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# Proletariat

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Labor Party of the United States of North America

**WORLD'S HIGHEST STANDARD OF LIVING**



## FEATURING

A Critique of the Comintern Position on the Negro Question  
*by Nelson Peery*

and articles on:

Transnational Capital . . . . . Cuba . . . . . and more . . .

# ***PROLETARIAT***

**Volume 2, No. 1**

**Summer, 1976**

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### EDITOR'S NOTE

The attentive reader will notice a change in the form of the latest *PROLETARIAT*. It signifies an attempt on the part of the editors to begin changing to a certain degree the nature of the journal as well.

*PROLETARIAT* has hitherto served as a forum for polemics and debate on the nature of the international communist movement, and the application of Marxism-Leninism to present-day society. It has reflected the attempt of our small Party to strike out independent of the senile, right-wing revisionists as well as the various Left phrasemongers who infect the world communist movement, and to make a qualitatively significant, if small, contribution to Leninist theory. Our Party has made contributions, and I think *PROLETARIAT* has provided a vehicle for some of them. The article on Lin Piaoism in Volume 1, Number 1 in particular began to clarify certain theoretical problems which since then have become more clear on the basis of further and deeper study—problems having to do with the nature of ideology, restoration of capitalism, etc.

If the central Party press—the *People's Tribune*, the *Tribuno Popular* and *Western Worker*—represent “centralism,” in the sense of representing the position of the Central Committee of the CLP, *PROLETARIAT* represents “democracy,” a place where individual comrades both inside and outside the Party can freely express their opinions, polemicize, agree or disagree with our positions, etc. *PROLETARIAT* must continue to provide such a forum for debate.

At the same time we should expand its function. It should also become a repository of analysis, research, history, etc. Our Party has not developed our present understanding of “Lin Piaoism,” the political economy of the Soviet Union, the nature of the split in the world communist movement, etc., out of thin air, but from concrete analysis of concrete conditions, which is really all that Marxism is. A tremendous amount of research has been and is being done within and around our Party on transnational capital, the National Association of Manufacturers, the history of the Third International, the Peoples' Democracies, etc. But too often this work is done in isolation by one or a few comrades in one part of the country, and gets lost. *PROLETARIAT* should be a place where research papers, book reviews, historical analysis and so on can be presented. If the comrades both inside and outside the Party take responsibility for sharing their work by submitting it to the journal it will quickly begin to come out as a real journal, on a regular basis, with regular departments (book reviews, columns, etc.). Some current articles (on transnational capital, Sun Myong Moon, Mexican immigration, etc.) represent the new direction, while the article by Comrade Nelson Peery on the Comintern position on the Negro Question represents a new qualitative level of the original function of *PROLETARIAT* as a forum for polemics and debate on the nature of Marxism-Leninism in the world today.

We hope that we can develop both aspects of the journal. We are expanding the editorial board from one to two (and later more, we hope)

comrades so that it can function more actively across the country. And we are really struggling to ensure regularity of publication (four times per year) so that the journal can sustain itself financially and grow. We appeal to you to help us by submitting articles. As before the pages of *PROLETARIAT* are open to any honest revolutionary. *Only* articles signed by the Central Committee of the CLP represent official positions; all others represent the opinion of the author only. When you send in articles (which should not be too long, for financial reasons), please tell us how you want it signed: with full name, initials, pseudonyms, location, etc. Send to: *PROLETARIAT*, Box 3774, Merchandise Mart, Chicago, Ill. 60654.

Comradely,  
Jonathan Aurthur, Editor

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## Letters to the Editor:

# LONG LIVE THE CUBAN REVOLUTION

Dear Comrade Editor:

In the last issue of the *PROLETARIAT* (Vol. 1, No. 2, Fall 1975), there appeared an article titled "The Present Situation in Cuba." The authors described this article as an analysis of "... Cuba's motion at this time . . .", but whatever their intentions, in fact, the article is nothing less than an attack on the Cuban revolution.

The Cuba article puts forward a number of propositions which while presented as "facts" are nothing more than thinly disguised ideological statements. The heart of the article is contained in the paragraph which begins: "In the present period of time, when the main contradiction in the world is between Marxism-Leninism and revisionism . . ." The authors never dare to make their complete political statement in an outright manner, but the sum-total of their propositions comes to saying that Cuba is not socialist, that the Communist Party of Cuba is not a Marxist-Leninist party, and indeed that the CP of Cuba is nothing more than a revisionist party. Let the words of the authors speak for themselves: "The ideology of the Cuban Party is itself a bourgeois ideology."

There is no way to separate the attack on the Cuban revolution without also dealing with the ideological propositions put forward in the article. The main ideological proposition is the one cited above about the main contradiction in the world being between Marxism and revisionism. The origin of this proposition rests with the late counterrevolutionary Lin Piao who attempted to assassinate Mao Tse-tung and tried to stage a military coup d'etat in socialist China. (For an excellent discussion of the Lin Piao line see *PROLETARIAT*, Vol. 1, No. 1, the article titled "China's Revolution is the Continuation of the Great October Revolution—A Refutation of Lin Piao.") The main implication of this proposition is that the struggle against revisionism is separate and on a higher level than the class struggle—the struggle of the proletariat against the bourgeoisie.

The great Lenin long ago clarified the Marxist attitude toward revisionism when he wrote:

Revisionism, or "revision" of Marxism, is today one of the chief if not the chief, manifestation of bourgeois influence on the proletariat and bourgeois corruption of the workers.

Therefore, the struggle against revisionism is not separate from the class struggle, but a very basic part of combatting bourgeois influence in the working class movement.

It seems to me that the root of the errors in the Cuba article come from confusion on the character of revisionism. Theoretically, revisionism is an attack on Marxism-Leninism in the form of liquidating those theoretical principles which are the foundation for the working class struggle for socialism. Practically revisionist parties adopt political lines which make concessions to the bourgeoisie, and very often put the working class movement on the tail of bourgeois parties and politics. Where socialism has been established the main deviations, both theoretically and practically, take the form of weakening the proletariat's dictatorship over the bourgeoisie. There is a great difference between revisionism and the policies of a Communist Party and socialist state trying to apply the principles of Marxism-Leninism to their particular revolutionary experience. This mistake is the basis of the leftish notions presented in the Cuba article.

It is not my purpose in this brief correspondence to go over the vast experience of the international communist movement in the struggle against revisionism; However, it is necessary to show the distinction between a revisionist line and the practical application of Marxism-Leninism. No Marxist-Leninist in this current period can go long without studying the polemics which opened the present world-wide anti-revisionist struggle. These polemics took the form of exchanges between the Communist Party of China and the Communist Party of the Soviet Union between 1959-65. I think that a study of these exchanges will show that the Communist Party of China formulated its criticisms of the renegade Khrushchov gang very carefully, only dealing with those theoretical statements which openly deviated from Marxism-Leninism, and which, when applied had harmed the interests of the Soviet working class and the entire international communist movement. For example, the main criticisms were directed against Khrushchovite theories about the dictatorship of the proletariat being "the state of the whole people," the support for the line of peaceful transition to socialism, and the line on war and peace. As these historic polemics show, revisionism is a conscious movement within Marxism-Leninism, and that revisionist policies are only founded on an open attack on Marxism-Leninism. The Cuba article authors try to declare that the Communist Party of Cuba is revisionist by criticizing practical policies, but nowhere do they show how these policies are based on a revision of Marxism-Leninism.

The best way to see this error is to examine the arguments advanced by the authors alongside the practical development of the Cuban revolution. There are two main points or charges raised in the Cuba article—first, that Cuba is not a socialist country, and second, that the Communist Party of Cuba is not a Marxist-Leninist Party.

The authors begin their analysis of Cuba's lack of a socialist economy

by tipping their collective hats to the accomplishments of the Cuban revolution. In their words, "The Cuban Revolution which triumphed in 1959 has raised the standard of living of the Cuban people enormously." And they conclude, "The distribution of goods and services in Cuba is of a socialist character." After their summary of the benefits of the revolution they go on to contend that Cuba is not socialist at all because Cuba does not produce its own means of production and must import its machinery and tools from both socialist and capitalist countries.

The history of the international communist movement has taught us a great deal about socialist construction. In the first land of socialism, the USSR, socialism was not officially established until 1936, when the Stalin Constitution declared the full victory of socialist relations over the remnants of capitalism. This was nearly 20 years after the October Revolution. Every socialist revolution since has had a similar experience, and all the socialist countries have had to import machinery, engines and raw materials in order to complete their historic task.

All situations have to be examined not just from their current position, but also from an examination of its history and development. Studying the Cuban Revolution shows that socialist construction was undertaken in the face of extremely unfavorable and difficult conditions. Prior to 1959, Cuba was totally dependent on the USNA for its existence. Aside from the production of sugar cane, tobacco and a few other crops, Cuba was without industry. Not a car, engine, or machine was produced in Cuba—everything, including a large percentage of the food, was imported. Comparing Cuba to China or Russia prior to their revolutions, these countries might have been called "industrial giants" alongside a total absence of industry in pre-revolutionary Cuba. China had its Manchurian, Wuhan and Shanghai industrial centers, and the USSR inherited the industrial centers of Leningrad, Moscow, the Donbas and others.

Cuba, like other socialist countries, was only able to begin socialist construction after a period of consolidation of political power, struggle against the counterrevolutionary elements and gradual expropriation of all the economic resources. Full scale socialist construction began on a very fragile basis—the production of sugar cane. There were two choices before the revolutionary leadership: attempt a program of industrialization without raw materials and without a small number of factories, or first secure the physical well-being of the Cuban people and use sugar cane as a medium of exchange to purchase the necessary means of production to build an industrialized Cuba. The authors of the article attest to the success of the revolution in lifting the Cuban people out of poverty and misery, what seems to upset them is that it didn't follow some pat formula the authors consider "pure" Marxism-Leninism.

The second major contention of the authors is that Cuba does not have a Marxist-Leninist party. Here again are their own words: "Cuba has never had a Party of this type, truly guided in its practice by Marxist-Leninist theory." The authors base this stand on the analysis that the Cuba Party

sees revolution, particularly revolution in Latin America, as based on the ". . . anti-imperialist national bourgeoisie. . ." In a rather strained and round-about way the authors are portraying the Communist Party of Cuba as a revisionist party.

Nowhere in the article are any specific examples given to back up the contention that the Cuban Party sees revolution based on the national bourgeoisie. However, this criticism is neither new, nor original. Specifically, certain "left" elements attacked the Communist Party of Cuba for its stand on Chile during the period of the Allende Popular Unity government, voicing almost identical criticisms as those raised by the authors. Since the authors offer no specific examples for their criticisms I must assume that they were basing their stand on the Cuban Party's attitude toward Allende and the Popular Unity government, and therefore it is necessary to look at this particular situation to see whether the line of the CPC was incorrect.

Salvador Allende was a social-democrat who made many mistakes, and who had a distorted vision of bringing socialism to Chile, but in spite of certain political errors, the real significance of the Allende period can be seen when contrasted with the rest of Latin America. The Popular Unity government was a fresh political wind in Latin America—it was democratic, anti-imperialist and anti-fascist. While in power, Allende and the UP coalition he led confiscated the property and holdings of imperialist corporations, large estates and plantations were broken up, and democratic rights were reinstated for the working-class and the rest of the toiling masses. In the end, Salvadore Allende and many of his close associates, actively combatted the fascist coup and gave their lives defending the interests of the Chilean people. Clearly, Allende was not a Social-Democrat like Britian's Harold Wilson, Germany's Willy Brandt, India's Indira Gandhi or Israel's Golda Meir. Salvadore Allende is rightfully recognized by the people of the world as an anti-fascist martyr.

Was it wrong for revolutionary Cuba to welcome the Popular Unity government? Not at all. The UP government was a revolutionary beacon for the downtrodden masses of Latin America living under the jack-boot of fascist dictatorship in almost every country on the continent. Moreover, the position of Cuba on Chile was not at all one-sided support for the Popular Unity coalition; while supporting the democratic and anti-imperialist policies of the UP, the Cuban Party worked very closely with the MIR to create a revolutionary party capable of taking advantage of the Allende period to prepare the Chilean workers and peasants for the reactionary counterrevolution which was bound, and did, take place.

Also implied in the authors' analysis of the Cuban Party are criticisms of the historical development of the Party. It is quite true that the revolution which overthrew Batista was not led by a Communist Party, but by a movement composed of various political elements. The July 26 Movement, for years, was the political leadership of the Cuban people, not a Marxist-Leninist Party. Yet, the fact is that out of the July 26 Movement grew the present Communist Party of Cuba, a Marxist-Leninist Party that drew its

forces from the socialist minded leaders of the July 26 Movement, from the revolutionary leaders of the old Cuban Communist Party, and from other smaller progressive and anti-imperialist parties and groups in Cuba. While this course of party building may not fit into some classical mold and may seem "tainted" to some people, it has great historical significance. The development of the Communist Party of Cuba was the result of a split in the Cuban national liberation movement, a parting of the ways between the representatives of the national bourgeoisie who wanted to capture Cuba for their own exploitation, and the forces representing the workers and peasants who saw the only real salvation from imperialism is socialism. It is quite likely that a similar course toward Marxism-Leninism will take place in other countries of Latin America, Africa and the Middle East.

In general the article on Cuba was a great disservice to the workers of the Americas. Cuba is the first land of socialism in the Western hemisphere. It is a great inspiration to the revolutionary people of North and South America. The proletarian internationalism shown by Cuba around Chile, Vietnam and now Angola is a fine example for Marxist-Leninists everywhere. Those of us on the road to socialism in the USNA gain great strength from revolutionary Cuba and should raise our fists in saluting the consolidation of the Communist Party of Cuba at its First Party Congress, and extend our hands in fraternal greetings to our comrades in arms against USNA imperialism.

J. Freed

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## Who On Earth is Sun Myung Moon?

If the Reverend Sun Myung Moon (Mun Son Myong) and his moonies are getting on people's nerves his God Bless America Bicentennial Salute ought to cause feelings approaching revulsion. With the kind of backing he has it would seem more in keeping for Moon to be celebrating Pearl Harbor, 1941, than the revolution of 1776.

It was only two years ago that the millionaire Moon was buying full page advertisements displaying his lack of knowledge of the revolutionary political tradition of the United States. Richard Nixon, claimed Moon, had been put into office by God and could be removed only by His will. This is an outright defense of the principle of the divine right of kings—the conception that was fought against in the Revolutionary War 200 years ago. The Declaration of Independence put it very clearly: “governments are instituted among men, deriving their just powers from the consent of the governed”; not from God. It's hard to imagine a greater misconception of what the Bicentennial is about.

It is not a misconception really. Moon knows what he's doing. As one Japanese described the Moon movement, it is “less a religion than an anti-communist group.”[2] In South Korea the kind of mass rally Moon production we are beginning to recognize in the US is said to be concocted of such religious frenzy and anti-communism that participants pledge to die on the front lines in a war against North Korea. Apparently his followers really believe he is the Messiah.

Well, there have been charlatans before, but they sure have been proliferating lately as each new huckster tries to obscure the visible truth of capitalism's decay.

The New York City Council of Churches didn't find Moon's Christian credentials very impressive and they twice voted to deny Moon's Unification Church's requests to be part of the ecumenical group. The executive director of the Council said, “Some were concerned about charges that Moon has a munitions factory in South Korea. Others worried about the parents who say Moon brainwashes young people, and others were concerned about where exactly he gets his money.”[2]

A long and important article by Ann Crittenden in *The New York Times* showed Moon's links to the repressive Pak Jung Hi regime in South Korea and to the Korean CIA. The most direct connections are found in the person of Moon's translator and “constant travelling companion” (controller?) Colonel Bo Hi Pak. Bo was a Korean military attache in Washington from 1961 to 1964 at which time his job was to be liaison between the Korean CIA and the U.S. intelligence agencies. Ms. Crittenden reports that people in

both the U.S. State Department and the Justice Department had seen an intelligence report which described a meeting between Bo Hi Pak and South Korean President Pak Jung Hi at which financing was discussed. That would seem to make Bo an agent of the South Korean government, which he claims not to be.

Robert Mardian, who was head of the internal security division of the Justice Department at the time, dropped an investigation into the matter because “competent evidence” was missing. Mardian, it will be remembered, helped to destroy incriminating documents from the Committee for the Re-Election of the President (CREEP) when Nixon got in trouble. Sun Myung Moon stuck with Nixon until the end.

Representative Donald Fraser says, “We have received information which strongly suggests that certain persons and associations close to Sun Myung Moon have had a cooperative relationship with the Korean Government and the Korean CIA.” [3]

On the other hand, the weekly *People's Korea*, which is published in Tokyo, claims that Moon is “an operative of the American CIA” and a financial backer of the Pak Jung Hi regime. [4]

The linkages become rather complex but it helps to have certain things in mind. First that South Korea is dominated to the point of vassalage by Japanese and U.S. capital. Second, that although the Korean CIA was set up by President Pak, it is in fact subordinated to the Seoul branch of the U.S. CIA. [5]

And third, that Pak Jung Hi was an officer in the Japanese army in World War II and had written a pledge to “His Majesty the Emperor” of Japan in his own blood. After the war, though, he seems to have become a secret U.S. agent. [6] He took power in a military coup in 1961. Alluding to Pak's coup Allen Dulles said in a BBC interview on May 3, 1964 that the most successful activity of the CIA abroad during his term of office was the South Korean “military revolution.”

But back to “God's Colonel,” Bo Hi Pak, the Rev. Moon's closest associate. He heads the Korean Cultural and Freedom Foundation (KCFF) whose legal counsel is Robert Amory, Jr., former deputy director of the CIA. Amory is now a partner in the law firm of Corcoran, Roley, Youngman & Rowe. That firm is said to maintain the finest intelligence service in Washington. The Corcoran firm was responsible for organizing Civil Air Transport, which later became Air America, the CIA's opium ferrying South East Asia proprietary. CAT/Air America pilots, like Lockheed's U-2 pilots, came mostly from the U.S. Air Force, and they had the same rights of return into the USAF at the end of their “civilian” tour. [7]

On the board of directors of Pacific Corporation, the parent company of Air America, sat the late Charles Cabell who was deputy director of the CIA from 1953 to 1962. [8] His brother, Earle Cabell, was Mayor of Dallas when President John F. Kennedy was murdered there.

That Bo's KCFF is represented by an ex-high CIA official who is now a partner in the Corcoran firm is especially intriguing because Tommy “the cork” Corcoran has an interesting history. His brother was on the board of a

firm that had cartel agreements with the German firm I.G. Farben. Before the Second World War Thomas Corcoran represented the firm, Sterling Products, at a trial in which the court established that because of the deals with I. G. Farben the production of certain drugs and war materials had been obstructed. After the war began, Tommy Corcoran admitted he was a lobbyist for German trusts and that he had been paid \$100,000 for his services. [9]

These connections become even more interesting when the Japanese backing for Moon's movement is examined. Three Japanese whose names have become familiar to Westerners are reported to have contributed money to the Unification Church: Kishi Nobusuke, Kodama Yoshio, and Sasagawa Ryoichi. The three got to know each other in December 1945 when they were all in Tokyo's Sugamo Prison as Class A war criminals. Kishi Nobusuke had been minister of commerce in the wartime Tojo cabinet; he was later to become a post-war prime minister. His brother, Sato Eisaku, has also been a prime minister, but he fell from power when it was uncovered that he had accepted a sizeable bribe. Perhaps it is a familial failing, for brother Kishi has been implicated in the recent Lockheed bribery scandal.

Kodama Yoshio, the "Godfather" of the Japanese right, is a power behind the scenes in Japanese politics. He commands the allegiance of a large underworld following. He, too, has achieved notoriety because of his key role in the Lockheed scandal.

The third man, Sasagawa Ryoichi, is Moon's chief financial backer in Japan. In 1940 he met with Mussolini in order to bring about the negotiations that led to the Tripartite Pact which aligned Japan with Italy and Nazi Germany against the allies in World War II.

According to an authority on rightist affairs, Ono Tatsuzo, both Kodama and Sasagawa are believed to be collaborators with the U.S. CIA and on its payroll. [10] Sasagawa, besides having important friends in Washington, is said by the co-director of *New Asia News* to have "at least one (friend) at Chase Manhattan." [11] Perhaps most significantly, Sasagawa has been a leading figure in the Asian Peoples' Anti-Communist League (APACL), and he is the chairman of its umbrella organization the World Anti-Communist League (WACL).

Various permutations of these kinds of organizations have existed since the early 1920's when the International Anti-Bolshevik League was set up by intelligence operatives, White Russians, and big money men. In the '20's, Japan financed a Far East branch of the International Anti-Bolshevik League in Harbin, Manchuria, under the leadership of the Cossack terrorist, Ataman Semyenov. But it wasn't until 1954 at the initiative of John Foster Dulles that the Asian People's Anti-Communist League was formed by Chiang Kai-shek and south Korean President Syngman Rhee. At their 12th conference in 1966, the World Anti-Communist League was founded and became the successor to the APACL.

Rev. Moon participates in Sasagawa's organization as the head of the International Federation for Victory over Communism. In 1970 Moon

sponsored a WACL conference in Tokyo.

In addition to Sun Myung Moon, these anti-communist leagues have united diverse right-wing individuals and groups through the years. One such individual was Spas T. Raikin, who first provoked some interest after the assassination of President Kennedy when it was learned that he had met Lee Harvey Oswald upon Oswald's return from the Soviet Union in 1962. Although the Warren Commission described Raikin simply as a "member of the traveller's aid society," Raikin was also the secretary general of the American Friends of the Anti-Bolshevik Block of Nations, and as such had personal contact with Sasagawa's APACL.

Another figure connected to the John Kennedy assassination, Guy Bannister, also had links to the APACL. Bannister was an FBI agent who went on to direct anti-Castro activities in New Orleans. When Oswald was handing out leaflets for his fictitious Fair Play for Cuba Committee, the address on the leaflets was Bannister's. Bannister employed David Ferry, the key figure in Jim Garrison's JFK probe, and worked himself for Carlos Marcello, who is known as a power in the world of organized crime. Bannister was also associated with the para-military Minutemen and had founded the Anti-Communist League of the Caribbean, his direct tie to the APACL. Bannister's organization was reported to have been involved in plots against the lives of Fidel Castro and Charles De Gaulle, plots said to be financed with U.S. CIA money. [12]

Other groups affiliated with the shadowy WACL have included the Cuban exile group Alpha 66, and the American Security Council which maintained an index of over one million "subversives". The names were largely drawn from the anti-Semitic files of Harry Jung, a man associated with the Nazi anti-Komintern of the 1930s. [13] Another tie with Nazis is the organization of Ukrainian Nationalists (OUN), a CIA financed exile group [14] with ties to the Gehlen apparatus—Hitler's anti-Soviet intelligence organization that was taken over by the CIA after Germany's defeat in World War II.

At the World Anti-Communist League's third conference held in Bangkok, the WACL was greeted on behalf of the Nixon administration by a message from then Vice-President Spiro Agnew.

In view of a report from the American Friends Service Committee that it has been approached recently by young people trying to "escape" from Moon's church, (the typical statement of one ex-moonie who claimed: "They took my mind. If I didn't get out when I did I don't think I ever would have gotten out." [16]) another ominous aspect of the APACL/WACL must be noted. The APACL has actually written of its collaboration with psychological-warfare experts in the U.S. Department of Defense and with the John Birch Society. [17]

It can be seen, then, that Moon, Sasagawa and their associates are often engaged in far more than mere anti-communist lobbying. Their activities extend to intelligence gathering, assassination plots, and even to narcotics traffic as was illustrated in 1971 when the chief Loatian delegate to the



APACL was arrested in Paris, his suitcase containing 60 kilos of heroin. Narcotics smugglers, intelligence agents, war criminals and right-wing exiles—these are the “apostles” of the new Messiah, Sun Myung Moon...

## NOTES

1. Quoted in Jonathan Marshall, “Evangelism—Ally of Park Chung Hee”, *Korea Focus*, March-April 1975.
2. Lindsay Miller, “Moonie Case Not for Court,” *New York Post*, May 22, 1976.
3. Ann Crittenden, “Moon’s Sect Pushes Pro-Seoul Activities,” *The New York Times*, May 25, 1976.
4. “Lockheed Scandal: U.S.-Japan-S. Korea Nexus”, *The People’s Korea*, February 25, 1976.
5. Wilfred G. Burchett, *Again Korea*, New York, International Publishers, 1968. p. 158.
6. See John Hitz, “Who is Pak Jung Hee?” *Korea Focus*, Winter-Spring 1976.
7. Peter Dale Scott, *The War Conspiracy: The Secret Road to the Second Indochina War*, New York, Bobbs-Merrill, 1972. Pp. XVII-XIX; 197.
8. Committee of Concerned Asian Scholars, *The Opium Trail: Heroin and Imperialism* (pamphlet) n.d.
9. N. Vladimirov, “West German ‘Mafia’ in Washington,” *International Affairs* (Moscow), September 1965.
10. *The People’s Korea*, *op. cit.*
11. James Stentzel, “Lockheed Aids Japan’s Militarists”, *The Nation*, March 6, 1976.
12. William Turner, “The Garrison Commission” in Peter Dale Scott, Paul L. Hoch and Russell Stetler, eds., *The Assassinations: Dalls and Beyond—A Guide to Cover-ups and Investigations*, New York, Vintage Books, 1976.
13. Peter Dale Scott, *The Dallas Conspiracy* (Unpublished ms.), Chapter II, p. 28.
14. See Maris Cakars and Barton Osborn, “Operation Ohio: Mass Murder by US Intelligence Agencies”, *Win*, September 18, 1975.
15. “Moon mixes God, Fascism”, *The Guardian*, June 2, 1976.
16. Quoted in Michael Pousner, “Who’s Afraid of Sun Myung Moon?” *Penthouse*, June 1976.
17. Scott, *The War Conspiracy*, p. 204.

## CONTRADICTIONS WITHIN FINANCE CAPITAL

**“What is transnational capital and the difference between it and the finance capital we have always associated with imperialism?”**

Far from inventing new categories of capital different from finance capital as described by Lenin in *Imperialism*, the term “transnational” capital describes a highly developed *form* of finance capital.

Lenin wrote that “the concentration of production; the monopolies arising therefrom; the merging or coalescence of the banks with industry—such is the history of the rise of finance capital, and such is the content of this term.” (*Imperialism*, FLP, Peking, pp. 52-3) However, our knowledge of dialectics informs us that no process is identical with itself; *i.e.*, the “merger” does not produce a unitary entity. It produces an intensified contradiction between capital applied to production and capital in its money form. Finance capital is comprised of these two intimately connected, inseparable and at the same time mutually exclusive extremes.

“It is characteristic of capitalism in general that the ownership of capital is separated from the application of capital to production, that money capital is separated from industrial or productive capital, and that the rentier who lives entirely on income obtained from money capital is separated from the entrepreneur and from all who are directly concerned in the management of capital. *Imperialism, or the domination of finance capital, is that highest stage of capitalism at which this separation reaches vast proportions.*” (*Imperialism*, p. 69)

One cannot stress enough the profoundness of Lenin’s analysis. We are saying nothing new or different. Lenin shows that while finance capital represents the merger of bank and industrial capital, at the same time the gap which separates them “reaches vast proportions.” This contradiction is the objective basis for our analysis of the two sections of the bourgeoisie, and is the theoretical basis for the understanding of “transnational” capital.

In the second volume of *Capital*, Marx discusses the circulation of capital. He shows how capital passes through three different forms (or “circuits” which correspond to these forms); and the necessity and difference of each circuit. He also shows that capital must exist simultaneously in, and pass through all of these circuits to remain capital. The process of capitalist production cannot begin without capital in the money form, money-capital, which is necessary to purchase means of production and labor power. Through this exchange, money-capital is transformed into productive capital which, through the process of

production, is transformed into commodities enriched with surplus value—commodity-capital. The commodity capital must be transformed into money-capital for the process to continue.

"Money-capital, commodity-capital and productive capital do not therefore designate independent kinds of capital whose functions form the content of likewise independent branches of industry separated from one another. They denote here only special functional forms of industrial capital, which assume all three of them one after the other." (*Capital*, II, p. 50)

With the development of capitalism, the amount of time needed for an individual capital to circulate (*i.e.*, pass through the unity of its three phases) is reduced. Marx then notes, "A very considerable portion of the social circulating capital which is turned over several times a year, will therefore periodically exist in the form of released capital during the annual turnover cycle . . . It is further more evident that, all other circumstances being equal, the magnitude of the released capital grows with the volume of the labour-process or with the scale of production, hence with the development of capitalist production in general." (*Capital*, II, p. 285)

"Now," Marx continues, "if we take a closer look at the released, or rather suspended, capital, we find that a considerable part of it must always be in the form of money-capital." (*Capital*, II p. 285) "The money-capital thus released by the mere mechanism of the turnover movement (together with that freed by the successive reflux of fixed capital and that required in every labour-process for variable capital) must play an important role as soon as the credit system develops and must at the same time form one of the latter's foundations." (*Capital*, II, p. 286)

Engels adds the following note: "The essential point in the text is the proof that on the one hand a considerable portion of the industrial capital must always be available in the form of money and that on the other hand a still more considerable portion must temporarily assume the form of money." (*Capital*, II, p. 289)

As capitalist production expands in scope, larger amounts of money-capital are thrown off, held temporarily in the money form. This gives rise to the increased importance of the banks.

"The principal and original function of banks is to serve as middlemen in the making of payments . . . As banking develops and becomes concentrated in a small number of establishments, the banks grow from humble middlemen into powerful monopolies having at their command almost the whole of the money-capital of all the capitalists and small businessmen . . ." (Lenin, *Imperialism*, p. 31) Lenin goes on to demonstrate that as the bank monopolies grow, "a handful of monopolists subordinate to their will all the operations, both commercial and industrial, of the whole of capitalist society . . . and finally entirely determine [*the various capitalists*] fate, determine their income, deprive them of capital, or permit them to increase their capital rapidly and to enormous dimensions." This, Lenin refers to as the "terrorism" of the banks.

Finance capital, the merger of bank and industrial capital, is characterized by the struggle between its two aspects. "The old struggle between small and big capital is being resumed at a new and immeasurably higher state of development." (*Imperialism*, p. 49)

The sphere of capital applied to production, productive capital, is fundamentally different from that of the sphere of money-capital. The productive capitalist is tied to the process of production, tied to his means of production, daily required to deal with the workers, to ensure the continuity of production, the transformation of productive capital into commodity capital which must then be transformed into money-capital. The "rentier" or "financier" is not **directly** involved in the productive process. He loans money-capital and receives money-capital in return, enriched with an increment. He can loan wherever the promise of profit is highest. His money-capital is fluid and moves freely to any point of production.

The process of production is dependent upon the availability of money-capital. Thus as imperialism develops, with the merger of bank and industrial capital, bank interlock with and control of industry grows. These interconnections are demonstrated very graphically by the board of directors of any major bank or corporation. But this does not do away with the fundamental contradictoriness of the applications of productive and money capital.

Transnational capital is a highly developed form of finance capital. It is the internationalized money capital of the foremost financiers of the leading imperialist nations, headed up and dominated by the USNA/Wall Street grouping. While the industrial financial capitalists of the imperialist nations are rooted in domestic production with multinational extensions of this productive process, the leading financier-imperialists have consolidated into an internationalized, *transnational* grouping. They freely trade on one another's stock markets, industries, banks and invest in one another's countries and possessions. Transnational capital, the internationalized money-capital of this international financial cartel, flows freely around the world in search of maximum profit. While invested in the process of production, it is not tied to specific investments or locations, regional or national.

The transformation of pre-monopoly capitalism into imperialism produced a corresponding change in the form of imperialism, from mercantile imperialism and its corresponding form, the direct colony, into modern financial imperialism. Direct colonialism was undermined by the export of capital and the creation of classes in the colonies; national movements and the requirements of the imperialists to consummate their economic stranglehold beneath a mantle of "independence" (an independent state) resulted in the extension of the neocolonial form. Following World War II, and the domination of world imperialism by the USNA, the rapid completion of neocolonization, the releasing of the colonial markets from the exclusive domination of any one power was imperative, a necessity resulting from the development of the internationalized section of the leading bourgeoisies under the domination of Wall Street. Transnational

capital demanded the completion of neocolonization.

**“Who is Wall Street? Is it just Rockefeller? What about Morgan, etc.?”**

No, Wall Street is not just Rockefeller, but a section of finance capital dominated by the Rockefeller (Chase Manhattan-Metro/Equitable Life-oil monopoly)-Mellon (Gulf, Alcoa)-First Boston (John Hancock Life, etc.) grouping. This grouping also includes Kuhn, Loeb (investment bankers and original owners of Manhattan Bank which later merged with Rockefeller's Chase National) thus linking up major railroads and other main Wall Street investment bankers such as Goldman, Sachs, etc. But since this section of finance capital is dominated by the Rockefeller interests, we refer to it in a sort of shorthand, as Wall Street, or simply Rockefeller. This section of finance capital is primarily concerned with the application of money-capital, as opposed to the N.A.M. section of finance capital, which is primarily concerned with the application of capital to production.

As for the house of Morgan, they are, of course, a part of the Wall Street financial world, but they are now subordinated to the domination of the Rockefeller grouping.

For a long time, Morgan *meant* Wall Street; the Rockefellers were upstarts. But this is no longer the case. The Morgan financial (*i.e.*, banking) empire was eclipsed, especially since World War II, by the Rockefeller-Mellon-Boston grouping. **This happened for many reasons, but the main reason was the shift from steel (the base of the Morgan empire) to oil (the base of the Rockefeller empire) as the most critical source of profit and power. As oil superceded steel, Rockefeller superceded Morgan.**

“As steel has been the untouchable core of the Morgan power, so oil has been for the Rockefellers. And what has happened is that oil surpassed steel in scope. Between 1901 and 1953 production of steel increased 7½ times while production of oil increased 34 times. In 1909 steel companies accounted for 30.8% of the assets of the 100 largest industrial companies; oil companies for 7.4%. Forty years later (in 1948) *these proportions were almost reversed*, oil having 28.8% and steel 11.9% of the assets of the 100 largest companies.” (Victor Perlo, *The Empire of High Finance*, p. 132, International Publishers, 1954.)

Also, the Morgan financial network was historically based (internationally speaking) in Western Europe and Great Britain. But the Rockefeller apparatus, from the beginning, was built upon a truly **global** oil and kerosene marketing system developed as early as the turn of the century.

As the Rockefeller grouping consolidated its stranglehold upon the world of money-capital, Morgan was thrown back upon its industrial underpinnings, drawn back toward the other pole of finance capital, the N.A.M. Arising on a basis of global exploitation and financial stranglehold, the vast Rockefeller-Wall Street section has become progressively internationalized, extending the influence and power of its transnational money-capital.

**“How is a company like G.E., with a tremendous base in the financial capital of Morgan Guaranty Trust, the largest electrical company in the world and one which operates in 38 countries—how is this different than transnational capital?”**

It is, of course, undeniable that GE is the 8th largest corporation and is a cornerstone of the Morgan grouping. But Wall Street dominates the world of *money-capital*. GE is multinational in the sense that it exports productive capital in the form of plants, etc., to a large number of other countries. But Wall Street money-capital is part of the transnational financial cartel, *headed and dominated* by the Rockefeller grouping—it flows freely, can invest anywhere, and is nowhere tied down, except temporarily, in the productive process, from whence it is yielded back up enriched, and freed to move on. But the productive capital of the multinational corporation is tied down in a string of plants, all of which must be kept running.

We are dealing with a contradiction between the productive and money forms of capital. GE, GM, Boeing, *et. al.*, are all in the same boat *vis-a-vis* this contradiction. The daily squeeze of the deepening world crisis of imperialism creates the need for more and more money-capital to ride out the disruptions and stagnations of crisis, until their productive capital, transformed into commodity-capital, can be reconverted into money-capital. But the imperialists' market is constantly shrinking. More and more capital sits, stagnates as commodity-capital, losing value as it sits.

It is clearly an objective contradiction of imperialism. In order to get through, to survive, let alone to expand and compete, more and more money-capital must be available to be applied to production. The N.A. M. section of finance capital can't convert their tied up productive- and commodity-capital into money-capital necessary to re-invest in production. This needed money-capital is controlled by the Wall Street section, who can choose to lend it wherever it is to *their own* advantage (maximum profit). This produces the political situation in which the N.A. M. section of finance capital seeks policies that would force the Wall Street section's money capital into N.A.M. industrials and not into German, Brazilian or Japanese industrials. On the other hand, Wall Street needs political policies that **allow it to roam freely across the globe, maximizing its money-capital**, needed to keep the capitalist system going. The only real solution is to free up more markets and it is at that point that the interests of the two opposed sections of finance capital become identical. But the N. A. M. section is more squeezed now; while the Wall Street section has more maneuverability.

**“What is a multinational corporation, and what is a transnational corporation?”**

During the period of mercantile imperialism, which corresponded to the pre-monopoly stage of capitalism, the capitalists of the more advanced capitalist countries, for example Britain, using their organ of violence, their state, especially their armies and navies, conquered and occupied foreign

markets, e.g. Egypt, India, the North American colonies. Holding these colonies in bondage with military force, the capitalists carted off raw materials (e.g., cotton) and carted back commodities (e.g. cloth) which they sold to these captive markets.

Lenin showed, in *Imperialism*, how, as capitalism developed, it threw off greater and greater quantities of money, giving rise to the financial domination of the banks. Pre-monopoly capitalism was transformed into monopoly capitalism—modern financial imperialism. “On the threshold of the 20th century, we see the formation of a new type of monopoly; firstly, monopolist capitalist combines in all capitalistically developed countries; secondly, the monopolist position of a few very rich countries, in which the accumulation of capital has reached gigantic proportions. An enormous ‘superabundance of capital’ has arisen in the advanced countries.” This demands the export not of commodities, but of capital itself.

Capital can be exported in two forms—in its money form, as loans for the development of industry, or as industry itself, the building of plants and means of production.

During the early stages of modern imperialism, as Lenin further noted, the leading imperialists divided, and later warred to redivide the world between themselves, for exclusive preserves for the export of their own capital. Between the world wars, the form of direct colonialism, owing to the growth of capital relations in the colonies and rising national movements as well as the growing dominance of US imperialism, began to be transformed, on the Latin American model, into the form of neocolonialism.

By the close of World War II and the formation, under the domination of the financiers of Wall Street of an international section of financial representatives of the leading imperialist bourgeoisies, the motion toward the completion of neocolonization throughout the imperialist world began in earnest.

The multinational corporation is a result of the export of capital in its productive form, the building of a chain of productive apparatuses in the colonial world, e.g., GM plants in Latin America and South Africa. On the other hand, the export of money-capital resulted in the domination and control of the productive apparatuses of *other nations*. With the increased domination of the banks and financier section of finance capital, and the consolidation of the transnational imperialist financial cartel under the domination of Wall Street, transnational capital emerged: money capital manipulated by a transnational grouping, tied not to nations, but only to the field of highest return.

These two forms of investment are fundamentally different. The multinational corporation requires the production, circulation and sale of finished commodities and reinvestment into production. This requires, in the face of recurrent crises, constant and increasing reserves of money capital to continue producing. The transnational corporation is directly concerned only with the expansion of money—this expansion can only occur in production, but the ownership and maintenance of the *productive capital*

is in *other hands*. The multinational corporation *produces commodities*; the transnational corporation invests money-capital and circulates others' commodities.

While capital passes through three circuits, as described in Marx's *Capital*, (Vol. 2, Chs. 1-4), these three circuits resolve into two main processes: the process of production and the process of circulation. The industrial capitalist exchanges money-capital for means of production and labor power with which he produces commodities. These commodities must then be sold to realize the investment *and* surplus in a form (money) that can be reinvested in production, on a constantly expanding scale. The productive process, the province of the industrial capitalist, is the beginning and end of this circuit. From the moment the commodity is completed, the capital investment is locked in the bodily form of the commodity-capital which must be sold. The process of circulation, the passage from commodity-capital to money-capital throws off increasing amounts of money, which is either used productively or becomes a hoard. The industrial capitalist uses what he can; the remainder must be held in a bank until it can be used productively. As capitalism develops, the banks, by their own investment of this capital held temporarily in the money form, accumulate their own money capital—money to be expanded in production. The circuit of this money capital is different; it begins as money and ends as expanded money in the hands of the financier.

Marx also proves that additional money, necessary to circulate commodities, always returns to its source. The more additional money that becomes necessary to carry on production, which is thrown into circulation (at a price) by the banks, the more money, enriched with a surplus, returns to the banks.

The transnational corporation presently takes two main forms: the primary form is the financial institution itself, namely the bank and insurance company. They accumulate more and more money-capital, and by their financial power, more and more dominate and control production. With the development of transnational capital, the banks are the primary agencies through which transnational capital flows in search of maximum profit. The other main form of the transnational corporation is best exemplified by the oil and grain monopolies.

The international oil monopoly, headed up by the Rockefellers, historically owned the major extractive apparatus of the world's oil industry. As transnational capital was consolidated and the neo-colonization of the colonial world proceeded, the world witnessed the “nationalization” of the oil industries of the various neocolonies, especially in Latin America and in the Middle East. What had occurred was the phenomenon of transnational capital stepping back from any *direct* connection to the process of production. The headache of maintaining the productive apparatus was turned over to the comprador bourgeoisie. The Rockefeller oil monopoly allowed this transfer because they controlled the major means of *circulation*—the pipelines, oil tankers, refineries— and clearly dominated the world market. The great leap in the price of oil was not the result of the

increased value of oil. It was the result of the consolidation of control over the circulation of the world's oil supply by transnational capital.

Similarly with the "commodity trading" corporations which control the world's supply of grain. Six major corporations control the circulation of the world's supply of grain: Continental, Cargill, Cook, Dreyfus, Bunge and Garnac—known as the "big six." These transnational corporations influence the economic life of entire nations. Continental alone handles *one-quarter of all the grain traded among the world's nations!* An American based corporation, Continental sells South American and Italian rice to Cuba, is the Australian government's exclusive agent for selling Australian wheat to South America, etc.

Cargill, Inc. (Minnesota based) received a \$2.5 billion loan from the Overseas Private Investment Corp., a U.S. government subsidiary, to build a new crushing plant for the firm's Brazilian subsidiary, Cargill Agricola. Said a representative of the American Soybean Association "Our government shouldn't be financing this kind of thing . . . I don't see any way for the expansion of the processing industry in Brazil to help the United States." (*Washington Post*, 1/2/76)

What is significant about Cargill and the other transnational grain corporations is that "the extent to which Cargill, or other grain conglomerates can be termed 'U.S. firms' or associated with any particular country is questionable." (Ibid, our emphasis) "Bunge among the largest six firms, is involved in commodities, finance and shipping on every continent. It is *virtually stateless*, with all the stock held by a holding company called Los Andes, in Curacao, Netherlands Antilles." (Ibid.)

"Tradax Inc., Cargill's Geneva based overseas financing and trade arm, is probably one of the world's largest grain companies in its own right. It has been in Geneva since 1956 and now has offices in 14 countries . . . Tradax buys grain from Cargill at American ports and markets it to governments, flour mills, feed processors and food merchants. Today, it is believed to be the largest privately owned American Company. But its reach extends far beyond the United States.

"*Cargill's list of interlocking relationships with governments and businesses all over the world goes on and on.*" (Ibid.)

Of extreme importance is that these corporations neither grow grain nor sell processed products (retail). They are agents of circulation on a global scale, transnational in the truest sense. Removed from production, they begin with money-capital and end with it, immeasurably expanded. They form an important aspect of the international financial cartel whose sole aim and activity is the movement and expansion of transnational capital.

#### "How does this bear on the 'capital crisis' and 'capital formation?'"

The bourgeoisie is currently screaming about the need for more new capital to invest and talk about "capital formation."

What is "capital formation" really?

What we are describing when we talk about a capital squeeze and

capital formation is the objective situation described by Marx and Lenin. More and more capital becomes tied up in the form of constant capital and in ever greater quantities of commodity-capital in order to be reinvested in production. However, because of the shrinking market it becomes difficult to complete this conversion, to realize the desperately needed money-capital. The Wall Street section of finance capital can supply additional money-capital up to a point, but only to the extent that their money-capital is being expanded in production somewhere, because the only place value can be expanded is in production. Thus, the Wall Street section must invest where the conversion of productive- to commodity- to money-capital is being complete. He can then reinvest his expanded money-capital in other productive processes. But if his money is invested where it is not being expanded, he must move on.

For Wall Street, too, is caught in a bind. The "financiers" of the Wall Street section of finance capital **must** bail out the productive capitalists of the N.A.M. section in order for the system to continue functioning. As the crisis worsens, and the process of circulation faces greater disruptions and stagnations, more and more money-capital is needed, and must be provided. If Wall Street goes elsewhere for maximum profit, investing in Japanese, or Brazilian production in order to expand their money-capital, the N.A.M. section, for example GM, cries foul *if* that money-capital is not invested in GM-Brazil. The situation is thus aggravated by US plants in foreign countries (rooted in the productive-capital back home) and competing with "local" production for the investment of money-capital. The N.A.M. fights to force this investment into its own industries. Wall Street fights for freedom and fluidity of movement for its money-capital, and an international situation which favors it—neocolonialism and detente.

It is an extremely contradictory situation for both sections of USNA finance capital. Wall Street needs the greatest range of motion to realize the vast amounts of money-capital needed to prop up the world imperialist system. But the N.A.M. section hurts so badly they are forced into the political arena to force the Wall Street section to immediately invest in them. Therefore they demand cold war policies of arms race armament production and the ensuing massive government contracts, the funneling of Wall Street's money-capital into their own industries.

Of course, the only solution for both sections of finance capital is the re-opening of closed markets—hence fascism at home and war against the socialist camp. But at the moment, Wall Street is still opting for greater maneuverability. It is the objective situation that makes war inevitable. At present, the Wall Street section favors detente. But the deepening crisis must eventually forge an identity of interest between these two sections. So long as the current struggle continues, so long as Wall Street opts for detente, the situation is favorable to us and we must work both openly and secretly to prepare our party and move into the working class. We must explain to the workers of the USNA that the standard of living to which they are accustomed was bought by the bloody oppression of the colonial peoples. In severe crisis, imperialism is forced to turn the reaction and

violence it has always exerted over the oppressed nations inward upon itself. The proletariat must now more than ever be schooled in its internationalist duty toward the oppressed colonial workers and national minorities. This must be part of the agitation and propaganda work the party must conduct on a wide scale, publicizing both the party and socialism, while at the same time vigorously building a secret apparatus rooted in the factories in preparation for the increased violence and repression that lies ahead.

(All references to *Capital*, II, are to the Progress Publishers, Moscow, 1974 edition.)

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## **THE NATIONAL ASSOCIATION OF MANUFACTURERS**

The National Association of Manufacturers, founded in 1895, which had been merely one of many trade associations, became a national force when it became the spearhead of the anti-labor movement at its convention in 1903. At this convention they boldly declared their intention to stamp out the trade union movement, and one speaker proclaimed, "Organized labor knows only one law, and that is the law of physical force—the law of the Huns and Vandals . . . Its history is stained with blood and ruin."

Using vigilantes, the NAM smashed up union halls and broke up strikes. They conducted a massive campaign for the open shop and attacked the struggle for a shorter work day as "communistic." In fact, anti-communism was their main ideological weapon in all their attacks on the labor movement. Also, their bribery of Congressmen to support their policies is a proven fact.

The Department of Justice under Attorney General Palmer was run as an appendage of the NAM. On the night of January 2, 1920, 10,000 workers, mostly union activists, were grabbed from their homes and from the streets and thrown in jail.

The same capitalists who controlled the NAM founded the U.S. Chamber of Commerce, which worked very closely with the NAM, particularly in their anti-labor, anti-communist vendetta.

In the 1930's the NAM was the strongest pro-fascist grouping in the USNA and openly supported Hitler. Former president of the NAM, H. W. Prentiss, stated that, "American business might be forced to turn to some form of disguised fascist dictatorship." The NAM financed many fascist groups such as the American Liberty League, the Crusaders, and the Sentinels of the Republic. They opposed every strike as a "communist plot", using local police, vigilantes, clubs, poison gas and machineguns. It has been estimated the U.S. industry spent \$80 million on 100,000 spies per year, who were thought to have penetrated every one of the country's 48,000 local unions.

The scope of the NAM's propaganda was unbelievable. It was described as follows in a 1936 NAM report:

- Press Service: reached 5300 weekly newspapers.
- Cartoon Service: sent to 2000 weekly newspapers.
- Daily Comic Cartoon: appeared in 309 daily papers with a total circulation of 2 million readers.

—Monthly Factual Bulletin: sent to every newspaper editor in the country.

—Foreign Language Press Service: weekly service translated into German, Hungarian, Polish and Italian, printed in papers with a total circulation of almost 2,500,000.

—Radio: "The American Family Robinson"—a program heard from coast to coast over 222 radio stations once a week and over 176 stations twice a week; and foreign language programs in 6 languages over 79 stations.

—Leaflets: a series of 25 distributed to over 11 million workers.

—Posters: over 300,000 for a series of 24 for bulletin boards in plants throughout the country.

—Films: 10 sound slide films for showing in plants.

—Billboards: over 60,000 ads.

—Pamphlets: over a million copies of 7 pamphlets distributed to libraries, colleges, businessmen, lawyers and educators.

This is only a partial list for one year.

In 1947 when the Taft-Hartley Act was passed, Representative Donald L. O'Toole of New York stated that, "The bill was written sentence by sentence, paragraph by paragraph, page by page, by the National Association of Manufacturers."

After World War II the NAM continued its connections with right wing pro-fascist groups. The founder and leader of the John Birch Society, Robert Welch, was a former director and vice-president of the NAM.

Three former presidents of the NAM have served on the Birch Society's national council. Of these three, W. J. Grede, one of the guiding lights of the Society, is currently (1975) an honorary vice president of the NAM. The NAM also has connections to the right wing Americans for Constitutional Action and the Young Americans for Freedom.

With the current economic crisis, a policy struggle is developing between the NAM and Wall Street. "Each grouping cannot get the same cut out of a shrunken pie." The Wall Street group is led by Rockefeller and includes Morgan and Mellon. They are the largest finance capitalists, part of transnational capital and the developing international bourgeoisie. Their capital moves more easily from less to more profitable investments, it is invested throughout the imperialist sector and it makes no difference to them if the firm in Japan is run by Japanese or is a subsidiary of a U.S. based multinational corporation. Wall Street is interested in investing their money and getting more money in return. They are relatively unconcerned with the actual productive process. They are coupon clippers.

The National Association of Manufacturers, on the other hand, is made up of the main grouping of big industrial capitalists. They are primarily connected with production. Only a handful of the 225 officers of the NAM are directly connected with the leading banks. And they are mostly connected with the Bank of America, which has never been able to compete with the Wall Street banks and become big internationally. It should be pointed out, of course, that all of these industrial capitalists must go to Wall

Street for money and are therefore tied to Wall Street. But the two groupings have different interests because of the different economic positions they are in, and they have been fighting each other, periodically, for more than fifty years.

It must be made clear that the leaders of the NAM are not small time factory owners. Their officers come from many of *Fortune's* top 500, although only a few are in the top 40. Industrial giants like DuPont and GM are leaders in the NAM. A number of the NAM leaders come from multi-national corporations, which are based in the U.S. and have subsidiaries in other countries. These corporations must be distinguished from the transnational capital of Wall Street. The NAM is a strong supporter of multinational corporations and is an advocate of reduction of trade barriers and trade with the socialist sector. Also, nothing in the real world is pure or absolute, and there are a few representatives of Wall Street in the NAM leadership.

The NAM leadership is composed primarily of large industrial capitalists whose operations are completely in the U.S. and multinational industrial capitalists based in the U.S. The heart of the NAM is in the U.S. productive process.

Politics is a concentrated expression of economics. The developing economic crisis, which is affecting the NAM grouping more than Wall Street, has led to a struggle around detente. The NAM needs a resumption of the cold war and the arms race, and the large government defense contracts that go with it.

Because of the NAM's direct connection with the productive process, they have in the past, and continue today to push vicious anti-labor policies. They are waging a campaign against striking workers getting food stamps, and against collective bargaining rights for public employees and for their right to strike. The NAM opposed the "common situs" picketing bill for construction workers and were a key factor in getting President Ford to veto the bill. They oppose the "Equal Opportunity and Full Employment Act" which would establish the government as a "employer of last resort" to eliminate unemployment. The NAM opposes current unemployment insurance policies and claims that in some cases workers are getting more than when they were employed and that workers should pay taxes on these benefits. The NAM advocates streamlining equal opportunity and anti-discrimination policies—in reality taking out what little guts remains in these policies. They oppose health insurance for workers who lose their benefits when they get laid off.

The NAM also opposes any strengthening of anti-trust legislation. They oppose the "National Employment Priorities Act of 1974" which forces businesses to notify the government about plans to shut down factories and allows the government to decide if the closing is warranted. This legislation stems from the massive layoffs and plant closings which occurred as the economic crisis began to deepen.

We can see that currently the NAM is the most outspoken grouping

within the bourgeoisie of the USNA for the policies of war and fascism. However, because the NAM industrialists must go to Wall Street for their big money, and Wall Street has such tremendous economic power, the policies of Wall Street, on the whole, will predominate. But, the same economic crisis affecting the NAM grouping is also pushing Wall Street towards a war against the socialist camp and fascism for the USNA.

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## THE COMINTERN POSITION ON THE NEGRO QUESTION A Review of H. Haywood's *Negro Liberation*

It is impossible to seriously evaluate Harry Haywood's line without at the same time evaluating the line of the Communist International on the Negro question. Haywood's book, *Negro Liberation*, was an elucidation and defense of the line of the Comintern (CI). When *Negro Liberation* was written, that line was under serious attack from the right wing majority within the CPUSA.

In order to evaluate the line of the CI, it is first necessary to understand the CI itself. With the passage of time and the passing from the scene of the men and women who rode the revolutionary wave of the 1920's and 30's, a certain romanticized view of the CI has developed—especially among younger and less experienced comrades. In fact, the CI was a battle ground where Lenin and Stalin struggled for twelve years to defeat the Trotskyites, the followers of Bukharin, Rykov, *et. al.* In the course of this struggle it was inevitable that from time to time positions reflecting the incorrect ideas of Bukharin, Trotsky, and their spokesmen were bound to be taken as the position of the Leninist minority within the CI. Therefore, in examining the CI position on the Negro question, we must take a scientific view that is not colored by our support for and admiration of the CI as the world's anti-fascist battle center.

From another point of view, the projections of the CI cannot be understood apart from the time and circumstance that fashioned the class struggle in Europe in the late 1920's and early 1930's.

The salient feature of that period was the rise of fascism in Europe. This was the greatest danger to the proletariat, to the revolution. The CI was forced to approach the fascist danger from the point of view that war and fascism were the forms that the counterrevolution was taking, to which all questions had to be subordinated.

In 1930, twelve monarchies ruled in Europe. The natural process of the class struggle drove a section of the radical bourgeoisie into the communist movement during the struggle for the republican form of government. This was inevitable since the struggle between the bourgeoisie and the proletariat can only be fought out in a republic. This situation, in addition to



several other factors, such as the split in social democracy whose "left" wing joined the Communist Parties, was reflected as a split within the Comintern itself.

By 1928, the Leninist forces had defeated the Trotskyites and the Zinovievites; the struggle against Bukharin was under way. This struggle continued for many years—the influence of Trotsky, Zinoviev and Bukharin was not easily done away with.

It goes without saying that the majority of the delegates to meetings of the CI had very little knowledge or understanding of the Negro Question in the USNA. It is an admitted fact that the one Party with concrete knowledge on this question, the CPUSA, was so racked with white chauvinism that they could not or would not fight for a correct position.

An example of the lack of understanding of the Negro question in the USNA by the CI was the setting up of a Negro Commission in 1924 composed of representatives of the British, French and Belgian Parties. At that time these imperialist states were the major colonizers of Africa. By not even including representatives of the CPUSA, it was clear that the CI regarded the Negro Question of the USNA as an aspect of the general African question. In other words, today we of the CLP do not mean the same thing by the word *Negro* as did the CI of 1924. For us the word Negro is a national term. There are no Negroes in Brazil or Trinidad. The only Negroes are in the Negro nation. But the CI used the term Negro as a racial term; consequently the Negro question was the question of Africa and the millions of her inhabitants who had been kidnapped from the continent in former times or had somehow migrated to non-African countries. To treat all the persons of African descent with the same formula—no matter where they may be—is a violation of the laws of dialectical materialism. With a superficial glance it appears that the "Negroes" of 1924 were the "Helots of the world." However, a closer look shows a different historical evolution and a different quality to the struggles of the "Negroes" in the Union of South Africa, Canada, France and Alabama, even though the features may appear to be the same. (See: Notes of the 4th enlarged Plenum, 12 June 1924)

In the context of the struggle within the Comintern, a statement was worked out reflecting the necessary accompanying compromises regarding the Negro question in the USNA. At the 6th Congress, Ford, reporting for the CPUSA, stated that there were no more than 50 Negroes in that Party. The other Negro delegate, Jones, along with Ford, bitterly attacked the CPUSA for their "inactivity, chauvinism and race prejudice." At the end of the debate in the commission, a resolution was drawn up and presented to the Congress. That resolution—*The Resolution on the Negro Question, 1928*—laid the subjective base upon which a good number of correct Marxist slogans attempted to stand. The Negro Commission reported that, "at the present, the Negroes were a national but non-territorial minority." Such a formulation begs the question—the Negroes are a national minority of what? The answer is implicit—a national minority of the continent of Africa. This makes no sense. Africa is a continent comprised of nations. In

this respect Lenin wrote, "Europeans often forget that colonial peoples are also nations, but to tolerate such "forgetfulness" is to tolerate chauvinism." (*A Caricature of Marxism*, Vol. 19, Selected Works, p. 250, International Publishers, 1942.)

Sadly enough, it was left to Pepper, who later became a Trotskyite, to state a generally correct line. Pepper stated, "The Negroes are a colony within the USA and hence falling within the Comintern policy of national self-determination for oppressed colonial peoples. The Negro nation could be developed out of the compact mass of farmers on a contiguous territory." He advocated the slogan of a Negro Soviet Republic and struggled against the opinion held by the majority that the problem was a racial and not a national question. (For further information and details see *Minutes, The Negro Question, 26 October 1928*.)

A debate ensued over the "colonial" status of the Negro nation, and a sub-committee was finally set up to consider this question. The sub-committee drafted the 1928 resolution which was endorsed by the political secretariat and published on 26 October 1928. As we know, this resolution rejected the concept that the Negro question was a colonial question. In a period when the world was divided between the various imperialist powers and a new war for the redivision of the world loomed ahead, the resolution never explained how an oppressed nation could not be a colony, a situation unique in the world. The only solution was that the Negro question was not a national, but a racial question, a non-territorial question, a question of a "nation without territory" or resources other than human resources. This view, upheld by the majority of the CI, violates every concept of Leninism and flies in the face of the historical experience of the proletarian revolution and the dictatorship of the proletariat.

Without territory, there can be no nation. Stalin defines a nation as "a historically constituted, stable community of people, formed on the basis of a common language, territory, economic life and psychological make-up manifested in a common culture." He further states, "It is only when all these characteristics are present together that we have a nation." The concept of a nation without territory is an unscientific formulation in contradiction to the Leninist definition.

Discussing the question of territory, Stalin wrote:

But why, for instance, do the English and the Americans not constitute one nation in spite of their common language?

Firstly, because they do not live together, but inhabit different territories. A nation is formed only as a result of lengthy and systematic intercourse, as a result of people living together generation after generation. But people cannot live together for lengthy periods unless they have a common territory. Englishmen and Americans originally inhabited the same territory, England, and constituted one nation. Later, one section of the English emigrated from England to a new territory, America, and there, in the new territory, in the course of time, came to form the new American

nation. Difference of territory led to the formation of different nations." (*Marxism and the National-Colonial Question*, Proletarian Publishers, 1975, pp. 19-20.)

It is for the very same reason that the slaves imported from various African nations were forged first into a *people* under the slavers' lash, and later, as a result of the violent segregation imposed upon them by Anglo-American imperialism, this people, forcibly held within the territory of the Black Belt of the South, was forged into a nation.

Far from being a "non-territorial" nation, the Negro people were forged into a nation on the basis of a common language, economic life, culture and **territory**. The formulation of a "nonterritorial nation" is chauvinism and liquidates the national question.

By 1930, due to the sharp inner party struggle, the defeat of Bukharin in the Comintern and in the Soviet Party, and due to the ever sharpening struggle of the Negro masses within the USNA, the Comintern called a conference of "Negroes" in Hamburg. Present were delegates from Nigeria, South Africa, the Gold Coast, Sierra Leone, Senegal, Gambia, Trinidad and the USNA.

The main resolution that came from this meeting was that "Negroes" should be organized internationally as a class. Marxists define classes according to the relationship to the means of production. To attempt to organize "Negroes" as a class is just another way of saying that the Negro as a race totally precludes the class structure and consequent class antagonism that characterize nations and national development. It is clear that as late as 1930 the dominant ideology was that Africa is the homeland of the Negroes; Negroes in Trinidad, Brazil or Alabama are bits and pieces that have been broken off. In fact, even though the Comintern waged an important struggle against the rampant chauvinism in the CPUSA, they continued to smear Marxist slogans over their fundamentally incorrect thesis that the Negroes in the USNA were a "non-territorially oppressed nation." We shall see that later on the CI and the CPUSA did finally embrace a territorial description but to this day, with the exception of the CLP, the Negro Nation remains a racial nation to the Marxist movement. Of course the idea of a "black" nation is a gross distortion of Marxism, a crude attempt to extend Bauer's thesis that nations are the extension of tribes rather than a historically evolved community of people formed on the basis of common language, territory, economic life and culture.

The struggle for clarity on this question continues today. The movement is still sharply divided; this division on how to characterize the Black Belt extends into the ranks of our Party. We hear slogans and descriptions coming from all directions. The concept of a "black" nation does not deserve comment. Even to speak of a "black" nation is to slyly sanction the idea of a "white" nation, which ideologically and historically follows Hitler and the fascists of South Africa and Rhodesia. Let these heroes of the SDS and the League for Industrial Democracy explain how it is possible to have black nations without white nations and how such projections are not part and

parcel of the national oppression that we are fighting against.

We throw the wolf out the front door and he sneaks in the back. Once the concept of a "black" nation is defeated, it immediately reappears in the form of the "oppressed nation." Because of the historical meaning of that phrase, because of the general backwardness of the revolutionary movement, it is almost impossible to get agreement even on the meaning of the term in order to consider its applicability today.

Our understanding of an oppressed nation is a nation within a multinational state wherein all classes are without a political voice. The "oppressed nation" arose at a certain point in history—the breakup of feudalism. Stalin writes,

Before proceeding directly to the concrete immediate tasks of the Party in connection with the national problem, we must first lay down certain premises without which the solution of the national problem is impossible. These premises relate to the appearance of nations, the origin of national oppression, the forms assumed by national oppression in the course of historical development, and finally, the forms of solution of the national problem in the various periods of development.

There are three such periods.

The first period is the period which saw the break-up of feudalism in the West and the triumph of capitalism. The formation of people into nations occurred during this period. I am referring to such countries as Great Britain (without Ireland), France and Italy. In the West—in Great Britain, France, Italy and partly in Germany—the period of the break-up of feudalism and the formation of people into nations on the whole coincided in time with the period which saw the appearance of the centralised states, and as a result the nations in their development became invested in state forms. And inasmuch as there were no other national groups of any considerable size within these states, such a thing as national oppression was not known. In Eastern Europe, on the contrary, the process of formation of nationalities and the elimination of feudal disunity did not coincide in time with the process of formation of centralised states. I am referring to Hungary, Austria and Russia. In these countries capitalist development had not yet begun; it was perhaps only incipient; but the necessity of taking defensive measures against the invasions of the Turks, Mongols and other Oriental peoples that centralised states capable of withstanding the onslaught of the invaders should be formed without delay. And since in Eastern Europe the process of formation of centralised states proceeded more rapidly than the process of formation of people into nations, mixed states arose, each made up of several nationalities which had not yet formed themselves into nations but which were already united in a common state.

Thus, the first period is marked by the appearance of nationalities in the dawn of capitalism: in Western Europe we observe the birth of

purely national states to which national oppression is unknown, whereas in the East we observe the birth of multinational states with one more developed nation at the head and the remaining, less developed nations in a state of political, and later of economic, subjection to the dominant nation. These multinational states of the East were the birthplace of that national oppression which gave rise to national conflicts, national movements, the national problem and the various methods of solving that problem.

It is clear that the national question is the question of a people who are deprived of civil rights, who are shunted aside in economic growth, who are economically subjugated. It is a question of a people deprived of equal rights—a people defeated in their struggle toward a national state. This surely *sounds* like the position of the Negro people ever since the turn of the century. But it is not, and cannot be, because the development of the *oppressed* nation is connected with the struggle against feudalism and the defeat of the national bourgeoisie during that period. It is clear in Stalin's work—a work that has withstood the test of time and revolutions—that the period of the oppressed nation was the period *prior to* modern imperialism.

The second period was the period of the rise of modern imperialism. This was the period when the Negro nation began to be formed—in the very late 19th and early 20th centuries. This second period was the time of the connection between the national and the colonial question. The fact is—as noted by Lenin and Stalin—that colonial oppression is the form that national oppression takes during the period of modern imperialism. It should be clear that the rise of modern—*financial*—imperialism, spelt the end to the oppressed nations of the former period. Imperialism quickly gobbled up the world and has fought two wars for its redivision. Under such conditions it was not possible for an oppressed nation to remain outside of the sphere of imperialism. All formerly oppressed nations were transformed into colonies of imperialism. Everyone is forced to admit that the oppressor the the Negro Nation is imperialism. Thus, they are compelled either to admit that the form of the oppression is colonial, or to renounce Marxism as the method of analysing social phenomena.

The reader will forgive us if we spend a considerable amount of time on this question because the confusion of the first and second periods of national development is the keystone to the line of Haywood's book and the vulgar chauvinist positions of the CPUSA and the entire New Left. That confusion is basically stated thus: the Negro question is a question unique in history and an aspect of American exceptionalism, the American "exception" to Marxism. Contrary to the fact that every nation in history was formed from many "races" and peoples, the Negro nation is presented as a national question of "race." We should be clear that when Stalin uses the term "race" he uses it only in the sense of *tribe*. Here in the USNA and hence among the "Left", the term "race" means *color*. Even these modern chauvinists don't dare refer to the Negro people as a tribe. Further, this projection goes on to indicate that since it is a racial nation it cannot be colonial—it can only be oppressed. But science compels us to renounce this

muddle. If we allow that the Negro question is a national question, as science demands, the basis of the nation is a historically constituted, stable community of people, formed on the basis of common language, territory, economic life, and culture. Either there is a nation, or there is not. To project a "racial" nation, based solely on color, which is unbounded by a national territory, is to deny the existence of a nation at all. If we recognize the existence of the nation, then we are forced to recognize its colonial oppression by imperialism.

We can be sure that the reluctance of the modern chauvinists of the Left to accept this scientific analysis is their inability to conceive of a colony within the political boundaries of the state of the United States of North America. No matter what these apologists for imperialism may propose in this regard, a historical, Marxist examination proves that when the basic economic relations shift, the social relations—the social form—shifts in conformity. Hence national oppression of the pre-imperialist period was necessarily different from the national-colonial oppression in the period of financial imperialism, when national oppression was transformed into colonial oppression.

Although the CI resolution of 1930 was primarily a criticism of the CPUSA, we concentrate on examining this document because it was the final statement on the various political lines in effect in the Left today.

First off, the resolution states:

In the interest of the utmost clarity of ideas on this question, the Negro question in the United States must be viewed from the standpoint of its peculiarity, namely, as the question of an *oppressed nation*, which is in a peculiar and extraordinarily distressing situation of national oppression not only in view of the prominent *racial distinctions* (marked difference in the color of skin, etc.), but above all, because of considerable *social antagonism* (remnants of slavery). This introduces into the American Negro question an important, *peculiar* trait which is absent from the national question of other oppressed peoples.

How are we to account for the social antagonism between the Irish and the English? Or between any oppressed and oppressor peoples anywhere? How do we account for the savage bloodletting and persecution of all colonials. A historical examination of the question shows that in order to get cotton to the world market at a competitive price, or with the maximum profits, it was necessary to impose a semi-feudal system over the Black Belt and especially over the black. There is no problem of segregating the Puerto Ricans in Puerto Rico or the Angolans in Angola. But there was a problem isolating the Negro within the continental boundaries of the USNA. The social antagonism between Negro and Anglo-American enforces the unnatural isolation, the segregation, that was the necessary social context for the semi-serf conditions forced upon the masses of Negro people. This accounts for the extremely violent character of Negro

segregation; it is not some mystifying difference of skin color (a factor that is present in almost every country) or historical factors such as the history of slavery or the remnants of slavery. Venezuela and Brazil had slavery, but even in their worst days the violent segregation that was a way of life for the Negro was never imposed on the black Brazilian.

In Ireland, the social antagonism in the form of the "religious question" masked the national colonial oppression of the Irish people, just as the question of "color" has masked the national oppression of the Negro. What must be grasped is the obvious fact that since everything proceeds from history, and given the history of the Negro being enslaved according to color, color discrimination and segregation is the only form that Negro national oppression could take. Every content, in this case the super-exploitation of an oppressed nation—has a form. The form is necessarily evolved from history. The examination of any national question will verify this. But the fundamental fact is that the Negro question is the result of Wall Street imperialism and not so-called racial identification. Color discrimination is the *specific form* of national-colonial oppression.

From its beginning to its end, the Comintern resolution shows itself to be an awkward compromise between the two main factions that controlled the CI. On page 136 (Appendix, *The Negro National Colonial Question*, Workers Press, 1975), the resolution supports the above position:

This whole system of "segregation" and "Jim-Crowism" is a special form of national and social oppression under which the American Negroes have much to suffer. The origin of all this is not difficult to find: this Yankee arrogance towards the Negroes stinks of the disgusting atmosphere of the old slave market. This is downright robbery and slave whipping barbarism at the peak of capitalist "culture."

The resolution goes on to raise and discuss the question of slogans.

In raising the slogan of equal rights as a slogan that applies to all Negroes, North and South, contradiction inherent in the CI formulation is concealed. Negroes in both the North and South are victims of national oppression; while the whites in the south are equal to one another. But they are unequal to the whites in the North, a fact which is obscured by the resolution's formulation. The Anglo-American from the south easily melts into the Anglo-American population of the north, but because of the historic color factor, this is an unending fight for the black from the Negro Nation.

The contradiction breaks the surface in the slogan for the Black Belt. The resolution goes on to state:

The struggle of the Communists for the *equal rights* of the Negroes applies to all Negroes, in the North as well as in the South. The struggle for this slogan embraces all or almost all of the important special interests of the Negroes in the North, but not in the South, where the main Communist slogan must be: *The Right of Self-Determination of the Negroes in the Black Belt*. These two slogans, however, are most closely connected. The Negroes in the

North are very much interested in winning the right of self-determination of the Negro population of the Black Belt and can thereby hope for strong support for the establishment of true equality of the Negroes in the North. In the South the Negroes are suffering no less, but still more than in the North from the glaring lack of all equality; for the most part the struggle for their most urgent partial demands in the Black Belt is nothing more than the struggle for their equal rights, and only the fulfillment of their main slogan, the right of self-determination in the Black Belt, can assure them of true equality.

The contradictory nature of the slogan "Self-Determination for the Negroes in the Black Belt" is not readily noticeable because of the general atmosphere of chauvinism and Negro segregation. But by "Negroes", the Comintern means the *blacks* in the Black Belt. If there is self-determination for the blacks, what about the whites? Are we talking about the self-determination for oppressed races or about nations? Is the term "Negro" a national or racial term? If it is racial, then there is a contradiction not only with Marxism, but with all science. If it is national, then it cannot mean color. The resolution starts off on the horns of a dilemma. Self-determination cannot be applied to any formation but nations. Nations arise, based among other things on a common territory. All modern nations to one degree or the other have minorities. Unless these minorities are in some way involved in the self-determination, we are basing self-determination on race and there is no resolution to the oppression of one race by another. If we are talking about a nation, then we must include the substantial white minority in the discussion. If we are to tell the minority of whites in the Black Belt that they are to be deprived of their civil rights as the path to freedom, we might as well forget the whole proposition.

Of course, the leaders of the CI and the CPUSA realized that they were caught in such a contradiction. In order to sound Marxist, while upholding the CI thesis of a national but non-territorial minority, they coined the concept of a "nation within a nation." Haywood could not help but repeat and uphold this slogan in his book. After the experience of the past 25 years it has to be admitted that the slogan of a nation within a nation is nothing more than the demand for cultural autonomy. The scientific description of the Negro Nation is a nation within the political boundaries of a multi-national state.

The resolution clearly sees the difference of treatment of the Negroes in the North and South. It attempts to explain this difference on the basis that in the North the Negro is an industrial worker and in the South, a peasant.

Furthermore, it is necessary to face clearly the inevitable distinction between the position of the Negro in the *South* and in the *North*, owing to the fact that at least three-fourths of the entire *Negro* population in the United States (12,000,000) live in compact masses in the South, most of them being peasants and agricultural laborers in a

state of semi-serfdom, settled in the "Black Belt" and constituting the majority of the population, whereas the Negroes in the northern states are for the most part industrial workers of the lowest categories who have recently come to the various industrial centers from the South (having often even fled from there.)

In fact, the distinction does not arise between industrial worker and peasant, but rather between the oppressed nation and the national minority in the oppressor nation. An aspect of imperialism is the creation of nations. A contradictory aspect is the dispersal of nations. Imperialism creates nations in the process of imposing capitalism on the subject people. At the same time, in search for a better life away from the poverty and discrimination of the colony, people flee to the richer environs of the "mother country."

The ideological excuse for the original conquest and continued oppression of a nation is great nation chauvinism—the ideology of the superiority of the oppressor nation. Chauvinist ideology brands the oppressed nationalities as inferior and hence unequal. This inferiority is translated into social inequality in the form of the denial of civil rights and second class citizenship. Hence a national minority which cannot be integrated develops in every imperialist country. Be they of the same or of a different color, the facts do not change—the various African minorities in France, the Irish in England and the Negro in Anglo-America bear this out.

But the basic thesis of a "non-territorial minority" sticks like a bone in the throat. Because they could not scientifically describe the difference in oppression between the national minority in the oppressor nation and the colonial national, science was forced to take second place to consistency based on outright chauvinism—the denial of the nation by not recognizing its territory dictates the denial of its colonial status.

In the following section, the same error is repeated in a different form.

### **The Struggle for the Equal Rights of the Negroes**

2. The basis for the demand of equality of the Negroes is provided by the *special* yoke to which the Negroes in the United States are subjected by the ruling classes. In comparison with the situation of the other various nationalities and races oppressed by American imperialism, the yoke of the Negroes in the United States is of a peculiar nature and particularly oppressive. This is partly due to the historical past of the American Negroes as imported slaves, but is much more due to the still existing slavery of the American Negro which is immediately apparent, for example, in comparing their situation even with the situation of the Chinese and Japanese workers in the West of the United States, or with the lot of the Filipinos (Malay race) who are under colonial repression.

The question has to be asked: What is the difference between the position of the Chinese and Japanese workers in the West and the Negro in Alabama? The scientific answer is involved with the concept of nationals

and national minorities. The reason that the Filipino migrated from the Islands to the continental USNA was to escape the starvation, brutality and terror of the imperialist occupation of his homeland. The lot of the Filipino national minority workers in the western states was much better than the lot of the worker in the Islands. Otherwise the government would not have had to pass special discriminatory laws preventing the mass migration of the Filipino into this country. The dispersal of nations under imperialism creates national minorities in the imperialist country. The question of the national minority is a category of the National question, but to confuse the two aspects and fail to differentiate between the nationals and the national minorities—or the form and intensity of the oppression in the colonial country opposed to that of a national minority in the imperialist country—is a serious error. However, this error brings us back to the consistent base of the Negro resolution. The Filipino in the western part of the USNA is in fact a "national but non-territorial minority." But to describe the Negro in the Negro Nation in the same way as describing a national minority in the oppressor nation is to do a real violence to elementary logic, let alone dialectics.

As far as the difference between the treatment of the Negro in the Negro Nation and the Filipino in the Western USNA is concerned, it appeared in 1930 that the Negro was treated by far the worst. This should come as no surprise, but not because of the "special yoke" or the history of slavery. It is because a comparison is being made between the Negro national in his homeland, and the Filipino national minority in the US—a comparison which is intellectually dishonest and unscientific. If, instead, the authors for a moment compared the brutality, torture and barbarism that characterized the oppression of the Filipino in the *Philippines* with the Negro in the *Negro Nation*, it would immediately be apparent that national-colonial oppression is equally bloody and brutal in every colony. Conversely, if the authors of the resolution were consistent, the only comparison to be drawn with the Filipino national minority in the Western states, is with the Negro national minority in the northern states. In that case, both occupy a relatively better position in relation to the colonial national. But this would have testified to the actual territorial existence of the Negro Nation.

The most contradictory aspect of the resolution is to be found in the second section entitled, "The Struggle for the Right of Self Determination of the Negroes in the Black Belt." It should be carefully noted that there is a world of difference between the slogan "Self Determination for the Negroes in the Black Belt" and "Self Determination for the Negro Nation." The first concept stands firmly on the racial theory. The CI demanded self determination for a people in a specific area, but this in no way involves a historically constituted community of people formed on the basis of a common language, territory, economic life and culture. They mean self determination for a race—not a nation. The slogan of Self Determination for the Negro Nation proceeds from the concrete evolution not simply of a people, but a nation.

The resolution goes on to state:

5. It is not correct to consider the Negro zone of the South as a colony of the United States. Such a characterization of the Black Belt could be based in some respects only upon artificially construed analogies, and would create superfluous difficulties for the clarification of ideas. In rejecting this estimation, however, it should not be overlooked that it would be none the less false to try to make a fundamental distinction between the character of national oppression to which the colonial peoples are subjected and the yoke of other oppressed nations. Fundamentally, national oppression in both cases is of the same character, and is in the Black Belt in many respects worse than in a number of actual colonies.

What this set of contradictory sentences is saying is that: the Negro zone of the South is not a colony. While national oppression of the colonial people and national oppression of oppressed nations is fundamentally the same, in the Black Belt it is worse than in actual colonies.

First of all we must point out that "national oppression" came only during the first period of the rise of nations. During this period, in Eastern Europe, the state arose to meet the demands of defense of a feudalistic country that contained several peoples. The strongest of these peoples entered fully into national development. At the same time, the weaker peoples began the path of national development. In order to maintain their hegemony over the weaker peoples, the stronger nation imposed certain discriminatory laws that weakened the subject nations and strengthened the dominant one. Examples of this is the imposing of the religion and language of the dominant nation over the subordinate ones, as well as laws preventing the oppressed people from entering certain trades or professions, discriminatory taxes and humiliating identification symbols. This political and cultural oppression cannot help but be followed by economic discrimination of all sorts. Hence we have the situation of an oppressed nation, a nation that is prevented from attaining its full national development.

However, as regards the Negro question, the Negro nation was created after the rise of modern imperialism, in the second period of the national question. Stalin writes:

**The second period** in the development of national oppression and methods of combating it coincides with the period which saw the appearance of imperialism; when capitalism, in its search for markets, raw materials, fuel and cheap labour power, and in the competition for the export of capital and the possession of the great rail and sea routes, breaks out of the confines of the national state and extends its territory at the expense of near and distant neighbours. In this second period, the old national states in the West—Great Britain, Italy and France—cease to be national states; in other words, by virtue of the seizure of new territories they become converted into multi-national, colony-owning states, and thereby come to be an

arena for that national and colonial oppression which already exists in Eastern Europe. In Eastern Europe this period is marked by the awakening and invigoration of subject nations (Czechs, Poles, Ukrainians), which, as a result of the imperialist war, have led to the dissolution of the old bourgeois multi-national states and the formation of new national states enthralled to what are known as Great Powers.

**The third period** is the Soviet period, the period of the destruction of capitalism and the abolition of national oppression; in which the question of ruling and subject nations, of colonies and mother countries, is being consigned to the archives of history; in which, on the territory of the R.S.F.S.R., we see nationalities which possess equality of rights and equal opportunities for development, but which still preserve a certain historical heritage of inequality owing to their economic, political and cultural backwardness. The substance of this inequality of nationalities consists in the fact that, as a result of historical development, we have received a heritage from the past by virtue of which one nationality, the Great-Russian nationality, is more developed politically and industrially than the other nationalities. Hence the existence of actual inequality, which cannot be eradicated in one year, but which must be eradicated by economic, political and cultural assistance being rendered to the backward nationalities.

These are the three periods of development of the national problem known to us historically.

The first two periods have one feature in common. It is that in both these periods the nationalities suffered oppression and enslavement, as a result of which the national struggle continued to be fought and the national problem remained unsolved. But there is also a difference between them. It is that in the first period the national problem did not extend beyond the boundaries of the various multi-national states and embraced only a few, mainly European, nationalities; whereas in the second period the national problem became converted from an internal problem of each particular state into a problem mutually affecting several states—into a problem of war between imperialist states waged with the object of retaining the non-sovereign nationalities under the sway of the latter and of subjugating new nationalities and tribes outside Europe. Thus the national problem, which was formerly of moment only in the more cultured countries, lost its isolated character in this period and merged with the general problem of the colonies.

The development of the national problem into a general problem of the colonies is not a historical accident. It is due firstly to the fact that during the imperialist war the imperialist groups of belligerent powers were themselves obliged to appeal to the colonies, from which they recruited the man-power that went to form armies. Unquestionably, this process, by which the imperialists were

inevitably constrained to appeal to the backward peoples of the colonies, could not but awaken in these tribes and peoples the desire for emancipation and for struggle. There is another factor which caused the national problem to extend, to develop into a general problem of the colonies and to spread over the whole surface of the globe, first in isolated sparks and then in the flames of the movement for emancipation. This factor was the attempt of the imperialist groups to dismember Turkey and put an end to her existence as a state. Turkey, the country which among the Mohammedan peoples is politically the most developed, could not reconcile herself to such a prospect. She raised the standard of war and rallied the peoples of the East against imperialism. A third factor was the appearance of Soviet Russia, whose struggle against imperialism has met with several successes and has naturally served to inspire the oppressed people of the East, awaken them and rouse them to the struggle, and thus make it possible to create a united front of the oppressed nationalities, from Ireland to India.

These are the factors that in the second state of development of national oppression resulted in the fact that bourgeois society, far from solving the national problem, far from bringing peace to the peoples, has fanned the spark of national struggle into the flames of a struggle of the oppressed peoples, colonies and semi-colonies against world imperialism.

So we see that national oppression, which characterized the first period, is fundamentally different from colonial oppression—the second period. The difference lies in the fact that scores of new nations are created by imperialism itself, by the export of finance capital. These nations were created by forcibly bringing people into the capitalist era, not simply as commodity consumers, as was characteristic of mercantile imperialism, but as commodity producers.

We should ask ourselves—what is a colony? A colony is a non-sovereign nation under the hegemony of a foreign multinational state and is the investment area of finance capital.

It is true that *under imperialism* “national oppression” and “colonial oppression” became the same; but this is only because with the transformation of pre-monopoly capitalism into financial imperialism in the leading capitalist countries, not only all the formerly oppressed nations, but the rest of the world as well, were transformed into colonies imperialism.

The resolution goes on to explain its position:

On one hand the Black Belt is not in itself, either economically or politically such a united whole as to warrant its being called a special colony of the United States. But on the other hand, this zone is not, either economically or politically, such an integral part of the United States as any other part of the country.

The most striking aspect of this statement is its contradictory form. No one can doubt that the Black Belt is economically and politically a part of the USNA. The maze of highways and railway lines, the river transportation, the telegraph, the common use of money and the fact that the southern political apparatus dominates the government of the USNA are objective facts.

The weakness of the paragraph is that they do not spell out what makes up a special colony. What we need to deal with is the question of non-sovereign nations that are under the hegemony of an alien state that exercises the dictatorship of finance capital. Marxist philosophy begins with the distinction between qualities and the various and even contradictory features that a quality may express. Of course there are specific features of the Negro Nation that are in contradiction with classical national colonial characteristics.

Why is this so? First of all, there was never a feudal class that blocked with an invading imperialism, and hence there was never a historic motion of all classes against invaders and for democracy. Secondly, and more importantly, the Negro Nation was formed within the continental boundaries of the state of the United States after the development of modern imperialism. Under these conditions, national development was bound to be twisted especially since the national characteristics were formed under the conditions of colonial exploitation. The point is that the “Negro Zone” being or not being an economic or political whole is no argument. Puerto Rico is no longer an economic or political whole—imperialism sees to that! The island of Puerto Rico can no longer even feed itself. The immediate result of imperialism is to make the colony dependent on the imperialist country. It is also interesting to note that the resolution never refers to the USA as a nation, but a country, which at least implies their acceptance of the USNA as a multinational state. Further:

Industrialization in the Black Belt is not, as is generally the case in colonies, properly speaking, in contradiction with the ruling interests of the imperialist bourgeoisie, which has in its hands the monopoly of all the industry; but insofar as industry is developed here, it will in no way bring a solution to the question of living conditions of the oppressed Negro majority, nor to the agrarian question, which lies at the basis of the national question.

Is industrialization contrary to the interests of the imperialist bourgeoisie? By answering this question “yes” the Resolution takes the position of Kautsky, who wrote, “Imperialism is a product of highly developed industrial capitalism. It consists in the striving of every industrial capitalist nation to bring under its control and to annex increasingly big agrarian regions irrespective of what nations inhabit those regions.” (Lenin, *Collected Works*, Vol. 19, International Publishers, 1942, p. 162).

However, Lenin states clearly, “the characteristic feature of imperialism

is not industrial capital, but finance capital," (ibid.) and further, "if it were chiefly a question of the annexation of agrarian countries by industrial countries, the role of the merchant would be predominant." (op. cit., p. 163)

The very heart of finance capital is its investment in the production of commodities. In *Imperialism* Lenin, quoting Hobson, shows how first heavy industry is transferred to the colonies and finally light industry, leaving the service industries in the imperialist countries. History has confirmed all of this and there is not a colony or neocolony that is not undergoing a rapid industrial expansion.

On the contrary, this question is still further aggravated as a result of the increase of the contradictions arising from the pre-capitalist forms of exploitation of the Negro peasantry and of a considerable portion of the Negro proletariat (miners, forestry workers, etc.) in the Black Belt, and at the same time, owing to the industrial development here, the growth of the most important driving force of the national revolution, the black working class, is especially strengthened. Thus, the prospect for the future is not an inevitable dying away of the national revolutionary Negro movement in the South, as Lovestone prophesied, but on the contrary, a great advance of this movement and the rapid approach of a revolutionary crisis in the Black Belt.

First of all, it stands to reason that there can be no pre-capitalist forms of exploitation of the "Negro Proletariat." If they are a proletariat, they are the creation of capital. This also applies to the question of farm labor.

The question of the "Negro peasantry" is much more difficult to explain in the midst of a highly developed capitalist economy. In order that there be a complete understanding of Lenin's use of the terms feudal, semi-feudal and slave in relationship to the forms of the exploitation of the Negro sharecropper, we reprint those formulations as they appear in his work *The Development of Capitalism in Agriculture*.

We should begin, as Lenin did, with an understanding of the form, as distinct from the content of capitalism in agriculture. Lenin wrote:

The case of America confirms in a particularly striking manner the truth emphasised by Marx in Vol. III of *Capital*, that capitalism in agriculture does not depend on the form of land ownership or land tenure. Capital finds medieval and patriarchal land tenure of the most varied types: feudal, "allotment-peasant" (i.e., dependent peasant), clan, communal, state, etc. Capital subordinates all these types of land tenure to itself; but this subordination assumes various forms and is achieved in various ways.

The core of the struggle between Marxists as regards the reality and tactics of the Negro question are reprinted below.

### 3. The Formerly Slave-Owning South

"The United States of America," writes Mr. Himmer, "is a country that never knew feudalism, and has none of its economic survivals." (P. 41 of the article mentioned.) This assertion is diametrically opposite to the truth; for the economic survivals of slavery differ in no way from similar survivals of feudalism; and in the formerly slave-owning South of the United States these survivals are very strong to this day. It would not be worth while dwelling on Mr. Himmer's mistake if it could be regarded as a mistake committed in a hastily written magazine article. But the whole liberal and Narodnik literature of Russia proves that with regard to the Russian *otrabotki* system—our survival of feudalism—exactly the same "mistake" is made systematically and with extraordinary persistence.

The South of the United States was a slave-owning territory until the Civil War of 1861-65 swept slavery away. To this day the Negro population, which does not exceed 0.7 per cent to 2.2 per cent of the total population in the Northern and Western divisions, represents 22.6 to 33.7 per cent of the total population in the South. For the United States as a whole, the Negroes represent 10.7 per cent of the total population. That the Negroes are in a state of servitude goes without saying; in this respect the American bourgeoisie is no better than the bourgeoisie of other countries. Having "emancipated" the Negroes, it took good care, on the basis of "free" and republican-democratic capitalism, to restore all that possibly could be restored to do all it possibly could to oppress the Negroes in the most shameful and despicable manner. To characterise the cultural level of the Negro it is sufficient to point to a slight statistical fact. While the proportion of illiterates among the white population of the United States in 1900 was 6.2 percent of the population (of ten years of age and over), among the Negroes it was a high as 44.5 per cent!! More than seven times as high!! In the North and the West the proportion of illiterates was from 4 to 6 per cent of the population (1900); in the South it was 22.9 to 23.9 per cent!! One can easily imagine the sum total of facts in the sphere of legal and social relations that corresponds to this most disgraceful fact in the sphere of elementary education.

What is the economic foundation on which this beautiful "superstructure" has arisen and now rests?

The foundation of the typically Russian, "truly Russian *otrabotki* system," i.e., *share-cropping*.

The number of farms operated by Negroes in 1910 was 920,883, i.e., 14.5 per cent of the total number of farms. Of the total number of farmers, 37.0 per cent were tenant farmers and 62.1 per cent were owners; the remaining 0.9 per cent of the farms were run by farm managers. Among the white farmers 39.2 per cent were tenant farmers, whereas among the Negro farmers 75.3 per cent were tenant farmers! The typical Negro farmer is a tenant farmer. In the West, only 14.0 per cent of the farmers are tenant farmers. This region is still in the process of colonisation; it abounds in new, free land; it is the Eldorado (a shortlived, unenduring Eldorado) of the small "independent farmer." In the North 26.5 per cent of the farmers



are tenant farmers; whereas in the South the proportion of tenant farmers is 49.6 per cent! Half the farmers in the South are tenant farmers.

But this is not all. The farmers we are discussing are not tenants in the European, civilised, modern capitalist sense; they are mainly semi-feudal or—what is the same in the economic sense—semi-slave *share tenants*. In the “free” West only a minority of the tenant farmers are share tenants (25,000 out of a total of 53,000). In the old North, which was colonised long ago, out of a total of 766,000 tenant farmers, 483,000, *i.e.*, 63 per cent, are share tenants. In the South, out of a total of 1,537,000 tenant farmers, 1,021,000, or 66 per cent, are share tenants.

In 1910, in free, republican-democratic America, there were one and a half million share tenants; and of this number *over one million were Negroes*. And the proportion of share tenants to the total number of farmers is not declining, but steadily and fairly rapidly rising. In 1880, 17.5 per cent of the total number of farmers in the United States were share tenants; in 1890, 18.4 per cent; in 1900, 22.2 per cent; in 1910, 24.0 per cent.

“In the South,” we read in the commentary of the American compilers of the 1910 census, “the conditions have at all times been somewhat different from those in the North, and many of the tenant farms are part of plantations of considerable size which date from before the Civil War.” In the South “the system of farming by means of leasing the land to tenants, primarily to Negroes, replaced the system of farming by means of slave labour.” “The tenant system is more conspicuous in the South, where the large plantations formerly operated by slave labour have in many cases been broken up into small parcels or tracts and leased to tenants . . . These plantations are, in many cases, still operated substantially as agricultural units, the tenants being subjected to a degree of supervision more or less similar to that which hired farm labourers are subjected to in the North.” (*Op. cit.*, Vol. V, pp. 102, 104.)

To characterise the South it is necessary to add that the population is fleeing from the South to other capitalist regions and towns, in the same way as in Russia the peasantry is fleeing from the most backward central agricultural gubernias, where the survivals of serfdom are most preserved, is fleeing from the tyranny of the Valyai-Markovs, to the more capitalistically developed regions of Russia, to the capitals, to the industrial gubernias and to the South (*The Development of Capitalism in Russia*). The share-cropping region, both in America and in Russia, is the region of the greatest stagnation, where the toiling masses are subjected to the greatest degradation and oppression. Immigrants to America, who play such an important part in its economic and social life, avoid the South. In 1910 the foreign-born population comprised 14.5 per cent of the total. In the South the proportion of the foreign-born population ranged from 1 per cent to 4 per cent, in the various regions; whereas for the rest of the country the proportion of the foreign-born population ranged from 13.9 per cent to 27.7 per cent (New England). Segregated, hidebound, in a stifling atmosphere, a sort of prison for

the “emancipated” Negroes—this is what the American South is like. The population is more settled, more “attached to the land”: except for the district in which considerable colonisation is going on (the West South-Central). 91 to 92 per cent of the population of the two other districts of the South reside in the districts in which they were born, whereas for the United States as a whole the proportion is 72.6 per cent, *i.e.*, the population is much more mobile. In the West, which is entirely a colonisation region, only 35 to 41 per cent of the population were born in the districts in which they reside.

From the two Southern regions where there has been no colonisation, the Negroes are fleeing: during the ten years between the last two censuses these two regions supplied other parts of the country with about 600,000 “coloured” people. The Negroes are fleeing mainly to the towns: in the South, 77 to 80 per cent of the Negro population live in villages; whereas in the other regions only 8 to 32 per cent of the Negroes live in villages. There is a striking similarity between the economic position of the American Negroes and that of the “former landlords’ peasants” of the central agricultural regions of Russia.

. . . Thus, in the North and West—the regions in which two-thirds of the total improved land and two-thirds of the total livestock are concentrated—*more than half* the farmers cannot dispense with hired labourers. In the South, this proportion is smaller only because the semi-feudal (*i.e.*, semi-slave) system of exploitation in the form of share-cropping is still powerful in that region. There is no doubt that in America, as in all capitalist countries in the world, the section of farmers who are most badly off are obliged to sell their labour power. Unfortunately, American statistics provide no data whatever on this subject, unlike the German statistics for 1907, for example, in which such figures are compiled and thoroughly analysed. According to the German figures, out of a total of 5,736,082 owners of agricultural enterprises (the total figure includes even the smallest “owners”), the *principal* occupation of 1,940,867, *i.e.*, over 30 per cent, is that of hired labourers. Of course, the majority of these farm labourers and day labourers possessing strips of land belong to the very lowest groups of farmers.

Let us assume that in the United States, where the smallest farms (of three acres or less) are as a rule not registered at all, only 10 per cent of the farmers are compelled to sell their labour power. Even on this basis we find that *more than one-third* of the farmers are *directly* exploited by the landlords and capitalists (24.0 per cent as share-croppers exploited by the former slave-owners in a feudal or semi-feudal manner, and 10 per cent who are exploited by capitalists, making a total of 34 per cent). Hence, of the total number of farmers, only a *minority*, barely more than *one-fifth*, or *one-fourth*, neither hire workers, nor hire, or go into bondage, themselves.

These important statements have been presented fully within the context of Lenin’s study of the development of capitalism in agriculture. The question is how do we account for the confusion that ends up by

denying that there was capitalism in the south—a confusion that not only characterizes the “Left in this country, but some elements of the CI as well.

The Marxist method proceeds from the obvious fact that everything that happens happens at a certain place at a certain time and under certain conditions. Without describing these conditions, time and place, there is little that is understandable. First of all we must state that there was never any economy in this country except capitalism. Does this collide with Lenin’s statements? Not at all. Marx pointed out as regards slavery in the USNA: “But the business in which slaves are used is conducted by capitalists.” In a word, the slaves were slaves but their masters were capitalists, and production was bourgeois commodity production. The reason that this particular form of exploitation arose was the shortage of labor coupled with the international demand for cotton and tobacco.

It was inevitable that the slave would evolve into a serf or semi-serf and labor under semi-feudal conditions. The first section of the *Negro National Colonial Question* deals with this aspect of the evolution of the Negro people, and needs no repeating here. We need only point out that the landlords were capitalists and production was commodity production. There were semi-feudal conditions, as Lenin points out, but the system was capitalism.

The CI, the “New Left” and the CPUSA, proceeding from the “semi-feudal conditions”, come up with a policy that calls for the overthrow of the remnants of feudalism. This tactic is spelled out as all class unity or in short, a struggle led by the Negro bourgeoisie. We have seen how, over the past years, this “Struggle for Democracy” has led the revolutionary Negro workers from political defeat to political defeat.

Because certain elements within the CI and the CPUSA could not understand slavery within capitalism, or a semi-feudalist form of capitalist exploitation, expropriation and distribution of the surplus product on the one hand; and fearing to really examine Lenin’s writings on the other—good people have attempted to develop a correct politic on the basis of incorrect theory. There is no “battle for democracy” in the South, except to the extent that national liberation is a democratic task; nor are there two stages of revolution in the South. In the epoch of financial imperialism the national liberation of a colony can only be accomplished with socialism. Thus the national liberation struggle of the Negro Nation is the struggle for socialism. The battle must be fought out under the hegemony of the proletariat. This is the policy of our Party.

Nelson Peery

## USNA Imperialism and the Immigration of Mexican Workers into the USNA

As the capitalist economic crisis in the USNA deepens, the forces of fascism in this country are on the rise. The fascist forces are trying to whip up white chauvinism and national chauvinism against “illegal” immigrants to try and divide the working class on the basis of nationality. These fascist attacks on working people are also an attempt by the bourgeoisie to put the blame of the capitalist economic crisis, especially unemployment, on “illegal” immigrants; when the economic crisis is actually a result of the inherent contradictions of the capitalist system.

The struggle around undocumented workers has been especially intense in the Southwestern region of the USNA, because of its proximity to Mexico and the large amount of Mexican national minority people in the Southwest. There have already been several raids in Los Angeles where Mexican national minority workers and Mexican workers were rounded up and many were deported.

To be able to understand why Mexican workers have to come to the USNA to find employment, we must understand the relationship between USNA imperialism and the economy of Mexico, and how this relationship affects the immigration of Mexican workers into the USNA. USNA capitalism has not always been in the stage of monopoly capitalism, or imperialism. Capitalism had been in the period of “free competition” in the nineteenth century, until it was transformed into its opposite, monopoly capitalism or imperialism, which began “at the end of the nineteenth century.” (1)

In part, Lenin differentiated monopoly capitalism from the “old capitalism,” by writing that “typical of the latest stage of capitalism, when monopolies rule, is the export of capital.” (2) That is, under imperialism the imperialist country dominates the colony through primarily the export of capital, not just commodities. Under imperialism, surplus capital will be used for the purpose of “increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap.” (3)

But of course this does not mean that only capital, and not commodities, are exported. Lenin writes that the “export of capital thus becomes a means of encouraging the export of commodities.” (4) This means that to understand the degree of imperialist penetration into a colony we should study primarily the amount of capital exported to that country.

USNA capital investment in Latin America has always concentrated primarily in Mexico. By 1890, over one-half, or 250 million dollars, of USNA capital in Latin America was in Mexico. By 1897, this amount had increased to 320 million dollars, or two-thirds of the USNA capital in Latin America. (5) In 1910, corporations in Mexico owned by the USNA accounted for 64 per cent of the railroads, 75 per cent of the mineral production, and 58 per cent of the petroleum production. In addition to this, by 1910 42 per cent of the national wealth of Mexico was controlled by imperialists. (6) This imperialist domination of the Mexican economy, primarily by the USNA, was one of the factors which led to the Mexican Revolution of 1911.

The Mexican Revolution was basically a national-democratic revolution under the leadership of peasants in the countryside and some elements of the national bourgeoisie. Since the revolution was not led by the working class, it was unable to completely break the ties with imperialist capital. The private land of USNA citizens was confiscated, and they were paid 37 million dollars in compensation. Some of the industries dominated by USNA capital were not nationalized until the partial nationalization under President Lazaro Cardenas from 1934 to 1940. Cardenas nationalized the USNA investments in the railroads and the petroleum sector which resulted in an international boycott of Mexico by some imperialist capital, especially that from the USNA. USNA capital in Mexico dropped from 683 million dollars in 1926 to 316 million dollars in 1946. (7)

This partial boycott of Mexico by imperialist capital had a paradoxical effect on Mexico's economy. According to Keith Griffin, a bourgeois economist, "Far from preventing the Mexican 'take-off', the boycott accelerated development by forcing the Mexicans to create an efficient entrepreneurial class." (8) This means that the Mexican national bourgeoisie actually had to stand on its own feet. During the boycott, the Mexican economy achieved its highest annual rates of growth ever, and this with a decrease in the amount of foreign capital. In 1941 and 1943 the annual rates of growth of the GNP of Mexico were 12.39 and 13.4 respectively. (9) These are the highest rates of GNP growth in the history of the Mexican economy. The benefits of this economic growth of course went to the national bourgeoisie and not to the workers or the peasants.

Cardenas, since he represented the national bourgeoisie, did not make a complete break with the USNA imperialists, so USNA capital once again began to dominate the Mexican economy after 1950. The following table is a general outline for the amount of USNA capital and total foreign capital in the Mexican economy from 1950 to 1970: (10)

Table 1  
Value of total foreign capital and USNA capital (1950-1970)  
(thousands of dollars)

Years	Total Foreign Capital	USNA Capital
1950	566,002	389,740
1957	1,165,082	906,829
1958	1,169,517	884,866
1959	1,244,731	921,962
1960	1,081,313	899,670
1961	1,130,367	964,122
1962	1,285,917	1,092,862
1963	1,417,298	1,199,719
1964	1,552,442	1,296,452
1965	1,744,725	1,456,934
1966	1,937,990	1,619,920
1967	2,095,520	1,674,625
1968	2,316,278	1,879,715
1969	2,576,115	2,044,048
1970	2,822,272	2,240,737

This table shows the large amount of imperialist capital which has accumulated in Mexico, and which reached 2.8 billion dollars by 1970. The USNA is the dominant imperialist power in Mexico with 2.2 billion dollars worth of capital in 1970, or 83 percent of the total foreign investment of capital. In 1950, the USNA portion of foreign capital in Mexico was 68 percent, so by 1970 the USNA had become clearly the primary imperialist power in Mexico.

When this foreign capital investment is broken down by sector, then it becomes even more obvious that imperialist capital is concentrated in the important industrial sector. The following table is the amount of USNA and total foreign capital investment by sectors of the Mexican economy in 1970: (11)

Table 2  
Value of total foreign and USNA capital investment by sector (1970)  
(thousands of dollars)

Sector	Total foreign capital	USNA capital
Agriculture	30,896	30,896
Mines	155,444	141,760
Petroleum	26,315	25,989
Industry	2,083,096	1,636,168
Construction	9,768	5,705
Electricity	2,974	2,974
Commercial	436,178	336,990
Transportation	7,920	6,993
Other	69,681	53,262

This table explicitly shows that imperialist capital, especially USNA capital, dominates in the important industrial sector. The USNA capital in the industrial sector, 1,636,168 dollars, is 78 percent of the total foreign capital investment in the industrial sector, and 73 percent of the total USNA investment in Mexico.

Another important indicator of the degree to which imperialist capital dominates the Mexican economy is the amount of profit expropriated by foreign monopolies. The following table is the amount of profit expropriated by foreign and USNA monopolies from 1960 to 1970: (12)

Table 3  
Annual profits from capital by foreign and USNA monopolies (1960-70)  
(thousands of dollars)

Year	Total Foreign Profit	U.S. profit
1960	141,566	112,079
1961	148,067	129,621
1962	159,567	136,745
1963	185,567	151,096
1964	236,082	199,109
1965	236,147	203,074
1966	277,434	239,444
1967	321,894	263,494
1968	375,894	307,718
1969	435,477	348,355
1970	473,552	371,728
Total (11 yrs.)	2,931,247	2,472,463

This table shows that nearly 3 billion dollars have been expropriated from the Mexican working class in an eleven-year period from 1960 to 1970 by the imperialists. The USNA has expropriated 2.5 billion dollars in this period, or 82 percent of the total foreign profit. Also, the amount of foreign capital in Mexico has increased from 1,081, 313,000 dollars in 1960 to 2,822,272,000 in 1970, or an increase of 1,740,959,000 dollars. This means that only 1,740,959,000 dollars of 2,931,247,000 dollars made in profit over the past eleven years by foreign monopolies has been reinvested in Mexico. Therefore, a total of \$1,190,288,000 have been expropriated from the Mexican economy from 1960 to 1970 without even being reinvested. The amount of profit by USNA monopolies in this period was 2,472,463,000 dollars while the amount of USNA capital invested increased 1,341,069,000 dollars from 1960 to 1970. Therefore, the USNA imperialists have made a net profit of 1,131,394,000 dollars from the Mexican working class in the last eleven years. The rate of return on investment by USNA monopolies on their capital in Mexico in 1970 was a staggering 12 per cent.

The percentage of imperialist's capital share in the output or production of the entire Mexican economy has also increased considerably since 1962 as the following table shows: (13)

Table 4  
Participation of the foreign monopolies in the value  
of the production of the entire economy (1962-1970)  
(millions of pesos)

Year	Total National Production	Foreign Production	Foreign %
1962	275,711	26,945	9.8
1963	306,567	30,836	10.1
1964	360,441	37,201	10.3
1965	392,153	42,060	10.7
1966	434,726	47,668	10.9
1967	473,280	55,705	11.8
1968	521,198	65,321	12.5
1969	575,473	73,629	12.8
1970	646,727	81,292	12.6

The percentage of the commodities produced by foreign monopolies as a part of the total output of the economy has actually increased from 9.8 percent in 1962 to 12.6 percent in 1970. This is an absolute increase of 2.8 percent in just eight years, while it is a relative increase of 28 percent.

The total number of companies in Mexico in 1970 controlled by foreign capital was 1,915. Of these companies, 1,481 were controlled by USNA capital. Of the total number of foreign controlled companies, 1,070 had no Mexican participation while only 845 companies had some Mexican participation. 1,110 of these foreign controlled companies were located in the important industrial sector. (14)

Although total foreign capital in Mexico is only 8.5 percent of the total private capital, it is concentrated and increasing its control of the important industrial sector. In 1962, foreign capital accounted for 19.6 percent of the total industrial capital in Mexico while by 1970 this had increased to 27.6 percent. (15) In the important mining sector, foreign capital was actually much greater in 1967 than that of Mexican national capital. In the mining sector in 1967 there was a total of 127 million dollars of Mexican capital while there was 316 million dollars of foreign capital. (16)

All this means that the Mexican economy is dominated by imperialist capital, in particular USNA capital. USNA capital in Mexico has not created more employment, but in actuality has kept Mexico underdeveloped; thereby forcing Mexican workers to immigrate to the USNA for employment. USNA capital has not created more jobs first of all because the

profits made in Mexico by USNA monopolies are drained away. Second, the foreign capital introduces highly mechanized industry which has been developed in the USNA and which does not require much labor time. And third, much of the capital used by foreign monopolies in Mexico is local Mexican capital borrowed from local banks since they would rather lend to foreign monopolies which are lower risks. (17)

This of course does not mean that when the USNA imperialists are driven from Mexico that the Mexican workers and peasants will be in control of their economy and have a decent standard of living. This only means that there exists a contradiction between the Mexican national bourgeoisie and the USNA imperialists. Only under the leadership of the Mexican working class will the Mexican people be able to expel imperialist capital and build a socialist economy.

Since Mexico's economy has been underdeveloped by imperialist capital, the amount of immigration to the USNA by Mexican workers is a direct result of imperialist exploitation of Mexico. The unemployment rate in Mexico has always ranged between 25 percent and 40 percent due to the domination of the economy by USNA capital, so Mexican workers have always had to immigrate to the USNA in varying degrees to find employment. The amount of Mexican immigration has varied widely over the years since 1900. The following table is a breakdown of "legal" Mexican immigration into the USNA by five-year periods since 1900. This is only the "legal" number of immigrants since it is almost impossible to calculate the number of "illegal" immigrants: (18)

Table 5  
Number of Mexican Immigrants (1900-1964)

Period	Number of Immigrants
1900-1904	2,259
1905-1909	21,732
1910-1914	82,588
1915-1919	91,075
1920-1924	249,248
1925-1929	238,527
1930-1934	19,200
1935-1939	8,737
1940-1944	16,548
1945-1949	37,742
1950-1954	78,723
1955-1959	214,746
1960-1964	217,827

This table shows that the first large immigration to the USNA from Mexico began around the revolutionary period in Mexico around 1910. These people were primarily the petty-bourgeoisie who were fleeing from the revolution. The amount of immigration continued to increase until

World War I because the USNA economy demanded more farm laborers, especially in the Southwestern region. The bourgeois sociologist, Leo Grebler, states that "World War I sharply increased the demand for American farm and fiber products, but the supply of agricultural workers failed to match the product demand." (19) During the 1920's the "Mexican immigrants provided the solution to the problems of assuring a low-wage labor supply" so the "solicitation of Mexican workers by farm and non-farm enterprises" was stepped up. (20)

Then the USNA economy was struck by the most severe capitalist crisis yet in the 1930's. From 1930 to 1940 the amount of "legal" immigration to the USNA from Mexico dropped to only 27,937 people. This was primarily because the unemployment rate in the USNA had risen to 25 percent in 1935, so there was no shortage of labor.

By World War II and the 1940's, the "demand for labor increased sharply," again, but "Mexico, too, enjoyed prosperity" during the 1940's. (21) This period was also the period when USNA capital was boycotting Mexico and had the adverse effect of stimulating the Mexican economy. The early 1940's was a period of very high economic growth for the Mexican economy. The amount of immigration did increase to 16,548 in the period from 1940 to 1944, but this amount was relatively small compared to other periods of growth in the USNA economy such as the 1920's and part of the 1950's period. Of course, there are many factors influencing the rate of immigration, especially the state of the USNA and Mexican economies. In the period from 1940 to 1944, the primary factor was the expansion of the Mexican economy. This relative growth in the Mexican economy was partially countered by an expansion in the USNA which resulted in a small increase in the amount of immigration.

In the 1940's the Bracero Program was begun to provide temporary workers for USNA capitalists. This was because "irrigated agriculture was being expanded in the Southwest" and "the addition of 7,500,000 acres to the agricultural lands of the seventeen western states between 1945 and 1955 to 1959, the amount of "legal" immigration had greatly increased to 214,746 to meet the needs of the capitalists demands for cheap labor. This was also a period when USNA capital had begun to dominate the Mexican economy again.

During the McCarthy period of intense anti-communist hysteria, the fascist forces at the time in the USNA whipped up national chauvinism; and thousands of Mexican workers and Mexican national minority workers were arrested and deported. During the 1960's once again there were large amounts of immigration since the USNA capitalists needed cheap labor to exploit. Once again another crisis has hit the USNA capitalist system. Once again the fascist forces are whipping up national chauvinism and directing it against the Mexican national minority people in the Southwest.

But there are certain elements in the USNA labor movement who do not see the attack on Mexican workers as an attack on the entire working class. This form of opportunism and national chauvinism is characteristic of not only the bourgeoisie, but also the labor aristocracy. As Lenin once wrote,

"The fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism." (23) This attack on "illegal" Mexican workers is an attack on one of the most exploited sections of the USNA working class and also one of the most progressive sections. Mexican workers in the USNA, especially in the Southwest, have led many of the most militant struggles against monopoly capitalism. (24)

**Conclusion:**

USNA capital has penetrated into and now dominates the economy of Mexico. USNA imperialism has subjugated Mexico to its needs and has underdeveloped its economy. This has resulted in there being perennially high unemployment in Mexico, even higher than in most capitalist countries. This high level of unemployment, along with encouragement from USNA capitalists, has forced Mexican workers to immigrate to the USNA in order to survive. Once in the USNA, they are subjected to extreme exploitation by the monopoly capitalists.

There has also existed generally over periods of several years a relationship between the amount of USNA capital in Mexico and the rate of immigration from Mexico to the USNA. There are many factors in determining this relationship's effect on immigration, but generally there is a tendency for the amount of immigration to be directly influenced by the amount of USNA capital invested in Mexico. This means that USNA imperialism is the cause of Mexican immigration into the USNA.

—K. R., Tucson

**Footnotes:**

1. V. I. Lenin, *Imperialism, the Highest Stage of Capitalism*, (1916), *Collected Works*, (Progress Publishers, Moscow, 1964), Vol. 22, p. 201.
2. *Ibid.*, p. 240
3. *Ibid.*, p. 241.
4. *Ibid.*, p. 244.
5. Marvin D. Bernstein, *Foreign Investment in Latin America*, (New York: Knopf, 1969) p. 7.
6. Morris Singer, *Growth, Equality, and the Mexican Experience*, (University of Texas, 1969), p. 136.
7. Keith Griffin, *Underdevelopment in Spanish America*, (Cambridge: MIT Press, 1969) p. 136.
8. *Ibid.*
9. Singer, *op. cit.*, p. 109.
10. Bernardo Sepulveda and Antonio Chumacero, *La Inversion Extranjero en Mexico*, (Mexico: 1973) Table 3 (my translation).
11. *Ibid.*, Table 1 & 3.
12. *Ibid.*, Table 6.
13. *Ibid.*, Table 14.
14. *Ibid.*, Table 8.
15. "Quarterly Economic Review: Mexico," April 4, 1973, p. 5
16. Sepulveda and Chumacero, *op. cit.*, Table 11.
17. North American Congress on Latin America (NACLA), *Yanqui Dollar*, (New York: 1971) p. 57.