



Neo-Colonialism, the Last Stage of Imperialism

Excerpts

Introduction

THE neo-colonialism 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 practised 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 neo-colonialist 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 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 break-down, 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, some-thing 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.

Chapter 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 pre-eminent 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. [The Invisible Government, David Wise and Thomas B. Ross, Random House, New York, 1964.]

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 inter-national 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 non-equivalent 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 Inter-national 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 per cent 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 per cent 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 neo-colonialism 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 neo-colonialists 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*, characterized 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 co-ordinating 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.

Unbiased 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, pro-liberation 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 neo-colonialism 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 are, in relation to the great neo-colonialist international 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 Pan-African 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.

Course: Anti-Imperialism, War and Peace

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