NEO-COLONIALISM: The Last Stage of Imperialism

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Week 1 - Introduction, Chapter 1, Chapter 2

'The enormous dimensions of finance-capital concentrated in a few hands and creating an extremely extensive network of close ties and relationships which involves not only the small and medium capitalists, but also even the very small; this, on the one hand, and on the other the bitter struggle against other national State groups of financiers for the partition of the world and the right to rule over other countries—these two factors taken together cause the complete conversion of all the possessing classes to the side of imperialism. The signs of the times are a "general" enthusiasm regarding its prospects, a passionate defence of imperialism, and every possible camouflage of its real nature.'— V.I. Lenin, Imperialism

Introduction

The neocolonialism of today represents imperialism in its final and perhaps its most dangerous stage. In the past it was possible to convert a country upon which a neo-colonial regime had been imposed — Egypt in the nineteenth century is an example — into a colonial territory. Today this process is no longer feasible. Old-fashioned colonialism is by no means entirely abolished. It still constitutes an African problem, but it is everywhere on the retreat. Once a territory has become nominally independent it is no longer possible, as it was in the last century, to reverse the process. Existing colonies may linger on, but no new colonies will be created. In place of colonialism as the main instrument of imperialism we have today neo-colonialism.

The essence of neo-colonialism is that the State which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality its economic system and thus its political policy is directed from outside.

The methods and form of this direction can take various shapes. For example, in an extreme case the troops of the imperial power may garrison the territory of the neo-colonial State and control the government of it. More often, however, neo-colonialist control is exercised through economic or monetary means. The neo-colonial State may be obliged to take the manufactured products of the imperialist power to the exclusion of competing products from elsewhere. Control over government policy in the neo-colonial State may be secured by payments towards the cost of running the State, by the provision of civil servants in positions where they can dictate policy, and by monetary control over foreign exchange through the imposition of a banking system controlled by the imperial power.

Where neo-colonialism exists the power exercising control is often the State which formerly ruled the territory in question, but this is not necessarily so. For example, in the case of South Vietnam the former imperial power was France, but neo- colonial control of the State has now gone to the United States. It is possible that neo-colonial control may be exercised by a consortium of financial interests which are not specifically identifiable with any particular State. The control of the Congo by great international financial concerns is a case in point.

The result of neo-colonialism is that foreign capital is used for the exploitation rather than for the development of the less developed parts of the world. Investment under neo-colonialism increases rather than decreases the gap between the rich and the poor countries of the world.

The struggle against neo-colonialism is not aimed at excluding the capital of the developed world from operating in less developed countries. It is aimed at preventing the financial power of the developed countries being used in such a way as to impoverish the less developed.

Non-alignment, as practiced by Ghana and many other countries, is based on co-operation with all States whether they be capitalist, socialist or have a mixed economy. Such a policy, therefore, involves foreign investment from capitalist countries, but it must be invested in accordance with a national plan drawn up by the government of the non-aligned State with its own interests in mind. The issue is not what return the foreign investor receives on his investments. He may, in fact, do better for himself if he invests in a non-aligned country than if he invests in a neo-colonial one. The question is one of power. A State in the grip of neo-colonialism is not master of its own destiny. It is this factor which makes neo-colonialism such a serious threat to world peace. The growth of nuclear weapons has made out of date the old-fashioned balance of power which rested upon the ultimate sanction of a major war. Certainty of mutual mass destruction effectively prevents either of the great power blocs from threatening the other with the possibility of a world-wide war, and military conflict has thus become confined to 'limited wars'. For these neo-colonialism is the breeding ground.

Such wars can, of course, take place in countries which are not neo-colonialist controlled. Indeed their object may be to establish in a small but independent country a neo-colonialist regime. The evil of neo-colonialism is that it prevents the formation of those large units which would make impossible 'limited war'. To give one example: if Africa was united, no major power bloc would attempt to subdue it by limited war because from the very nature of limited war, what can be achieved by it is itself limited. It is only where small States exist that it is possible, by landing a few thousand marines or by financing a mercenary force, to secure a decisive result.

The restriction of military action of 'limited wars' is, however, no guarantee of world peace and is likely to be the factor which will ultimately involve the great power blocs in a world war, however much both are determined to avoid it.

Limited war, once embarked upon, achieves a momentum of its own. Of this, the war in South Vietnam is only one example. It escalates despite the desire of the great power blocs to keep it limited. While this particular war may be prevented from leading to a world conflict, the multiplication of similar limited wars can only have one end—world war and the terrible consequences of nuclear conflict.

Neo-colonialism is also the worst form of imperialism. For those who practise it, it means power without responsibility and for those who suffer from it, it means exploitation without redress. In the days of old-fashioned colonialism, the imperial power had at least to explain and justify at home the actions it was taking abroad. In the colony those who served the ruling imperial power could at least look to its protection against any violent move by their opponents. With neo-colonialism neither is the case.

Above all, neo-colonialism, like colonialism before it, postpones the facing of the social issues which will have to be faced by the fully developed sector of the world before the danger of world war can be eliminated or the problem of world poverty resolved.

Neo-colonialism, like colonialism, is an attempt to export the social conflicts of the capitalist countries. The temporary success of this policy can be seen in the ever widening gap between the richer and the poorer nations of the world. But the internal contradictions and conflicts of neo-colonialism make it certain that it cannot endure as a permanent world policy. How it should be brought to an end is a problem that should be studied, above all, by the developed nations of the world, because it is they who will feel the full impact of the ultimate failure. The longer it continues the more certain it is that its inevitable collapse will destroy the social system of which they have made it a foundation.

The reason for its development in the post-war period can be briefly summarised. The problem which faced the wealthy nations of the world at the end of the second world war was the impossibility of returning to the pre-war situation in which there was a great gulf between the few rich and the many poor. Irrespective of what particular political party was in power, the internal pressures in the rich countries of the world were such that no post-war capitalist country could survive unless it became a 'Welfare State'. There might be differences in degree in the extent of the social benefits given to the industrial and agricultural workers, but what was everywhere impossible was a return to the mass unemployment and to the low level of living of the pre-war years.

From the end of the nineteenth century onwards, colonies had been regarded as a source of wealth which could be used to mitigate the class conflicts in the capitalist States and, as will be explained later, this policy had some success. But it failed in its ultimate object because the pre-war capitalist States were so organised internally that the bulk of the profit made from colonial possessions found its way into the pockets of the capitalist class and not into those of the workers. Far from achieving the object intended, the working-class parties at times tended to identify their interests with those of the colonial peoples and the imperialist powers found themselves engaged upon a conflict on two fronts, at home with their own workers and abroad against the growing forces of colonial liberation.

The post-war period inaugurated a very different colonial policy. A deliberate attempt was made to divert colonial earnings from the wealthy class and use them instead generally to finance the 'Welfare State'. As will be seen from the examples given later, this was the method consciously adopted even by those working-class leaders who had before the war regarded the colonial peoples as their natural allies against their capitalist enemies at home.

At first it was presumed that this object could be achieved by maintaining the pre-war colonial system. Experience soon proved that attempts to do so would be disastrous and would only provoke colonial wars, thus dissipating the anticipated gains from the continuance of the colonial regime. Britain, in particular, realised this at an early stage and the correctness of the British judgement at the time has subsequently been demonstrated by the defeat of French colonialism in the Far East and Algeria and the failure of the Dutch to retain any of their former colonial empire.

The system of neo-colonialism was therefore instituted and in the short run it has served the developed powers admirably. It is in the long run that its consequences are likely to be catastrophic for them.

Neo-colonialism is based upon the principle of breaking up former large united colonial territories into a number of small non-viable States which are incapable of independent development and must rely upon the former imperial power for defence and even internal security. Their economic and financial systems are linked, as in colonial days, with those of the former colonial ruler.

At first sight the scheme would appear to have many advantages for the developed countries of the world. All the profits of neo-colonialism can be secured if, in any given area a reasonable proportion of the States have a neo-colonialist system. It is not necessary that they all should have one. Unless small States can combine they must be compelled to sell their primary products at prices dictated by the developed nations and buy their manufactured goods at the prices fixed by them. So long as neo-colonialism can prevent political and economic conditions for optimum development, the developing countries, whether they are under neo-colonialist control or not, will be unable to create a large enough market to support industrialisation. In the same way they will lack the financial strength to force the developed countries to accept their primary products at a fair price.

In the neo-colonialist territories, since the former colonial power has in theory relinquished political control, if the social conditions occasioned by neo-colonialism cause a revolt the local neo-colonialist government can be sacrificed and another equally subservient one substituted in its place. On the other hand, in any continent where neo-colonialism exists on a wide scale the same social pressures which can produce revolts in neo-colonial territories will also affect those States which have refused to accept the system and therefore neo-colonialist nations have a ready-made weapon with which they can threaten their opponents if they appear successfully to be challenging the system.

These advantages, which seem at first sight so obvious, are, however, on examination, illusory because they fail to take into consideration the facts of the world today.

The introduction of neo-colonialism increases the rivalry between the great powers which was provoked by the old-style colonialism. However little real power the government of a neo-colonialist State may possess, it must have, from the very fact of its nominal independence, a certain area of manoeuvre. It may not be able to exist without a neo-colonialist master but it may still have the ability to change masters.

The ideal neo-colonialist State would be one which was wholly subservient to neo-colonialist interests but the existence of the socialist nations makes it impossible to enforce the full rigour of the neo-colonialist system. The existence of an alternative system is itself a challenge to the neo-colonialist regime. Warnings about 'the dangers of Communist subversion' are likely to be two-edged since they bring to the notice of those living under a neo-colonialist system the possibility of a change of regime. In fact neo-colonialism is the victim of its own contradictions. In order to make it attractive to those upon whom it is practised it must be shown as capable of raising their living standards, but the economic object of neo-colonialism is to keep those standards depressed in the interest of the developed countries. It is only when this contradiction is understood that the failure of innumerable 'aid' programmes, many of them well intentioned, can be explained.

In the first place, the rulers of neo-colonial States derive their authority to govern, not from the will of the people, but from the support which they obtain from their neo-colonialist masters. They have therefore little interest in developing education, strengthening the bargaining power of their workers employed by expatriate firms, or indeed of taking any step which would challenge the colonial pattern of commerce and industry, which it is the object of neo-colonialism to preserve. 'Aid', therefore, to a neo-colonial State is merely a revolving credit, paid by the neo-colonial master, passing through the neo-colonial State and returning to the neo-colonial master in the form of increased profits.

Secondly, it is in the field of 'aid' that the rivalry of individual developed States first manifests itself. So long as neo-colonialism persists, so long will spheres of interest persist, and this makes multilateral aid—which is in fact the only effective form of aid—impossible.

Once multilateral aid begins the neo-colonialist masters are faced by the hostility of the vested interests in their own country. Their manufacturers naturally object to any attempt to raise the price of the raw materials which they obtain from the neo-colonialist territory in question, or to the establishment there of manufacturing industries which might compete directly or indirectly with their own exports to the territory. Even education is suspect as likely to produce a student movement and it is, of course, true that in many less developed countries the students have been in the vanguard of the fight against neo-colonialism.

In the end the situation arises that the only type of aid which the neo-colonialist masters consider as safe is 'military aid'.

Once a neo-colonialist territory is brought to such a state of economic chaos and misery that revolt actually breaks out then, and only then, is there no limit to the generosity of the neo-colonial overlord, provided, of course, that the funds supplied are utilised exclusively for military purposes.

Military aid in fact marks the last stage of neo-colonialism and its effect is self-destructive. Sooner or later the weapons supplied pass into the hands of the opponents of the neocolonialist regime and the war itself increases the social misery which originally provoked it.

Neo-colonialism is a mill-stone around the necks of the developed countries which practise it. Unless they can rid themselves of it, it will drown them. Previously the developed powers could escape from the contradictions of neo-colonialism by substituting for it direct colonialism. Such a solution is no longer possible and the reasons for it have been well explained by Mr Owen Lattimore, the United States Far Eastern expert and adviser to Chiang Kai-shek in the immediate post-war period. He wrote:

'Asia, which was so easily and swiftly subjugated by conquerors in the eighteenth and nineteenth centuries, displayed an amazing ability stubbornly to resist modern armies equipped with aeroplanes, tanks, motor vehicles and mobile artillery.

Formerly big territories were conquered in Asia with small forces. Income, first of all from plunder, then from direct taxes and lastly from trade, capital investments and long-term exploitation, covered with incredible speed the expenditure for military operations. This arithmetic represented a great temptation to strong countries. Now they have run up against another arithmetic, and it discourages them.'

The same arithmetic is likely to apply throughout the less developed world. This book is therefore an attempt to examine neo-colonialism not only in its African context and its relation to African unity, but in world perspective. Neo-colonialism is by no means exclusively an African question. Long before it was practised on any large scale in Africa it was an established system in other parts of the world. Nowhere has it proved successful, either in raising living standards or in ultimately benefiting the countries which have indulged in it.

Marx predicted that the growing gap between the wealth of the possessing classes and the workers it employs would ultimately produce a conflict fatal to capitalism in each individual capitalist State.

This conflict between the rich and the poor has now been transferred on to the international scene, but for proof of what is acknowledged to be happening it is no longer necessary to consult the classical Marxist writers. The situation is set out with the utmost clarity in the leading organs of capitalist opinion. Take for example the following extracts from The Wall Street Journal, the newspaper which perhaps best reflects United States capitalist thinking.

In its issue of 12 May 1965, under the headline of 'Poor Nations' Plight', the paper first analyses 'which countries are considered industrial and which backward'. There is, it explains, 'no rigid method of classification'. Nevertheless, it points out:

"A generally used breakdown, however, has recently been maintained by the International Monetary Fund because, in the words of an IMF official, "the economic demarcation in the world is getting increasingly apparent." The breakdown, the official says, "is based on simple common sense."

In the IMF's view, the industrial countries are the United States, the United Kingdom, most West European nations, Canada and Japan. A special category called "other developed areas" includes such other European lands as Finland, Greece and Ireland, plus Australia, New Zealand and South Africa. The IMF's "less developed" category embraces all of Latin America and nearly all of the Middle East, non-Communist Asia and Africa.' In other words the 'backward' countries are those situated in the neo-colonial areas.

After quoting figures to support its argument, The Wall Street Journal comments on this situation:

"The industrial nations have added nearly $2 billion to their reserves, which now approximate $52 billion. At the same time, the reserves of the less-developed group not only have stopped rising, but have declined some $200 million. To analysts such as Britain's Miss Ward, the significance of such statistics is clear: the economic gap is rapidly widening "between a white, complacent, highly bourgeois, very wealthy, very small North Atlantic elite and everybody else, and this is not a very comfortable heritage to leave to one's children."

"Everybody else" includes approximately two-thirds of the population of the earth, spread through about 100 nations.'

This is no new problem. In the opening paragraph of his book, The War on World Poverty, written in 1953, the present British Labour leader, Mr Harold Wilson, summarised the major problem of the world as he then saw it:

'For the vast majority of mankind the most urgent problem is not war, or Communism, or the cost of living, or taxation. It is hunger. Over 1,500,000,000 people, something like two-thirds of the world's population, are living in conditions of acute hunger, defined in terms of identifiable nutritional disease. This hunger is at the same time the effect and the cause of the poverty, squalor and misery in which they live.'

Its consequences are likewise understood. The correspondent of The Wall Street Journal, previously quoted, underlines them:

'...many diplomats and economists view the implications as overwhelmingly — and dangerously — political. Unless the present decline can be reversed, these analysts fear, the United States and other wealthy industrial powers of the West face the distinct possibility, in the words of British economist Barbara Ward, "of a sort of international class war".'

What is lacking are any positive proposals for dealing with the situation. All that The Wall Street Journal's correspondent can do is to point out that the traditional methods recommended for curing the evils are only likely to make the situation worse.

It has been argued that the developed nations should effectively assist the poorer parts of the world, and that the whole world should be turned into a Welfare State. However, there seems little prospect that anything of this sort could be achieved. The so-called 'aid' programmes to help backward economies represent, according to a rough U.N. estimate, only one half of one per cent of the total income of industrial countries. But when it comes to the prospect of increasing such aid the mood is one of pessimism:

'A large school of thought holds that expanded share-the- wealth schemes are idealistic and impractical. This school contends climate, undeveloped human skills, lack of natural resources and other factors—not just lack of money— retard economic progress in many of these lands, and that the countries lack personnel with the training or will to use vastly expanded aid effectively. Share-the-wealth schemes, according to this view, would be like pouring money down a bottomless well, weakening the donor nations without effectively curing the ills of the recipients.'

The absurdity of this argument is demonstrated by the fact that every one of the reasons quoted to prove why the less developed parts of the world cannot be developed applied equally strongly to the present developed countries in the period prior to their development. The argument is only true in this sense. The less developed world will not become developed through the goodwill or generosity of the developed powers. It can only become developed through a struggle against the external forces which have a vested interest in keeping it undeveloped.

Of these forces, neo-colonialism is, at this stage of history, the principal.

I propose to analyse neo-colonialism, first, by examining the state of the African continent and showing how neo-colonialism at the moment keeps it artificially poor. Next, I propose to show how in practice African Unity, which in itself can only be established by the defeat of neo-colonialism, could immensely raise African living standards. From this beginning, I propose to examine neo-colonialism generally, first historically and then by a consideration of the great international monopolies whose continued stranglehold on the neo-colonial sectors of the world ensures the continuation of the system.

1. Africa's resources

Africa is a paradox which illustrates and highlights neocolonialism. Her earth is rich, yet the products that come from above and below her soil continue to enrich, not Africans predominantly, but groups and individuals who operate to Africa's impoverishment. With a roughly estimated population of 280 million, about eight per cent of the world's population, Africa accounts for only two per cent of the world's total production. Yet even the present very inadequate surveys of Africa's natural resources show the continent to have immense, untapped wealth. We know that iron reserves are put at twice the size of America's, and two-thirds those of the Soviet Union's, on the basis of an estimated two billion metric tons. Africa's calculated coal reserves are considered to be enough to last for three hundred years. New petroleum fields are being discovered and brought into production all over the continent. Yet production of primary ores and minerals, considerable as it appears, has touched only the fringes.

Africa has more than 40 per cent of the world's potential water power, a greater share than any other continent. Yet less than five per cent of this volume has been utilised. Even taking into account the vast desert stretches of the Sahara, there is still in Africa more arable and pasture land than exists in either the United States of America or the Soviet Union. There is even more than in Asia. Our forest areas are twice as great as those of the United States. If Africa's multiple resources were used in her own development, they could place her among the modernised continents of the world. But her resources have been, and still are being used for the greater development of overseas interests. Africa provided to Britain in 1957 the following proportions of basic materials used in her industries:

materials used in her industries:

tin ore and concentrates	19%
iron ore	29%
manganese	80%
copper	46%
bauxite	47%
chrome ore	50%
asbestos	66%
cobalt	82%
antimony	91%

French imports from Africa include:

cotton	32%
iron ore	36%
zinc ore	51%
lead	85%
phosphates	100%

To Germany, Africa provided:

copper imports	8%
iron ore	10%
lead ore	12%
manganese ore	20%
chrome ore	22%
phosphorites	71%

Yet in none of the new African countries is there a single integrated industry based upon any one of these resources.

Although possessing fifty-three of the world's most important basic industrial minerals and metals, the African continent tails far behind all others in industrial development. Gauged on the production of primary products output in the total economic activity, by comparison with the country of most advanced production, the United States of America, the facts can be seen at a glance.

Country	Year	Agriculture Forestry Fishing	Mining	Industry and Manufacture	Construction	Transport and Communications	Commerce	Public Administration and Defence	Others
Algeria	1958	21	3	11	6	6	19	22	12
Congo (L.)	1958	26	16	12	6	9	7	14	16
Kenya	1958	42	1	10	4	9	13	10	11
Morocco	1958	34	6	18	4	*	15	10	13
Nigeria	1956	63	1	2	11	1	4	6	3
Rhodesia and Nyasaland	1958	20	14	11	8	9	10	4	24
Tanganyika	1958	59	4	7	6	7	5	7	5
Republic of S. Africa	1958	12	13	2	5	8	12	10	20
U.S.A.	1959	4	1	30	5	8	17	13	22

[1]

It will be noted that in America agriculture, forestry and fishing provide a mere four per cent of the total national activity, and mining a trifling one per cent. On the other hand, industry,

[1] From the United Nations Statistical Year Book, 1960 (figures are percentages).

manufacture and commerce provide 47 per cent. In the African countries included in the table, which are, with the exception of Nigeria, those with the highest settler communities and therefore the most exploited, agriculture is predominant. Industry, manufacture and commerce lag far behind. Even in the case of South Africa, the most highly industrialised sector of the African continent, the contribution of agriculture (12 however, relatively privileged isolated islands in a very poor total economy.

The reason for this is seen in the absence of industry and manufacture, owing to the fact that mining production is destined principally for exportation, mainly in primary form. It goes to feed the industries and factories of Europe and America, to the impoverishment of the countries of origin.

It is also remarked by Europe (France) Outremer that about 50 per cent of Africa's mining production remains in the country of origin as wages. Even the most cursory glance at the annual accounts of the mining companies refutes this claim. The excess of revenue over expenditure in many cases proves conclusively by its size that wages received by manual labour form by no means such an exaggerated proportion of value produced as 50 per cent. The considerable sums which go in highly paid salaries to European staffs in the skilled and administrative categories, part of which is returned to their own countries, must in many instances amount to the total received by African labour, to say nothing of the large amounts which swell the yearly incomes of wealthy directors who reside in the metropolitan cities of the west.

The assumption also ignores another important fact, namely that wages of manual workers, low as they are, are partly spent on goods manufactured abroad and imported, taking out of the primary producing countries a good part of the workers' wages. In many cases, the imported goods are the products of the companies associated with the mining groups. Frequently, they are sold in the companies' own stores on the mining compounds or by their appointed agents, the workers having to pay prices fixed by the companies.

The poverty of the people of Africa is demonstrated by the simple fact that their income per capita is among the lowest in the world.

Income per capita *U.S.* $, 1960–63

Under $80	$81–125	$126–200	$200–250	Over $400
Basutoland Bechuanaland Burundi Chad Congo (B.) Dahomey Ethiopia Guinea de Sao Malawi Mali Mozambique Niger Nigeria Rwanda Somalia Tanganyika-Zanzibar Uganda Voltaic Republic	Angola Cameroun Republic Congo (L.) Gambia Guinea Kenya Malagasy Republic Mauritania Sierra Leone Sudan Togo United Arab Republic	Liberia Libya Morocco Swaziland Tunisia	Algeria Cote d'Ivoire Gabon Ghana Mauritius Senegal South-west Africa Zambia Rhodesia (Zimbabwe)	South Africa

In some countries, for example Gabon and Zambia, up to half the domestic product is paid to resident expatriates and to overseas firms who own the plantations and mines. In Guinea de Sao, Angola, Libya, Swaziland, South-West Africa and Zimbabwe (Rhodesia), foreign firm profits and settler or expatriate incomes exceed one-third of the domestic product. Algeria, Congo and Kenya were in this group before independence.

On achieving independence, almost every new state of Africa has developed plans for industrialisation and rounded economic growth in order to improve productive capacity and thereby raise the standard of living of its people. But while Africa remains divided progress is bound to be painfully slow. Economic development is dependent not only on the availability of natural resources and the size and population of a country, but on economic size, which takes into account both population and income per capita. In many African States the population and per capita products are extremely small, giving an economic unit no larger than a medium-sized firm in a western capitalist country, or a single State enterprise in a European socialist economy.

Africa is having to pay a huge price once more for the historical accident that this vast and compact continent brought fabulous profits to western capitalism, first out of the trade in its people and then out of imperialist exploitation. This enrichment of one side of the world out of the exploitation of the other has left the African economy without the means to industrialise. At the time when Europe passed into its industrial revolution, there was a considerably narrower gap in development between the continents. But with every step in the evolution of productive methods and the increased profits drawn from the more and more shrewd investment in manufacturing equipment and base metal production, the gap widened by leaps and bounds.

The Report of the U.N. Economic Commission for Africa published in December 1962 under the title of Industrial Growth in Africa states that the gap between 'the continents separated by the Mediterranean' has widened faster during the twentieth century than ever before. True, per capita output has increased in Africa, particularly in the last two decades, which have seen an increase of some 10 to 20 per cent. Already far ahead, the industrial countries have marked a per capita advance in the same period of 60 per cent, and their per capita industrial production may be estimated as high as twenty-five times that in Africa as a whole. The difference for the greater part of Africa, however, is even more marked, since industry on this continent tends to be concentrated in small areas in the north and south. A real transformation of the African economy would mean not only doubling agricultural output but increasing industrial output some twenty-five times. The Report makes it plain that industry rather than agriculture is the means by which rapid improvement in Africa's living standards is possible.

There are, however, imperialist specialists and apologists who urge the less developed countries to concentrate on agriculture and leave industrialisation for some later time when their populations shall be well fed. The world's economic development, however, shows that it is only with advanced industrialisation that it has been possible to raise the nutritional level of the people by raising their levels of income. Agriculture is important for many reasons, and the governments of African states concerned with bringing higher standards to their people are devoting greater investment to agriculture. But even to make agriculture yield more the aid of industrial output is needed; and the under-developed world cannot for ever be placed at the mercy of the more industrialised. This dependence must slow the rate of increase in our agriculture and make it subservient to the demands of the industrial producers. That is why we cannot accept such sweeping assessments as that made by Professor Leopold G. Scheidl of the Vienna School of Economics at a recent meeting in London of the International Geographical Congress. Commented Professor Scheidl:

'People in developing countries seem to think that all that is necessary for them to become as wealthy as the west is to build factories. Most experts agree that it is wiser and more promising to develop agriculture into self-sufficiency and on to the level of a marketing economy' (The Times, 24 July 1964).

This train of thought links up directly with that of the chairman of Booker Brothers, Sir Jock Campbell whose combine of companies is busy monopolising sugar and by-product industries in British Guiana, shipping and trading in the Caribbean and East Africa, and is now penetrating into the west of the African continent. Sir Jock Campbell asserted at the Annual address of the Africa Bureau in London on 29 November 1962 that 'agriculture was the basis of African development and that plantations were an effective method of increasing economic potential'. He considered that 'so long as industrialised agriculture employed men free to come and go, it was preferable in terms both of efficiency and liberty to the communised collective farming whose results had fallen short of expectation both in Russia and China' (The Times, 30 November 1962). He does not seem to have convinced the sugar workers of British Guiana, and it is a moot point whether he has been able to impress the benefits of his 'free to come and go' plantation philosophy on the workers for his companies in Nyasaland, Rhodesia and South Africa. Even the scientific supporters of the imperialist pattern are aware of the flaws in their injunctions, but they cunningly attribute the emphasis placed by the developing states upon industrialisation to political ambitions rather than to economic and social necessity. A European representative of the University of Malaya, Mr D. W. Fryer, speaking at the meeting of the International Geographical Conference to which reference is made above, said that

'an increase in the efficiency of traditional export industries in the under-developed countries was an obvious move, but it was politically unattractive. It suggested continued acceptance of the old colonial economy ... Industrialism was an integral part of the nationalist movement. Its mainspring was not economic but political, and political expediency was often more important than economic efficiency in the location of new industry'.

The more efficient management of primary production and improvement on a marketing level is imperialism's gain and our loss. The point has been made quite clearly by no less a person than the chairman of Bolsa (the Bank of London and South America), Sir George Bolton. The latter was reported in The Financial Times of 6 March 1964 as being confident of a rise in commodity prices, which would have considerable effect on the foreign exchanges. For whose benefit? Sir George provides the answer. 'It should help the reserve currencies, sterling and the dollar,' he said. Why? Because being tied to these currencies, 'the primary producers will be accumulating their surpluses in sterling and dollar balances'. This appears to be nothing short of a direct confession of the major interest of the banking and financial world in the exploitation of the developing countries. It is interesting, therefore, to note that Bolsa's transfer agents in London are Patino Mines & Enterprises Consolidated, the American-controlled combine operating mines in Latin America and Canada, and intimately associated with the groups engaged in exploiting Africa's natural resources.

We are certainly not against marketing and trading. On the contrary, we are for a widening of our potentialities in these spheres, and we are convinced that we shall be able to adjust the balance in our favour only by developing an agriculture attuned to our needs and supporting it with a rapidly increasing industrialisation that will break the neo-colonialist pattern which at present operates.

A continent like Africa, however much it increases its agricultural output, will not benefit unless it is sufficiently politically and economically united to force the developed world to pay it a fair price for its cash crops.

To give one illustration. Both Ghana and Nigeria have in the post-war independence period enormously developed their production of cocoa, as the table on page 10 shows.

This result has not been obtained by chance, it is the consequence of heavy internal expenditure on control of disease and pests, the subsidising of insecticides and the spraying machines provided to farmers and the importing of new varieties of cocoa seedlings which are resistant to the endemic ills which previous cocoa trees had developed. By means such as these Africa as a whole greatly increased her cocoa production, while that of Latin America remained stationary.

What advantage has Nigeria or Ghana gained through this stupendous increase in agricultural productivity? In 1954/5 when Ghana's production was 210,000 tons, her 1954 earnings from the cocoa crop were £85.5 million. This year (1964/5) with an estimated crop of 590,000 tons, the estimated external earnings will be around £77 million. Nigeria has suffered a similar experience.

Cocoa Bean Production

	Long Tons		Index 1949/50 = 100		
	Ghana	Nigeria	Ghana	Nigeria	
1949/50	248,000	99,000	100	100	1950
1950/51	262,000	110,000	106	111	1951
1951/52	211,000	108,000	85	109	1952
1952/53	247,000	109,000	100	110	1953
1953/54	211,000	97,000	85	98	1954
1954/55	220,000	89,000	89	90	1955
1955/56	237,000	114,000	96	155	1956
1956/57	264,000	135,000	106	136	1957
1957/58	207,000	81,000	83	82	1958
1958/59	255,000	140,000	103	141	1959
1959/60	317,000	155,000	128	157	1960
1960/61	432,000	195,000	174	197	1961
1961/62	410,000	191,000	165	193	1962
1962/63	422,000	176,000	170	170	1963
1963/64	421,000	217,000	170	219	1964
1964/65 (estimate)	590,000	310,000	238	313	1965

In 1954/5 she produced 89,000 tons of beans and received for her crop £39.25 million. In 1965 it is estimated that Nigeria will produce 310,000 tons and is likely to receive for it around £40 million. In other words, Ghana and Nigeria have trebled their production of this particular agricultural product but their gross earnings from it have fallen from £125 million to £117 million.

A detailed study of production and price shows that it is the developed consuming country which obtains the advantage of the increased production in the less developed one. So long as African agricultural producers are disunited they will be unable to control the market price of their primary products.

As experience with the Cocoa Producers Alliance has shown, any organisation which is based on a mere commercial agreement between primary producers is insufficient to secure a fair world price. This can only be obtained when the united power of the producer countries is harnessed by common political and economic policies and has behind it the united financial resources of the States concerned.

So long as Africa remains divided it will therefore be the wealthy consumer countries who will dictate the price of African cash crops. Nevertheless, even if Africa could dictate the price of its cash crops this would not by itself provide the balanced economy which is necessary for development. The answer must be industrialisation.

The African continent, however, cannot hope to industrialise effectively in the haphazard, laissez-faire manner of Europe. In the first place, there is the time factor. In the second, the socialised modes of production and tremendous human and capital investments involved call for cohesive and integrated planning. Africa will need to bring to its aid all its latent ingenuity and talent in order to meet the challenge that independence and the demands of its peoples for better living have raised. The challenge cannot be met on any piece-meal scale, but only by the total mobilisation of the continent's resources within the framework of comprehensive socialist planning and deployment.

We have noted that in the countries of the highest settler populations, and therefore the most exploited so far in Africa (Algeria, Congo, Kenya, Morocco, Rhodesia, Malawi, South Africa, Tanganyika), agriculture is predominant. In the case of South Africa, the most highly developed area of the African continent, the contribution of agriculture and mining is together equal to that of industry, manufacture and construction. South Africa's economy is heavily bolstered by the export of its mining output. Gold contributes up to 70 per cent of the total exports, which makes the economy, for all its apparent boom, and the heavily increasing foreign investment, basically almost as insecure as that of the less developed countries of the continent. For all its pushing secondary industries, its chemicals manufacture, military production, steel processing and the rest, South Africa has so far failed to lay down the basis of solid industrialisation. G. E. Menell, chairman of Anglo-Transvaal Consolidated Investment Company, which controls gold, diamonds and uranium, made a most telling statement in his annual address on 6 December 1963 to the Johannesburg shareholders' meeting.

'The nation's economy is based, to a significant degree, on wasting assets—the gold mines of the Transvaal and Orange Free State. We have become more and more aware of this in recent years as more mines near the end of their lives without any sign of new large goldfields, in spite of the many millions being spent on exploration.'

Investment in South Africa's economy comes mainly from Western capital with which local finance, not hardy enough to stand on its own feet, is strongly bound. Quick profits are the incentive, so that while Anglo-Transvaal's chairman sees the dangers to the economy, he was nonetheless happy to be able to announce that record profits were again achieved in 1963.

The whole of the economy is geared to the interests of the foreign capital that dominates it. South Africa's banking institutions, like those of most other African States, are offshoots of the Western banking and financial houses. South Africa is dominated by western monopoly even more than by any other sector of the continent, because the investments are many times greater and the dependence upon gold and other mining as the centre of the economy gears it inextricably to that monopoly. Its vulnerability is intensified by the fact that it is a supplier of crude and semi-finished products to the factories of the west on a larger scale than the rest of Africa, and an earner of greater profits for their financial backers.

Nigeria tells in a few basic figures a tale of a different kind of economic maladjustment. In 1960 agriculture, forestry and fishing accounted for 63 per cent of the economic activity; mining one per cent. The imbalance is emphasised by the extremely low ratio of two per cent for industry and manufacture, eliminating at once any comparison with the one per cent contribution of mining and four per cent of agriculture to America's total economic product. In the case of the United States, this low proportion supports a vast superstructure of industry and manufacture. In Nigeria it connotes simply a total disregard under colonialism of Nigeria's potentialities. The reason for this lies not in the fact that Nigeria is devoid of natural industrial resources, as recent findings of oil and iron confirm. It was that Nigeria's agriculture provided greater profitability for European investment than the risks that were involved in the larger capital provisions called for by mining exploration and exploitation.

In 1962 petroleum and petroleum products contributed 9.9 per cent to Nigeria's exports, but it is Shell-BP that hopes to reap most of the benefits. The bulk of these exports was in crude oil, exceeding three million tons. The oil company is aiming at an export target of five million tons of crude oil by 1965. Processing plants are in Europe, not in Nigeria.

The oil refinery going up in Port Harcourt is owned by Shell-BP; the natural gas piping is owned by Shell-Barclays D.C. & O. The oil refinery is meant to handle only ten per cent of Nigeria's crude oil output, and its products will serve only Nigeria's domestic market. Such an arrangement makes it possible not to disturb operations outside Nigeria while making super profits on Nigerian operations.

Generally speaking, in spite of the exploration costs, which are written off for tax purposes anyway and many times covered by eventual profits, mining has proved a very profitable venture for foreign capital investment in Africa. Its benefits for the Africans on the other hand, despite all the frothy talk to the contrary, have been negligible.

This is explained by the absence of industry and manufacture based upon the use of domestic natural resources, and of the trade that is their concomitant. For mining production is destined principally for exportation in its primary form. Certain exceptions to this generalisation are to be found in South Africa, Zambia and the Congo. Some small conversion has been taking place also in countries like Morocco, Algeria, Mozambique. South Africa's copper is exported in the form of metal and a small part of its iron is sent overseas as ingots; its gold is refined. But for these exceptions, most exported minerals are shipped from Africa in their primary state. They go to feed the industries and plants of Europe, America and Japan. The ore that is to be produced in Swaziland by the Swaziland Iron Ore Development Company (owned jointly by Anglo-American Corporation and the powerful British steel group, Guest Keen & Nettlefolds) will go at the rate of 1,200,000 tons annually for ten years from 1964 to a Japanese steel combine.

When the countries of their origin are obliged to buy back their minerals and other raw products in the form of finished goods, they do so at grossly inflated prices. A General Electric advertisement carried in the March/April 1962 issue of Modern Government informs us that 'from the heart of Africa to the hearths of the world's steel mills comes ore for stronger steel, better steel—steel for buildings, machinery, and more steel rails'. With this steel from Africa, General Electric supplies transportation for bringing out another valuable mineral for its own use and that of other great imperialist exploiters. In lush verbiage the same advertisement describes how 'deep in the tropical jungle of Central Africa lies one of the world's richest deposits of manganese ore'. But is it for Africa's needs? Not at all. The site, which is 'being developed by the French concern, Compagnie Miniere de l'Ogooue, is located on the upper reach of the Ogooue River in the Gabon Republic. After the ore is mined it will first be carried 50 miles by cableway. Then it will be transferred to ore cars and hauled 300 miles by diesel electric locomotives to the port of Point Noire for shipment to the world's steel mills'. For 'the world' read the United States first and France second.

That exploitation of this nature can take place is due to the balkanisation of the African continent. Balkanisation is the major instrument of neo-colonialism and will be found wherever neo-colonialism is practised.

2. Obstacles to economic progress

Speaking of West Africa in 1962, the United Nations Economic Commission for Africa pointed out:

'Few other regions of the world show such a multitude of fairly small States both as far as production and population go. The only similar region of some importance is Central America.'

West Africa is in fact divided into nineteen separate independent States and includes two colonial enclaves possessed by Spain and Portugal. The population of the area is about a third of the total population of Africa, yet the average population of the independent countries, if Nigeria is excluded, is about 2.3 million. It is, however, illusory to regard even Nigeria as an exception to the balkanisation policy practised by the departing colonial rulers. The constitution imposed on Nigeria at independence divided the country into three regions (which have since grown to four) loosely joined on a Federal basis but with sufficient powers left to the regions to cripple overall economic planning. If the other States of West Africa are examples of political balkanisation, Nigeria is an example of economic balkanisation. Ghana, with a population of over seven million, only escaped a similar fate by the resistance put up by the Convention People's Party government to a British plan which would have created no less than five regions, some with a population of less than one million, yet each possessing sufficient powers to defeat central planning.

Kenya, which was also forced to accept at independence a similar type of constitution, has only recently been able to establish a unified regime. When France was faced with the possibility of being forced to accept some form of independence, or at least self- government, for the territories of the old colonial federations of French West and Equatorial Africa, a series of balkanisation measures were adopted by the French Government. The Loi-Cadre of 1956 established the frontiers of the present French-speaking States. The dismantling process begun by the Loi-Cadre was completed by the referendum of 1958 on the Constitution of the French Fifth Republic. Each of the territories established by the Loi-Cadre was called upon to decide separately whether it wished to remain an overseas territory of France, an autonomous Republic within the French Community or to be independent.

Teresa Hayter, a research assistant of the British Overseas Development Institute, in the April 1965 issue of the journal of the British Royal Institute of International Affairs has described the process:

'The territories were to make separate decisions; it was therefore they and not the Federations of West and Equatorial Africa which were legally to inherit France's powers; no provision was made for strengthening the Federal institutions and in fact they were dismantled after the referendum and came formally to an end in April 1959. The original purpose of the Federations had been to enable the colonies to pay for themselves, through a reallocation of their revenues; ... Senghor in particular has bitterly accused France of "balkanising" Africa in the Loi-Cadre... With the choice so loaded, only Guinea voted against the Constitution; all the others became autonomous republics, members of the Franco-African Community.'

Fearing that the example of Guinea might be followed by other states which had decided to join the Community, the French Government removed everything of value from the territory.

Administrators and teachers were withdrawn. Documents and even electric light bulbs were removed from government buildings. Financial assistance, trade support and the payment of pensions to Guinean war veterans were discontinued.

Despite the pressure placed on Guinea in this way, the remaining French States were forced by internal pressure to seek political independence. This destroyed the conception usually associated with General de Gaulle, the originator of the French Community, of a non-sovereign group of African States each separately linked to France. One after another the 'autonomous Republics' obtained international sovereignty but under such adverse conditions that they had in fact to maintain all the military, financial, commercial and economic links of the previous colonial period. In order to exist at all as independent States, these former French territories were forced to accept French 'aid' even to meet their recurrent expenses.

French 'aid' to developing countries is, in proportion to the French national income, the highest in the world and is, in absolute terms, the second highest. Nearly all of this 'aid' is absorbed by commitments in Africa, and nearly half of it goes to the fourteen States which were previously autonomous republics and whose combined population is only slightly larger than that of Nigeria. Aid of this type can dictate African relations with the developed world and, as experience has shown, can be extremely dangerous to the recipients.

French African aid originally arose from the advantage which French firms and individuals derived from the African franc zone and this has determined the framework in which the aid is still provided. So long as the relationship which the aid provided was profitable to France it naturally continued. It was in effect a levy on French taxpayers for the benefit of French individuals and firms.

The overall value of the policy to France was that in return for guaranteed markets and prices for colonial primary products, such as coffee, cocoa, groundnuts, bananas and cotton, the African States had to import from France fixed quantities of certain goods, such as machinery, textiles, sugar and flour, which were then uncompetitive in price or surplus in Europe, and in addition the States were forced to limit their imports from countries outside the franc zone. While this scheme made nonsense of any plan for inter-African trade it was for a period highly profitable to France. With the fall in the world price of primary commodities these profits began to diminish, as did enthusiasm for 'aid' in France. At the present moment the most which can be said in favour of French aid is that it does not now, as it did in the past, make an actual profit for France from the less developed States of its former African empire. Teresa Hayter sums it up:

'France does not gain in its transactions with the States nor does it lose: aid, private investment, French Government expenditures and imports from them are balanced by exports to them, repatriation of capital and remittances of profits and salaries.'

This state of affairs is considered to be no longer of value to France. The Jeanneney Report published in 1964 and expressing the official French view, pointed out that the protective system of the French zone was no longer in the interests of France and the Report therefore advocated the re-deployment of French aid. In any event, France had to comply with her obligations to the European Common Market. Under the new Convention of Association which came into force in the summer of 1964, the six members of the European Common Market are to achieve in stages a free trade area and this will no longer make it possible for France to discriminate in favour of the African States nor for these States to discriminate against France's Common Market partners. Exports from these States will by the end of a five-year period have to be aligned to world prices. In consequence the primary production which they have built up on the strength of the promise of guaranteed markets and prices is likely to fail to be competitive in world conditions. It is difficult to see how Senegal in particular can manage without a French subsidy for her groundnuts, and president Senghor has already called attention to the serious economic position into which this puts his country.

In fact, the limited neo-colonialism of the French period is now being merged in the collective neo-colonialism of the European Common Market which enables other States, hitherto outside the French preserve, to profit by the system. It also rationalises the division of Africa into economic zones based upon Europe, by drawing in four other States. The Congo (Leopoldville), Burundi and Rwanda are, as previous Belgian colonies, tied to the Belgian economic system and Somalia through its previous association with Italy is also brought in as an associated State of the Common Market.

A grouping such as this raises the wider problems of African neo-colonialism and emphasises its irresponsible nature. Of the States carved out of the former French colonies one, Guinea, has been able, with great suffering and losses it is true, to cut free from the type of neo-colonialist control imposed on the others. Mali has been forced to accept some of the rules and regulations which govern the relations of the former French colonies to France, but at least she has set up her own currency, limits transfers of money abroad and receives from France only a partial guarantee of the parity of her currency with the French franc. In the case of all the other States their currencies have been stabilised on a fixed parity with the French franc and have a total guarantee from the French Treasury. These States pay their receipts of French francs into operation accounts in the French Treasury. These accounts can be overdrawn and the States can draw on them against their own currencies to an unlimited extent. Obviously, however, whatever the theoretical position, the international financial position of these countries is subject to control in that at any time their operation accounts in the French Treasury could be blocked, as was done in the case of Guinea. Most, at any rate, of the States concerned lack the strength to stand up against such pressure as did Guinea.

Why then, it may be asked, are these powers not sufficient to enable France to persuade these States to follow present French foreign policy which is based upon a 'third force' concept? France did not support the United States and Belgium in their 'humanitarian' intervention at Stanleyville in the

Congo. Unlike Britain and the other Common Market countries, France has openly opposed the United States policy in Santo Domingo, has recognised the Peoples' Republic of China and has recommended the neutralisation of Vietnam. Yet only a minority of the African States which would appear to be under French neo-colonial control have followed the French line. The majority of them refuse to recognise China or in any way criticise United States policy. Indeed they behave in a fashion suggestive of being under United States rather than French influence. The answer to this apparent paradox will, I believe, be found in the following chapters of this book in which I attempt to explain the power and ramifications of international financial control. Here one has a super State which can at times even override the policy wishes of the nominal neo-colonial master.

The control of the funds of the French neo-colonial African States is exercised by the administrative council of their central banks, which are composed partly of Frenchmen without whose agreement no decision in monetary policy can be taken. This French banking complex, with its absolute control of the currencies and external payments of the French neo-colonial States, could, in theory, dictate that these States follow a French policy. However, the complex is itself subject, in the manner later described, to external pressures which support United States rather than French policies where a difference of opinion arises.

Part of the value of commencing a study of neo-colonialism in its African context is that it provides examples of every type of the system. It is impossible to define the African situation in terms of independent States, divided into the non-aligned and the neo-colonialist camp, colonies and racialist States such as South Africa. In Africa, all former colonies which have now become independent, including particularly South Africa, are subject in some degree to neo-colonialist pressures which however much they wish to resist they cannot entirely escape, struggle as they may. The difference in reality is between those States that accept neo-colonialism as a policy and those which resist it. Similarly, the colonial problem of Africa is in many ways really neo-colonial. The Portuguese African territories appear at first sight only to raise the issue of freedom from colonial rule but in fact they exist as colonies only because Portugal is itself a neo-colonial State. For the last fifty years the great powers have regarded the Portuguese colonies as counters which they can exchange between themselves in order to readjust the balance of power. In 1913 the British and Germans had initialled an agreement for their division and this was only prevented by the outbreak of the first world war. In the appeasement period prior to the second world war, when it was thought that Hitler could be bought off by an offer of colonial territory, the Portuguese colonies were again regarded as the suitable bribe.

If Portugal controls these colonies now it is only because of the military strength which she derives through her NATO alliance. Portugal is however not a member of NATO because of any military assistance which she could render the alliance but because this is a convenient way by which Portuguese territory can be made available to the forces of other members of the alliance.

At the other end of the scale is the French colony of Somalia. It continues to exist as a colony not because France would resist pressure to grant it independence but because of African disunity. It is a point of dispute between Somalia and Ethiopia. African disunity maintains this colony. If it were to go to either of its neighbours it would almost inevitably provoke a conflict between them.

Rhodesia, while theoretically a colony, is really a fossilised form of the earliest type of neo-colonialism which was practised in southern Africa until the formation of the Union of South Africa. The essence of the Rhodesia system is not to employ individuals drawn from the people of the territory itself to run the country, as in the newer type of neo-colonial State, but to utilise instead an alien minority. The majority of the European ruling class of Rhodesia only came to the Colony after the second world war, but it is they and not the African inhabitants, who outnumber them 16 to 1, that Britain regards as 'the Government'. This racialist State is protected from outside pressure because under international law it is a British colony, while Britain herself excuses her failure to exercise her legal rights to prevent the oppression and exploitation of the African inhabitants (of which of course she officially disapproves) because of a supposed British parliamentary convention. In other words, by maintaining Rhodesia nominally as a colony, Britain in fact gives her official protection as a second South Africa and the European racialists are left free to treat the African inhabitants as they will.

The Rhodesian system thus has all the hallmarks of the neocolonial model. The patron power, Britain, awards to a local government over which it claims to have no control unlimited rights and exploitation within the territory. Yet Britain still retains powers to exclude other countries from intervening either to liberate its African population or to bring its economy into some other zone of influence. The manoeuvring over Rhodesia's 'independence' is an excellent example of the workings of neo-colonialism and of the practical difficulties to which the system gives rise. A European minority of less than a quarter of a million could not maintain, in the conditions of Africa today, rule over four million Africans without external support from somewhere. When the settlers talk of 'independence' they are not thinking of standing on their own feet but merely of seeking a new neo-colonialist master who would, in their view, be more reliable than Britain.

As will be seen from the chapters which follow, modern neo-colonialism is based upon the control of nominally independent States by giant financial interests. These interests often act through or on behalf of a particular capitalist State, but they are quite capable of acting on their own and forcing those imperial countries in which they have a dominant interest to follow their lead. There is, however, an older type of neocolonialism which is based primarily on military considerations.

A world power, having decided on principles of global strategy that it is necessary to have a military base in this or that nominally independent country, must ensure that the country where the base is situated is friendly. Here is another reason for balkanisation. If the base can be situated in a country which is so constituted economically that it cannot survive without substantial 'aid' from the military power which owns the base, then, so it is argued, the security of the base can be assured. Like so many of the other assumptions on which neo-colonialism is based this one is false. The presence of foreign bases arouses popular hostility to the neo-colonial arrangements which permit them more quickly and more surely than does anything else, and throughout Africa these bases are disappearing. Libya may be quoted as an example of how this policy has failed.

Libya has had a long colonial history. From the sixteenth century onwards it was a Turkish colony, but in 1900, in the heyday of colonialism, France and Italy agreed that if Italy would not oppose France occupying Morocco, France would not oppose Italy occupying Libya. So when in 1911 and 1912 France was occupying Morocco, Italy went to war with Turkey and, defeating her, annexed Libya.

Despite promises during the second world war to the people of Libya that they would never again be subjected to Italian rule, France tried at the peace settlement to have Italy reinstalled in order to support her own position in Tunisia. This solution proving impossible, Libya became nominally independent but actually under British neo-colonial control.

According to the figures collated by the British Overseas Development Institute, during the period 1945 to 1963 Libya received no less than 17 per cent of the total bilateral aid which Britain gave to all foreign countries outside the Commonwealth in that period. The Overseas Development Institute notes that although these payments to Libya are counted as "aid" there is no doubt that they are in essence straightforward payments to the Libyan Government in return for the use of bases'. Nevertheless, popular pressure in Libya has now made it necessary for the Libyan Government to terminate the military agreement for British bases.

These limitations on the real independence of many countries in Africa should not be allowed to obscure the very great achievements already gained in the struggle for African independence and unity.

In 1945 Africa largely comprised the colonial territories of European powers, and the idea that the greater part of the continent would be independent within twenty years would have seemed impossible to any political observer in the immediate post-war period. Yet, not only has independence been achieved but considerable progress has been made towards the establishment of African unity. To this unity there are still powerful obstacles but they are no greater than the obstacles already overcome and, if their nature is understood, they are clearly surmountable.

Already, and this will ultimately be the decisive factor, the mass of the African people support unity in the same way as they previously supported the various local movements for political independence. Many of the political leaders of French West Africa, for example, did not at first support independence. In 1946, in the French National Assembly, of which he was then a member, M. Houphouet-Boigny, the President of the Ivory Coast, claimed ‘there are no separatists on these benches . . . there is a powerful bond, capable of resisting all tests, a moral bond which unites us. It is the ideal of liberty, fraternity, equality, for whose triumph France has never hesitated to sacrifice its most noble blood’.

The same policy of the maintenance of unity with France was also supported at that time by President Senghor of Senegal, who said,

‘The French union must be a conjunction of civilisations, a melting-pot of culture ... it is a marriage rather than an association.’

It was mass pressure for independence which forced these leaders to reverse their previous positions and to declare themselves in favour of national sovereignty.

In the same way as mass pressure made it impossible for an African leader to oppose independence, so today mass pressure makes it impossible for him openly to oppose African unity. Those who are against it can only show their opposition in indirect ways: by suggesting that the pace towards it is too fast; that this or that plan is impracticable or that there are procedural difficulties which prevent them assisting in formulating a practical plan for it. The case for African unity is very strong and the instinct of the mass of the people right.

It is only when the artificial boundaries that divide her are broken down so as to provide for viable economic units, and ultimately a single African unit, that Africa will be able to develop industrially, for her own sake, and ultimately for the sake of a healthy world economy. A common currency is needed and communications of all kinds must be developed to allow the free flow of goods and services.

The Economic Commission for Africa has repeatedly emphasised the need for economic planning on a continental scale. The inadequacy of national planning can be demonstrated by a glance at the economies of, for example, Mali, the Upper Volta, Niger and Uganda. These land-locked States, which export large quantities of food products to other African States, cannot remain indifferent to the agricultural self-sufficiency schemes adopted by their neighbours. Similarly, a national government planning the establishment of a new industry may find that a neighbouring State is developing one like it. Such duplication would probably result in wasted resources if each was depending on exporting its surplus to its neighbour.

Few would argue against the need for economic planning on a national scale. How much stronger is the argument for continental planning. The modern trend is towards larger economic and political units as interdependence of nations and peoples grows. No country can be completely self-sufficient or afford to ignore political events outside its borders. Africa is clearly fragmented into too many small, uneconomic and non- viable States, many of whom are having a very hard struggle to survive. As already noted, others have had to cling to old ties with former colonial rulers and have become easy prey to neo-colonialist forces. Some of them have found themselves, whether they liked it or not, drawn into the cold war and into the rivalries between foreign powers. The Congo is a notable example.

Naturally, each national government is concerned primarily with the welfare of its own citizens. It could only be expected to agree to a policy of unification if the immediate and long term benefits became so apparent that it would be positively damaging to its citizens not to cooperate. We are faced here with the problem of uneven economic growth. Some African countries are richer in natural resources than others. The less fortunate will need reassuring that their interests will not suffer at the hands of the more developed States.

Past economic union experience has not been encouraging. The linking of the Rhodesias and Nyasaland benefited chiefly Southern Rhodesia. Kenya has gained principally from the East African Common Market, Uganda and Tanganyika being at best only marginal gainers. In the former French colonial federations the benefits of economic unity tended to centre in Brazzaville, Abidjan and Dakar. These examples further strengthen the argument for continentally-planned economic growth so that all States can benefit from industrialisation and other improvements made possible by unified direction. The richer countries will be able to help the poorer. Resources can be pooled and development projects co-ordinated to raise the living standards of every African.

The time factor is important. As ECA has pointed out, now is the time to act, before each State gets too deeply involved in major investment and structural decisions based on narrow, national markets. With each month that passes, the foreign interests of neo-colonialism get a tighter grip on Africa's economic life.

The comparatively recent penetration of American big business into Africa points once again to the danger from neo-colonialism. So also does the combining of large firms to form powerful monopolies. How can some of our smaller States hope to bargain successfully with powerful foreign combines some of which control financial empires worth more than the State's total revenue? The smaller the State, and the more formidable the foreign interests, the less likely are the conditions for economic independence to be met. For example, Ghana, because of its economic size and alternative industries, has been in a stronger position for bargaining with the aluminium companies than much smaller, and economically more limited Togo can hope to be in dealing with French phosphate interests. The domination of Africa's economy by foreign firms must be ended if we are to achieve rounded economic growth, and this can only be done through unified action.

Something in the nature of an economic revolution is required. Our development has been held back for too long by the colonial type economy. We need to reorganise entirely so that each country can specialise in producing the goods and crops for which it is best suited.

With economic unity, those countries in Africa which are beginning to establish modern industries would benefit from wider markets. We would all be in a better bargaining position to obtain higher prices for our goods and to establish adequate taxation of foreign factor earnings. In fact, a whole new pattern of economic development would be made possible. Agriculture could be modernised more quickly with more capital at its disposal. Industries on a larger and more economic scale could be planned. These could afford to make use of new techniques involving heavy capital outlay. Smaller plants planned to meet only national needs are likely to have higher costs, and are eventually less able to reduce costs than optimum sized units.

National planning bodies would still have a very important part to play in a unified Africa. They would, for example, supply essential information about local conditions, but their work would be made easier with the experienced advice and help of a single planning body keeping an eye on Africa's interests as a whole. The research and training in development projects already being carried out by the ECA Development Institute in Dakar would be strengthened to serve both the continental and national bodies. Expensive failures due to lack of coordination would be avoided. A case in point is the Inga dam project which is to provide power for a sugar refinery, a plastics and hardboard (from sugar cane waste) complex in Bangui, which in turn will ship bulk plastics to a plastic products industry in Brazzaville. Obviously there should be a planning body able to phase and harmonise construction timing for the Brazzaville and Bangui plants, the power lines from Inga to Bangui and Brazzaville, and the transportation services between Bangui and Brazzaville and the dam itself.

In the process of obtaining economic unity there is bound to be much hard bargaining between the various States. Integration of different aspects of economic policy will proceed at different rates, and there may be disappointing delays and compromises to be worked out. But given the will to succeed, difficulties can be resolved.

In general, the broader the front on which economic unity is launched the quicker the goals and policies of a fully developed Africa can be achieved. An all-African planning body could take immediate steps towards the development of large-scale industry and power; for the removal of barriers to inter-African trade; and for the creation of a central bank and the formation of a unified policy on all aspects of export control, tariff and quota arrangements. The ECA has carried out several surveys designed to provide information to help in the making of decisions on these points.

Among immediate needs are the manufacture in Africa of agricultural machinery of all kinds to speed up the modernisation of agriculture. We need supplies of electrical equipment for use in the growing electric power production essential for industrial growth. Mining and industrial machinery must be produced in Africa to lower the costs of developing our mineral resources. Construction machinery and supplies, chemicals, fertilisers, plastics, are all urgently required, and Africa must produce them for her own requirements.

Reports of the ECA Industrial Co-ordination Missions to different regions in Africa suggest that the production of iron and steel, non-ferrous metals, engineering supplies, chemicals and fertilisers, cement, paper and textiles should be developed on an inter-African basis since their efficiency depends on large- scale production. Other industries which can run efficiently on a smaller scale can be planned nationally.

The location of the various industries will, of course, depend on many factors such as the availability of power, mineral deposits, nearness to processing plants, markets and so on. Production of aluminium and copper, for example, will have to be developed in those countries where the essential resources, ore and cheap power, are available. The manufacturing of aluminium and copper products, however, need not take place in the countries producing the metals. Similarly, the production of cotton is limited to certain climatic regions, while cotton textile industries can be developed further afield.

Every African State has some contribution to make to the economic whole. There are, for instance, no known deposits of potash in West Africa, but requirements can be met from North Africa, Ethiopia and possibly also from the Congo (Brazzaville) and Gabon. Plans for nitrogeneous fertiliser production in Zambia have already been worked out. The plant could be supplied with coal from Rhodesia (Zimbabwe) and low-cost power from the Victoria Falls. Kenya, with its large forest reserves, could become the centre of a wood distillation complex able to supply the countries of East and Central Africa with gas, acetone, methanol and tar. There are many other examples too numerous to describe.

The urgent need to plan industrial development on a continental scale must not, however, blind us to the equally important need to do the same for agriculture, fishing and forestry. In The Role of Industry in Development: some Fallacies, Dudley Seers has pointed out the inter-dependence of agriculture and industry:

‘Materials are needed for growing industries; more important, the swelling town labour force needs to be fed, and this implies that a rising surplus of food has to be produced in the countryside. . . . To over-emphasise industry, as some countries have found to their cost, leads paradoxically in the end to a slower rate of industrialisation.’

African States are importing larger amounts of food than ever before from abroad. This trend must be stopped by a carefully planned expansion of our own agriculture.

As an industry, there can be specialisation so that each region or State concentrates on producing the agricultural products for which it is best suited. For instance, it is wasteful for each West African State to try to be self-sufficient in rice when Senegal’s Casamance district would be well able to supply the need. Equally, Mali and the Upper Volta are obvious exporters of fresh, tinned and processed meat, while coastal States would supply fresh, tinned and smoked fish.

A further argument for a unified agricultural policy is implied in the need to step up efforts to combat many of the obstacles to economic growth. Locusts, the tse-tse fly and plant diseases are no respecters of political frontiers. Research into their control would benefit from a pooling of brain power and technical know-how. So also would medicine and social services. How much greater the chance of wiping out major epidemic diseases like river blindness and sleeping sickness if action against them is co-ordinated and unified.

The advantage of unified military and diplomatic policies, both for our own security and to achieve freedom for every part of Africa, are so obvious as to need no comment.

Transport and communications are also sectors where unified planning is needed. Roads, railways, waterways, air-lines must be made to serve Africa's needs, not the requirements of foreign interests. Communications between African States are quite inadequate. In many cases it is still easier to travel from an airport in Africa to Europe or America than to go from one African State to another.

Economic unity to be effective must be accompanied by political unity. The two are inseparable, each necessary for the future greatness of our continent, and the full development of our resources. There are several examples of major unions of States in the world today. In Africa Must Unite I described some of the more important ones, and warned against the danger of regional federations in Africa.

Africa today is the main stamping ground of the neocolonialist forces that seek the domination of the world for the imperialism they serve. Spreading from South Africa, the Congo, the Rhodesias, Angola, Mozambique, they form a maze-like connection with the mightiest international financial monopolies in the world. These monopolies are extending their banking and industrial organisations throughout the African continent. Their spokesmen push their interests in the parliaments and governments of the world and sit on the international bodies that are supposed to exist for the promotion of world peace and the welfare of the less-developed countries. Against such a formidable phalanx of forces, how can we move? Certainly not singly, but in a combination that will give strength to our bargaining power and eliminate so many of the duplications that give greater force and greater advantage to the imperialists and their strategy of neo-colonialism.

Decolonisation is a word much and unctuously used by imperialist spokesmen to describe the transfer of political control from colonialist to African sovereignty. The motive spring of colonialism, however, still controls the sovereignty. The young countries are still the providers of raw materials, the old of manufactured goods. The change in the economic relationship between the new sovereign states and the erstwhile masters is only one of form. Colonialism has achieved a new guise. It has become neo-colonialism, the last stage of imperialism; its final bid for existence, as monopoly-capitalism or imperialism is the last stage of capitalism. And neo-colonialism is fast entrenching itself within the body of Africa today through the consortia and monopoly combinations that are the carpetbaggers of the African revolt against colonialism and the urge for continental unity.

These interests are centred on the mining companies of South and Central Africa. From mining they ramify into an involved pattern of investment companies, manufacturing concerns, transport, public utility organisations, oil and chemical industries, nuclear installations and many other undertakings too numerous to mention. Their enterprises spill across the vast African continent and over the oceans into North America, Australia, New Zealand, Asia, the Caribbean, South America, the United Kingdom, Scandinavia and most of western Europe.

Connections, direct and indirect, are maintained with many of the giants of American industry and finance. They are supported by leading bankers, financiers and industrialists in the United Kingdom, France, Belgium, Germany, America and elsewhere. The rotas of their directorates are filled with names that have a familiar ring for those who have the least knowledge of international finance and industry. Names like Oppenheimer, Hambro, Drayton, Rothschild, d'Erlanger, Gillet, Lafond, Robiliart, van der Straeten, Hochschild, Chester Beatty, Patino, Engelhard, Timmins are ubiquitous. Others, equally powerful in the interests they dominate, avoid the publicity of lengthy lists of their directorships, either by complete absence from the pages of directories anxious to advertise their glories, or by coyly hiding their eminence behind a lonely announcement with name and address.

These intricate inter-connections of the great imperialist monopolies expose the real forces that are behind world events. They indicate also the pattern which links those events to the developing countries at different points of the globe. They reveal the duality of the interests that force the developing countries to import goods and services which are the products of companies combined in the monopoly groups directly exploiting their natural resources or intimately associated with them. This is the double edge to the guillotine that cuts off Africa's wealth from Africa, to the greater enrichment of the countries which absorb her primary materials and return them to her in the form of finished products.

In their new-found independence, it is to these very same monopolistic groups that the new African States are obliged to turn to supply the requirements arising from the need to lay the foundations for their economic transformation. The policy of non-alignment, whenever it is exercised, imposes the obligation to 'shop around', but since capitalism has come to the peak of monopoly, it is impossible for any of us to avoid dealing with monopoly in some form or another. But it is in the nature of our arrangements with the monopolies that the freedom or otherwise of the African States lies. Where we establish and maintain the integrity of our financial institutions and keep our basic projects free from imperialist control, we leave ourselves room to manoeuvre away from the neo-colonialism that, unfortunately, has closed its grip upon countries whose independence is overshadowed by a heavy reliance upon extra-African associations. In this atmosphere of relative freedom, the giant combines that open up industrial enterprises on our soil do so on arrangements that are well screened and are part of nationally planned advancement. The national banks are really national banks, formed and run out of the country's own resources, and our other financial and economic institutions are guarded against neo-colonialist infiltration.

Unhappily, these conditions are rare in Africa. Most of the territories pass into the state of national sovereignty in unviable circumstances that inhibit even a modicum of free movement within national limits. They could be overcome, but only within the combined strength that continental unity and a central connective socialist policy, free of attachments to other continents, could give. As things are, most of our new States, alarmed at the prospect of the harsh world of poverty, disease, ignorance and lack of financial and technical resources into which they are thrust from the womb of colonialism, are reluctant to cut the cord that holds them to the imperialist mother. Their hesitancy is fostered by the sugared water of aid, which is the stop-gap between avid hunger and the hoped-for greater nourishment that never comes. As a result, we find that imperialism, having quickly adopted its outlook to the loss of direct political control, has retained and extended its economic grip (and thereby its political compulsion) by the artfulness of neo-colonialist insinuation.

The increasing expansion of productive capacity and potential output of the advanced capitalist countries has its corollary in the necessity to export on a geometrically increasing scale the finished products of industry and the excess capital that could only further inflate competition at home, but brings rapid and high returns from the industrially-starved new nations. Hence the fevered jostling for position in these areas as well as in that of raw materials monopoly, which is using Africa as the playground, not only of the cold war (an aspect of the fight of capitalism for existence against socialism), but of the competitive struggle of international monopoly. North American imports into Africa rose from 10.3 per cent in 1959 to 13.7 per cent in 1962, while those from other western countries and Japan remained the same or declined slightly. This corresponds to the increasing American investments in the continent's extractive industries and the growth of United States participation in financial establishments on this continent. American banking houses are making inroads into territories formerly catered for solely by European and British banks. The French banks still dominate in the former French countries and the Belgians in the Congo; but this is frequently a front for American participation.

European financial advisers constantly counsel the African countries on the advantages that they can receive from remaining in association with the erstwhile 'mother country', while depreciating the possibilities of inter-African association. Much subtlety is employed by Lombard, the commentator of the Financial Times. In an article which appeared in the issue of 6 February 1964 of this influential London newspaper, a product of an industrial holding company which also produces

The Economist, Lombard asserted that 'there is not much that African countries can do directly to help one another financially at this stage of their economic evolution'. He is therefore 'glad to see that the independent African countries are now coming to recognise that it is very much in their own interests to preserve the monetary ties with leading European countries they inherited from their colonial days … They obviously entertained strong suspicion that the enthusiasm their old mother countries were displaying for allowing them to remain within their monetary areas was motivated largely, if not wholly, by consideration of self-interest. And they are inclined to assume that this implied that their own purpose would be served best by following up political independence with its financial equivalent at the earliest possible opportunity'.

Lombard assured his readers that the Africans showed wisdom when the secretariat of E.C.A., assisting the Organisation of African Unity to implement its resolution on the possibility of establishing an African clearing house and payments union, had the good sense 'to seek the advice of the distinguished American monetary authority, Professor Triffin of Yale University'. Need we be surprised that in his report the distinguished American professor pointed out that 'it would be most unwise lightly to condemn or break up financial arrangements with major trading companies and financial centres'. This, of course, we might consider neo-colonialist penetration but to Lombard it is only one side of the picture. For there are two worlds, and the African countries 'should now strive to get the best of both worlds, by maintaining and even further developing the relations they have with the major international monetary areas and at the same time building their own financial self-help mechanisms'. How it is possible to resolve two contradictions Lombard does not volunteer to explain, but what he does confess is that this unresolvable two-way procedure 'would meet with nothing but the fullest approval from their (African) present monetary area associates'.

This says plenty and we have no difficulty in believing what it says, for the simple fact is that those who control the major international monetary areas are placing their time bombs within the 'self-help mechanisms' of the African countries. For these mechanisms are controlled by the financial monopolists of imperialism, the bankers and financiers who have been very busy in the past few years setting up establishments throughout Africa, infiltrating into the economic heart of many countries and linking with the most important enterprises that are being established to exploit the continent's natural resources on a larger scale than ever before for their own private gain.

Though the aim of the neo-colonialists is economic domination, they do not confine their operations to the economic sphere. They use the old colonialist methods of religious, educational and cultural infiltration. For example, in the independent States, many expatriate teachers and 'cultural ambassadors' influence the minds of the young against their own country and people. They do this by undermining confidence in the national government and social system through exalting their own notions of how a State should be run, and forget that there is no monopoly of political wisdom.

But all this indirect subversion is as nothing compared with the brazen onslaught of international capitalists. Here is empire', the empire of finance capital, in fact if not in name, a vast sprawling network of inter-continental activity on a highly diversified scale that controls the lives of millions of people in the most widely separated parts of the world, manipulating whole industries and exploiting the labour and riches of nations for the greedy satisfaction of a few. Here resides the mainspring of power, the direction of policies that stand against the advancing tide of freedom of the exploited people of Africa and the world. Here is the adamantine enemy of African independence and unity, braced in an international chain of common interest that regards the likely coming together of the new nations as a major blow at its continued domination of the resources and economies of others. Here, indeed, are the real workings of neo-colonialism. Here indeed are the economic ramifications of the monopolies and combines. Their financial and economic empires are pan-African and they can only be challenged on a pan-African basis. Only a united Africa through an All-African Union Government can defeat them.

Week 1 Discussion Questions

1) Why does Nkrumah want a whole-African state? Why are small countries (a distributed authority model) not capable of combating neo-colonialism? Does anarchism as an ideology that advocates for small autonomous regions have answers to a problem as big as neocolonialism?
2) Small countries banding together into a larger whole is what Nkrumah is advocating for, how is this similar and dissimilar to unions, political parties, etc?
3) How is Africa kept poor when it has so many resources? Why is economic development of the continent via European corporations not working out for it? Is this any different today?
4) How is neo-colonialism different from imperialism? What are some of the core concepts of it that we know so far?
5) What would a force that could combat neo-colonialism look like? Are there any formations (countries, parties, international organizations) that have potential to do this that exist today? How is China filling or not filling this role?
6) What do you think Nkrumah has identified as the principal contradiction facing Africa? What other contradictions is he ignoring for now as something that can't be solved without the resolution of this principal contradiction?
7) How can aid be used as a weapon of neocolonialism?

Week 2 - Chapter 3 & 4, Excerpts of Chapter 5, Chapter 17 & 18, Conclusion

3. Imperialist finance

These are the hard facts of the African situation today, a process that has continued and grown since the invasion of Africa by the European and foreign powers. It has gained tremendous momentum in recent years with the growth of the struggle between the imperialist antagonists and between capitalism and socialism.

Imperialism was analysed by Lenin as the highest stage of capitalism. His exposition was written in the middle of the first world war (1916), which was waged to determine the first major revision of imperialist supremacy. He traced the unequal development of capitalism which caused the latecomers like Germany and the United States to form into cartels and syndicates before the earlier starters, and so brought them sooner to a higher stage of monopoly from which they challenged each other and the rest of world imperialism.

Monopoly capitalism by means of mergers, amalgamations, patent agreements, selling arrangements, production quotas, price fixing, and a variety of other common contrivances, had built itself into an international confraternity. However, because of its competitive character, rooted in the principle of production for private gain and the unequal development of capitalism, the struggle of the monopolies went on within the international combinations. The conflicts between the European and American financial and industrial trusts and combines for a redivision of the world's resources of raw materials and markets for investment capital and manufactured goods, exploded into war when they became too intense to contain within the limits of diplomacy. The 1914-18 war brought a redivision of the globe's colonial sectors. At the same time it created the opportunity for a socialist break in the chain of imperialism that encircled the world.

A heavy blow was dealt to international monopoly capitalism with the triumph of the Russian October Revolution. From then on it was faced not only with the struggle for hegemony within its own ranks but, which was much worse, it was forced to engage in a defensive struggle against an opposing ideology. That ideology had achieved a signal success in withdrawing a sixth of the earth's surface from monopoly capitalism's field of operations, a fact which it has never and will never forgive, and was threatening to undermine imperialism's power at other strategic spots which had softened under the blows of war. With the failure of interventionist war to subdue the new socialist State, a cordon sanitaire was raised around the Soviet Union to prevent the spread of socialist contamination to other parts of Europe. Fascism was encouraged to prop capitalism at points where it had been seriously damaged and was faced with popular discontent, as in Germany and Italy, and to bolster it in those outposts which were and remain semi colonial appendages to Western imperialism, Spain and Portugal.

These devices, however, were unable to cope with the recurrent crises that were tearing at the very heart of capitalism and sharpening the bitter contentions between rival imperialisms which erupted into a second global war in 1939. From this holocaust, socialism emerged as a much more threatening challenge to imperialism than ever before. At the same time we, the peoples of imperialism's 'far flung empires', had come to realise that we could have control over our own destiny and began to make our bid for independent nationhood. Thus imperialism came to be challenged on another front, the colonialist front, at a time when science had heightened the capabilities of the productive machinery of capitalism, thereby increasing its need for raw materials and markets for new chemically-produced primary materials, manufactured goods and overseas employment of growing capital surpluses.

Challenged thus by anti-colonialism and socialism, imperialism is now engaged in a 'to-the-death' trial for survival against the forces that are antagonistic to it and that are building up across the globe even while the internecine struggle within itself is becoming more and more brutal. In this multi-sided struggle, imperialism has been forced into the use of many artifices to maintain itself in being by continuing the colonialist process without the benefit of colonial control.

The great colonial powers were able to monopolise external trade and agricultural and industrial primary materials production in their respective subject territories. The colonies of such a lesser industrialised nation as Portugal, however, which has for centuries been a pawn of Britain and became a semi colony of British finance, were dominated by British capital, together with the international banking groups with which it is associated. Belgian financial domination of the Congo, because of the close connections of Belgian banking institutions with such international houses as Rothschild, Lazard Freres, and Schroder in their turn linked with the Morgan and Rockefeller groups, was shared with British, French and American finance.

The tribute drawn off by way of colonial and semi-colonial exploitation enabled the capitalist classes of the metropolitan countries to pass some of the crumbs to their working classes and thereby buy them off (especially the trade union and political leaders) when the class conflicts in their societies got critical. At the same time, the competition for sources of raw materials, and the export of capital and commodities intensified as productive methods improved and goods came out of the factories on a more and more massive scale.

The uneven development of capitalism brought new contenders into the field who joined in the rivalries that had grown up with the original scramble for colonies. These deepened until they erupted in the two world wars, which, notwithstanding all the pious claptrap about their being wars fought for the maintenance of democracy were, in reality, wars fought for the redivision of the world by monopoly capitalism. 'War', Clausewitz has told us, 'is the continuation of policy by other means.' What the powerful trusts were unable to achieve by 'peaceful' competition, their domination over larger and larger areas of the world, they embroiled their countries into military action to achieve for them. This not only gives them a wider sphere of exclusive operation but undermines the power of competing monopolies.

This redivision of the world is not confined to the less developed sectors but extends to highly industrialised areas. The important industrialised region of Alsace Lorraine was a coveted prize of the German invasions of France in the wars of 1871 and 1939. Hitler's campaign against Czechoslovakia was inspired by the desire to annex the highly developed manufactories of Bohemia and Moravia to the German trusts. French capitalists long looked with watering mouths at the rich coal mines and chemical and other industries of the Saar, so close to the iron ore range of Lorraine, and seized the opportunity of the 1919 peace arrangements to appropriate them to France as a reparations award. A later plebiscite won the Saar back to Germany. After the second world war, agreement between the de Wendel-Schneider-Krupp trusts achieved a customs union between the German State of the Saar and France, which actually makes the Saar a dependency of the de Wendel coal and steel empire.

World War Two ended in the defeat of Hitler and a temporary rebuff to German capitalism, which had to submit to a revitalising injection of American monopoly finance. At the same time an upheaval was taking place in the colonial world such as to make Winston Churchill remark that he had not been made Prime Minister of Britain to preside over the liquidation of the British Empire. All the fair, brave words spoken about freedom that had been broadcast to the four corners of the earth took seed and grew where they had not been intended. Colonial emancipation became the dominating phenomenon of the mid-twentieth century, just as abolition of slavery was of the corresponding period of the nineteenth, with just as crucial consequences in national and international politics and economics.

Post-war capitalism, which had already received one devastating blow after the first world war in the rise of the Soviet Union, took another crushing defeat in the establishment of socialist regimes in a number of countries in central and eastern Europe and in China. Large sources of raw materials and financial investment and commodity markets were withdrawn from its field of exploitation. Domestic reconstruction at first occupied the attention of the European countries. The United States, having already achieved a tremendous headstart by its late intervention into the war, its physical immunity from attack, and the enormous spurt given to its productive and inventive capacity as a main supplier of war materials and services, took over from Britain the leading role in international financial monopoly.

As a result of its primacy in the financial sphere, United States foreign policy turned in a completely opposite direction from its pre-war position of 'splendid isolation' to one of domination in world affairs. The outcropping of new states from colonial submergence raised the pivotal problem of how to retain these countries within the colonial relationship once ' open control was removed. Thus has opened up a new phase in imperialism, that of the adaptation of colonialism to the new condition of the elimination of political overlordship of colonial powers, the phase in which colonialism is to be maintained by other means.

This is not to say that the old outright form of colonialism is completely scrapped. There is plenty of evidence to show how tenaciously imperial powers cling to their colonial territories. Vietnam, Korea, Suez, Algeria, are all examples of how far imperialist nations will go to hold on physically to colonies, an attitude reinforced by the interference of America as a leading protagonist in the struggle for the world monopolist control of finance capital. This struggle has been given an ecological content by invoking anti-communism as the mainspring of the battle to bring the socialist sector of the globe back into the exploitive control of Western financial monopoly.

Cuba is the outstanding example of the extremist lengths to which these power groups will go in the effort to reimpose their grip where they have been ejected and to maintain what they consider a strategic bastion in the struggle for the renewal of dominion over the socialist anti-imperialist world.

Control of fuel resources is a prime motivator in the frantic competition between monopolies. The Saar was bandied between France and Germany because of its important coal resources. Similarly, the battle for oil has gone on since before the first world war. Middle Eastern oil, in fact, became an important objective of that war, and the struggle continued after the war by diplomatic and economic means inside the national boundaries and on the international plane. Rockefeller supremacy in oil has been stoutly contested by the Morgan groups, which have extended their influence by breaking into the Anglo-Dutch holdings, a one-time preserve of the Rothschilds, Lazard Freres, the Deutsche Bank, and their associates.

The frenzied battle for oil monopoly has been a cardinal factor in the suppression of popular movements in colonial and semi-colonial areas of the Near, Middle and Far East, in Latin America and North Africa. The series of events in Iran, Iraq, Kuwait, Aden, Saudi Arabia, Cuba, Venezuela, Brazil, Brunei, and Algeria, that have erupted in violence, revolution and war have been largely stimulated by the struggle for control of oil. Oil finds in European centres, such as Groningen in Holland, have drawn the competition into well industrialised centres, just as the competition for coal and iron did.

Competition between the oil combines is not confined to production, but extends into the distribution of petroleum products and the new by-product industry of petro-chemicals. A fierce struggle is going on all over the world as a result of the sharp increase in the quantity of oil consumed and the territorial expansion of consumption. The oil industry has from its outset been dominated by the most powerful banking interests, the Rockefellers, Morgans, Rothschilds, because of the spiralling profits it provides. Today, even with the larger royalties the oil combines have been obliged to pay to the oil- producing countries, their profits are still mounting prodigiously.

Oil trust reserves run into billions. Much has been used in investments abroad, America far and away exceeding all others. To financial reserves from oil must be added those amassed from metal and other raw materials' monopolies; from monopoly of food supplies and vast industrial and agricultural empires; from the monopoly network of distribution and distributive agencies; from military preparations and the several wars that have been fought with colonial peoples since the end of the second world war; from the development of nuclear instruments of destruction and the frenzied race for leadership in the realm of space research.

Capitalism contains many paradoxes, all of them based in the concept of commodity production: the few rich and the many poor; poverty and hunger amid superabundance; 'freedom from hunger' campaigns and subsidies for restriction of crop output. But perhaps the most ludicrous is the constant traffic in the same kinds of goods, products and commodities between countries. Everyone is busy, as it were, taking in the other's washing. This is not done out of need, but out of the compulsion of profit-making and monopoly extension. The European Common Market has become the apotheosis of this process, as well as the dumping ground of international investment, dominated by the giant American banking concerns and their British satellites.

The European Community, of which the European Common Market is only one aspect, is by no means a new concept. It was foreshadowed by Hobson in his critique of imperialism as 'a European federation of great powers which, so far from forwarding the cause of world civilisation, might introduce the gigantic peril of western parasites, a group of advanced industrial nations, whose upper classes drew vast tribute from Asia and Africa, with which they supported great masses of retainers, no longer engaged in the staple industries of agriculture and manufacture, but kept in the performance of personal or minor industrial services under the control of a new financial aristocracy.' It is collective imperialism.

This is precisely what has happened. Competition between the monopolies has produced the phenomenon of vast advertising and public relations organisations which busy themselves selling not only goods and services but personalities as well. These organisations and the media through which they operate —the press, radio, cinema, television—and the businesses dealing with the packaging of goods, employ huge armies of people in what are nothing more than parasitic jobs which would have no place in a sane society producing for consumption instead of profit. As things are, enormous sums are invested and earned by the financial interests that participate in the promotion of these enterprises.

But this is only a tiny facet of the fevered financial activity which is going on today in the capitalist world. Every week, every day, with almost monotonous regularity, we see the same names repeating themselves as bidders for large companies; as underwriters and issuers of new shares or holders of debentures; as combiners in new financial institutions for more universal methods of investment; as participants in new factories and ventures that will extend monopoly in fresh directions and more territories.

They are especially industrious in the countries of the 'Six' and others which still hope to push into the Common Market as direct or associate members. The lowering of trade barriers was the signal for their entry. For practical purposes, some of the key European countries are financial servants of the dominant banking monopolist groups, the Morgans and the Rockefellers. Despite all the power pertaining to such important banks as the Société Generale de Belgique, Banque de Bruxelles, Kredietbank, Banque Lambert, to such important industrial-finance groups as Solvay, Boel, Brufina-Cofinindus, Petrofina—Belgium, with its appendage Luxemburg, is in reality a financial colony of American investment capital. Thirty-nine new companies were established in Belgium in 1959 by foreigners. In the year 1961 the number of new 'foreign' companies set up had grown to 237. Sums invested from abroad had swollen from 2,457 million Belgian francs in 1959 to 6,664 million Belgian francs in 1961. Of this last figure, almost 60 per cent, that is 3,979 million Belgian francs, was furnished from American sources. Henry Coston, in his revealing book on the ramifications of banking finance, L'Europe des Banquiers (p. 174), declares that this enterprise is not limited to the territory of the kingdom, and that the Belgian ex colonies have not been ignored. 'One might even ask if the sanguinary events in the Congo were not caused by the merciless struggle going on between rival financial groups', he concludes.

American finance capital, of course, had a field day in Germany during the post-war occupation. German industry and finance, already linked to American industry and finance by cartel and trust arrangements, became even more heavily penetrated by the powerful United States monopoly groups. The giant German banks, Deutsche Bank, Dresdner Bank, Diskonto Gesellschaft, Commerzbank; the mighty German trusts, Krupp, Bayer, Badische Anilin & Soda Fabrik, Hoechst, and Siemens are all strung to American capital and in many ways subordinate to it. Italian banks and industry are in much the same position. The Banco Commerciale Italiano, Banco di Roma, Mediobanca, Credito Italiano, all are in several ways tied up with American finance capital either directly or indirectly. Examples can be stretched across the world, to Japan, Canada, Australia, and New Zealand. This financial dependence upon America has been put by Lord Bearsted, chairman of M. Samuel & Co. at the 1963 annual meeting, when he reported the 16+2/3 percent acquisition of the company's shares by the Morgan group. 'We will not be the first merchant bank to have part of its capital owned by American interests'.

This piteous statement is a public confession of Europe's subservience to American financial monopoly, a monopoly expressed in the strategic and political alliances that bind European capitalism to American capitalism. European statesmen are deeply conscious of their inferior standing but, in the main, feel there is little they can do to adjust the position. Resentment, however, there is, and in France it has expressed itself in General de Gaulle's stand on an individual French nuclear striking force; in his overtures to Adenauer, former German Chancellor; in his attempts to exclude Great Britain from the Common Market as the long arm of the United States; and more recently in the overtures to China and his tour in Latin America. All these are efforts to arrest America's dominance of Europe and to exert French independent action on the international front. Such attempts, however, have little chance of success, nor can they make but a passing impression upon the world scene. They are in reality expressions of the deep competitive conflicts within capitalist imperialism, which exist below the surface federations and alliances, conflicts rooted in the unequal development of the contestants, in the unequal development of capitalism.

Britain, as the forerunner of the industrial revolution, became the workshop of the world, the carrier of the world's goods, the foremost thruster for imperialist control from the City of London. Her decline set in with the upsurge of the younger, more vigorous capitalist States of Germany and America. The two world wars were a test of their strength against the older established capitalist countries and against each other. The United States came out triumphant both times. Still, the City of London is only slowly giving way to Wall Street as the symbol of world money power. It hopes to resuscitate itself by spreading into the European Common Market, even though it must do so in alliance with, and subordination to, American financial monopoly. Surplus capital in France was more heavily invested in the less advanced countries of Europe—Russia, Poland, Hungary, Rumania— than that of either Britain or Germany, although they, too, had large investments in the same European heavy industries, armaments, mines and oil fields. Everybody, however, turned to the primary producing countries of the world, alienating some as outright colonies under political rule, subserving and exploiting others as spheres of investment on a semi-colonial pattern.

Because of their late start, German and American capitalism pressed forward with the amalgamation of industrial combines and the monopoly of finance capital more hurriedly than did either Britain and France, whose supremacy on the colonial plane assured their hegemony, interrelated at several points even while competitive, on the international financial level. German financial monopoly took a beating in the defeat of 1918, when the colonial world was re-divided, and again in 1945. American capitalism on the other hand, owing to geographical and territorial advantages (the last inherent in its political union), continued to make rapid strides and was the real victor of both world wars. Expansion of American financial and industrial monopoly, however, was not confined to Europe. The balance of western financial power began to tilt towards Asia and Africa, a process that has been speeded up since the end of the second world war, with the breakdown of colonial rule.

The many consortia which are being established in the majority of the new States revolve largely about the same financial and industrial groups that have rooted themselves firmly since the inception of colonial rule. Such changes as there are correspond with the changes of influence that have occurred within the groups themselves. The dominating influence is held by the ubiquitous American formations of Morgan and Rockefeller, with their British and European associates following behind. Dying colonialism is reviving in the international coalitions of neo-colonialism. These coalitions of competing organisms reflect the global character that financial monopoly has attained under the dominance of the most powerful imperialism, that of America. They are also a sign of the struggle for survival of the older imperialisms against the fierce questing of the more powerful aggressiveness of American imperialism, whose vaster productive force is driving it outwards more and more.

Asserting different attempts are made to sweeten the well-known aims of rapidly disintegrating political colonialism: the maintenance of less developed areas of the world as the providers of cheap raw materials, spheres of investment, and markets for expensive finished goods and services. The finished goods and services, now that the populations of the new nations are demands for a rising standard of life, are taking on a character and over-spilling into categories formerly neglected. Land-clearing equipment, hydro-electrical projects, road reconstruction, housing, schools, hospitals, harbours, airports, and all the ancillary and supplementary services they call for, are providing new fields of capital investment and profit for financial monopoly, both at home and abroad. They are also keeping in handsomely paid employment a large army of so-called experts, technical and professional people, not always of the highest calibre.

New sources of extractive and agricultural commodities are also attracting large capital investment sums. Former dependence upon domestic sources of many minerals in the metropolitan countries is giving place to their importation from abroad. Miners in the copper and iron ore producing regions of the United States, for example, are being thrown out of work not only because of automation, but also because bigger profits are being obtained from the greatly stepped-up mining of base materials in Africa and Asia. In some places, their semi-processing also offers greater margins than can be got in the areas of more expensive labour. Puerto Rico and other Latin American countries that offer cheap labour are fast becoming centres of manufactured consumer goods, frequently processed from imported raw materials and sent to the United States to compete with American-produced commodities at only slightly reduced, or the same, prices. This gives greater profits still to finance capital.

The intricate process of balancing returns from domestic investment against the outflow of capital into more profitable foreign investment is creating serious rifts in the internal economic position of every Western capitalist country. This is felt particularly in the balance of payments position. Even the United States, whose reserves of gold and foreign exchange were so vast that they have carried her through a growing outward current over a long period, has now reached the stage when, like her less fortunate European counterparts, she is herself entering upon an adverse balance of payments crisis.

Despite the rise in national production and increased productivity, the problems of agriculture even in such rapidly rising economies as Western Germany, Italy and France bedevil the economic situation. In America, the farming small holder still lives close to and even below the poverty line, while the extensive mechanised farms of banker-financed companies are spoon-fed by a bankers' Government. Guaranteed prices for produce that goes into government-paid and government-built storages make large-scale farming in the United States highly profitable to finance capital, which passes on to the government the burdensome problem of what to do with unsold surpluses resulting from high prices.

The need of further outlets for the products of agriculture as well as of the industrial and commercial complexes that are coming under increasing electronic control, and hence acquiring a greatly increased potential, is forcing Western capitalism, particularly American capitalism, into greater and more intensive involvement in highly industrialised foreign countries. The recent 'chicken' farce played out against the background of de Gaulle's anti-American policy which led Franco-German opposition to a continuation of cheaper American poultry importation into Europe, is just one of the lighter examples of the fierce competition going on to unload the output of bank-financed vigorously mechanised mass production. It highlighted for a moment the intrinsically paradoxical nature of the European Market as a monopolistic organism putting up a strong resistance to a dominant competitive monopoly. The competitive tug-of-war is exemplified in the retaliative higher tariffs that have now been put upon French and German small cars imported into the United States, which have lost their main advantage over the home produced article in the consequent higher price.

Facts and figures prove that trade and investment between the highly industrialised countries are outpacing those with the less developed regions. They effectively support the case that imperialism is not confined to the primary producing sectors of the world. However, the salient fact is that the profit rate from the exploitation of the less developed areas is greater than that received from the more industrialised countries. In the latter, the competition between the monopolies is fiercest and domestic interests, even those which are linked with international finance monopoly, all the time offer the stoutest resistance to the invading ones. Yet, and this is precisely due to their imperialist character, the dominating world financial groups are able to make their constant incursions into the national monopolies, and so deepen their hegemony over larger and larger parts of the globe.

How much easier then it is for imperialist finance to edge its way more and more into the developing countries where colonial rule has broken, or is breaking down. Under the necessity of seeking greater and greater capital sums for geological explorations and the opening up of new fields of extractive materials, international finance was called to the aid of the national finance of the respective imperialist countries. This process was stimulated by the fact that the national financial monopolies had already proceeded to the stage of international alliance with the onset of imperialism, a process that has manifoldly quickened in the present epoch of rising nationalism and socialism. Thus, at this present time, all the instruments and mechanics of international imperialism, expressed in monopoly coalitions, are brought to bear in a general descent upon the new, needy countries.

This new wave of predatory invasion of former colonies operates behind the international character of the agencies employed: financial and industrial consortia, assistance organisations, financial aid bodies, and the like. Friendly cooperation is offered in the educational, cultural and social domains, aimed at subverting the desirable patterns of indigenous progress to the imperialist objectives of the financial monopolists. These are the latest methods of holding back the real development of the new countries. These are the paraphernalia of neo colonialism, superficially proffering aid and guidance; subterraneously benefiting the interested donors and their countries in old and new ways.

There are several definitions of 'aid', as B. Chango Machyo in his Aid and Neocolonialism has pointed out.

'The definition varies with different blocs. Thus the U.N. has its own definition, the imperialist camp has its own, so has the socialist camp, and probably the non-aligned camp might also have one. But, generally speaking, there are two main definitions: one by the U.N. and another as understood by the so-called donor countries. According to the U.N., "economic aid consists only of outright grants and long term lending, for non-military purposes, by Government and international organisations". But the so-called aid giving countries include in the term "aid", private capital investment and export credits, even for relatively short periods, as well as loans for military purposes.'

As Professor Benham in Economic Aid to Underdeveloped Countries remarks: 'It is pleasant to feel that you are helping your neighbours, and at the same time increasing your own profits.' Before the decline of colonialism what today is known as aid was simply foreign investment.

4. Monopoly capitalism and the American dollar

The 'end of empire' has been accompanied by a flourishing of other means of subjugation. The British Empire has become the Commonwealth, but the proceeds from the exploitation of British imperialism are increasing. Profits of British tin companies have ranged as high as 400 per cent. The latest dividends to British diamond shareholders are close to 350 per cent. On one occasion Mr Nehru declared that British profits from independent India had more than doubled and British capital investment in his country rose from Rs. 2,065 m. in 1948 to Rs. 4,460 m. in 1960. Total British investments in Africa have soared to \$6,500 m., the French to about \$7,000 m. and American to \$1,100 m. A recent survey made plain the plunder of British monopolies. It listed 9 out of 20 of Britain's biggest monopolies as direct colonial exploiting companies: Shell, British Petroleum, British American Tobacco, Imperial Tobacco, Burmah Oil, Nchanga Copper, Rhokana Corporation, Rhodesian Mines and British South Africa, five of which are directly engaged in chiselling away Africa's natural resources. The others are busily increasing their trading. Their total of 221 m. net profits was over half the combined net profits of the top twenty monopolies. Incredibly the list leaves out two of the world's greatest combines, those states within a state—Unilever and Imperial Chemical Industries —whose operations are based heavily in their overseas exploitations. The United Africa Company leads for Unilever in Africa; about a third of I.C.I. and its subsidiaries operate overseas.

Sir Alec Douglas Home, former Prime Minister of Britain's Tory government, in a speech made on 20 March 1964, professed himself ignorant of the meaning of neo-colonialism. While Sir Alec was talking, Britain was engaged in what its press was busy describing as 'major crisis areas' all over the world, putting down 'troubles' inspired and perpetrated by neo-colonialism: Aden and Southern Arabia against Yemen; Borneo and Sarawak against Indonesia; Cyprus, British Guiana; 'maintaining law and order' in Kenya, Tanganyika, Uganda, for the recently independent governments. Is this the end of imperialism? Not according to The Economist, mouthpiece of Britain's business interests, which felt compelled to comment:

'Military bases, routes to the East, frontier skirmishing, putting down mutinies—all this has a nineteenth-century ring quite naturally disturbing to those who had hoped that the end of colonialism meant the end of military involvement east of Suez. The knobbly truth of the matter turns out to be that for the moment Britain has as many military commitments in that area as it ever had before colonies were replaced by the Commonwealth.' (Economist, 23 May 1964.)

The intention is to hold back the progress of the developing countries. Where circumstances favour the establishment of ventures of a more than token industrial character, the aim is to see that they are made haltingly. The overriding objective is to induce a merely fractional increase in the industrial scope of the new nations in order that they may continue to provide the sinews of imperialism's greater concentration of forces for the final tussle of strength within itself and against socialism. What is remarkable is that the major part of the less developed world, and here we must include the U.S.S.R., chose and is choosing the socialist road to national progress. There are, in addition, countries like India where the political system, though patterned on the bourgeois democracies of capitalism, nevertheless proclaims socialism as the socio-economic objective. The nations that have reached their present peaks by passing through the various stages of capitalism cling desperately to the system that has brought them to the heights of imperialism. Each, perched perilously on a narrow summit, must put up a constant battle to guard its own pinnacle.

Greater intensity is infused into the struggle by the resurgence of rivals, of whom Germany and Japan are the most virile. Both of them have benefited from strong injections of American capital, and U.S. monopolies are drawing off considerable profits from the running that is being made by these two countries in world competition, pointing the contradictions among the interests involved. Competing against American imperialism, German and Japanese monopolists are frequently in alliance with their U.S.A, opposites, who often put them forward in imperialism's general offensive against Africa, where open United States private investment might be regarded with more suspicion than others. Germany, moreover, is now second to the U.S.A. in the scale of so-called assistance to the developing countries. Since capitalism is the embodiment of the philosophy of self-interest, the ostensible allies of America's monopolists must use the position of strength into which they are being thrust to promote their own growth.

This struggle for ascendancy among the imperialisms is continuous and involves a constant search for renewal of the sinews of strength. Alongside the battle for imperialist supremacy, there wages the fight against the ideological camp of socialism, into which the warring imperialists make an all-out effort to trail the developing countries as their appendages. In this way the anti-communist campaign is used to further imperialist aims. Leaders of monopoly capitalism everywhere build up in the public mind an image of the system in socio-cultural terms by which they transform it into an idealised harmonious civilisation that must be cherished at all costs. They harp upon a way of life that may be altered only to its detriment, and stress its continuity as a major principle in the fight against communism. When Harold Macmillan as Prime Minister of Britain told the South African parliament that 'what is now on trial is much more than our military strength or our diplomatic and administrative skill—it is our way of life', he epitomised the metaphysical transmutation of economic impulses into a social philosophy. This, in spite of his reference to 'winds of change' blowing across Africa. He echoed the several statesmen of the West, any of whom could have made the statement and, indeed, have at different times and in almost identical words, 'The great issue in this second half of the twentieth century is whether the uncommitted peoples of Asia and Africa will swing to the East or to the West.' All the powerful imperialist nations are decided that the new States shall develop along the capitalist path, the provisioners of imperialism's vital needs, the source of its super profits. National liberation and the obvious advantages of socialist development for nations evolving out of a colonialist domination and without the capital means for making that development, are major factors determining imperialist strategy towards these nations, in both the interests of its internal struggle and in the fight against socialism.

All countries, even the most deeply involved in monopoly imperialism, have a State sector. Indeed, State involvement in private economy has become an essential part of its process. It should cause no surprise, therefore, that developing countries, particularly in view of the small accumulations of local private capital, are obliged to centralise their economies. The size of the State sector and its planned expansion, however, must depend on the economic system which is chosen, capitalist or socialist. The aim of the imperialist powers, in the application of their aid programmes, is to turn the State sector into an appendage of private capital. In view of the process that has been evolved in the imperialist countries, it would be surprising if this were not so. The declared basic policy of the Agency for International Development (formerly International Cooperation Administration) is 'to employ United States assistance to aid-receiving countries in such a way as will encourage the development of the private sectors of their economies. Thus, I.C.A. will normally not be prepared to finance publicly owned industrial and extractive enterprises, although it is realised that there may be exceptions. . . .'

Development in the new countries along non-capitalistic lines must be frustrated in the interests of Western imperialism. A series of articles which appeared in The (London) Times in April 1964 outlined the pattern and made no secret of its reasons: 'The two great objects of Britain's foreign policy must be to prevent the non-communist world from being penetrated by Communism ... and secondly, to prevent her own access to trade and investment in any part of the world from being barred or limited.' Naturally enough, as the articles conclude, 'both these objects lead straight into the "neo-colonial" issue—the struggle for influence, commercial and political, over the non communist countries outside Europe and North America'. Thus succinctly does the writer in The Times expose the true character of the ideological struggle between monopolies. Leading this ideological struggle, because she leads the inter-imperialist struggle, is the U.S.A. As the world's leading imperialist power, America lays successor claim to the so-called vacua which the retiring colonial powers are said to leave behind as they give way to nationalist governments. Vietnam and Congo are very obvious symbols of this policy of rabid neo-colonialism. They are also examples of bitter antagonisms between American and other imperialisms. According to France Observateur (issue of 4 June 1964), 'The darkest accusations are made by the U.S. against French business circles operating in S. Vietnam. .. .American experts in Asian affairs assert that French planters are not content with paying their mite to the South Vietnam National Liberation Front. They will even lend assistance and hide the guerillas pursued by the Government's army.'

In spite of its policy of open aggression in many parts of the globe, the United States frequently poses as the 'anti-colonial' power in condemnation of British imperialism. 'The pose is thin, and the mask continually falls, even often over critical anti-colonialist resolutions pressed by the Afro-Asian and socialist majority in the United Nations, when the United States and Britain find themselves alone, or only with France, Portugal, South Africa and Australia voting against or abstaining.'* In the last nine years American investments on this continent have trebled, growing at a faster rate than in any other area. In 1961 alone American monopolies profited by some £11.2 m. which they took out of Africa.

The rising tide of nationalism in the colonial territories was remarked by the shrewder operators of United States finance capital as America's opportunity to insinuate itself into what were the jealously guarded preserves of rival imperialisms. Anti-imperialist stirrings had begun to show themselves in Asia and Africa before the outbreak of the last world war. As hostilities progressed, America came out more and more openly for the ending of colonial rule. Press and other public propaganda harked back to America's own fight against colonialism. The remembrance was linked in people's minds with the budding nationalist movements that were bringing overt pressure for independence around the globe. War-torn Europe would provide part of the answer to America's need to export investment capital and goods; but territories newly released from the political power of rival imperialisms would offer practically virgin fields.

A fabulous growth in American monopoly capitalism occurred during the first forty years of the present century. United States foreign investments vied with those of Europe, overtook and surpassed them. In 1900, American private foreign investments were small by comparison with Europe's— $500 m. to Britain's $12,000 m. and France's $600 m. By 1930 the growth rate of America's foreign investments had already overleaped those of Britain, standing at $17,000 m. against the latter's $19,000, and way ahead of France's $7,000 m. America's foreign investment position was supreme by 1949—$19,000 m. against Britain's $12,000 m., the level at which it had opened the century. France's level had sunk to $2,000 m. The first world war eliminated Germany's foreign investments and reduced those of France; the second world war eliminated Germany, Italy and Japan. The American Government, moreover, had added $14,000 m. to its monopolists' $19,000 m. of private foreign investments. The Government loans 'are political loans rather than direct profit-making investments. But they enhance the position of United States finance-capital, by providing markets for surplus goods and by increasing profits of private American investors in the borrowing countries'.* The second world war gave explosive momentum to American capitalism and helped it to increase its overseas investments and exports of manufactured goods to the colonial preserves of European and Japanese imperialism. In the decade 1938-48 America's share of the imports into these territories rose from 11 per cent to 25 per cent. Her African trade in the period went from $150 m. to $1,200 m., at which figure it represented almost 15 per cent of all Africa's foreign trade.

American monopoly's appetite was whetted by the income of $18,000 m. by which it had profited from its foreign investments in the period 1920-48. The prospects in 1948 looked even richer, and proved so. Between 1950 and 1959 private American firms invested $4,500 m. in the developing countries and made three times as much. Net profits came to $8,300 m., to which can be added millions of dollars in trading profits, interest on loans, freight charges and other ancillary operations. All of this was helped along by Marshall Aid (the Economic Cooperation Administration), born out of the marriage between the American State and monopoly. The dollar was brandished as the universal cure-me-quick for Europe, bringing fat super profits to its American owners. In the confusion and devastation left by war, they were to slip unobtrusively into the cosy corners from which the European imperialists would be edged out both from Europe and its territories overseas. American financial and industrial capital used the opportunity which Europe's post-war weakness offered to draw upon its resources. It fed on war-ruined Europe, though not to the same degree as Western imperialism exploited the colonial and semi-colonial world. The powerful German metallurgical and chemical trusts, Vereinigte Stahlwerke and I. G. Farben, were broken down. The West German State established in 1949 came under a military occupation that controlled its foreign trade, its foreign policy and defence. Of the factories which had escaped wartime destruction, some were dismantled. Many of Germany's best scientists and technicians were lured to America and Britain. The secrets and patents of the large trusts were appropriated, the archives of the most important bank, the Deutsche Bank, turned over to the occupying forces by Dr Hermann J. Abs, Hitler's despoiler of Yugoslavia, who was saved from the death to which he was condemned first by the British and then by the American military authorities. Germany was being made safe for the democracy of its imperialist conquerors. The Marshall Plan was used to push American imperialist penetrations into the fragmented German industries and financial institutions, into which it bought heavily. Large sums were also handed out to French and Belgian mining concerns in order to tighten the links with American capitalism and support its domination.

An eye also had to be kept on the socialism that was advancing in Europe and Asia. Before the opening of the 1950s the cold war began to hot up. It was felt that the threat of heavy German competition which had inspired the limitations put upon it by the victorious imperialisms could be cushioned by drawing Germany into Western strategy and by greater participations from United States capital. Germany's position in the metallurgical and chemical fields began to change as that country was drawn into the overall pattern of Western defence.

More energetic exploration for metal and mineral resources was undertaken in Africa and elsewhere. Africa's raw materials are an important consideration in the military build-up of the NATO countries, in which are included those of the European Common Market. Their industries, especially the strategic and nuclear factories, depend largely upon the primary materials that come from the less developed countries. Post-war Europe sustained a precarious shortage of basic supplies for its steel manufactures. Belgium needed more rich ores, Sweden more coal and coke, which America supplied in return for fine ores. Britain lacked pig iron and scrap, her coke was short and inferior. Both France and Germany had fallen behind in coke supplies. Production of Lorraine coal was declining because of lack of equipment, German coal because the Ruhr was producing less. Investment in industries 'with a high value production', that is, the mineral transformation and heavy industries, while providing the opportunity to influence the European economies and hence their policies towards United States' ideological domination, did not give the same scope for the quicker and larger profits that production of primary products in the emergent countries offered.

The Point Four Programme supported the Marshall Planners in opening up Africa to United States capital and its European associates. Before the second world war only three per cent of America's foreign investments were in Africa and less than five per cent of the continent's trade was with the United States. Firestone interests in Liberian rubber and small participations in South African and Rhodesian mines accounted for most of the $200 m. invested in Africa. As the war pushed into this continent, military bases and trade connections were established by the Americans, from which they pursued their greater penetrations after the end of the war. E.C.A. (Marshall Plan) funds financed American exploration groups, sent in the best colonial tradition to prepare the way for mining companies and military expeditions. It was announced by E.C.A. in July 1949 that 'American experts with Marshall Plan aid are probing Africa from the Atlas Mountains to the Cape of Good Hope for agricultural and mineral wealth', and later on that 'opportunities for American capital participation were disclosed in French North African lead mining, French Cameroon tin mining, ' French Congo lead-zinc mining. . . .' An E.C.A. loan to Mines de Zellidja, a French concern under the aegis of the Penarroya company, the fourth largest lead and zinc producer in the world, enabled Newmont Mining Corporation (an American mining and crude oil concern with 30 percent of its interests in South Africa and Canada) to buy into the company and manage its operations.

Europe's post-war instability was turned to the United States' account in the new division of Africa. In the fall of 1949, after America had forced currency devaluation upon the European countries, a committee of leading British and American bankers was formed to push U.S. investments in Africa and other parts of the still remaining British Empire. A similar committee with similar purpose was established two months later between American bankers and those of France. The hand of these establishments is seen today all over Africa in the consortia that are fast laying a grip on the continent's riches. Rockefeller, Morgan, Kuhn Loeb and Dillon Read institutions; the big British banks, Barclays, Lloyds, Westminster, Provincial, the investment houses pivoted around Hambros, Rothschild, Philip Hill; the French banks, Banque de Paris et des Pays Bas, Banque de l'Union Parisienne, Banque de Indochine, Union Europeenne Industrielle, Banque Worms, Credit Lyonnais, Lazard Freres, etc., and the leading German and Italian banks.

These and their associates are the financial institutions that dominate the monetary and fiscal sectors of many of the newly independent States. They support the new industrial revolution of automation, electronics and nuclear and space development, in which America plays the lead and which has swept U.S. imperialism to its present ascendancy. American groups dominant in the mining and ore processing and finishing industries are involved directly or through their bankers and financing houses in ventures with leading European producers and their financial backers. The finance-capitalists who control the leading corporations in the extractive, metallurgical, chemical, nuclear and space industries of the west are to be seen stretching out across the seven seas and taking command of the sources of primary materials in Asia, Oceania, Australia, New Zealand, Central and South America, and Africa. U.S. investments in Canada in 1962 went up by nearly $700 m., mostly for developing iron ore properties. An additional $270 m. invested in other developed countries went mainly to Australia and Japan. Latin American investments of United States capital increased by $250

m. in 1962. In the previous year the increase was over $400 m. The U.S. Department of Commerce reported that private American investments and assets overseas reached $60,000 m. at the end of 1962 and advanced a further $3,000 m. in the first six months of 1963. Private investors in the United States added $4,300 m. in 1962 to their holdings of assets and investments abroad.

Direct private American investment in Africa increased between 1945 and 1958 from $110 m. to $789 m., most of it drawn from profits. Of the increase of $679 m. actual new money invested during the period was only $149 m., United States profits from these investments, including reinvestment of surpluses, being estimated at $704 m. As a result African countries sustained losses of $555 m. If allowance is made for grants for 'non-military' purposes, estimated then by U.S. Congress at $136 m., Africa's net total losses still reached $419 m. Official American statistics put the gross profits made by U.S. monopolies in Africa between 1946-59 at $1,234 m., though other estimates place them at $1,500 m. Whichever way they are looked at, it requires no great mathematical mind to make out from these figures the almost hundred per cent profitability on investment in Africa.

The avid explorations that have gone on apace in the last two or three decades for additional reserves of all the metals and minerals that are important for modern industrial supremacy have been instigated by the drive for monopoly, upon which supremacy and its super-profits rest. A recent example makes the principle clear. Alcan Industries, a British associate of Alcoa (Aluminium Company of America) through Alcan (Aluminium Ltd. of Canada), according to a Sunday Times headline (issue of 18 October 1964), wrapped up 'the last of the foil'. That is, Alcan Industries paid £5.5 m. to take over the last independent firm (Fisher's Foils) in British aluminium foil making, having already swallowed most of the rest. This was done, it is said, to bring about 'rationalisation'. But in boardroom talk it has another meaning, 'sewing up the industry'.

Part of the objective of gaining control of industries and new-found raw materials' sources is to deprive rivals of their use. The manipulation of artificial scarcity is another of monopoly's tactics for maintaining profits. For three years until mid-1964 the big copper companies were running production at between 80 and 85 per cent of capacity to keep up prices. Steel production, too, was held back to something like 80 per cent of capacity. Exploitation under imperialism does not, nor will, always follow upon the finding of new sources of raw materials. Whoever monopolises the major sources of supply controls output by having the decisive voice in what deposits shall or shall not be worked, and to what degree.

Monopoly allows the monopolists to manipulate the economies of other countries in their interests. In the case of bauxite, for instance, Mellon-dominated Alcoa is sovereign and has drawn into its orbit the other major producers, Kaiser and Reynolds. Because of the tremendous cost of building power plants, upon which the conversion of bauxite into alumina depends, the exploitation of all known reserves of this ore by private capital would defeat the prime incentive of monopoly—profit—for the super-abundant production that would result would depress prices. West Africa is exceptionally rich in bauxite, but the individual countries are not equally favoured with the power to develop resources. Ghana is providing hydro-electric power which could be used to convert alumina in both Ghana and Guinea. This would be a welcome cooperative effort within the framework of a united continental economy.

Another weapon that is held over the heads of the primary producing countries is the threat of using synthetic alternatives, and the replacement of traditional metals by others. Synthetic diamond plants have been established by De Beers, the world's monopolist in natural diamonds, by the Belgian company, MIBA, which controls Congo's natural diamonds, the largest supplier in Africa, by the General Electric Corporation in the U.S. and by Japan. The price of copper was held down by the main producers on the London metal market at a period of recession in its marketing because of the likely use of aluminium in its place for certain purposes, while plastics, on the other hand, are frequently proposed as an alternative to aluminium. Vast sums are expended in research for new materials and in scientific invention of labour-saving machinery and equipment. Thus metals that are being threatened with substitution are at the same time being developed for a wider variety of finished goods. Such research projects and the resultant re-equipment of factories and industries which must be done if the original investment is to be justified, calls for tremendous capital sums which frequently can only be met from the assets of financial and. insurance establishments. Consequently, banks and insurance companies dominate industrial finance and exercise a leading role in the push for monopolist ascendancy. The banks and insurance companies have been foremost in the process that has brought monopoly to its present peak, and it is their financial power that supports the increasing movement towards greater and greater concentration of monopoly.

Today, competition in the thrust to secure and hold monopoly over whole industries and sources of raw materials has intensified to the point where mergers are taking place at a dizzy rate. The struggle is grimly tense and in the ding-dong battle for domination a truce is arranged at critical points, by which influence is divided with mutual consent. Harmony, however, is more apparent than real. The struggle for re-division is proceeding all the time, and the changes that take place within the combining organisations are observed to be more and more frequent.

Present-day monopoly is highly variegated and spread out. While it draws its strength from its monopolistic position, it is on the other hand seriously exposed to the dangers that face a multiple organism that stretches its limbs to extremity in different directions. A fracture at any one point can lead to a disjunction which may unbalance the structure. And the monopoly's rivals are always on the alert to spot its most exposed parts in order to deliver a blow that will enable the most relentless competitor to insinuate into the broken organ. Hence monopoly, having passed through the stages of cartelisation, combine, trust and syndicate, is today more and more making use of a further protective safeguard. That is the consortium, through which it aims at immobilising the rivals and disarming the associates who are permitted to join this most ravishing of imperialist contrivances. Usually in a consortium there is a dominant party, either directly or through (and with) affiliates and associates, which enables it to exert the largest influence upon the affairs of the consortium. Furthermore, each of the parties to the consortium will have its own string of appendages or even a principal standing outside the consortium. All continue the fight outside, while those within exercise their efforts to enlarge the importance of their share of the group activities. For example, as a monopoly it will be in control of a complex of companies connected at many levels with the production of primary materials, their processing from the original state right through all the stages of transformation into a variety of semi-finished and finished goods from the most ordinary article to the most complicated and delicate equipment and heavy plant and machinery. The monopoly does not restrict itself to a single raw material, though it will be pre-eminent in one or two. Nor does it restrict itself to any particular department of manufacture or enterprise that may be ancillary to its basic activities, though here again it may specialise in certain lines. Many monopolies branch into real estate and land development projects, as construction and contracting work bring quick and high returns and high rents. This form of capital investment is growing rapidly in the present era of enlarging industrialisation and the growth of new towns, and extends to large-scale agriculture.

In Africa the consortium is making the most sinister penetrations. It extends from the monopolistic amalgamations of American and European finance-capital, particularly those combined within the European Common Market, where financial consortia have been set up as the most effective means of profiting from the competitive struggle that is spiralling within this so-called unifying organisation. The prime objective is to monopolise Africa's sources of raw materials, not, as it is claimed, to assist the African countries to develop their economies. For the materials are carried off largely in their raw state or as concentrates to enhance the productive output of the imperialist countries and to be returned to them in the form of heavy equipment for extractive industry and the infrastructure for carrying the resources away.

It is out of the revenue from the trade in these materials that the African countries look to amass part of the capital that will make it possible for them to utilise these same commodities in the service of their own development. Paradoxically, however, these precious counters in Africa's future are meantime being used to widen the economic gap between her and the highly industrialised countries, which are hurriedly exploiting the opportunity to make good deficiencies in their economies. Since those who are carrying on the exploitation are also the monopolists who manipulate the markets for primary products at the one end and the price for the final products at the other, the countries of origin must be pinned down to a long wait before they can tackle on a major scale the capital problem facing all the developing countries of seriously raising the standard of life of their people, if they make no effort to gird their resources in a more practical and self-supporting manner. This is the answer to those pious economists who assure us that what matters is not what is taken out of our lands but what is left behind.

The reply has been given by the Commission for Aid to Development of O.E.C.D. in its estimate that if the industrial countries continue to increase their gross national product by three per cent per annum, it will take the less developed countries two hundred years at least to catch up with their standard of living, assuming that the unindustrialised nations reach an annual increase of five per cent. Yet how problematical the achievement of this five per cent remains in the light of the drain on resources from the less developed countries to the highly developed ones. In most African countries the rate of rise in the domestic product has barely kept pace with the rate of population growth of two and a half to three per cent. It is the less developed countries that continue to carry the burden of the increasing development of the highly developed. Firestone, for example, has taken $160 m. worth of rubber out of Liberia in the past quarter century. In return the Liberian Government has received a paltry $8 m. The average net profit made by this American company is three times the entire Liberian revenue.

From south to north, financial and industrial consortia have spread across Africa, busily staking out claims to mineral, metal and fuel resources, to forest and land produce, and erecting extractive and primary conversion industries in which they are entrenched as stanchions. In Algeria, for example, the really big investment stampede coincided with the war of national liberation. Between 1951 and 1955 there was an inrush of French and French-American investment greater than ever before. Win or lose, the financial and industrial interests were entrenching themselves within the Algerian economy. Throughout Africa the industrial giants are supported by financial institutions which dominate the monetary and fiscal sectors of so many of the independent States. Most heavily engaged are the mammoth banking and insurance institutions and the multi-millionaire companies they control, bolstered by the international institutions like the World Bank and its affiliates. These formidable alliances radiate from the United States, Britain, Germany, France, Holland, Italy, Sweden. They move around the metallurgical and chemical combines with the E.C.S.C. (European Coal and Steel Community), such as Sollac, G.I.S. (Groupe- ment de l'Industrie Sidérurgique), Sidelor (Union Sidérurgique Lorraine), Usinor (Union Sidérurgique du Nord de la France), Krupp, Thyssen, Kuhlmann, Pierrelatte, Farbwerke Hoechst, Bayer, BASF (Badische Anilin & Soda Fabrik), I.C.I. They are in the assemblages of bankers such as Consafrique (Consortium Européen pour le Développement des Ressources Naturelles de l'Afrique), situated at the same address as the International Bank in Luxembourg; Eurofin, Compagnie Bancaire, Finsider, Cofimer, Union Européenne Industrielle et Financière, and others.

Powerful American corporations like Bethlehem Steel, United States Steel, Republic Steel, Armco Steel, Newmont Mining, Johns Manville, Union Carbide, Olin Mathieson, Alcoa, Kaiser, crop up among all the post-war primary materials producing projects on this continent. Their alliances are spread among the leading metallurgical and financial companies of Europe in combinations that mask the underlying competition. This competitiveness erupts to the surface when circumstances cause a breakdown in the facade of peaceful co-existence between rival imperialists operating in the sovereign States of others, to which they make assumptions of power and use as pawns in the struggle for monopolistic supremacy. Gabon is vocal testimony to these assertions. Mass discontent with the existing regime which led to the disorders of February 1964 was the occasion utilised by France to warn the United States that she would brook no encroachment on the claims she lays to the manganese, uranium and oil riches of this, her former colony. Neglected under the colonial regime, these resources have assumed inestimable value to France in the struggle against the advance of American imperialism in Europe in the new epoch of atomic rivalry. France sent in paratroopers to force the issue of whose pawn Gabon would remain. United States Steel may have the dominant participation in Comilog (Cie de l'Ogooue), which is working on the bed of the vastly rich Franceville manganese deposits, but France, through the Cie des Mines d'Uranium de Franceville, controls the uranium field at Mounana, and is urgently occupied in the attempt to foil the aspirations of the American oil barons to undisputed access to Gabon's offshore petroleum reaches.

17. New industries: the effects on primary producing countries

The second world war, fought as it was on an almost global scale, called for scientific and inventive genius in unprecedented measure, all towards one end: that of destruction. The need for vast quantities of equipment and the supply services that were ancillary to the purpose of wiping out people and cities, animated, as peace never did, governmental support for investigation and research into faster and more rational means of mass production. The United States, which became the prime arsenal and provider for its Western allies, was naturally foremost in adjusting its industrial machinery to the new methods at the close of the war. Since then the demands made by the reconstruction of ruined cities and the rebuilding of disjointed economies have accelerated the trend. The policy of containment, military adventures such as Vietnam, Cyprus and Korea, cold war stock-piling and the race in rocket assembly and space-ship building have added their quota. Automation and the use of electronics are fast spreading and, as in America, taking hold wherever large-scale production finds it more profitable to replace human labour by push-button thinly- manned mechanisms.

The resulting tremendous bound forward in productive potential has created an increasing demand for the base materials of industry, and there has sprung up a rapidly enlarging assortment of synthetic raw materials, many of them supplementing natural products and often replacing them. This is having an effect upon the market prices of natural primary products, a fact given prominence by the chairman of Union Minière du Haut Katanga at the 1964 shareholders' meeting. The London Metal Exchange, the body which still operates the world prices of metals, is largely under the influence of the leading producers and processors like Union Minière itself, and its associates Rhodesian Selection Trust, Conzinc-Rio Tinto, Amalgamated Metal Corporation, Minerais et Metaux and London Tin Corporation.

Cocoa users, for their part, are constantly threatening the producing countries that they will use synthetic substitutes and rubber-growing countries are up against the increasing use of the artificial product. Just as the high quotations and fluctuations of primary products are influenced by the monopoly producers, so the threat of the use of synthetics is no idle warning, since the controllers of the natural products are also the major producers of the artificial materials. For the same reason, the producers of synthetics will be careful not to compete too vigorously with the natural products. For example, it has been alleged that Dunlop were slow to begin synthetic rubber manufacturing because of their large plantation interests in Malaya.

All four of the American rubber-producing giants, Firestone, B. F. Goodrich, Goodyear and United States Rubber, are engaged in the production of artificial rubber. United States Rubber works 90,000 acres of rubber plantations in Malaya and Indonesia, as well as concessions in Brazil, Venezuela, Colombia and other Latin American countries. Its synthetic rubber and related plants, with the exception of that at Naugatuck, Connecticut, are placed, like those of its textile division, in the southern States of America, where labour is cheaper than in the north. In 1962 there was 'significant expansion' of the company's plastics facilities, under which the production capacity of its 'Kralastic' material was increased. This is described as a 'tough plastic-rubber blend', for which growing uses are being found in automobiles and various appliances, all formerly using rubber.

Goodyear, among the first twenty companies in the United States, has its own rubber plantations in Indonesia, Costa Rica, Brazil and Guatemala. It operates synthetic rubber plants at Houston, Texas and Akron, Ohio. A 30 per cent increase was made in the company's facilities for research in rubber, plastics and other scientific exploration in 1961, for the company has become interested in chemicals and aeronautics.

Firestone is a byword in West Africa where, until the recent advent of iron-ore exploiting companies, it dominated the economy of Liberia. It is still 'King of Rubber' there and, like other rubber giants, gets its rubber also from plantations in the Latin American countries, as well as Ceylon. It has fifty-eight plants throughout the United States, including four for synthetic rubber and one working on what is described as 'U.S. national defence'. Another fifty-three plants are spread around the world, principally in the western hemisphere.

This brief review of the rubber monopolies illustrates their inter-relations and their domination of both natural and synthetic rubber throughout the world. It becomes increasingly obvious as we delve deeper into the operations of the industrial monopolies that they have the developing countries at a complete disadvantage.

As providers of novel basic products for old and new industries on a continually extending scale, the highly industrialised countries are the major investors in and concessionaires for the starting materials that are obtained primarily from largely sub industrialised sources. Among these we include Australia and the more advanced Canada, which are, for all practical purposes, financial colonies of American-dominated Western capital.

Because of the extremely high capital costs involved in discovering and bringing to perfection new products and their uses and in establishing plants and factories for their manufacture and processing, the production of these synthetic materials has become the monopoly of a few mammoth international organisations. These giants join forces at certain focal points in the struggle for domination. All the time they carry on a ferocious competition to secure monopoly markets and original source material supplies, not only for synthetics production but for the metallurgical, electronics and nuclear industries that have become part and parcel of their post-war expansion. It is not surprising therefore that even a cursory glance at their interests should reveal involvement in African raw materials' exploitation, even though their financial shufflings may appear superficially to be very far away from such engagements.

Consumption of fuel and power and common minerals has jumped phenomenally since the war and the western capitalist countries as well as Japan have resorted to non-industrialised countries for quickly growing quantities. Before the war the industrialised countries relied largely upon their own reserves of iron ores or on those of other Western sources. Today the giant iron and steel corporations of Europe, America and Japan, in addition to their investments in Canada and Australia, are turning more and more for their base materials to Africa, where cheap labour, tax concessions and supporting government policies have opened up avenues of richer profits from huge, untapped resources. M. D. Banghart, vice-president of New- mont Mining, a leading American holding company with semipermanent investments in mining and crude oil, has said that American firms could make a greater profit in Africa than from any comparable investment in the United States. Mr Banghart should know intimately what he is talking about, since New- mont Mining is joined in consortia operating the biggest exploitative undertakings in northern and southern Africa, such as the O'Okiep Copper Co., the Tsumeb Corporation, Palabora Mining, Soc. N.A. du Plomb and Soc. des Mines de Zellidja. It has a 12.1 per cent participation in Cyprus Mines, which gives it a vested interest in maintaining Cyprus for the NATO cause. The fact that United States miners earn an average of $2.70 an hour against the less than 10 cents average paid to African miners in South Africa makes it obvious how such super-profits are achieved. No wonder Newmont's original investment in Tsumeb multiplied twenty times in value in the space of three years.

The African countries are faced with the need to turn subsistence economies into organisms that will generate viable and improved conditions of living for their populations. However, many African governments, instead of getting together in united action which would stimulate maximum capital accumulation and the construction of a solid over-all African economy, are granting concessions for the working of mineral, agricultural and forestry resources whose purpose is the drawing off of output to sustain and enlarge the industries and economies of the imperialist countries. Not one of the investing syndicates has any intention of founding in any one of these countries an integrated industrial complex that would give impetus to genuine economic growth. Nor are the returns on the export of primary products from mining, agriculture and forestry likely to provide to any important extent the looked-for capital for investing in industrial foundation.

We constantly read about the high prices that are earned for copper, tin, zinc and so forth. What is little understood is that these are the prices for the commodities on the industrial market in their processed forms. The metals leave the countries of their origin mainly in their primary condition of ores or concentrates and sometimes in the first stage transformation, which fetch merely token returns to these countries. The returns are even more paltry when measured against the values that are added the moment the materials are placed on board the transportation carrier at the point of exit; the carrier usually, as we have seen in the case of Union Minière, being related directly or indirectly with the actual producer. The many more surpluses that accrue in the course of transit from producing country to the foreign transformation centres and through the subsequent stages of conversion fall to the concessionary combines and the shipping, transport, banking, insurance, manufacturing and selling organisations with which, in most cases, they are linked. As Victor Perlo dramatically summarises in American Imperialism, 'weak countries, without adequate industry to build ships and airplanes, must pay tolls to the imperialist transportation monopolies for the goods they import and export. Countries without adequate financial resources must pay fees to the centres of finance capital for the use of banking facilities and for insurance' (p. 62).

Amounts remaining behind in the producing countries in the form of wages are sadly fractional. Over 50 per cent of the Congo's national income went regularly to European residents and foreign firms. The rest remained to be distributed over the various sectors of the economy. It is not surprising that the territory's 14 million inhabitants live in the extremest poverty. In Gabon one-third of the income goes to the non-African population. Two-fifths of Liberia's total income accrues to foreign firms (U.N. Report E/CN.14/246, 7 January 1964). And when independent African countries attempt to establish a certain rectification by levying taxes on company profits, they draw resentment that is echoed in dire warnings in the imperialist press that they will stifle foreign investment if they continue such encroachments upon expatriate rights.

'Ashanti hit by Ghana tax,' shouted a paragraph headline in a London City journal dated 28 January 1964, and set forth figures to show that Ghana Government taxation had cut Ashanti

Goldfields 1962/63 profits from £ 1,111,162 to £609,142. Nevertheless the company was still able to declare a total dividend of 37.5 per cent, a fall obviously from the 50 per cent and over that had been kept up for several previous years, but still a whacking return on an original capital of £250,000 which had been built up to its present £3 million from reserves out of past and current profits. That the company was able to pay the dividend is proof of the nicely cushioned reserves that have been accumulated over a period of operations, in addition to what has been drawn back into capital.

Diamonds are bringing some extra revenue to the West African countries out of new selling arrangements which are taking some of the profit that formerly went to CAST (Consolidated African Selection Trust) and its De Beers' principals. Ghana has its own diamond market and a government marketing board which takes the commission which used to go to middlemen acting for De Beers. In Sierra Leone CAST profits were higher, but a service fee paid to the government board 'under protest' and higher production costs cut them somewhat. Nevertheless, CAST was able to declare a final dividend that left the total dividend for the year 1962/63 unchanged at 3s. 6d. on a 5s. share (70 per cent), of which there were 18,198,654 issued and paid up out of 20 million authorised. This issued capital, amounting to £4,549,663 10s. was achieved in less than twenty years out of reserves made from an original capital of £250,000. Furthermore, stocks of diamonds held by the group at the end of the working year had an estimated value of £6 million.

Further profits are forced out of Africa in the form of the | inflated cost of finished goods, equipment and services she is forced to buy from the monopoly sources that extract the prime materials. This is the big squeeze in which Africa is caught, one that grew tighter from the eve of the first world war. It was estimated by United Nations experts that the dependent countries had to pay $2.5 to $3 billion more for their imports of manufactured goods in 1947 than they would have had to pay if price ratios were the same as in 1913. For the period from 1950 to 1961, according to the Food and Agricultural Organisation of the U.N., the index of returns for primary materials fell from 97 to 91 (70 for cocoa, coffee and tea), while that for manufactured goods rose from 86 to 110. For steel, which is an indispensable commodity on an increasing scale for developing countries, it reaches the very much higher figure of 134. In terms of exchange as between primary producing countries and the exporters of manufactured goods, there has been a decline in ten years from 113 to 82, to the disadvantage of the former.

18. The mechanisms of neo-colonialism

In order to halt foreign interference in the affairs of developing countries it is necessary to study, understand, expose and actively combat neo-colonialism in whatever guise it may appear. For the methods of neo-colonialists are subtle and varied. They operate not only in the economic field, but also in the political, religious, ideological and cultural spheres.

Faced with the militant peoples of the ex-colonial territories in Asia, Africa, the Caribbean and Latin America, imperialism simply switches tactics. Without a qualm it dispenses with its flags, and even with certain of its more hated expatriate officials. This means, so it claims, that it is 'giving' independence to its former subjects, to be followed by 'aid' for their development. Under cover of such phrases, however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism. It is this sum total of these modern attempts to perpetuate colonialism while at the same time talking about 'freedom', which has come to be known as neo-colonialism.

Foremost among the neo-colonialists is the United States, which has long exercised its power in Latin America. Fumblingly at first she turned towards Europe, and then with more certainty after world war two when most countries of that continent were indebted to her. Since then, with methodical thoroughness and touching attention to detail, the Pentagon set about consolidating its ascendancy, evidence of which can be seen all around the world.

Who really rules in such places as Great Britain, West Germany, Japan, Spain, Portugal or Italy? If General de Gaulle is 'defecting' from U.S. monopoly control, what interpretation can be placed on his 'experiments' in the Sahara desert, his paratroopers in Gabon, or his trips to Cambodia and Latin America?

Lurking behind such questions are the extended tentacles of the Wall Street octopus. And its suction cups and muscular strength are provided by a phenomenon dubbed 'The Invisible Government', arising from Wall Street's connection with the Pentagon and various intelligence services. I quote:

'The Invisible Government ... is a loose amorphous grouping of individuals and agencies drawn from many parts of the visible government. It is not limited to the Central Intelligence Agency, although the CIA is at its heart. Nor is it confined to the nine other agencies which comprise what is known as the intelligence community: the National Security Council, the Defense Intelligence Agency, the National Security Agency, Army Intelligence, Navy Intelligence and Research, the Atomic Energy Commission and the Federal Bureau of Investigation.

The Invisible Government includes also many other units and agencies, as well as individuals, that appear outwardly to be a normal part of the conventional government. It even encompasses business firms and institutions that are seemingly private.

To an extent that is only beginning to be perceived, this shadow government is shaping the lives of 190,000,000 Americans. An informed citizen might come to suspect that the foreign policy of the United States often works publicly in one direction and secretly through the Invisible Government in just the opposite direction.

This Invisible Government is a relatively new institution. It came into being as a result of two related factors: the rise of the United States after World War II to a position of preeminent world power, and the challenge to that power by Soviet Communism. . . .

By 1964 the intelligence network had grown into a massive hidden apparatus, secretly employing about 200,000 persons and spending billions of dollars a year.'*

Here, from the very citadel of neo-colonialism, is a description of the apparatus which now directs all other Western intelligence set-ups either by persuasion or by force. Results were achieved in Algeria during the April 1961 plot of anti- de Gaulle generals; as also in Guatemala, Iraq, Iran, Suez and the famous U-2 spy intrusion of Soviet air space which wrecked the approaching Summit, then in West Germany and again in East Germany in the riots of 1953, in Hungary's abortive crisis of 1959, Poland's of September 1956, and in Korea, Burma, Formosa, Laos, Cambodia and South Vietnam; they are evident in the trouble in Congo (Leopoldville) which began with Lumumba's murder, and continues till now; in events in Cuba, Turkey, Cyprus, Greece, and in other places too numerous to catalogue completely.

And with what aim have these innumerable incidents occurred? The general objective has been mentioned: to achieve colonialism in fact while preaching independence.

On the economic front, a strong factor favouring Western monopolies and acting against the developing world is international capital's control of the world market, as well as of the prices of commodities bought and sold there. From 1951 to 1961, without taking oil into consideration, the general level of prices for primary products fell by 33.1 per cent, while prices of manufactured goods rose 3.5 per cent (within which, machinery and equipment prices rose 31.3 per cent). In that same decade this caused a loss to the Asian, African and Latin American countries, using 1951 prices as a basis, of some $41,400 million. In the same period, while the volume of exports from these countries rose, their earnings in foreign exchange from such exports decreased.

Another technique of neo-colonialism is the use of high rates of interest. Figures from the World Bank for 1962 showed that seventy-one Asian, African and Latin American countries owed foreign debts of some $27,000 million, on which they paid in interest and service charges some $5,000 million. Since then, such foreign debts have been estimated as more than £30,000 million in these areas. In 1961, the interest rates on almost three-quarters of the loans offered by the major imperialist powers amounted to more than five per cent, in some cases up to seven or eight per cent, while the call-in periods of such loans have been burdensomely short.

While capital worth $30,000 million was exported to some fifty-six developing countries between 1956 and 1962, it is estimated that interest and profit alone extracted on this sum from the debtor countries amounted to more than £15,000 million. This method of penetration by economic aid recently soared into prominence when a number of countries began rejecting it. Ceylon, Indonesia and Cambodia are among those who turned it down. Such 'aid' is estimated on the annual average to have amounted to $2,600 million between 1951 and 1955; $4,007 million between 1956 and 1959, and $6,000 million between 1960 and 1962. But the average sums taken out of the aided countries by such donors in a sample year, 1961, are estimated to amount to $5,000 million in profits, $1,000 million in interest, and $5,800 million from nonequivalent exchange, or a total of $11,800 million extracted against $6,000 million put in. Thus, 'aid' turns out to be another means of exploitation, a modern method of capital export under a more cosmetic name.

Still another neo-colonialist trap on the economic front has come to be known as 'multilateral aid' through international organisations: the International Monetary Fund, the International Bank for Reconstruction and Development (known as the World Bank), the International Finance Corporation and the International Development Association are examples, all, significantly, having U.S. capital as their major backing. These agencies have the habit of forcing would-be borrowers to submit to various offensive conditions, such as supplying information about their economies, submitting their policy and plans to review by the World Bank and accepting agency supervision of their use of loans. As for the alleged development, between 1960 and mid-1963 the International Development Association promised a total of $500 million to applicants, out of which only $70 million were actually received.

In more recent years, as pointed out by Monitor in The Times, 1 July 1965, there has been a substantial increase in communist technical and economic aid activities in developing countries. During 1964 the total amount of assistance offered was approximately £600 million. This was almost a third of the total communist aid given during the previous decade. The Middle East received about 40 percent of the total, Asia 36 per cent, Africa 22 per cent and Latin America the rest.

Increased Chinese activity was responsible to some extent for the larger amount of aid offered in 1964, though China contributed only a quarter of the total aid committed; the Soviet Union provided a half, and the East European countries a quarter.

Although aid from socialist countries still falls far short of that offered from the west, it is often more impressive, since it is swift and flexible, and interest rates on communist loans are only about two per cent compared with five to six per cent charged on loans from western countries.

Nor is the whole story of 'aid' contained in figures, for there are conditions which hedge it around: the conclusion of commerce and navigation treaties; agreements for economic co-operation; the right to meddle in internal finances, including currency and foreign exchange, to lower trade barriers in favour of the donor country's goods and capital; to protect the interests of private investments; determination of how the funds are to be used; forcing the recipient to set up counterpart funds; to supply raw materials to the donor; and use of such funds—a majority of it, in fact—to buy goods from the donor nation. These conditions apply to industry, commerce, agriculture, shipping and insurance, apart from others which are political and military.

So-called 'invisible trade' furnishes the Western monopolies with yet another means of economic penetration. Over 90 percent of world ocean shipping is controlled by the imperialist countries. They control shipping rates and, between 1951 and 1961, they increased them some five times in a total rise of about 60 per cent, the upward trend continuing. Thus, net annual freight expenses incurred by Asia, Africa and Latin America amount to no less than an estimated $1,600 million. This is over and above all other profits and interest payments. As for insurance payments, in 1961 alone these amounted to an unfavourable balance in Asia, Africa and Latin America of some additional $370 million.

Having waded through all this, however, we have begun to understand only the basic methods of neo-colonialism. The full extent of its inventiveness is far from exhausted.

In the labour field, for example, imperialism operates through labour arms like the Social Democratic parties of Europe led by the British Labour Party, and through such instruments as the International Confederation of Free Trade Unions (ICFTU), now apparently being superseded by the New York Africa-American Labour Centre (AALC) under AFL-CIO chief George Meany and the well-known CIA man in labour's top echelons, Irving Brown.

In 1945, out of the euphoria of anti-fascist victory, the World Federation of Trade Unions (WFTU) had been formed, including all world labour except the U.S. American Federation of Labor (AFL). By 1949, however, led by the British Trade Union Congress (TUC), a number of pro-imperialist labour bodies in the West broke away from the WFTU over the issue of anti-colonialist liberation, and set up the ICFTU.

For ten years it continued under British TUC leadership. Its record in Africa, Asia and Latin America could gratify only the big international monopolies which were extracting super-profits from those areas.

In 1959, at Brussels, the United States AFL-CIO union centre fought for and won control of the ICFTU Executive Board. From then on a flood of typewriters, mimeograph machines, cars, supplies, buildings, salaries and, so it is still averred, outright bribes for labour leaders in various parts of the developing world rapidly linked ICFTU in the minds of the rank and file with the CIA. To such an extent did its prestige suffer under these American bosses that, in 1964, the AFL-CIO brains felt it necessary to establish a fresh outfit. They set up the AALC in New York right across the river from the United Nations.

'As a steadfast champion of national independence, democracy and social justice', unblushingly stated the April 1965 Bulletin put out by this Centre, 'the AFL-CIO will strengthen its efforts to assist the advancement of the economic conditions of the African peoples. Toward this end, steps have been taken to expand assistance to the African free trade unions by organising the African-American Labour Centre. Such assistance will help African labour play a vital role in the economic and democratic upbuilding of their countries.'

The March issue of this Bulletin, however, gave the game away: In mobilising capital resources for investment in Workers Education, Vocational Training, Co-operatives, Health Clinics and Housing, the Centre will work with both private and public institutions. It will also encourage labour management co-operation to expand American capital investment in the African nations' The italics are mine. Could anything be plainer?

Following a pattern previously set by the ICFTU, it has already started classes: one for drivers and mechanics in Nigeria, one in tailoring in Kenya. Labour scholarships are being offered to Africans who want to study trade unionism in—of all places—Austria, ostensibly by the Austrian unions. Elsewhere, labour, organised into political parties of which the British Labour Party is a leading and typical example, has shown a similar aptitude for encouraging 'Labour-management co-operation to expand . . . capital investment in African nations.'

But as the struggle sharpens, even these measures of neocolonialism are proving too mild. So Africa, Asia and Latin America have begun to experience a round of coups d'etat or would-be coups, together with a series of political assassinations which have destroyed in their political primes some of the newly emerging nations' best leaders. To ensure success in these endeavours, the imperialists have made widespread and wily use of ideological and cultural weapons in the form of intrigues, manoeuvres and slander campaigns.

Some of these methods used by neo-colonialists to slip past our guard must now be examined. The first is retention by the departing colonialists of various kinds of privileges which infringe on our sovereignty: that of setting up military bases or stationing troops in former colonies and the supplying of 'advisers' of one sort or another. Sometimes a number of 'rights' are demanded: land concessions, prospecting rights for minerals and/or oil; the 'right' to collect customs, to carry out administration, to issue paper money; to be exempt from customs duties and/or taxes for expatriate enterprises; and, above all, the 'right' to provide 'aid'. Also demanded and granted are privileges in the cultural field; that Western information services be exclusive; and that those from socialist countries be excluded.

Even the cinema stories of fabulous Hollywood are loaded. One has only to listen to the cheers of an African audience as Hollywood's heroes slaughter red Indians or Asiatics to understand the effectiveness of this weapon. For, in the developing continents, where the colonialist heritage has left a vast majority still illiterate, even the smallest child gets the message contained in the blood and thunder stories emanating from California. And along with murder and the Wild West goes an incessant barrage of anti-socialist propaganda, in which the trade union man, the revolutionary, or the man of dark skin is generally cast as the villain, while the policeman, the gum-shoe, the Federal agent—in a word, the CIA-type spy—is ever the hero. Here, truly, is the ideological under-belly of those political murders which so often use local people as their instruments.

While Hollywood takes care of fiction, the enormous monopoly press, together with the outflow of slick, clever, expensive magazines, attends to what it chooses to call 'news'. Within separate countries, one or two news agencies control the news handouts, so that a deadly uniformity is achieved, regardless of the number of separate newspapers or magazines; while internationally, the financial preponderance of the-United States is felt more and more through its foreign correspondents and offices abroad, as well as through its influence over international capitalist journalism. Under this guise, a flood of anti-liberation propaganda emanates from the capital cities of the West, directed against China, Vietnam, Indonesia, Algeria, Ghana and all countries which hack out their own independent path to freedom. Prejudice is rife. For example, wherever there is armed struggle against the forces of reaction, the nationalists are referred to as rebels, terrorists, or frequently 'communist terrorists'!

Perhaps one of the most insidious methods of the neocolonialists is evangelism. Following the liberation movement there has been a veritable riptide of religious sects, the overwhelming majority of them American. Typical of these are Jehovah's Witnesses who recently created trouble in certain developing countries by busily teaching their citizens not to salute the new national flags. 'Religion' was too thin to smother the outcry that arose against this activity, and a temporary lull followed. But the number of evangelists continues to grow.

Yet even evangelism and the cinema are only two twigs on a much bigger tree. Dating from the end of 1961, the U.S. has actively developed a huge ideological plan for invading the so-called Third World, utilising all its facilities from press and radio to Peace Corps.

During 1962 and 1963 a number of international conferences to this end were held in several places, such as Nicosia in Cyprus, San Jose in Costa Rica, and Lagos in Nigeria. Participants included the CIA, the U.S. Information Agency (USIA), the Pentagon, the International Development Agency, the Peace Corps and others. Programmes were drawn up which included the systematic use of U.S. citizens abroad in virtual intelligence activities and propaganda work. Methods of recruiting political agents and of forcing 'alliances' with the U.S.A, were worked out. At the centre of its programmes lay the demand for an absolute U.S. monopoly in the field of propaganda, as well as for counteracting any independent efforts by developing states in the realm of information.

The United States sought, and still seeks, with considerable success, to co-ordinate on the basis of its own strategy the propaganda activities of all Western countries. In October 1961, a conference of NATO countries was held in Rome to discuss problems of psychological warfare. It appealed for the organisation of combined ideological operations in Afro-Asian countries by all participants.

In May and June 1962 a seminar was convened by the U.S. in Vienna on ideological warfare. It adopted a secret decision to engage in a propaganda offensive against the developing countries along lines laid down by the U.S.A. It was agreed that NATO propaganda agencies would, in practice if not in the public eye, keep in close contact with U.S. Embassies in their respective countries.

Among instruments of such Western psychological warfare are numbered the intelligence agencies of Western countries headed by those of the United States 'Invisible Government'. But most significant among them all are Moral Re-Armament (MRA), the Peace Corps and the United States Information Agency (USIA).

Moral Re-Armament is an organisation founded in 1938 by the American, Frank Buchman. In the last days before the second world war, it advocated the appeasement of Hitler, often extolling Himmler, the Gestapo chief. In Africa, MRA incursions began at the end of World War II. Against the big anti-colonial upsurge that followed victory in 1945, MRA spent millions advocating collaboration between the forces oppressing the African peoples and those same peoples. It is not without significance that Moise Tshombe and Joseph Kasavubu of Congo (Leopoldville) are both MRA supporters. George Seldes, in his book One Thousand Americans, characterised MRA as a fascist organisation 'subsidised by . . . Fascists, and with a long record of collaboration with Fascists the world over. . . .' This description is supported by the active participation in MRA of people like General Carpentier, former commander of NATO land forces, and General Ho Ying-chin, one of Chiang Kai-shek's top generals. To cap this, several newspapers, some of them in the Western world, have claimed that MRA is actually subsidised by the CIA.

When MRA's influence began to fail, some new instrument to cover the ideological arena was desired. It came in the establishment of the American Peace Corps in 1961 by President John Kennedy, with Sargent Shriver, Jr., his brother-in-law, in charge. Shriver, a millionaire who made his pile in land speculation in Chicago, was also known as the friend, confidant and co-worker of the former head of the Central Intelligence Agency, Allen Dulles. These two had worked together in both the Office of Strategic Services, U.S. war-time intelligence agency, and in the CIA.

Shriver's record makes a mockery of President Kennedy's alleged instruction to Shriver to 'keep the CIA out of the Peace Corps'. So does the fact that, although the Peace Corps is advertised as a voluntary organisation, all its members are carefully screened by the U.S. Federal Bureau of Investigation (FBI).

Since its creation in 1961, members of the Peace Corps have been exposed and expelled from many African, Middle Eastern and Asian countries for acts of subversion or prejudice. Indonesia, Tanzania, the Philippines, and even pro-West countries like Turkey and Iran, have complained of its activities.

However, perhaps the chief executor of U.S. psychological warfare is the United States Information Agency (USIA). Even for the wealthiest nation on earth, the U.S. lavishes an unusual amount of men, materials and money on this vehicle for its neo-colonial aims.

The USIA is staffed by some 12,000 persons to the tune of more than $130 million a year. It has more than seventy editorial staffs working on publications abroad. Of its network comprising 110 radio stations, 60 are outside the U.S. Programmes are broadcast for Africa by American stations in

Morocco, Eritrea, Liberia, Crete, and Barcelona, Spain, as well as from off-shore stations on American ships. In Africa alone, the USIA transmits about thirty territorial and national radio programmes whose content glorifies the U.S. while attempting to discredit countries with an independent foreign policy.

The USIA boasts more than 120 branches in about 100 countries, 50 of which are in Africa alone. It has 250 centres in foreign countries, each of which is usually associated with a library. It employs about 200 cinemas and 8,000 projectors which draw upon its nearly 300 film libraries.

This agency is directed by a central body which operates in the name of the U.S. President, planning and coordinating its activities in close touch with the Pentagon, CIA and other Cold War agencies, including even armed forces intelligence centres.

In developing countries, the USIA actively tries to prevent expansion of national media of information so as itself to capture the market-place of ideas. It spends huge sums for publication and distribution of about sixty newspapers and magazines in Africa, Asia and Latin America.

The American government backs the USIA through direct pressures on developing nations. To ensure its agency a complete monopoly in propaganda, for instance, many agreements for economic co-operation offered by the U.S. include a demand that Americans be granted preferential rights to disseminate information. At the same time, in trying to close the new nations to other sources of information, it employs other pressures. For instance, after agreeing to set up USIA information centres in their countries, both Togo and Congo (Leopoldville) originally hoped to follow a non-aligned path and permit Russian information centres as a balance. But Washington threatened to stop all aid, thereby forcing these two countries to renounce their plan.

Unbiassed studies of the USIA by such authorities as Dr R. Holt of Princeton University, Retired Colonel R. Van de Velde, former intelligence agents Murril Dayer, Wilson Dizard and others, have all called attention to the close ties between this agency and U.S. Intelligence. For example, Deputy Director Donald M. Wilson was a political intelligence agent in the U.S. Army. Assistant Director for Europe, Joseph Philips, was a successful espionage agent in several Eastern European countries.

Some USIA duties further expose its nature as a top intelligence arm of the U.S. imperialists. In the first place, it is expected to analyse the situation in each country, making recommendations to its Embassy, thereby to its Government, about changes that can tip the local balance in U.S. favour. Secondly, it organises networks of monitors for radio broadcasts and telephone conversations, while recruiting informers from government offices. It also hires people to distribute U.S. propaganda. Thirdly, it collects secret information with special reference to defence and economy, as a means of eliminating its international military and economic competitors. Fourthly, it buys its way into local publications to influence their policies, of which Latin America furnishes numerous examples. It has been active in bribing public figures, for example in Kenya and Tunisia. Finally, it finances, directs and often supplies with arms all anti-neutralist forces in the developing countries, witness Tshombe in Congo (Leopoldville) and Pak Hung Ji in South Korea. In a word, with virtually unlimited finances, there seems no bounds to its inventiveness in subversion.

One of the most recent developments in neo-colonialist strategy is the suggested establishment of a Businessmen Corps which will, like the Peace Corps, act in developing countries. In an article on 'U.S. Intelligence and the Monopolies' in International Affairs (Moscow, January 1965), V. Chernyavsky writes: 'There can hardly be any doubt that this Corps is a new U.S. intelligence organisation created on the initiative of the American monopolies to use Big Business for espionage'.

It is by no means unusual for U.S. Intelligence to set up its own business firms which are merely thinly disguised espionage centres. For example, according to Chernyavsky, the C.I.A. has set up a firm in Taiwan known as Western Enterprises Inc. Under this cover it sends spies and saboteurs to South China. The New Asia Trading Company, a CIA firm in India, has also helped to camouflage U.S. intelligence agents operating in South-east Asia.

Such is the catalogue of neo-colonialism's activities and methods in our time. Upon reading it, the faint-hearted might come to feel that they must give up in despair before such an array of apparent power and seemingly inexhaustible resources.

Fortunately, however, history furnishes innumerable proofs of one of its own major laws: that the budding future is always stronger than the withering past. This has been amply demonstrated during every major revolution throughout history.

The American Revolution of 1776 struggled through to victory over a tangle of inefficiency, mismanagement, corruption, outright subversion and counter-revolution the like of which has been repeated to some degree in every subsequent revolution to date.

The Russian Revolution during the period of Intervention, 1917 to 1922, appeared to be dying on its feet. The Chinese Revolution at one time was forced to pull out of its existing bases, lock stock and barrel, and make the unprecedented Long March; yet it triumphed. Imperialist white mercenaries who dropped so confidently out of the skies on Stanleyville after a plane trip from Ascension Island thought that their job would be 'duck soup'. Yet, till now, the nationalist forces of Congo (Leopoldville) continue to fight their way forward. They do not talk of if they will win, but only of when.

Asia provides a further example of the strength of a people's will to determine their own future. In South Vietnam 'special warfare' is being fought to hold back the tide of revolutionary change. 'Special warfare' is a concept of General Maxwell Taylor and a military extension of the creed of John Foster Dulles: let Asians fight Asians. Briefly, the technique is for the foreign power to supply the money, aircraft, military equipment of all kinds, and the strategic and tactical command from a General Staff down to officer 'advisers', while the troops of the puppet government bear the brunt of the fighting. Yet in spite of bombing raids and the immense build-up of foreign strength in the area, the people of both North and South Vietnam are proving to be unconquerable.

In other parts of Asia, in Cambodia, Laos, Indonesia, and now the Philippines, Thailand and Burma, the peoples of ex-colonial countries have stood firm and are winning battles against the allegedly superior imperialist enemy. In Latin America, despite 'final' punitive expeditions, the growing armed insurrections in Colombia, Venezuela and other countries continue to consolidate gains.

In Africa, we in Ghana have withstood all efforts by imperialism and its agents; Tanzania has nipped subversive plots in the bud, as have Brazzaville, Uganda and Kenya. The struggle rages back and forth. The surging popular forces may still be hampered by colonialist legacies, but nonetheless they advance inexorably.

All these examples prove beyond doubt that neo-colonialism is not a sign of imperialism's strength but rather of its last hideous gasp. It testifies to its inability to rule any longer by old methods. Independence is a luxury it can no longer afford to permit its subject peoples, so that even what it claims to have 'given' it now seeks to take away.

This means that neo-colonialism can and will be defeated. How can this be done?

Thus far, all the methods of neo-colonialists have pointed in one direction, the ancient, accepted one of all minority ruling classes throughout history—divide and rule.

Quite obviously, therefore, unity is the first requisite for destroying neo-colonialism. Primary and basic is the need for an all-union government on the much divided continent of Africa. Along with that, a strengthening of the Afro-Asian Solidarity Organisation and the spirit of Bandung is already under way. To it, we must seek the adherence on an increasingly formal basis of our Latin American brothers.

Furthermore, all these liberatory forces have, on all major issues and at every possible instance, the support of the growing socialist sector of the world.

Finally, we must encourage and utilise to the full those still all too few yet growing instances of support for liberation and anti-colonialism inside the imperialist world itself.

To carry out such a political programme, we must all back it with national plans designed to strengthen ourselves as independent nations. An external condition for such independent development is neutrality or political non-alignment. This has been expressed in two conferences of Non-Aligned Nations during the recent past, the last of which, in Cairo in 1964, clearly and inevitably showed itself at one with the rising forces of liberation and human dignity.

And the preconditions for all this, to which lip service is often paid but activity seldom directed, is to develop ideological clarity among the anti-imperialist, anti-colonialist, proliberation masses of our continents. They, and they alone, make, maintain or break revolutions.

With the utmost speed, neo-colonialism must be analysed in clear and simple terms for the full mass understanding by the surging organisations of the African peoples. The All-African Trade Union Federation (AATUF) has already made a start in this direction, while the Pan-African Youth Movement, the women, journalists, farmers and others are not far behind. Bolstered with ideological clarity, these organisations, closely linked with the ruling parties where liberatory forces are in power, will prove that neo-colonialism is the symptom of imperialism's weakness and that it is defeatable. For, when all is said and done, it is the so-called little man, the bent- backed, exploited, malnourished, blood-covered fighter for independence who decides. And he invariably decides for freedom.

Conclusion

In the Introduction I attempted to set out the dilemma now facing the world. The conflict between rich and poor in the second half of the nineteenth century and the first half of the twentieth, which was fought out between the rich and the poor in the developed nations of the world ended in a compromise. Capitalism as a system disappeared from large areas of the world, but where socialism was established it was in its less developed rather than its more developed parts and, in fact, the revolt against capitalism had its greatest successes in those areas where early neo-colonialism had been most actively practised. In the industrially more developed countries, capitalism, far from disappearing, became infinitely stronger. This strength was only achieved by the sacrifice of two principles which had inspired early capitalism, namely the subjugation of the working classes within each individual country and the exclusion of the State from any say in the control of capitalist enterprise.

By abandoning these two principles and substituting for them 'welfare states' based on high working-class living standards and on a State-regulated capitalism at home, the developed countries succeeded in exporting their internal problem and transferring the conflict between rich and poor from the national to the international stage.

Marx had argued that the development of capitalism would produce a crisis within each individual capitalist State because within each State the gap between the 'haves' and the 'have nots' would widen to a point where a conflict was inevitable and that it would be the capitalists who would be defeated. The basis of his argument is not invalidated by the fact that the conflict, which he had predicted as a national one, did not everywhere take place on a national scale but has been transferred instead to the world stage. World capitalism has postponed its crisis but only at the cost of transforming it into an international crisis. The danger is now not civil war within individual States provoked by intolerable conditions within those States, but international war provoked ultimately by the misery of the majority of mankind who daily grow poorer and poorer.

When Africa becomes economically free and politically united, the monopolists will come face to face with their own working class in their own countries, and a new struggle will arise within which the liquidation and collapse of imperialism will be complete.

As this book has attempted to show, in the same way as the internal crisis of capitalism within the developed world arose through the uncontrolled action of national capital, so a greater crisis is being provoked today by similar uncontrolled action of international capitalism in the developing parts of the world.

Before the problem can be solved it must at least be understood. It cannot be resolved merely by pretending that neocolonialism does not exist. It must be realised that the methods at present employed to solve the problem of world poverty are not likely to yield any result other than to extend the crisis.

Speaking in 1951, the then President of the United States, Mr Truman, said, 'The only kind of war we seek is the good old fight against man's ancient enemies ... poverty, disease, hunger and illiteracy.' Sentiments of a similar nature have been re-echoed by all political leaders in the developed world but the stark fact remains: whatever wars may have been won since 1951, none of them is the war against poverty, disease, hunger and illiteracy. However little other types of war have been deliberately sought, they are the only ones which have been waged. Nothing is gained by assuming that those who express such views are insincere. The position of the leaders of the developed capitalist countries of the world arc, in relation to the great neo-colonialist international financial combines, very similar to that which Lord Macaulay described as existing between the directors of the East India Company and their agent, Warren Hastings, who, in the eighteenth century, engaged in the wholesale plunder of India. Macaulay wrote:

'The Directors, it is true, never enjoined or applauded any crime. Far from it. Whoever examines their letters written at the time will find there are many just and humane sentiments, many excellent precepts, in short, an admirable code of political ethics. But each exultation is modified or nullified by a demand for money. . . . We by no means accuse or suspect those who framed these dispatches of hypocrisy. It is probable that, written 15,000 miles from the place where their orders were to be carried into effect, they never perceived the gross inconsistency of which they were guilty. But the inconsistency was at once manifest to their lieutenant in Calcutta. . . . Hastings saw that it was absolutely necessary for him to disregard either the moral discourses or the pecuniary requisitions of his employers. Being forced to disobey them in something, he had to consider what kind of disobedience they would most readily pardon; and he correctly judged that the safest course would be to neglect the sermons and to find the rupees.'

Today the need both to maintain a welfare state, i.e. a parasite State at home, and to support a huge and ever-growing burden of armament costs makes it absolutely essential for developed capitalist countries to secure the maximum return in profit from such parts of the international financial complex as they control. However much private capitalism is exhorted to bring about rapid development and a rising standard of living in the less developed areas of the world, those who manipulate the system realise the inconsistency between doing this and producing at the same time the funds necessary to maintain the sinews of war and the welfare state at home. They know when it comes to the issue they will be excused if they fail to provide for a world-wide rise in the standard of living. They know they will never be forgiven if they betray the system and produce a crisis at home which either destroys the affluent State or interferes with its military preparedness.

Appeals to capitalism to work out a cure for the division of the world into rich and poor are likely to have no better result than the appeals of the Directors of the East India Company to Warren Hastings to ensure social justice in India. Faced with a choice, capitalism, like Hastings, will come down on the side of exploitation.

Is there then no method of avoiding the inevitable world conflict occasioned by an international class war? To accept that world conflict is inevitable is to reject any belief in co-existence or in the policy of non-alignment as practised at present by many of the countries attempting to escape from neo-colonialism. A way out is possible.

To start with, for the first time in human history the potential material resources of the world are so great that there is no need for there to be rich and poor. It is only the organisation to deploy these potential resources that is lacking. Effective world pressure can force such a redeployment, but world pressure is not exercised by appeals, however eloquent, or by arguments, however convincing. It is only achieved by deeds. It is necessary to secure a world realignment so that those who are at the moment the helpless victims of a system will be able in the future to exert a counter pressure. Such counter pressures do not lead to war. On the contrary, it is often their absence which constitutes the threat to peace.

A parallel can be drawn with the methods by which direct colonialism was ended. No imperial power has ever granted independence to a colony unless the forces were such that no other course was possible, and there are many instances where independence was only achieved by a war of liberation, but there are many other instances when no such war occurred. The very organisation of the forces of independence within the colony was sufficient to convince the imperial power that resistance to independence would be impossible or that the political and economic consequences of a colonial war outweighed any advantage to be gained by retaining the colony.

In the earlier chapters of this book I have set out the argument for African unity and have explained how this unity would destroy neo-colonialism in Africa. In later chapters I have explained how strong is the world position of those who profit from neo-colonialism. Nevertheless, African unity is something which is within the grasp of the African people. The foreign firms who exploit our resources long ago saw the strength to be gained from acting on a Pan-African scale. By means of interlocking directorships, cross-shareholdings and other devices, groups of apparently different companies have formed, in fact, one enormous capitalist monopoly. The only effective way to challenge this economic empire and to recover possession of our heritage, is for us also to act on a PanAfrican basis, through a Union Government.

No one would suggest that if all the peoples of Africa combined to establish their unity their decision could be revoked by the forces of neo-colonialism. On the contrary, faced with a new situation, those who practise neo-colonialism would adjust themselves to this new balance of world forces in exactly the same way as the capitalist world has in the past adjusted itself to any other change in the balance of power.

The danger to world peace springs not from the action of those who seek to end neo-colonialism but from the inaction of those who allow it to continue. To argue that a third world war is not inevitable is one thing, to suppose that it can be avoided by shutting our eyes to the development of a situation likely to produce it is quite another matter.

If world war is not to occur it must be prevented by positive action. This positive action is within the power of the peoples of those areas of the world which now suffer under neocolonialism but it is only within their power if they act at once, with resolution and in unity.

Week 2 Discussion Questions

1) In his conclusion, Nkrumah writes “By abandoning these two principles and substituting for them ‘welfare states’ based on high working-class living standards and on a State-regulated capitalism at home, the developed countries succeeded in exporting their internal problem and transferring the conflict between rich and poor from the national to the international stage.” and so refers to the social democracies of Europe as capitalism. Why does he consider them to be capitalist? Do you consider social democratic states in Europe to be capitalist? Why or why not?
2) How is “aid” a means of exploitation?
3) “It must be realised that the methods at present employed to solve the problem of world poverty are not likely to yield any result other than to extend the crisis.” Why would Nkrumah write this? Do you agree?
4) “The foreign firms who exploit our resources long ago saw the strength to be gained from acting on a Pan-African scale. By means of interlocking directorships, cross-shareholdings and other devices, groups of apparently different companies have formed, in fact, one enormous capitalist monopoly. The only effective way to challenge this economic empire and to recover possession of our heritage, is for us also to act on a PanAfrican basis, through a Union

Government." What would a socialist movement that can fight this massive international interlocking set of corporations look like? How is China filling this role today?

5) Why is it advantageous for America and American industry to have other countries using our currency?