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THE COLONIAL REVOLUTION-CAPITALIST OR SOCIALIST ?

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At the start of the 20th Century the great capitalist powers - Britain, France, the U.S., Germany, Holland, Belgium, Japan - had divided up most of the world among themselves. Countries containing a majority of mankind were ruled, directly or in slightly disguised form, by the imperialist states.

In the course of this century these imperialist powers have fought two World Wars; wars whose main purpose was to decide which powers would have dominance over the colonies. Nevertheless, since the end of World War II, a vast revolution has swept over the colonial world. In the brief span of 15 years the entire structure of colonialism has crumbled into dust. Today only a few scattered territories have not yet achieved political independence.

The abolition of colonial forms of foreign rule has not come easily or peacefully. France in Vietnam, Morocco, Algeria; Britain in Egypt, Kenya, Cyprus; the U.S. in Korea: The imperialist powers fought bitterly and fiercely and yielded only to superior force. If today many nations are gaining political independence "peacefully," this is the fruit of the armed struggles of the past decade, the expression of a fundamentally altered relationship of forces between the imperialists and the colonial peoples.

This changed balance is itself an expression of the general decay and enfeebling of modern capitalism, whether through a direct reinforcement of the Soviet bloc, as with the Chinese revolution, or through the emergence of a broad, constantly growing "neutralist" tendency, the colonial revolution continually accentuates the relative weakening of the capitalist powers compared to the non-capitalist countries.

Capitalist and Socialist Revolutions

The colonial revolution has established itself as one of the decisive forces of the modern world, but what is the inner nature of this revolution? What are its goals, its driving forces, its inherent limitations? What constitutes its "success," and what is necessary to achieve that "success?" For revolutionary socialists these are vital questions, not only because they are essential to an abstract understanding of the process of colonial revolution, but above all because they must be answered to make possible active socialist intervention in the development of these revolutions.

Marxists have always recognized a fundamental distinction between the "bourgeois-democratic revolution" and the "socialist revolution." The prototypes of the "bourgeois-democratic revolution" were the great revolutions of the 17th and 18th century in Holland, England, France and the United States. Viewed historically, the major accomplishment of these revolutions was to provide the political and social basis for the development of capitalism.

The essential economic form of capitalism is the market economy: unless the major part of a nation's material production is destined for sale on the market, unless products take the form of commodities, that nation is not yet predominantly capitalist. The political and social bases of the market economy are, in essence, national independence and unity and the dominance of private property in the means of production, and most particularly the land. In today's terminology this means land reform and the elimination of autocracy whether native or foreign, in favor of bourgeois rule.

In contradistinction to the capitalist revolutions, the characteristic of a socialist revolution, like the October 1917 Russian Revolution, is to establish the bases for a socialist economic system: political rule of a propertyless class, the proletariat, and the establishment of collectivist property forms in the decisive economic sectors. In today's terminology, again, this means nationalization of industry and workingclass rule.

The concepts of "bourgeois-democratic revolution" and "socialist revolution" are clearly "opposites." But life permits no such easy dichotomies. The Russian Revolution was manifestly a socialist revolution; and yet the first act of the Soviet government was to establish private property on the land by dividing the great feudal estates among the peasants.

The Russian Mensheviks and Social-Democrats throughout the world covered their betrayal of socialism with the argument that a "socialist revolution" is permissible only after the "bourgeois-democratic revolution" is completely accomplished, and so Russia should have remained capitalist. But for Marxists the relationship of opposites is not sequential, but interpenetrating.

The Marxist analysis of the relationship of capitalist and socialist revolutions in the modern world was first suggested by Marx in reference to the German revolution of 1848, and then in this century was fully developed by Leon Trotsky. That analysis is called "The Theory of Permanent Revolution."

As expressed by Marx and Trotsky, the "Theory of Permanent Revolution" can be summarized in these terms:

The countries which begin their economic development after the initial flourishing of capitalism in Western Europe do so under radically different conditions than their predecessors. In these countries the bourgeoisie is much weaker than it was in Western Europe, because it is at a vast competitive disadvantage against the capitalists of the advanced countries, a disadvantage multiplied by foreign political rule in the case of direct colonies. At the same time, the proletariat is much stronger than its 17th and 18th century forbears, for the simple reason that it is based on modern, large-scale industry, to the extent that industry exists at all.

The class struggle between proletariat and bourgeoisie existed in embryo even in the English revolution, and played a significant role in the Great French Revolution. But in modern times its importance is so much greater that for the bourgeoisie the decisive political emotion is fear of the working class. Moreover, economically, the bourgeoisie of a backward country is most intimately linked both to the old landowning class and to the foreign colonial power. For these reasons the bourg-

geoisie and its parties are incapable of carrying through the bourgeois-democratic revolution. 3

But the fight against the landlords and the tyranny is a matter of supreme importance for the whole people, and particularly the peasants and workers! The peasantry, because of its dispersion and backwardness, cannot lead this struggle. Only the workingclass in the urban centers can carry it through to victory. At the same time the leading role of the proletariat in the struggle for "bourgeois-democratic" measures is combined with a struggle for its own class interests against its own class enemy, the native bourgeoisie. The conquest of political power by the working class is simultaneously the culmination of the "bourgeois-democratic" struggle and the decisive act in the class conflict between capitalists and workers. Once in power the proletariat proceeds "to wrest by degrees, all capital from the hands of the bourgeoisie."* It does this not merely in its own obvious class interest, but also because in today's world fast economic development is possible only on the basis of nationalization and economic planning.

Thus the "bourgeois-democratic" revolution grows quickly and continuously into the "socialist revolution." It is a permanent revolution in the full sense of the word, uninterrupted by any period of capitalist rule. It is permanent above all in the sense that the success of a socialist revolution in a backward country, lacking the major technical, material, and cultural productive forces required for the establishment of socialism, can be secured only through the extension of the revolution uninterrupted until it triumphs also in the advanced capitalist countries. As long as it remains isolated in a hostile capitalist world, a socialist revolution in a backward country is prey to the two perils of counter-revolution and internal degeneration.

The Russian and Chinese Revolutions

Such, in its main lines, is the Theory of Permanent Revolution. Like any scientific theory it seeks to predict and to explain the facts of the material world, and its validity is tested by its success or failure in predicting and explaining those facts. To what extent has this theory been confirmed by the facts of history?

On the basis of the period between the two world wars it is possible to claim a complete confirmation of the Theory of Permanent Revolution. In those years the backward countries experienced two great revolutions: the Russian revolution begun in 1917, and the Chinese revolution begun in 1925.

The first, of course, was a "success," the second a "failure." However in both the Theory of Permanent Revolution was tested, not in an academic way, but as the central political dispute within the working-class movement. The split between Bolshevism and Menshevism in the Russian Revolution, carried forward as the conflict between "Trotskyism" and "Stalinism," centered on this point. The predictions based on different theories turned into the most violently clashing political programs: working class rule vs. capitalist rule.

Let us examine briefly both of these revolutions. In the Russian Revolution the Mensheviks, on the basis of the theory that Russia had to go through a capitalist stage, supported and participated in the capitalist Provisional Government of Kerensky and Miliukov. The Bol-

* Communist Manifesto

sheviks, on the other hand, basing themselves on the Theory of Permanent Revolution, (though not without substantial internal right-wing resistance,) fought to establish the proletarian dictatorship under the slogan of "All Power to the Soviets." The debate was decided by the arguments of armed insurrection and civil war: backward Russia established workers power and began to move toward socialism. 4

The Russian Revolution, however, did not end with the defeat of the White Guards and Mensheviks in the Civil War. According to the Theory of Permanent Revolution the success of the proletarian revolution could not be durably established in a single backward country but required the extension of the revolution to advanced capitalist countries. In fact the capitalist powers were threatened by revolutionary movements strong enough to prevent them from militarily destroying the infant Russian Revolution. But if these revolutions and threats of revolution were powerful enough to save the Russian Revolution from military defeat they were nowhere successful in overthrowing the capitalist state.

The consequence of the isolation of the Russian Revolution was its internal degeneration. Stalin, repudiating the Theory of Permanent Revolution, claimed to establish "Socialism in a Single Country." What he actually established and what endures in essence today in the U.S.S.R. is a bureaucratic despotism which murdered most of the old Bolshevik leadership, placed the Russian workers under a totalitarian yoke, and externally, adopted a Menshevik policy of class collaboration with capitalism.

Thus both the victory and the subsequent political degeneration of the Russian Revolution are in accordance with the predictions deriving from the Theory of the Permanent Revolution.

The Chinese Revolution of 1925 was the second great test. It took place at a time when the degeneration of the Soviet Union was well advanced, and the Communist International had come under the control of Stalin.

The immediate goals of the Chinese Revolution were the "bourgeois-democratic" aims of national unity, expulsion of the imperialist powers, and land reform. In its first stage, leadership was taken by a capitalist party, the Kuo-Min-Tang, headed by Chiang Kai-Shek.

What was to be the role of the Chinese Communists in relation to this capitalist leadership? According to the Menshevik theory they should give complete support to Chiang Kai-Shek and help him to carry out a capitalist revolution. This in fact was the policy imposed by Stalin on the Chinese Communists: They were told to cease all independent political activity, to enter the Kuo-Min-Tang and accept its program, and to support Chiang Kai-Shek to whom Stalin gave the status of "sympathizing member" in the Communist International.

The Trotskyist "Left Opposition," basing itself on the Theory of Permanent Revolution, completely rejected this analysis and policy. The Opposition contended that Chiang Kai-Shek would fight the imperialists and warlords only as long as the Chinese capitalist class did not feel menaced by a real revolution: but that the development of the revolution would quickly lead him to turn his guns on the workers and peasants. The Chinese Capitalists could never carry through a revolution, even a "capitalist" one: only the working class and its party acting

independently could lead the vast mass of poor peasants in a revolution whose principal aim had to be a complete overturn of agrarian property relations. Consequently the Opposition called on the Chinese C.P. to preserve its complete independence from the Kuo-Min-Tang and to oppose Chiang Kai-Shek for leadership of the revolution by actually carrying through the agrarian revolution. 5

Stalin's policy, of course, prevailed: and its consequences were speedy and disastrous. In April 1927 Chiang Kai-Shek massacred the workers of Shanghai who had been deceived by Stalin into welcoming him as a liberator. The Chinese revolution received a terrible setback which was to be paid for by two decades of civil war; and the responsibility for the disaster belongs to the Stalinist leadership which disarmed the Chinese workers.

Thus, as the success of the Russian revolution provided "positive" proof of the Theory of Permanent Revolution, the failure of the Chinese revolution was equally strong proof in a "negative" way. Both demonstrated the counter-revolutionary nature of the national bourgeoisie in a backward country - both showed the necessity for an independent and leading role of the workingclass and its party.

The Colonial Revolution Today

But if historical experience up to the second World War demonstrated that the historic tasks of the "bourgeois-democratic revolution" could be fully accomplished only under the hegemony of the proletariat in the course of a revolution which moved uninterruptedly on to the accomplishment of socialist tasks, a major question is raised by the experience of the past 15 years. The entire colonial world, from India to the Ivory Coast, has gained its independence, many of the new nationalist governments have adopted extremely "leftist" programs, and some have even carried through very sweeping economic reforms - all without anything resembling a proletarian revolution.

The challenge presented to the Theory of Permanent Revolution is sharp and clear: if the vital goals of the colonial revolution have in fact been accomplished under bourgeois leadership then it follows that capitalism still has a progressive role to play in these countries and the Stalinists are right to support "progressive" bourgeois nationalists like Nasser, Sockarno, Perhat Abbas et al.

Obviously neither the imperialist nor the colonial countries are the "same" in 1961 as in 1927. The essential test of a scientific theory is not the complete and literal conformity of reality to the theory (such conformity is, in fact, virtually impossible) but the success of the theory in predicting the essential aspects of the reality: the inner nature of the process, its moving and conflicting forces, its limits.

What are, in today's world, these "essential aspects?" The "colonial world," in vital respects seems to show far more diversity than unity. Take the problem of "land reform," for example: in many countries, such as India, China, the Middle East, most of South America, the problem is or was one of expropriating native "semi-feudal" landlords and usurers. In many African countries, where tribal forms of social organization prevail, the peasants already "own" the land, and so the problem scarcely exists. In other countries (North Africa, Kenya, Central America) the best lands have been taken by foreign settlers or corporations, and it is these who must be expropriated. Moreover these

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situations are seldom "pure," but usually exist in combination with each other within a single country.

Nevertheless despite these vast differences, the underlying problem is the same for all these countries: to increase rapidly agricultural productivity, to raise the technological, cultural and social level of the peasantry.

Again, in terms of "national independence" the picture is similar. The backward countries had the widest diversity of political forms: direct colonies, disguised colonies (the "Banana Republics"), partial colonies (China,) and sovereign states (most of South America.) But for all, the problem is the same: to establish the basis for a rapid and autonomous economic development.

Thus we have the essential criteria by which the colonial revolution of today is to be judged. The validity of the Theory of Permanent Revolution stands or falls on the answer to the question: Are these fundamental tasks to be accomplished by the national bourgeoisie, or do they require workingclass rule?

China vs. India

A first response to this question is suggested by a comparison between the two giants of the colonial world, China and India. India gained its independence under the leadership of the capitalist Congress Party of Gandhi and Nehru, and the Congress has remained firmly in control.

The victory of the Chinese Revolution, on the other hand, was the outcome of a 20 year long civil war which began when, after the 1927 victory of Chiang Kai-Shek, the Communist Party abandoned the cities and established a peasant-based "Soviet Republic". After the Second World War the elemental force of the peasant revolution proved far stronger than the efforts of Stalin and Truman to impose a coalition government on Chiang Kai-Shek and Mao Tse-Tung. Chiang had no choice but to destroy the peasant movement, and the Chinese C.P., despite its Stalinist structure and ideology, had no choice but to take leadership of the revolution.

The triumph of the peasant armies led, not to the growth of capitalism, but to economic development based on virtually complete nationalization of industry and economic planning. Thus, despite the extreme deformations imposed by its Stalinist leadership, the Chinese revolution has developed in accordance with the Theory of Permanent Revolution - it has uninterruptedly moved forward on a socialist line of development.

The general contrasts between China and India have been drawn often enough: on the points of theoretical interest they lead to unambiguous conclusions. In India, 13 years after independence, land reform has scarcely begun - in China a sweeping and complete expropriation of the landlords and usurers was the first act of the revolution. In India the cultural conditions of the peasantry have scarcely been touched, agricultural production has barely maintained the pace of population growth. The problems of China, on the other hand, are those imposed by the rapidity of the cultural and economic transformation of the peasantry: despite bureaucratic adventurism, Chinese agriculture has developed and is developing far faster than Indian.

In industry the contrast is universally admitted and perfectly definitive: starting from a level, even lower than India's, China in a decade, became a major industrial power: and this industrial development was mainly financed by China's internal resources. Meanwhile Indian industrial development has been virtually stagnant: two "five year plans" were generally failures, despite very great U.S. and British economic aid. The Third Indian Five Year Plan, beginning this year, requires foreign aid of some \$ 6½ billion; if this aid is not forthcoming, even the modest objectives of this plan will prove impossible. But if the money is obtained from the West, what will be its price?

And here, on the crucial point of national independence is another glaring contrast: despite unquestionable political independence, India has in no way become economically independent of the Western imperialist powers. Not only have foreign investments in the Indian economy not been touched, but the need for foreign aid can only increase this economic dependence.

Comparison with China shows clearly the inability of the Indian bourgeoisie to solve the basic problems of the bourgeois revolution. Confirmation of the essence of the Theory of Permanent Revolution in this vital sector of the colonial revolution is a fact of prime importance!

The Significance of Land Reform

But the contrast of India and China, for all its vital significance, is only one part of a much wider reality. What more general lessons can be drawn from the Colonial Revolution, particularly in respect to the criteria of "land reform" and "national independence and unity?"

The first thing that must be understood, in any general discussion of land reform, is that, in itself, the distribution of land ownership among the peasantry is the most moderate and essentially capitalist of reforms. The dominance of capitalist private property on the land is the essential, and universally recognized, basis for capitalist "social stability" and private capital accumulation.

The "desirability" of land reform is one thing - its "practicability" is something else again. For the ruling class in a backward country, whose main element is precisely the landowners, land reform is "practical" only if the landowners can count on guaranteed payment for at least the full value of their property. But where is the cash for full compensation to come from?

In a small country able to call on substantial foreign aid this is not an insuperable obstacle: thus Tunisia was able to persuade France to advance the funds necessary to compensate the large landowners, predominantly French citizens. Almost universally however, this path is closed, and so the funds must come from internal sources - that is to say, either directly or indirectly from the peasantry itself.

How is this to be done? Given social and economic stability, a gradual reform financed by medium-to-long term loans to the peasants would do the job. But social and economic stability is exactly what does not and cannot exist in the colonial world today! In Russia Prince Stolypin's attempt at this sort of agrarian reform was wrecked in war and revolution; in India Nehru's projects have remained still-

born; and in most countries today such a program is perfectly utopian.

Why? Because without "social stability" i.e., a guarantee against further revolution, what reason is there to expect peasants rebelling against high rents to accept even more burdensome compensation payments? Without "economic stability," i.e., a guarantee against runaway inflation of the sort that Latin America is experiencing at this moment, what is the value of a loan repayable in local currency? Under such conditions the only meaningful compensation to the landowners is on the terms which were demanded of the Cuban revolution and which Dr. Castro denounced before the U.N.: "Pay right now, in dollars, and what-over we may ask for our lands."

Not one colonial country can meet such terms: moreover any attempt, even partially financed by foreign aid, to do so would destroy any possibility of economic progress. It would mean nothing less than diversion of the scarce foreign exchange available from vital projects of economic development into the pockets of the former landlords!

There remain only two ways in which a meaningful agrarian reform can be carried out: either by a totalitarian military dictatorship which effectively guarantees "stability" through the suppression of the workingclass and peasantry, as in the "United Arab Republic;" or else through direct expropriation of the land by the armed peasants, as in China and Cuba. Of these variants only the first can be considered a possible "exception" to the Theory of Permanent Revolution, and so far it exists in very few countries - in most of the backward countries, including the most important, the past decade has confirmed the expectation that bourgeois regimes would be unable to carry out the essential agrarian reforms.

So far this discussion has been on the juridical level, in terms of agrarian property forms. But the problem of the agrarian revolution today only begins with the question of property. True, without peasant ownership of the land no progress is possible. But in the modern world a mere transfer of property rights is absolutely insufficient to accomplish the basic historical task which we have stated: "to increase rapidly agricultural productivity, to raise the technological, cultural, and social level of the peasantry."

What are the necessary conditions for this process? First of all it must be a component part of a rapid industrialization which alone can provide the peasant both the modern tools and fertilizers he needs and the houses and consumer goods required for a minimally decent living standard, without which even technological progress is frustrated by demoralization and inefficiency, (as the chronic agricultural crisis in the Soviet Union shows over and over again.) Secondly there must be a fundamental emphasis on the economic and social "infrastructure" - roads, electrification, irrigation, and above all schools and hospitals. Finally, individual proprietorship must be transcended by more advanced property forms permitting the fullest use of modern agricultural technology: and such co-operative property forms cannot be imposed on the peasants without largely destroying their value - they must rest on the democratic assent of the peasants themselves.

The magnitude of these tasks is indicated by the difficulties and disasters which have beset China and the U.S.S.R. (But let not the capitalists scoff - for only the countries of the Soviet Bloc have even begun to tackle the problem.) Clearly agricultural development, far

from being synonymous with land reform, requires a much deeper and broader change. Even at best the most thorough land reform leaves the colonial revolution seriously incomplete.

The Threat of Balkanization

And if land reform is in itself, of such limited significance, how much more is this the case for political independence! The historic importance of nationalism has been to create the political unit capable of serving as the base for economic development. In the great bourgeois revolutions this had two inseparable aspects: national independence and national unity. The first was indispensable to remove the external barrier to development; to end special foreign privileges, establish tariff protection for native industries, provide the military force to protect foreign commerce. But equally indispensable was the destruction of internal barriers, of obsolete political divisions. The aim of all these revolutions was to establish centralized political rule over the widest possible area.

Thus the English revolution included the most rigorous attempts to suppress the national identity of Scotland and Ireland; the American revolution, after giving birth to 13 sovereign states, was forced to go forward to the elimination of this sovereignty by a central government; in the French revolution the fiercest internal conflict was between "centralisers" and "federalists," and the major historic achievement of Jacobinism was the imposition on France of the centralized government which has existed ever since. The nationalism of the bourgeois revolutions was anything but a fragmenting force!

Now compare the relationship of national unity and political independence in the colonial world of today. Again, the contrast of China and India is most immediately striking. The victory of the Chinese revolution was simultaneously the reestablishment of a national unity that had been destroyed in the preceding century: the power of the warlords was ended; Chinese rule was re-established over Manchuria and Tibet; only Taiwan, under the military occupation of U.S. imperialism, remains unintegrated in the Chinese nation. India, on the other hand, had never known the fragmentation experienced by China: under British rule the Indian subcontinent remained what it had always been under Hindu and Mogul emperors: a unified economic whole.

Indian "independence," then, went in the opposite direction from the Chinese revolution - the British colonialists, with the assent of the Indian bourgeoisie, broke up the unity of the subcontinent and established the political monstrosity of "Pakistan." Instead of a constructive unifying revolution, Gandhian "pacifism" gave India one of the most bloody racial and religious conflicts in history and divided a single country into two armed camps! The basic bankruptcy of the Indian bourgeoisie was visible right there: for the baubles of political independence it surrendered its birthright of national unity.

Elsewhere in the colonial world the picture is no less sombre. In the era of the jet plane and atomic energy even the great capitalist nation-states are perfectly obsolete. Despite themselves the European capitalist powers are driven toward economic and political unification. Despite the pernicious theory of "Socialism in a Single Country" the states of the Soviet bloc are drawn into ever closer economic interdependence and common planning. Despite its incredible chauvinism the U.S. itself is tied by golden chains to the entire rest of

And in the year 1960 what has been happening in the colonial world? We find the Belgian Congo torn into at least four "independent" states; the huge nation of Nigeria is granted independence emasculated by a federalism which leaves almost sovereign power in the hands of the tribal chieftains of the backward north; the French African empire is divided into a dozen miniscule, but "independent" nations; and in the Western Hemisphere nation after nation breaks off trade and diplomatic relations with revolutionary Cuba while antique rivalries, like the Ecuador-Peru border dispute, flare anew.

These current developments typify the general situation. Everywhere the nationalist revolution have been unable to overcome the fragmentation imposed by imperialism. The national bourgeoisie everywhere in the colonial world has demonstrated its incapability of achieving national unity.

This failure is the more striking in that the need for unification has everywhere been recognized by the nationalist bourgeois leaders themselves. The paradox is not a new one: in South America the revolution against Spanish colonial rule was led by men inspired by the ideal of continental unity. But instead of Bolivar's goal of a United States of South America the revolution aborted in a congeries of sovereign states, each mired in its own semi-feudal social structure and economically isolated from its neighbors, doomed to subservience toward British and North American imperialism.

Even the most "advanced" national capitalist classes are following the pattern of the South American failure, not the North American success. What part of the world is more naturally a unified nation than the Arab Middle East? Devoid of physical and economic barriers, it possesses a uniform language, religion, and culture and a tradition of 2,000 years of political unity. What a magnificent perspective would be opened by the combination of the oil riches of Iraq, Arabia, and the Persian Gulf with the industrial and agricultural potential of Egypt, Syria and Lebanon (not to mention Israel!) And yet how totally has every attempt to unite the Middle East failed!

As we remarked earlier, the Egyptian revolution is perhaps the most "successful" and far-reaching of contemporary bourgeois-led nationalist revolutions. Nevertheless, faced with the crucial task of achieving Arab unity, Nasser's leadership reveals itself as fundamentally inadequate.

As its name indicates, the union of Egypt and Syria in the "United Arab Republic" was an attempt toward general Arab unity: this attempt, however, has led to a dead end. The formation of the U.A.R. was precipitated by the development of a workingclass revolutionary movement in Syria - the threat of social revolution threw the Syrian bourgeoisie precipitously into the arms of Nasser.

The immediate consequence of the union was, in fact, the crushing of the Syrian labor movement, the outlawing and persecution of the C.P. and other independent leftist groups. But at the same time the Syrian bourgeoisie found itself subjugated by Egyptian capitalism and suffering serious losses thereby, since the Syrian and Egyptian economies, both lacking oil, are not strongly complementary. Thus despite the complete political assimilation of Syria into the Egyptian dictatorship, the basis of the U.A.R. itself remains fragile and subject to continual strains threatening its dissolution!

Meanwhile the experience of Syria has had its political effect on the Arab world. Where an independent labor movement exists it now knows that it could not survive under Nasser's rule. Above all the Arab ruling classes, particularly those in possession of oil, are put on guard against the consequences of too-close ties to Egypt. Consequently when Nuri Said was overthrown in Iraq the new revolutionary government of Kassem, instead of moving toward unity with the U.A.R., was impelled to wage a fierce struggle against Nasser. The very similarity of the bourgeois-nationalist military dictatorships in Egypt and Iraq becomes a powerful source of conflict within the Arab world.

Endless other examples of the "balkanization" of the colonial world could be found - suffice it to cite only the ironic case of L.S. Senghor who once spoke loudest in warning against "the balkanization of Africa," and who last year was the prime mover in destroying the Mali Federation!

What is the basic cause of this contradictory pattern, the success of the colonial bourgeoisie in gaining political independence and its failure to achieve national unification? To answer this it is necessary to start from an understanding of the aims and policies of the imperialist powers in their relationship to the colonial world.

The imperialist relationship is essentially and above all an economic one. The relationship of "colony" to "metropolis" is defined, not by political forms, but by the fact that the former is economically exploited by the latter. This exploitation takes three main forms: the colony serves as a closed market, as a field for capitalist investment, and as a provider of raw materials. Because the workers and peasants of the colony can be forced to labor for the barest subsistence wage, the monopolistic position of the imperialist power enables it to reap huge profits from a minimal investment.

The exploitation rests basically on the enormous and constantly growing disproportion of economic strength between the advanced capitalist state and the backward colony. The function of colonial political rule (aside from the spoils it offers to a host of bureaucrats, criminals, soldiers, etc.) is to prevent any interference with this economic relationship, whether by a rival imperialist power or by social revolution in the colony.

The U.S. of course, never resorted on a large scale to direct colonialism: confident in its vast economic power it was always content with an "open door" and regarded European colonial forms as barriers to its own imperialist expansion. The goal of the "anti-colonialist" U.S. for the entire world has always been the reproduction in Asia and Africa of the existing pattern in Latin America! And today the old empires, under the pressure of the colonial revolution, have accepted this program.

The essence of "neo-colonialism" thus is the attempt to perpetuate imperialist economic exploitation through more modern and supple political forms. These new forms must be based on the "new elites," on the colonial bourgeoisie, because only a "progressive," "nationalist" government can hope to contain and "channel" the revolutionary surge of the colonial masses. Brutal repression by itself is no longer a work-

able policy. (12)

What, in the neo-colonialist view, is to hold the "new elites" subject to the old rulers? On the one hand they are offered a share in the profits from the exploitation of their own country, under the guise of "foreign aid" and "mixed enterprises" -- on the other the fragmentation of the new states guarantees their economic, cultural, even military dependence on the old colonial power. Political independence without national unity: this is the formula whereby neo-colonialism seeks to establish the new, American-style, political basis of imperialist exploitation.

Has National Bourgeois Leadership Worked?

Has this policy worked? This, from the imperialist angle, is identical to the question we posed earlier; Has the colonial bourgeoisie proven capable of carrying through the national revolution to the conquest of real independence, economic as well as political?

On the basis of today's reality the answer is clear beyond doubt: those former colonies which have not entered on the path of socialist revolution remain dependent on the Western imperialist powers. Nkrumah is fond of posing as a "Marxist Socialist:" the economic development of Ghana depends on the Volta River Project to be financed by private Western capital; the Ghanian government is staffed by British civil servants; and the Ghanian army itself is commanded from top to bottom by British officers!

Is the acquisition of economic independence by the colonial bourgeoisie even a theoretical possibility? It is obvious that no nation, most of whose productive wealth is owned by foreign interests, can even pretend to independence in this vital sense. And of course this is the case for every colonial country which has had any real economic development. But the nationalization even of foreign-owned industries is a measure that any capitalist regime, and particularly a colonial one, will only take in real desperation.

Even when foreign interests are nationalized this represents only the beginning of real independence. Immediately two formidable dangers confront a nation which has carried out sweeping nationalizations. First is the problem of compensation. In discussing land reform we have already exposed the difficulty in compensating native proprietors. The problem in regard to foreign owners is at least as intense. If reasonably full compensation is paid, this amounts to mortgaging the future of the country to foreign capitalists. Instead of profit and depreciation, the tribute to imperialism is now called interest and amortization. And this change of form is no blessing to the people of a colonial country. The ability of a private corporation to repatriate profits is limited by the market and thus subject to wide cyclical fluctuations. Payments of principal and interest on government bonds, on the other hand, must be met in both good and bad years, even if it requires great sacrifices from the native population.

Compensation payments thus have the effect of transforming the national government into a medium for the extraction of surplus value from the native working class and its transfer to foreign capitalism.

The system is state capitalism, to be sure - but a colonial state capitalism in which the possibility for autonomous economic development is destroyed by the drain of foreign payments. 13

The second problem, equally difficult, is that of markets. The raw materials produced by a colony must be transformed and eventually consumed in the advanced capitalist world. Moreover the post-war trend has been toward increasing oversupply of most raw materials, whether petroleum, foodstuffs (Brazil alone expects to produce this year a quantity of coffee greater than total world consumption!) or metals. The market for raw materials is very much a buyers market.

It is also, and this is a key point, a market that can be controlled, through intervention of national governments if need be, by a few great capitalist interests. Where a nation is completely dependent on one or two products, market manipulations can in fact force it into virtual bankruptcy.

The experience of Bolivia is a case in point. In 1952, under pressure from the armed revolutionary miners, the bourgeois MNR regime nationalized the tin mines, whose output is mainly sold to the U.S. Although the mines were not predominantly U.S. owned, the U.S. capitalists responded by a campaign to drive down the price of tin; a campaign that worked so well as to drive Bolivia to the point of famine. Once consolidated, the MNR regime completely capitulated to the U.S. capitalists on the question of compensation, internal economic policy, wages and working conditions in the mines. The low point of ignominy was reached in 1960 when the Bolivian government was reduced to borrowing money from Antenor Patino, the greatest of the old tin barons!

In the context of "neo-colonialism" the dependence of the colonies on world markets is assuming the status of the primary medium for their exploitation by the imperialist economies. Since 1953 there has been a steady divergence between the prices charged by the capitalist countries for their manufactured goods and the prices paid to the backward countries for their raw materials. For the U.S., Great Britain, Germany, et al., cheap raw materials played a vital role in containing inflationary pressures during the recent and continuing boom. But for the backward nations this spells disaster: runaway inflation, declining living standards, economic stagnation. Latin America, the model for "neo-colonialism" has suffered worst of all. "Hidden away behind the facade of spectacular new buildings," writes Prof. Shapiro, "is a continent sunk in hunger and misery, the only major area in the world where productivity and living standards have not risen at all in the years since World War II."

Faced with these overwhelming pressures, how can a backward country hope to win its economic independence? If one thing is out of the question for any country it is economic self-sufficiency, "autarchy." For a small country isolation literally means starvation - even for a country as vast and rich as China, isolation from the world market imposes huge obstacles and forces painful sacrifices on the Chinese people.

What is needed by the backward countries is to maintain their trade with the capitalist powers - but on a new basis, on an equal basis. How can this equality be achieved, when the relation of economic strength

so unequal? The "equalizer" must be political - the combination of nationalized industry with the establishment of a state monopoly of foreign trade. Only through the full power of the state on the basis of economic planning can the natural play of market forces which would inevitably reimpose dependent status on the backward nation be overcome.

Isolation is impossible - yet if one thing is certain it is that imperialism will react to every real revolution with every economic weapon at its disposal. The example of Cuba, after China, leaves no room for doubt. Before accepting trade on an equal basis, the imperialists will seek to isolate and strangle a revolutionary nation, will impose a virtual economic blockade.

Spread The Revolution

What way out, then, exists? The "classic" formulation of the Theory of Permanent Revolution insisted on the necessity for the spread of the revolution. As we have seen, the degeneration of the Russian revolution fully confirmed this side of the theory, as it applied to the world of the first quarter of this century.

Nevertheless, despite its degeneration the state established by the Russian revolution continues to exist. What is more, the revolution has spread until today one third of the human race has broken free from capitalism and has begun the move toward socialism. Of course the states of the Soviet bloc are deformed by bureaucratic totalitarianism, but they exist as anti-capitalist states, that is the key fact!

The existence of the Soviet bloc, in and of itself, has an enormous revolutionary impact on the colonial world. The economic might of imperialism is no longer all powerful! Newly independent nations, whether their revolution is going outside capitalist limits or merely seeking independence on a bourgeois basis, find in the Soviet Union a shield against imperialist economic attacks. The Cuban revolution could not have survived even this long without Soviet aid; Guinea would have found it much harder to "secede" from the French empire, as India, Afghanistan, and the "United Arab Republic" would have been much less able to maintain their political independence from the Western imperialists, if it had not been for very substantial Soviet economic aid.

To an extent this role of the U.S.S.R. is an "objective" one, not contingent on the specific political aims of the Soviet bureaucracy. Both the position of the U.S.S.R. as the number one enemy of world capitalism, and the need of the bureaucracy to maintain its prestige as a revolutionary force among the colonial peoples compel the U.S.S.R. to give support to colonial independence movements, particularly those which have stimulated wide mass enthusiasm or which cause major difficulties within the imperialist camp.

Nevertheless this objective necessity is completely subordinate to the essential political aims of the bureaucracy. Where something vital is at stake the rulers of the U.S.S.R. do not hesitate to use economic relations as a political weapon of the crudest sort. In 1948 in an attempt to crush the independent socialist development of Yugoslavia, the Kremlin repudiated all its economic commitments and imposed on Yugoslavia an embargo just as severe as that which the U.S. imperialists

are currently using against Cuba.

For this reason Soviet economic aid involves real dangers for any revolution dependent on it. The Soviet bureaucracy is much more sympathetic toward the anti-Communist dictatorship of Nasser than toward the existence of workers councils in Yugoslavia (not to speak of the workers councils of Hungary in 1956!) The role of the U.S.S.R., since the rise of Stalin, has been to restrain (and thus destroy) revolutions, not to stimulate and assist them. Its economic aid comes at a political price: and given the nature of the Soviet bureaucracy that price can be ruinous.

The international effect of the Soviet Union is thus a contradictory one, reflecting the contradictory internal nature of Soviet society. The existence of the Soviet Union does give an external point of support to modern revolutions: but in no way does it eliminate the need for spreading the revolution. The extension of revolution within the colonial world, as we have seen, is necessary to create the large socialist federation which today are the only way in which the historic aim of national unity can be achieved. At the same time, the spread of revolution to the advanced countries remains necessary to permit real economic independence and above all to provide the basis for rapid economic progress.

This analysis leads to a clear conclusion. On the central points - the agrarian question, national independence and unity, extension of the revolution - the essential aspects of the Theory of Permanent Revolution have been confirmed by the development of the colonial revolution since World War II. From this theoretical conclusion follows vital political consequences.

The nationalist bourgeoisie in seeking to hold the colonial revolution within a capitalist framework, is in fact frustrating the essential "bourgeois-democratic" goals of the revolution. Therefore there can be no such thing as a "progressive" capitalist government which should be supported by the workingclass and its parties. The Stalinist strategy of "bloc with the nationalist bourgeoisie" under the latter's hegemony can only lead to the defeat of the revolution and the destruction of the labor movement. The colonial revolution can move forward only along the path of struggle against the native capitalist class and for workingclass rule.

The colonial revolution has scored great triumphs in the past decade - but with the exceptions of China, North Korea, North Vietnam and Cuba it has so far been successfully contained within capitalist limits. As a result the colonial peoples remain under imperialist economic domination and continue to face insuperable obstacles to economic development and quick improvement of living standards. The farther development of the colonial revolution must be on the socialist path, and this demands the resurgence of socialism in the advanced Western capitalist states. The ultimate responsibility for the victory of socialism in the world remains with the workingclass of the West.