

# In Defence of Trotskyism

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## Imperialism Today: what it is and how to fight it By Gerry Downing



What does Imperialism do? It draws super-profits from investments in semi-colonial countries where the cost of labour is kept low by all manner of anti-trade union thuggery and murders, corruption and compliant puppet rulers. The eight-storey Rana Plaza factory collapse in Dhaka, Bangladesh on 24 April (top) is but the most horrible of examples of Imperialism in action.

Aminul Islam (bottom) a Bangladeshi labour rights activist and former apparel worker was tortured and murdered on 4 April 2012 in Dhaka. His body was dumped outside of the capital city. According to the police report, Aminul Islam's body bore signs of brutal torture.



The wage protests of 2010 resulted in hundreds of arrests of workers and trade unionists, including Aminul Islam. In June 2010 Aminul had been detained by officials of the National Intelligence Service (NSI). According to Aminul, he was subjected to severe and repeated beatings, which his captors said would stop only if he agreed to give false testimony against his colleagues at BCWS. Dozens of labour leaders are still facing charges of instigating riots and related activities; charges regarded as baseless by international labour and human rights organisations.

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Contact: PO Box 59188, London, NW2 9LJ. Email: [Socialist\\_Fight@yahoo.co.uk](mailto:Socialist_Fight@yahoo.co.uk). Blog: <http://socialistfight.com/>

Unity is strength, L'union fait la force, La unión hace la fuerza, Η ενότητα είναι δύναμη, اتحاد قوت است, đoàn kết là sức mạnh, Jedność jest siła, ykseys on kesto, யুনিটি শক্তি, Midnimo iyo waa awood, hundeb ydy chryfder, Einheit ist Stärke, एकता शक्ति है, единство наша сила, vienybės jėga, bashkimi ben fuqine, אחדות היא כוח, unità è la resistenza, 団結は力だ, A união faz a força, eining er styrkur, De eenheid is de sterkte, الوحدة هو القوة, Ní neart go chur le céile, pagkakaisa ay kalakasan, jednota is siła, 일성은 이다 힘, Workers of the World Unite!

## Introduction

In today's global economy the scientific Marxist understanding of Imperialism was never as derided and confused amongst the vanguard of the working class in the advanced metropolitan countries. Chief confusion-monger here is Sean Matgamna and his group, the Alliance for Workers Liberty. This publication concentrates a great deal on them in these four articles written between 2007 and 2013 only because they are the worst example of a pro-imperialist outfit masquerading as socialist revolutionaries and even on occasion as Trotskyists. But the Imperialist-sponsored proxy wars on Libya and Syria revealed a whole host of supposed revolutionary leftists who were only too eager to swallow whole the obvious lies and war-propaganda of Imperialism and its mass media. The latest example is their pathetic attempts to portray Israel's bombing of Damascus as assistance to Assad to defeat the rebels because it makes them look bad to have such an ally. Just as South African policemen used to tell us that "terrorists" regularly battered themselves to death in police

cells and threw themselves to their death from high windows to make the police look bad!

What is Imperialism today? The following quote from the new Introduction to William Blum's book *Killing Hope* sums it up quite nicely:

"Post-cold war, New-World-Order time, it looks good for the M-I-I-C (military-industrial-intelligence complex) and their global partners in crime, the World Bank and the IMF. They've got their NAFTA and their GATT World Trade Organization. They're dictating economic, political and social development all over the Third World and Eastern Europe. Moscow's reaction to events anywhere is no longer a restraining consideration. The UN's Code of Conduct on Transnational Corporations, 15 years in the making, is dead. Everything in sight is being deregulated and privatized. Capital prowls the globe with a ravenous freedom it hasn't enjoyed since before World War I, operating free of friction, free of gravity. The world has been made safe for the transnational corporation." William Blum, *Killing Hope* [http://www.thirdworldtraveler.com/Blum/KHIntroNew\\_uned\\_WBlum.html](http://www.thirdworldtraveler.com/Blum/KHIntroNew_uned_WBlum.html)

## Anti-Imperialism – an Absolute Imperative May 2013

In 1857 Fredrick Engels wrote in defence of Chinese anti-Imperialist insurgents:

There is evidently a different spirit among the Chinese now to what they showed in the war of 1840 to '42... [1] They kidnap and kill every foreigner within their reach. The very coolies emigrating to foreign countries rise in mutiny, and as if by concert, on board every emigrant ship, and fight for its possession, and, rather than surrender, go down to the bottom with it, or perish in its flames. ... Civilization-mongers who throw hot shells on a defenceless city and add rape to murder, may call the system cowardly, barbarous, atrocious; but what matters it to the Chinese if it be only successful? Since the British treat them as barbarians, they cannot deny to them the full benefit of their barbarism. If their kidnappings, surprises, midnight massacres are what we call cowardly, the civilization-mongers should not forget that according to their own showing they could not stand against European means of destruction with their ordinary means of warfare.

In short, instead of moralizing on the horrible atrocities of the Chinese, as the chivalrous English press does, we had better recognize that this is a war pro aris et focis, (for our altars and our hearths) a popular war for the maintenance of Chinese nationality, with all its overbearing prejudice, stupidity, learned ignorance and pedantic barbarism if you like, but yet a popular war. And in a popular war the means used by the insurgent nation cannot be measured by the commonly recognized rules of regular warfare, nor by any other abstract standard, but by the degree of civilization only attained by that insurgent nation. [2]

### Modern-day civilisation-mongers

And so to the modern-day civilisation-mongers. In an article on 3 November, 2010, Sean Matgamna, long-time guru of the Alliance for Workers Liberty and its predecessors, gives his opinion that it would be unprincipled for socialists to support the victims of any of the US or other Imperialist wars of aggression. The list includes Korea, Vietnam, Algeria, Yugoslavia, Iraq, Afghanistan, etc. Because the victims of US aggressions were led by terrible unprincipled scoundrels (we all became aware of just how shockingly bad they were immediately before and during the attacks, strangely). Notice that anti-imperialism is in quotations marks throughout the article because, of course, his opponents are bogus ("kitsch"), anti-Imperialists who do not understand what real anti-Imperialism is and he is now going to explain all this to us to put us straight. He goes further and accuses the pacifist Stop the War movement of secretly supporting the opponents of Imperialism by failing to produce sufficient pro-imperialist propaganda in lock-step

with the Imperialist chauvinist mass media.

He soon tells what the problem is:

In this world, the residual elements of "anti-colonialism" will be auxiliary and subordinate to working-class socialist anti-imperialism. Otherwise "anti-imperialism" becomes a siding with anything else against the dominant capitalist powers, and comes to include siding with lesser, weaker imperialisms and regional imperialisms, like Iran or Iraq. [3]

Notice the clever use of language. The dominant Imperialist powers have become simply 'capitalist powers' and the semi-colonial victims of Imperialist aggression have become "lesser, weaker imperialisms and regional imperialisms, like Iran or Iraq".

If we are to deal with Imperialism it would be useful to know what it is.

Sean helpfully tells us what Imperialism and anti-Imperialism are:

With the liquidation of old colonialism, what is imperialism? Primarily, the workings of the capitalist world market. What, now, is anti-imperialism? It is the working class anti-capitalist revolution! Against the "imperialism of free trade, and economic might, and military clout", of the USA now, the only feasible, serious, real "anti-imperialism" is inseparable from working-class anti-capitalism. [4]

Well, zero points for that answer, comrade Sean. This is how Lenin defines the term, and takes issue with the sloppy formulators:

In his controversy with the Lefts, Kautsky declared that imperialism was "merely a system of foreign policy" (namely, annexation), and that it would be wrong to describe as imperialism a definite economic stage, or level, in the development of capitalism. Kautsky is wrong. Of course, it is not proper to argue about words. You cannot prohibit the use of the "word" imperialism in this sense or any other. But if you want to conduct a discussion you must define your terms precisely.

It is fundamentally wrong, un-Marxist and unscientific, to single out "foreign policy" from policy in general, let alone counterpose foreign policy to home policy ... Being a "negation" of democracy in general, imperialism is also a "negation" of democracy in the national question (i.e., national self-determination): it seeks to violate democracy.

*Economically, imperialism ... is the highest stage in the development of capitalism, one in which production has assumed such big, immense proportions that free competition gives way to monopoly. That is the economic essence of imperialism. Monopoly manifests itself in trusts, syndicates, etc., in the omnipotence of the giant banks, in the buying up of raw material sources, etc., in the concentration of banking capital, etc. Everything hinges on economic monopoly. (our emphasis) [5]*

### Crumbs from the super profits

Having invented his own bogus definition of Imperialism he can then equate the oppressor with the oppressed, the whale with the minnow



and take a neutral position in all Imperialist predatory wars. We must oppose Imperialism because not to do so is to adopt a chauvinist attitude and become pro-Imperialists ourselves. In opposing this view from Karl Kautsky almost a century ago this is how Lenin tackled the question:

Is the *actual* condition of the workers in the oppressor and in the oppressed nations the same, from the standpoint of the national question? No, it is not the same.

(1) *Economically*, the difference is that sections of the working class in the oppressor nations receive crumbs from the *super profits* the bourgeoisie of these nations obtains by extra exploitation of the workers of the oppressed nations. Besides, economic statistics show that here a *larger* percentage of the workers become “straw bosses” than is the case in the oppressed nations, a *larger* percentage rise to the labour *aristocracy*. That is a fact. To a *certain degree* the workers of the oppressor nations are partners of *their own* bourgeoisie in plundering the workers (and the mass of the population) of the oppressed nations.

(2) *Politically*, the difference is that, compared with the workers of the oppressed nations, they occupy a *privileged* position in many spheres of political life.

(3) *Ideologically*, or spiritually, the difference is that they are taught, at school and in life, disdain and contempt for the workers of the oppressed nations. This has been *experienced*, for example, by every Great Russian who has been brought up or who has lived among Great Russians.

Thus, *all along the line* there are differences in objective reality, i.e., “dualism” in the objective world that is independent of the will and consciousness of individuals.

...In *real life* the International is composed of workers *divided* into oppressor and oppressed nations. If its action is *to be monistic*, its propaganda must *not* be the same for both. That is how we should regard the matter in the light of real (not Dühringian) “monism”, Marxist materialism. [6]

Now we can see the real reason behind this theory. It justified the AWL’s relationship with the Labour leaders when in the party and with the left TU leaders like Bob Crow of the RMT. Like all TU bureaucrats Crow is the softest on British jobs for British workers and the AWL trots along behind him ideologically and politically because Imperialism is “not always the main enemy”. If we cannot make revolution at least the crumbs from the master’s table might sustain us for a little longer. But Sean has the killer quote from Lenin on why we must not support the Taliban against Imperialist attack:

Imperialism is as much our ‘mortal’ enemy as is capitalism. That is so. No Marxist will forget, however, that capitalism is progressive compared with feudalism, and that imperialism is progressive compared with pre-monopoly capitalism. Hence, it is not every struggle against imperialism that we should support. We will not support a struggle of the reactionary classes against imperialism; we will not support an uprising of the reactionary classes against imperialism and capitalism. [7]

He hopes we have not taken the trouble to read the rest of the article to discover the premise on which that idea was based. And it is only a few pages back:

The social revolution cannot be the united action of the proletarians of *all* countries for the simple reason that most of the countries and *the majority of the world’s population have not even reached, or have only just reached, the capitalist stage of development...* Only the advanced countries of Western Europe and North America have matured for socialism.” [8]



**The Opium Wars marked the beginning of China’s century-long subjugation to foreign powers. The defeated Chinese were forced to legalize the importation of opium, accept unfair and unbalanced terms of foreign trade, open up China’s seaports and the Yangtze River to foreign commercial penetration under the so-called “treaty port” system, and exempt westerners from China’s local laws and national jurisdiction.**

That was written in 1916 where Lenin still held the theory of the democratic dictatorship of the proletariat and peasantry and before he had written the April Theses and before Trotsky had developed his Theory of Permanent Revolution in 1928 to apply to all nations. Many nations had not economically reached the capitalist stage of development in 1916 but politically the extension of communications via trade and commerce meant that they were becoming ever more globally integrated economically and this was politically reflected in their consciousness. In any case it is ridiculous to argue that in 2010 there was any nation on the planet that has not reached the capitalist stage of development. Feudalism has long vanished from the face of the earth economically even if there are many reactionary feudal and pre-feudal ideas and institutions in backward countries. As a self-proclaimed but bogus Trotskyist is Sean asking us to seek the salvation of two stage revolutions?

Matgamna blunders on:

We are against imperialism as such, on the lines sketched by the Second Congress of the Comintern? Yes, but the point is that “anti-imperialism” is not an *absolute imperative*, not outside of context, not outside of the concrete truths of world politics. The Comintern theses themselves made a modification, an exception, insisting on “the need to combat pan-Islamism and similar trends, which strive to combine the liberation movement against European and American imperialism with an attempt to strengthen the positions of the... mullahs, etc. (our emphasis) [9]

But we must insist that anti-Imperialism is *an absolute imperative* for all the reasons outlined by Lenin above. Take the current situation in Syria. All the arguments against supporting Assad are moral and not political. Assad is a bloody-thirsty tyrant so we must oppose him and seek his downfall. Obama is a modern westerner who is bringing civilisation to Syria so we must support him – we leave to one side the bogus leftists who ridiculously think that Obama, Cameron, Holland, Erdoğan of Turkey, Abdullah bin Abdulaziz Al Saud, King of Saudi Arabia, Hamad bin Jassim bin Jaber Al Thani of Qatar, Mohammed bin Rashid al-Maktoum of the United Arab Emirates and Benjamin Netanyahu of Israel are supporting a genuine revolution in Syria. As against this we must see the real motivations and what will be the outcome for Syria and its entire people if this bogus ‘revolution’ succeeds. A devastated land where Wall Street, the City of London and the Paris Bourse can extract their super- profits via their multi-national corporations rebuilding what they have destroyed and grabbing privatised health services and schools, etc. And the now poverty-stricken people whose living standards will have been devastated will therefore have to work for them for a pittance. That is what they did to Iraq, Afghanistan, Libya and everywhere the ‘civilisation-mongers’ visit to impose ‘democracy’ and ‘freedom’. That is why Uncle Sam’s CIA thugs funds its proxy armies and murders and assassinates itself; to maintain the profits of Wall Street and its multi-national corporations.

### Reactionary theory of sub-imperialism

In around 1982 Matgamna proposed his reactionary theory of sub-imperialism or paleo-imperialism in justification of his refusal to call for the defeat of British imperialism in its war on Argentina over the Malvinas. He subsequently pressed this justifying mantra into use over

every war Imperialism waged before or since. Basically it is just a re-working of the backward reactionary libertarian workerist notion so popular among Anarchists and 'Left Communists' (the infantile disorder variety slated by Lenin in his famous book) that all nations are capitalist and we must be equally against them all and not take sides when one capitalist nation attacks another but declare we are against all this nonsense and for the working class and socialist revolution.

Colin Foster set out the reactionary view in *Workers Liberty* 2/2:

Today some ex-colonial or ex-semi-colonial countries have some military means to dominate their neighbours, but relatively little economic clout. They use the methods of the old imperialism, "paleo-imperialism", as it might be called - Turkey in Kurdistan and Cyprus, Serbia in Kosovo, Iraq in Kurdistan and Kuwait, Indonesia in East Timor, Morocco in the Western Sahara, Libya in Chad, Ethiopia in Eritrea, Argentina in the Falklands... This "paleo-imperialism" is a small-scale parody of the high imperialism of the late 19th century. It is not anti-imperialist. It is not a progressive alternative to the economic domination of the big powers. It may clash with the modern "imperialism of free trade" and with the USA as the chief policeman of that new order - or cooperate with it as a junior partner. But even when it clashes with the USA, the "paleo-imperialism" does not represent liberation or progress. It does not show a way out of underdevelopment, or towards a fairer and more equal world. Only independent working class struggle can do that. And the working class which can wage that struggle is growing in numbers, and often in organisation, all across the ex-colonial world. [10]

But Lenin's definition of Imperialism as the highest stage of capitalism precisely makes the point that Imperialism even as it existed in 1916 was NOT SIMPLY colonialism and the conquest of territory and the Scramble for Africa but the financial and consequent economic domination of monopoly capital, on which "everything hinged", as Lenin said. This was assisted by colonialism but that was not its essence. Military interventions are embarked on to impose puppet rulers today; there is no need for direct rule which is now politically unacceptable. The 1960 United Nations Resolution 1514, *Declaration on the Granting of Independence to Colonial Countries and Peoples* was approved by 98 votes in favour, none against and 9 abstentions, Australia, Belgium, Dominican Republic, France, Portugal, Spain, South Africa, United Kingdom, and United States. Possession of overseas territories was the motivation for the abstentions apart from the unfortunate Dominican Republic whose vote we can only record with contempt.

The post WWII change from colonialism to semi-colonialism did not alter financial and economic relations. In fact colonialism, in the epoch of the first global economy under Great Britain from c1690 to c1890 was characterised by the suppression of manufactures and trade in captured territories to facilitate the hegemony of British industry and commerce. From the Great Depression of 1873-79 there began the rise of the huge banks and financial institutions (Britain and the US) and monopolies, trusts and syndicates, particularly in the US and Germany, the export of capital by Britain (globally) and by France and Germany

to Europe. From that point Imperialism was not simply annexations but, as Lenin explains:

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... England became a capitalist country before any other, and by the middle of the nineteenth century, having adopted free trade, claimed to be the "workshop of the world"; the supplier of manufactured goods to all countries, which in exchange were to keep her provided with raw materials. But in the last quarter of the nineteenth century, this monopoly was already undermined; for other countries, sheltering themselves with "protective" tariffs, developed into independent capitalist states. On the threshold of the twentieth century we see the formation of a new type of monopoly: firstly, monopolist associations of capitalists in all capitalistically developed countries; secondly, the monopolist position of a few very rich countries, in which the accumulation of capital has reached gigantic proportions. An enormous "surplus of capital" has arisen in the advanced countries... As long as capitalism remains what it is, surplus capital will be utilised not for the purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalists, but for the purpose of increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap... The export of capital reached enormous dimensions only at the beginning of the twentieth century. Before the war the capital

invested abroad by the three principal countries amounted to between 175,000 million and 200,000 million francs. At the modest rate of 5 per cent, the income from this sum should reach from 8,000 to 10,000 million francs a year—a sound basis for the imperialist oppression and exploitation of most of the countries and nations of the world, for the capitalist parasitism of a handful of wealthy states! [11]

Therefore the Berlin Conference (1884–85) where the Imperialist powers carved up Africa on the basis that, "No nation was to stake claims in Africa without notifying other powers of its intentions. No territory could be formally claimed prior to being effectively occupied" signified that this form of colonialism was fundamentally different from the old form. Now empires were sought as arenas for the investment of capital on the basis of cheap labour most often in the form of the cultivation of primary produce AS WELL AS the extraction of raw materials and mining etc. In fact it only brought to the fore the essence of Imperialism itself; a nation could have nominal independence and yet be even more oppressed by Imperialism in its national independence phase than in its colonial days. Lenin explains:

Finance capital has created the epoch of monopolies, and monopolies introduce everywhere monopolist principles: the utilisation of "connections" for profitable transactions takes the place of competition on the open market. The most usual thing is to stipulate that part of the loan granted shall be spent on purchases in the creditor country, particularly on orders for war materials, or for ships, etc. In the course of the last two decades (1890-1910), France has very often resorted to this method. The export of capital thus becomes a means of encouraging the export of commodities. In this connection, transactions between particularly big firms assume a form which, as Schilder "mildly" puts it, "borders on corruption". Krupp in Germany, Schneider in France, Armstrong in Britain are instances of firms which have close connections with powerful banks and governments and which cannot easily be "ignored" when a loan is being arranged...



Map showing European claimants to the African continent in 1913

Thus finance capital, literally, one might say, spreads its net over all countries of the world...The capital-exporting countries have divided the world among themselves in the figurative sense of the term. But finance capital has led to the actual division of the world. [12]

How very 'modern' this all sounds. Take the following account of how the corruption scandal over the Al Yamamah arms deal with Saudi Arabia ended:

On 14 December 2006, the Attorney General Lord Goldsmith announced that the investigation was being discontinued on grounds of the public interest. The 15-strong team had been ordered to turn in their files two days before. The statement in the House of Lords read: The Director of the Serious Fraud Office has decided to discontinue the investigation into the affairs of BAE Systems plc as far as they relate to the Al Yamamah defence contract. This decision has been taken following representations that have been made both to the Attorney General and the Director concerning the need to safeguard national and international security. It has been necessary to balance the need to maintain the rule of law against the wider public interest. No weight has been given to commercial interests or to the national economic interest. The Prime Minister justified the decision by saying "Our relationship with Saudi Arabia is vitally important for our country in terms of counter-terrorism, in terms of the broader Middle East, in terms of helping in respect of Israel and Palestine. That strategic interest comes first." [13]

### What does Imperialism do?

What does Imperialism do? It draws super-profits from investments in semi-colonial countries where the cost of labour is kept low by all manner of anti-trade union thuggery and murders, corruption and compliant puppet rulers. The eight-storey Rana Plaza factory collapse on 24 April in Dhaka, Bangladesh is but the most horrible of examples of Imperialism in action. As CBC News reported on 5 May 2013, *Bangladesh factory collapse death toll tops 700 (it has now passed 1,000)*:

The April 24 disaster is likely the worst garment-factory accident ever, and there have been few industrial accidents of any kind with a higher death toll. It surpassed long-ago garment-industry disasters such as New York's Triangle Shirtwaist factory fire, which killed 146 workers in 1911, and more recent tragedies such as a 2012 fire that killed about 260 people in Pakistan and one in Bangladesh that same year that killed 112. [14]

The multi-national Imperialist exploiters who benefited from this are: Primark and Matalan (Britain), Mango (Spain), Benetton (Italy) Children's Place (US) and Joe Fresh (Canada) with Primark the chief beneficiary. And that is just one factory. Bangladesh is second only to China as a source of cheap clothes for every major retailer in the metropolitan world. Tommy Hilfiger, Nike, Ralph Lauren, Wal-Mart, Gap, J.C. Penney Co. all source much of their merchandise in Bangladesh. It is very dangerous to attempt to unionise the workers as we see from the fate of Aminul Islam on 4 April 2012:

Aminul Islam, a Bangladeshi labour rights activist and former apparel worker was tortured and murdered last week in Dhaka. His body was dumped outside of the capital city and was found by local police last Thursday. According to the police report, Aminul Islam's body bore signs of brutal torture. It is most likely that Aminul was murdered because of his labour rights work.

Aminul Islam worked for the Bangladesh Center for Worker Solidarity (BCWS) and the Bangladesh Garment and Industrial Workers Federation (BGWIF). He was last seen on Wednesday evening 4 April, 2012, when he left for a meeting with a worker who had called him seeking assistance.



Earlier that evening, after having observed a police van parked outside, Aminul and a colleague had closed the local BCWS office fearing harassment or arrest. Aminul's family and friends searched for him until Saturday, when his wife recognised a photograph of his body, published in a local newspaper.

Repression against trade unionists and labour rights activists in Bangladesh is a serious problem, and worker protests have been met with

violence many times over the last years. In particular, the wage protests of 2010 resulted in hundreds of arrests of workers and trade unionists, including Aminul Islam. In June 2010 Aminul had been detained by officials of the National Intelligence Service (NSI). According to Aminul, he was subjected to severe and repeated beatings, which his captors said would stop only if he agreed to give false testimony against his colleagues at BCWS. Dozens of labour leaders are still facing charges of instigating riots and related activities; charges regarded as baseless by international labour and human rights organisations. [15]

Imperialism exploits the semi-colonial world for its natural resources; it destroys its native industry via its agencies in the International Monetary Fund (IMF), World Bank etc. And it sends its armies to invade those nations that refuse to obey its diktats to open up their domestic markets to its multi-national companies or to sell their primary products at the price demanded by Imperialism. Almost all struggles against Imperialism are carried out by reactionary forces which mobilise popular sentiment against foreign invasion or kick against economic oppression foisted on the semi-colonial world by the big finance houses and multi-national companies whose interests are looked after by the IMF and the World Bank. Of course they do so in defence of the profits of the native bourgeoisie but we would suggest that is preferable to the destruction of the sovereignty of nations to facilitate the super profits of the Imperialist multi-nationals. As we wrote in our document *Against the theories of ultra-imperialism and sub-imperialism* in 2008:

One only has to look at the Bretton Woods Institutions (BWI); the International Monetary Fund (IMF), the World Bank (WB) and the International Trade Organisation (ITO) successor to the General Agreement on Tariffs and Trade, GATT) to see how national governments fight the corner of their own capitalists against their rivals. The first two BWIs are more immediately under the control of US imperialism but even the ITO, although formally democratic in structure, has to bow to the pressure of the major powers; it is their agenda and their priorities that dominate. In regions like Africa and South Asia with weak state structures IMF/ITO aid programmes have ripped the heart out of their economies by their 'structural adjustment' programmes. In the Asian financial crisis of 1997 the IMF immediately had a structural adjustment solution which allowed in US capital in the first place to penetrate these economies. The US government negotiates at the ITO and sets up bodies like NAFTA (North American Free Trade Association between the US, Canada and Mexico), imposes tariffs on the primary products of the third world – far higher if these are processed – and subsidises its own agriculture to overcome its rivals. The EU similarly proceeds in this way, e.g. the CAP, however with continuing internal conflicts, as does China and Japan. And whilst they are destroying welfare benefits for their poorest citizens the great imperialist governments are intervening with welfare for great financial institutions, Bear Sterns and Northern Rock had to be nationalised in effect to save them... No major corporation can operate on its own on the world stage, governmental support is necessary and it must be its 'own' government which provides that support, negotiates international treaties and trade blocks on its behalf and be ultimately prepared to go to



war against its rivals on its behalf. [16]

All this theoretical baggage has severe political consequences; in reality is a justification for capitulating to the masters of life. Notoriously Sean took exception to the slogan, “stop the slaughter in Gaza” during Israel’s 2008 slaughter of 1,400 Palestinians in Gaza:

The dominant theme (of the protest demonstration), “stop the slaughter in Gaza”, *understandable in the circumstances*, could not – in the complete absence of any demands that Hamas stop its war – but be for Hamas and Hamas’s rocket-war on Israel. Even the talk of “the massacre” subsumed Hamas into the general population, and was one variant of solidarising with Hamas, its rocket war, and its repressive clerical-fascist rule over the people of Gaza. (our emphasis) [17]

What can we say to such equating the violence of the oppressor with that of the oppressed? Hamas fire puny little rockets out of drainpipes (oh no, they are getting a bit better now, I hear you cry!) as impotent symbols of resistance and the IDF rain down thousands of tons of high explosives and white phosphorous on a defenceless civilian population from the latest hi-tech bombers supplied by the US and these are equally to be condemned? We can only quote Trotsky:

A slave-owner who through cunning and violence shackles a slave in chains, and a slave who through cunning or violence breaks the chains – let not the contemptible eunuchs tell us that they are equals before a court of morality! [18]

### Economic and military statistics

If we look at a few economic and military statistics from the latest Forbes Lists and elsewhere we find that all these “paleo-imperialist” victims have puny economic and military might and have no multi-national companies in the world’s top 2000 at all.

#### 1. Top 2,000 multi-nationals

We have abstracted these details from Forbes 2,000 top companies which gives a good indication of the balance of global economic forces:

Of the top 2,000 firms in the world on 17 April 2013 the USA has 543, Japan 251, China 136, UK 95, France 64, South Korea 64, Canada 64, India 56, Germany 50, Switzerland 48, Hong Kong-China 46, Australia 42, Taiwan 41, Brazil 31, Italy 30, Russia 30, Spain 28, Holland 24, Sweden 23, Singapore 20, Malaysia 20, South Africa 19, Mexico 19, Saudi Arabia 17, Ireland 17, Thailand 16, United Arab Emirates 13, Belgium 11, Austria 11, Israel 10, Norway 10, Turkey 9, Philippines 9, Qatar 8, Poland 8, Luxembourg 7, Portugal 6, Kuwait 4, Channel Islands 3, Lebanon 2, Egypt 2, Peru 2, Kazakhstan 2, Jordan 1, New Zealand 1, Pakistan 1, Nigeria 1, Venezuela 1, Argentina 0, Libya 0, Iraq 0, Iran 0, Syria 0, Serbia 0. [19]

The commentary from Scott DeCarlo, of Forbes Staff makes the following comment, confirming Lenin’s analysis of Imperialism:

Banks and diversified financials still dominate the list, with a combined 469 (down 9 from last year) companies, thanks in large measure to their sales and asset totals. The next three biggest industries by membership are oil & gas (124 firms), materials (122 firms) and insurance (109 firms). [20]

When the list first appeared in 2004 the US had almost 1,000 on it, but that decline, whilst real, is offset by the dominant position of the US dollar as the world’s reserve trading currency enforced by its military might and by locating company HQs abroad to take advantage of small economies with very favourable corporate tax regimes from which profits are repatriated to the US. For instance Ireland’s 17 companies apparently place it in the same league as South Africa, Mexico and Saudi Arabia, a ridiculous comparison. In reality up to half of those companies are not really Irish at all except in name. Take its top company, Accenture plc, which is “engaged in providing management consulting, technology and outsourcing services”. It is 318<sup>th</sup> on the list



**Matgamna: “The dominant theme (of the protest demonstration), “stop the slaughter in Gaza”, *understandable in the circumstances*, could not – in the complete absence of any demands that Hamas stop its war – but be for Hamas and Hamas’s rocket-war on Israel.” (our emphasis)**

with a market capitalisation of \$53.34 Billion.

According to Wiki:

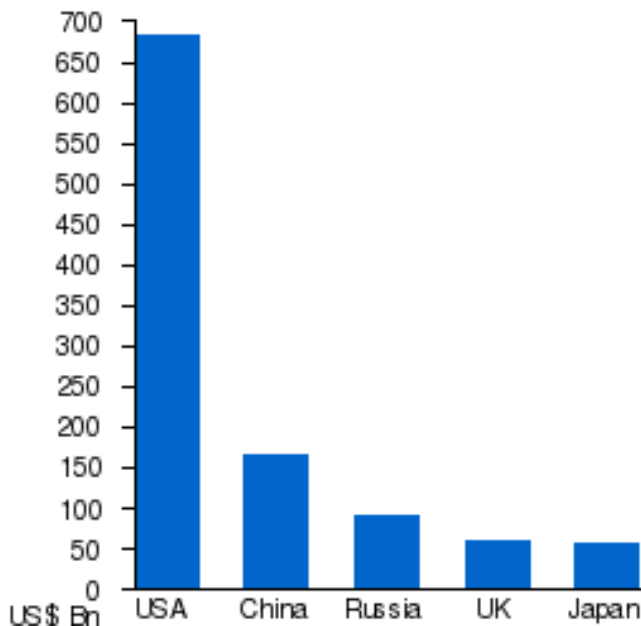
Accenture plc is a multinational management consulting, technology services and outsourcing company headquartered in Dublin, Republic of Ireland. It is one of the world’s largest consulting firms measured by revenues and is a constituent of the Fortune Global 500 list. As of September 2012, the company had more than 257,000 employees across 120 countries. India currently is the single largest employee base for Accenture, with the headcount expected to reach 80,000 in August 2012. In the US, it has about 40,000 employees and in the Philippines 35,000. Accenture’s current clients include 94 of the Fortune Global 100 and more than three-quarters of the Fortune Global 500. The international company was first incorporated in Bermuda in 2001. Since September 1, 2009 the company has been incorporated in Ireland. [21]

It is a US multi-national operating a common scam to avoid taxes and using Ireland as a convenient low-tax base to penetrate the European market. It has 1,300 employees in Ireland. It held its 2013 AGM in New York and its CEO is French. That is a common phenomenon in the world, hence the need for the US to maintain its big fleet of aircraft carrier to protect the assets of these companies.

The phenomenon that De Carlo observes next is a reflection of the advantage that the privileged position of the dollar as the world’s trading currency gives the US economy. They have used this time and again (devaluation, quantitative easing, etc.) to force the rest of the world to pay for their military expenditure and debts since the first rip-off in 1971 when Nixon took the dollar off the gold standard:

We break our list into four regions: Asia-Pacific, (715 total members), followed by Europe, Middle East & Africa-EMEA (606), the U.S. (543) and the Americas (143). Only the U.S. grew across all four metrics from a year ago. Asia-Pacific, the biggest region, has the most members for the sixth year running. They also lead all regions in sales growth (up 8%) and asset growth (up 15%). The U.S. leads in profit growth (up 4%), earning an aggregate \$876 billion in profits and market value growth (11%), with an aggregate value of \$14.8 trillion. U.S.-based companies are the most profitable and most valuable of all regions. The EMEA generated the most sales, a combined \$13.3 trillion, and holds the most assets with \$64 trillion. [22]

It is widely believed that the wars against Iraq and Libya were at least partly because the US wanted to overthrow regimes which had taken steps to begin trading in new currencies that broke the dollar’s monopoly as the world’s trading currency for oil to begin with. Argentina was frequently mentioned back at the turn of the 20<sup>th</sup> century as a rising Imperialist power; Britain and then the US made sure that it never made it. The two top companies are now Chinese banks but no doubt



The world's top 5 military spenders in 2012. Figures sourced from the SIPRI Yearbook 2013.

who the super-power still is.

## 2. Top Stock Exchanges

Here are the statistic for the top ten stock exchanges (\$US billions)

1. NYSE Euronext, United States/Europe, \$14,085.
2. NASDAQ OMX Group, United States/Europe, \$4,582.
3. Tokyo Stock Exchange, Japan \$3,478.
4. London Stock Exchange, \$3,396.
5. Hong Kong Sock Exchange, \$2,831.
6. Shanghai Stock Exchange, \$2,547.
7. TMX Group, Canada, \$2,058.
8. Deutsche Börse, Germany, \$1,486.
9. Australian Securities Exchange, \$1,386.
10. Bombay Stock Exchange, \$1,263.

Note the two US stock exchanges are as big as the next eight combined.

## 3. Ranking by Gross Domestic Product

The ranking of countries by Gross Domestic Product, this time the top 20: (Millions of \$US),

- World \$70,201,920. 1. United States \$14,991,300, 2. China \$7,203,784, 3. Japan \$5,870,357. 4. Germany \$3,604,061. 5. France \$2,775,518. 6. Brazil \$2,476,651. 7. United Kingdom, 2,429,184. 8. Italy \$2,195,937. 9. India \$1,897,608. 10 Russia \$1,857,770. 11 Canada \$1,736,869. 12. Australia \$1,515,468. 13. Spain \$1,478,206. 14. Mexico \$1,155,206. 15. South Korea \$1,116,247. 16. Indonesia \$846,834. 17. Netherlands \$836,823. 18. Turkey \$774,983. 19. Switzerland \$660,762. 20. Saudi Arabia \$597,086. [24]

Again the US, with its close allies Japan, France and the UK outstrip all others by a huge margin.

## 3. Biggest military Expenditure

The top 15 for military expenditure. (\$US billions):

1. United States \$682.0.
2. China \$166.0.
3. Russia \$90.7.
4. United Kingdom \$60.8.
5. Japan \$59.3.
6. France \$58.9.
7. Saudi Arabia \$56.7.
8. India \$46.1.
9. Germany \$45.8.
10. Italy \$34.0.
11. Brazil \$33.1.
12. South Korea \$31.7.
13. Australia \$26.2.
14. Canada \$22.5.
15. Turkey \$18.2.

Note the US expenditure is equal to the combined total of all the other 14 on the list.

## 4. Fleets, aircraft carriers and military bases worldwide

The US has five battleship fleets, the Second Fleet in the Atlantic, the

Third Fleet in the Eastern Pacific, the Fifth Fleet in the Arabian Gulf and Indian Ocean, the Sixth Fleet in the Mediterranean and the Seventh Fleet in the Western Pacific. No other nation gets a look in here. This is a list of the aircraft carriers in service in 2013: United States 10, Italy 2, United Kingdom, 1, France 1, Russia 1, Spain 1, India 1, Brazil 1, China 1 and Thailand 1.

The Transnational Institute reports on overseas military bases:

Foreign military bases are found in more than 100 countries and territories. The US currently maintains a world-wide network of some 1000 military bases and installations (outside the US, 2,639 including US home bases in 1993). In addition, other NATO countries, such as France and the UK have a further 200 such military locations within the network of global military control.

The biggest "host" countries are those that once lost a major war in which the US was involved. Germany, Italy, Japan and Korea are the four biggest 'hosts'. France and the UK mainly have bases in the remains of their colonial empires. The UK is strong in the South Atlantic and around the Mediterranean, France is strong in the South Pacific and in Africa. Russia currently has six military facilities in former Soviet Republics and India has one in Tajikistan. [26]

China currently has no US-style overseas bases but they can dream:

Some Chinese people forecast 18 possible overseas bases of PLA Navy, including Chongjin Port (North Korea), Moresby Port (Papua New Guinea), Sihanoukville Port (Cambodia), Koh Lanta Port (Thailand) Sittwe Port (Myanmar), DHAKA Port (Bangladesh), Gwadar Port (Pakistan), Hambantota Port (Sri Lanka), Maldives, Seychelles, Djibouti Port (Djibouti), Lagos Port (Nigeria), Mombasa Port (Kenya), Dar es Salaam Port (Tanzania), Luanda Port (Angola) and Walvis Bay Port (Namibia). [27]

It is not sufficient to take just one index to determine whether a country is imperialist. For instance if we take GDP alone immediately the question of GDP per capita arises. It is the relationship between the nations that is the crucial question; is that nation oppressed by the big Imperialist powers or is its economy integrated into the world Imperialist structures to exploit other nations for the mutual benefit of both? These are sometimes called piggy-back Imperialist powers; they follow and penetrated markets opened up by the big powers. Arguably on all those indices Brazil, South Africa, and India are not Imperialist powers, with big question marks around Russia and China. On the other hand how different is the relationship today between Russia and China to the world market and that of Russia in 1917, which Lenin was very sure was an imperialist power on the basis of economic statistics? And the size of the military expenditure is another indicator. Military might was surely a big factor in Lenin's mind when he wrote *Imperialism, the highest stage of capitalism* in 1916. But for instance Portugal is traditionally regarded as a minor Imperialist power as is Belgium and Holland because they held colonies in the past and so exploited them to develop their own economies and build up big domestic monopoly companies from that relationship. However Britain mainly benefited from the Portuguese colonies in Africa and Asia; Portugal was a sort of a semi-colony of the UK.

But that debate aside it is clearly nonsense of the highest order to regard Argentina, Serbia (or Yugoslavia back in the 90s), Iran, Iraq or Libya as any kind of Imperialist powers at all. They are/were relatively advanced semi-colonial nations on Lenin's clear definition above. In the article Matgamna says the USSR was a colonial power as evidenced by its invasion of Afghanistan in 1980, a clearly ridiculous position, which flies in the face of all serious Marxist analysis of Imperialism. The USSR invaded as a Stalinist bureaucratic defence against the CIA-sponsored attacks by the Mujadiheen on a relatively progressive regime in a nation which was traditionally allied to the USSR.

But it is not a question of supporting Assad or the Taliban or reaction-

ary anti-Imperialist forces against their own working class or supporting women's oppression at their hands. No, it is a question of fighting Imperialism and seeking its defeat. Of course it is true bourgeois nationalist regimes like that of Gaddafi in Libya or Assad in Syria would fight on behalf of Imperialism if it suited them. Remember the many favours Gaddafi did for the West; how can we forget that the terrible Tel al-Zaatar massacre during the Lebanese Civil War on August 12, 1976 was facilitated by Assad's father Hafez al-Assad? And also fundamentalists fight on behalf of imperialism for instances in Afghanistan during the Soviet occupation, in Libya, and now in Syria. But when they are fighting against it as in Mali, Palestine and the Hezbollah in Lebanon we must be with them.

The question is, are they fighting for or against Imperialism right now? Principled Marxists must fight Imperialism alongside those who are fighting it right now to the point politically of forming an Anti-Imperialist United Front in practice, either by means of formal agreement if possible but at any rate politically against Imperialism and its proxies. We insist this is an *absolute imperative* for every revolutionary socialist. Imperialism imposes an anti-human mode of production on the entire planet that is so oppressive that it distorts human relationships everywhere, it causes great personal unhappiness and mental illness, it brings war and famine to humanity whose material recourses and technological advancement are such that every reasonable want and need of every human being on the planet could be satisfied right now if these were deployed in a rational and planned manner. And that is before the great leap in human wealth and culture a global planned economy would bring. Imperialism gives humanity a glimpse of what is possible only to deny its benefits to the great bulk of humanity and leave us contemplating the obscene spectacle of the greatest gap between the poor and the rich the world has ever known; the richest 1% of adults alone own 40% of global assets and the richest 10% of adults account for 85% of the world's total wealth. In contrast, the bottom half of the world's adult population own barely 1% of global wealth. If we understand fully what imperialism is we must take the side of all anti-Imperialist fighters, not uncritically, not foolishly to risk their own lives or concede to them the mantle of socialism or communism or indeed any consistent anti-Imperialism at all. But in a principled manner to fight together to defeat the central enemy of all oppressed humanity in order to expose the inconsistencies of the existing leaders of the semi-colonial masses and TU bureaucratic misleaders everywhere and thereby lay the basis for a true revolutionary internationalist anti-Imperialism, a reformed Fourth International. This will strengthen the internationalism and fighting capacity of the working class in the semi-colonial countries as they see revolutionary forces in the metropolitan countries fighting on their behalf against their own imperialists. And it will encourage the working class in the metropolitan countries to reject their own imperialist rulers and embrace the common cause of workers' internationalism. Workers of the world unite; you have nothing to lose but your chains!

## Notes

- [1] The Anglo-Chinese War of 1840–42; the first Opium War. Engels is writing this at the start of the Second Opium War – 1856–60
- [2] Engels in New York Daily Tribune, Articles On China, 1853-1860, <http://www.marxists.org/archive/marx/works/1857/06/05.htm>
- [3] Matgamna, Sean, *The poverty of "anti-imperialism" and today's left*, (<http://www.workersliberty.org/story/2010/11/03/poverty-anti-imperialism-and-todays-left>)
- [4] Ibid.
- [5] Lenin, V. I. *A caricature of Marxism and Imperialist economism*, August-October



1916 Vol 23 Collected Works p. 42 <http://marx2mao.net/Lenin/CM16.html>

**US bases in the Middle East; note they have none in Lebanon, Syria or Iran. They intend to rectify that asap with the assistance of the pro-Imperialist lefts in the US, Britain and France.**

- [6] Ibid. p. 55-56
- [7] Ibid. p. 63
- [8] Ibid. p. 58-9
- [9] Matgamna, Op. cit.
- [10] Foster, Colin, The politics of globalisation and imperialism today, *Workers Liberty* 2/2, 2002, <http://archive.workersliberty.org/wlmags/wl102/globalisation.htm>
- [11] Lenin, *Imperialism, the Highest Stage of Capitalism*, <http://www.marxists.org/archive/lenin/works/1916/imp-hsc/ch04.htm>
- [12] Ibid.
- [13] Wiki, Al-Yamamah arms deal, [http://en.wikipedia.org/wiki/Al-Yamamah\\_arms\\_deal](http://en.wikipedia.org/wiki/Al-Yamamah_arms_deal)
- [14] CBC News 5 May 2013, Bangladesh factory collapse death toll tops 620, <http://www.cbc.ca/news/world/story/2013/05/05/bangladesh-death-toll.html>
- [15] Labour behind the label, *Bangladesh: Labour rights activists tortured and killed*, <http://www.labourbehindthelabel.org/urgent-actions/item/1037-bcws-aminul-murder>
- [16] Gerry Downing, Have Kautsky and Gramsci replaced Lenin; is ultra-imperialism the new world order? <http://www.scribd.com/doc/19117853/Minority-Imperialism-New>
- [17] Splintered Sunrise blog, Goyisher kop! Matgamna on Gaza, <http://splinteredsunrise.wordpress.com/2009/01/>
- [18] Leon Trotsky, *Their Morals and Ours*, <http://marxists.org/archive/trotsky/1938/morals/morals.htm>
- [19] Full List: The Global 2000 <http://www.forbes.com/sites/scottdecarlo/2013/04/17/the-worlds-biggest-companies-2/>
- [20] Scott DeCarlo, The World's Biggest Companies <http://www.forbes.com/sites/scottdecarlo/2013/04/17/the-worlds-biggest-companies-2/>
- [21] Wiki, [http://en.wikipedia.org/wiki/Accenture\\_plc](http://en.wikipedia.org/wiki/Accenture_plc)
- [22] DeCarlo Op. cit.
- [23] Rank Stock Exchange Economy Head-quarters Market Capitalization, [http://en.wikipedia.org/wiki/List\\_of\\_stock\\_exchanges](http://en.wikipedia.org/wiki/List_of_stock_exchanges)
- [24] Wiki, [http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_GDP\\_%28nominal%29](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28nominal%29)
- [25] Stockholm International Peace Research Institute (SIPRI) Yearbook 2013, [http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_military\\_expenditures](http://en.wikipedia.org/wiki/List_of_countries_by_military_expenditures)
- [26] Transnational Institute, Foreign Military Bases and the Global Campaign to close them, A beginner's guide, <http://www.tni.org/>
- [27] Indian Strategic Studies, Chinese paper advises PLA navy to build overseas military bases, January 8, 2013, <http://strategicstudyindia.blogspot.co.uk/2013/01/chinese-paper-advises-pla-navy-to-build.html>



# How imperialism has robbed semi-colonial countries like Tanzania after WWII 2008

This article was originally written in 2008 as a Tutor Marked Essay in the Open University course *A World of Whose Making? Politics, Economics, Technology and Culture in International Studies*. I have expanded it and altered it somewhat since then but it remains essentially as written then. It takes Tanzania as a typical example of the post WWII efforts by Imperialism, particularly the US, to subordinate the entire planet to its neo-liberal agenda. Obviously since the onset of the great financial crisis of 2008 the position of every semi-colonial country has become much worse and Imperialist assaults on the remaining sovereignty of these nations using willing local agents and proxy fronts for “freedom” and “democracy”, combined with the austerity assaults on the metropolitan working class sees a new epoch of wars and revolutions opening up.

Gerry Downing 2013

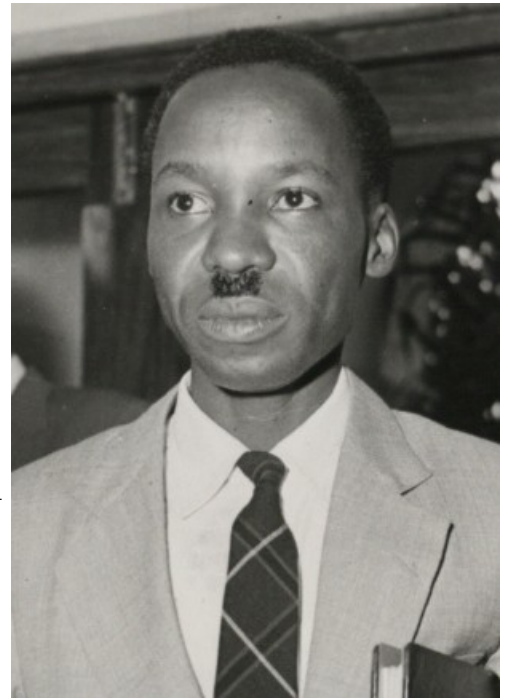
**W**e will use Tanzania as an example to show how imperialism has robbed the semi-colonial world after WWII. In the period immediately after the conflict the majority of African countries were still colonies and their economies were forced to subsidise the reconstruction of the devastated economies of the ‘mother’ countries, Great Britain and France in the first place, with Belgium, Spain and Portugal (itself in many ways a long-time British semi-colony) as bit players. Not only were their primary commodities exported to the metropolitan empires but the foreign exchange earned from this was held as reserves in London and Paris and this alleviated the dollar shortage of metropolitan Europe, enabling their trade to revive, some of which found protected markets in those same colonies. In the post war political atmosphere of heightened aspirations caused by the emergence of the USSR as a world super power and the revived and more militant labour movements in Europe many colonies felt that as their citizens had died for the empire this was shabby treatment indeed and they would be better off managing their own economies. Harold Macmillan’s ‘wind of change’ speech to the South African parliament in 1960 was an acknowledgement of and acquiescence to this development – ‘colonial exploitation’ was a phrase now increasingly replacing the ‘civilising mission’. [1]

Despite some bloody conflicts in Algeria, Kenya and the Belgian Congo (Democratic Republic of the Congo, Zaire, DRC again), where imperialism feared forced independence by a movement of the masses might rupture trade links or lead to communism, the majority of new African nations transformed themselves peacefully from colonies to semi-colonies. Tanganyika gained independence in 1961 and merged with Zanzibar to form Tanzania in 1964. These transformations were peaceful partly because it was now too risky and expensive for their colonial masters to administer them directly and also because civil society and radical mass political consciousness was at least in the process of emerging in many of these countries. The fear of communism was identified (cynically by the imperialists and naively by the African masses and many leaders, we would argue) [2] with the emergence of the USSR as a world super power to which many African (including Tanzania) and other newly independent semi-colonies looked to balance the monopoly influence of their former masters and the advance of the free-market US giant.

Zaire’s Mobutu was the worst example of a corrupt puppet of the US, imposed in a coup after the defeat of that liberation movement following the assassination of Patrice Lumumba in 1961, widely believed to be the work of the CIA. Then as now trans-national mining companies were allied with warring armies in the battle for diamonds, coltan for mobile phones and other minerals.

Generally national sovereignty was relatively effective in this period up to the economic crises of the late seventies/early eighties; autonomy operated in Tanzania sufficiently to enable the first government of President Julius Nyerere to operate an effective import substitution industrialisation (ISI) programme. From the 1967 Arusha Declaration Nyerere modelled his economy on Nehru’s India and used limited state planning by quotas and tariffs. This sought to develop native industry with the assistance of bilateral aid programmes from governments which were reasonably sympathetic to third world programmes and priorities at that time, for the above reasons.

Moreover potential national leaders were often educated in Oxford and Cambridge in the case of Great Britain or the Sorbonne for France so this network facilitated treaties protecting the privileged terms of trade of the mother country, to the chagrin of the US – who signalled its displeasure by scuppering the British/French/Israeli adventure in Suez in 1956. The US had entered WWII [3] late partly because it was opposed to direct colonialism and was much more in favour of the ‘free market’ because it was now the world’s most productive economy and it was confident it would win in all free trade competition, just as Great Britain was in favour of free trade when it dominated the first globalised economy in the nineteenth century. However even these two prime examples were and are shot through with contradictions and hypocrisies. Britain destroyed India’s nineteenth century-old cotton and garments trade by tariffs and quotas to allow its Lancashire mills to prosper and the US subsidises its cotton and other agriculture products and puts tariffs on third world processed food, etc. even today, as does the EU.



**Julius Nyerere (1922 – 1999) was the first President of Tanzania and previously Tanganyika, from the country’s founding in 1961 until his retirement in 1985**

The US wanted to get on an equal footing in the protected market places of the European colonial empires after the end of WWII. However it had to put this aspiration on hold until post 1973, or more especially post 1979-80 with the elections of Margaret Thatcher and Ronald Reagan, because of the interconnected phenomenon of the USSR as a world superpower and the strength of the organised metropolitan working class. This meant they needed the continuing influence of the British Commonwealth, the French and others over their former colonies as a bulwark against the spread of communism or indeed even against 'economic nationalism' as the US term the outlook of those who attempt to protect and use their own economic resources to develop their own economies. The election of these two leaders signified the determination of a section of world imperialism to end the post-war compromise of the Cold War with the USSR, the welfare states' accommodation to their own labour movements and accommodation to 'developmentalism' as the ideology of aid donors in the west to the third world.

Up to 1967 Tanzania did not alter the old colonial relationship in economic terms; it continued to export its primary produce and simply hoped that foreign investment would fuel industrial growth. This proved wistful thinking. Moreover cash crop primary produce was reliant on rain-fed agriculture and the world market (the price of sisal collapsed in these years, for example) which meant that the growth rate fluctuated wildly, from minus 5% in 1961 to some 12.5% in 1966. As Marc Wuyts observes, 'the strategy (developmentalism) was rooted in precisely the arguments that Berg (see Berg Report below) denied: that African primary exports were problematic because they were subject to the vagaries of declining terms of trade combined with volatile commodity prices', (Ibid. p332). The essence of state planning was the conscious attempt to change comparative advantage to a more favourable one for national development, as all states have assisted the own national development beginning with nineteenth century Britain itself and then the rest of the now big imperialist nations, Germany, the USA, France, Japan and more recently the South Asian tigers and China. State planning attempted to transform the economy by a high level of targeted investment. As Wuyts says this aimed to increase industrial growth, promote widespread access to social services and promote collective and cooperative agricultural development. From 1975 up to 1979 Figure 1 (below) shows a high rate of investment, high, though falling, savings and a low but rising trade gap.

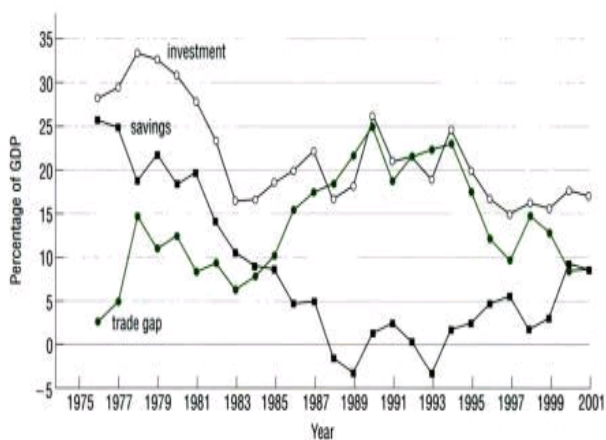


Figure 1 (Figure 11.3, Ibid. p347)

From Figure 2 (below) from the mid to late seventies exports fell though imports remained relatively stable. The trade gap was beginning

to widen and remained very high from the mid eighties to the mid nineties. This was financed by aid donors as it had been earlier but after Berg in 1981 their whip hand began mercilessly to lash the backs of the third world through structural adjustment programmes, as we shall see below. In this period therefore you could argue that Tanzania was following the example of Nehru's India and there was no reason why it could not emulate South Korea, Taiwan, Hong Kong, Singapore or Hong Kong in entering the world market as a successful trading nation.



Figure 2 (Ibid. Figure 11.2, p347)

However Tanzania was too small an economic unit to develop a viable home market, [4] its state was weak, its infrastructure poor, its agriculture very backward and the developmental phase far too short to make significant progress following the financial crises of 1971-73. This opened with the ending of dollar convertibility by Nixon in 1971 and the price hike in oil caused by the OPEC oil embargo after the Yom Kippur War of 1973. The economic crisis caused by the next huge oil price hike following the Iranian Revolution in 1979 (Figure 3 below) now brought the neo-liberal offensive of Thatcher/Regan to bear on the metropolitan working class and the world's poorest. Tanzania got it in the neck with the rest. The initial limited autonomy consequent on national sovereignty and post WWII leftism was largely lost here and throughout most of Africa and in other poorer regions of the planet in this period. They and the metropolitan working class paid for the crisis.

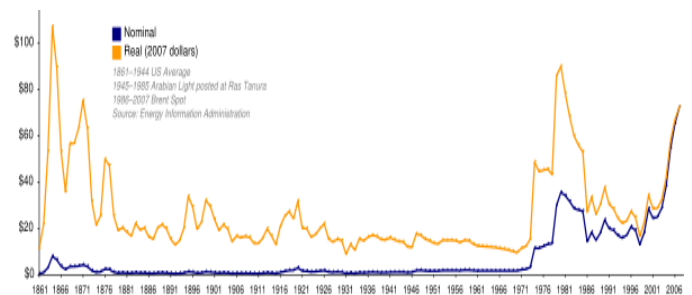


Figure 3 Graph of oil prices from 1861-2007, showing a sharp increase in 1973, and again during the 1979 energy crisis. The orange line is adjusted for inflation (from Wikipedia, the free encyclopedia)

The next phase was opened by the publication of the Berg Report in 1981. This had been requested by African states themselves because planning was now obviously failing due to the vulnerability of these economies because they were **too open** to the world market. But Berg argued the opposite, Africa needed to open up their economies to the free market. Its conclusions were eventually accepted or imposed in almost all of Africa. As with its domestic offensive the neo-liberal report identified the bureaucratic state with all its so-called red tape and wasteful welfare provisions as the chief enemy of economic growth. It had to be down-sized substantially, which had disastrous consequences for the already inadequate African states. The propaganda was that planning, as exemplified by Regan's 'evil empire', the Soviet Union, destroyed entrepreneurial initiative, welfare and foreign aid recipients were lazy good-for-nothings who needed the whip of extreme poverty/starvation to get them 'on their bikes' and into useful productive employment, or to forge ahead as efficient trading nations.

Of course this ignored the economic recession caused, in part, by the oil price hikes and embarrassing details like the most corrupt and inefficient economies were run by their own closest political allies; Zaire's Mobutu was Regan's favourite African dictator. The human rights record of despotic dictators like Uganda's Idi Amin, Iran's Ahmadinejad and Zimbabwe's Mugabe are an anathema but Egypt, Colombia, former USSR republics and Latin American dictators in the past are excused because they are 'our bastards' in President Munro's memorable phrase.

Comparative advantage arguments were universally understood in the third world in the sixties as simply tying colonial countries to supplying cheap primary produce, agricultural cash crops and increasingly products from mining industries, to metropolitan countries, whilst denying them industrial development. It was well understood that the global increases in the production of, say tea and coffee, would flood the markets and result in price collapse and this would only result in trade immiserisation. Typically of the vagaries of this market is the fact that African coffee growers benefitted one year when a late frost partially destroyed the Brazilian coffee crop. As consumers in the metropolitan countries would only buy a limited amount of tea and coffee no matter what the price it was necessary to produce more sophisticated electrical and electronic manufactures for export to capture a share of their increased disposable incomes. Naturally their potential competitors, backed by their governments in the metropolitan countries, wished to prevent this; they had no desire to see high technology combined with cheap labour as has now emerged in China.

So Berge proposed the opposite, crude colonial comparative advantage theories were reintroduced as modern neo-liberal theories; economic compulsion had replaced physical compulsion and it was very difficult to see how to fight this. Aid recipients had little choice but to comply given a virtual strike in aid donations ('donor fatigue') in this period. It is therefore difficult to agree with Marc Wuyts's reasoning that 'economic efficiency and financial viability, rooted in existing comparative advantage, are important drivers to development through trade and are also an essential basis for rallying additional resources including foreign aid behind the development effort' (Ibid. p333). The thought behind this is apparently that foreign aid will only flow behind the development effort if Tanzania's acquiesces to the donors' priorities. And as Tanzania is a small economy its extra production will have little effect on prices on the world market. But the IMF was imposing the same structural adjustment programmes on all of Africa and semi-colonial states like Brazil, Mexico and Argentina in the early eighties balance of payments crises in these economies. They knew they were



**Zaire's Mobutu Sese Seko Kuku Ngbendu wa Za Bangu; Ronald Regan's favourite African dictator. The human rights record of despotic dictators like Uganda's Idi Amin, Iran's Ahmadinejad and Zimbabwe's Mugabe are an anathema but Egypt, Colombia, former USSR republics and Latin American dictators in the past are excused because they are 'our bastards' in President Munro's memorable phrase.**

flooding the markets with and driving down the prices of primary produce and were pleased to do so because cheap primary products helped them keep down the wages of their own working class and drive up their profits. This worked brilliantly for them until about 2006 when primary produce began to rise dramatically because of increased demand from India and China. It is foolishly naive to expect world imperialism to act in any other way once the opportunity had presented itself.

At the same time there was a move from bilateral to multilateral aid; the same metropolitan countries contributed still but aid it was now channelled through the International Monetary Fund, the World Bank and other international institutions and it came with the neo-liberal strings called structural adjustment programmes. No longer could recipient states play the market and negotiate between bilateral donors; the more sympathetic Nordic countries, Germany and Holland and the UK and Ireland as against the neo-liberal US and Japan before the late eighties. This represented the ideological triumph of the Regan/Thatcher neo-liberal axis over aid donors and the third world in general. These programmes essentially demanded the opening of all these economies to the free market, which the US had wanted since the end of WWII. Now post 1979 Thatcherite Britain became their chief ally, cautiously at first but with increasing confidence following victory over



Argentina in the Falklands/Malvinas war in 1982 and over the miners in 1985.

As *A World of Whose Making?* points out the comparison with the South Asian economies by Berge was also false. These certainly were not examples of the triumph of the free market. States like Taiwan, South Korea, Hong Kong and Singapore were relatively strong and were able to maintain a vigorous import substitution industrialisation programme throughout these two economic crises. Infant manufacturing industries did benefit enough from these quotas and tariffs to emerge as world beaters in the eighties and nineties. Moreover there was a great reluctance to experiment with these economies like with the African ones, because, as with Marshall Aid to Europe and also economic assistance to Japan post WWII, these economies ringed the USSR and China and so could not be allowed to fail for fear of communist advance. But Africa could not follow these examples because allegedly 'the extensive coordinated economic interventions of the East Asian states are well beyond the administrative faculties of most African governments' (Ibid. p321). So instead of recommending the strengthening and development of these functions of the African states the above propaganda was used against them (they were dubbed the 'lame leviathans', 'the bloated state', the 'vampire state' in IMF propaganda of the time (Ibid. p310) to weaken them still further against the metropolitan multi-national incursions. A further argument used by Berg was the concept of patrimonialism; interest groups had captured these states and were using them to enrich themselves basically by appropriating the 'rent gathering' functions of the state in interventionist programmes. Despite the truth in this Berg did not explain how the free market would do anything except alter the beneficiaries of corruption. State subsidies were alleged to be undermining the rational functioning of the free market and proper planning for development goals. Of course the opposite was the truth, Mauritius and Botswana who were the best producing African countries in terms of growth had more than three times the size of the average African bureaucracies (Ibid. p320). The free market dogma denied all undeveloped countries the road out through the implementation of macroeconomic policies; microeconomics meant direct relationships between powerless individual producers and small groups and powerful trans-national corporations. Exchange rate policy was also crucial in this affair. As we can see from Figure 4 below government determined relatively fixed exchange rates operated until the early eighties. This aspect of state planning allowed continuity and comparison. But as soon as the Berg Report began to be implemented the government regularly adjusted the rate by devaluing the Tanzanian schilling. This had the (imposed) aim of assisting the export of primary produce, now once again the focus of economic policy as in colonial days but it also meant that native industry went to the wall and the mass of the population naturally bought the cheaper imported products which could no longer be produced at home. This was supposed to spur the Tanzanian economy into producing these goods themselves or else the population could simply go without them. But as we saw earlier in the case of tomato puree in Senegal, the EU and the US simply subsidised their own producers and flooded the markets of the third world, whilst imposing tariff reduction/elimination on them. All the world's economies are interdependent but an economy as small and backward as Tanzania crucially depends for many of life's necessities on imports. 'People's real incomes dropped sharply, in effect driving down real levels of consumption via higher prices, domestic savings were being forced out of the economy to support investment' (Ibid. p351). But at 1000 schillings to the dollar in 2001 as opposed to 10 in 1983 most were now well out of their reach.

Widespread poverty resulted and the balance of payments was only eventually narrowed by this at great human cost. Increasing devaluations and eventual floating exchange rates left the economy wide open to the wolves of the free market.

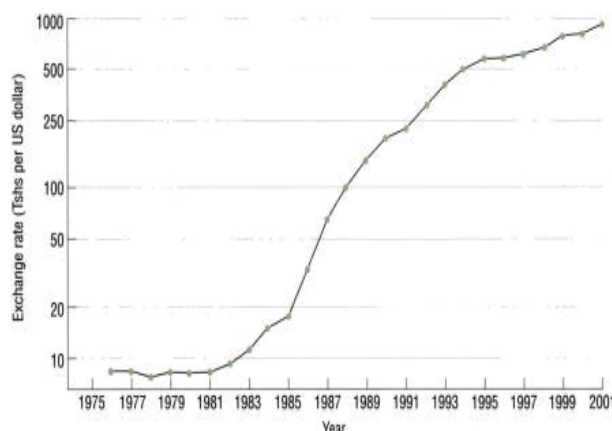


Figure 4 (Figure 11.4, Ibid. p357)

But by the late nineties a change took place which resulted in a softening of the approach to Tanzania and a relative enhancement of the autonomy of the state. It is controversial just how significant this is and Audio 3 explores the question. In the course of the discussion Benno Ndulu, Country Office Manager and Lead Economist of the World Bank in Dar es Salaam, puts the WB case that things are greatly improving well as does Mrs Joyce Mapunjo, Head of the External Finance Department in the Ministry of Finance in Tanzania. She 'took a more optimistic view of Tanzania's ability to gain control'.

There is no conditionalities and for your information now the government is really managing and leading not only donors but all other stakeholders which are mainly like civic society, the private sector, the religious organizations, gender groups and the CBOs. So really for the time being there is a lot, a lot of changes. We are no more talking of conditionalities, not even partnership, but we are talking about ownership here in Tanzania.

However Sam Wangwe, chairman of Daima Associates Limited (DAIMA), a private consulting firm based in Dar es Salaam takes a far more independent and sceptical view. The Audio explains that the government was now concentrating on poverty reduction programmes (PRP), obviously after the devastating effects of the IMF's 1980s structural adjustment programmes. Benno Ndulu tells us, 'that framework of conditionality, typically the shaping of policy, of strategies, was (up to the mid nineties) heavily influenced by what development partners actually demanded'.

However Governments were encouraged to produce their PRP and they benefited under it. In a press release on 27 November 2001 the IMF announced that,

Tanzania has taken the steps necessary to reach its completion point under the enhanced framework of the Heavily Indebted Poor Countries (HIPC) Initiative. Tanzania becomes the fourth country to reach this point (joining Bolivia, Mozambique and Uganda). Debt service relief under the enhanced HIPC Initiative from all of Tanzania's creditors will amount to approximately US\$3 billion over time (US\$2.026 billion in net present value [NPV] terms). As a result of HIPC assistance, the net present value of Tanzania's total external debt is reduced by some 54 percent.

Debt service payments were cut by an average of 47 percent and resources made available by debt relief provided under the HIPC Initiative will be allocated to key anti-poverty programs, which are outlined in Tanzania's Poverty Reduction Strategy Paper (PRSP), we were in-

formed. So all was now going well for Tanzanian autonomy? Tanzania's capital account crucially relied on, as it still does, foreign aid loans on concessionary terms to bridge the trade gap (Figure 1 above). Previous loans must be repaid or rescheduled or the debt excused (Ibid. p345). How will Tanzania's autonomy function if it cannot pay its way in the world?

And then Sam Wangwe, with no references whatsoever to external economic crises and world political changes gives us a diplomat's account of the changing dependency relations. One can only wonder at why all this should happen apart from the failures of individuals and intuitions to understand each other. The truth was that they all understood the relationships only too well but were obliged to play the diplomatic game of requesting and agreeing with stark alternatives only gently hinted when negotiations were going badly. Here is Wangwe's story with our explanations in bolded brackets,

The changes are mixed. I can say that the relationship deteriorated a great deal in the early 70s (oil crises etc. but full neo-liberalism could not be imposed because of 1974-5: 1. British miners' defeat of the Heath Government, 2. Revolution in Portugal, 3. Overthrow of Coronels in Greece 4. Defeat of American imperialism in Vietnam and revolutions in Portuguese Africa). Maybe if we go back a little bit we can say in the early 80s and those debates about the change of economic policy most donors withdrew their support (Regan/Thatcher imposing neo-liberal structural adjustment ideology on other donors and on the recipients). But from '86, when the government agreed with IMF on changing the policies, most donors came back and provided support (but on condition that they largely cede control of their economies to them so they can extract cheap primary produce). The support continued unabated until around 1992-93. Then there was a feeling that the government had not implemented the policies as the donors had expected. So the donors then began to ask questions about the efficiency of collecting the revenue, in collecting commodity imports revenues, some questions about corruption, so the relationship became strained. So donors were feeling that the government was not fulfilling what they had agreed (fall of the Berlin Wall and the USSR; a new neo-liberal offensive beginning in the first Gulf War of 1991, George's Bush's "New World Order"). The government was feeling that there was too much interference, ownership was being eroded. So there was some kind of an impasse. But then it was agreed in 1994-95 to have an independent group to actually study this advice. Their recommendations actually essentially said donors had some role to play and the government had some role to play (as every farmer knows once the cow is milked dry it is necessary to allow some recovery time before the next milking).

We cannot improve on Wangwe's realist approach as adjusted by us other than to observe the current leap in the price of primary produce seems to provide another opportunity for enhancing national sovereignty and autonomy similar to the post WWII. But now the poor are again the victims as the free market dominates so they cannot afford essentials like rice and there are no politicians even of the calibre of Nyerere to take advantage on behalf of their own population. The penetration of the multi-nationals is too deep now to render any anti-



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imperialist revolution futile without the Trotskyist theory of Permanent Revolution as a guiding ideology.

## Notes

- [1] <http://www.dsp.org.au/node/10>
- [2] Anderson, Perry New Left Review 17, September-October 2002
- [3] What reliance progressive communists and fighters fight against is the very likely the emergence of charismatic 'men of destiny'. In that sense we may say that they both had a conservative approach to orderly and progressive social and political change'. But of course one is fear of revolution and the other is fear of counter-revolution, i.e., fascism.
- [4] Both Gramsci and Ferrero agreed in their apprehension that a crisis of hegemony or of legitimacy would lead to dire and unpredictable consequences—very likely the emergence of charismatic 'men of destiny'. In that sense we may say that they both had a conservative approach to orderly and progressive social and political change
- [5] From N.I. Bukharin: *Imperialism and World Economy* Introduction by V.I. Lenin, <http://www.marxists.org/archive/bukharin/works/1917/imperial/intro.htm>
- [6] In fact Lenin did examine the relationship of the South American semi-colonies to imperialism in his famous pamphlet.

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## Have Kautsky and Gramsci replaced Lenin's Theory of Imperialism? 2007

This article was written in 2007 when the author was part of the Communist Party of Great Britain's Campaign for a Marxist Party (CMP). He was the Convenor of the oppositionist Trotskyist Tendency within that and the views on Imperialism here espoused were in a minority even there. The article therefore originally had some of the aspects of an internal documents and some of the references were obscure and needed explaining. This I have done and removed some of the worst in-house references but some do remain unfortunately as they are integral to the article. The CMP broke up in 2008 because of fundamental disagreements over Trotskyism Vs Stalinism, or neo—Kautskyism which may be a better term to describe the politics of the CPGB. The Trotskyist Tendency had no real internal cohesion and there was a serious internal rift over threats of violence issued by one of its members to a CPGB supporter which the I repudiated. This was the ostensive reason for the dissolution of the CMP, but not the real one. The Socialist Fight and In Defence of Trotskyism magazines were the products of that political fight and the political developments won there, not least on the question of Imperialism.

Gerry Downing May 2013

In two articles, *Themes concerning imperialism* and *What is Imperialism today?* comrade Phil Sharpe sets out the views of the TT majority on modern imperialism. He defends the AWL/Iranian ex-HKS position that Kautsky's theory of ultra-imperialism has triumphed post 1945/50, despite being wrong in 1916, and that this theory of imperialism, although correct from 1916 to 1945/50, has now been replaced by ultra-imperialism. Gramsci agreed in his apprehension that a crisis of hegemony or of legitimacy would lead to dire and unpredictable consequences—very likely the emergence of charismatic 'men of destiny'. In that sense we may say that he had a conservative approach to progressive social and political change. Comrade Mike Macnair's (CPGB leader) position is for the immediate withdrawal of troops from Iraq whereas within the AWL and amongst others views range from agreement with this position to outright defence of imperialism as progressive in certain instances and on certain things. As comrade Phil Hearse (former leader of the USFI section in Britain, the International Socialist Group) noted in *The Activist* - Volume 9, Number 8, November 1995,

Some organisations with origins in the Trotskyist movement (for example comrades from the HKS tradition in Iran and the AWL in Britain) have concluded ...that a series of countries have become "sub-imperialist", relays of imperialist powers or small imperialist powers themselves, and thus there are no democratic and national tasks to solve. The conclusion these comrades have drawn is that the revolution is simply now a socialist revolution, analogous to that in the imperialist countries. One other consequence of this is that these organisations have been loath to take an unambiguously anti-imperialist position in the case of wars between these countries and big imperialist states -- for example over the Malvinas and Iraq (and the AWL supported the war against Serbia in 1999). The logic has been -- why take sides between big gangsters and small gangsters, when there is no fundamental difference between them? [1]

This reactionary position was decisively defeated in the Hands Off the People of Iran (HOPI) launch conference on 8 December 2007 by the combined intervention of the CPGB, the Communist Students, the Permanent Revolution group leaders Stuart King, Iranian leftists the TT's Gerry Downing, and other Middle Eastern socialists. Ultra impe-

rialism is a forthright rejection of Trotsky's theory of Permanent Revolution, which crucially depends on the Leninist analysis of imperialism both of which are the only consistent modern theoretical opposition to imperialism.

Perry Anderson sums up his view of the present epoch thus,

Left to its own devices, the outcome of such anarchy [of capitalist competition] can only be a mutually destructive war, of the kind Lenin described in 1916. Kautsky, by contrast, abstracted the clashing interests and the dynamics of the concrete states of that time, coming to the conclusion that the future of the system—for the sake of its own interests—lies in the emergence of mechanisms of international capitalist coordination capable of transcending such conflicts, or what he called 'ultra-imperialism'. This was a prospect Lenin rejected as utopian. The second half of the century produced a solution that both thinkers failed to envisage, but one that Gramsci glimpsed intuitively. For in due course it became clear that the question of coordination could be satisfactorily worked out only by the existence of a superordinate power, capable of imposing discipline on the system as a whole, in the common interest of all parties. Such 'imposition' cannot be a by-product of brute force. It must also correspond to a genuine ability of persuasion—ideally, in the shape of a leadership that can offer the most advanced model of production and culture of the day, as a target of imitation for everybody else. That is the definition of hegemony, as a general unification of the camp of capital. [2]

### Developments since the end of WWII

Both Gramsci and the semi-Trotskyists agreed in their apprehension that a crisis of hegemony or of legitimacy would lead to dire and unpredictable consequences. [3] Firstly let us briefly outline the developments since the end of WWII. This finished with an alliance between Stalinism and Imperialism to strangle the post war revolutions struggles which they all knew were inevitable and to which Trotsky's 1938 Transitional Programme was specifically aimed. The mass bombing of the cities by both Stalin and imperialism were directed specifically at this – Ted Crawford of Revolutionary History claims they are about to publish proof that the working class areas were specifically targeted in these conflagrations for precisely this reason. And when revolutions did break out Stalin used Togliatti in Italy and Churchill in Greece and Ho Chi Min in Vietnam, etc to crush these revolutions. Stalinists entered governments in six European countries to prevent revolutions, even collaborating with the defeated fascists in Italy and murdering the Bordegists within his own ranks who wanted to make revolution. Marshall Aid replaced the Stalinists as the economies of Germany, Italy, etc and Japan were similarly revived.

The Asian Tigers, Taiwan, South Korea, Hong Kong and Malaysia were assisted to develop their economies likewise to prevent the spread of communism and the US fought two bloody wars in Korea and Vietnam to prevent this. The destruction of the economies of its main rivals during WWII and the collaboration with Stalinism to prevent revolutions – Stalin, Khrushchev and Brezhnev fought only to maintain peaceful co-existence and the status quo – is therefore the secret of the lack of inter-imperialist rivalries during the Cold War. But war was only barely averted in crises like the Berlin airlift, the six day war and the Cuban Missile Crises and we do not know how other imperialist countries might have lined up if one did develop. Comrade Sharpe says,

For example, those that consider that the period of globalisation represents the renewal of inter-imperialist antagonisms have difficulty explaining in what sense the various national forms of capital would gain



an advantage by undermining the formation of global capital. How would economic progress be made by restricting capital to the struggle between antagonistic national parts? Hence, merely to suggest that American capital is declining relative to European and Japanese capital does not provide a causal mechanism that explains the revival of inter-imperialist antagonisms.

Comrade Sharpe does not understand the dynamic of world imperialism. His arguments equally apply to WWI and WWII. Are we to understand that these conflicts happened because the protagonists were stupid? No, the capitalist lives in competition with all other capitalists, they think they will succeed by economically defeating their rivals by fair means or foul and if a whole national section thinks it is going down the pan (as the US is today) and they have a big army and potential allies they will fight even to the extent of a worldwide conflagration, as they are now doing, just as other capitalists in the same situation have done twice in the twentieth century. He or she must sell their goods on the world market, they must seek to secure their markets to maximise their profits and bankrupt their rivals. The alternative to this, the reformist ultra imperialism theory, suggests they are about to evolve a global planned economy in the near future, and the law of the jungle can be rationally policed. This is nonsense.

The Cold War ended in the late 1980s and in that period, some thirty four odd years, there were no serious inter-imperialist clashes and certainly no apparent danger of a rerun of WWI and WWII between imperialist powers. Neither in the almost twenty years since then there has been any apparent serious danger of WWIII. Lenin's analysis of imperialism pre-1945 was correct in that inter-imperialist rivalries were to the fore, various power blocks and empires operated closed markets in their own colonies or sphere of influence and these trade rivalries led to the two world wars. But post 1945 Gramsci rules and Lenin must take a back seat. [4] We beg to disagree. Between the Great Depression, which begun in 1873, and 1939 international incidents from Morocco (1905 and 1912) to the Germans invasion of the Sude-tenland in 1938 threatened war between great powers and there were real war between these big powers; the Spanish-American war of 1898, the Russo-Japanese war of 1904-05 and the Japanese invasion of Manchuria in 1931 and China proper in 1937 until the two great worldwide conflagrations; sixty six years of intense inter-imperialist rivalries leading to wars. This despite the Russian Revolution in 1917, which all farsighted bourgeois politicians knew heightened the danger of world revolution, which all the imperialists should have been united in forestalling if they could act logically enough to sort out their differences.

However by the end of WWII the US was the sole and unchallenged world imperialist power and all the rest were dependent on her both economically (Marshall Aid) and militarily against the Soviet Union and China. On Kautskyite analyses these latter fifty five years are qualitatively different to the preceding sixty five, the danger of WWIII has now gone forever, imperialism has now become ultra or super imperialism. This means that all the imperialist powers have ganged up together to exploit the third world and their own working classes through the mechanism of trans-national corporations under the hegemonic leadership of the US. Kautsky has therefore been proved right in the long run because even with the ending of the Cold War we have not seen any serious re-emergence of inter-imperialist rivalries once the threat from the Soviet Union and China has vanished. The post 9/11 world order is following the path of the rest of history post 1945, argues the realists and the liberals. Marxists would point to several processes that are advancing strongly and are undermining that

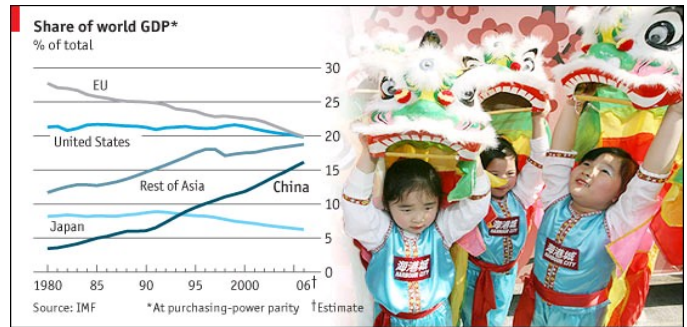


Figure 1

world order. Far from a new world order as proclaimed by George Bush senior after the 1990-91 Gulf War we are seeing an ending of world order imposed by the US and a new world disorder opening up. We will look at what factors are contribution to this.

Firstly we will look at the economic decline of the US in relation to the rest of the world. From 50% of world GDP in 1945 US GDP had fallen to less than half that by 1980. Since then its decline has been slower but nevertheless unstoppable despite the offensives of Regan, Clinton and Bush against the US working class, which has left the US as the most unequal of the world's advanced countries. The US today ranks 42nd amongst the world's most advanced nations in life expectancy. Figure 1 shows the changing relative GDP positions since 1980. This takes us to the wars in Iraq and Afghanistan as the defining acts of the US post 9/11. In the differing analyses of that war we can see the conflicting views of the US. Figure 2 shows that US military

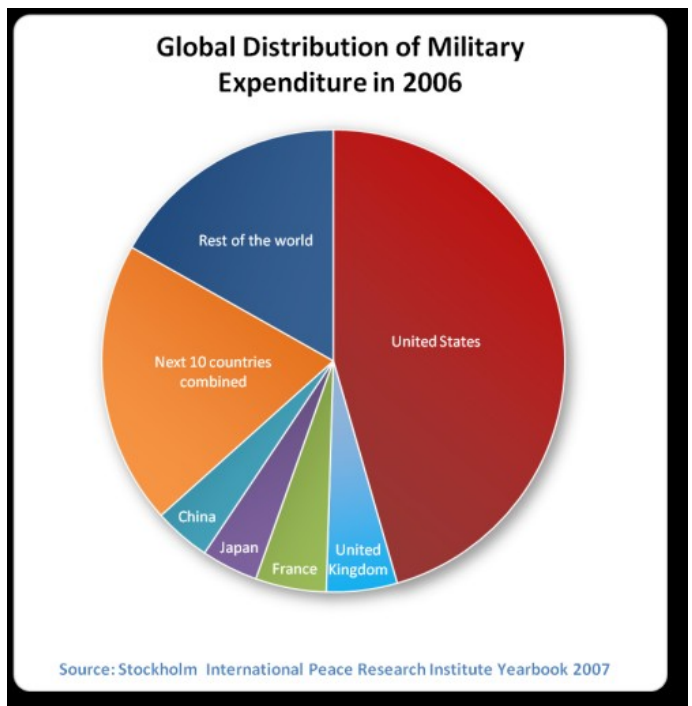


Figure 2

spending is almost half the world's total and that proportion is rising. It is therefore logical to assume that there is a direct correlation between economic decline and military spending. Simon Bromley's Blood for Oil? makes a powerful case for this. He points out that US dependency on imported oil has increased from 33% in 1973 to 58% today and projects it will be as high as 70% by 2020. Furthermore OPEC nations have all nationalised their oil industries and so direct

access to that oil is always dependent on politically friendly regimes in these countries, or at least regimes who will act to assist the US national interests because they see that as vital to the world economy. The US invaded Iraq, so the argument goes, because she needed to access to a second 'swing' producer besides Saudi Arabia to ensure that supply kept pace with demand. But even Saudi Arabia is reluctant to increase oil flow in the present climate to bring down the price of oil, which has topped \$140 recently. Many neo-cons hope that direct control of Iraq oil may set in train a process of de-nationalisation to enable the US and other oil dependent powers in Europe and Asia to buy into them. This, however, does not seem likely without a few more wars for oil. Figure 3 shows how the ownership of oil is distributed and we can see that US oil companies are very small fry indeed compared to these national corporations:

1. Saudi Aramco, Saudi Arabia – 12.5 million barrels per day
2. Gazprom, Russia – 9.7 million barrels per day
3. National Iranian Oil Company, Iran – 6.4 million barrels per day
4. ExxonMobil, United States – 5.3 million barrels per day
5. PetroChina, China – 4.4 million barrels per day
6. British Petroleum (BP), United Kingdom – 4.1 million barrels per day
7. Royal Dutch Shell, the Netherlands/UK – 3.9 million barrels per day
8. Pemex, Mexico – 3.6 million barrels per day
9. Chevron, United States – 3.5 million barrels per day
10. Kuwait Petroleum Corporation, Kuwait – 3.2 million barrels per day

**Figure 3**

Bromley makes this further point to boost his case.

The routing of pipelines, the policing of shipping lanes and the management of regional influences all depend heavily on US geopolitical and military commitments. This means, in turn, that to the extent that US companies and US geopolitics – and especially military power – remain central to ordering the world oil industry, the USA provides, in good times, a collective service to other states that enhances its overall international hegemony. In bad times, this role would provide the USA with a potential stranglehold over the economies of potential rivals. Europe and Japan have experienced this predicament since the end of the Second World War. Current US policy may ensure that China, India and others fall under the same umbrella. In this respect, control of oil may be viewed as the centre of gravity of US economic hegemony and, thus, the logical complement of its declared strategy of permanent, unilateral military supremacy.

So we can regard the US as pursuing a dual policy here; a prime policy of ensuring that its position as the world's hegemon is unchallenged and a secondary policy of hedging its bets, if any of its imperialist rivals does challenge them or begin to look like they are forming an alliance against them then the US can use its navy and air force to choke off their oil. So the US went to war not just for oil but, as Bromley says to ensure 'an increasingly open liberal international order. US policy has aimed at creating a general, open international oil industry, in which markets, dominated by large multinational firms, allocate capital and commodities'.

Robert Cox's *Beyond Empire* is another sophisticated view of US hegemony. He develops the notion of legitimacy to explain the continuing predominance of the US in world affairs but again points towards the decline. Americanism consists in confidence in her ability to lead

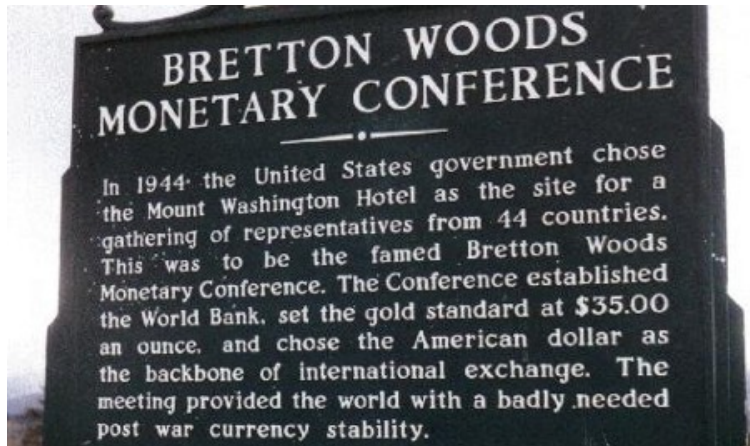
the world economy and this must mean that the American economy is itself sound. Tied in with this is what is known in the left as cultural imperialism and more generally as the liberal international capitalist order; the US has overcome the protectionism of the European empires, the danger of Hitler's fascism and the threat of world revolution and communism to impose and encourage the free market economies of the world which defend individual and corporate freedom and prevent new world war because 'democracies do not go to war with each other'.

But America has moved from the world's creditor post WWII to the world's largest debtor. Japan and China now provide the finances for US and some of the rest of the world economy to function smoothly. Any hint that these might consider withdrawing this lifeline from the US would create a huge crisis of hegemony. So was Bill Clinton correct to hail the expansion of liberal democracy as the solution to America's and the world's problems – both the same in many US eyes? Or is this not a demand that the poorest nations open up their economies to the wolves of the free market? And Cox points to a further problem. When the East Asian stock markets crashed in 1997-8 the US refused to allow an Asian solution to the problem with the result that US and European firms snapped up embattled Asian firms at fire sale prices, leaving behind a legacy of bitterness. The outcome was that China and Japan began to look to regional trading partners so as to escape too much dependency on the US markets and vulnerability to US finances (indirectly borrowed from them in the first place!) and 'in the year 2000 a group of Asian countries including China and Japan agreed to create a virtual Asian monetary fund independent from the IMF to guard against a future Asian currency crisis like that of 1997'. And he further points out that EU integration, the Euro and the European Central Bank are all measures to likewise escape US domination. And there is the question of NATO and the future of the EU's Common Foreign and Security Policy – will the EU begin to develop its own army into a force capable of matching the US? The Guardian of July 2 2008 reported that foreign Secretary David Miliband, with Downing Street's approval, gave his backing to French president Nicolas Sarkozy's proposal to develop its military capacity including sending troops into combat zones. The US intervention in Yugoslavia's civil wars which resulted in one of the largest US bases in the world in Kosovo still rankles with Germany, France, and clearly to a lesser but nonetheless significant extent, with Britain.

### **No direct inter imperialist wars since WWII**

We have not seen direct inter imperialist wars since WWII but the great financial crises of 1971 when dollar convertibility was ended by Nixon was a turning point. Since the US defeat in Vietnam in 1975 what we have seen are huge proxy wars and wars against semi-colonies which were a shot by the US over the bows of their rivals. These began with the Iran/Iraq war of 1980-88, the Malvinas conflict of 1982, the Gulf war and the wars against Afghanistan and Iraq, wars in Africa etc. The AWL's Martin Thomas, in a debate with the CPGB, makes the point that 'The EU and Japan would not have supported the US in the 1991 Gulf War, 1999 in Yugoslavia, or 2001 in Afghanistan, if these wars were not in the interest of big capital as a whole'. But this was enforced, diplomatic support through gritted teeth. We clearly saw this by the time of the Iraq war, where no one apart from Britain and a few European countries and Australian sent troops and these mostly token forces. Faced with the accomplished fact of a US army on the ground they felt it was necessary to get a piece of the action. Comrade Sharpe says,

In other words, global capital was emerging because the connections between the various forms of national capital were no longer characterised as dynamic dialectical opposites, and instead the rivalry between the different national capitals was becoming modified by relations of co-operation and convergence. The development of international organisations like the IMF, WTO and World Bank were an



One only has to look at the Bretton Woods Institutions (BWI); the International Monetary Fund (IMF), the World Bank (WB) and the International Trade Organisation (WTO successor to the General Agreement on Tariffs and Trade, GATT) to see how national governments fight the corner of their own capitalists against their rivals. The first two BWIs are more immediately under the control of US imperialism but even the WTO, al-

though formally democratic in structure, has to bow to the pressure of the major powers; it is their agenda and their priorities that dominate.

In regions like Africa and South Asia with weak state structures IMF/Wt aid programmes have ripped the heart out of their economies by their 'structural adjustment' programmes. The US government negotiates at the WTO and sets up bodies like NAFTA (North American Free Trade Association between the US, Canada and Mexico), imposes tariffs on the primary products of the third world – far higher if these are processed – and subsidises its own agriculture to overcome its rivals. The EU similarly proceeds in this way, e.g. the CAP, however with continuing internal conflicts, as does China and Japan. And whilst they are destroying welfare benefits for their poorest citizens the great imperialist governments are intervening with welfare for great financial institutions, Bear Sterns and Northern Rock had to be nationalised in effect to save them. Is this ultra imperialism, is a new multi-national cartel about to take over or is it an instance of national governments defending its own capitalists against their rivals? To ask the question is to answer it. We cannot see where the ultra or supra imperialism is about to emerge. No major corporation can operate on its own on the world stage, governmental support is necessary and it must be its 'own' government which provides that support, negotiates international treaties and trade blocks on its behalf and be ultimately prepared to go to war against its rivals on its behalf.

In making his case for ultra-imperialism Comrade Sharpe says, 'This means the exploitation of the world working class by what is essentially a common project of the unity and co-operation of the major imperialist powers, or ultra-imperialism. The various forms of national capital are parts of a global capital, and it represents a functioning in which co-operation has replaced inter-imperialist antagonism. Lenin did not deny that ultra-imperialism was possible, "Can one...deny that in the abstract a new phase of capitalism to follow imperialism, namely a phase of ultra-imperialism, is thinkable? No. In the abstract one can think of such a phase. In practice he who denies the sharp tasks of today in the name of dreams about soft tasks of the future becomes an opportunist." (Lenin quoted by Martin Thomas, in his introduction to Kautsky's article on Ultra Imperialism, 2002 p66) This is to misread Lenin; in fact the word 'thinkable' is in inverted commas in the original quote and Lenin goes on the rubbish the notion, it is 'in the abstract' he says dreamed up by people who do not live in the real world and then says why it cannot happen, There is no doubt that the development is going in the direction of a single world trust that will swallow up all enterprises and all states without exception. But the development in this direction is proceeding under such stress, with such a tempo, with such contradictions, conflicts, and convulsions-not only economical, but also political, national, etc., etc.-that before a single world trust will be reached, before the respective national finance capitals will have formed a world union of "ultra-imperialism," imperialism will inevitably explode, capitalism will turn into its opposite. [5]

Is that not the case today? In fact Bukharin makes a better point on why this can never happen in Chapter 12 of the work in an observation undoubtedly still relevant today,

The great stimulus to the formation of an international state capitalist trust is given by the internationalisation of capitalist interest... Significant as this process may be in itself, it is, however, counteracted by a still stronger tendency of capital towards nationalisation, and towards remaining secluded within state boundaries. The benefits accruing to a 'national' group of the bourgeoisie from a continuation of the struggle are much greater than the losses sustained in consequence of that struggle.

Semi Colonies post WWII  
Comrade Sharpe says 'The national aspect of capital was increasingly being replaced by the organisation of production by transnationals beyond national boundaries' but these transnationals repatriate their profits; they are still British, American, French, etc only now more developed and widespread than in Lenin's time. There is no qualitative change in these relations beyond the fact that WWII produced an end to colonialism, so we can smugly point to the fact that Lenin was wrong to see colonialism and the division of the world between rival imperialist as essential to imperialism, or on the other hand, we can imagine that imperialism is not imperialism anymore because this has happened. [6] A great number of nominally sovereign states with no real autonomy or effective sovereignty in their economic relations with the world market have emerged since WWII. These semi-colonies – those which were not quickly taken over by imperialist stooges like Zaire's Mobutu – , beginning with India, pursued a version of the Soviet planned economy, with import substitution and subsidies to native industries because they were conscious that reliance on primary produce left them vulnerable to the world market where the price of primary produce was relative inelastic. That is the metropolitan consumers would only drink so much tea and coffee, and require so much



clothing no matter how cheap (although the rag trade market is significantly more elastic due to fashion and throw away tee shirts etc.); overproduction inevitable led to a drop in the price. Increasing wealthy consumers spent their spare cash on electrical household durables and later PCs and electronic gadgets. These infant industries needed a tariff barrier in the beginning to compete on the world market and the IMF allowed the Asian tigers to do that as a bulwark against communism. But the rest of the world, Latin America, Africa and South Asia faced huge crises after 1973 with the world crisis in the international economy and the huge hike in oil prices. Many became effectively bankrupt and world imperialism bailed them out with their brutal structural adjustment programmes which destroyed for a generation their ability to plan anything in their own economy and left them at the mercy of the free market wolves. The triumph of neo-liberalism with the fall of the USSR in 1991 opened the door for the present sub-prime crises, now engulfing the whole world. So this is not a world in which international relations have fundamentally changed merely one in which open inter-imperialist conflicts have been suppressed for fear of revolution. The present low level of class struggle and working class consciousness presents the imperialists, for the first time since 1939, with the freedom to prepare another imperialist world war.

## Conclusion

Comrade Sharpe says,  
...the contradiction between the national forms of capital and global capital has been essentially overcome. This means it would be irrational and catastrophic for this equilibrium between national capital and global capital to be disrupted by the generation of new forms of inter-imperialist antagonisms. Consequently, countries like China and Japan are not trying to compete with American capital, and instead the wealth generated by their exports to America is used to buy dollars in order to ensure continued the functioning of the world economy on the basis of American hegemony.

The go-it-alone unilateralism of the US in 2003 over Iraq outraged European leaders, domestic oppositionists like Noam Chomsky and Asian tiger economies. It seriously undermined US hegemony in that period but all subsequently returned to the fold because clearly no viable alternative has yet emerged to challenge US military hegemony whilst its economy declines. Clearly the current sub-prime credit crunch has altered the global economic and financial balance of power and that must be eventually reflected in military terms too. Because if the US does blockade China, for example, she only has to withdraw her funding of American bonds to finance the balance of payment deficit and so virtually collapse the US economy. This is a fine balancing act indeed and one which must eventually slip. Finally in reply to comrade Sharpe we will conclude with Juan Chingo, and Aldo Santos' conclusion to their A Polemic with Perry Anderson, Irrational and catastrophic indeed it is but the US does its best to stop China getting advanced weapons technology from Europe, it maintains



**The now-vulnerable Supercarrier USS George Washington. Chinese and Russian anti-ship missiles are world-class. China may have the most advanced anti-ship missile program in the world. And China is building its own aircraft carriers now.**

its army on Japanese and German soil and is ever expanding its military bases over the planet. China and Japan have to buy dollars to maintain a market for their exports, but the US recently prevented China from buying US companies on the basis of national security until the subprime crises forced them to accept capital injection from China and the Middle East. Would Japan and China continue to prop up the US economy in this way if the US military was not so powerful or if they needed the money to save their own economy? WWI and WWII were 'irrational and catastrophic' because that is the nature of the beast we fight, not because human beings cannot think rationally.

## Notes

- [1] <http://www.dsp.org.au/node/10>
- [2] Anderson, Perry New Left Review 17, September-October 2002
- [3] Gordon Brown revealed a youthful admiration for Antonio Gramsci, the Italian communist leader of the 1920s. Such an admiration was common among leftist intellectuals at the time, including those who, like Brown, always stayed on the democratic side of socialism. Gramsci was seen as a forerunner of the acceptable, even pluralist, face of communism then being promoted by the Italian and Spanish communist parties, which offered a bridge between the so-called revolutionary and the revisionist socialists—the former still strong in the Scots labour movement of the 1960s and 1970s.
- Gordon Brown - An Intellectual In Power, Lloyd, J , Prospect Magazine, Issue 136, July 2007 <http://www.scribd.com/doc/185506/Gordon-Brown-An-Intellectual-In-Power-Lloyd-J-Prospect-Magazine-Issue-136-July-2007>
- [5] From N.I. Bukharin: *Imperialism and World Economy* Introduction by V.I. Lenin, <http://www.marxists.org/archive/bukharin/works/1917/imperial/intro.htm>
- [6] In fact Lenin did examine the relationship of the South American semi-colonies to imperialism in his famous pamphlet.
- [7] However although the trainer and rag trade markets are significantly more elastic due to logo fashion and throw away tee shirts, etc. but these are largely controlled by the imperialist transnational companies, Nike etc.

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## The Recession and Theories of Imperialism: it has to be Lenin! 2010

At the Alliance for Workers Liberty (AWL) Winter School on 29 November 2009 Leo Panitch, editor of the Socialist Register, an organiser of the Socialist Project group in Toronto, and professor at York University spoke on the economic crisis.

Panitch is a self-confessed neo-Kautskyian or ultra-imperialist theorist of imperialism as opposed to a Leninist one. These are the only two real contending theories to understand the world today in terms of inter-imperialist rivalries as the international economic crisis unfolds.

Briefly neo-Kautskyians believe that US hegemony over the world economy is unchallenged and basically unchallengeable because all the world's capitalists know what's good for them in the long run. Central to this construction was the idea that the giant multi-national corporations (US in the main) were eliminating contradictions between rival national capitals and rival imperialist nations and they were becoming global, rather than national capital. They have supposed created a stable alliance of all the major powers to exploit the Third World for their joint benefit. In 1914 Karl Kautsky published an article on imperialism, which subsequently was translated into English and published in the USA. He argued there could be a way out of wars among the imperialist powers, a solution now named "Ultra-imperialism" or "super-imperialism", *Imperialism and the War*, International Socialist Review, 15 (1914). It was a precursor to the bombastic conclusion by the end-of-history man Francis Fukuyama, who again trumpeted this in 1992, following the 'fall of communism'. This outlook has been rubbished by sub-prime mortgage crises and banking/credit systemic failures and in its continuing unfolding, notably in Iceland, Greece and Ireland of late. And now we await the spotlight falling on Portugal, Spain, Belgium and Italy in Western Europe, besides the critical trade deficits shown in eastern European states after being cut adrift from the former Comecon alliance.

Lenin's theory basically states that rival imperialist powers can never solve their contradictions; their drive for profit and markets bring them inevitably into economic conflict with each other and these conflicts inevitably bring inter-imperialist wars. These in turn will ferment revolutionary situations worldwide where the working class will be faced with the question of the taking of state power and will do so leading to an unfolding world revolution provided they have an internationalist revolutionary leadership prepared to lead it to do that. We contend that the objective circumstances to fulfil this scenario are now unfolding rapidly before our eyes. Panitch shoots straight from the hip to his welcoming pro-imperialist audiences in the AWL and elsewhere: "I don't think that US hegemony has waned, and I don't think it's about to wane in the very near future, despite the current financial crisis...In our view, by contrast, we have been living through one of the most dynamic periods in the whole history of capitalism." [www.workersliberty.org/category/marxist-theory/economics](http://www.workersliberty.org/category/marxist-theory/economics). Touching faith, indeed, not shared by many leading capitalists today.

Martin Thomas of Workers Liberty takes the line of Michael Hardt and Antonio Negri's pro-imperialist neo-Kautskyite book *Empire*. Thomas's *Marxism and imperialism* concludes with the following defence of US imperialism:

Stalinist imperialism (Russia in Eastern Europe and Afghanistan, China in Tibet, etc.) was and is as much to be opposed as ordinary capitalist imperialism. And every capitalist class of any clout, 'advanced' or otherwise, has imperialistic impulses. Indonesia's domination of East Timor, or Serbia's drive to dominate Kosova, are as much to be opposed as the imperialist ventures of larger, richer states. Countries as India, South Africa, Nigeria,

Mexico, and Brazil, where the ruling class has gained sufficient economic and/or military strength to act as a big power in its region, have developed into 'sub-imperialist' centres.

<http://archive.workersliberty.org/publications/readings/2001/empire.html>

Robert Fisk had written a front page scoop in *The Independent* on the 6 October (2009) that year: The Demise of the Dollar, in which he claimed that, over the next nine years:

"Gulf Arabs are planning – along with China, Russia, Japan and France – to end dollar dealings for oil, moving instead to a basket of currencies including the Japanese yen and Chinese yuan, the euro, gold and a new, unified currency planned for nations in the Gulf Co-operation Council, including Saudi Arabia, Abu Dhabi, Kuwait and Qatar."

<http://www.independent.co.uk/news/business/news/the-demise-of-the-dollar-1798175.html>

In response to a query from a Socialist Fight supporter on what he made of this, Panitch delivered a sharp and angry rebuke to Fisk:

"this story is part of the neo-con agenda in the US to undermine Obama's Healthcare Bill".

Suggesting Fisk as a spokesman/dupe for the neo-cons was hard to swallow, but what did it have to do with the Healthcare Bill (now Act)? We never got the answer and it took a moment to realise that he was making a straightforward identification of US labour and capital; if American imperialism did not continue to exploit the world as its hegemon it would not have enough money to pay for the health of its workers. His logic was as chauvinist and reactionary as that!

The plans of the imperialist rivals of the US may not pan out in the way Fisk outlined but the main thrust of the story is undoubtedly correct and already emerging. Iran denominates its oil in euros and Saddam Hussein was about to do the same in 2003 but the US invaded to forestall the collapse of the dollar as an international currency then.

According to the *All Eyes on Obama* blog on November 4, 2010:

In September, China supported a Russian proposal to start direct trading using the yuan and the ruble rather than pricing their trade or taking payment in U.S. dollars or other foreign currencies. China then negotiated a similar deal with Brazil. And on the eve of the IMF meetings in Washington on Friday, Premier Wen stopped off in Istanbul to reach agreement with Turkish Prime Minister Erdogan to use their own currencies in a planned tripling Turkish-Chinese trade to \$50 billion over the next five years, effectively excluding the dollar.

[Alleyesonobama.blogspot.com/2010/](http://Alleyesonobama.blogspot.com/2010/)

But with the impending onset of the 'double-dip' recession/depression - this demonstrates Lenin's basic outline on the trajectory of Imperialism is the only viable underlying theory of modern world imperialism. International incidents are beginning to proliferate in the Pacific seas near Japan and China over the ownership of four archipelagos. Russian and Chinese claims are disputed by Japan, Vietnam with other ASEAN nations all provocatively backed by the US with their aircraft carriers and, in the Russia-Japan dispute over the South Kuril Islands, in direct repudiation of the post-WWII agreement signed by the USSR, Japan and the US. Taiwan is still a flashpoint, despite the election of a government with a softer line on relations with the mainland Chinese and Korea too is in the grips of the most serious confrontation since the cessation of hostilities in the peninsula in 1953. The wars in Sri Lanka, Iraq, Afghanistan and into Pakistan were/are ultimately US geopolitical manoeuvres against China. The situation is strongly reminiscent of the pre-WWI international incidents over Morocco, Bosnia, etc

And imperialist China is also preparing for war. According to a report from The U. S. Naval Institute, March 31, 2009: Chinese Develop Special “Kill Weapon” to Destroy U.S. Aircraft Carriers:

Advanced missile poses substantial new threat for U.S. Navy: The range of the modified Dong Feng 21 missile is significant in that it covers the areas that are likely hot zones for future confrontations between U.S. and Chinese surface forces. The size of the missile enables it to carry a warhead big enough to inflict significant damage on a large vessel, providing the Chinese (with) the capability of destroying a U.S. super- (aircraft) carrier (like 'George Washington') in one strike. <http://www.usni.org/news-and-features/chinese-kill-weapon>

Economic conflicts are endemic and always an antecedent which naturally follows and may morph into military conflict anywhere when capitalism is inexorably driven into a zero sum game and decline situation - as opposed to win win situations of economically necessary expansion on the rise. Then relative decline is masked by some universal advances in times of boom.

Essentially all the countries mentioned by Fisk above were ‘burned’ by the collapse of Lehman Brothers, the US bailout of the banks and the \$1.8 trillion quantitative easing in 2008. World trade is denominated in dollars, printing dollars diminishes the currency, makes US export cheaper and imports dearer. Moreover those holding vast reserves of US dollars because of a trade surplus (and buying US bonds to finance the deficit), principally China and Japan, but others also, now finds those reserves shrinking because of unilateral action by the US. They grumbled but put up with it in 2008 because they feared the collapse of the world financial market: “this baby could go” as George Bush so memorably said in real fear.

But in early November 2010 when Obama began printing \$600 billion in quantitative easing (after the \$1.8 trillion in 2008) China and Germany complained this was unfair practice and how did Obama have the cheek to demand that China raises the value of the renminbi (yuan) while he was lowering the value of the dollar himself by different instruments? The Seoul G20 economic summit produced nothing but ill will. How can we take seriously the following from Jose Barroso, President of the European Commission, on 24 November 2010?

“The G20’s financial reform efforts will continue in areas like macro-prudential policy frameworks, shadow banking, commodity derivative markets, and market integrity and efficiency... It is now important to ensure strict and consistent implementation of all these commitments, according to the agreed timetable, to ensure a global level playing field. We have received strong assurances from the US that they share our determination on this.” <http://www.egovmonitor.com/node/39567>

And Europe, the cockpit of both 20th century World Wars, is now in the midst



of another huge wave of crises with Ireland and Greece at its west and eastern borders, revealing chronic illness that goes to its very centre - its heart. Already Germany is flexing its political and economic muscles, considering an exit strategy from the euro currency, looking for excuses to build up its armed forces and increasing looking eastward. And they have the technology to do so rapidly if needed; if Siemens AG can build advanced high speed trains for Russia they can build advanced war machines.

Britain, smarting from the US hounding of BP over the Gulf oil spill and fearing an end to the “special relationship” have entered another *Entente Cordiale* with France as in 1904; and a military alliance is a political alliance. The Greek crisis is essentially unresolved and Ireland is now the basket case. And it is turning nasty because there is no win win now, only lose lose and who will lose the most?

Of course the main flashpoints for war up to now have been the Middle East and we have debunked theories of Ultra Imperial-

ism in the past concentrating on that arena:

So we can regard the US as pursuing a dual policy here (in the Middle East); a prime policy of ensuring that its position as the world's hegemon is unchallenged and a secondary policy of hedging its bets, if any of its imperialist rivals does challenge them or begin to look like they are forming an alliance against them then the US can use its navy and air force to choke off their oil.

And this brings us neatly back to Leo Panitch. Whatever an oppressed nation like Ireland may plead about the loss of its sovereignty against EU imperialists we have to reject any long-term common cause between workers and capitalists everywhere, whilst siding with the oppressed nation against imperialism. In this concrete case we call for the renouncement of all indebtedness to corporate or supra-national banks whether they be RBS or the European Central Bank, and seek trade with those countries that are outside the Imperialist 'stranglehold' remit, whilst calling for unilateral support from workers and oppressed in their independently acting states everywhere. There is no middle way.

But, in contrast, Panitch is essentially a red necked US imperialist chau-

vinist, albeit dressed up in leftist phraseology for the English chauvinist boys and girls of the radical AWL and others. Clearly now the only viable theory of world imperialism, and the only reliable guide to the future of the class struggle, begins with Lenin's theory of imperialism; the irreconcilable emergence of conflicts between world imperialist powers not with the class-collaborationist theory of Kautsky which Lenin panned so famously in his pamphlet: *The Proletarian Revolution and the Renegade Kautsky*. That argument is now over for all serious revolutionists: it has to be Lenin!

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