation of these by the modern revisionists and the continuing validity of

the Marxist-Leninist theory and practice of the two stages.

I. INTRODUCTION

Colonial and semicolonial countries have large survivals of feudalism. Thus, they are susceptible to imperialist domination. In countries where feudalism or semifeudalism reigns there is categorically the need for a bourgeois-democratic revolution before there can be a socialist revolution. This is mainly in terms of taking into account the socioeconomic conditions in the revolutionary process and, as a matter of course, the antidemocratic character of the counterrevolutionary state.

Where there is a certain degree of industrial capitalist development as in the case of Germany during the time of Marx in 1856 or Russia during the time of Lenin in 1917 due to imperialist domination as in the case of colonies and semicolonies, the industrial proletariat must forge an alliance with the peasantry to carry out an uninterrupted revolution from the stage of bourgeois-democratic revolution to that of socialist revolution.

At the end of the 1840's, Marx put forward the thesis of such an uninterrupted revolution in the "Address to the Communist League," and subsequently pointed out the necessity of combining the peasant revolutionary movement with the proletarian revolution in a letter to Engels in 1856 by stating "the whole thing in Germany will depend on the possibility

ARYAN POLITICS & FIGHTING THE W.T.O.

by J. Sakai

"Don't watch the light, watch the cars.
Light ain't going to hit you."
Moms Mabley

There's been an illusion that opposing the WTO is by its very nature a left issue. That it's all really our party, naively thrown for us by those establishment types, those innocent social-democratic officials of the AFL-CIO and all the nice global liberals and lobbyists. In this view, while some stuffed shirts may have disapproved of the ruckus---and a Pat Buchanan or two may have awkwardly crashed our party- in downtown Seattle we were the action in an anti-corporation festival. As the poet said at another revolution: "Bliss it was in that dawn to be alive/ But to be young was very heaven." Nice, but no cigar.

The anti-WTO protests in Seattle were a radicalizing experience for many, on a tactical level. But on a larger scale, the Left has unacknowledged strategic problems with this issue. To sum it up simply, we have the problem that we may be helping to fuel the explosive growth of the Right and neo-fascism. And we have to think of refocusing to fight the Far Right in the anti-WTO struggle---just as we need to in every other contested terrain.

There are three political currents opposing the WTO here, not just one. In basic terms: Center, Left and Right. The Right-Wing wasn't partying down in Seattle that week only because they didn't want to be. Believe it, if Pat Buchanan or a David Duke had really wanted to bring thousands they would have. But why would they want their followers to unite with Jews and anarchists, mix with topless Lesbian Avengers by Trotskyist banners? And they definitely didn't want them clashing with the same cops they're busy educating and recruiting. No, they've got a different game plan.

Remember, we're not the only players. It wasn't the Right that got wiped out during the 1980s-1990s, after all. That was the Left, and today the revolutionary Left has small groups of activists but no real social base in the u.s. While the Right has a major social base out of the traditional settler culture (and is rapidly growing). And it's within that blood-warm environment that neo-fascist currents have clearly developed.

Sometimes we unthinkingly misjudge the Far Right. Seeing only the most visible, what infringes on our own world. Mentally ill shooters or small groups of headline freaks in drag. Those are only tiny flashes, glimpses of what might be coming. The first important fact about the Right-Wing is that it is still not coalesced, but it is huge. Often they dominate the social dialogue in rural areas and small towns. They are a major political presence not only within the ranks of the police and military, but in school boards, talk radio, churches, even some unions and local governments. Again, they cannot be easily counted or measured because they are still uncoalesced. Kept diffused by various imperialist strategies in order to prevent their disruptive potential.

How much potential can be seen by the fact that in the 1986 Louisiana election, 57% of the total white vote for u.s. senator went to David Duke of klan and neo-nazi fame. Or the quiet use of steady, low-level, anonymous settler violence in aryan regions to both eliminate sources of abortion and to end u.s. policing of public lands (i.e. the faint beginnings of a shadow government).

That means even when the Far Right is not immediately present in person—as they weren't in downtown Seattle at the ruckus and the tear gas—they have the massified subcultures to take advantage of and even symbolically appropriate our struggle as their propaganda to build their following. That's not a hypothesis, that a fact, what they're now busy at. Even more easily because the establishment social democrats and liberals who run the anti-WTO campaign publicly welcomed highly visible Right-Wing participation in their coalition. Trashing Niketown is always fine, any day of the year, but to think of only that while letting the racists in the front door, unopposed, says something.

There is no question that "the Battle in Seattle" touched a popular nerve. At times the protest unity on the streets hit the surrealistic mark on the meter. Not just hard hat steelworkers, longshoremen, and teamsters marching with gay & lesbian groups, environmentalists and radical students, but AFL-CIO porkchoppers loyal to President Clinton sounding like they'd hired Karl Marx as their speechwriter. Notably AFSCME boss Gerry McEntree, who in Seattle's best-known quote shouted:

"The system turns everything into a commodity! A rain forest in Brazil, a library in Philadelphia, a hospital in Alberta! We have to name that system: it is corporate capitalism!"

In such a rad atmosphere, it was only natural for Pat Buchanan's Aryan supporters to applaud as Amparo Reyes, a Mexican maquiladora sweatshop worker who has a 74-hour workweek, shouted into the microphone: "Long live the Zapatistas!" As Far Right, Center and Left converged politically in Seattle.

And what are the class forces clashing here deep below in tectonic plate?

So this anti-WTO movement is, in strategic terms, very different from what we're used to. After all, if you march on city hall to protest racist police brutality, you don't expect the ku klux klan to be marching alongside you chanting "No justice, no peace!" But that is the exact situation here.

The anti-WTO movement is extraordinarily broad, ranging from the revolutionary left to the centrist liberals and social-democrats who manage it all the way over to the neo-fascists and Far-Right.

The anti-WTO movement is also deceptively asymmetrical on a world scale. On paper it is a global unity, of grassroots anti-corporate forces of North and South together. But the official anti-WTO campaign is as centered in the white metropolis as the trans-national corporations they oppose, both sides heavily European and North American. While the actual anti-WTO struggle (as opposed to the official campaign) is at its highest tide, and is most furious, in the Third-World periphery. Where it is a matter of life or death to those involved. That is, the class politics of opposing the WTO are asymmetrical. With the

Centrist anti-WTO forces in the metropolis being largely pro-capitalist, while much of the struggle in the periphery is anti-capitalist. As radical journalist Jaggi Singh observes of the on-going battles in India, here first quoting a union and women's rights activist in Madras:

"In Geetha's view, 'I think the American working class is worried about American capital going to the Third World to exploit conditions there.' She adds, 'That's an indirect fight.'...One group directly connected to the international anti-globalization movement is the KRRS, the Karnataka State Farmer's Movement, representing thousands of peasant farmers in the southern state of Karnataka. In recent years, the KRRS has physically dismantled--with iron bars--a Cargill seed unit, trashed another office of the same multinational agribusiness, burned Monsanto's field trials of biotech cotton, and trashed a Kentucky Fried Chicken outlet in Bangalore [Their actions put in some perspective the recent debate about so-called 'violence against property' in Seattle]."

This is one important aspect of the anti-WTO struggle, that it is a common front that allows activists in the metropolis to support the struggles of the militant peasants in India, the Zapatistas in Chiapas, or the Ogoni fighting both Shell petroleum and the Nigerian military dictatorship. But we have to make certain that we're really doing that, and not just helping to rip-off these struggles for pro-capitalist agendas here.

While the official campaign against the WTO and the new global corporation economy has spread here, it arose earlier and is much stronger in Europe. In the London June 18th Protest, after all, ten thousand protesters literally took over "the City" financial district: burning cars, violently forcing banks to close, and in general making Seattle look timid & respectable. And it was in France where the indignant farmer Jose Bove became a national hero for "daylighting" a MacDonalds with his tractor. Far from icing him in prison, a French "socialist" government paid his airfare to march in Seattle as a celebrity ambassador of French economic nationalism. By contrast, you can try trashing an AT&T office in Manhattan in protest, and you can be sure that instead of a free deluxe trip to Geneva you'll be sitting in a cell in Rikers. In Europe symbolic attacks on corporate property, farmers or truckers blocking highways, mass protest marches, and a sprinkle of black-clad anarchists clashing with riot police have been a normal part of the political landscape for years.

And yet, the whole political landscape in Europe has at the same time throughout those years been shifting steadily to the Right, with openly neo-fascist parties gaining a mass base in the millions unprecedented since WWII. Their violent emergence has monkey-wrenched the whole European political spectrum far to the Right.

How do we understand this new emulsion, of mass protest movements against u.s. imperialism & the trans-national corporations being part of the same historical wave as the eclipse of the Left and the reemergence of neo-fascism as an alternative power? There is no issue that radicals have to unpuzzle more than this, because, like NAFTA & the WTO, it is coming to our neighborhood.

We can see how part of this plays out in real class politics by zooming in for a moment on the trade unions, which played such a large role in Seattle N30. While the unionized major industry labor of the imperialist center is a working class, it is not on a world scale the working class. That is, it is a special labor aristocracy that is a class above the oppressed proletariat of the world. And has politics to match. A labor aristocracy that today is shrinking in importance in the metropolis. And, as an old middle class, is maneuvering with desperation against classes above and below it.

For example, the West Coast longshoremen (who are now both women and men) of the ILWU, AFL-CIO are in the thick of the fight against NAFTA & the WTO. Not only did they march by the many hundreds in Seattle, but they demonstrated "on

the job" that day by closing down ports up and down the Coast. These ILWU members are for real about halting the WTO and all this global neo-liberal reorganization because they have so much personally to lose.

The average West Coast longshoreman earns about \$60,000-80,000 a year. It's not unusual for highly-skilled longshoremen or clerks who push overtime to hit \$125,000-150,000 per year. With income guarantees and a full benefits package. This is the kind of income that lawyers, accountants, corporate middle-managers, and successful small businessmen make. And union longshoremen have the vacation homes, boats, multiple cars, stock portfolios or rental properties that are common for the u.s. middle classes.

How can capitalism pay blue-collar workers \$75,000 and \$100,000 per year? Because the Big Chalupa is only for a microscopic handful of strategically located workers in an increasingly mechanized and neo-liberalized transport industry. On the entire West Coast there are only 7,000 union longshoremen, with another 3,000 clerks and foremen (which is less than the number of airline pilots just at United Airlines). We are talking about the labor that handles the vast Pacific Rim trade in automobiles, electronics, grains, clothing, timber, ores, people, etc. for this continental u.s. empire of 250 millions.

There are less union longshoremen on the entire West Coast than waterfront truckers just in Los Angeles. But these truckers are forced to be "independent contractors" who must furnish their own trucks, have no benefits or income guarantees, and are hired only daily by the task. After job expenses, they often earn one-third or less of what the longshoremen make. And we're not even dealing with the much larger numbers of minimum-wage messengers, cargo handlers, and delivery men in major cities who are primarily Black and Latino and immigrant. Like the Afrikan immigrant men who deliver for the German-owned A&P, Waldbaum, and Food Emporium supermarket chains in Manhattan. According to the labor law violation suit just filed by the State Attorney General, these workers earn a nobel-prize-winning 87 cents to \$1.74 an hour for 69 hour work weeks! But they didn't jet to Seattle.

The ILWU may protest the WTO now. But it has spent the past fifty years actually fighting the working class that is really below them. For decades it kept most Black and Latin longshoremen as casuals, who had to shape up daily in hope of work, and out of the union itself. Only federal court civil rights rulings forced it to stop being a small white men's club. Ironically, while the union has changed alot in race and gender--with many Latino and New Afrikan and women members-- its class politics haven't changed at all. It still pushes American nationalism, "partnership" with the shipping companies, and fighting the workers below them.

ILWU leaders openly refer to the largely Latino waterfront truckers even in print by the racist slang term, "Gypos". And tacitly support the shipping companies in keeping them down. This isn't class conflict in the form of race anymore, but openly about class conflict. For "Class is everything."

Unlike managers or accountants, if union longshoremen lose their footing on the capitalist mountainside they can't simply transfer their highly-paid skills elsewhere. There's no waterfront at the 7-11. Just as u.s. merchant seamen are highly paid, but have mostly been replaced by miserably-paid Third World seamen on "flags of convenience" ships, the state agencies and shippers want to reorganize labor in a more profitable way on the world's docks.

This is the onrushing wave of the capitalist future that these unions and others of the old middle classes are trying to hold off. And for some this may be something to resentfully protest about, but others are thinking that their countervailing leverage can only come from the power of their old nation state. This past February, some 2,000 union longshoremen on the East Coast packed a

N.Y. government hearing to shout down and threaten their enemy---environmentalists protesting the ocean dumping of dredged-up sludge containing mercury and other toxic metals. Longshoremen were worried that halting the dredging might hamper seaport business expansion.

Working in the political hotspot of world trade, the ILWU bureaucracy has always used political camouflage. In what appeared to be a display of radical sympathies, last year the ILWU had a mass one-day work stoppage on the West Coast to support the radical death row prisoner Mumia Abu Jamal. What do you think the vote was like in the locals, particularly among white and Latin workers? Well, there wasn't any vote. Nor was there consultation or even much advance notice from what we heard. The grapevine has it that there even was a lot of resentment, especially from young Black longshoremen, that the union had dictatorially ordered them to give up hours over some guy on the East Coast who they didn't even know.

It's all part of the ILWU's historic strategy of looking very "progressive" and even radical as a propaganda cover, while they pursue business unionism. These public relations "political strikes" are privately worked out with the shipping corporations and the government in advance, of course (military cargoes, passenger ships, and freight designated as priority by the corporations were handled by union crews under the "work stoppage"). What was encouraging news in the stoppage was that the Mumia campaign had achieved such moral prestige and support that such opportunistic elements wanted to associate themselves with it, such as numerous bourgeois politicians already have.

These classes in the metropolis most bitterly up in arms against "McDomination" and the WTO are not the oppressed, not the proletariat. Who are quite capable of organizing themselves without any white help whatsoever. 250,000 Mexicans, Chicanos, and Central American immigrants marched in Los Angeles against Prop. 187 on October 16, 1994. A year later a million New Afrikan men gathered on the Washington Mall. And after that some 400,000 Black women came to Philadelphia from all over the u.s. for the Million Women March. But not in Seattle---it wasn't their protest. Because those mass Latino and Black mobilizations were fighting the same old nationalism that is at the heart of the anti-WTO sentiment in the u.s.

It is the old middle classes of the imperialist center that are in motion here politically. Commercial family farmers; small retailers; the labor aristocracy of highly-paid craftsmen and unionized industrial workers; that stratum of intellectuals (more than a few of them liberal or "socialist") tied tit-to-mouth to the old welfare state. Plus the marginalized white lumpen-petitbourgeoisie, bitter at their social exile from paradise.

These are middle classes whose privileged but also precarious existence is bound up with successful national imperialism, and who look for security towards their old national economy and the insular national culture of the "good old days". In a word, who deep down consider themselves rightfully part of the capitalist winners, not the oppressed "losers". (Don't forget that Tim McVeigh tried to be a career Army officer, while his comrade-in-arms Terry Nichols was a failed farm owner).

Instinctively, the liberal managers of anti-corporate protest have understood this. Which is why the WTO protest managers have catered to nationalism and accepted neo-fascists as their allies.

Just as the New Right has understood how much this WTO issue is on their ground, based in classes that are sympathetic to their world outlook.

This is not some matter of some intellectual "line", some slogans, as the Left dreamily thinks of as politics---but of what you kill for. And the Far Right is killing people. First a few, then more & more often, until they establish their unwritten Aryan law of what is to be "normal". Assassinating pro-Choice doctors or torching buildings full of immigrant laborers.

In Western Europe the foundation for the WTO fight was laid by the years of anti NATO, anti-u.s., and "Green" campaigns. Throughout the 1970s and 1980s mass protests regularly shook European cities, with the black-clad "masked ones" regularly darting out of the crowds to hurl their own missiles at the riot police. But the only result of all this by the 1990s was the Europe-wide reemergence of fascism into the daylight as a political force. In Britain, the neo-fascist British National Party for the first time crested 100,000 votes in last year's elections, gathering strength in smaller industrial cities. In Austria, the openly pro-nazi leader Jorg Haider has led his Freedom Party into a ground-breaking election victory. Like their French, British, German, Swiss, Italian, etc. counterparts, the Austrian neo-fascists make opposition to the WTO, globalization and immigrant workers the main issues in their popular campaign to "save" their Aryan way of life.

And as they "tip" the social atmosphere, daily violent attacks on Afrikans, Asians, Turks, Arabs, and other non-Aryans become ordinary and normal. Not even news. Just as it was in the segregationist u.s. South. In Berlin, which officially celebrates its post-modern capitalist multi-culturalism, Jewish synagogues and buildings are under police guard. Because otherwise the resurgent fascist movement would torch them all. To say nothing of killing Jews. Which would be a big public relations embarrassment for post-modern imperialism's highly publicized German "Jew zoo" (the tacit understanding between the neo-fascist thugs and the police is that they concentrate on merely attacking people of color--less like a crime in Germany than a cultural activity-- and the police let them proceed).

There was more than a coincidental connection between the reemergence of fascism and the politics of the earlier anti-NATO, anti-u.s., and environmental protest movements. In Germany, for example, this link was not unknown. It had been sharply pointed out even then by the RZ (the underground guerrilla network of the autonomist Revolutionary Cells), which highlighted the way that these protest movements had pandered to a sentimentalized nationalism in order to gain wider public support.

This approach was, of course, just as popular in Germany then as it is today in "Born in the USA". What German radicals didn't want to face was that their popular brew of shallow anti-Americanism was really only another form for German nationalism. Left policies actually tilled the ground for Fascist regrowth. In 1982-83, a series of violent attacks on individual off-duty GIs was blamed on the RZ and other underground radical groups. Both the Left press and the security police talked about this as though it were obvious fact. Although it was finally revealed (as the police had known all along) that it was neo-nazis who had done the attacks.

The RZ pointed out in their Easter 1983 message that as internationalists they were neither "anti-American" nor "pro-German" (as the liberals, social-democrats, conservatives and neo-fascists were). While they had attacked u.s. military bases & officers, they had never been for attacking individual enlisted men or women off duty. Further, that the RZ condemned the "racist feeling" among Germans depicting GIs as "animals", "rapists", etc., and the exclusion of Black GIs from many restaurants and bars. Correctly, they linked this type of anti-GI sentiment not to fighting oppression, but to the hatred of foreigners, immigrant workers and other non-Aryans. The RZ were "even sadder" that the German Left press itself was also promoting this nationalistic racism, in an opportunist strategy which quite naturally the Far Right only fed on:

"The political responsibility of the anti-American attempts does not fall on the armed left groups, but rather on a certain part of the peace movement which practices a diffuse nationalism. Which disseminates the absurd idea that

the Federal Republic of Germany is an 'occupied country'. Which is awakening a German patriotism and is abandoning left politics while it equates the question of missile deployment with a question of national identity... Those who make Coca-Cola a synonym of genocide and consider it a principle form of cultural imperialism, and place it on the same level as the American government support of all military dictators, remove from themselves the possibility of understanding the fascist origin of nationalist or anti-American actions.

"...And this is the way in which the will of the peace movement alliances led in part consciously, in part with naivety, to nationalist or fascist positions. The occurrence of fascist groups, of anti-semitic actions, is not surprising. In the first place they operate on only one line: racism and hatred of foreigners."

The key understanding is that to gather mass support those anti-NATO and "Green" movements kept playing the chord of Germans as victims (while Germans are really among the oppressors and beneficiaries of global imperialism).

This resonated popularly in the racist-nationalist psyche, along with the ever pleasing nostalgia for the supposedly better "local" capitalism (like Old Dixie) and the nationalist culture of the "good old days". And this is more than a little like today's mass anti-WTO united front between progressives and the Far Right.

No one is saying that those protest movements were the cause of the regrowth of Fascism. They were but one element in a much larger reaction. However, those policies had a double importance: of keeping the Left entranced in a cinematic fantasy of mass popularity, while much of its energies were being bled off to feed the growing Far Right.

The issue of Right-wing activity inside the anti-WTO issue has been raised already by the Dutch group De Fabel Van De Illegal (The Myth of Illegality). De Fabel, which had been active in organizing early anti-WTO forces in the Netherlands, protested the Seattle organizers reaching out to the Right-wing in a grand white-on-white alliance.

Mike Dolan of Ralph Nader's Public Citizen lobby, who was the chief organizer of the Seattle mobilization, is quoted by De Fabel as not only accepting the participation of but enthusiastically endorsing Right-Wing politician Pat Buchanan: "Whatever else you say about Pat Buchanan, he will be the only candidate in the 2000 presidential sweepstakes who will passionately and unconditionally defend the legitimate expectations of working families in the global economy." De Fabel adds: "As long as they are conservative and obedient, and not unemployed, black, gay, woman, lesbian or Jewish."

In De Fabel's analysis, the problem is not so much the Buchanans as it is the international lobbyists and opinion-makers of the anti-WTO campaign. While student activists, grassroots environmentalists, and white radicals created the militant action downtown in Seattle, it was the NGO (non-governmental organizations)—such as Nader's Public Citizen) leaders represented in the elite "think tank" of the International Forum on Globalization that built the alliance in the first place and set the overall politics. And they are largely conservative behind a thin humanitarian veneer, in De Fabel's view (instead of repeating at length from De Fabel's papers, we urge you to read and evaluate them yourself. The same with Alan Kessi's "Millenium Round" of the WTO Under Fire...From Both Left and Right.)

This WTO shoot-up has more going on than anyone can discuss at any one time. Everyone's got moves, everyone's got cover stories. The Left as well, we should see. On her way to Seattle, a prominent European feminist who works with Third World women's groups stopped off to give a speech. It was thoughtful, zeroing in on the WTO as both a special new menace to people everywhere and a rallying point for anti-capitalist unity against "the race to the bottom". She emphasized how workers in the affluent North now have real common cause with the

oppressed of the South.

"We stand to lose everything we have gained since the War, World War II. The so-called 'family wage', where one person's salary can support the whole family, sick leave, medical benefits, subsidized child care, union protection, all our rights. Everything is in danger of being lost!" Our audience of almost entirely white middle class intellectuals nodded in a wave of agreement.

Afterwards, a woman comrade who at age sixty is a minimum-wage blue collar worker, remarked angrily to me: "What is she talking about, 'We stand to lose everything...'? I never had any of those things, and I don't have them now! Health benefits, child care...we don't have those things. Doesn't she know that? My entire life as long as those white men with big union contracts got theirs, their big bucks, they never lifted a finger for the rest of us."

My comrade spoke the truth that the political strategy of the middle classes try to conceal. Their "We" does not mean us. The anti-WTO campaign in the metropolis primarily represents the needs and desires of certain middle classes. A fact that both Far Right and Left cover up with lots of populist talk...and lots of nationalism.

It's paradoxical that a world-wide campaign that advertises internationalism is more like an alliance of little nationalisms.

The Aryan grass-roots appeal of a Pat Buchanan is only that of the old settler nationalism, of code phrases which they all understand to mean "White people first." His program demands that Government, trade laws, and corporate policy all place--as his slogan says-- "American workers and people first" (just as "Austrians First" is Jorg Haider's slogan). The AFL-CIO unions have this same program, and had it before Buchanan did (which is why they supported the Vietnam War down the line), but put liberal talk on top of it. So the unity in practice is not really around any kind of internationalism, but around the decaying old nationalism. How else could the Far-Right and the establishment liberals work together?

But the Right's influence extends far beyond its own followers. There is an almost palpable distortion in the political field from the suddenly magnetic attraction of retro capitalist nationalism. Seattle's Town Hall debate on globalization that week, sponsored by the IFG and The Nation, featured pro-capitalist views on both sides. Figures like David Aaron, u.s. undersecretary of commerce for international trade, and Ralph Nader. But in his report on the debate, Left Business Observer's editor Doug Henwood was clearly most surprised by the line of Indian physicist and well known eco-feminist author Vandana Shiva:

"Shiva, rightly denouncing the WTO as an agency of imperialism, urged a 'return to the national decision-making which we control,' apparently not noticing that the nation-state itself was an imperial inheritance, nor disclosing just when it was that 'we' (whoever that is) controlled its governance. Her India seems like one consisting almost entirely of displaced peasants; she spoke of it as a single thing, as if unriven by class, ethnic, and regional differences. She also claimed that business was once limited by ethical concerns, but with the WTO, the logic of profit maximization has taken over---a strange version of capitalist history indeed."

It wouldn't be unusual in a nation where Hindu Right-Wing nationalist gangs murder with impunity and the rural police are well-known for raping and torturing women, for an activist to seek some protection by sheltering her work under the umbrella of a vague anti-colonialism or a "loyal" nationalism. But we still have to say clearly how misleading this nostalgic talk about "our own" nationalism is. And you have to be in a delusional state of mind to believe that there ever was anything ethical about anyone's national capitalism. These two words don't even go together.

The reality is that the anti-WTO issue is in danger of being pulled onto the terrain of demagoguery and nationalism. Just as earlier anti-u.s., anti-NATO, and "Green" movements were in Europe. This is a natural environment for the Far Right, one in which they are strengthened and will grow a hundred-fold. They are past masters on this ground.

Even in Vandana Shiva's India, where the grassroots anti-WTO movement of workers and peasants is radically anti-capitalist, Jaggi Singh has reported that the Hindu neo-fascists have mounted their own anti-WTO protests. They're not unaware, they're in tune with new neo-fascist strategy world-wide. When Hindu Right-Wing union, farmer and student organizations angrily confronted WTO director Mike Moore during his January 2000 visit, they condemned Western corporate "biopiracy" and "a global system, which actually protects and supports the rich and the powerful..." In other words, they are utilizing a certain kind of radicalism which stirs up popular anger at what is foreign, appropriating the language of anti-colonialism. In their case, of course, the "foreign" enemies to be killed or driven out include Indian Muslims, Christians, socialists, feminists, anarchists, lower castes, and indigenous tribal peoples. A program they have well underway, as we can tell by the bodycount in the thousands already.

By demagoguery we mean the depicting of the WTO as some vast foreign conspiracy which steals our supposed local or national capitalist "democracy". Was it the WTO which placed a major sewage treatment plant right in Harlem, knowingly pushing up air-pollution levels just as an epidemic of Black and Latin childhood asthma was starting? No, that criminal act was committed by our very local capitalism. For N.Y. anti-WTO protesters, it might be that Seattle is much closer to them than Harlem, if you know what I mean. Was it the WTO which has killed and is killing thousands of Navajos by radioactive uranium ore waste poisoning? No, that was the "democratic" u.s. government.

Which is why Pat Buchanan attacks "the Jewish lobby" and immigrant labor, why neo-nazis have come out in public applauding the "angry white people" who "shut down the Jew World Order" at Seattle, and why the Right-Wing is pretending that the WTO is as alien as "The X-Files" (when it's really just Pat and Jorg's cousins). Beyond the street scenes, the Far Right may be less visible now but they are investing heavily in this campaign. Part of their re-manufacturing of themselves not as defenders of corporate America but as "populists" fighting for their own nation & its workers against the sinister forces of the New World Order (sounds like the Left, doesn't it?). On the front page of the December 27th issue of Spotlight, newspaper of the Right-wing Liberty Lobby, the headline reads "POPULISM GAINS MOMENTUM AROUND THE GLOBE." Under it is a big photo of an anti-WTO banner at Seattle, over smaller photos of four anti-WTO "populist" leaders that the Liberty Lobby specifically applauds as "nationalists": Pat Buchanan, Jorg Haider of Austria, Christoph Blocher of Switzerland, and Mahathir Mohammad of Malaysia.

The fact that the Right-Wing has a major social base is one reason that the anti WTO campaign leaders are so eager to enter into an alliance with them. While the Left has preoccupied itself post-Seattle with a debate on trashing Niketown, the anti WTO campaign itself is being used in propaganda to legitimize and popularize world neo-fascism. It's only a natural consequence of this that major anti-WTO campaign leaders are now calling for more u.s. police arrests & repression of radicals. Don't take it lightly. For this is one "anti-WTO" demand that imperialism is sure to take care of! For us, fighting neo-fascism and its new friends seems to the immediate point in the anti-WTO campaign.

It's telling that there have been many social-democratic criticisms of the

"Black Bloc" etc. for trashing stores, for "undemocratic" violation of the N30 non-violent pro-capitalist official strategy. But who got to vote on the top-down legitimizing of Pat Buchanan and racism? Who should be accountable for this? There are many important sides to the anti-WTO campaign which have not been discussed here. Not because they aren't urgent, but because we felt it necessary to focus on a strategic question that has not been brought into full consciousness yet. We know that we've raised more questions than were answered. But this is only one contribution among many.

One last thing. We have to deal off the truth that the revolutionary left has no social base of support in the metropolis right now. To say this is simply facing reality. Because we don't, there is a natural tendency to seize on "get rich quick" schemes. To look for "magic bullets" or some issue we can jump aboard that will magically gain us a mass following. This is like furiously mining "fool's gold".

For reasons in the basic class structure, Left politics have been marginalized in the metropolis, certainly in the u.s. We exist in the far edges of society, politically speaking. This is not of our making, and is not even necessarily bad. In the world of Babylon, the oppressed are the ones who are marginalized, first and foremost. Undocumented workers, classes of disposable women, exiles, Third World workers fighting even to survive. The world's majority exists at the margins. And, like them, we are faced with our marginalization, and with the knowledge of how much we must transform ourselves and our own culture just to survive.

Imperialism: The highest stage of global capitalism

MIM has been engaged in the debate over "globalization" at least since we took on the anti-NAFTA and anti-GATT movements of the early 1990s. These were largely organized around protecting "American" jobs, and represented by the reactionary political campaigns of Ross Perot and Pat Buchanan.

In 1996, MIM systematically engaged the debate over "globalization" at the People's Conference Against Imperialist Globalization, in Quezon City, Philippines, in which MIM representatives participated. Our argument is our core argument about "globalization" today.

MIM did not sign onto the statement issued by the conference, because the statement included the incorrect claims that the imperialist powers "exploit and oppress ... their own workers" and that, "Globalization schemes are wiping out jobs and livelihoods in industry and agriculture, both in industrial and non-industrial countries." In this debate MIM advanced the most important point we have to offer to those concerned about these issues: imperialist country workers are not exploited, meaning they are not paid less than the value of their labor. In fact, imperialist country workers are paid more than the value of their labor, a bribe from the imperialists made possible by the imperialists' superexploitation of the peoples of the neocolonies. And while industrial jobs are being wiped out in the industrialized imperialist countries, they are being replaced by managerial and other white-collar office jobs. While the world's majority suffers, imperialist country workers benefit as a group from imperialist globalization.

Many people have been looking for a way to make it seem that the imperialist country workers are on the same side as the international proletariat, and the issue of "globalization" has been a way for them to advance that old agenda. As MIM has argued for many years, allying with the imperialist country workers is a dead-end strategy for the international proletariat, whose exploitation is directly tied to the non-exploitation of the imperialist country workers.

For activists in the imperialist countries, the question of the nature of the class forces in the imperialist countries is a dividing line. Those in the imperialist countries who are genuine Marxists and thus scientific socialists recognize that one of the most basic facts about the class forces in the imperialist countries is that the majorities in the imperialist countries do not suffer economically from imperialism, and in fact are bribed with a share of the superprofits extracted from the neocolonies by the imperialists. Those in the imperialist countries who claim to be Marxists and deny this basic fact are in fact revisionists. This question is of the same level of importance in the imperialist countries as the question of the semi-feudal and semi-colonial nature of the Philippines is in the Philippines. The difference is that the correct position on the basic political-economic nature of the Philippines has hegemony within the broadly-defined Filipino left. On the other hand, MIM still has much work ahead of it to win hegemony for the correct position on the basic political-economic nature of the U.S. empire and the imperialist countries generally.

SEATTLE, DECEMBER 1999

Opposition to the General Agreement on Tariffs and Trade (GATT), the North American Free Trade Agreement (NAFTA), and the World Trade Organization (WTO) has been going on for years. Despite appeals to MIM to participate in these struggles, we have resisted. As we explained in January 1997, "At this time, MIM cannot lead a revolutionary class alliance on the basis of this demand [against NAFTA/GATT/WO] in the imperialist countries. Quite the contrary, the KKK, AFL-CIO bureaucrats -- and even more significantly -- Ross Perot, Patrick Buchanan and Strom Thurmond all oppose free trade. They represent the Amerika-first bourgeoisie and the labor aristocracy afraid of losing jobs. The proletariat by definition is the class with nothing to lose and it is not threatened by the treaties between ruling classes. Capitalism was bad for the proletariat before any of these treaties existed." Our position has been clear for years, and recent events have only increased the urgency of our message.

Anti-globalization hit the big-time in the U.S. in 1999, when more than 50,000 people from around the world gathered in Seattle to protest opening of the WTO Ministerial Meeting from November 30 to December 2. The debate from 1996 was still at issue, although unlike at the Philippines conference, in the U.S. the balance was overwhelmingly tipped in favor of the labor aristocracy and its advocates, witting and unwitting. The content of the Seattle protests only underscored the importance of the argument that MIM has advanced.

Seattle riot pigs unleashed tear gas and rubber bullets against protestors who had successfully blocked streets and prevented WTO delegates from attending the meetings. The mayor of Seattle declared a state of martial law in downtown Seattle and called in the national guard. Police arrested hundreds of protestors over the next few days. Despite what many people saw on TV, the majority of those arrested were arrested for non-violent civil disobedience, not the scattered window smashing.

To listen to the mainstream media, and much of what passes as "alternative," critics of the WTO in Seattle raised three main complaints. First, Third World workers are allegedly stealing "Amerikan" jobs. Second, the WTO erodes Amerikan environmental and "human rights" laws, because, for example, laws that restrict environment-unfriendly imports are seen as a barrier to trade. Finally, the WTO doesn't provide a forum for input from the masses.

MIM does not raise any of these criticisms. Instead, we focus our fire squarely on the entire system of imperialism, which is responsible for the terrible exploitation of Third World workers, for the starvation and disease which persist there, for the wholesale destruction of the environment, and for breeding war.

The first criticism is clearly a reflection of the economic nationalism of the labor aristocracy (that is, bourgeoisified workers in the imperialist countries). The second amounts to flattering the Amerikan bourgeoisie and restricting the debate within the framework of bourgeois democracy. Real environmentalists recognize that the imperialist bourgeoisie is the main culprit making this planet less and less habitable by humyns; real environmentalists do not rely on the state set up by the imperialists themselves to stop this process. That is why real environmentalists ally themselves with the revolutionary movements among the oppressed nations, who will overthrow imperialism and have the most to gain by adopting environmentalist policies.(1)

The third criticism is just more bourgeois democratic formalism. As long as imperialism dominates the world's economies, life and death decisions for millions will be made behind closed doors, with profits as the guiding criterion — whether or not some people have a formal voice. Where the people of the imperialist countries do have a formal voice, as in U.S. elections, the results are predictably reactionary.

The non-radical nature of these complaints was made clear when President Clinton adopted them wholesale in his speech to the WTO.

What is the WTO?

The imperialist states, headed by the US, control and use an array of international agencies, like the International Monetary Fund (IMF), the World Bank (WB), and the WTO. The WTO is an instrument for dictating trade policy to Third World countries, requiring them to drastically reduce or eliminate tariffs (taxes on imports or exports imposed to raise revenue or protect domestic companies from import competition). The WTO is also a forum where imperialist powers can try and settle their own trade disputes. Even though the WTO was created in 1995, it is not new. Its old name was the General Agreement on Tariffs and Trade (GATT). GATT was a framework for discussion of international trade, not a particular agreement. There were eight trade agreements under the GATT framework since 1948. The eighth round established the WTO and expanded GATT's rules to apply to services and intellectual property rights, things like patents.

It is a mistake to speak of the WTO as if there were no GATT or previous trade treaties between the capitalist classes of different countries. Attacking just the WTO is like opposing the Republicans, but not mentioning the Democrats as a party of imperialism. The WTO is only different in that it establishes a mechanism for dispute resolution. So the GATT was a weaker negotiating group. Some people focus solely on the WTO because they are new to politics and have not thought out their positions fully yet. Others are committed reformists who do not see the need for a revolutionary struggle against imperialism.

The whole debate shows a critical need for a revolutionary understanding of the systematic nature of imperialism and how to confront it. This recent history shows that only Maoism now can adequately offer an analysis and a movement that reflects this understanding.

Amerikan Chauvanism and the 'Critics'

MIM does not get involved in movements opposing individual trade treaties between the capitalist classes of different countries, because MIM seeks to overthrow the whole capitalist system, not just a particular treaty. Nor does

MIM see any progressive use at this time for an Amerika-first nationalist movement, often referred to as protectionism when it comes to foreign trade matters. MIM is internationalist and does not base itself in the Amerikan labor aristocracy, with its nationalist class collaboration with the imperialists; hence MIM does not care where the imperialists hire their workers. Often, these anti-treaty type movements either harbor or are led by labor aristocracy interests that are directly at odds with the international proletariat.

Struggles over trade policy in the united States are dominated by three large forces: The internationalist bourgeoisie, the Amerika-first bourgeoisie, and the labor aristocracy.(2) The internationalist bourgeoisie is in favor of "free trade," because it hopes to profit from investing and selling its products abroad. Clinton and Gore are bourgeois internationalists, as are George Bush and the mainstream leaders of the Republicans. The Amerika-first bourgeoisie represents those capitalists who cannot compete internationally, like the textile industry in the South. It is represented by Pat Buchanan, Jesse Helms, and the like. They favor protectionism.

The labor aristocracy are those workers who share in the spoils of imperialism's global plunder, and become petty-bourgeois both in ideology and class character.(3) They are currently allied with the internationalist bourgeoisie, but distrust what they see as threats to their privileged position. The economic nationalism of the Amerikan labor aristocracy was plain to see in Seattle, often in its more chauvinistic forms:

- The AFL-CIO gave anti-China groups prominence in its march, and the United Steelworkers hosted the "Seattle Steel Party," modeled on the Boston Tea Party. The idea behind this rally was to dump Chinese steel into the city harbor. The head of the United Steelworkers gave a speech there denouncing China as a "rogue state" out to deprive Amerikan workers of jobs. It was a conservative, Buchannanite speech sure to set the stage for more war mongering against the Chinese regime.
- The United Steelworkers hired large, mobile billboards which read "WTO: Destroying millions of American jobs."
- Patriot militias were at the protest. They see the WTO as the beginnings of a one world government that would end Amerikan sovereignty -- funny, considering the united States and other imperialist powers dominate the WTO.
- Pundits in the Seattle Weekly listed Japanese investment and competition from Mexican workers as examples of the adverse effects of the WTO on Amerikans.
- Local labor hack Ron Judd made it clear that Amerikan trade unions are not against monopoly capitalism and imperialism, per se. "We're not against trade. A huge percentage of the people I represent -- machinists, longshoremen, truck drivers -- their paychecks every week are delivered because they're trading a product."

Hence the Amerika-first bourgeoisie stokes the fires of nationalism in order to win the allegiance of the labor aristocracy. This is why Buchanan endorsed the protests in Seattle. A nationalist alliance between the Amerika-first bourgeoisie and the labor aristocracy would greatly increase the amount of fascism within u.S. borders and heighten the possibility of war. This is yet another reason why MIM does not raise slogans here in Amerika opposing trade treaties like WTO, GATT, NAFTA, APEC, etc. -- we would be tailing an objectively fascist movement.

J. Sakai, author of the book MIM calls a must-read, *Settlers: The Mythology of the White Proletariat*, makes this point in an essay titled "Aryan Politics & Fighting the WTO." Sakai says, "There's been an illusion that opposing the WTO is by its very nature a left issue. That it's all really our party, naively thrown for us by those establishment types, those innocent social-democratic officials of the AFL-CIO and all the nice global liberals and lobbyists. In this view, while some stuffed shirts may have disapproved of the ruckus -- and a Pat Buchanan or two may have awkwardly crashed our party -- in downtown Seattle we were the action in an anti-corporation festival. As the poet said at another revolution: 'Bliss it was in that dawn to be alive/ But to be young was very heaven.' Nice, but no cigar."(4)

How 'bout them anarchists?

One effect of the anti-globalization protests has been to increase the profile of anarchists in the U.S., where anarchism has lagged compared to its higher visibility in Europe. The explicitly anarchist groups which participated in the protests gave prime examples of the dual aspects of anarchism. On the one hand, they share the same goal that we communists do: A society without war, without class, nation, or gender oppression, where humyns work collectively and voluntarily according to the principle "from each according to ability, to each according to need."

Anarchist groups were among the few who criticized opponents of the WTO for remaining within the framework of capitalism and bourgeois ideology. The Eugene based Anarchist Action Collective, for example wrote: "The liberal-populist outlook always tries a watered down approach to reality so as to have a more agreeable tactic in organizing the masses. We reject this manipulative, dishonest, reformist game as utterly lacking in vision. [It is] irresponsible and

trivial to prepare for the WTO showdown with one's horizon limited to a mere curbing of the power of multinational corporations. The problem, the challenge, is so profoundly a more fundamental one than that of liberal-populist politicking!"

On the other hand, in the realm of strategy, anarchists are idealists. They don't want to face the messiness inherent in real world movements to overthrow the repressive bourgeois state; they replace strategic thinking with moralism. In particular, anarchists differ from communists in that they reject the need for the dictatorship of the proletariat, where the formerly oppressed use coercion to ensure that remnants of the oppressing classes do not resurrect the old society.

This aspect of anarchism could be seen in the attacks on downtown businesses. (We should note that although shots of protestors breaking windows and setting fires in trash cans dominated much of the media coverage of the protests, very few actually engaged in this activity.) At least one anarchist group has come forward and claimed responsibility for some of these attacks. In defense of their actions, they wrote: "When we smash a window, we aim to destroy the thin veneer of legitimacy that surrounds private property rights. At the same time, we exorcise that set of violent and destructive social relationships which has been imbued in almost everything around us. By 'destroying' private property, we convert its limited exchange value into an expanded use value. A storefront window becomes a vent to let some fresh air into the oppressive atmosphere of a retail outlet (at least until the police decide to tear-gas a nearby road blockade). A newspaper box becomes a tool for creating such vents or a small blockade for the reclamation of public space or an object to improve one's vantage point by standing on it."(5)

Certainly MIM sheds no tears for a looted Starbucks. But the above quote demonstrates the moralist emphasis of anarchism. There is little concern for whether or not trashing a few stores helps dismantle the bourgeois police or army, or creates independent institutions to serve the oppressed here, or helps organize large scale reparations to oppressed nations outside of U.S. borders. All that is important is that breaking stuff seems to wash the stench of private property off of a few individuals. MIM hopes that the scope and organized nature of the cops' violent response to the protests causes some anarchists to think hard about revolutionary strategy, especially the need for strong organizations of the oppressed and long-term public opinion building.

One lesson which MIM and RAIL take away from our encounter with these anarchists is the necessity to boldly put forward our revolutionary agenda. If we soften our line to please social democrats who are uncomfortable with the "r" word, we will lose the respect of those masses who are completely fed up with this rotten, imperialist, patriarchal system -- exactly the people we need to be organizing and recruiting! In the absence of a strong and highly visible Maoist party, most of these people will drift off into dead-end politics or become disheartened.

People's Assembly

Right before the Seattle protests, more than 200 people attended the International People's Assembly in Seattle, representing the more progressive aspects of the anti-globalization events. The People's Assembly was a conference aimed at exposing the disastrous effects of imperialism on the peoples of the world and forging unity between anti-imperialist groups.

The conference focused on the WTO and put forward the slogan, "No to the WTO!" MIM recognizes the progressive character of this slogan in oppressed nations, but we argue that it should not be put forward in the imperialist countries, where it will be co-opted by reactionary class forces. Many of the delegates and the majority of the speakers were from oppressed nations, such as the Philippines, Thailand, south Korea, and Honduras. Participants in the People's Assembly also marched in the streets of Seattle despite being denied a permit.

At a time when the imperialists and imperialist-friendly, so-called critics of the WTO were busy spinning all kinds of fairy tales, the People's Assembly put forward the correct perspective that the WTO is principally the tool of a few imperialist powers to force open foreign markets while protecting their home markets. As a particularly pressing example of this, the conference paid particular attention to the Agreement on Agriculture, which brought agriculture under the jurisdiction of the WTO. As MIM wrote in 1995, speaking of the GATT agreement which created the WTO:

"If the internationalist bourgeoisie has its way, much of the agricultural production of foodstuffs in the Third World may cease because of competition from the United States. Instead, the imperialists always want the Third World countries to focus on exotic cash-crops for export instead of food for their people. The imperialists would like the masses to forget that the money made from exports goes into the pockets of the rich and does not go to buying grain to stop starvation.

"The removal of tariffs against U.S. grain and fodder crops will allow for an increasing ability of the United States to destroy national and local food systems within Third World countries and to replace them with an economy of dependence on U.S. grain, and post-harvest 'value-added' food. This would not be possible if the economies were run by the dictatorship of the proletariat in alliance with the peasantry. Instead, these governments are run by imperialist

puppets who benefit from selling out their countries. With few exceptions, comprador governments allow as much U.S. and other imperialist domination as they can impose.

"As a result this GATT will create additional incentives for Third World countries to direct their agriculture towards forms of agriculture that do not compete in U.S. dominated grain/fodder markets. Thus as has happened in the past, Brazil will grow soybeans for Japanese cattle production but not black beans; Mexico will grow broccoli for the United States, but not corn and beans for its own people. In essence domestic/national food economies will be replaced by export-oriented ones at the expense of autonomy."

Speakers also focused on the effect of the policies pushed by the WTO on wimmin. Liza Maza, secretary general of the Filipino wimmin's organization GABRIELA, stated, in part: "As our meager family income is further reduced, our husbands are forced to leave our villages in search of jobs. Many do not return, leaving us women on our own to keep the rest of the family alive. Our working hours are doubled or tripled to augment our income and find food for the children.

"Many of us are likewise forced to leave for the urban areas and even other countries in the hope of finding jobs. Some of us end up being victimized by labor and sex traffickers. A number have prostituted themselves as unwilling commodities in the sex trade.

"To make matters worse, the collusion among the imperialist powers, the local ruling elite and the state that they dominate, goes beyond the economic sphere. To stifle peoples' opposition and to protect monopoly capital business interests, the state unleashes its military and paramilitary forces against the men, women and communities resisting globalization. Militarist aggression is the imperialists' and the states' answer to legitimate peoples' demands."

Among people in the U.S. who recognize and oppose the terrible exploitation and oppression the peoples in the colonies suffer at the hands of the imperialists, there is a temptation to organize people here around the same issues and in the same manner. But this is not always appropriate. Asking, "how does the WTO affect people in the imperialist countries?" is not the question to ask when looking to organize anti-imperialist resistance here. For example, the heavily subsidized American farm sector benefits from being able to dump its product abroad; it is not the target of dumping. Among the imperialist-country labor aristocracies, opposition to imperialism does not involve immediate economic interests; environmental and anti-militarist interests play large roles.

MIM was happy to see that in the keynote address and several other presentations, the People's Assembly spoke out against so-called labor leaders in the imperialist countries who stoke up chauvinism by promoting the myth that Third World workers are stealing imperialist-country jobs. This chauvinism is very dangerous in the imperialist countries, as it lays the groundwork for fascism and war. In the United States, such chauvinism is also responsible for violence against people from Asian, Latin American, and other Third World countries. For its part MIM spends considerable time rebutting the opponents of NAFTA, GATT, WTO, etc. who support the labor aristocracy. We know that oppressor-nation nationalism plays no progressive role.

On the other hand, in oppressed nations economic nationalism is an objectively progressive phenomenon. In oppressed nations, there is a national bourgeoisie which is threatened by the WTO and which can be led by the proletariat in an anti-imperialist direction. And in countries like the Philippines, proletarian-led revolutionaries are closer to seizing state power than we are.

Consider this excerpt from Marx, on the question of national chauvinism and protectionism in the rich countries:

"If the free-traders cannot understand how one nation can grow rich at the expense of another, we need not wonder, since these same gentlemen also refuse to understand how within one country one class can enrich itself at the expense of another.

"Do not imagine, gentlemen, that in criticizing freedom of trade we have the least intention of defending the system of protection.

"One may declare oneself an enemy of the constitutional regime without declaring oneself a friend of the ancient regime.

"Moreover, the protectionist system is nothing but a means of establishing large-scale industry in any given country, that is to say, of making it dependent upon the world market, and from the moment that dependence upon the world market is established, there is already more or less dependence upon free trade. Besides this, the protective system helps to develop free competition within a country. Hence we see that in countries where the bourgeoisie is beginning to make itself felt as a class, in Germany for example, it makes great efforts to obtain protective duties. They serve the bourgeoisie as weapons against feudalism and absolute government, as a means for the concentration of its own powers and for the realization of free trade within the same country.

"But, in general, the protective system of our day is conservative, while the free trade system is destructive. It breaks up old nationalities and pushes the antagonism of the proletariat and the bourgeoisie to the extreme point. In a word, the free trade system hastens the social revolution. It is in this revolutionary sense alone, gentlemen, that I vote in favour of free trade..."(6)

Thus, in countries where feudalism is still at issue, even protectionist elements of society like the emerging national bourgeoisie are progressive. However, in imperialist society where there is no feudalism, protectionism is worse than free trade.

If MIM had the upper-hand militarily speaking over the Amerika-first bourgeoisie and the labor aristocracy, MIM could oppose both protectionism and free trade in practice. Currently, we would be lying to our comrades internationally to say we have that kind of power: only protectionism versus free trade is on the agenda. The best of intentions cannot change that.

Although our tactics and strategies differ according to our different material conditions, our goals are the same. The imperialists drive the workers and peasants of the colonies and neo-colonies ever deeper into absolute impoverishment and prevent them from managing their own affairs for their own benefit. The imperialists are the biggest culprits wreaking environmental devastation, which knows no borders. The imperialists bring about wars and may even end the humyn species in a nuclear conflagration. The best thing people in the imperialist countries can do to end this disastrous state of affairs is to support the national liberation struggles of the colonies and neo-colonies and prepare for socialist revolution here in the belly of the beast.

So, we Maoists believe the nationalism of nations experiencing oppression from other nations is "applied internationalism" (as Mao said). But in the imperialist countries we always put forward the opinion expressed by Lenin. He said, "I must argue, not from the point of view of 'my' country (for that is the argument of a wretched, stupid, petty-bourgeois nationalist who does not realize that he is only a plaything in the hands of the imperialist bourgeoisie), but from the point of view of my share in the preparation, in the propaganda, and in the acceleration of the world proletarian revolution. That is what internationalism means, and that is the duty of the internationalist, of the revolutionary worker, of the genuine Socialist."(7)

THE DEBT CRISIS

In *Imperialism: The Highest Stage of Capitalism*, written in 1916, Lenin describe the crucial difference between "old" and new capitalism: "Typical of the old capitalism, when free competition held undivided sway, was the export of goods. Typical of the latest stage of capitalism, when monopolies rule, is the export of capital."(8) That's almost a century ago, and plenty of people still talk like "globalization" is something new!

As we've seen, the anti-globalization protests mostly have to do with trade issues, but the domination of the world economy by the imperialists is especially well illustrated by the international debt crisis, which has spawned its own protest movement, partly with MIM's help. The debt issue should be used to show the causal connection between imperialist country wealth and oppressed nation exploitation -- and to show the conflicting objective interests of the imperialist country labor aristocracy and the international proletariat.

At the turn of the century, more than 50 countries carried a debt burden of 93% of their income. The debt crisis led to the Jubilee 2000 Campaign, which called for a "debt-free start to the Millennium for a billion people," including cancellation of unpayable debts for the "world's poorest countries" by the end of the year 2000. Opposing imperialist debt is progressive, because debt relief would bring a potentially significant improvement in the quality of life of Third World peoples if even just a small fraction of what used to be used for debt payments is spent in the interests of the people.(9) And the debt system is an inherent part of imperialism itself, and thus worth opposing.

Since the 1980s many Third World countries have taken out huge loans from the U.S., England, Japan, and other imperialist countries as well as the IMF and WB. These loans far exceeded the capacity of the countries to repay. As a result the interest and further loans taken out to pay back original loans led to spiraling debt.

It is important to explain that loans have never been given to Third World countries out of the goodness of the hearts of the imperialist bankers. Instead, these loans are given for political and economic reasons. Supporting corrupt dictators by giving loans to prop up economic and military development that furthers the dictator's control while at the same time buying his or her allegiance to the foreign capitalists is very common. The majority of the world should not owe imperialists for loans taken out either in misguided efforts to rebuild from imperialist plunder or by comprador lackeys in the service of imperialism. It is the imperialists who have stolen from the rest of the world that owe reparations, not the other way around.

About half the debt of Third World countries is owed directly to the imperialist governments of the U.S., Britain, Canada, France, Germany, Italy and Japan (the G7). Most of the rest is owed to the IMF and World Bank. About 10% is owed directly to private banks.(9)

"In 1960, the income of the wealthiest 20% of the world's population was 30 times greater than that of the poorest 20%. Today it is over 60 times greater."(9) MIM likes this statistic much more than the ones usually reported by liberals in the u.s. which ignore the majority of the world's people. Liberals use statistics that try and make it look like

people in imperialist Amerika are in the same exploited and oppressed grouping as Third World workers. In reality the vast majority of the people within u.s. borders fall within the grouping of the "wealthiest 20%."

In response to the debt repayment problem faced by Third World countries, the IMF has initiated Structural Adjustment Programs (SAPs). SAPs require countries to enact strict changes in social and economic structure as a part of a plan to pay off the debt. The imperialist goal of the SAPs is to help countries earn more hard currency by increasing exports and decreasing imports. They require a reduction in social programs, block unionization, implement cuts in wages and privatization of industries among other changes that reduce the quality and length of life of the people.

In practice SAPs have had disastrous effects, particularly on the poorest people in the countries where they are applied. But even without SAPs the diverting of resources to debt repayment hurts the people in the debtor countries.

The United Nations Development Programme in 1997 stated that 21 million children's lives could be saved if the money used for debt service was put into health and education.(9)

In fact the oppressed and exploited people of the world will never be able to compete on fair terms with the exploiters as long as the majority of the resources, wealth and military might is in the hands of the exploiters. This is not just a question of poor countries needing to pursue economic development. It is a question of political and economic power.

In its 1999 annual report on global debt, the World Bank offered several useful facts that lend support to the argument that Third World debt should be forgiven. In 1998, Third World countries paid back \$13 for every \$1 they received in grants. This was up from \$9 in 1996. Total debt in these countries rose in 1998 by \$150 billion to a total of close to \$2.5 trillion. Paying back more than they borrow does not actually help a country dig itself out of debt. In Latin America, the region as a whole paid back \$20 billion more than it borrowed in 1998, yet debt in the region rose by 5% to \$736 billion. Similarly, African countries paid back \$3.5 billion more than they borrowed in 1998 while debt rose by 3% to \$226 billion. Sub-Saharan Africa in 1999 owed \$130 billion in debt, 83% of its total GNP.(9)

Some ask, "Shouldn't people want to help poor countries, and isn't lending them money a way to do that?" But the loans to poor countries are designed to help imperialists, not the poor. They solve the problem of excess capital in the rich countries, and they cement the dependence of the poor countries on the imperialists. In stark contrast to the capital-dumping extortion scheme run by the imperialists, MIM promotes the Maoist principles of foreign economic aid. The Chinese government under Mao had eight principles of foreign economic aid:

1. Provide foreign aid according to the principle of equality and mutual benefit. Do not regard aid as a one-way gift. Regard aid as mutual assistance.
2. In providing foreign aid, strictly respect the sovereignty of the recipient country. Attach no strings and ask for no privileges.
3. Provide economic aid without interest or at low interests. When necessary, lengthen the period of loan repayment to lessen the burden on the recipient country.
4. The purpose of aid is not to create the recipient country's dependence on China but to help it to advance on the road of self-reliance and independent economic development.
5. Projects chosen for aid in the recipient country should require low investment and short gestation so that the aid recipient country can increase its income and accumulation.
6. Provide the best possible equipment and raw materials we produce and negotiate prices according to the international market conditions. If the equipment and raw materials provided do not meet the agreed specifications and quality, their return is guaranteed.
7. In providing any form of technical aid, guarantee that the personnel of the recipient country will fully master this technical know-how.
8. Experts sent to the recipient country to help with construction should receive the same material treatment as the experts of the recipient country. No special requirements or treatment are allowed.(10)

Only with a socialist system in place where a dictatorship of the proletariat can enact policies in the interests of the proletariat will it be possible to put these policies into place. Until that time the imperialists will continue their attempts to plunder the resources and labor of the majority of the world's people. But sometimes we can force concessions from the imperialists along the road to socialism. MIM supports the struggle to force the imperialists to relieve the debt burden of the Third World. And we seek to organize that struggle into a broader anti-imperialist movement under proletarian leadership.

THE ASIAN CRISIS IN THE LATE 1990s

The frailty of the so-called "new" global economy revealed itself dramatically in Asia in the late 1990s. The crisis generated headlines, increasing interest in globalization and the debt crisis. Again, MIM turns to this major event to explain the systematic nature of imperialism, and the political-economic relationship of Amerika and the other rich countries to the oppressed within that system.

The real news out of the crashing Asian economies in 1997 should have been the incredible increase in the hardship coming to the majorities in such countries as the Philippines, Thailand, Indonesia, and Malaysia: women working in a Taiwanese factory in Vietnam, making Nike sneakers 65 hours a week for \$10 -- that's \$0.15 per hour -- while being exposed to carcinogens, dangerous work materials and poor air quality.(11) Instead, across Amerika kitchen table conversation turned to the quick sells by mutual fund managers to bring home huge profits accumulated over the previous years. Americans earned this money the old fashioned way: by sitting on their asses while oppressed nation workers do the hard work of the world.

The economic crises in Asian countries illustrate the greedy economic interests of the Americans and other imperialists in the region, as well as the role of the comprador corporate leaders and political puppets who run these countries. The currency crashes in a number of countries brought huge real losses for the masses. The imperialist response, organized by the International Monetary Fund (IMF), was predictable: the "aid" is more debt, and the conditions for this "aid" are lower wages paid in money that is worth less -- to produce more exports. At the same time, the crisis helps show the potential for revolution in the region, and the fearful looks in the eyes of the Asian paper tigers.

In the late 1990s, 63 million U.S. residents were invested in mutual funds -- group stock-ownership plans -- including those invested indirectly through pensions. The number of households that own mutual funds directly increased from 5 million in 1980 to 37 million in 1997. From 1992 to 1996 alone, the assets of U.S. mutual funds just in retirement plans tripled, to \$1.24 trillion. Only 10% of U.S. mutual funds are directly invested in Third World country stock markets; so fund managers have the flexibility to move their money around if the going gets tough in any one country.(12) Most mutual fund money is in American corporations, many of which operate in Third World countries, instead of in Third World companies. In this system, tens of millions of American families can sit back and watch the money roll in at the expense of others.

The crash of Asian economies reflects their vulnerability to the whims of the imperialist economies, built up over years of development based on foreign capital and control. For example, from 1980 to 1996, the combined foreign investment in Thailand, Malaysia and Indonesia rose from \$18 billion to \$121 billion. Don't be fooled: as in the case of international loans, the concept of return on investment means the imperialists only invest on the condition that they get back more than they put in. And that hit home in 1997. In the first nine months the value of these stock markets fell 42% (Indonesia), 52% (Malaysia) and 53% (Thailand).(13) That reflects a sell-off, a profit-taking for all that imperialist investment. The sell-off hit south Korea as well: in October 1997 alone, foreign investors sold off more than \$1 billion worth of stocks there. To try to bring back investment, the government increased the amount of local companies that could be owned by foreigners to 26%.(11)

Their debts are huge. In 1997 South Korea had \$110 billion in foreign debt, but they are in better shape than other ASEAN countries, who averaged external debts of almost 60% of their economic output per year.(11) Because they borrow money in dollars or other imperialist currency, but take in money in local currency, when the local currency falls they can't afford to make their loan payments.

The south Korean won fell 22% from 1 January to 19 November 1997, doing better than most of the crisis countries, while the worst was the Thai baht, which fell 55%: the value of the local money almost vanished.

The currency crash hurt their central banks, and also local companies. As the Washington Post reported, "the decline in currencies such as the Thai baht and Indonesian rupiah is adding enormously to the debt burdens of companies in those countries, many of which borrowed large amounts of dollars on overseas markets in recent years."(14) When companies can't make their payments, banks start going out of business, too.(13) That quashes the possibility of the national bourgeoisie gaining its own strength and independence, and it increases the dependency of the comprador bourgeoisie at the same time.

The "good" news -- for imperialists, is that "a cheaper currency can help boost a nation's exports by making its products more competitive."(14) "More competitive" just means real wages are lower, as foreign companies can pay the same wages in local currency for a fewer dollars, and real prices rise, especially for imports, which have to be paid at dollar levels. One cause of the current crash was the "more competitive" industries in capitalist China, where new factories have lower wages than those in Thailand, for example.(15)

This is how a currency crisis makes things worse for the masses; it leads to unemployment as companies close, pension and welfare cuts as governments try to meet IMF conditions, and higher prices all around.(16)

The grotesque myth perpetrated in the bourgeois media is that the crisis reflects a "problem of over-building and over-investment"(17) In Bangkok, for example, "You have roughly 300,000 empty residential units," according to an

analyst in Hong Kong. "(14) "Over-production" under capitalism always just means the people can't afford to buy what's there -- MIM is sure these empty apartments in Bangkok could be put to good use if the economy were run in a rational fashion for the benefit of the people. The irrationality means that these empty buildings and factories decline in value, and the companies that own them have to fire people and spend all their money paying off their debts. The fired workers can't buy as much, and the cycle deepens.

Fortunately for the international bourgeoisie, they had a plan to respond to the Asian crisis, starting with "a painful period of eliminating excesses." (14) These "excesses" include the starvation wages paid in the export industries across Southeast Asia.

International bourgeois spokesman Jeffrey Sachs, whom the international proletariat remembers for his inventions of "shock therapy" and "stabilization" of Third World economies, said it was inevitable that the Asian countries would run into competition from lower-wage factories. "It became clear that if the Asians were going to compete, their currencies would need to fall against the dollar so their costs of production would be lower." In other words, they had to lower wages, "so that these countries' exports will be cheaper and therefore more competitive." (18)

The comprador-lackey regimes don't have much choice. Thailand, the Philippines, Indonesia and south Korea were the first to run to the International Monetary Fund for "bailouts" -- more "aid" to further enslave their citizens. (13.) The "adjustments" forced by the crisis, as well as the policies rammed down the throats of the affected peoples, ensure that even when these countries "recover," the ground underneath them has shifted, so they are building back up from a worse position. As the economies "improve" there will be news of success from individual corporations, and perhaps increasing employment rates. But the real losses hidden in the profit-taking stock sell-offs, and the lower real wages resulting from the currency collapses, are permanent extractions of wealth from poor to rich countries, and those losses are not recouped when the cycle begins again.

The plight of the masses might be ignored in the mainstream U.S. media, but the bourgeoisie and the lackey governments know the trouble this leads to. According to the Far Eastern Economic Review euphemisms, Asian governments face "a new struggle -- to maintain political and social stability in the face of economic dislocation." They need increased repression to ram the IMF plans down the masses' throats. Their first example is the Philippines, which brought in more foreign investment in the five years before 1997 than in the previous 20 years. There, during the 1997 crash "20,000 marched on the presidential palace ... to protest -- with communist-style slogans -- 'the people's hardship due to the government's imperialist-dictated economic policies.'" As strikes hit Manila and Mindanao, the politicians running for president stopped even saying the word "globalization." (11)

In a poll of top executives from the Philippines, 96% acknowledged the inequality from the government's sell-out, answering "no" to the question: "Have the benefits of economic globalization been equitably distributed among all sections of society in your country?" In the same survey, more than three-quarters of executives from Thailand, the Philippines and Indonesia said "yes" to the question: "Is economic globalization contributing to social tensions in your country?" The imperialists are worried, too: "The World Bank, for instance, has said that while reforms have seen the rise of a small, mainly urban, lower-middle class and of a tiny super-elite, there has also been an increase in the ranks of the 'poorest of the poor.'" (11)

Resistance is well organized in the Philippines, led by the National Democratic Front, the Communist Party of the Philippines, and the armed resistance of the New People's Army.

The imperialists know they can only complete their greedy schemes as long as the masses are repressed and excluded from decision-making. At an elite social function during the Indonesian crisis, two diplomats were talking about Indonesia. "Don't quote me," said the Western ambassador, looking around conspiratorially, "but thank God this place isn't a democracy." (11)

The people of the oppressed nations of Asia and the rest of the world need not only democracy but also national self-determination and socialism, if they are to break the billions of dollars worth of chains paid for by imperialist "aid" and investment, by lackey-comprador regimes at the beck and call of the imperialists. The beneficiaries are not just the "rich" of the imperialist countries, but all those parasitic masses of the imperialist-country labor aristocracies, who wear the clothes, eat the food, buy the sex, and watch the TVs produced by the oppressed nations around the world.

U.S. OCCUPATION AND EARNING TRENDS

But isn't "globalization" also putting the squeeze on American workers, as "their" jobs are sucked across the borders to workers who "compete" with them by working for ridiculously low wages? In a word, No.

There are good reasons to oppose the ever-deeper plunge of imperialism into the oppressed nations of the world. But as we have seen, the anti-globalization protests include a strong labor aristocracy component, as evidenced by big unions and other supporters of American workers who complain that global trade takes away American jobs and hurts American workers.

Here we briefly review some trends in the American economy, with an eye toward how globalization is supposed to be hurting the American working class (19)

At any one time it's hard to see what's new and what's old in the economy. This analysis looks at the changes in the labor force in the last 20 years in two ways. First, we look at the overall composition of the labor force in terms of occupation and earnings. That lets us see where the most growth in jobs and wages is taking place. Second, we look more closely at the situation of young workers of the last two decades. (All dollar figures are adjusted for inflation to 1997 levels.)

The changing labor force

We look at the number of workers in each occupational category, their average earnings, and the change in each category from 1978 to 1998. There are 8 million more "sales workers" in 1998 than there were in 1978, while the number of "machine operators, assemblers and inspectors" shrank by about 1.8 million. The total number of employees has increased by 33.7 million, which is a 34% increase, and their average pay is up 21%.

The labor aristocracy has two beefs here. They are upset that there are 13.4 million more combined sales and service jobs, which pay less than the average. But MIM points out that earnings in these two occupation groups are up 34% and 24% respectively over the last 20 years, however, even though they remain below the average.

The second labor aristocracy beef is that earnings fell for most of the blue-collar occupations. On this point they are right, but it's just not that bad. First, the pay declines are relatively small compared to the pay increases in other occupations. Second, the blue-collar occupation groups have added only 3.4 million jobs, or about 10% of the total new jobs. The slow growth, or decline, of these blue-collar jobs means these jobs are becoming less and less important, so their stagnating pay doesn't hurt as many people. Less than 20% of all workers are in these occupational groups. Finally and maybe most importantly, white men in these occupational groups did not see even these small declines. White men in "precision production, craft and repair," "transportation and material moving," and "handlers, equipment cleaners and laborers" -- all had small increases in earnings over the last 20 years.

So blue-collar workers have suffered some losses in the last two decades, but not the white men in that group. At the same time, the number of employees in the "executive, administrative and managerial" group has increased 71%, or 7.5 million, and their earnings are up 18%. And the number of people in the professions (from teachers to lawyers and doctors) has increased 58%, or 7.3 million, and their earnings are up 27%. This growth is bigger than the growth in sales and service jobs, and the earnings for these people are very high.

Young workers

Another way to look at changes in the labor force is to look just at the situation of young workers over time. Since at any one time this group is new to the labor force, they always represent what's new in some respects.

Here we discuss the change in the situation of 25-29 year-old workers from 1978 to 1998 -- this is early in the careers of most workers. The information here pertains to non-"Hispanic" Black and white men and women. We refer to the most common five occupational groups, the average earnings, and the education level of these workers.

Let's look at young white workers first. The most common occupational group among white men in this age group in 1998 is high-skill blue-collar jobs (19.3% of white men). The average pay of these workers is \$25,557 per year, which is 16.4% less than the pay was for these workers in 1978. That's close to what white men who did not finish college were paid overall in 1998 (\$28,782).

So, the labor aristocracy has a beef: the best-paid blue collar workers aren't getting paid as much at the beginning of their careers as they used to, and white men without college degrees have a harder time getting good jobs.

To some degree they are right again. But the overall trend is not that way. While the earnings of white men without college degrees have gone down 11.4%, the earnings of those with college degrees have gone up 10.8%. The three high-paying categories in the white men's top five -- professionals, sales, and managers, who average about \$34,000-37,000 at the start of their careers -- combined account for 40.5% of the white male workers in this age group. In 1978 these categories represented 36.1% of young white men. So while the pay is going down for some workers, these are becoming more scarce over time, and the high-paying jobs are an increasing part of the white male labor force, as we saw in the labor force as a whole.

Overall, all this translates into a 3.6% drop in the annual earnings of 25-29 year-old white men. This is hardly the catastrophe the labor aristocracy advocates describe. And of course it's only part of the story. (One thing to consider about this comparison -- 25-29 year olds over 20 years -- is the extent to which it misses those high-education occupations where the training takes people into their late 20s or 30s, such as doctors.) White women are another crucial part.

Young white wimmin earn much more now than they did 20 years ago. This is partly because they are employed more -- more often work full-time, delay marriage and childbearing, and so on. But they are also in better occupations and getting paid more. Labor aristocracy boosters who also cling to patriarchal views whine about wimmin who "have" to work now to "make ends meet." This is true for a small number of relatively poor wimmin, but the great majority of white wimmin is not in this situation at all -- especially if they are married, which most are.

Looking at the top five occupation groups for young white wimmin in 1998, every one of them has experienced double-digit earnings growth in the last 20 years. The best paid group, the managers, are now 15.8% of these wimmin (they were less than 7% in 1978), and they earn almost \$30,000, which is 43% more than they did 20 years ago.

The overall earnings increase for young white wimmin has been 32.3%, and that extends to those with and those without college degrees, although those who finished college have had more growth. This great increase in the earnings of young white wimmin more than balances out the small decrease in young white men's earnings.

If there is any group in the US (besides First Nations and undocumented immigrants) that is taking it on the chin in the last 20 years, it is Black men. All of the top-five occupational groups for young Black men have had falling earnings in the last 20 years, with the most common occupations having the largest losses. In 1978, the top two occupation groups for young Black men were high-skilled blue-collar jobs -- such as machine operators, inspectors, precision production, and the like. In 1998 the biggest category is the low-level blue-collar jobs paying \$12,351 per year. While white men in the professions have had a 15.2% increase in earnings, and white wimmin professionals have had their earnings go up 24%, Black men in these occupations have just broken even. With or without college degrees, young Black men are earning about 7% less than they were in 1978. Underlying all this -- and absent from this government data on the "labor force" -- is the prison boom, which is the site of exploitation of labor for Black and Latino men. The real average earnings of Black men are lower than those reported here because of prisons, and many are out of the labor force because they're in prison.

The story for Black wimmin is a mix. Black wimmin blue-collar workers and secretaries earn less than they did 20 years ago, but the other top occupational groups are earning more. Black wimmin have the biggest gap in earnings between those who finished college (\$27,612, up 14.8%) and those who didn't (\$13,717, down 1.1%).

Finally, we have to add briefly that this is all based on reported earnings. Other benefits -- retirement pensions, interest and dividends, inheritances, rents, and all that -- are not included here. All of these other sources of wealth are of course disproportionately collected by white Amerikans. So these numbers may be useful for comparison over time, but they don't tell the whole income or wealth story.

In terms of the global trade issue, there are several important points to draw from all this. First is that all of these workers are making head-and-shoulders above the great majority of the world's workers. Who's up and who's down may have an effect on political consciousness, but MIM does not look at any of these pay levels and conclude that these workers are being exploited. Inequality and oppression do exist in the U.S., but economically everyone who's got a legal at least minimum-wage job is not exploited in our book.(20)

The second major point is that overall shifts in the class structure are not working against most people in the U.S., especially white Amerikans. These workers are not being driven out of their jobs by global trade. Instead the occupational structure is shifting in favor of higher-paid jobs for white workers.

CONCLUSION

MIM does not seek to rally the imperialist country people with slogans against "globalization." One only needs to read up on Patrick Buchanan's presidential campaign, calling for a moratorium on immigration and an end to export of U.S. jobs. Opposition to "globalization" in the imperialist context primarily means rallying the labor aristocracy to keep its share of the superprofits from imperialist exploitation.

However, some of those involved in the anti-globalization protests in recent years are really anti-imperialist, or could be. For these people, the challenge is to get beyond picking on a recent policy, a surface-level trend, or the easy path of reaching "people where they are." In Amerika, that means advocating the interests of the majority, which objectively are on the side of imperialism. We can't organize our way out of this mess by appealing to the material interests of the richest classes in the world, which include the oppressor-nation working classes.

There are many non-oppressed and non-exploited people in the rich countries who can be persuaded to join the side of the oppressed and exploited and oppose imperialism, even as that means going against their own parasitic interests and the privileges they have been afforded as an accident of birth.

Sources for this pamphlet include: "Correction," MIM Notes 130, January 15, 1997; "Beijing Review for globalization and the 'third way,'" MIM Notes 183, April 1, 1999; "Imperialist-Led Growth Strategy Comes Home to Roost: Asian Crashes Bring More Misery to the Masses," MIM Notes 152, December 15, 1997; "Jubilee 2000: End the Imperialist Deathgrip of Debt," MIM Notes 186 May 15 1999; "Seattle protests bolster Amerikan chauvinism," MIM

Notes 201, January 1, 2000; "The changing economy and class structure: No sign that the white working class is hurting as labor aristocracy claims," MIM Notes 201, January 1, 2000; "People's Assembly brings oppressed nations' anti-imperialism to Seattle," MIM Notes 201, January 1, 2000.

Notes:

1. See, for example, "On Capitalism and the Environment," in: MIM Theory 12: Environment, Society, and Revolution.
2. See "GATT is a trade framework, not a trade system," MIM Notes 96; "Buchanan steals phony Marxists' thunder," MIM Notes 109; "Correction," MIM Notes 130 "Buchanan reveals fissure in ruling class," MIM Notes 199.
3. See MIM Theory 1: A white proletariat? and MIM Theory 10: Labor Aristocracy.
4. <http://www.geocities.com/Area51/Omega/5844/aryanpoliticswto.html>.
5. "Communique from part of the Black Bloc," at: <http://damn.tao.ca/wtopage/wto.htm>
6. Karl Marx, January 9, 1848 Speech to the "Democratic Association in Brussels," Selected Writings, ed. David McLellan (Oxford University Press, 1977), pp. 269-70.
7. V. I. Lenin, "What Is Internationalism?" The Proletarian Revolution and the Renegade Kautsky (Peking: Foreign Language Press, 1965), p. 80.
8. This book is on-line at: <http://csf.colorado.edu/mirrors/marxists.org/archive/lenin/works/1916/imp-hs c/index.htm>
9. Jubilee 2000 Africa Campaign web page: <http://www.jubilee2000uk.org>.
10. The Fundamentals of Political Economy, Vol. I. Shanghai People's Press.
11. Far Eastern Economic Review 20 November 1997.
12. Washington Post 9 November 1997, p. C1.
13. Washington Post 12 October 1997.
14. Washington Post 3 November 1997.
15. Washington Post 24 October 1997, p. A34.
16. Washington Post 22 November 1997, p. C1.
17. Washington Post 6 November 1997, p. D1.
18. Jeffrey Sachs, New York Times 3 November 1997, p. A27.
19. Data are from the March Current Population Survey, conducted by the Census Bureau for the Bureau of Labor Statistics. Summaries from this data and downloading options are available at: <http://www.bls.gov/cps/home.htm>. The data are based on a sample survey of about 50,000 households per month, excluding prisoners and people in the military. There aren't enough Latinos in the data to look at them reliably, especially taking into account new immigrants and nationality differences among them, which is necessary to understand the overall situation.
20. See MIM Theory 1, 10, and "Imperialism and Its Class Structure in 1997," by MC5 for more of this analysis.