Monopoly Capital and Pan-Africanism

In honor of the 100th Anniversary of Kwame Nkrumah’s birth
by Roy Walker
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Preface

From London to Pittsburgh
(September 1, 2009)

Since the initial writing of this piece, world history has moved on. When this was first written much of the world's attention was riveted on the London G20 Summit.

So what exactly happened at and since that London summit? As we predicted at the time of the initial writing of the work, the London G20 summit would do nothing for Africa or most of the world's population for that matter.

Africa's official voice in the AU has grown much more critical of the system -- after all not only did the G20 owners snub Africa's demand for direct continental representation by means of the AU, the G20 owners added insult to injury by the European Union, and its Council and Central Bank inclusion /membership. This EU membership is in addition to the semiofficial participation of the Bretton Woods groups IMF and World Bank, and their respective chairs of the International Monetary, Financial and Development Committees.

So, history show that what really happened at the London meeting was that the IMF was confirmed as the financial and economic leader of the world and exonerated for its hefty role in the creation and continuation of the various capitalist crises which were the supposed subject of the Summit. In short, business as usual other than the IMF got a lot more money and power out of the meeting.

China in particular has gained a bit in this process, as it is still a robust economy, and a pivotal player in Asian integration politics. However, China does have to deal with internal worker dissent that has surfaced in the war against further privatization of the steel industry and the popular destruction of a plant guilty of poisoning hundreds of children. And there is a growing movement among the masses of Chinese against what they perceive as incorrect policies toward the capitalist west, with emphasis on things such as the Chinese ownership of trillions of dollars in US Treasury debt instruments.

Nevertheless, China's global stock went up because of their role at the Summit, especially its opinion about the weakness of the US dollar as the global reserve currency. Its central place in Asian integration activities, such as the All-Asian monetary fund, combined with the world status of the Chinese economy gives China a new position of world power. And there does not appear to be much any other force can do to prevent the Chinese society from continuing to amass greater and greater global political-economic clout.

Thus Africa had no choice but to intensify its official efforts, mostly centered around fast tracking the continental economic, financial and commercial components of the African Union, and juicing up the process which aims to create an African Union Authority from the AU's African Union Commission.

So we see that Africa's official leadership has moved a bit on some issues impacting Pan-Africanism...with the recent seminar and conference activity in places such as Algeria and Senegal, with the respective governing parties', governments' and state's approval and
participation, mind you, and the AU decision to celebrate Nkrumah’s birth around the continent, there is reason to be optimistic that our collective movement can make headway on this central front. Potentially all this could provide Pan-Africanism a very visible platform to educate and recruit the forces we need around the African world.

Another important development that has grown more significant, Africa increasing affinity for a whole range of South-South transactions. This is good for us and for the world generally.

The Asians and the Latin (Central, Caribbean and South) Americans in particular have increased their drive for comprehensive continental integration, and the great cultural and social benefits that will flow from integration.

Now, we have the upcoming Pittsburgh "Green" G20 Summit, to be chaired by Obama, on September 24-25, 2009. The Pittsburgh Summit, which will be protested by an array of groups, is an important meeting for the IMF-World Bank crowd, who will seek to consolidate even greater power and more capital, the US side which, will be pushing the supposed "Greening" of Pittsburgh, which the current administration would like to use as the centerfold city for its green capitalism solution to the crises...that is a phony green ... a green that is more like industrial sludge than nature. In the mean time elements of the EU are advocating their own version of green capitalism involving the concepts of distributive energy production and as a consequence a distributive capitalism model, associated with Jeremy Rifkin.

The African factor is such that certain influential elements in the metropolitan Pittsburgh and Allegheny County area have already created a "African" group that seeks to present a united stance on the issues of the September G20 Meeting in Pittsburgh. Although this group is essentially pro-the G20 process, its existence, and the support given by some of the people in Pittsburgh most directly connected with the Summit, indicates the level of concern to capture the commanding heights from Africans who are not so sold on the G20 process. We should keep all this in mind.

Another major point of interest about the Pittsburgh Summit is the heavy campaign to develop support for the G20 process among university and high students. There are conferences and other meetings and activities, including ongoing Post-Summit processes to inculcate the students with a pro-monopoly capital line.

It is obvious that the capitalist fully understands the role of the student. We should also keep this in mind.

Finally, from the Pan-Africanist point of view, the critical acumen and commentary of African activists, technicians, scholars and journalists, the A-APRP's call for global unity to confront the monopoly financial capitalist and dismantle neo-colonialism and similar actions by others on the continent and in the broad Diaspora, combined with the insight of the Cuban, Venezuelan governments and peoples and others, particularly the growing militant circles in China who wish to sever the high degree of support for western capitalism they perceive in their society's official policies.

The more pain the capitalist cause people the quicker they will understand the need to create and nurture a people-centered approach to production, distribution, planning,
"development", "sustainability" and so forth.

So, let the good times roll, only if we organize against the forces of the recurring crises. And for the forces which stand for the fullest, comprehensive individual and social-communal development, of course. That is, we must help the peoples educate themselves about the history and true nature of power in monopoly capitalist societies. And how people around the world are fighting back against this system.

People have to know who has the power and who doesn't and what those in power do with this power. And from this the peoples will figure out how to get and how to use power to counter the powers who remain at the very center of the horrific global crises haunting our globe.
Monopoly Capitalism in a Nutshell

This piece was written on the eve of the April 2, 2009 G20 meeting in London UK. A day ostensibly intended to put the world financial and economic house in order. But no such thing will happen as the G20 meeting is nothing more than window dressing to make it appear that the global community as a whole has a say in what is going on.

"What do you mean?" a reader might ask. Well before we can answer that we have to tackle a couple of other questions.

Let us start with, How do the mega-financial institutions manage to control the global social economy?

According to a leading contemporary researcher in the field, it is a function of the financial institutions stranglehold on the society:

The growth of financial institutions' holdings of stock during recent decades may be viewed as an aspect of the growing institutionalization of social savings. Financial institutions have become the managers of savings belonging to all income groups. Personal trust funds represent the savings of the upper income group, particularly the economically inactive sections of that group. Investment companies gather in the savings of small investors from the upper-middle income groups. Employee benefit funds mainly represent assets that "belong" to middle and lower income groups. This process of institutionalization of saving has given a great deal of potential power to the leading financial institutions. As the power of financial institutions over nonfinancial corporations based on the capital supplier relationship has declined due to the historical trends discussed above, the process of institutionalization of savings has placed a growing share of the ownership claims over larger corporations under the control of financial institutions, particularly the leading commercial banks. To what extent has this latter trend provided a significant basis for continuing financial control over the large corporations that dominate the American economy?

p. 71 David M. Kotz, Bank Control of Large Corporations in the United States

He elaborates further on the power of the mega banks and how it is used.

The financial control thesis runs counter to this [management] view. According to the financial control thesis, the managerial stratum remains what it was created to be: servants of the capitalists, although well-paid
and influential servants. The basis of economic power is not expertise but ownership and control over abstract capital — that is, ultimate power resides with the bankers who are the major stockholders in and creditors of the modern large corporation. It is still a plutocracy.

Who are these bankers? The leading banks seem to be controlled primarily by the descendants of the great capitalists who earlier presided over the creation of the large corporation. For example, David Rockefeller, grandson of John D., stands at the helm of Chase Manhattan Bank. James Stillman Rockefeller, descendant of William Rockefeller and James Stillman, headed First National City Bank in the early 1960s. The Mellon family owned at least 29 percent of the stock of the Mellon National Bank, and R. K. Mellon was its Chairman in the middle 1960s.

It is not surprising that the wealthiest and most powerful capitalist operate through banks. Any particular industrial corporation may decline in the long run, under the impact of changing technologies and new products. A bank, on the other hand, is tied to no particular industry in the long run. The future of banking will become clouded only when that of capitalism itself does. Through a bank, a capitalist can shift his main sphere of investment over time.

A further reason why banks tend to become the centers of control under capitalism is that a capitalist who operates through a bank obtains access to other people's capital. J. P. Morgan rose to a position of power by combining the capital belonging to himself and his partners with that of the richer capitalists of England, who funneled their investments in United States railroads through Morgan's bank. Almost a century later the great commercial banks tap the capital not only of much of the capitalist classes but also a portion of the wealth of independent professionals and the working class, in the form of small checking accounts and pensions funds. The Rockefellers and Mellons can thus control corporate empires of far greater worth than their own personal fortunes. Berle and Means were indeed correct when they forecast a growing separation of ownership and control. However, it has taken a form different from what they had expected. The managerial stratum has not expropriated the capitalists. Rather, a few of the capitalists have expropriated much of the remainder of their class and other classes as well.

pp. 148-9 David M. Kotz, *Bank Control of Large Corporations in the United States*

How did the American financial capitalist get to this lofty point in human society? They have indeed come a long way from the period of transition from mercantile capitalism, which emerged from feudalism and fattened itself on chattel slavery, to industrial capitalism, whose foundations were the power of steam, the innovation of the workshops of early industrial innovators, and the preeminence of wage slavery over chattel slavery.

Indeed, this transition was the real essence of the American Civil War of the mid-19th century, the need to get rid of the dilapidated agricultural market system based on the chattel slavery of Africans with the industrial slavery of wage slaves in factories and all
the other arrangements that were prerequisite to the Industrial Revolution.

Thus we see that:

At the close of the Civil War the American economy was one of small, local enterprises. The railroad builders had already adopted the corporate form of organization, which, in a few decades, would facilitate the emergence of giant business enterprises of regional and even national scope. However, in 1865 even most railroads were still local corporations, each owning no more than a few hundred miles of track.

p. 24 David M. Kotz, *Bank Control of Large Corporations in the United States*

But it did not take long before all this changed. Historically speaking, the transformation came about almost in a twinkling of an eye. Again from Kotz's book:

The decades that followed the Civil War witnessed a rapid extension of the railroad system of the United States. Between 1865 and 1893 total railroad mileage grew more than five-fold, from less than 35,000 miles in the former year to 176,000 in the latter. The rapid increase in rail mileage was accompanied by the consolidation of small, local railroad corporations into great systems, beginning with Cornelius Vanderbilt's expansion of the New York Central Railroad, primarily by mergers, into a line stretching from the Atlantic seaboard to Chicago and west by 1889. During the years 1880 through 1888 nearly two-thirds of the railroad companies in the United States were absorbed by the remaining third.

Both extension and consolidation required financing. To raise the necessary capital the railroad companies made increasing use of the services of investment banks. By the 1880s the leading investment banks came to acquire a position of influence over the railroads, and representation of investment banks on railroad boards of directors became common.

p. 25 David M. Kotz, *Bank Control of Large Corporations in the United States*

And it hasn't stopped yet, despite a long history of absolute disasters and the contemporary dilemma in which it finds itself mired.

The secret to how this came about can be thought of as something similar to a short history of 20th century roots of modern American banks.

The rise of banker control had produced several individuals who were seen at the time as embodying the power of financial institutions...between 1910 and 1929 each of the four either retired or died. The men succeeding them as heads of their respective institutions did not possess the same degree of personal power and prestige...Did their passing undo the regime of banker control they had created, or did the system become institutionalized, losing its need for overwhelmingly powerful individuals to make it work?
To address the question one must look at the forces that affect financial control over the succeeding decades... Between 1915 and 1929 the United States went through a world war, a sharp but brief depression, and then a prolonged period of economic prosperity that culminated in several years of widespread financial speculation. Against this background there were a number of developments that affected the structure of financial control that had been built up in the decades before World War I.

**Decline in Importance of Foreign Capital**

During World War I, large amounts of foreign held American securities were liquidated. The United States emerged from the war as a long-term net creditor rather than a debtor. The international power of the New York banks was greatly enhanced by the War, with New York emerging as the world's banking center. However, henceforth European capital was a much less important factor in the financing of American business. Since the monopoly over European capital sources held by a few New York banks was one reason for their power, this development tended to reduce the relative power of such banks as Morgan and Company and Kuhn, Loeb and Company. However, Morgan and Company was no longer mainly a contact point between European capital and American railroads, as it had been just after the Civil War. It had long since developed domestic capital sources, and was able to adjust to the gradual decline in the importance of European capital with little relative loss of power. The Stillman-Rockefeller group, whose original source of capital was oil profits rather than European capitalist, may have gained relatively from this transformation.

pp. 41-2 David M. Kotz, *Bank Control of Large Corporations in the United States*

Thus we have the evolution of the powerful American financial capitalist. And as things stand now — although rather shakily — he who controls the US financial empire controls much of the world. Look at the massive amount of China's money loaned to the US by way of the US Treasury, if you don't believe it.

For in reality, whatever the merit of the opinions of Brazil, South Africa, India, Mexico, Russia and yes, even that of China, they are not likely to be heeded in the high councils of global finance such as the G20 meeting, because such meetings are not really the venues where real decisions will be made. They are public relations stunts, salves thrown to the world worried about the mishandling of our common affairs, in short, nothing more than window dressing to disguise the real decision making process.

It is a process for which the US financial capitalist and their allies are prepared to fight to the death in order to maintain their sole control. They have no intention of sharing decision making power for the global economy. For in the final analysis that is what it means to be the leader of the new world order. A goal that the US has held since the beginning of the 20th century, and in point of fact, something that had even existed in the minds of some even before the launching of the American Revolution, in a slightly less grandiose guise of course.

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At the heart of the global financial system are the mega banks of the world. What is the history of the mega banks? Where did all of this come from?

Well, it did not start in Europe first, but instead in the grain depositories of the regions of Dynastic Egypt and the Babylonian Temple of Ishtar, which besides serving the function of housing the priestesses of Ishtar and the venue of their rites of sacred "prostitution", generated an enormous amount of money in returns for the holy services provided by the priestesses. So, the Egyptians became a bank by the means of receipts of grain deposits used as money and the Babylonian bank form emerged from the enthusiasm for coitus with the priestesses of Venus.

However, Europe was not far behind, with Delos, Athens, Rome and other centers of early European civilization creating banks of their own.

Eventually grain and other commodities were pushed aside as the money form by gold, although silver continued to enjoy a role as specie for several centuries and in the early United States there was much support for a bimetallic system. However, for the most part gold became king.

This is what the Chicago Board of Trade (CBOT)'s Commodity Trading Manual tells us about the use of gold in relationship to the world's various national money forms.

The gold standard system in its pure form, specified that payments between countries be made in gold, either bullion or species (coins). This system worked until World War I when Britain suspended gold payments. Rising nationalistic interests prior to and during World War I created disruptions in international exchange and ultimately led to practical, if not theoretical, demise of the international gold standard. Financial chaos because of wartime inflation and business depressions continued and climaxed in the Great Depression...

In 1922 the US modified the pure gold standard with the gold exchange standard which allowed a nation to use both gold and US dollars for international settlements. The dollar became a reserve asset along with gold, due to a commitment by the US government to redeem the dollar in gold on demand.

[ Author's Note: In 1931 Britain came off the gold standard, and in 1933 Franklin Roosevelt delinked the dollar from gold and banned gold hoarding and the public export of gold bullion. The official price of gold was changed to $35 per ounce.]

By 1943, the anticipation of the severe economic and financial problems that would follow World War II, including inflation and payment of war reparations by Germany, forced the world's trading nations to the conference table to discuss separate proposals by the US, Great Britain, Canada and France. Compromises between the British and US proposals finally resulted in the Articles of Agreement of the International Monetary Fund (IMF), signed in July 1944 at Bretton Woods, New Hampshire.

At the core of the Bretton Woods system was the idea that each member nation's currency would have a par value in relation to the gold content of
the US dollar in 1944. The rights of member nations to draw on the IMF funds and the level of the contributions and voting powers would be based on quotas. This idea of fixed parities was central to the new monetary system and an outgrowth of the experiences of 1939 with the dreaded fluctuations of exchange rates. Bretton Woods called for the central banks of the world to keep the exchange rates of their currencies fixed in terms of the dollar's gold content with variations ranging from plus or minus one percent, in practice, however, the central banks tended to keep even stricter margins of parity ranging from plus or minus ½ to 3.4 percent.

As long as there was confidence that the official rates of exchange would remain stable, all went smoothly. When the confidence declined, major movements of funds occurred in both the spot, or cash, and forward exchange markets. These movements involved heavy selling of weakening currencies in anticipation of a downward change in exchange rate - devaluation - and active buying of stronger currencies in anticipation of upward revaluation. The activity, to a great extent, represented efforts by businessmen to protect themselves against the risk of a decreased value in weakening currencies for payments they expected to receive and the risk of increase liability in strengthening currencies. Heavy speculative activity was also accused of exaggerating the crises.

The devaluation of the British pound sterling late in 1949 was followed immediately by devaluation of more than 20 other currencies. The readjustments achieved only a short-term easing of the problem. Another major crisis developed during 1951 and 1952, which was complicated by the tightness of basic industrial commodities during the Korean War. New pressures on the pound sterling and closely related Commonwealth currencies during 1955 and 1956 were intensified by the Suez Crisis. Tight domestic monetary controls, sales of oil interests in the US and support from IMF funds enabled the British to withstand the pressure on the pound and avert devaluation.

The major focus during the 1950s was on the monetary problems of the British pound; however, the French franc, the German Deutsche mark, and the Canadian dollar were also under pressure much of the time. The chief problem during most of the 1950s seemed to be the dollar shortage as most nations continuously tended to spend more than they earned in trade with North America. The gold and dollar reserves were believed to be in danger of depletion unless plugged by emergency controls in international trade and payments or by long-term loans or grants from the US. The preoccupation with the dollar shortage persisted until the 1960s even after the dollar and gold reserves of many nations began to show sustained growth, and the US dollar began to experience a slight balance-of-payments deficit. (A nation's balance of payments is an account of all payments made to and receipts received from other nations. A deficit balance of payment occurs when payments exceed receipts in value.) "In the 1960s, the lingering misconception of the dollar shortage of other nations was replaced by the reality of dollar glut and US deficits.

US balance-of-payments deficit fed by record US foreign expenditures in
nearly every sector from military to tourism, continued to increase through the 1960s. In the spring of 1971 the US announced the imposition of anti-inflationary domestic wage and price controls, a dollar devaluation, and the suspension of the dollars convertibility to gold.

During the following weeks, the exchange rates of the German Deutsche mark, the Canadian dollar, and the Japanese yen were allowed to float on international currency markers. After many decades of rigid efforts to restrict exchange rate fluctuations, transitional floating of rates now seemed to have become respectable. Following the devaluation, the major trading nations seemed to believe that it allowed too little room for fluctuations, leading ultimately to the need for abrupt, major realignments in currency values.

Under the Smithsonian Agreement in 1972, exchange rates were allowed to float within a broadened band of plus or minus 2.5 percent. The general principal behind the Smithsonian Agreement was that the broadening of bands would serve to ease temporarily the more deeply rooted problems. The belief gained acceptance that a new international monetary system must allow a flexibility of moderate fluctuations on a continuing basis to avoid periodic major disruptive realignments in exchange rates. In February 1973, with a balance-of-payments deficit approaching a then record $6 billion, the US announced a second devaluation of the dollar after several weeks of pressure on international currency markets. At the time, the value of the dollar was established at 1/42 ounce of gold. These values, however, were applicable only to transactions between central banks. Following the dollar devaluation, several other major currencies were allowed to float.

In 1973, there was intermittent turbulence in international exchange markets. By mid-year, the US dollar had declined between 9 and 18 percent, but later firmed against other major currencies. In December 1973, OPEC, the Organization of Petroleum Exporting Countries, announced a dramatic increase in oil prices. The relative strength of the dollar appeared to reflect the US ability to withstand the inflationary impact of rising oil prices better than some other oil-importing nations.

In July 1972, the IMF had formed the Committee of Twenty and charged it with developing a plan for major reform of the international monetary system. In successive years, there were meetings held in Washington, Nairobi, Kenya, Rome, and Paris. At a meeting in June 1974, the committee recommended that the Special Drawing Rights (SDR), which had been in use for some time, should become the principle means of international exchange, reducing the role of gold and other currencies. The value of the SDR was determined relative to a "market basket" of 16 currencies at 0.40 SDRs to the US dollar, with the provision that this valuation be reviewed in two years.

During 1975, major currencies continued to float. The primary European trading nations developed a plan, called the European "snake," to allow their currencies to fluctuate against the others within a tolerance of plus or
minus 2.25 percent. (…some of the participants withdrew as early as June 1976)

In November 1975, a summit meeting of the Finance ministers of the IMF nations was held in Rambouillet, France. The major purpose was to call on member nations to follow prudent domestic economic policies. The summit advocated that each member nation be given freedom of choice in maintaining the value of its currency. Each nation was given the choice of independently maintaining the value of its own currency or pegging its value to the currency of another nation. Throughout 1975, there continued to be general uncertainty as currencies floated.

In January 1976, the Interim Committee of the IMF met in Jamaica and set plans for sales of gold from IMF reserves in order to reduce the role of gold in international exchange and more strongly establish the role of the SDR. The revenue derived from the IMF gold sales was to be used in part to establish a trust fund to aid less-developed countries in financing imported commodities.

During 1977, most major currencies continued to float fairly independently and there was generally an appreciation of the stronger currencies against the US dollar. Belgium, Luxembourg, Denmark, West Germany, the Netherlands, Norway, and Sweden continued to float their currencies according to the European "snake" plan; the United Kingdom, France, Ireland, and Italy abandoned the snake in mid-1976.

In 1977, the currencies of 44 nations were pegged to the US dollar, those of 14 nations were pegged to the French franc, and those of 9 were pegged to other major currencies. Nine countries pegged their currencies to either a composite market basket of currencies or the SDR.

During 1978, the IMF reiterated the need to reduce the role of gold in international exchange and there were continuous sales of IMF gold stocks. Despite these sales and other by the US Treasury, the free market price of gold continued to rise strongly, nearing $300 an ounce in December 1978. Gold prices continued to rise dramatically during 1979, topping $460 an ounce late in the year. In early 1980, free market gold prices soared, topping $840 an ounce, and then fell back to the $600 per ounce level amidst worldwide political and economic uncertainty. During the first half of 1981 gold prices dropped to the $400 range.

Part of the decline in the value of gold reflects the very high interest rates in the US that discouraged ownership of gold due to the high cost of storage. In addition, these high interest rates in the US, substantially higher than those in other Western nations, strongly encouraged foreign investments in interest bearing instruments denominated in dollars.

Since the end of 1978, the dollar has strengthened greatly against other major world currencies, reflecting, among other factors, the high interest rates in the US. Between the end of 1978 and the end of 1980, the dollar made gains of 22 percent, 19 percent 9 percent and 7 percent,
respectively, against the British pound, German Deutsche mark, Dutch guilders, and French franc.

Futures trading in several foreign currencies provides hedging opportunities for multinational firms, banks, and currency dealers, as well as the opportunity for speculative profit. ...

p 286 - 90
Commodity Trading Manual, Chicago Board of Trade

So, we ask how does all this relate to the current global systemic morass, a crisis of such proportions that the powers who were the very forces responsible for its existence and thus all the damage attributed to it, are reduced to calling a faux meeting of the G20 magnitude? As with everything, the first answers are found in history. Let us try to put this in general historical terms rather than financial and economic terms exclusively.

World War II and its aftermath marked the final victory of US financial capital over its sometimes allies and full-time competitors in western Europe and Japan. It is actually a process that began under Woodrow Wilson. Wilson, who sought to exploit the weakness of Germany, the Austro-Hungarian Empire, Britain, Italy and France because of the enormous carnage and material destruction of the first world war, had what could only be called a grand plan.

Wilson’s plan was to redesign the whole global capitalist system and replace the British, which at the time was the central power of the global financial system, with the United States.

To that end the Wilson administration first created a group called The Inquiry and tasked them with determining the parameters of a post-war world, including redesigning the borders of post-war Europe and the development of essential points of the peace. These essential points became Wilson’s famous Fourteen Points.

The Inquiry was a foundation element in the founding of the now highly influential Council on Foreign Relations.

This is what the CFR has to say about it forerunner beginnings:

IT ALL STARTED as an inquiry, indeed, "The Inquiry." To the select few who knew, this was the name of a working fellowship of distinguished scholars, tasked to brief Woodrow Wilson about options for the postwar world once the kaiser and imperial Germany fell to defeat. Through the winter of 1917-18, this academic band gathered discreetly in a hideaway at 155th Street and Broadway in New York City, to assemble the data they thought necessary to make the world safe for democracy.

http://www.cfr.org/about/history/cfr/inquiry

Armed with The Inquiry's maps and the Fourteen Points the Wilson administration then
launched a global advertising campaign to popularize its call for a Peace Conference. When the German state, faced with deteriorating war situation on all fronts, accepted the Wilson offer, the English and French, despite real misgivings, were obliged to accept the Peace Conference scheme, as the Wilson administration let it be known that the US would make a separate peace with Germany if they did not. Thus, Wilson was able to force the allies to the peace table. This is how a State Department agency describes the whole process:

**Wilson's Fourteen Points, 1918**

The immediate cause of America's entry into World War I in April 1917 was the German announcement of unrestricted submarine warfare, and the subsequent sinking of ships with Americans on board. But President Wilson's war aims went beyond the defense of U.S. maritime interests. In his War Message to Congress he declared our object "is to vindicate the principles of peace and justice in the life of the world." Wilson used several speeches earlier in the year to sketch out his vision of an end to the war that would bring a "just and secure peace," and not merely "a new balance of power." He then appointed a committee of experts known as The Inquiry to help him refine his ideas for peace. In December 1917 he asked The Inquiry to draw up specific recommendations for a comprehensive peace settlement. Using these recommendations, Wilson presented a program of fourteen points to a joint session of Congress on January 8, 1918. Eight of the fourteen points treated specific territorial issues among the combatant nations. Five of the other six concerned general principles for a peaceful world: open covenants (i.e. treaties or agreements), openly arrived at; freedom of the seas; free trade; reduction of armaments; and adjustment of colonial claims based on the principles of self-determination. The fourteenth point proposed what was to become the League of Nations to guarantee the "political independence and territorial integrity [of] great and small states alike." Wilson's idealism pervades the fourteen points, but he also had more practical objectives in mind: keeping Russia in the war by convincing the Bolsheviks that they would receive a better peace from the Allies; bolstering Allied morale; and undermining German war support. The address was immediately hailed in the United States and Allied nations, and even by Lenin, as a landmark of enlightenment in international relations. Wilson subsequently used the Fourteen Points as the basis for negotiation of the Versailles Treaty that ended the First World War. Although the treaty did not fully realize Wilson's unselfish vision, the Fourteen Points still stand as the most powerful expression of the idealist strain in American diplomacy.

http://www.state.gov/r/pa/ho/time/wwi/17688.htm

In fact, Wilson was not able to convince the French or the British to accept the meat of his proposal for a new global order, so most of the points were either rejected or severely modified during the negotiation for the peace at Versailles. The proposal for the League of Nation was accepted by the other powers at the conference but because of Wilson's contempt for the power of the Republican-dominated senate, which had the Constitutional responsibility to accept or reject treaties, and who felt that Wilson had slighted them in the development and formulation of the plan for forming the League of
Nations, it was rejected. That meant that the country that authored the proposal for the League did not join it.

In the end it proved to be a paper tiger, a sham, anyway, as demonstrated by the League's inaction and the actions of some League members during the attack on Ethiopia by fascist Italy, it is doubtful that it would have done much better even if the US had agreed to become a member, as the US administration in power at the time, Franklin Roosevelt's, did nothing on its own of substance to stop the Italian fascist aggression.

Notwithstanding Wilson's defeat at the Paris Peace Conference, the inevitable demise of Britain as the leading financial center of the world provided all the openings required for the US to assume the mantle itself. As we have already noted, in 1922 the US dollar was the de facto world foreign reserve capital. So, the groundwork done by the Wilson administration had provided the US a very healthy running start.

President Franklin Roosevelt, who was a junior member of the Wilson Navy department, fared much better with his plans to supercede Britain as the dominant capitalist power. This was partly because of the incomplete successes of the Wilsonian efforts, but essentially because of the inevitable fall out of the war itself.

The British economy never fully recovered from the First World War. Indeed they were deeply in debt and had to liquidate a great deal of its financial position in America, giving up the bulk of its US security holdings in an effort to finance the war.

Up until the First World War, Britain's pound sterling had been the foreign reserve currency for the global capitalist economy based on the gold standard. But Britain could no longer afford this so they jettisoned the gold for sterling agreement and thereby lost their position as the dominant global currency.

The Britain which Roosevelt faced was not the Britain of the Victorian or Edwardian era, it was the strapped Britain of the post-WWI era, it was a wrecked financial economy.

And Roosevelt, always the consummate wheeler-dealer, devised just the right approach to milk America's WW I ally. His administration proposed the Atlantic Charter as the basis for a possible US-UK alliance against Nazi Germany. The US knew that Britain was on the ropes, France had already been knocked out of the war (in June 1940) except for the Free French, which were basically nothing more than a department of the British armed forces, as they were totally dependent on Britain for everything and Britain herself was still broke and could not afford to pay for the articles, ranging from food to armaments that she needed from the US. The German Luftwaffe were a great menace and would remain so until May of 1941 when the Germans were preparing to attack the Soviet Union (Operation Barbarossa, June 22, 1941). The British sea lanes were under constant attack by U-boats further exacerbating her supply situation, and indeed it is only because of the German leadership's decision to hold back the Wehrmacht at Dunkque, that the British Army had not been destroyed. So, the UK situation was very dark indeed. Is there any wonder that the British Prime Minister, Winston Churchill, was desperate to affect an alliance with the US, even if it meant that it would mean giving up the British exclusive right to trade with British colonies around the world. Which, indeed it did.

On August 12, 1941, Churchill and Roosevelt signed the Atlantic Charter, which was
announced to their publics on August 14 after the two leaders had returned from the sea-
borne meeting (Roosevelt sailed on the USS Augusta, and Churchill on the HMS Prince of
Wales).

Here are the points of the agreement between the two states:

- no territorial gains sought by the United States or the United Kingdom
- territorial adjustments must conform to the people involved
- people have right to choose own government
- trade barriers lowered
- there must be disarmament
- there must be freedom from want and fear
- there must be freedom of the seas
- there must be an association of nations

http://www.economicexpert.com/a/Atlantic:Charter.htm

Note in particular the point "trade barriers lowered" which marked the end of British
hopes to ever regain its previous position as the dominant capitalist, since that was
essentially a function of her exploitation of the colonies, and now she would no longer
have that exclusive right. As with the signing of the agreement, the US had forced them
to relinquish the exclusive domination of its colonial empire. Thus US capital was free to
move in and since it was better armed, better capitalized, had a larger population, and
had not suffered the kind of infra-structural damage during the war and so on, there was
no way Britain would be able to compete with the American juggernaut. This is the reality
of intra-capitalist competition for the re-division of stolen territories and markets.

Also the freedom of the seas had real commercial implications as it meant that, in theory
at least, no power could attempt to limit the movement of another or exclude them from
international waters. The clause which spoke about choosing one's government, was
calculated to encourage anti-colonial agitation which would hurt the British much more
than the US, since the US had very few "traditional" colonies, and as we know, the British
were heavily dependent on the colonies she held at gunpoint. And the last point calling
for an association of nations, led to the United Nation Organization (UNO). The US, of
course did not hesitate to join the UNO, as all of the major political leadership readily
understood how this would advance the US's plans for global domination and thus the
Roosevelt administration had accomplished what Wilson could not do with the League of
Nations (even though by the time the UNO actually was inaugurated Roosevelt was dead)
and we all know how well the US has used the United Nations in the case of the Congo, in
the instance of the creation of Israel, in the war against Democratic Korea and numerous
other less than democratic actions.

All and all it was a grand coup de grâce for the American financial empire and the blow
that finished the British Empire.

When the US entered the war in December 1941, it was the most powerful capitalist
economy in the world. As it not only had avoided the cost of the initial two years of the
war, it also made enormous profits supplying the combatants (by the way, some US firms
actually produced both lethal and non-lethal products for the Germans...as well as the
anti-Nazi alliance). Indeed, it was really the capital generated by the war that began to
dampen the harsh effects of the Great Depression, initially by the war profits and then
with the entrance of the US into the war, by the "employment" of so many people in the war itself and not just the war industries, and the control that the government took over domestic spending and supply in the name of prosecuting the war. All this meant a command economy with fewer unemployed and greater all around production - plus the markets and resource sources that opened up to the US because of the war.

The Charter made her situation even sweeter as we see here:

The conference took place from August 9-12, 1941, and resulted in the Atlantic Charter, a joint proclamation by the United States and Britain declaring that they were fighting the Axis powers to ensure life, liberty, independence and religious freedom and to preserve the rights of man and justice.

The Atlantic Charter served as a foundation stone for the later establishment of the United Nations, setting forth several principles for the nations of the world, including -- the renunciation of all aggression, right to self-government, access to raw materials, freedom from want and fear, freedom of the seas, and disarmament of aggressor nations.

http://www.historyplace.com/worldwar2/timeline/atlantic-chart.htm

Note in particle the mention of access to raw materials...what more could a monopoly capital state want, open access to other states' markets and an open invitation to exploit the raw material of the world.

By the time the war ended the US was the undisputed leader of the capitalist world and immediately commenced a new form of war, the cold war, which was used to justify hot conflicts in the world such as in Korea and Vietnam for example. This fight against communism was the major faux rationale for the US wars and interventions throughout the world for the next several decades, until the demise of the USSR. But we are getting ahead of ourselves a bit. We must back up to July 1944, the time of a very important meeting in Bretton Woods, New Hampshire.

Just prior to the end of the Second World War, there was a conference of the allied forces to determine the nature of the global economic and financial system in the post World War II era.

The main forces at this meeting were the US, UK and the USSR. The US was easily able to carry a further weakened Britain along its desired path. Indeed, the British had already signaled their acquiescence by sending Maynard Keynes to the meeting as its main delegate. Keynes had argued that the British and French should accede to the US position at the Versailles Peace Treaty, because he knew that the US was the only capitalist country with the resources needed to rebuild the rest of global capitalism; he also believed that the insistence that Germany pay reparations would lead to another world war, so for him that was another thing the US should pony up for. As the First World War was followed by a second, again involving the Germans, and the US had assumed even greater financial power in the capitalist orbit, Keynes was deemed as the best option to represent the British by the UK's capitalist leadership.
Out of the Bretton Woods conference we got the World Bank and associated elements and the International Monetary Fund. Both these agencies were to play a major part in the new criminal exploitation of the globe on behalf of the US and to a lesser degree its main partners-competitors, Britain, Japan, Germany, and France, in particular. The structures of all the Bretton Woods creations were constructed in such a manner that the US would have de facto control. In effect they were designed to give the US nearly absolute dictatorial power. Although the quota system and other means of administration, directorship and management could theoretically lead to the US being outvoted, everyone knew that this was a highly unlikely, if not a totally implausible circumstance.

When the American economy recovered from the depression under the stimulus of war expenditures in the early 1940s, financial institutions continued to find their service in little demand for financing industry. The reason was that the Federal Government played the major role in financing expanded war production... During the war the Federal Government became the major supplier of capital to private business, directly financing approximately two thirds of the plant expansion related to the war...

Commercial banks, whose assets were at a level in 1939 that barely exceeded the 1929 level, grew rapidly during the war. By 1945 their assets were approximately 2.4 times as great as in 1939. However, their growing assets did not coincide with growing role in financing nonfinancial corporations. Bank loans to business expanded only slightly during the war years, and by 1945, 60 percent of commercial bank assets were in government securities. For all types of financial institutions, Treasury securities accounted for over half of total assets by the end of 1945, compared to only one-fifth in 1939.

While commercial banks and investment banks declined as financiers of private businesses over the fifteen year period, one type of financial institution greatly increased in importance in this function: life insurance companies... Life insurance companies had become the major providers of long-term debt capital to corporations.

pp. 56-8 David M. Kotz, *Bank Control of Large Corporations in the United States*

Kotz also says:

A study of "interest groups" in the American economy was undertaken for that year [1939] by the United States National Resources Committee. This study defined eight interest groups, which are groups of nonfinancial corporations and financial institutions that are closely allied. Leading financial institutions were associated with seven of these interest groups: Morgan-First National, Rockefeller, Kuhn Loeb, Mellon, Chicago Cleveland, and Boston. Out of a sample of the 200 largest nonfinancial corporations, ranked by assets, these seven groups were found to include 98 corporations representing 66 percent of the assets of those 200 corporations. The Morgan-First National group alone included 13 industrial, 1 retail trade company, 12 utilizes, and 19 railroads, comprising one-third of the total assets of the sample.
...

hearings disclosed that investment banking remained highly concentrated. Between January 1934 and June 1939, six New York investment banks managed 57 percent of all registered issues sold by investment bankers, twenty New York investment banks managed 78 percent of such issues during that period... Morgan, Stanley and Company alone managed 23 percent.

p. 59 David M. Kotz, Bank Control of Large Corporations in the United States

Gold and Money

Africa has a huge treasure trove of gold, unfortunately most of it is used for our enemies rather than ourselves...nevertheless, with the right political actions, we will one day reclaim our gold and all our other commodity wealth.

One of the main functions of gold in the world is to act as money. It fulfills this role either directly in the forms of species (coins) or bullion, or as a reserve backing paper money certificates or receipts.

Thus, understanding gold's role is important to our understanding of financial evolution in the world and the economic twists and turns in the world. This is true from both a historical and contemporary point of view.

Understanding the role of gold as the fundamental money form and the rise of modern western financial structures, especially the banks, is critical. This is how the Commodity Trading Manual of the Chicago Board of Trade explains it.

In more simpler economic times, barter — the trading of one kind of goods for another — served as a means of transacting business. The self-sufficiency, isolation, and more cohesive social structures of earlier cultures minimized the need for money. As the social structures developed, particularly with the rise of the nation-state, the need for money as an objective measure of value and medium of exchange quickly grew...gold served the function of money well due to its scarcity, high value, durability, and its ability to be minted into recognized and accepted coinage.

With the development of the gold coin came the need to provide for its safekeeping. Depositories were developed for the exclusive storage of gold. When an individual deposited his gold he would receive a receipt that he could later present in demand for the gold.

These receipts soon took on the character of money itself since they represented a bearer claim on the underlying gold deposit. For example the holder of a depository receipt for gold might give it to a creditor in payment for goods and services. The creditor could then present it to the depository for payment in gold. The backing or guarantee for these receipts was 100 percent gold.

Experience soon taught depository caretakers that it was unlikely that all
depositors would simultaneously present their receipts in demand for gold. Therefore, it was unnecessary for them to keep 100 percent of the gold as backing for the receipts, and they could issue additional receipts or notes in excess of actual gold deposits. Issuance of the additional notes, in fact, represented loans upon which the depositories could earn additional income in the form of interest payments from borrowers to whom the notes were issued. Thus, the notion of interest payments for the use of another's money is nearly as old as money itself.

Gradually, gold depositories took on the characteristics of banks with governments handling the responsibility of minting coins. In 1816, England established the gold sovereign as its primary unit. By the mid-1800s, the banking systems of many nations were based on the gold standard. In 1873 the US Coinage Act placed the US dollar on the gold standard, and from 1879 until 1933, the dollar was defined as being worth 1/29 ounce of gold. Under this system, paper money was backed by gold and depositories could exchange dollar bills for it. The banks would maintain fractional amounts of the total gold deposits on reserve against the contingency of withdrawals and loan out the remainder in currency. This gold would, in turn, be deposited in other banks, and the process would continue so that the total amount of money in circulation soon was larger that the amount of gold in reserve. The banks, acting as a group, were responsible for this expansion of the money supply. The government's role was that of converting dollars to gold.

pp 261-2, Commodity Trading Manual, CBOT

With a financial system, based on gold reserves, and managed by unscrupulous scoundrels, there will always be problems

Nineteenth century US banking methods were confronted with, if not the cause of, periodic financial panics. A panic was sometimes followed by a bank failure, in which the bank refused to pay gold to its depositors, at the time, the US Treasury had some control over the reserve requirements of banks, but its authority was inadequate to prevent frequent panics and bank failures.

p. 262 Commodity Trading Manual, CBOT`

The constant panics and bank failures had a critical role to play in the creation of the Federal Reserve System. When these crises occurred the government had to turn to powerful banking capitalists to bail out the system with an infusion of additional capital. Of these individuals the one who was most influential was J. P. Morgan. For example, in the Panic of 1907 he organized a consortium of bankers to bail out the US banking system. This was not the first time he had "rode" to the rescue. Some government officials quickly recognized that the power this gave Morgan was a danger as it was increasingly obvious that he was more effective in keeping the system going than the government itself. So, the financial magnates and the government agreed to create a semi-government agency, really an agency that only appeared to be governmental, as in point of fact, it was not (and is not to this day) and thus was created — the quasi-government agency called the Federal Reserve System.
The Fed is dominated by the country's major banks, although in addition to representatives of the major banks there are a minority of non-banking corporate leaders involved. However, these representatives are drawn from businesses that are multinational corporations directly allied to the big banks.

So, there is no chance of the US power structure allowing competitors and in some cases, serious, potentially deadly, even, competitors to decide or even formally address the global crisis caused by the US's fiscal, financial and commercial malefeasance. It is a non-starter from the word go.

The crisis at issue is essentially a function of the speed and storage capacity of digitalization. That is, the swindles can be done in temporal and spatial dimensions so great and varied that those who do not have similar capacities and the prerequisite understanding have no chance of coping.

Digitalization has made capitalist swindles a vast hustle way beyond the dreams of the most farsighted capitalist pioneer. This is the reality of the swaps, repackaged and parceled mortgage scams and all the rest that has dominated the world's attention for the past five years or so, and particularly in the last two years.

It is the child of unprincipled, in many cases outright criminal, actions, done at lightning speed (the speed of digitalization) and played out over the whole globe. It is the mother of all scams and hustles.

But this system of speculation, hedging and related actions is not the only little trick up the capitalist sleeve that benefits from digitalization. The old hustle of manipulating bank money reserves is also vastly enhanced by the capability of acting almost at the speed of a click and the ability to traverse vast expanses of the globe.

Combined with monopoly capitals' position of power in the world which allows them to bypass and circumvent any constraints that local market structures may wish to apply, but cannot because of the relative global power equation between the local market and the global monopoly markets, the monopoly capitalist has a free run of the world.

The Bretton Woods conference put the final details in place, and afterward, the world had a new British Empire, that is the US Empire. But just like the British it was not able to hold on to the myth that they could function in a world were others could indeed cash in their dollars for gold, while engaging in the construction and maintenance of a social welfare system and a campaign of numerous wars, such as Vietnam.

By 1971 Nixon had arbitrarily stopped exchanging gold for the dollar and the capitalist world at large no longer had the right to turn in the mass of dollars they held for gold.

With the US's official declaration of the demise of the gold standard, the International Monetary Fund continued the US campaign against gold relative to the role of the dollar. Undoubtedly to facilitate the tantalizing opportunity to manipulate, to employ speculative tactics and otherwise plunder the forex, the foreign exchange market.

However, the post World War II period was not all sunshine and roses for American capital. It experienced several devastating catastrophes such as the Truman price
inflation, related to the demand from corporate America that price controls be lifted after the end of World War II. Although not wage controls, one result being the national railroad strike. Truman used the threat to immediately draft all the strikers into the army as a leverage to break the strike.

Of course we must not forget the US war against Korea’s north and in reality the interest of the whole peninsula (fought under the guise of the UN). This war was started by the US in the hopes of bolstering the US economy from war profits, this is well documented by Albert Norden in his book, *Thus Wars Are Made*.

There were other important US interventions, notably in Greece and Turkey. Added to these military interventions we must include the Marshall Plan. These kinds of policy actions were at the heart of the US capitalists efforts inside Europe to combat socialism.

Further, the US manipulation of its creation, the United Nations (UNO), to impose the illegal state of Israel on the world.

The zionist criminals in alliance with the British and French, with the behind the scenes guidance of the US, launched a brutal attack on Egypt aimed at nullifying that African state’s possession of the Suez Canal.

The alliance of US-Israel-France-UK caused great carnage in that vital part of Africa. In the process they massacred many Egyptian people.

The US was forced to call off their junior partners in this criminal empire, telling the UK, France and Israel that they had to stop their aggression — an aggression that the US knew about all along — when the USSR threatened them with nuclear war if they did not stop.

Likewise the capitalist aggression against the Congo, the murder of Lumumba and untold number of Congolese patriots, the murderous overthrow of the Ghanaian government of Nkrumah by the western capitalist, were signature actions of the monopoly capitalists.

**US financial problems accelerate**

The general US domestic economic collapse of the sixties plus the failed attempt to use the Vietnam war as a financial tool, a war which sparked revolts in the US itself and inside the units of the US army in Indochina, were two of the most significant consequences of these policies.

The general global turmoil against the US policy in Indochina turned the majority of the people of the world against the predatory war. In the US it led to what Nixon and Kissinger said was the eve of civil war. Related to all this was the infamous enemies list and of course the Watergate crisis. All this was framed within the context of the ongoing struggle of the African and indigenous peoples living in the US. The Black Power and related phenomena are clear historical examples of this, as were the Chicano Moratorium, the Puerto Rican independence movement and the reemergence of American Indian resistance.

The continued global tension caused by the US client state of Israel came to a head again
in the 1967 aggression against the Arab people and the extreme conditions resulting from
the continued oppression of Africans in the US, the Caribbean and the continent, which
resulted in an armed response throughout the African world. The 1973 oil boycott in
response to more zionist war making, scandals such as those of the Michael Miliken led to
the Drexel Burnham and Lambert junk bonds swindle and the weakness in banks
generally.

After the crisis over the war in Indochina, focused primarily on the Vietnamese front, the
consequent turmoil all over the world in opposition to the war, including inside the US
and amongst US troops in Vietnam and the Watergate fiasco, the Black Power and the
American Indian, Chicano, Asian American, Puerto Rican independence and other
movements, such as the white left anti-war movement and the related counter culture
movement, American society was in shambles. Thus, the powers running the US decided
to try a new approach and elected the bible thumping, I don't need a car, I will walk
during my inauguration — whose mother celebrated his election by going to a Ku Klux
Klan mass rally — ex-Navy nuclear energy engineer and Governor of Georgia as the
president, James Carter. Carter's administration saw economic stagflation and recession,
a large oil price increase as a result of the US attempts to stifle the Iranian revolution,
hoping to prevent it, just as the CIA had overthrown Iran's progressive government in
the 50s, which culminated in the Iranians refusing to sell oil to the US and the
embarrassing failure of the US military to successfully pull off a would-be rescue of the
US hostages held in its embassy as a consequence of the hostile American policies
towards the theocratic nationalist state founded by the Khomeini-led revolution.

Carter's — I am a godly populist anti-malaise charade — failed to fool the world, but did
succeed in further dismantling the US social welfare system.

As a follow up, the capitalist rulers tried Reagan's Hollywood style imitation of a
rejuvenated cold warrior state. This "B-actor" put his administration's version of the
fascistic monetary (trickle down) policy in place and stepped up military aggression.

It was this administration that really set the ground work for the era of neo-liberal
policies, that is Structure Adjustment Policies, SAP, and related actions of the IMF and
World Bank, domestic deregulation and the general economic war on the poor, that is,
the exploited and oppressed people.

However, the Reagan Hollywood-style approach failed to halt the downward spin of the
country. In his administration the US saw a slew of major banking disasters.

After the domestic oil glut, artificially created by the US in response to the Iranian oil
embargo, there was a collapse in the Oklahoma banking system which saw the demise of
139 banks including Penn Square, the big enchilada of the affected Oklahoma banks.

Here is the FDIC's description of the Penn Square failure:

The failure of Penn Square Bank, N.A. (Penn Square), Oklahoma City,
Oklahoma, still ranks as one of the Federal Deposit Insurance Corporation's
(FDIC's) most publicized, most difficult, and most colorful bank resolutions.
Penn Square failed July 5, 1982, with $470.4 million in deposits and $516.8
million in assets. By aggressively making large and speculative loans,
especially to the oil and gas industries, the bank had grown from $62 million in assets in 1977 to $520 million in assets by mid-1982. Penn Square then sold majority interests in those loans to other banks (in the form of loan participations), but retained the responsibility for servicing the entire loan amount. At its failure, Penn Square was servicing approximately $2 billion in loans.

Of the $470.4 million in deposits, only about $207.5 million were insured. The bulk of uninsured deposits were funds of other banks. After extensive discussions with the Office of the Comptroller of the Currency (OCC) and the Federal Reserve Bank (Federal Reserve), the FDIC made the decision to pay off the insured deposits of Penn Square. A payoff was deemed to be necessary to resolve the failing institution at the least cost to the deposit insurance fund. As a result, Penn Square became the largest bank failure in the FDIC’s history in which uninsured depositors suffered losses.

Penn Square, formed in 1960, operated as a small, one-office retail bank with a separate drive-up facility in an Oklahoma City shopping mall. In 1975, Bill Jennings, a former president of Penn Square, created a holding company to purchase the bank with $2.5 million borrowed from another Oklahoma City bank and little equity. The following year, Penn Square formed a loan department for oil and gas loans. From the beginning, the bank failed to document loans properly. In addition, it based repayment on collateral value rather than on the ability of the borrower to repay, and collateral documentation deficiencies were common.

Moreover, although the OCC set lending limits on the amount of credit that could be extended to any one customer, when one of Penn Square’s oil and gas customers wanted to borrow more than that limit, Penn Square would make the loan and sell a participation to another bank. In 1978, Penn Square began selling oil and gas participations to Continental Illinois National Bank and Trust Company (Continental), Chicago, Illinois. In 1979, when the Shah of Iran was forced out of his country and fears of oil shortages created panic buying and a surge in oil and gasoline prices, Penn Square began selling participations in oil and gas loans to other large banks in the country, primarily Seattle First National Bank (Seafirst), Seattle, Washington; Northern Trust Company (Northern), Chicago, Illinois; Chase Manhattan Bank (Chase), New York, New York; and Michigan National Bank (Michigan National), Lansing, Michigan. As early as May 1977, the OCC examination of Penn Square noted concentrations of credit to oil and gas companies. Subsequent OCC examinations in April 1980 and March 1981 found low capital, excessive low-quality loans, inadequate liquidity, inexperienced staff, increasing problem loans, and management problems. Penn Square officials signed an OCC agreement in June 1980 pledging improved lending practices and the maintenance of 7.5 percent capital, but no changes in lending practices were noticeable.

Penn Square’s external auditors became concerned with the level of loan reserves and gave the bank qualified opinions in December 1977 and March 1981. In 1981, the Southwest saw a huge increase in commercial loans, particularly in the oil and agricultural industries. In April 1981, oil...
prices peaked at $36.95 a barrel and then began to fall. Recessions in oil-consuming nations, conservation efforts, and the sale of oil by some Organization of Petroleum Exporting Countries (OPEC) members in excess of their quotas all combined to reduce oil prices in world markets. The demand for oil rigs reached its peak in the Southwest. As oil prices continued to decline during 1982, profits for the oil industry in the Southwest slowed.

The Federal Reserve maintained tight monetary policies, and interest rates remained high; therefore, Penn Square paid higher interest rates on deposits, particularly on large certificates of deposit (CDs).

In early 1982, in response to the decline in oil prices, Penn Square's participant banks began pressing Penn Square to clean up the loan participations. Penn Square had sold loan participations to 53 different participant banks; Continental alone held $1 billion of those participations. Although Chase, Seafirst, and Northern stopped buying participations, Penn Square's new external audit firm presented the bank with a clean audit opinion in March 1982. Interest rates remained high; the Federal Reserve discount rate was 12 percent in January 1982.

In May 1982, rumors of problems at Penn Square began circulating, which caused a deposit runoff that forced the bank to rely increasingly on brokered funds. Brokered funds at the bank, which in January had been about $20 million, reached $150 million by May 1982.

As a result of its April 1982 examination, the OCC requested Penn Square to raise capital by $7 million. The OCC also demanded that Penn Square charge off $10 million in loans. By June 28, 1982, it was apparent that Penn Square would fail. All that was left to decide was how to handle the failure.

p. 1-3, "Penn Square Bank, NA", FDIC
http://www.fdic.gov/bank/historical/managing/history2-03.pdf

(Of course as bad as the Penn Square mess was, it was overshadowed by one of its partners, Continental, as we will touch on briefly a little later. But for our specific purposes here it is sufficient to consider the little excerpt from the official records given above.)

To get an idea of the kinds of money these failures caused the taxpayers, take a look at the data on FDIC payoffs to this twelve bank sample of failures just prior to the Penn State catastrophe:
<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Amount of Payoff (in thousands)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village Bank</td>
<td>Pueblo West, Colorado</td>
<td>5,059</td>
<td>01/26/79</td>
</tr>
<tr>
<td>First National Bank of Carrington</td>
<td>Carrington, North Dakota</td>
<td>11,461</td>
<td>02/12/80</td>
</tr>
<tr>
<td>The Des Plaines Bank</td>
<td>Des Plaines, Illinois</td>
<td>46,269</td>
<td>03/14/81</td>
</tr>
<tr>
<td>Carroll County Bank</td>
<td>Huntington, Tennessee</td>
<td>8,236</td>
<td>04/30/82</td>
</tr>
<tr>
<td>Citizens Bank</td>
<td>Tilar, Arkansas</td>
<td>6,723</td>
<td>06/23/82</td>
</tr>
<tr>
<td>Watkins Banking Company</td>
<td>Faunsdale, Alabama</td>
<td>1,660</td>
<td>07/24/78</td>
</tr>
<tr>
<td>Bank of Enville</td>
<td>Enville, Tennessee</td>
<td>3,468</td>
<td>06/16/78</td>
</tr>
<tr>
<td>The Farmers State Bank</td>
<td>Protection, Kansas</td>
<td>5,038</td>
<td>09/21/79</td>
</tr>
<tr>
<td>Bank of Lake Helen</td>
<td>Lake Helen, Florida</td>
<td>4,229</td>
<td>01/11/80</td>
</tr>
<tr>
<td>The Citizens State Bank</td>
<td>Viola, Kansas</td>
<td>1,872</td>
<td>06/04/80</td>
</tr>
<tr>
<td>Southwestern Bank</td>
<td>Tucson, Arizona</td>
<td>4,749</td>
<td>09/25/81</td>
</tr>
<tr>
<td>The Bank of Woodson</td>
<td>Woodson, Texas</td>
<td>3,168</td>
<td>03/01/82</td>
</tr>
</tbody>
</table>

And yet, there were even bigger losses to follow. The 1984 Continental Illinois National Bank and Trust Company failure was the biggest in history at the time and remained in that position until replaced by the savings and loans institution WaMu (Washington Mutual) in September of 2008. Note:

Washington Mutual is by far the biggest bank failure in history, eclipsing the 1984 failure of Continental Illinois National Bank and Trust in Chicago, an event that presaged the savings and loan crisis. IndyMac, which was seized by regulators in July, was a tenth the size of WaMu.

WaMu is seized in largest bank failure in U.S. history

By ERIC DASH and ANDREW ROSS SORKIN, New York Times
found on the Star Tribune.com Minneapolis-St. Paul, Minnesota

And here is a good piece of information from US News and World Report web site on IndyMac, which became number 3 right behind Continental and WaMu, number 1. The good folks at US News and World Report also provided us with some useful historical information to boot

The 10 Biggest U.S. Bank Failures
The latest, IndyMac, will move to No. 3 on the list
By Jill Konieczko
Posted July 15, 2008
With an estimated $32 billion in assets, IndyMac Bank of Pasadena, Calif.,
which federal regulators seized Friday, is poised to become the third-largest bank failure in American history. Here is a list of the top 10 failures, based on total assets, according to Federal Deposit Insurance Corp. data covering 1934 through 2007.

   Total assets: $40.0 billion
2. First Republic Bank, Dallas (1988)
   Total assets: $32.5 billion
   Total assets: $30.2 billion
   Total assets: $21.7 billion
5. MCorp, Dallas (1989)
   Total assets: $18.5 billion
   Total assets: $15.1 billion
7. First City Bancorporation, Houston (1988)
   Total assets: $13.0 billion
   Total assets: $12.2 billion
   Total assets: $11.0 billion
    Total assets: $9.9 billion

Source: Federal Deposit Insurance Corp.

**Bank Failure Facts**

According to the FDIC, from 1934 through 2007, there were only two years with no bank failures, 2005 and 2006.

The year during that period with the most bank failures was 1989, when 534 banks closed their doors.

During the savings-and-loan crisis (1986-95), 2,377 banks failed, representing 67 percent of the 3,559 bank failures from 1934 through May 2008. At the peak of the crisis (1988-1989), 1,004 banks failed, a rate of one failure every 1.38 days.
For more information on Continental's failure go to http://www.fdic.gov/bank/historical/managing/history2-04.pdf


Indeed you can find all recorded bank failures at the FDIC site or at least you should be able too.

As you can see from the data provided by US News and World Report, there were a lot of failures in the last twenty years of the 20th century, totaling 2961 in all. This covers a period that includes part of the Carter, all of the Reagan, all of the George H W Bush and most of the Clinton administrations. After tapering off a bit in the beginning of the 21st century, it has returned with a vengeance as contemporary news clearly demonstrates.

The general policy of Reagan was continued by the successor administration of the first Bush, (Infamous for his actions as the CIA lead in the overthrow of Nkrumah, his part in the use of cocaine sales to fund the Contra army fighting the Nicaraguan people and the President who initiated the first war against Iraq. There is wide spread belief that Bush played a part in the Kennedy assassination)

One group of activists in Iceland applied to have him arrested when he visited that states, " for participation in war crimes, crimes against humanity, crimes against the peace, and crimes against internationally protected persons. "

Here is a short statement detailing their charges against Bush the father:

George H.W. Bush is charged of initiating a war of aggression against Panama in 1989, in breach of international law and the UN Charter, constituting a crime against the peace, and of ordering the kidnapping of Panama's President Noriega in violation of the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons. George H.W. Bush is furthermore charged for his command responsibility for the multiple war crimes committed by US forces in the Gulf War in 1991, including the policy of deliberately bombing civilian targets and the massacre of soldiers hors combat. His command responsibility for these crimes is equivalent to those of other heads of states who have been charged, indicted and convicted for international crimes, including torture, war crimes, crimes against humanity and genocide. George H.W. Bush is also charged for inducing an uprising of Kurds and Shi'ites in Iraq during the Gulf War and then ordering US forces to withhold aid from those who risked the uprising, thus leaving unarmed uprising masses unprotected against Saddam Hussein's brutal forces. By such policies, he knowingly facilitated the commission of crimes against humanity by Saddam Hussein. He is finally accused for conspiring in imposing deadly economic sanctions against the people of Iraq, with the
intent to harm the well-being, health and lives of the Iraqi civilian population, with foreknowledge of the likely consequences and with the subsequent knowledge of the sanctions' devastating consequences. Such conduct is considered to be a crime against humanity under international customary law. About one million persons are believed dead as a result of the economic sanctions, thereof half a million children below five years of age.

It was after Bush's first term that the capitalist rulers imposed the Clinton administration on the world. It effectively destroyed what was left of the insufficient social safety, especially those elements added during the Johnson administration as a trick to defuse the African and general internal revolts hammering America in the midst of their war of aggression against the people of Vietnam and Indochina generally; and continued the Bush military aggression against Iraq, bombing it daily and imposing a genocidal embargo against that country. It was this administration that engaged in war to dismember and destroy sovereign Yugoslavia and was directly implicated in the Rwanda Burundi mass killings and the mysterious deaths of the Abiolas. In fact many people believe that the Nigerian presidential hopeful Chief M.K.O. Abiola was poisoned by the Clinton official Susan Rice, who is now in the UN representing the Obama regime, when she accompanied Under Secretary of State Thomas Pickering, and US Ambassador William Twadell on an official visit while Abiola was still in prison.

Besides the continued prosecution of the war and war-like foreign and domestic policies of the first Bush presidency, the Clinton administration's negative achievements also included the continuation of the so-called welfare reform legislation. It was during this administration's shift that the Gramm-Leach-Bliley Financial Services Modernization Act, was enacted. As you know many people believe this legislation was responsible for driving the last nail into the coffin of the global financial and economic system by essentially gutting the Glass Seagal Act. And one has to say that those who believe such have good reason to do so, notwithstanding the fact that even with the protection of the Glass Seagal Act, the financial mobsters of world capitalism were running wild and create havoc and destruction across the face of the globe. However, with the provisions of the Gramm, Leach and Bliley bill the general socio-economic destruction of the globe's peoples, went from mach 2 speed to mach 20 speed.

Clinton's administration did not use the power of the bully pulpit to block the Gramm, Leach and Bliley bill, nor did it make any effort to educate the people about the deadly consequences of the legislation. Perhaps it is because Clinton did not really oppose it.

George H. W. Bush's son George W followed Clinton as the titular head of the subsequent US administration. We all know what energy George W put into his efforts to prove his parent's well-known preference for his brother, Jeb Bush, as their choice for the successor emperor in the Bush line, was in error. He was determined to show them that he could "lynch and burn", rape and maraud with the best of them. Indeed, George W., if anything, took the warmongering of his father to even higher heights of insanity, if that is possible, at least the Bush the First reign listened to their servant Powell's advice that they should not try to invade and occupy Baghdad in course of the first US attack against the Baath party state of Iraq.

Not only was/is George B. a cruel, sadistic, cowardly socio-path posturing as a sort of 21st century Teddy Roosevelt or James Polk in foreign policy, his domestic policy was
equally as fascist. Taking his guidance and lead from the Cheneys, and PNAC kooks of the world, he managed to concoct a legacy of two major wars, neither of which were necessary policy decisions, as Iraq was completely innocent of possession of WMD, nor did it have any links with Al Queda. The attack on Afghanistan had nothing to do with the mysterious destruction of 9-11-2001, but had everything to do with the desire of the lead energy companies wanting to control that critical geopolitical area, which is why the Bush 2 administration made no effort to follow the international law.

The statutes of international law gives every state the support of the international legal system in the bringing to justice those who perpetrate terrorist attacks and/or in air piracy. Thus, when the majority of states and political forces of the world sent messages of support to the US government after the 9-11 incidents, including the Palestinian Authority, Cuba, the American Indian Movement, the US not only would have the legal backing of its nominal allies in the west and elsewhere, but even many of those political forces that are generally aligned against US policies. This made it very simple to organize a global police action to apprehend and bring to justice the real perpetrators of the crimes of September 11th, by means of police personnel using paramilitary force if need be. But, the Bush 2 reign rejected this out of hand, undoubtedly because they were not really interested in apprehending the true culprits (which is understandable since there is ample evidence that the hand of the zionists and powerful elements in the US itself that was behind the incidents nor do they appear to be all that concerned with combating the darling of both the Carter and Reagan-Bush power cliques, Bin Laden). By all indications there were only interested in using it as a pretext for their long advocated wars in South West Asia and the Arab regions (what is called colloquially the Mid-East).

It was this administration that presided over the coup against Aristede's government and the people of Haiti. As if all that wasn't enough harm to civilization, they presided over the Katrina crimes, which some Pan-Africanist activists called a cyber lynching, which continues to this very day. Katrina and other actions of the Bush 2 circle were great gifts to the extreme white racist right in the world and was openly celebrated by the indiscriminate murders of Africans in that area, without even one of the perpetrators ever facing even the semblance of a trial.

And as icing on this devil's cake, courtesy of the more erratic wing of the monopoly capitalists, they managed to accelerate the degradation of the environment and the decay of the global financial, commercial, fiscal and economic system, with the active or impassive assistance of the other part of the capitalist party in America, the Democrats.

In short, Bush the Second’s reign was nothing other than a complete disaster replete with barbaric wars, unmitigated acts of racism, ecological destruction and general global systemic collapse.

Now the capitalist have given us Obama, who to the disappointment of many who hoped he would mark a change, is gleefully continuing the same policies, with different accessories and nuances of the Reagan-Bush-Clinton-Bush tradition. The Obama dictatorship has assimilated the foreign, financial and general socio-economic policies of the predecessor administrations to the letter. Now we see why Obama was so effusive in his glowing praise for Reagan. And does all this not explain what is happening at the moment?

Certainly it does, as this is precisely what is happening to the world today with large
banks and other financial service entities running all the key sectors of modern society, including the national and derivative governments, in the lead capitalist country, the US, and her allies/competitors; and also, through the devices of neo-liberal globalism (more accurately known as neo-colonialism) dominating and outright running much of the rest of the world. This is done by the power of their national institutions, such as their military sectors, and through their control of multilateral organizations such as the World Bank, WTO, IMF, the Bank for International Settlements, the United Nations Organization and so forth.

It will be a daunting, but doable, task for the world to extricate itself from the clutches of the neo-colonialist system. Although the neo-colonialist look invincible, in reality they are not. The weak point of their system is that it is totally dependent on our lack of resistance. As soon as we get properly educated and organized, properly equipped, mobilized and deployed, the glory days of monopoly financial capital and the individual financial kingpins of western society will find themselves up against the forces of their own national populations, as they will no longer have the booty stolen from Africa, Asia, Latin America, and the parts of Europe that are neo-colonized, to bribe them with. Then those who created the living hell that the capitalist financial system, and particularly that part which is directly identified as citizens of the US, have created for most of the people of the earth will have to justify themselves before these same people they have victimized so cruelly.

The mega-rich mobsters will have to answer for their blood stained life of private jets, mega mansions, ultra haute couture, tropical island resorts, gold plated life-style before the courts of the people, not the rubber stamp courts they have created, sanctioned and own lock, stock and barrel. Then the world will see honest justice, handed out by earnest servants of the majority of the world's peoples in an authentically democratic system. Any punishment the culprits will receive for their actions would be the consequence of the world and history they have so gleefully made for themselves. Perhaps that will give some of them solace when they do come face to face with the angry majority of society and are indicted by the stench of their actions and condemned the evidence of history. Sooner or later this class will have to come to terms with the consequences of what they have done. I would advise them to make it sooner rather than later, it will strengthen the impact of their pleas for understanding and leniency in any future judicial processes.

The "Hand Writing" is indeed on the wall. No one knows when or how the bough of monopoly capitalism will break and the disgusting modern day offspring of feudalism, slavery and mercantile colonialism will fall. But they will and then everybody will know that the emperor is indeed naked and that monopoly capitalism has been traveling down the "road to hell." as the Czech Prime Minister, Mirek Topolanek was quoted in reference to Obama's plan to end the global crisis. " Obama heads into G-20 talks, NATO challenges", Bridget Johnson http://thehill.com/leading-the-news/obama-heads-into-g-20-talks-nato-challenges-2009-03-31.html

As Osagyefo Kwame Nkrumah shows us, this reckoning could be evolutionary, which would require eons upon eons, or it can be revolutionary. That is it can be a function of our self-education, self-mobilization and self-organization as discrete but tightly united cultures within the context of the common human culture, coming together in the interest of the survival and prosperity of each continental/national group and of humanity generally.
Monopoly Capital and Africa

John Maynard Keynes states in his book *The Economic Consequences of the Peace*:

Before 1870 different parts of the small continent of Europe had specialised in their own products; but, taken as a whole, it was substantially self-subsistent. And its population was adjusted to this state of affairs.

After 1870 there was developed on a large scale an unprecedented situation, and the economic condition of Europe became during the next fifty years unstable and peculiar. The pressure of population on food, which had already been balanced by the accessibility of supplies from America, became for the first time in recorded history definitely reversed. As numbers increased, food was actually easier to secure. Larger proportional returns from an increasing scale of production became true of agriculture as well as industry. With the growth of the European population there were more emigrants on the one hand to till the soil of the new countries and, on the other, more workmen were available in Europe to prepare the industrial products and capital goods which were to maintain the emigrant populations in their new homes, and to build the railways and ships which were to make accessible to Europe food and raw products from distant sources. Up to about 1900 a unit of labour applied to industry yielded year by year a purchasing power over an increasing quantity of food. It is possible that about the year 1900 this process began to be reversed, and a diminishing yield of nature to man's effort was beginning to reassert itself. But the tendency of cereals to rise in real cost was balanced by other improvements; and -- one of many novelties -- the resources of tropical Africa then for the first time came into large employ, and a great traffic in oilseeds began to bring to the table of Europe in a new and cheaper form one of the essential foodstuffs of mankind. In this economic Eldorado, in this economic Utopia, as the earlier economists would have deemed it, most of us were brought up.

That happy age lost sight of a view of the world which filled with deep-seated melancholy the founders of our political economy. Before the eighteenth century mankind entertained no false hopes. To lay the illusions which grew popular at that age's latter end, Malthus disclosed a devil. For half a century all serious economical writings held that devil in clear prospect. For the next half century he was chained up and out of sight. Now perhaps we have loosed him again.

What an extraordinary episode in the economic progress of man that age was which came to an end in August 1914! The greater part of the population, it is true, worked hard and lived at a low standard of comfort,
yet were, to all appearances, reasonably contented with this lot. But escape was possible, for any man of capacity or character at all exceeding the average, into the middle and upper classes, for whom life offered, at a low cost and with the least trouble, conveniences, comforts, and amenities beyond the compass of the richest and most powerful monarchs of other ages. The inhabitant of London could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep; he could at the same moment and by the same means adventure his wealth in the natural resources and new enterprises of any quarter of the world, and share, without exertion or even trouble, in their prospective fruits and advantages; or he could decide to couple the security of his fortunes with the good faith of the townspeople of any substantial municipality in any continent that fancy or information might recommend. He could secure forthwith, if he wished it, cheap and comfortable means of transit to any country or climate without passport or other formality, could despatch his servant to the neighbouring office of a bank for such supply of the precious metals as might seem convenient, and could then proceed abroad to foreign quarters, without knowledge of their religion, language, or customs, bearing coined wealth upon his person, and would consider himself greatly aggrieved and much surprised at the least interference. But, most important of all, he regarded this state of affairs as normal, certain, and permanent, except in the direction of further improvement, and any deviation from it as aberrant, scandalous, and avoidable. The projects and politics of militarism and imperialism, of racial and cultural rivalries, of monopolies, restrictions, and exclusion, which were to play the serpent to this paradise, were little more than the amusements of his daily newspaper, and appeared to exercise almost no influence at all on the ordinary course of social and economic life, the internationalisation of which was nearly complete in practice.

The Economic Consequences of the Peace
by John Maynard Keynes
1919
Chapter 2: Europe Before the War
http://econ161.berkeley.edu/articles_of_the_month/ecp2.html

Our history runs from the sublime to the painfully ridiculous.

We are generally speaking an impoverished people. This is true for the great majority of our people across the face of the earth. But we have not always been so. There was a time when we were the pacesetters for all humanity.

So what happened?

Simply, we were conquered over time and thus robbed of our status in the world, along with virtually everything else. That is what happened.
This robbery process continues to this day, the current form, and the very last form of our suffering, is the criminal system called neo-colonialism. Neocolonialism is a phase of imperialism, that is monopoly capitalism in its external form, the last phase in fact. This is easily identified by its theoretical components and is now visible to the whole world in the massive crises affecting the entire population of the globe. The economic and financial crises of monopoly capital is the aspect that receives the attention of the monopoly capitalist mass media apparatus; but the real face of the system is really the many wars against African people and constant flood of capital crimes committed against us by this system.

These two aspects of monopoly capitalism (imperialism) are so overtly malevolent that it is impossible to disguise them. More and more of the African people are pointing to these actions and calling them what they are: crimes against humanity. Even those who pretend not to notice, in fact notice the assaults on our lives and dignity that happen every second of every day.

Thus, we live in a propitious time, when with one bold and scientific effort we can end the suffering of our people and most of the rest of the world, we can rid ourselves of this criminal system through the development of the necessary political and related acumen. All we need is to organize our collective thinking. Make it more focused and systematic. Concentrate on getting out from under the bad circumstances we have been dragged into over hundreds and hundreds of years.

When we are able to thus focus our minds, we will develop the political, security and economic strategies and systems necessary to reclaim our rightful place in history.

**What is the origins of our problem?**

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalised the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre.


Today Africa is without a doubt the most oppressed continent on the face of the earth. This is a process that has its primeval roots in the conquest of the Nile Valley civilization by a series of eastern invaders, the Assyrians, Hyksos, and Persians.

But the ancient European forces from the Greco-Roman world were without a doubt the worst and the invaders that rendering the most damage to the Nile Valley way of life.

It was these forces, particularly the Macedonian-Greek forces, under Alexander and subsequently the Romans — during both the periods of the Rome-centered Roman Empire and the Constantinople-centered Roman Empire, that essentially ended the
vitality of the Nile Valley cultures. There were distinctions between the two however. The Macedonian-Greek empire policy was based on Alexander's policy of infiltration by intermarriage and general co-optation of the indigenous cultures, so the changes they wrought were mainly in the destruction of the regional centers of powers in ancient Egypt and the institution of ruthless central power under the control of the descendants of Alexander's General Ptolemy.

However the Ptolemaic occupation was not as extreme as the much more harsh rule of the Romans, where all the indigenous practices were brutally curtailed and suppressed in an effort to stamp the society indelibly with the Roman seal. Rome completely broke the back of what was left of the governing structures of Dynastic Egypt, although not the memory of the society. (As for example even today there are remnants of old traditions to be found in Egypt from the tendency to cooperate for the common benefit of the community to the survival of a form of dynastic language in the Coptic Church.) But for the most part, old Egypt was gone and its glory was never to be seen again. With the conquest of Carthage by Rome in the course of the three Punic Wars, from 264, 218, and 149 B.C., the demise of Dynastic Egypt marked the end of Africa's long domination of the Mediterranean and the Near East. Although not the end of African mega states and empires, as many existed in the west, east, central and southern areas, also.

But from the fall of dynastic Egypt to our time, because of the overwhelming psychological and cultural role Egypt plays in the mind of humanity generally, giving our enemies an enormous psychological boost, our history has been one of continuous battles against external invaders, overwhelmingly, but not exclusively, European. These ancient conquests shaped the relative material conditions as well as the prerequisite mind set for the eventual western European conquest of all of Africa. Spurred on by the barbaric Catholic Church Crusades, the European mercantile imperialist colonial era's slave trade and the Islamic intrusion, Africa was virtually swamped by invaders. This process continued into the modern era of European imperialist division and re-division of Africa in the late 19th century, in which the European powers were joined by the Ottoman (Turkish) Empire and the US.

Lenin correctly put the process of dividing Africa among the white powers in its proper perspective, listing it as one of the four aspects of monopoly capital.

We have seen that in its economic essence imperialism is monopoly capitalism. This in itself determines its place in history, for monopoly that grows out of the soil of free competition, and precisely out of free competition, is the transition from the capitalist system to a higher socio-economic order. We must take special note of the four principal types of monopoly, or principal manifestations of monopoly capitalism, which are characteristic of the epoch we are examining.

Firstly, monopoly arose out of the concentration of production at a very high stage. This refers to the monopolist capitalist associations, cartels, syndicates, and trusts. We have seen the important part these play in present-day economic life. At the beginning of the twentieth century, monopolies had acquired complete supremacy in the advanced countries, and although the first steps towards the formation of the cartels were taken by countries enjoying the protection of high tariffs (Germany, America), Great Britain, with her system of free trade, revealed the same
basic phenomenon, only a little later, namely, the birth of monopoly out of the concentration of production.

Secondly, monopolies have stimulated the seizure of the most important sources of raw materials, especially for the basic and most highly cartelised industries in capitalist society: the coal and iron industries. The monopoly of the most important sources of raw materials has enormously increased the power of big capital, and has sharpened the antagonism between cartelised and non-cartelised industry.

Thirdly, monopoly has sprung from the banks. The banks have developed from modest middleman enterprises into the monopolists of finance capital. Some three to five of the biggest banks in each of the foremost capitalist countries have achieved the “personal link-up” between industrial and bank capital, and have concentrated in their hands the control of thousands upon thousands of millions which form the greater part of the capital and income of entire countries. A financial oligarchy, which throws a close network of dependence relationships over all the economic and political institutions of present-day bourgeois society without exception—such is the most striking manifestation of this monopoly.

Fourthly, monopoly has grown out of colonial policy. To the numerous “old” motives of colonial policy, finance capital has added the struggle for the sources of raw materials, for the export of capital, for spheres of influence, i.e., for spheres for profitable deals, concessions, monopoly profits and so on, economic territory in general. When the colonies of the European powers, for instance, comprised only one-tenth of the territory of Africa (as was the case in 1876), colonial policy was able to develop—by methods other than those of monopoly—by the “free grabbing” of territories, so to speak. But when nine-tenths of Africa had been seized (by 1900), when the whole world had been divided up, there was inevitably ushered in the era of monopoly possession of colonies and, consequently, of particularly intense struggle for the division and the redivision of the world.

The extent to which monopolist capital has intensified all the contradictions of capitalism is generally known. It is sufficient to mention the high cost of living and the tyranny of the cartels. This intensification of contradictions constitutes the most powerful driving force of the transitional period of history, which began from the time of the final victory of world finance capital.

Monopolies, oligarchy, the striving for domination and not for freedom, the exploitation of an increasing number of small or weak nations by a handful of the richest or most powerful nations—all these have given birth to those distinctive characteristics of imperialism which compel us to define it as parasitic or decaying capitalism. More and more prominently there emerges, as one of the tendencies of imperialism, the creation of the “rentier state”, the usurer state, in which the bourgeoisie to an ever-increasing degree lives on the proceeds of capital exports and by “clipping coupons”. It would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism. It does not. In the epoch of
imperialism, certain branches of industry, certain strata of the bourgeoisie and certain countries betray, to a greater or lesser degree, now one and now another of these tendencies. On the whole, capitalism is growing far more rapidly than before; but this growth is not only becoming more and more uneven in general, its unevenness also manifests itself, in particular, in the decay of the countries which are richest in capital (Britain).

Lenin, pp 123-4, *Imperialism: The Highest Stage of Capitalism*

This colonial aspect of monopoly capital was defeated by our people in a series of momentous struggles that embraced the whole African world, either indirectly or directly, that is the anti-colonial struggle, in which Pan-Africanism played an important part. The zenith of the anti-colonial struggle was the independence of Ghana, which dedicated itself to building Pan-Africanism. Since those heady days we have been in a constant life and death struggle with the last stage of monopoly capitalism — imperialism, neo-colonialism.

But these sordid tales of criminal conferences, death and destruction, woes and wars, are by no means the totality of Africa's great history.

We were the first peoples of the world. We gave the world all the attributes of culture, social, technological, economic, scientific, artistic you name any aspect of human advancement and you will find that Africa played an important role in its development.

Our history is one of great achievements of humanity. We were the first primates to walk upright and the first to master the use of fire millions of years ago. We have been the cutting edge of much of human achievement. We were the first to create the skill of writing, medicine, philosophy, tool making, religion, the arts, graphic art, music, dance and sculpting. Africa was the leader in humanity's development of astronomy, mathematics including trigonometry, algebra, calculus, geometry and arithmetic operations. Africa led in the fields of engineering, architecture, hydraulics, hydrology, mineralogy, general science, law, agriculture, aquaculture, particularly fish farming, which has been documented in not only the ancient Nile Valley but in various parts of Africa. Africans also excelled in animal husbandry, military science and much of what the world takes for granted today. And let us not forget Africa's pioneering role in accounting in the development of economics, and commerce generally. The African dynasty built dams as early as 2300 BC. Long before any other civilization. It built the first stone buildings indeed the ancient Giza pyramid was the world's tallest building until the 19th century with the erection of the Eiffel Tower in Paris. It is said that the Sphinx is over 1200 years old.

Africa is the home of the first known calculating device, the a 22,000 year-old Ishango Bone found in the Congo. It is the home of the Dogon an ancient center of advanced astronomical knowledge, the home of great agricultural and the innovative agro-forestry technique and methods developed by the Chagga and Sonjo peoples.

Africa was in the forefront of human activities such as semiotics. It is the source of the Eye of Horus symbol, the ankh, the infinity symbol, and the deity Thoth's symbol, is used as the Medical science's symbol of science medicine.
The Nile Valley's preeminence in grain production and the immense veins of gold in the upper Nile, made that civilization the premiere society for thousands of years, and a pioneering society in the development of banking.

The history of Africa is in reality a most critical part of human history. Take a look at the following excerpt from the research of E. W. Robinson, J.D. on ancient Egypt:

World-renown historians of Egypt's early history trace the background of the three astronomer-priestesses who gave to the world higher mathematics. English historian, Gerald Massey, *Ancient Egypt, The Light of the World*, tells us that they were of a long line of distinguished African women who would lead the travel of civilization from its southern origins until it arrived in the north in a land now known as Egypt. This upper Nile was where the goddess Ater-Tshema-T is credited with having created calculus over 4700 years ago.

G. Michanowsky tells us that about 4000 B.C. there was a giant supernova in the southern constellation Vela. This and other celestial phenomena inspired these southeastern African people to move to a part of Africa which afforded an unobstructed view of the heavens they found in the barren ground of what-is-now Egypt. They constructed telescopes and observatories to record precise movements of heavenly bodies.

They drew the land as a right triangle of thirty-six, fifty-four and ninety degrees. Livio C. Stecchini says that this allowed these astronomer-priestesses to calculate all of the trigonometric functions of angles between zero and thirty-six degrees. The astronomer-priestess Sheshet is credited with the creation of trigonometry.

According to Livio Stecchini, priestess Sheshet analyzed curves by dividing the area under a curve into a series of rectangles which is the basis of integral calculus. In analyzing the curvature of the earth she used rectangles six feet wide.

Geometry, created by the astronomer-priestesses Tekhi, evolved with the object of controlling the flow of the Nile River, so that maximum enrichment of the land would result. According to E. A. Wallis Budge, Keeper of the Antiquities of the British Museum, in his book, *The Gods of Egypt*, and Moses Cotsworth say that these priestesses were the most learned of Egypt.

They say that they could measure the length of the year to 365.24219 of days. They were credited with placing the granite slab into the great pyramid, which, according to the French mathematician, Abbe Thomas Moreau, in his book *The Mysterious Science of the Pharaohs*, is the basis for the metric system. This is due to the fact that the length of this granite slab is exactly one meter in length which is one ten-millionth of the distance from the North Pole to the Equator.

Astronomer Priestesses by Edward W. Robinson, Jr., J. D.
Indeed although none of the African societies could be said to be heavens on earth, they were on the whole vastly superior to those found in Europe. Because the African societies, even the highly theocracy Nile Valley civilizations, had the traits of inside-outside dialectic that Nkrumah talked about as distinguishing Africa's religions from the European adulterated versions of religion (Consciencism). That is, the African religion spoke to the need to achieve a significant degree of material happiness on earth as opposed to hoping that one will be rewarded in the by and by in the heaven in the sky once one is dead. Also, the spiritual basis of the society obligated those in government, the religious leaders and their commercial allies to see to the basic needs of the people. This was a central part of both their spiritual and social-political reality, both revolving around the values of the social-spiritual-philosophy of the predominant cultures of African societies.

Examples of this societal concern for its members can be found in the accounts of Herodotus who wrote about the fabled Table of the Sun in Ethiopia, the mother of Egypt. Here is how he described it in *The Histories*.

18. Now the table of the Sun according to the accounts given of it may be thus described. It is a meadow in the skirts of their city full of the boiled flesh of all manner of beasts, which the magistrates are careful to store with meat every night, and where whoever likes may come and eat during the day. The people of the land say that the earth itself brings forth the food. Such is the description which is given of this table.

http://www.galileolibrary.com/ebooks/eu04/herodotus_page_418.htm

In ancient dynastic Egypt, the worship of Amun Ra included a concern for the well being of the living as well as the dead. Hence, there was a predisposition on the part of the people of the society to help one another. If your neighbor was building a home, you volunteered to help. If they had no grain, you would share your grain or strike a reasonable barter deal which might include an exchange of labor for grain or a future promise to return the gesture or perform a similar act. The fact that the economy was essentially barter, made it very flexible in times of plenty and times of scarcity.

Here is how one source described ancient Egyptian society:

Ancient Egypt is considered by some to have been the most heavily taxed nation and to have collapsed under the weight of the levies imposed on the populace. But, with a few minor interruptions, its society existed peacefully and basically unchanged for more than two millennia. Even in its days of decadence Herodotus thought it provided better living conditions—if health is anything to go by—than most others he had seen,

... they think that all the diseases which exist are produced in men by the food on which they live: for the Egyptians are from other causes also the most healthy of all men next after the Libyans.
The state relied on revenues in the forms of labour and taxes paid in kind. Grain was the most important produce hoarded by the authorities, as it could be stored with relative ease and was vital in years of bad harvests.

**The beneficiaries of the system**

**The commonweal**

A major part of the levies imposed on the people was used to stabilise society. A bureaucratic administration, at first native and in the Late Period increasingly foreign, enforced order throughout the country during most of its history. Three millennia of mainly quiet development point to the success of this policy: Grain was stored which could be distributed in times of famine. Corvée workers were fed from these stores during the months of inundation when work in the fields was impossible. Artisans constructing public buildings found employment, paid by the royal treasury. Even the offerings at the temples were at least partially used to feed the poor.

Of course, different classes of people benefitted to different degrees, but care was taken not to leave too many people with nothing to lose, a lesson the Spartans and the Romans for instance never learned. While famines affected the poor much more than the rich, in normal times there was not that much difference as regards health, survival of ones children or even longevity.

Peasant villagers, on the whole the poorest segment of the population, hardly ever travelled far and their knowledge of what lay beyond their own community was limited. They came into contact with low ranking scribes and overseers, who were not much better off than they themselves. But by thrift and hard work they could hope to gain additional property and rise on the social ladder.

**The upper class**

In a society where precious metals were not considered a special means of exchange and were mostly in the hands of the pharaohs and the temples, wealth was synonymous with possession of land.

Theoretically all the land belonged to the pharaoh who could dispose of it at will. Large tracts were given to the military, above all during times of unrest when the kings needed their support and were unable to recompense them in any other way. Officials were also beneficiaries of such royal munificence. But most of the land came to be owned outright by the temples and the peasantry.

"The commonweal"

http://www.reshafim.org.il/ad/egypt/economy/index.html

Think about the plight of the homeless in the US and other parts of the capitalist world. Is it not obvious that the people of Egypt and Africa generally, had a much better life.
than many in modern America and Europe? (We will come back to the subject of the conditions in the modern capitalist state a little later in this chapter.)

Here is an example of extension of "credit" when the purchaser had nothing to exchange for the goods he desired, unfortunately in this instance the debtor had not actually paid the creditor at the time of the inscription:

Granting credit to one another was probably quite widespread. Perhaps one of the parties did not have what the other wanted at the time of the exchange. Maybe the amount of one single transaction was too small and a number of outstanding payments were settled together, or one party put off delivering his wares until it was more convenient — and too late as it seems to have been in the case of the scribe Amennakht who died without having paid for a coffin:

'The scribe Amennakht, your husband, took a coffin from me and said: I shall give you the ox as payment.

'But he has not given it to this day. I told Pa'akhet. He said: Let me have moreover a bed and I shall bring you the ox when it is grown. I gave him the bed. Neither the coffin nor the bed (were paid for) to this day. If you (want to) give the ox, let somebody bring it. (But) if there is no ox, let somebody bring (back) the bed and the coffin.'

Ostrakon from the reign of Ramses III
Translation of a passage from S.Allam Hieratische Ostraka und Papyri aus der Ramessidenzeit, Tübingen 1973

Compare these attitudes found in Africa with what was the practice that the Roman empire adopted to their own nefarious ends. They instituted the policy now known as bread and circuses, that is the sadistic, homicidal, horrid gladiatorial events, chariot racing, mock naval combat as entertainment combined with a scheduled distribution of grain (which was taken from Egypt after the Roman conquest of the Ptolemaic, that is Macedonian Greek, dominated Egyptian polity, Ptolemaic derived from the successors of Alexander of Macedonia's appointed leader of the conquered Egyptian area, one of his Generals, Ptolemy.) The bread and circuses were instituted to keep the citizens of Rome, who were on the whole poor from rebelling. This was very important to Rome because the elite were a tiny minority as a hefty percentage of the people in Rome were held in slavery, they needed the free poor to remain docile else the society would have been destroyed. An example of the problems resistance caused Rome, was the gladiatorial — gladiators being a specific kind of slave constantly training to kill with various weapons — rebellions, there were three major such rebellions. The most famous of these rebellions is of course the one led by Spartacus. It was the revolt led by Spartacus that catapulted Crassus and Pompeii into leadership in Rome. These two would soon be joined by Julius Caesar and this trio competed for the domination of Rome until Crassus was killed trying to conquer Parthia (modern day Iran) and Pompeii, after being defeated by Caesar in Rome's biggest ever civil war, nominally sparked by Caesar's crossing of the Rubicon, was assassinated by the Ptolemaic authorities ruling Egypt to win favor with Caesar.
Rome also had a custom that allowed people to expose babies that they did not want to be bothered with. All you had to do is take the baby down to the nearest trash dump and throw it on the heap. Can we really say this is civilized behavior?

Egypt was a premiere center of banking and creator of money

In Egypt too the centralization of harvests in state warehouses also led to the development of a system of banking. Written orders for the withdrawal of separate lots of grain by owners whose crops had been deposited there for safety and convenience, or which had been compulsorily deposited to the credit of the king, soon became used as a more general method of payment of debts to other persons including tax gatherers, priests and traders. Even after the introduction of coinage these Egyptian grain banks served to reduce the need for precious metals which tended to be reserved for foreign purchases, particularly in connection with military activities.


The use of gold as proto-money has been traced back to the fourth millennium B.C. when the Egyptians used gold bars of a set weight as a medium of exchange...

The next stage in the evolution of money involved a further transition from money as an object with inherent usefulness and value to money as a pure symbol of value. Representative money is symbolic money that is based on useful commodities. This category includes the warehouse receipts issued by the ancient Egyptian grain banks...

Thus, the bills early form of credit came both a medium of exchange and a medium for storage of value. Like the loans made by the Egyptian grain banks...


Some of the wheat harvested and belonging to private owners was stored in state warehouses. So was much of the grain collected as taxes. Written withdrawal orders by owners of lots of grain were used as a kind of currency. These grain banks continued to serve growers and traders even after the introduction of coined money in the latter half of the first millennium BCE.

http://www.reshafim.org.il/ad/Egypt/economy/index.html

Apart from giving and receiving personal credits people could deposit grain in state warehouses and write withdrawal orders which served as payment [12]. Increasingly these banks began to deal with money instead of perishable grain. Orders of payment debiting and crediting accounts at the royal bank.

P.Mich.:1:9, 257 BCE
Banking and finance are old hat for Africans, and yet there is no historical evidence of Africa having the kinds of consistent crises that are hallmarks of capitalism. Indeed there is no evidence of even a single instance of such cataclysmic problems experienced by monopoly capitalists.

Indigenous Egypt did very little minting of coins in the sense of a coin with an image imprinted on it until much later as a form of exchange with foreign states and private interests, from the very beginning it minted weighted metal rings that carried value and was used by the elite as medium of exchange. These weighted metal rings (some sources speak of stone version preceding the metal ring) were called debens.

So, in a very real since everyone acknowledges that they were minting species, or at the minimum a coin - like form of value and exchange. These rings were in actual fact and in every sense of the word, money. Thus many authorities take a middle road and refer to them as proto-money or some other totally inappropriate cop out. As in this wikipedia article:

**Old and Middle Kingdom**

Stone weights from the Old Kingdom have been found, weighing about 13.6 grammes. Similar weights from the Middle Kingdom were discovered at Lisht. From the Middle Kingdom date also deben weight units used for metals, referred to as copper deben and gold deben, the former being about twice as heavy (c. 23.7 grammes) as the latter.

**New Kingdom**

From the New Kingdom on the deben was equal to about 91 grammes. It was divided into ten kidet (alt. kit, kite or qedet), or into what is referred to by Egyptologists as 'pieces', one twelfth of a deben weighing 7.6 grammes. It was frequently used to denote value of goods, by comparing their worth to a weight of metal, generally silver or copper.

**Protocurrency**

It has been speculated that pieces of metal weighing a deben were kept in boxes, taken to markets and were used as a means of exchange. Archaeologists have been unable to find any such standardized pieces of precious metal.

On the other hand it is documented that debens served to compare values. In the 19th dynasty a slave girl, priced four deben and one kite of silver, was paid for with various goods worth as much: 6 bronze vessels, 10 deben of copper, 15 linen garments, a shroud, a blanket and a pot of honey.
I believe the tendency on the part of some scholars to discount deben as money, if you will, is, how shall we put it?, oh yeah, it is a conscious attempt to alter history. However, we will not dwell on such duplicity. For our purposes the thing to remember is that this was not the primary medium of exchange in Egypt's heavily barter driven economy:

Egypt's invention of writing not only allowed Africa to develop the first books, love stories and poems, biographies, religious and political documents and facilitated the development of the grain bank system, it also was key in the development of the field of accounting. It is widely believed that the Egyptians technique of recording and tracking of transactions, are the basis of modern day accounting.

Accounting and Forms of Accountability in Ancient Civilizations: Mesopotamia and Ancient Egypt December 5, 2005 by Salvador Carmona and Mahmoud Ezzamel was a paper which demonstrated Egypt’s role in accounting.

It concentrated on "... the relevance and implications of ancient accounting practices to the contemporary theorizing of accounting. The paper provides a synthesis of the literature on ancient accounting particularly in relation to issues of human accountability, identifies its major achievements and outlines some of the key challenges facing researchers. We argue that far from being an idiosyncratic research field of marginal interest, research in ancient accounting is a rich and promising undertaking that holds the promise of significantly enhancing our understanding of the roles of accounting in organizations and society. The paper concludes by considering a number of implications of ancient accounting practices for the theorizing of accounting and identifies a number of possible avenues for future research."

Europe on the other hand developed much slower than Africa and the Middle East. There was some activity after the maturation of the Greek societies and Rome, both of which probably built on the banking traditions derived from the Nile Valley and the Carthaginian experience in the area.

European banking got a big boost from the wars of the Crusades (Knights Templar banks). European medieval fairs and Italian city state such as Genoa and the aquatic city Venice. And of course everyone has heard of the Medici banking family.

With the advent of the powerful capitalist formations, which began to emerge in the wake of the Stuart dynasty's temporary defeat at the hands of the English parliamentary forces led by the Puritan Oliver Cromwell, capitalism took a leap forward, and with the first Scottish bank appearing in 1695 what we know as the modern bank was well on its way.

By the late 17th century, the largest centers for commerce were the ports of Amsterdam, London, and Hamburg. Remember, this is the era of mercantile colonialism and the
infamous slave trade. This commercial boon was the stimulus for a leap in banking in Europe, much of which, nearly all, was the direct result of conquest and slaving activities by the British and Dutch in particular.

Given their subsequent major role in European banking we will look at the British in depth:

**Goldsmith bankers**

The highly successful ancient grain bank also served as a model for the emergence of the goldsmith bankers in 17th Century England. These were the early days of the mercantile revolution before the rise of the British Empire when merchant ships began plying the coastal seas laden with silks and spices from the orient and shrewd traders amassed huge hoards of gold in the bargain. Since no banks existed in England at the time, these entrepreneurs entrusted their wealth with the leading goldsmith of London, who already possessed stores of gold and private vaults within which to store it safely, and paid a fee for that service. In exchange for each deposit of precious metal, the goldsmiths issued paper receipts certifying the quantity and purity of the metal they held on deposit. Like the grain receipts, tallies and bills of exchange, the goldsmith receipts soon began to circulate as a safe and convenient form of money backed by gold and silver in the goldsmiths' vaults.

Knowing that goldsmiths were laden with gold, it was only natural that other traders in need of capital might approach them for loans, which the goldsmiths made to trustworthy parties out of their gold hoards in exchange for interest. Like the grain bankers, goldsmith began issuing loans by creating additional paper gold receipts that were generally accepted in trade and were indistinguishable from the receipts issued to parties that deposited gold. Both represented a promise to redeem the receipt in exchange for a certain amount of metal. Since no one other than the goldsmith knew how much gold he held in store and how much was the value of his receipts held by the public, he was able to issue receipts for greater value than the gold he held. Gold deposits were relatively stable, often remaining with the goldsmith for years on end, so there was little risk of default so long as public trust in the goldsmith's integrity and financial soundness was maintained. Thus, the goldsmiths of London became the forerunners of British banking and prominent creators of new money. They created money based on public trust.


The public trust was unfortunately abused by these early bankers just as it is today. The European form of banking was well on its way to the kind of system we see today. That is a system which could not resist milking the gullible mass of the public which are obliged by force to trust them. The European banker classes evolved into its position of power by its connections with the state and individual powerful families, both of which used violence as a commonly practiced method of achieving change. Thus the bankers became a class of cheats, hustlers, thieves, liars, shysters and robbers who cheerfully ripped off all within their reach.
It is clear that African civilization was not only a leader in the development of most aspects and dimensions of human culture, although it may not have always been the absolute number one in every given human activity, but it was inevitably in the top two or three, but it is generally speaking morally superior to the leadership that developed in Europe. This is true in governance, religion and philosophy and in the field of banking. There is no record of the misuse and abuse of the power of banks in ancient Africa comparable to the history of the Knights Templar, the Medicis and their rivals in the Italian city states, or modern European banking.

This early form of institutionalized banditry, as we have seen, has evolved into a sophisticated global system. Here is what the late two-time Congressional Medal of Honor winner US Marine Major General Smedley Butler had to say about the role of banks in the early 20th century:

I wouldn't go to war again as I have done to protect some lousy investment of the bankers. There are only two things we should fight for. One is the defense of our homes and the other is the Bill of Rights. War for any other reason is simply a racket.

There isn't a trick in the racketeering bag that the military gang is blind to. It has its "finger men" to point out enemies, its "muscle men" to destroy enemies, its "brain men" to plan war preparations, and a "Big Boss" Super-Nationalistic-Capitalism.

It may seem odd for me, a military man to adopt such a comparison. Truthfulness compels me to. I spent thirty-three years and four months in active military service as a member of this country's most agile military force, the Marine Corps. I served in all commissioned ranks from Second Lieutenant to Major-General. And during that period, I spent most of my time being a high class muscle-man for Big Business, for Wall Street and for the Bankers. In short, I was a racketeer, a gangster for capitalism.

I suspected I was just part of a racket at the time. Now I am sure of it. Like all the members of the military profession, I never had a thought of my own until I left the service. My mental faculties remained in suspended animation while I obeyed the orders of higher-ups. This is typical with everyone in the military service.

I helped make Mexico, especially Tampico, safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues in. I helped in the raping of half a dozen Central American republics for the benefits of Wall Street. The record of racketeering is long. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-1912 (where have I heard that name before?). I brought light to the Dominican Republic for American sugar interests in 1916. In China I helped to see to it that Standard Oil went its way unmolested.

During those years, I had, as the boys in the back room would say, a swell racket. Looking back on it, I feel that I could have given Al Capone a few hints. The best he could do was to operate his racket in three districts. I
operated on three continents."

http://www.the7thfire.com/Politics%20and%20History/Gen-Smedley-Butler.htm

And the big money of capital continues the exploitation of peoples by force, direct and indirect, by proxy forces or their own forces, what ever it takes to get the job done. Whatever the racket requires to use Butler's term.

Let us take for example the dismal situation in present day South Africa, were Africans are used against Africans in a callous plan to maintain the economic and general control of that critical area in the hands of European imperialism and its allies. This is achieved in many ways but perhaps the fundamental method is the concept of two economies, the real economy being in the hands of the remaining settlers on behalf of the imperialist world and the second smaller, inconsequential economy in the hands of the indigenous peoples of Azania/South Africa. This is nothing more than neo-colonialism. If one is honest, if one is principled, they must accept this fact. Indeed, the painful truth is that neo-colonies predominate in Africa. Which is precisely what Nkrumah predicted would happen if the continent did not create a Union Government, that would lead Africa in the phase that followed the achievement of political independence from colonialism.

Our fate is not one that we experienced alone. Although there were differences of degree, we shared this unfortunate history with the native people of the Americas, and to a significant extent, Asians also. Under the yoke of today's European-controlled neo-colonial domination we are still among the most thoroughly oppressed people on the face of the planet. Right along side the Palestinians, the Indigenous peoples of the western hemisphere and the Pacific islands.

Our failure to build Pan-Africanism has very palpable consequences. Among the most serious neocolonial blows to our struggle were the assault on the Congo, the overthrow of Nkrumah and the subversion of the Organization of African Unity (OAU).

The identical pattern continues to this historical period. For example, the former New Patriotic Party (NPP) government in Ghana happily went about the business of constructing the largest CIA complex on the continent. The Congo is still being attacked by the African lackeys of European imperialism. The African Union (AU) has some of the same shortcomings and propensities as the former OAU. There are concerted attempts to sabotage and seize several African states, such as Somalia, Zimbabwe and Sudan. There are countries that are overt satellites of the US, such as Djibouti which is host to US military forces, Ethiopia which is a central conduit and factor of the US military in Africa, Liberia which openly declares its willingness to host the hated and very dangerous AFRICOM. The AU's relationship with openly subversive US agencies including the so-called US diplomatic legation to the AU, the British proxy control of South Africa for the US, the general control of African economies and economic actions by the US and European Union (EU), the continent's general fear of, obsequence and servile posturing toward US dominated agencies such as the World Bank and IMF, Africa's shabby treatment at the hands of the rulers of the UN, the insulting treatment of Africa in the context of ad hoc-like forums such as the G20, just to name a few, of the sorry state of our current status in world affairs.

This will only end when the continent unites under a single government. Such a
government will give us the military, diplomatic, social, commercial, economic, financial, fiscal and monetary muscle we need to take our rightful place in today's world.

However much of our history is pock marked with bitter memories such as the Fashoda crisis, the Boer War, the Berlin Conference; we also have our share of heroic resistance against great odds and even our share of great military victories. The victory against the Italians at Adowa under Emperor Menelik II in 1896. The victories in the 19th century battles of Samory Ture in the war against French colonialism (from 1882 to his capture in 1898), the 1879 defeat of the British Army and their indigenous traitor forces by the Zulu impis in the Battle of Isandlwana commanded by King Cetshwayo. The glorious struggle of the First Chimerurenga, 1896-1897, which has since that time served as a patriotic beacon for the people of Zimbabwe, and for many Africans in general. Then there are the heroic struggles of Africans in the diaspora, the Quilombo dos Palmares of what is now modern day Brazil, and especially their famous leader Zumbi, the Male (the name used for Moslems in Bahia), the Haitian revolution, the resisters such as the "Maroons" in Jamaica and other parts of the Caribbean, Nat Turner, Denmark Vesey, Gabriel Prosser and the Africans who united with the indigenous people of the US called Seminoles, were all typical of the many heroic struggles of the our people in America against mercantile capitalism and chattel slavery. In fact, one of the African leaders of the Seminoles won a great victory over the US colonialist forces.

Now after considering all of this, and realizing that it is just the merest tip of the iceberg of our struggle, is there any wonder that Nkrumah tells us that we must understand history if we are to reclaim our full humanity and proper status in the world. As he wrote in Consciencism, understanding our history is fundamental to understanding how we got to the situation we find ourselves in today and consequently how we get out of this situation.

'Coercion' could unfortunately be rather painful, but it is signally effective in ensuring that individual behaviour does not become dangerously irresponsible. The individual is not an anarchic unit. He lives in orderly surroundings, and the achieving of these orderly surroundings calls for methods both explicit and subtle.

One of these subtle methods is to be found in the account of history. The history of Africa, as presented by European scholars, has been encumbered with malicious myths. It was even denied that we were a historical people. It was said that whereas other continents had shaped history, and determined its course, Africa had stood still, held down by inertia; that Africa was only propelled into history by the European contact. African history was therefore presented as an extension of European history. Hegel's authority was lent to this a-historical hypothesis concerning Africa, which he himself unhappily helped to promote. And apologists of colonialism lost little time in seizing upon it and writing wildly thereon. In presenting the history of Africa as the history of the collapse of our traditional societies in the presence of the European advent, colonialism and imperialism employed their account of African history and anthropology as an instrument of their oppressive ideology.

Earlier on, such disparaging accounts had been given of African society and culture as to appear to justify slavery, and slavery, posed against these
accounts, seemed a positive deliverance of our ancestors. When the slave trade and slavery became illegal, the experts on Africa yielded to the new wind of change, and now began to present African culture and society as being so rudimentary and primitive that colonialism was a duty of Christianity and civilization. Even if we were no longer, on the evidence of the shape of our skulls, regarded as the missing link, unblessed with the arts of good government, material and spiritual progress, we were still regarded as representing the infancy of mankind. Our highly sophisticated culture was said to be simple and paralyzed by inertia, and we had to be encumbered with tutelage. And this tutelage, it was thought, could only be implemented if we were first subjugated politically.

The history of a nation is, unfortunately, too easily written as the history of its dominant class. But if the history of a nation, or a people, cannot be found in the history of a class, how much less can the history of a continent be found in what is not even a part of it — Europe. Africa cannot be validly treated merely as the space in which Europe swelled up. If African history is interpreted in terms of the interests of European merchandise and capital, missionaries and administrators, it is no wonder that African nationalism is in the forms it takes regarded as a perversion and neocolonialism as a virtue.

In the new African renaissance, we place great emphasis on the presentation of history. Our history needs to be written as the history of our society, not as the story of European adventures. African society must be treated as enjoying its own integrity; its history must be a mirror of that society, and the European contact must find its place in this history only as an African experience, even if as a crucial one. That is to say, the European contact needs to be assessed and judged from the point of view of the principles animating African society, and from the point of view of the harmony and progress of this society.

When history is presented in this way, it can become not an account of how those African students referred to in the introduction became more Europeanized than others; it can become a map of the growing tragedy and the final triumph of our society. In this way, African history can come to guide and direct African action. African history can thus become a pointer at the ideology which should guide and direct African reconstruction.

This connection between an ideological standpoint and the writing of history is a perennial one...

Kwame Nkrumah, p. 62-3, *Consciencism: Philosophy and Ideology for De-Colonisation*

We have looked at a little of the history behind the creation of the African political, social and economic dynamics. Let us turn our attention to the characteristics of modern day monopoly capitalism.

We all know, or at least have heard, about the mortgage and general credit problems.
We may have even heard about the rampant stagflation in the western economies (that is inflation — flood of money with less spending power, the rise in prices plus recession — the reduction in production, consumption and thus, employment or better way to say it rampant unemployment while value of any savings withers down to nothing and prices shoot up). Most of us know that there is a serious currency problem and sky-rocketing debt and budgetary problems. We have read and to varying degrees suffered from the astronomical prices and periodic, and not so periodic in some places, unavailability, of food and fuel.

However, have we really thought about the human implications of these things? How much thought do we give to the plight of the millions of homeless? To the multitude of malnourished, and in many cases starving, impoverished children and adults? Or even the rapidly growing proliferation of tent cities around the country? Things that are certainly not limited to the US, but as they are symptoms of the systemic disease of all capitalist imperialist systems, show up everywhere the diabolical system holds sway. From Haiti to most of the continent of Africa, whole sweeps of Asia, such as Bangladesh, there are people dying every day for lack of water, food, health care, housing and other things that should be a guaranteed right of every human being, but which are not because of the demonic market system that holds sway in the world.

Here is a news story about a couple of the many everyday people victimized by monopoly capitalism in the US:

He didn't answer the phone. Harold Barnett -- known to a family he was close to and neighbors he often helped as "Uncle Band-Aid" -- always answered his phone.

But on Thursday, he didn't. A friend and co-worker soon found out why, bursting through Barnett's front door to find him, his son Terrell, 13, and a close friend, Raymond Carr, lying unresponsive on the floor of the North Minneapolis home.

Police determined that Barnett -- who was not on the home's lease and was being evicted -- had a gas-powered generator in the basement of the house at 1627 Girard Ave. N., providing electricity to the powerless home. Odorless, colorless carbon monoxide had crept upstairs and overwhelmed everyone inside.

Only young Terrell was still alive, though he later died at Hennepin County Medical Center.

Family and friends were stunned that Barnett had encountered the financial difficulties that led him to use the generator in the first place.

'He was pretty much the bread-bringer of the family," said older brother Larry Barnett. 'If anybody was ever hungry and they were around his house, he'd let them eat. ... You'd never know he was struggling. Like now, we didn't know he was struggling.'

From diapers to lunchmeat, 'If there was ever anything we needed, he
would get it,' said his mother, Loretta Barnett. 'I never thought nothing like that would happen, not to him.'

As for young Terrell, 'he was the 'good one' out of the kids. He made the A honor roll,' said cousin Shavonne Hinton, who grew up playing with Terrell, an eighth-grader at Nellie Stone Johnson Community School.

Barnett, 44, moved from St. Louis to Minneapolis when he was 13, along with his mother, grandmother, four brothers and a sister. He was known as a cornerstone of financial stability, working jobs to keep the family afloat.

'He kept this family together,' said sister Brenda Barnett, who, like her brother, moved from public housing and into North Minneapolis. 'And he got our family grown.'

Barnett had 14 children, five girls and nine boys, ages 4 to 27. Only Terrell and another son, Tevin, 13, lived with him. Tevin was at his mother’s the night his father and brother died.

After attending North High, Barnett worked in construction before nine years ago trying his hand at his own contracting business. The business, Right Hand Construction, offered a wide range of home improvements.

But a downturn in business about a year ago and a recently revoked driver’s license led to a tight budget, said longtime girlfriend Stacy Glover. Glover said the housing crisis hurt Barnett badly.

Landlord Gregory Wilson provided documentation Friday showing he was trying to get the family out of the home. A first-warning notice came Jan. 25, followed by a July 1 eviction notice telling the occupants they had to be out by Aug. 31. A second eviction notice arrived Sept. 22.

The month-to-month lease, which began in October 2007, was in the name of Gabrielle Brown, who appeared not to live there. In February, Wilson said, Barnett -- who said his first name was Terrell -- approached him and said he'd be making Gabrielle's payments -- though since the lease began Wilson has received only $1,600 in total of the $850-a-month agreement.

'That kid died. This sh-- is eatin' me ... up. I tried to get them out before it got cold, to stay somewhere else. They would've been out of there. I feel it's my fault..'

Wilson said he didn't know when Xcel Energy shut off the power but noted that he'd seen the generator outside about four or five months ago.

'I hear it, I thought it was power tools. Three weeks later, I hear it again. I asked, 'What are you doing with a generator?' Wilson said he didn't see the generator again.
'They were low-key. They kept up the property nicely. ... I just tried to help. If you're down and out ... He was always saying, 'The rent's coming, you got some money coming.' Finally he said he was going to leave and take his son with him.'

Barnett's family said they found many of his belongings packed in moving boxes Friday.

The neighborhood remained tense, with some of the family's anger directed at Wilson, who lives three doors down.

'(Wilson) said he told (Barnett) to take (the generator) out. I asked him, 'Why didn't you make him?' Brenda Barnett said.

But some neighbors support Wilson.

'These people (the Barnettts and Carr, a close friend who was living at the home) was trying to find other ways of living. (Wilson) tried to help somebody,' said neighbor Antwon Hill.

Neighbor Diane Fryer, whose kids used to play with Terrell, painted a bigger picture.

'With today's economic situation, we're in a financial crunch. People are doing whatever needs to be done to make ends meet.'

Financial hardship led Minneapolis father, son to carbon monoxide deaths

This and related horror stories, infants and elderly Africans freezing to death or dying from heat prostration, homeless Africans being shot dead with rifles and even cross bows, beaten to death by gangs of white youth, set on fire and various similar atrocities, is the reality of life for the mass of captured Africans. It is not a pretty picture. And it certainly does not correspond to the image the imperial system wishes to portray in their powerful mass media, which either depicts Africans as Bill Cosby-like imitation Europeans; a community of hyped up thugs and immoral sexual addicts on crack; or passive vessels timidly awaiting guidance and directions from the real human beings. As the fascist economist William Friedman said at a lecture he gave at the university I attended — you people are lucky we came to Africa and brought you to America, if not you would still be swinging in trees.

Clearly, there is no possibility that the abysmal treatment of the captured population can be changed via non-violent action, no matter how much one may prefer it to be otherwise.

Just as in the Congo and Haiti, where our people are subjected to starvation, massacres, UN forces and so-called international aid agencies raping and forcing young children into prostitution and so many other terrible atrocities, the African people in the US, are
subjected to the same imperialist. This US fascist violence does not get much, if any coverage, in the capitalist media, and thus is not properly understood by the world at large. As Kwame Nkrumah said when speaking of the system of neo-colonialism, it in and of itself is a "new kind of violence."

**The world in general**

History has shown Nkrumah to be absolutely correct. Witness the many invasions and wars, coups and assassination in Africa, Asia, the Caribbean, Central and South America, since the book came out in 1968. For example, the coup in Chile against the Allende government and President Allende's brutal murder. Or take for example the beastly work of the "Contras", those US agents who created chaos and murderous mayhem against the people in Sandinista led Nicaragua. Let us not forget the continued plots against Cuba and her leadership, the similar attempts aimed, and threats leveled at Presidents Chavez and Morales and the people and states of Venezuela and Bolivia. Not to mention the 1994 coup against the Aristide government in Haiti and the continued oppression of the African people of that captured state, such as the brutal December 22, 2006 massacre Soley carried out at the empire's bidding.

Likewise, we should not forget the war against the people of Indochina, which ended in the utter defeat of monopoly capitalism, the provocations aimed at the Democratic Peoples Republic of Korea (DPRK), the arming of Taiwan against the Peoples Republic of China (PRC)- which continues to this day with the former Bush administration's sale of six billion dollars worth of arms to the outlaw state in the hopes of intimidating China.

The arming and general financing of the outlaw Israel settler colony, similar support for their NATO ally, Portugal in its efforts to hold on to its colonies in Africa — including the NATO-led effort to invade and overthrow the Democratic Party of Guinea (PDG) government in Guinea Conakry.

Add to these actions other crimes, such as the assassinations of Frelimo's Eduardo Mondlane, PAIGC's Amilcar Cabral and other leaders. The zionist aggressions against President Nasser's Egypt leading to the 1973 war, a war which included the massacre of 1000 unarmed Egyptian POWs in direct contravention of the Geneva Convention protocols for treatment of POWs. This act also prompted the attack on the USS Liberty, an electronic surveillance ship, by the Zionist forces, which killed 34 and wounded over 170 US Navy personnel. Naturally the zionists claim that they mistook the Liberty for a hostile ship, but Navy survivors have disputed this, as they assert that Israeli spotter planes buzzed the ship several times at close range and could not have possibly failed to see the US flag and insignia. The general belief is that the attack was launched because the Zionist feared that the ship had picked up evidence of its murders of the unarmed Egyptian POWs. Nevertheless, the majority of the leadership, sided against their own Navy people and completely exonerated their puppet state Israel of the crimes.

The 1973 war, the 1974 coup in Chile, the escalation in Indochina and everything else that has happened since the 1968 publishing of Nkrumah's Handbook, such as the west's intervention in the Shaba region in 1977, to protect their puppet Mobutu, the Soweto Massacre of 1976, the double dealing and treachery of the US and UK in their attempts to maintain the control of the settler Rhodesian Front (RF) in then occupied Zimbabwe, which lasted right up to the final transfer of power after ZANU-PF's overwhelming election victory, in the face of armed attacks on the people, attempts to prevent ZANU
supporters from voting, spying on ZANU on behalf of the Ian Smith led RF and their puppet allies led by Bishop Muzorewa. (We should keep this in mind, as it is the roots of the problems in Zimbabwe to this very day.) And we should never forget the brutal sadistic 1977 murder of Black Consciousness Leader Steve Biko, no matter how many phony Truth and Reconciliation Commissions the enemy convenes and no matter how many liberal negro forces endorse these travesties. All these, and more, were done to either, seize, or consolidate imperialism's pre-existing hold on the wealth and talent of the peoples of the world. And we still face the same problems today.

Look at the wars being waged in Iraq and other parts of the Middle East. Look at the continued destabilization of Africa, in the Great Lakes area, the Congo, in particular where millions of our people have died. The west's complicity in the 1994 Rwanda genocide against the Tutsi and some Hutus, the twin assassination of the Presidents of Rwanda and Burundi, Juvenal Habyarimana of Rwanda and Burundi's Cyprian Ntayamira that occurred earlier in 1994, the Rwandan and Ugandan civil wars and their interventions into the Congo against the Congolese government of President Laurent Kabila which was in turn countered by an alliance of Zimbabwe, Angola and Namibia which came to the aid of the Congolese government. The US attack on Libya, the Israeli zionists' attack on Tunisia, AFRICOM, the use of Djibouti as a base against Africa and more...the attempts to subvert Venezuela and Bolivia, and assassinate its elected leaders, the repression of the indigenous people in Mexico as a means of destroying their Zapatista movement, the coup against the Jean-Bertrand Aristide government in 1994, the US bombing of a pharmaceutical plant in Sudan, the campaign to overthrow the Zimbabwe ZANU-PF government and so on...all in all, it is abundantly clear that imperialism is on an all out campaign to take over the world.

That should not be too much of a surprise as they have been openly touting the fascist theories of Bzezinski the concept of the world being a chess game that can be conquered by seizure of the area between Afghanistan and Pakistan down to the juncture of Africa and Asia, and the similar, identical theory pushed by the fascists neo-cons of the Republican camp Project for a New American Century who advocated that the seizing of these areas would lead to world domination for the US. And the similar policy of the Democratic party, as articulated by individuals such a Zbigniew Brzezinski, the Clintons and Brzezinski's apprentice Obama.

One must not forget things like AGOA, the so-called African Growth and Opportunities Act, which is essentially a tool to:

- accent balkanization of Africa, separating Africa into sub-Saharan and Arab Africa
- use privatization and sole dependence on market forces mantra to impose a commercial straight-jacket designed to enhance the empire's control of African markets and resources
- act as a means by which these very same outside, hostile forces of the empire can totally control African by means of fostering what the empire calls good governance

This same general strategy and approach is evident in all the empire's interaction with African and similarly impacted peoples and regions, and can be seen in the various Free Trade agreements, which in addition to exploiting the targeted region or country, generally speaking, hurts US workers and small entrepreneurs too. Here we refer to the whole range of such pacts, including, but not limited to, the Andean agreement, North
American Free Trade Agreement (NAFTA) and the Caribbean Basin initiative, the proposed HOPE act to be imposed on the people of Haiti, the maquiladora system in Mexico, the oil concessions the US and its allies have put into place through its puppets there and well, you get the picture.

Likewise the European Union (EU) position on Economic Partnership Agreements (EPAs) is designed to further enslave the African, Caribbean and Pacific (ACP) regions. The empire, along with its European fellow travelers do the same thing in relationship to the Group of 7/8 (G7/G8), World Trade Organization (WTO) and the United Nations Organization (UNO). For example, the failure of the western powers to live up to their Millennium Development Goals financial commitment or their constant sabotage of the WTO Doha round talks. Generally, the collective position of the empire and its vassal capitalist states in every conceivable fora of this type is designed to do one thing, that is, further impoverish and enslave the rest of the world so that the rulers of the empire can grow fatter. This is something that the African Union (AU) has to come to grips with in their efforts to partner with the empire and its vassal states, as it has dire implications for the AU's hope for their G7, EU-AU, UNO and NEPAD hopes, plans, and efforts.

Just peruse these two articles from last year and you will get a very good feel for what is really going down.

As Sudan's Head of State Bashir was quoted:

"The EPA negotiations have proved that no meaningful economic partnership could be achieved in the absence of real reform in current international monetary trading systems," he said, calling for "collective bargaining" by the ACP group.
Many developing world leaders and anti-poverty campaigners say the EPAs have weakened the ACP group's capacity to win better trade terms from the EU that would help protect their often vulnerable, commodity-exporting economies.

"Sudan says world's poor face 'blackmail' by rich"
Fri 3 Oct 2008, 5:12 GMT
By David Lewis
http://www.alertnet.org/thenews/newsdesk/L2658022.htm

(He also condemned the monopoly capitalist military aggression disguised as anti-terrorism in that same article: "The simmering signs of Cold War looming on the horizon may jeopardise the whole international stability," he said. Bashir did not mention the United States or Russia, but criticised the U.S.-led war on terror underpinning Washington's policies in Iraq and Afghanistan.
"The declared war on terrorism, in the absence of a concrete definition of the phenomenon, blurs the dividing line between the legitimate rights of self-defence, resistance against occupation on the one hand, and criminal acts and conduct on the other," he said.)

We see more of the same sort of monopoly capitalist chicanery in regards to the WTO Doha round:
"The World Trade Organisation's (WTO) long-running Doha round is in trouble after failing to reach a breakthrough last July but cannot be written off completely, diplomats and business lobbyists said this week. The issue that proved a stumbling block in July — a proposal to help farmers in poor countries cope with a flood of imports — continues to block progress", they said.

"We've got some problems. It's not looking good. It's not dead but I'm not optimistic," said one trade diplomat. Differences between the United States and developing country food exporters on the one hand and India and other big developing country importers on the other torpedoed talks among trade ministers two months ago.

WTO Director-General Pascal Lamy said he hoped talks on agriculture and industrial goods would result in a deal on the outlines of cuts in tariffs and subsidies in the two core areas by the end of the year. And he reminded a WTO public forum that the lessons of the Great Depression that followed the 1929 Wall Street Crash was that protectionism made things worse for economies.

"The current hurricane that has hit the financial markets must not distract the international community from pursuing greater economic integration and openness," Lamy said.

"Doha talks still in trouble"
Sep 25, 2008 8:59 AM or
Source: Reuters
http://tvnz.co.nz/view/page/536641/2105190

But even as neo-colonialism fights to tighten its grip on the rest of the world, the world is fighting back. There are elements in Africa and in the African Diaspora, a few even among the anemic and nearly paralytic African Union (AU), who sincerely want to achieve the Union Government that Nkrumah advocated. Although, the majority of the AU has drugged itself into a stupor so that they can deny the errors of their dreamy approach to dealing with the empire, such a backward position in and of itself is in fact itself still further substantiation that modern history proves the prescience of Nkrumah's logic, as he consistently warned of the dire consequences of Africa failing to confront and decisively defeat imperialism could only lead to the expansion of neocolonialism on the continent. Just this past month there was a meeting between the current Chair of the AU, Libya's Muammar Gaddafi and African Union Commission (AUC) Chair Mr. Jean Ping and a major point of their discussion was "The Status of preparations for the establishment of the Financial Institutions provided for in the Constitutive Act, namely the African Investment Bank, the African Central Bank and the African Monetary Fund; "[from the Communique on the Second Working Visit of the Chairperson of the African Union, H.E. Brother Leader Muammar El Gaddafi, Leader of the Libyan Revolution, to the African Union Commission (AUC), Addis Ababa, 28-29 March 2009]

The construction of a socialist Union Government for Africa, specifically would be the death knell of the imperialist system and the final nail in their coffin.
And it is not just among Africans that there is a recognition of the fundamental reality of international economics, politics and statecraft. The people of Asia have worked out a modus operandi that allows for the peaceful development of most of their states. In the Americas, led by Cuba, Bolivia and Venezuela, the hemisphere is finding alternative solutions to those non-solutions that the US and its allies wish to impose upon them. This is good news indeed, and it is precisely what we must pursue, Pan-Africanism for Africans, and similar metasystems for the indigenous peoples of the rest of the world.

Today's Headlines Bears Out the rest of the Nkrumah's Positions.

We can confidently assert that capitalist imperialism is in a state of growing disarray. No one can deny that the global economy is in disarray. The housing bubble, the general credit crunch, the epidemic of stagflation, the food and fuel crises, balance of trade and general debt crisis in the US, the all around fiscal collapse of the US and many of its allies, all of these have combined to signify a general crisis in the capitalist socio-economic world. Nor can anyone deny that these vicious criminals will stoop to any low, base, inhuman, amoral act to try to save their criminal system.

**Monopoly Capitalism - Imperialism and the current crises**

Although it is really groups and entities such as the American Association of Exporters and Importers (AAEI), Unilever, American Bankers Association (ABA), BHP Billiton Ltd, Rio Tinto, Royal Dutch Shell, BP (formerly British Petroleum), Archer Daniels Midland (ADM), Boeing, Business Roundtable, Lockheed, Cargill, Computer Coalition for Responsible Exports (CCRE), American Electronics Association (AEA), Electronic Industries Association (EIA), ExxonMobile, Fluor Corporation, General Dynamics, General Electric, General Motors Goldman Sachs, Halliburton, BankAmerica, Information Technology Industry Council (ITI), International Business Machines IBM, J P Morgan, Microsoft, National Association of Manufacturers (NAM), Northrup Grumman, RCA, Disney, Securities Industry and Financial Markets Association (SIFMA), Semiconductor Equipment and Materials International (SEMI), Semiconductor Industry Association (SIA), Telecommunication Industry Association (TIA), Texaco, and the U.S. Chamber of Commerce, who actually run the monopoly capitalist system, the public manifestation of the system's power is most obvious to the general population via the political representatives of these powers. And even a cursory look at recent headlines indicates an obvious disarray and continuing decay in the imperialist camp.

The French and Germans attack the US for botching the real estate and credit crises; the British hesitate, and then join in attacking the US; the Irish Republic guarantees full coverage of accounts in their banks, causing outflows from British banks into Irish banks, leading to a stinging attack on Ireland by the UK, and subsequently, their EU allies, already angered at Ireland for their rejection of the EU position in a plebiscite held a while back. The Irish ignore them and continue with what they were doing. Britain attempts to counter the move with an offer to double the insurance on accounts in their banks. The French call for a united effort -- that is a united front of "rich Europe" to ride out the global crisis and convenes a meeting of the Italians, the Germans, the British, European Central Bank and the European Union, leaving out the other EU members. the Finnish government attacks France's transparent stacking of the meeting of who speaks for Europe. Germany and the British shoot down France's proposal for a Pan-European bail out fund, rejecting the French call for solidarite...Germany tries its hand at moving closer to the Russians.
Meanwhile the Russian leadership declares the era of US leadership over; the Chinese
critique the US response as uninformed, and label its lending procedures "ridiculous" all
this while they continue to fret about the trillions of dollars they have loaned the US
through US Treasury purchases handled by the Federal Reserve. (Well Mao did tell them
that they were on the wrong road didn't he?)

In the USA itself, the succession of bailouts, at a time when the country is in a state of
stagflation (that is growing unemployment, falling production and general recession, plus
inflation — the proliferation of less valuable money and the increase in prices), reeling
from the housing and credit crashes, engaged in two un-winnable wars and threatening
more military misadventures, in the middle of a potentially explosive and divisive
election, facing a citizenry who largely believe that they have lost their Constitutional
protections and civil liberties, and in many cases Constitutional form of government,
beset by a bushel of social problems such as steadily decaying race relations, related to
the economy and politics, rampant criminality, collapse in even the barest minimal
standards of morals and civility, a loss of confidence in the direction of the society having
set in, and an epidemic of angst having taken hold, the American confidence which at
one time was the hallmark of the society has completely evaporated. All this has only
been severely aggravated with the mega-bail out of the Financial Services industry and
the elevating of the Department of Treasury (and in the background the Federal Reserve)
to an un-Constitutional status in which they have completely usurped the powers and
responsibilities of the Congress and the Judiciary. IT IS A MESS INDEED, and obviously
affords greater leeway for the opponents of imperialism to do some things that are in
their favor for a change.

But first, we need a little theory that will help us fully understand the nature of these
apparently sudden radical changes, I say sudden because they are not really sudden,
they are the logical devolution of the system in place in the world.

So, that is what we are going to do in this section of the dialog, consider the origins of
the problem. That is, consider the origins of the system currently in the dominant place
in the world, even as it is tottering on the brink.

Neocolonialism in Africa, is today trying to overturn the gains of the post W.W.II African
Liberation Movement. So, we must know the origins and evolution of this vile system
thoroughly so that we can defeat it once and for all. To properly understand Kwame
Nkrumah's excellent dissertation on modern neocolonialism, and his prescription for
defeating it, it is helpful to have some understanding of the scholarship of Marx and
Lenin as applicable to the early development of imperialism. So armed, we will be
properly prepared for Nkrumah's excellent analysis of imperialism's last stage,
neocolonialism. The contribution of Marx and Lenin to our understanding is the perfect
supplement to the wisdom of Dr. Nkrumah.

A little preliminary background is useful. Imperialism is the external face of monopoly
capital. Monopoly capitalism is the creature born of the merger of financial capital and
industrial capital plus massive and widespread concentration of production, and fierce,
vioent competition for control of land and peoples, for markets that can be exploited for
the benefit of the imperialists. Obviously there are several key concepts we need to
examine in greater detail here, especially the development of industrial capital and
financial capital. Since the birth of these processes have already occurred and are only
reproduced and expanded, it is harder for us to see their genesis, whereas, concentration
is perpetual and occurs every second of every day somewhere in some form all over the world. Thus, it is not as difficult a concept for people to grasp.

Marx in Capital (Vol. 1) pointed out that the enslavement of Africa and the near-total extermination of the red people of the Americas was the main input of the development of industrial capitalism. Marx also began to document the growth of finance and its effect on the capitalist system. That is, the weakening of the old paradigm, associated with people like Adam Smith, of unfettered non-corporate laissez faire, free trade capitalism. This meant that fewer and fewer people were in control of everything, in effect a perverse form of socialization. The socialization of production, but not the socialization of the benefits of the production — thus it was Marx's hypothesis that the capitalist in each nation would be overthrown by their proletariat, because the actions of the capitalist themselves would create the conditions in which the proletariat would have no other options but to seize control of the socialized state for the interest of the working people (that is the proletariat, the peasants and the small sector of the intelligentsia who could, so to speak, read the handwriting on the wall).

However, the capitalists, when they saw the same thing that Marx, Engels and their associates pointed out about the contradiction between socialize production but privatized benefits, decided to avoid the calamity by exporting the problem out of their specific national societies and on to the backs of other peoples. Thus the seeds for model imperialism were sown to avoid the catastrophe that capitalism had created for itself.

Lenin recognized this process, and in turn, several decades after the death of his lodestar and guiding light, Marx, pointed out in his book, *Imperialism: The Highest Stage of Capitalism*, that there had been this major transformation of capitalism. As a result of the merger of financial and industrial elements of capital, the concentration of production under this new form of capitalism, the accelerated and expanded seizure of African and other peoples' lands (including lands that were being exploited by fellow imperialism by military means, thus Lenin's prediction of the inevitably of a World War) by these imperialist capitalist states, had ended forever the reign of "free trade" capitalism of the kind that created the phenomena of capitalist imperialism. They had thereby avoided the end foresaw by Marx.

Although in point of fact, they had only postponed it, as Lenin predicted. This was demonstrated on the ground as well as in theory when the combined imperialist armies of Europe failed to defeat the infant USSR in what is known in academic circles as the Red and White War, the Red being the communists and the Whites being those seeking to reestablish something akin to the Kerensky proto-capitalist regime in Russia. Kerensky had in a very real sense succeeded Tsar (Czar or Caesar) Nicholas II with the blessing of the western powers based on his and his party, the Cadets, promise to continue Russian participation in the first imperialist world war, W W I.

Lenin, and the Communist Party, were committed to no participation in imperialist wars, a position held by the communist wing of socialism since the time of Marx and Engels. The Red Army and the Russian people withstood and overcame the American, British, French, reactionary Russians and others which composed the White army thus consolidating the Leninist state for that moment in time at least.

In the face of this failure of the imperialist strategy, there was a need for a new approach. Essentially, greater oppression of the non-European states, but this created
more and more tension within these oppressed and exploited societies, until by the middle of the 20th century the anti-colonial movement had swept Asia, Latin America and Africa. Thus, the need for neo-colonialism, because the Europeans could no longer hold the people down directly, they knew they had to work through local puppets — thus preserving and in fact extending their power without having to directly dirty their own hands. Allow Mobutu and Tshombe, Batista and Papa Doc, Chiang Kai-Shek and Diem to do it...this was the essential aspect of the post-W W II imperialist strategy to avoid revolution in their home countries, and it was this strategy that Nkrumah dissected so well in his many writings and his practice. He demonstrated that the logical progression of the illogical criminal enterprise of imperialism was its neo-colonialist form. And he thereby gave us the key to our real freedom, get rid of neocolonialism, by the means of united revolutionary action and specifically action in the political and military spheres.

Going into greater detail on the subject matter. We start with that venerable historian and social scientist, Karl Marx's examination of the concepts needed to understand industrial capitals creation first. He is without a doubt the author of the best exposition on the development of the phenomena. Karl Marx covers this process thoroughly in his book *Capital*, Volume 1. This segment explains the historic beginnings of capitalism and the genesis of the industrial capitalist; I quote:

> The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities," its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.

> A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production.

> Every useful thing, as iron, paper, &c., may be looked at from the two points of view of quality and quantity. It is an assemblage of many properties, and may therefore be of use in various ways. To discover the various uses of things is the work of history. So also is the establishment of socially-recognized standards of measure for the quantities of these useful objects. The diversity of these measures has its origin partly in the diverse nature of the objects to be measured, partly in convention.

p. 43, Karl Marx. *Capital. Volume One Part I: Commodities and Money. Chapter One: Commodities*

And to continue and further elaborate, I will beg your indulgence for I am going to subject you to a very long quote on the subject; one that is however, extremely pertinent to our study and examination of the matter at hand, pay close attention to the sections on slavery, and particularly its links to formation of not only industry, but the conditions necessary for the rise of powerful banks. Don't let the archaic and his word construction throw you.

> The money capital formed by means of usury and commerce was
prevented from turning into industrial capital, in the country by the feudal constitution, in the towns by the guild organisation. These fetters vanished with the dissolution of feudal society, with the expropriation and partial eviction of the country population. The new manufactures were established at sea-ports, or at inland points beyond the control of the old municipalities and their guilds. Hence in England an embittered struggle of the corporate towns against these new industrial nurseries.

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalised the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre. It begins with the revolt of the Netherlands from Spain, assumes giant dimensions in England's Anti-Jacobin War, and is still going on in the opium wars against China, &c.

The different momenta of primitive accumulation distribute themselves now, more or less in chronological order, particularly over Spain, Portugal, Holland, France, and England. In England at the end of the 17th century, they arrive at a systematical combination, embracing the colonies, the national debt, the modern mode of taxation, and the protectionist system. These methods depend in part on brute force, e.g., the colonial system. But, they all employ the power of the State, the concentrated and organised force of society, to hasten, hot-house fashion, the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. Force is the midwife of every old society pregnant with a new one. It is itself an economic power.

Of the Christian colonial system, W. Howitt, a man who makes a speciality of Christianity, says:

>'The barbarities and desperate outrages of the so-called Christian race, throughout every region of the world, and upon every people they have been able to subdue, are not to be paralleled by those of any other race, however fierce, however untaught, and however reckless of mercy and of shame, in any age of the earth.'

>'The history of the colonial administration of Holland — and Holland was the head capitalistic nation of the 17th century — is one of the most extraordinary relations of treachery, bribery, massacre, and meanness.'

Nothing is more characteristic than their system of stealing men, to get slaves for Java. The men stealers were trained for this purpose. The thief, the interpreter, and the seller, were the chief agents in this trade, native princes the chief sellers. The young people stolen, were thrown into the secret dungeons of Celebes, until they were ready for sending to the slave-
ships. An official report says:

'This one town of Macassar, e.g., is full of secret prisons, one more horrible than the other, crammed with unfortunates, victims of greed and tyranny fettered in chains, forcibly torn from their families.'

To secure Malacca, the Dutch corrupted the Portuguese governor. He let them into the town in 1641. They hurried at once to his house and assassinated him, to "abstain" from the payment of £21,875, the price of his treason. Wherever they set foot, devastation and depopulation followed. Banjuwangi, a province of Java, in 1750 numbered over 80,000 inhabitants, in 1811 only 18,000. Sweet commerce!

The English East India Company, as is well known, obtained, besides the political rule in India, the exclusive monopoly of the tea-trade, as well as of the Chinese trade in general, and of the transport of goods to and from Europe. But the coasting trade of India and between the islands, as well as the internal trade of India, were the monopoly of the higher employees of the company. The monopolies of salt, opium, betel and other commodities, were inexhaustible mines of wealth. The employees themselves fixed the price and plundered at will the unhappy Hindus. The Governor-General took part in this private traffic. His favourites received contracts under conditions whereby they, cleverer than the alchemists, made gold out of nothing. Great fortunes sprang up like mushrooms in a day; primitive accumulation went on without the advance of a shilling. The trial of Warren Hastings swarms with such cases. Here is an instance. A contract for opium was given to a certain Sullivan at the moment of his departure on an official mission to a part of India far removed from the opium district. Sullivan sold his contract to one Binn for £40,000; Binn sold it the same day for £60,000, and the ultimate purchaser who carried out the contract declared that after all he realised an enormous gain. According to one of the lists laid before Parliament, the Company and its employees from 1757-1766 got £6,000,000 from the Indians as gifts. Between 1769 and 1770, the English manufactured a famine by buying up all the rice and refusing to sell it again, except at fabulous prices.

The treatment of the aborigines was, naturally, most frightful in plantation-colonies destined for export trade only, such as the West Indies, and in rich and well-populated countries, such as Mexico and India, that were given over to plunder. But even in the colonies properly so called, the Christian character of primitive accumulation did not belie itself. Those sober virtuosi of Protestantism, the Puritans of New England, in 1703, by decrees of their assembly set a premium of £40 on every Indian scalp and every captured red-skin: in 1720 a premium of £100 on every scalp; in 1744, after Massachusetts-Bay had proclaimed a certain tribe as rebels, the following prices: for a male scalp of 12 years and upwards £100 (new currency), for a male prisoner £105, for women and children prisoners £50, for scalps of women and children £50. Some decades later, the colonial system took its revenge on the descendants of the pious pilgrim fathers, who had grown seditious in the meantime. At English instigation
and for English pay they were tomahawked by red-skins. The British Parliament proclaimed bloodhounds and scalping as "means that God and Nature had given into its hand."

The colonial system ripened, like a hot-house, trade and navigation. The "societies Monopolia" of Luther were powerful levers for concentration of capital. The colonies secured a market for the budding manufactures, and, through the monopoly of the market, an increased accumulation. The treasures captured outside Europe by undisguised looting, enslavement, and murder, floated back to the mother-country and were there turned into capital. Holland, which first fully developed the colonial system, in 1648 stood already in the acme of its commercial greatness. It was "in almost exclusive possession of the East Indian trade and the commerce between the south-east and north-west of Europe. Its fisheries, marine, manufactures, surpassed those of any other country. The total capital of the Republic was probably more important than that of all the rest of Europe put together.’ Gülich forgets to add that by 1648, the people of Holland were more over-worked, poorer and more brutally oppressed than those of all the rest of Europe put together.

Today industrial supremacy implies commercial supremacy. In the period of manufacture properly so called, it is, on the other hand, the commercial supremacy that gives industrial predominance. Hence the preponderant role that the colonial system plays at that time. It was 'the strange God' who perched himself on the altar cheek by jowl with the old Gods of Europe, and one fine day with a shove and a kick chucked them all of a heap. It proclaimed surplus-value making as the sole end and aim of humanity.

The system of public credit, i.e., of national debts, whose origin we discover in Genoa and Venice as early as the middle ages, took possession of Europe generally during the manufacturing period. The colonial system with its maritime trade and commercial wars served as a forcing-house for it. Thus it first took root in Holland. National debts, i.e., the alienation of the state-whether despotic, constitutional or republican-marked with its stamp the capitalistic era. The only part of the so-called national wealth that actually enters into the collective possessions of modern peoples is their national debt. Hence, as a necessary consequence, the modern doctrine that a nation becomes the richer the more deeply it is in debt. Public credit becomes the credo of capital. And with the rise of national debt-making, want of faith in the national debt takes the place of the blasphemy against the Holy Ghost, which may not be forgiven.

The public debt becomes one of the most powerful levers of primitive accumulation. As with the stroke of an enchanter's wand, it endows barren money with the power of breeding and thus turns it into capital, without the necessity of its exposing itself to the troubles and risks inseparable from its employment in industry or even in usury. The state-creditors actually give nothing away, for the sum lent is transformed into public bonds, easily negotiable, which go on functioning in their hands just as so much hard cash would. But further, apart from the class of lazy annuitants
thus created, and from the improvised wealth of the financiers, middlemen between the government and the nation — as also apart from the tax-farmers, merchants, private manufacturers, to whom a good part of every national loan renders the service of a capital fallen from heaven — the national debt has given rise to joint-stock companies, to dealings in negotiable effects of all kinds, and to agiotage, in a word to stock-exchange gambling and the modern bankocracy.

At their birth the great banks, decorated with national titles, were only associations of private speculators, who placed themselves by the side of governments, and, thanks to the privileges they received, were in a position to advance money to the State. Hence the accumulation of the national debt has no more infallible measure than the successive rise in the stock of these banks, whose full development dates from the founding of the Bank of England in 1694. The Bank of England began with lending its money to the Government at 8%; at the same time it was empowered by Parliament to coin money out of the same capital, by lending it again to the public in the form of banknotes. It was allowed to use these notes for discounting bills, making advances on commodities, and for buying the precious metals. It was not long ere this credit-money, made by the bank itself, became the coin in which the Bank of England made its loans to the State, and paid, on account of the State, the interest on the public debt. It was not enough that the bank gave with one hand and took back more with the other; it remained, even whilst receiving, the eternal creditor of the nation down to the last shilling advanced. Gradually it became inevitably the receptacle of the metallic hoard of the country, and the centre of gravity of all commercial credit. What effect was produced on their contemporaries by the sudden uprising of this brood of bankocrats, financiers, rentiers, brokers, stock-jobbers, &c., is proved by the writings of that time, e.g., by Bolingbroke's.

With the national debt arose an international credit system, which often conceals one of the sources of primitive accumulation in this or that people. Thus the villainies of the Venetian thieving system formed one of the secret bases of the capital-wealth of Holland to whom Venice in her decadence lent large sums of money. So also was it with Holland and England. By the beginning of the 18th century the Dutch manufactures were far outstripped. Holland had ceased to be the nation preponderant in commerce and industry. One of its main lines of business, therefore, from 1701-1776, is the lending out of enormous amounts of capital, especially to its great rival England. The same thing is going on today between England and the United States. A great deal of capital, which appears today in the United States without any certificate of birth, was yesterday, in England, the capitalised blood of children.

As the national debt finds its support in the public revenue, which must cover the yearly payments for interest, &c., the modern system of taxation was the necessary complement of the system of national loans. The loans enable the government to meet extraordinary expenses, without the taxpayers feeling it immediately, but they necessitate, as a consequence, increased taxes. On the other hand, the raising of taxation caused by the
accumulation of debts contracted one after another, compels the government always to have recourse to new loans for new extraordinary expenses. Modern fiscality, whose pivot is formed by taxes on the most necessary means of subsistence (thereby increasing their price), thus contains within itself the germ of automatic progression. Over-taxation is not an incident, but rather a principle. In Holland, therefore, where this system was first inaugurated, the great patriot, DeWitt, has in his "Maxims" extolled it as the best system for making the wage-labourer submissive, frugal, industrious, and overburdened with labour. The destructive influence that it exercises on the condition of the wage-labourer concerns us less however, here, than the forcible expropriation, resulting from it, of peasants, artisans, and in a word, all elements of the lower middle-class. On this there are not two opinions, even among the bourgeois economists. Its expropriating efficacy is still further heightened by the system of protection, which forms one of its integral parts.

The great part that the public debt, and the fiscal system corresponding with it, has played in the capitalisation of wealth and the expropriation of the masses, has led many writers, like Cobbett, Doubleday and others, to seek in this, incorrectly, the fundamental cause of the misery of the modern peoples.

The system of protection was an artificial means of manufacturing manufacturers, of expropriating independent labourers, of capitalising the national means of production and subsistence, of forcibly abbreviating the transition from the medieval to the modern mode of production. The European states tore one another to pieces about the patent of this invention, and, once entered into the service of the surplus-value makers, did not merely lay under contribution in the pursuit of this purpose their own people, indirectly through protective duties, directly through export premiums. They also forcibly rooted out, in their dependent countries, all industry, as, e.g., England did with the Irish woollen manufacture. On the continent of Europe, after Colbert's example, the process was much simplified. The primitive industrial capital, here, came in part directly of the state treasury. 'Why,' cries Mirabeau, 'why go so far to seek the cause of the manufacturing glory of Saxony before the war? 180,000,000 of debts contracted by the sovereigns!'

Colonial system, public debts, heavy taxes, protection, commercial wars, &c., these children of the true manufacturing period, increase gigantically during the infancy of Modern Industry. The birth of the latter is heralded by a great slaughter of the innocents. Like the royal navy, the factories were recruited by means of the press-gang. Blasé as Sir F. M. Eden is as to the horrors of the expropriation of the agricultural population from the soil, from the last third of the 15th century to his own time; with all the self-satisfaction with which he rejoices in this process, "essential" for establishing capitalistic agriculture and "the due proportion between arable and pasture land" - he does not show, however, the same economic insight in respect to the necessity of child-stealing and child-slavery for the transformation of manufacturing exploitation into factory exploitation, and the establishment of the "true relation" between capital and labour-power.
He says:

'It may, perhaps, be worthy the attention of the public to consider, whether any manufacture, which, in order to be carried on successfully, requires that cottages and workhouses should be ransacked for poor children; that they should be employed by turns during the greater part of the night and robbed of that rest which, though indispensable to all, is most required by the young; and that numbers of both sexes, of different ages and dispositions, should be collected together in such a manner that the contagion of example cannot but lead to profligacy and debauchery; will add to the sum of individual or national felicity?'

'In the counties of Derbyshire, Nottinghamshire, and more particularly in Lancashire,' says Fielden, "the newly-invented machinery was used in large factories built on the sides of streams capable of turning the water-wheel. Thousands of hands were suddenly required in these places, remote from towns; and Lancashire, in particular, being, till then, comparatively thinly populated and barren, a population was all that she now wanted. The small and nimble fingers of little children being by very far the most in request, the custom instantly sprang up of procuring apprentices from the different parish workhouses of London, Birmingham, and elsewhere. Many, many thousands of these little, hapless creatures were sent down into the north, being from the age of 7 to the age of 13 or 14 years old. The custom was for the master to clothe his apprentices and to feed and lodge them in an 'apprentice house' near the factory; overseers were appointed to see to the works, whose interest it was to work the children to the utmost, because their pay was in proportion to the quantity of work that they could exact. Cruelty was, of course, the consequence. . . . In many of the manufacturing districts, but particularly, I am afraid, in the guilty county to which I belong [Lancashire], cruelties the most heart-rending were practised upon the unoffending and friendless creatures who were thus consigned to the charge of master-manufacturers; they were harassed to the brink of death by excess of labour ... were flogged, fettered and tortured in the most exquisite refinement of cruelty; ... they were in many cases starved to the bone while flogged to their work and ... even in some instances ... were driven to commit suicide.... The beautiful and romantic valleys of Derbyshire, Nottinghamshire and Lancashire, secluded from the public eye, became the dismal solitudes of torture, and of many a murder. The profits of manufacturers were enormous; but this only whetted the appetite that it should have satisfied, and therefore the manufacturers had recourse to an expedient that seemed to secure to them those profits without any possibility of limit; they began the
practice of what is termed 'night-working," that is, having
tired one set of hands, by working them throughout the day,
they had another set ready to go on working throughout the
night; the day-set getting into the beds that the night-set
had just quilted, and in their turn again, the night-set
getting into the beds that the day-set quilted in the
morning... It is a common tradition in Lancashire, that the
beds never get cold..'

With the development of capitalist production during the manufacturing
period, the public opinion of Europe had lost the last remnant of shame
and conscience. The nations bragged cynically of every infamy that served
them as a means to capitalistic accumulation. Read, e.g., the naïve Annals
of Commerce of the worthy A. Anderson. Here it is trumpeted forth as a
triumph of English statecraft that at the Peace of Utrecht, England extorted
from the Spaniards by the Asiento Treaty the privilege of being allowed to
ply the negro-trade, until then only carried on between Africa and the
English West Indies, between Africa and Spanish America as well. England
thereby acquired the right of supplying Spanish America until 1743 with
4,800 Negroes yearly. This threw, at the same time, an official cloak over
British smuggling. Liverpool waxed fat on the slave-trade. This was its
method of primitive accumulation. And, even to the present day, Liverpool
'respectability' is the Pindar of the slave-trade which - compare the work of
Aikin [1795] already quoted - "has coincided with that spirit of bold
adventure which has characterised the trade of Liverpool and rapidly
carried it to its present state of prosperity; has occasioned vast
employment for shipping and sailors, and greatly augmented the demand
for the manufactures of the country" (p. 339). Liverpool employed in the
slave-trade, in 1730, 15 ships; in 1751, 53; in 1760, 74; in 1770, 96; and
in 1792, 132.

Whilst the cotton industry introduced child-slavery in England, it gave in
the United States a stimulus to the transformation of the earlier, more or
less patriarchal slavery, into a system of commercial exploitation. In fact,
the veiled slavery of the wage-workers in Europe needed, for its pedestal,
slavery pure and simple in the new world.

Tantae molis erat, to establish the 'eternal laws of Nature' of the capitalist
mode of production, to complete the process of separation between
labourers and conditions of labour, to transform, at one pole, the social
means of production and subsistence into capital, at the opposite pole, the
mass of the population into wage-labourers, into 'free labouring poor,' that
artificial product of modern society. If money, According to Augier, 'comes
into the world with a congenital blood-stain on one cheek,' capital comes
dripping from head to foot, from every pore, with blood and dirt."

p. 703-12, Karl Marx. "Capital. Volume One", Part I:
Commodities and Money. Chapter Thirty One: Genesis of the
Industrial Capitalist.

We will now examine how monopoly capitalism was created as a result of the marriage of
industrial capital and financial capital via the good offices of the banks. Their offspring then took over everything that they could get their avaricious hands on. This observation from V.I. Lenin's book *Imperialism: The Highest Stage Of Capitalism A Popular Outline* is an excellent primer.

The principal and original function of banks is to serve as middlemen in the making of payments. In doing so they transform inactive money capital into active, that is, into capital yielding a profit; they collect all kinds of money revenues and place them at the disposal of the capitalist class.

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 and also the larger part of the means of production and of the sources of raw materials of the given country and in a number of countries. This transformation of numerous humble middlemen into a handful of monopolists represents one of the fundamental processes in the growth of capitalism into capitalist imperialism; for this reason we must first of all deal with the concentration of banking.

p 31, Lenin, *Imperialism: The Highest Stage Of Capitalism A Popular Outline*

Continuing our investigation of the matter a little further in his book, we find this bit of knowledge:

The banking system 'possesses, indeed, the form of universal book-keeping and distribution of means of production on a social scale, but solely the form', wrote Marx in *Capital* half a century ago. The figures we have quoted on the growth of bank capital, on the increase in the number of the branches and offices of the biggest banks, the increase in the number of their accounts, etc., present a concrete picture of this 'universal bookkeeping' of the whole capitalist class; and not only of the capitalists, for the banks collect, even though temporarily, all kinds of money revenues-of small businessmen, office clerks, and of a tiny upper stratum of the working class. 'Universal distribution of means of production' -that, from the formal aspect, is what grows out of the modern banks, which, numbering some three to six of the biggest in France, and six to eight in Germany, control millions and millions. In substance, however, the distribution of means of production is not at all 'universal', but private, i.e., it conforms to the interests of big capital, and primarily, of huge, monopoly capital, which operates under conditions in which the masses live in want, in which the whole development of agriculture hopelessly lags behind the development of industry, while within industry itself the "heavy industries" exact tribute from all other branches of industry."

As they pay interest at the rate of 4 per cent and 4.25 per cent on deposits, the savings banks must seek 'profitable' investments for their capital, they must deal in bills, mortgages, etc. The boundaries between
the banks and the savings banks 'become more and more obliterated.' The Chambers of Commerce of Bochum and Erfurt, for example, demand that savings banks be 'prohibited' from engaging in 'purely' banking business, such as discounting bills; they demand the limitation of the 'banking' operations of the post office. [Die Bank, 1913, pp. 811, 1022; 1914, p. 713.] The banking magnates seem to be afraid that state monopoly will steal upon them from an unexpected quarter. It goes without saying, however, that this fear is no more than the expression of the rivalry, so to speak, between two department managers in the same office; for, on the one hand, the billions entrusted to the savings banks are in the final analysis actually controlled by these very same bank capital magnates, while, on the other hand, state monopoly in capitalist society is merely a means of increasing and guaranteeing the income of millionaires in one branch of industry or another who are on the verge of bankruptcy in one branch of industry or another.

The change from the old type of capitalism, in which free competition predominated, to the new capitalism, in which monopoly reigns, is expressed, among other things, by a decline in the importance of the Stock Exchange. The review, Die Bank, writes:

'For a long time, the Stock Exchange has long ceased to be the indispensable medium of circulation that it was formerly when the banks were not yet able to place the bulk of new issues with their clients.' [Die Bank, 1914, p.316..]

[Schulze-Gaevernitz, German Credit Bank in Outline of Social Economics]

'Every bank is a Stock Exchange,' and the bigger the bank, and the more successful the concentration of banking, the truer does this modern aphorism become. [Oskar Stillich (Money and Banking) Berlin 1907, p. 169]

'While formerly, in the 'seventies, the Stock Exchange, flushed with the exuberance of youth" (a "subtle" allusion to the Stock Exchange crash of 1873, to the company promotion scandals), opened the era of the industrialization of Germany, nowadays the banks and industry are able to 'do it alone.' The domination of our big banks over the Stock Exchange... is nothing else than the expression of the completely organized German industrial state. If the domain of the automatically functioning economic laws is thus restricted, and if the domain of conscious regulation by the banks is considerably enlarged, the national economic responsibility of a few guiding heads is immensely increased,' [Schulze-Gaevernitz, Die deutsche Kreditbank in Grundriss der sozialökonomik, Tübingen, 1915, p. 101.] so writes the German Professor Schulze-Gaevernitz, an apologist of German imperialism, who is regarded as an authority by the imperialists of all countries, and who tries to gloss over a 'detail,' viz., that the 'conscious regulation' of
economic life by the banks consists in the fleecing of the public by a handful of 'completely organized' monopolists. The task of a bourgeois professor is not to lay bare the entire mechanism, or to expose all the machinations of the bank monopolists, but rather to present them in a favorable light.

In the same way, Riesser, a still more authoritative economist and himself 'a banker,' makes shift with meaningless phrases in order to explain away undeniable facts:

'... The Stock Exchange is steadily losing the feature which is absolutely essential for national economy as a whole and for the circulation of securities in particular--that of being not only a most exact measuring-rod, but also an almost automatic regulator of the economic movements which converge on it.' [Riesser, op. cit., 4th ed, p. 629.]

In other words, the old capitalism, the capitalism of free competition with its indispensable regulator, the Stock Exchange, is passing away. A new capitalism has come to take its place, bearing obvious features of something transient, a mixture of free competition and monopoly. The question naturally arises: to what is this new capitalism 'passing'? But the bourgeois scholars are afraid to raise this question.

Thirty years ago, businessmen, freely competing against one another, performed nine-tenths of the work connected with their business other than manual labor. At the present time, nine-tenths of this 'brain work' is performed by officials. Banking is in the forefront of this evolution [Die Bank, 1912, p. 435.]

This admission by Schulze-Gaevernitz brings us once again to the question: to what is this new capitalism, capitalism in its imperialist stage, passing?

Among the few banks which remain at the head of all capitalist economy as a result of 'the process of concentration, there is naturally to be observed an increasingly marked tendency towards monopolist agreements, towards a bank trust. In America, not nine, but two very big banks, those of the billionaires Rockefeller and Morgan, control a capital of eleven billion marks. [Die Bank, 1912, 1, p. 435.] In Germany the absorption of the Schaaffhausenscher Bankverein by the Disconto-Gesellschaft to which we referred above, was commented on in the following terms by the Frankfurter Zeitung, an organ of the Stock Exchange interests:

The concentration movement of the banks is narrowing the circle of establishments from which it is possible to obtain credits, and is consequently increasing the dependence of big industry upon a small number of banking groups. In view of the close connection between industry and the financial world, the freedom of movement of industrial
companies which need banking capital is restricted. For this reason, big industry is watching the growing trustification of the banks with mixed feelings. Indeed, we have repeatedly seen the beginnings of certain agreements between the individual big banking concerns, which aim at restricting competition.' [Quoted by Schulze-Gaevernitz, ibid.. p. 155.]

Again and again, the final word in the development of banking is monopoly..

The close ties between the banks and industry, it is precisely in this sphere that the new role of the banks is, perhaps, most strikingly felt. When a bank discounts a bill for a firm, opens a current account for it, etc., these operations, taken separately, do not in the least diminish its independence, and the bank plays no other part than that of a humble middleman. But when such operations are multiplied and become an established practice, when the bank 'collects' in its own hands enormous amounts of capital, when the running of a current account for a given firm enables the bank--and this is what happens--to obtain fuller and more detailed information about the economic position of its client, the result is that the industrial capitalist becomes more completely dependent on the bank.

At the same time a very close personal union is established between the banks and the biggest industrial and commercial enterprises, the merging of one with another through the acquisition of shares, through the appointment of bank directors to the Supervisory Boards (or Boards of Directors) of industrial and commercial enterprises, and vice versa. The German economist, Jeidels, has compiled most detailed data on this form of concentration of capital and of enterprises. Six of the biggest Berlin banks were represented by their directors in 344 industrial companies; and by their board members in 407 others, making a total of 751 companies. In 289 of these companies they either had two of their representatives on each of the respective Supervisory Boards, or held the posts of chairmen. We find these industrial and commercial companies in the most diverse branches of industry: insurance, transport, restaurants, theaters, art industry, etc. On the other hand, on the Supervisory Boards of these six banks (in 1910) were fifty-one of the biggest industrialists, including the director of Krupp, of the powerful 'Hapag' (Hamburg-American Line), etc., etc. From 1895 to 1910, each of these six banks participated in the share and bond issues of many hundreds of industrial companies (the number ranging from 281 to 419). [Jeidels, op. cit.; Riesser, op. cit.]

The "personal union" between the banks and industry is supplemented by the 'personal union' between both and the government.

'Seats on Supervisory Boards,'writes Jeidels, 'are freely offered to persons of title, also to ex-civil servants, who are able to do a great deal to facilitate "relations with the authorities."...'Usually, on the Supervisory Board of a big bank, there is a member of parliament or a Berlin city councillor.'
The building, so to speak, of the big capitalist monopolies is therefore going on full steam ahead in all 'natural' and 'supernatural' ways. A sort of division of labor is being systematically developed amongst some hundreds of kings of finance who reign over modern capitalist society:

'Simultaneously with this widening of the sphere of activity of certain big industrialists' (joining the boards of banks, etc.) 'and with the allocation of provincial bank managers to definite industrial regions, there is a growth of specialization among the directors of the big banks. Generally speaking, this specialization is only conceivable when banking is conducted on a large scale, and particularly when it has widespread connections with industry. This division of labor proceeds along two lines: on the one hand, relations with industry as a whole are entrusted to one director, as his special function; on the other, each director assumes the supervision of several separate enterprises, or of a group of enterprises in the same branch of industry or having similar interests.' ... (Capitalism has already reached the stage of organized supervision of individual enterprises.) ... 'One specializes in German industry, sometimes even in West-German industry alone' (the West is the most industrialized part of Germany), 'others specialize in relations with foreign states and foreign industry, in information about the personality of industrialists and others, in Stock Exchange questions, etc. Besides, each bank director is often assigned a special locality or a special branch of industry; one works chiefly on Supervisory Boards of electric companies, another chemical, brewing, or beet-sugar plants, a third in a few isolated industrial enterprises, but at the same time works on the Supervisory Boards of insurance companies.... In short, there can be no doubt that the growth in the dimensions and diversity of the big banks' operations is accompanied by an increase in the division of labor among their directors with the object (and result) of, so to speak, lifting them somewhat out of pure banking and making them better experts, better judges of the general problems of industry and the special problems of each branch of industry, thus making them more capable of acting within the respective bank's industrial sphere of influence.. This system is supplemented by the banks' endeavors to elect to their Supervisory Boards men who are experts in industrial affairs, such as industrialists, former officials, especially those formerly in the railway service or in mining,' etc. [Jeidels, op. cit., p. 57.]

We find the same system only in a slightly different form in French banking. For instance, one of the three biggest French banks, the Credit Lyonnais, has organized a financial research service (service des etudes financieres), which permanently employs over fifty engineers, statisticians, economists, lawyers, etc. This costs from six to seven hundred thousand
francs annually. The service is in turn divided into eight departments: one specializes in collecting information concerning industrial establishments, another studies general statistics, a third with railway and steamship companies, a fourth, securities, a fifth, financial reports, etc. [An article by Eugene Kaufmann on French banks in Die Bank, 1909, p. 851 et seq.]

The result is twofold: on the one hand, the ever growing merger, or, as N. I. Bukharin aptly calls it, coalescence, of bank and industrial capital and, on the other hand, the growth of the banks into institutions of a truly 'universal character.' On this question we think it necessary to quote the exact terms used by Jeidels, who has best studied the subject:

"An examination of the sum total of industrial relationships reveals the universal character of the financial establishments working on behalf of industry. Unlike other kinds of banks, and contrary to the demand sometimes expressed in literature that banks should specialize in one kind of business or in one branch of industry in order to prevent the ground from slipping from under their feet-- the big banks are striving to make their connections with industrial enterprises as varied as possible regarding locality and branch of industry and are striving to eliminate the unevenness in the distribution of capital among localities and branches of industry resulting from the historical development of individual enterprises.

'One tendency is to make the connections with industry general; another tendency is to make them durable and close. In the six big banks both these tendencies are realized, not in full, but to a considerable extent and to an equal degree.'

Quite often industrial and commercial circles complain of the 'terrorism' of the banks. And it is not surprising that such complaints are heard, for the big banks 'command,' as will be seen from the following example. On November 19, 1901, one of the big, so-called Berlin 'D' banks (the names of the four biggest banks begin with the letter D) wrote to the Board of Directors of the German Central Northwest Cement Syndicate in the following terms:

'As we learn from the notice you published in a certain newspaper of the 18th inst., we must reckon with the possibility that the next general meeting of your syndicate, to be held on the 30th of this month, may decide on measures which are likely to effect changes in your undertaking which are unacceptable to us. We deeply regret that, for these reasons, we are obliged henceforth to withdraw the credit which had been hitherto allowed you.... But if the said next general meeting does not decide upon measures which are unacceptable to us, and if we receive suitable guarantees on this matter for the future, we shall be
quite willing to open negotiations with you on the grant of a new credit.' [Dr. Oscar Stillich, Geld und Bankwesen, Berlin, 1907, p. 148.]

As a matter of fact, this is small capital's old complaint about being oppressed by big capital, but in this case it was a whole syndicate that fell into the category of 'small' capital! The old struggle between small and big capital is being resumed at a new and immeasurably higher stage of development. It stands to reason that the big banks' enterprises, worth billions, can accelerate technical progress with means that cannot possibly be compared with those of the past. The banks, for example, set up special technical research societies, and, of course, only 'friendly' industrial enterprises benefit from their work. To this category belong the Electric Railway Research Association, the Central Bureau of Scientific and Technical Research, etc.

The directors of the big banks themselves cannot fail to see that new conditions of national economy are being created; but they are powerless in the face of these phenomena.

'Anyone who has watched, in recent years,' writes Jeidels, 'the changes of incumbents of directorships and seats on the Supervisory Boards of the big banks, cannot fail to have noticed that power is gradually passing into the hands of men who consider the active intervention of the big banks in the general development of industry to be necessary and of increasing importance. Between these new men and the old bank directors, disagreements of a business and often of a personal nature are growing on this subject. The issue is whether or not the banks, as credit institutions, will suffer from this intervention in industry, whether they are sacrificing tried principles and an assured profit to engage in a field of activity which has nothing in common with their role as middlemen in providing credit, and which is leading the banks into a field where they are more than ever before exposed to the blind forces of trade fluctuations. This is the opinion of many of the older bank directors, while most of the young men consider active intervention in industry to be a necessity as great as that which gave rise, simultaneously with big modern industry, to the big banks and modern industrial banking. The two parties are agreed only on one point: that there are neither firm principles nor a concrete aim in the new activities of the big banks.' [Jeidels, op. cit., pp. 83-84]

The old capitalism has had its day. The new capitalism represents a transition towards something. It is hopeless, of course, to seek for 'firm principles and a concrete aim' for the purpose of 'reconciling' monopoly with free competition. The admission of the practical men has quite a different ring from the official praises of the charms of 'organized'
capitalism sung by its apologists, Schulze-Gaevernitz, Liefmann and similar 'theoreticians.'

At precisely what period were the 'new activities' of the big banks finally established? Jeidels gives us a fairly exact answer to this important question:

'The ties between the banks and industrial enterprises, with their new content, their new forms and their new organs, namely, the big banks which are organized on both a centralized and a decentralized basis, were scarcely a characteristic economic phenomenon before the nineties; in one sense, indeed this initial date may be advanced to the year 1897, when the important 'mergers' took place and when, for the first time, the new form of decentralized organization was introduced to suit the industrial policy of the banks. This starting point could perhaps be placed at an even later date, for it was the crisis of 1900 that enormously accelerated and intensified the process of concentration of industry and of banking, consolidated that process, for the first time transformed the connection with industry into the actual monopoly of the big banks, and made this connection much closer and more active.' [Ibid., p. 181.]

Thus, the twentieth century marks the turning point from the old capitalism to the new, from the domination of capital in general to the domination of finance capital.

pp 37-46 Lenin, "Imperialism: The Highest Stage Of Capitalism A Popular Outline"

Advent of Neo-Colonialism as the dominant and last form of imperialism

By the end of the 20th Century the majority of humanity had thrown off the yoke of colonialism, only to be confronted by the new manifestation of monopoly capitalism and imperialism: neo-colonialism. However, the empire did not catch the people of the world off guard. Far from it as we shall see, the leadership and the struggling elements of the world's peoples were fully aware of the cruel agenda of the imperialist.

The Neo-Colonialist War Against Africa and the African peoples

Kwame Nkrumah wrote in the Introduction to his book, Consciencism: Philosophy and Ideology of De-Colonisation:

The issues are clearer than they have ever been. The succession of military coups which have in recent years taken place in Africa, have exposed the close links between the interests of neocolonialism and the indigenous bourgeoisie. These coups have brought into sharp relief the nature of the class struggle in Africa. Foreign monopoly capitalists are in close association with local reactionaries, and have made use of officers among
the armed forces and police in order to frustrate the purposes of the African Revolution.

This in summary is the nature of the class struggle in Africa. A class struggle fueled by neocolonialism's war against the African people and the concept of a unified African polity.

In Zimbabwe, for example, neocolonialism seeks to negate the destruction of the settler state, and as we stated earlier in this tutorial, Comrade President Mugabe has publicly stated that their intent is nothing less than the reinstatement of the rule of the Rhodesian Front in a new form. But Africa and just people will not allow that.

For as Dr. Nkrumah observed in *Handbook of Revolutionary Warfare*, "The predominant racial group must, and will, provide the government of a country. Settlers, provided they accept the principle of one man one vote, and majority rule, may be tolerated; but settler minority government, never. They are a dangerous anachronism, and must be swept away COMPLETELY and FOREVER."

Nkrumah consistently warned of the danger of the African demographic sectors aligned with international capital. He cautioned us to be prepared to combat these nefarious, unprincipled internal elements with every means at our disposal. Those who will betray the people for a "mess of pottage" or "chump change", if you will, as some individuals and groups are doing are nothing but the little sniveling rodents and snakes of the lowest kind. Such groups and individuals posture themselves as servants of the people but in fact do the bidding for the enemies of the peoples; which perforce makes them also enemies of the peoples.

These avaricious individuals and groups, businesspeople linked to international capital, political leaders, elitist professionals, corrupt intelligentsia, counter-revolutionary civil servants, police and military factors dependent on international capital, see their material interests threatened by the rise of the class of the oppressed people in Zimbabwe.

Just as the reactionary Vietnamese marched into Dien Bien Phu went to their death whistling the French Republic Anthem, in a vain attempt to rescue the US-backed French forces from imminent military defeat at the hands of the Vietnamese patriots, there are African elements, some using left and ultra-left phraseology, who hope to secure / maintain their position of relative privilege and the position of their imperialist masters by blunting the theoretical and practical consciousness of the peoples of Africa. Just as the Vietnamese reaction found their doom and graves in Dien Bien Phu, we know that the African reaction will find a similar demise.
Neocolonialism

**What Exactly is Neocolonialism?**

The following text is taken from Kwame Nkrumah's Introduction to his book, *Neocolonialism, The Last Stage of Imperialism*. It provides sufficient grounding to continue our study:

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

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

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

Where neocolonialism exists the power exercising control is often the State which formerly ruled the territory in question, but this is not necessarily so. For example, in the case of South Vietnam the former imperial power was France, but neocolonial control of the State has now gone to the United States. It is possible that neocolonial control may be exercised by a consortium of financial interests which are not specifically identifiable with any particular State. The control of the Congo by great international financial concerns is a case in point.
The result of neocolonialism is that foreign capital is used for the exploitation rather than for the development of the less developed parts of the world. Investment under neocolonialism increases rather than decreases the gap between the rich and the poor countries of the world.

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

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

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

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

Limited war, once embarked upon, achieves a momentum of its own. Of this, the war in South Vietnam is only one example. It escalates despite the desire of the great power blocs to keep it limited. While this particular war may be prevented from leading to a world conflict, the multiplication of similar limited wars can only have one end — world war and the terrible consequences of nuclear conflict.
Neocolonialism is also the worst form of imperialism. For those who practise it, it means power without responsibility and for those who suffer from it, it means exploitation without redress. In the days of old-fashioned colonialism, the imperial power had at least to explain and justify at home the actions it was taking abroad. In the colony those who served the ruling imperial power could at least look to its protection against any violent move by their opponents. With neocolonialism neither is the case.

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

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

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

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

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

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

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

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

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

In the neo-colonialist territories, since the former colonial power has in theory relinquished political control, if the social conditions occasioned by neo-colonialism cause a revolt the local neo-colonialist government can be sacrificed and another equally subservient one substituted in its place. On the other hand, in any continent where neo-colonialism exists on a wide scale the same social pressures which can produce revolts in neo-colonial territories will also affect those States which have refused to accept the system and therefore neo-colonialist nations have a ready-made weapon with which they can threaten their opponents if they appear successfully to be challenging the system.
These advantages, which seem at first sight so obvious, are, however, on examination, illusory because they fail to take into consideration the facts of the world today.

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

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

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

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

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

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

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

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

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

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

The same arithmetic is likely to apply throughout the less developed world.

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

Marx predicted that the growing gap between the wealth of the possessing classes and the workers it employs would ultimately produce a conflict fatal to capitalism in each individual capitalist State.
This conflict between the rich and the poor has now been transferred on to the international scene, but for proof of what is acknowledged to be happening it is no longer necessary to consult the classical Marxist writers. The situation is set out with the utmost clarity in the leading organs of capitalist opinion. Take for example the following extracts from The Wall Street Journal, the newspaper which perhaps best reflects United States capitalist thinking.

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

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

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

In other words the 'backward' countries are those situated in the neo-colonial areas.

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

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

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

This is no new problem. In the opening paragraph of his book, The War on World Poverty, written in 1953, the present British Labour leader, Mr. Harold Wilson, summarised the major problem of the world as he then saw it:
'For the vast majority of mankind the most urgent problem is not war, or Communism, or the cost of living, or taxation. It is hunger. Over 1,500,000,000 people, some-thing like two-thirds of the world’s population, are living in conditions of acute hunger, defined in terms of identifiable nutritional disease. This hunger is at the same time the effect and the cause of the poverty, squalor and misery in which they live.'

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

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

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

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

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

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

Nkrumah, pp ix - xx, "Neo-Colonialism: The Last Stage of Imperialism, Introduction"

**Historical Background of the Resistance**

Nkrumah at the Conference of Independent African States, said:

We have learnt much about the old forms of colonialism. Some of them still exist, but I am confident that they will disappear from the face of our continent. It is not only the old forms of colonialism that we are determined to see abolished, but we are equally determined that the new forms of colonialism which are now appearing in the world, with their potential threat to our precious independence, will not succeed.

If I have spoken of racialism and colonialism it is not, as I have said, because I want to indulge in recrimination with any country by listing a catalogue of wrongs which have been perpetrated upon our continent in the past.. My only purpose is doing so is to illustrate the different forms which colonialism and imperialism old and new can take, so that we can be on our guard in adopting measures The imperialists of today endeavour to achieve their ends not merely by military means, but by economic penetration, cultural assimilation, ideological domination, psychological infiltration, and subversive activities even to the point of inspiring and promoting assassination and civil strife. Very often then methods are adopted in order to influence the foreign policies of small and uncommitted countries in a particular fashion. Therefore we, the leaders of resurgent Africa, must be alert and vigilant.

Nkrumah, Extracts From Speech of Welcome to Representatives of Independent African States, Accra, April 15, 1958 pp128-9 "Revolutionary Path"

In Nkrumah’s book *Revolutionary Path* he emphasizes the recognition of the threat of neocolonialism:

By the end of 1958 there were clear indications that foreign powers, far from withdrawing from Africa, were in fact increasing their exploitation of the continent. In many of the so-called independent states, neocolonialism replaced the old-style colonialism; while in the States still under colonial rule, or suffering government by racist minorities, imperialist aggression took the form of increased repression. The process could not be seriously challenged until collective imperialism was confronted with unified African effort in political, economic and military spheres.

While in 1958 some progressive leaders of Africa still hoped to achieve their aims by non-violent methods, it has since become generally accepted that all methods of struggle, including armed struggle, must be employed
in the face of the increasingly violent and aggressive onslaught of imperials and neocolonialist forces and their indigenous agents.

Further All-African People’s Conferences were held in Tunis in 1960, and in Cairo in 1961. About two hundred delegates attended the latter, and it was at that this Conference that the dangers of neocolonialism were thoroughly examined. Among the resolutions passed were ones calling for the expulsion of South Africa from the United Nations Organization, and the dissolution of the Central African Federation.

Nkrumah, pp 130, Revolutionary Path

In the Aims and Objects of the Provisional Agenda of that first All African People’s Conference, you will find the following:

The main purpose of the All-African People’s Conference to be held in Accra, Ghana, in December, 1958 will be to formulate concrete plans and work out the Gandhian tactics and strategy of the African Nonviolent Revolution in relation to; Colonialism and Imperialism...

Nkrumah, p 132 Revolutionary Path

Other contemporary observers documented this growing anti neo-colonial consciousness, such as Jack Woddis:

In March 1961, the Third All-African People's Conference met in Cairo. Speaker after speaker went to the rostrum to denounce neocolonialism, and at the end of the conference a special resolution on the subject was adopted. It was clear that for these spokesmen of Africa neocolonialism certainly had a meaning; for them it was a precise term which related to the specific problems they were facing. From December 1965 to January 1966 I was in Havana, attending the first Tri-Continental Conference of Asia, Africa and Latin America, Here, too, as I heard for myself, speaker after speaker describe the most detailed terms the activities and manifestations of neocolonialism in his country. And here, too, as in Cairo, at the end of the conference the delegates endorsed a comprehensive resolution setting the characters of neocolonialism and the necessary to struggle against it.

Jack Woddis, p 10, Introduction to neocolonialism: The New Imperialism & Latin America

The early All-African People's Conference period represents the last time Nkrumah seriously advanced the idea of the Nonviolent Revolution. The empire had no intention of a peaceful solution. And logic necessitated the call for armed struggle.

Many others were commenting on neo-colonialism too. The great Omowale Malcolm X observed:

After 1959 the spirit of African nationalism was fanned to a high flame, and
we then began to witness the complete collapse of colonialism. France began to get out of French West Africa; Belgium began to make moves to get out of the Congo; Britain began to make moves to get out of Kenya, Tanganyika, Uganda, Nigeria, and some of these other places. And although it looked like they were getting out, they pulled a trick that was colossal.

In that -- when you're playing basketball and they get you trapped, you don't throw the ball away, you throw it to one of your teammates who's in the clear. And this is what the European powers did. They were trapped on the African continent, they couldn't stay there; they were looked upon as colonial, imperialist. So they had to pass the ball to someone whose image was different, and they passed the ball to Uncle Sam. And he picked it up and has been running it for a touchdown ever since. He was in the clear, he was not looked upon as one who had colonized the African continent. But at that time, the Africans couldn't see that though the United States hadn't colonized the African continent, he had colonized twenty-two million Blacks here on this continent. Because we are just as thoroughly colonized as anybody else.

When the ball was passed to the United States, it was passed at the time when John Kennedy came into power. He picked it up and helped to run it. He was one of the shrewdest backfield runners that history has ever recorded. He surrounded himself with intellectuals -- highly educated, learned, and well-informed people. And their analysis told him that the government of America was confronted with a new problem... And this new problem stemmed from the fact that Africans were now awakened, they were enlightened, and they were fearless, they would fight.. So this meant that the Western powers couldn't stay there by force. And since their own economies, the European economy and the American economy, was based upon their continued influence over the African continent, they had to find some means of staying there. So they used the "friendly" approach. They switched from the old, open colonial, imperialistic approach to the benevolent approach. They came up with some benevolent colonialism, philanthropic colonialism, humanitarianism, or dollarism. Immediately everything was Peace Corps, Crossroads, "We've got to help our African brothers." Pick up on that. Can't help us in Mississippi. Can't help us in Alabama, or Detroit, out here in Dearborn where some real Ku Klux Klan live.

They're going to send all the way to Africa to help. I know Dearborn; you know, I'm from Detroit, I used to live out here in Inkster. And you had to go through Dearborn to get to Inkster. Just like driving through Mississippi when you go to Dearborn. Is it still that way? Well, you should straighten it out. "So, realizing that it was necessary to come up with these new approaches, Kennedy did it. He won -- he created an image of him self that was skillfully designed to make the people on the African continent think that he was Jesus, the great white father, come to make things right. I'm telling you, some of these Negroes cried harder when he died than they cried for Jesus when he was crucified.
In an article, entitled Zionist Logic, Malcolm wrote, which was published in the Egyptian Gazette in September of 1964, he clearly warned of what he called "a new colonialism" based on the deceptive, deliberate misrepresentation and use of zionism and Israel and most of all the wealth of the US, which he called "dollarism", just as he had in the After the Bombing speech and he repeated the same warning in the historic memorandum from the Organization of Afro-American Unity (OAAU), which he presented to the Organization of African Unity (OAU), when he wrote these words:

We pray that our African brothers have not freed themselves of European colonialism only to be overcome and held in check now by American dollarism... Don't let American racism be "legalized" by American dollarism.

We could cite numerous other documented examples of the peoples' leadership awareness of the neo-colonial onslaught. But it is important to remember that the peoples of the world did more than merely make declarations against neocolonialism.

**Historical Setbacks that have weakened neo-colonialism for all times.....**

The Cuban victory against US neocolonialism coupled with that of the Indochinese struggle, led by the Vietnamese peoples, leading to the defeat of both the US-backed French imperialists and ultimately the US itself, along with its puppets in Saigon and a collection of allies from other neo-colonized and imperialist countries, demonstrated conclusively that neocolonialism could be defeated.

A critical contribution to the struggle against imperialism was the emergence and successes of the armed phase of the African Liberation movement. For example:

The Pan-African victories in Guinea in 22 November 1970, which preserved the Pan-African base that succeeded revolutionary Ghana. As the loss of this base would have been not only a blow to the people and party-state of Guinea Conakry, but also for one of Africa's most competent liberation movements, the African Independence Party of Guinea-Bissau and Cape Verde (PAIGC), whose main base was in Guinea-Conakry. It was first and foremost aimed at ending the continuation of the Pan-Africanist work of Dr. Nkrumah, who was the Co-President of Guinea Conakry, President Ture, and their collaborating cadres from around the African world such as Shirley Graham Du Bois and Kwame Ture.

Nkrumah took up residence in Guinea Conakry after his overthrow in Ghana, while on his way to Vietnam in an effort to end that tragic war being waged by the US against the people of Vietnam and the rest of Indochina. The Ghana coup had led to the destruction of all the training bases established there by the Nkrumah-led Convention Peoples Party (CPP) government. But Africa is resilient and could not be thwarted that easily, as the courageous people of Guinea-Conakry proved when they repulsed the NATO-directed invasion intended to destroy the armed base of the African Revolution on that historic November date. This was a great victory that can never be taken from the people of Africa and the world. This gallant victory proved beyond doubt that the PDG led state
was a fitting custodian of Pan-Africanism and successor to the CPP government in Ghana.

We must not forget the unconditional support the imperialist neo-colonialist forces gave to the racists settlers in southern Africa, including nuclear arms via the racist settler Israelis state, but even here Pan-Africanism had it great victory (one which the African National Congress (ANC) the ruling party in the former apartheid state cannot find the courage to emulate however. Instead they have opted to be the front men for the Europeans in the neo-colonial state now in place in Azania/South Africa)

In the early spring of 1988 Angola was the locus of a great defeat for imperialism at the hands of the FAPLA forces of Angola and Cuban military elements. This was a historic act on the part of the courageous island state of Cuba, and it was a very critical step for the Pan-Africanism as the advanced element of the global African diaspora were able to go home and strike a blow for the whole African world. .

As one observer wrote about the Cuban willingness to spill its blood on behalf of Africa:

"Fidel Castro's Health: Why the African Diaspora should support revolutionary Cuba"
by James Early
http://www.blackcommentator.com/197/197_support_cuba_transafrica_early.html

The inability of the western powers, under the guise of the UN, to defeat the Democratic People's Republic of Korea and the Peoples Republic of China in the "police conflict" in Korea, imperialism's failed efforts to turn back the gains of the USSR, and their fear of the Soviet state's nuclear arsenal, demonstrated the way forward for the peoples of the world: namely: armed resistance. Added to this, the problem of the imperialists and neo-colonialists were further compounded by the development of a nuclear weapon by the PRC in 1964.

Factors that have strengthened neo-colonialism

Of course there were many setbacks also. The assassination of Lumumba and the war against the peoples of the Congo. The overthrow of the Nkumah-led CPP government and the imperialists' destruction of the continent's liberation movements' military training base in Nkumah'sGhana. Add to this the assassination and or unjust incarceration of many other African leaders, both at home and in the diaspora, and the general aggression against Africa and Africans, we have a complete picture of the nature of the cruel military offensive launched against us.
All this contributed directly to the ease with which the imperialists manipulated the OAU and using it against Pan-Africanism. With the many stooges in imperialism's employ from among the African leadership and the assault on the true leadership of Africa, the odds were stacked against us.

This resulted in the temporary defeat of the drive to build Pan-Africanism. This defeat, which combined with a host of similar defeats suffered by the peoples of the world, set back humankind significantly.

Here are a few examples of the crimes of imperialism in the non-African theaters of struggle:

1 There was the brutal assassination of Che Guevara while fighting with the Bolivian revolutionary forces, graphically detailed in this excerpt.

....The CIA planned it, Barrientos commanded it, Félix Rodriguez supervised it and Mario Terán executed it. Quick, easy and effective: the Revolution, in one fell swoop, had lost a fighter and gained a martyr.

La Higuera, October 9th, 1967, 1:10 pm: Mario Terán Salazar, Bolivian Army sergeant, followed the instructions of Félix Ismael Rodríguez Mendigutía, anti-Castroist and former CIA officer, who had been ordered by René Barrientos, Bolivia's president at the time, and, with two blasts from a machinegun, put an end to the life of guerrilla leader Ernesto Guevara, "Che", who had been wounded and captured the day before, following a combat in the Quebrada del Yuro ravine, at the side of his guerrilla.

The living myth had become a martyr of the Revolution that he loved, had dedicated his entire life to and died for.

Che's body was taken to Vallegrande where it was exposed to the crowds and journalists. At that time, Richard Gott, a journalist for The Guardian, before Guevara's mutilated body, prophetically remarked: "Ernesto Che Guevara will forever remain in History as the greatest continental figure since Bolivar. He was, perhaps, the only person able to lead radical forces all over the world in a campaign against the United States. Now he's dead, but it's hard to imagine that his ideas will die with him"

In 1997 his remains were found in a mass grave, in Vallegrande, about 50 km away from the place where he was executed. His hands had been removed to act as a trophy, right after his death. His remains were finally transferred to Cuba where, on October 17th of the same year, they were buried with full state honours. This would be the end of the existence of this doctor by training, orthodox Marxist and revolutionary by conviction, guerrilla and internationalist by option, who left his mark on the revolutionary history of the 20th century.

"The man who killed Ernesto Guevara"
Once again we see the beast like nature of the imperialists, just as they beat Steve Biko to death, just as they took Lumumba's gold fillings from his mouth as a souvenir, after destroying his body in acid, just as the sawed the great Dakota chief Crazy Horse's body in two, they could not resist the ghoulish thrill of mutilating Che's body.

2. The encouragement and manipulation of the Sino-Soviet ideological and programmatic disagreements, here are three example excerpts from the Foreign Affairs political affairs journal celebrating the break between the two socialist giants. Starting with this excerpt:

Since the dramatic developments at the Twenty-second Soviet Party Congress last year, no one can seriously doubt the existence of a profound dispute between Russia and China. But opinions vary widely as to its causes, its likely future development, its consequences and its significance, if any, for Western policy. My purpose is to provide a framework for exploring the implications of the Sino-Soviet dispute for the West.

It should be emphasized immediately that Western policy toward the Communist world cannot be based solely, or even principally, on the Sino-Soviet conflict. Many other considerations must be weighed. Moreover, as a result of the dispute, dangers as well as opportunities are open to the West, and such opportunities as are offered are limited. In some respects the dispute has complicated and intensified our problems. We can no longer assume, for instance, that basic Communist policy in Southeast Asia originates entirely in Moscow. We shall be faced increasingly with the need to evaluate not only Soviet policy and intentions, but also those of Peking and even of such key third parties in the Communist movement as the North Vietnamese, who exercise considerable influence on Communist policy both in Laos and in South Viet Nam. Our dangers may increase if Peking's charges that Moscow is soft toward the West goad the Russians into adopting a harder attitude. Not only, then, do the problems we confront persist; our ability to exercise leverage on either Russia or China, and thereby to influence relations between them, remains extremely limited. Even assuming that the few instrumentalities in our possession are used as well as possible, the United States, as the leader of the "imperialist" camp, will remain the major enemy of both Russia and China and its ability to exploit the rift will be greatly limited.

In the final analysis, a secularization of Communism's messianic and universalist ideology can be brought about not by manipulating developments within the Communist world but only by strengthening the unity and vitality of the non-Communist world. The Communists can ultimately be persuaded to reconsider their aims only if over a sustained period they are confronted by superior military power as well as by dynamic, purposeful leadership, alive to the demands of many areas of the world for social and economic reforms.

The Sino-Soviet Conflict and the West
Donald S. Zagoria October 1962
http://www.foreignaffairs.com/articles/23464/donald-s-zagoria/the-sino-
Note the author's emphasis on unity; unity is indeed the key. Just as he knows that the imperialist must have sufficient unity amongst themselves -- even as they -- battle for ultimate control of their criminal empire, we must have sufficient unity among ourselves, and with other peoples facing the same enemy system, if we are to be free. With proper organization we can achieve whatever we wish in the world.

The long-heralded and twice-postponed conference between the Chinese and Soviet Communist spokesmen, held at Moscow in July, was overshadowed, at least for the outside world, by the dramatic publication of the exchange of letters between the two Central Committees. The breakup of the conference was hardly softened by halfhearted assertions of a mutual intention to continue the discussions. It is hard to discern any useful topics for new negotiations until one or another or both parties to the quarrel have made some rather drastic changes in their ideological claims or their practical policy aims. The two facets are inseparable, of course. Quarrels among Communists have been a recurring feature of a movement that claims political omniscience and a monopoly of messianic foresight, and are normally clothed in recondite scholastic terms. But their ideological disputes are always waged over real questions of power and policy.

From this latest phase of the Moscow-Peking conflict, what new can we learn of the nature of the rift? And, more dimly glimpsed, what does this clash portend for the future?

The exchange of charges has clarified in some respects, though obscured in others, the chronology of the conflict. Western analysts of the dispute have generally traced its devious course from the June 1960 congress of the Rumanian Party, or rather from the behind-the-scenes meetings held at that time in Bucharest, among representatives of some 50 Communist Parties, to discuss the clash of views that had arisen over the proper strategy of the international movement. The Soviet letter of July 14 assigns a somewhat earlier date. According to its account, the direct conflict began with the publication by the Chinese Party, in April 1960, of a collection called "Long Live Leninism!" This was, Moscow claims, a direct attack on several main points of the Moscow Declaration of 1957. In it Peking lashed out against the policy of coexistence, against the possibility of averting a world war, against the use of both peaceful and non-peaceful paths to the Communist achievement of power. Similarly, in June 1960, during the sessions at Peking of the General Council of the World Federation of Trade Unions, the Chinese leaders held a number of separate meetings with representatives of various parties to attack Moscow's policies.

"The Chinese-Soviet Rift: Origins and Portents"
Philip E. Mosely October 1963
The Chinese, right or wrong, have the right to raise their own position in forums that are supposed to compose the common view of the socialist world. The Union of Soviet Sociality Republics (USSR) left itself open by the approach taken by the Khrushchev regime moving closer to the US in the name of arranging trade relationship between the USSR and the capitalists. This was what the Soviet leadership referred to as the policy of “peaceful coexistence.” Another factor in the split was the acrid disagreement between the two as a result of the Khrushchev-led government's denunciation of Stalin.

Therefore, some of the reasons that so many agreed with the Chinese position that the USSR had become social imperialists, and thus an enemy to the struggle of the working class of the and the globe's national liberation forces are valid.

For while the USSR was talking peace and trade with the capitalists, these very same capitalists were surrounding the Peoples Republic of China (PRC) in Asia, with the US relationship with Taiwan (ROC), a large American force in occupied (South) Korea, a large and growing force in Indochina, especially in occupied (South) Vietnam, the SEATO group, bases in Japan, the Philippine neo-colony and other areas. At the same general time the USSR had refused to help the PRC development of a nuclear weapon to counter the capitalist bomb. This is critical because US General MacArthur and others had lobbied for the use of the American nuclear force against the PRC. There were some who also said the USSR was not overly enthusiastic about the patriotic forces in Vietnam escalating the war against the US. By 1960 all Soviet technical advisors were withdrawn from the PRC.

The USSR on the other hand asserted that the PRC blocked aid from the USSR intended for the Vietnamese patriots as part of the feud related to the split and resisted all post-Khrushchev attempts to heal the breach between the two.

The struggle against neo-colonialism suffered a huge setback when the two major powers of the international socialist camp turned against each other. In reality, both the USSR and the PRC succumbed to the US capitalists siren song.

First the USSR, arguing that the development of the soviet state was the primary goal of the socialist world, and that this development could only be facilitated by altering the USSR's position on the role of US capitalism, attempted to impose a unscientific line on the whole scientific socialist movement.

In turn the PRC, denounced the USSR as "social imperialism" and labeled them as a greater threat to socialism and the national liberation struggles raging across the neo-colonized portions of the globe. The Chinese then proceeded to ally to the US. Thus the Soviet detente strategy was joined by the Chinese embracing a close cooperation with the US, a decision that was symbolized by actions such as ping pong diplomacy.

All of this strengthened the hand of neo-colonialists and significantly weakened the forces opposed to neo-colonialism. This is not to say that the two countries completely stopped assistance to the anti-neo-colonial liberation forces, this would be entirely inaccurate.

But in point of fact their policies of cozying up to the US neo-colonialists, combined with the open hostility between the two, including a brief PRC-USSR war, did create adverse conditions for scientific socialism and the liberation of the peoples held by the forces of
monopoly financial capitalism, that is imperialism-neo-colonialism.

What was the worse part of this falling out was that since the PRC decided that the USSR was the number one enemy of socialism and the people of the world, it began to develop defacto military alliances with the US. As a consequence, China started opposing any national liberation movement associated with the USSR. These were not the actions of true internationalists. Indeed since the disagreement started over the USSR overtures to the US, it has to be said that the PRC approach to the US was at least as unprincipled.

The upshot of it all is that the two gave the US leverage, because it was then able to play one against the other, and did so as often as possible. This was a blow to socialism everywhere. It is unfortunate that such a split developed, while the PRC's initial reactions are understandable, as the Chinese were much more inclined to confront the west militarily at that time than the Soviets and they felt that the Soviets were betraying socialism and the world's various national liberation movements. However, we must say that their actions likewise hurt socialism and the various national liberation movements. Indeed during this same period we see the Chinese in armed conflict with newly liberated Vietnam, uniting with the CIA and South Africa against the MPLA in Africa and the eventual ascendancy of the capitalist elements of the Chinese Communist Party to supreme leadership. This shows, as Lenin taught, that the party (and the world) does in fact move by dialectical materialist processes; one step forward, two steps back. This complex subject of the USSR-PRC relationship is certainly one that must be analyzed by all who struggle against imperialism. However it is beyond the scope of this book, so I have only touched on what I consider to be the bare essentials. If you wish to pursue a more thorough analysis, you would have to study in depth the relative national security positions of the two societies, the differences in class composition of their parties and revolutions, the differences in their two society's level of development and respective histories.

Specific struggles in other areas such as Yugoslavia and Albania would also have to be examined as the USSR-PRC split definitively impacted the policies of these two countries which consequently added to collateral damage to world socialism and the various national liberation struggles. One would also have to look carefully at pivotal processes such as the Great Leap Forward and the Cultural Revolution; and the technical and economic motivation driving the USSR's overall process of rapprochement with the US, and the Chinese decision to do likewise

The last of the three excerpts follows:

In ten short years since Joseph Stalin's death a once potent revolutionary force has disintegrated into two mutually hostile phalanxes linked only by ritualistic proclamations of unity: an orthodox international Communism headed by Mao Tse-tung, and a revisionist international Communism led by Nikita Khrushchev. There is no coöperation between the Soviet and the Chinese leaders; no collaboration in actual policies; no coördination of a general outlook. The alliance as an active political force is dead.

The failure of international Communism to prevent the schism appears to be rooted in certain generic peculiarities of Communism itself. First of all, the importance attached by Communists to ideology means that there must always be a "general line" guiding the tactics and the strategy of the
movement. Setting the line was an easy matter when Stalin was alive. Today, it involves dealings among many parties and régimes, while the preoccupation of Communists with their alleged monopoly on the only "true" and "scientific" understanding of reality results in the quick transformation of differences into matters of principle, with mutual accusations of "dogmatism" or "revisionism" inevitably following. In addition, commitment to the ideology resulted in a general delusion that, by definition, there could be no conflict among Communist states. Thus there was no predisposition to develop the tradition of agreeing to disagree or the institutions for collective decision-making.

Second, the common emphasis on the Marxist-Leninist ideology became a liability when the movement expanded to embrace some 40 percent of the world's population. A single doctrine simply could not encompass the complex, highly diverse and rapidly changing world-wide processes of change. This was especially so since that doctrine was derived from an early stage of industrial development and later adjusted to rural societies experiencing the first impact of industrialization and nationalism. Thus the ideology was particularly inadequate to cope with the problems both of the leading Communist state, the Soviet Union, and of the Communist parties of the more developed societies. Irresistible pressures toward doctrinal innovation (i.e. "revisionism") were created, and these in turn provoked a fundamentalist reaction from those parties whose conditions were still adequately served by orthodox Marxism-Leninism.

"Threat and Opportunity in the Communist Schism"
Zbigniew Brzezinski April 1963

From my own reading of Brzezinski's stuff on communism, this is pretty standard stuff for him, as for example in his piece on Soviet Ideology. Nevertheless, there is some truth in what he observes about the failing of the socialist states in Europe and Asia, and similar mistakes will not be avoided in the future if we do not seriously applied the discipline of constant criticism and more criticism to our actions and theories. Socialism is too valuable to the human race to be taken lightly as some states have done in the last half century plus. There can be no socialism where one party or a coalition of parties assume hegemonic control of the ideology of scientific socialism. Those who have pioneered socialism before us, Nkrumah, Seku Ture, Castro, Che, Ho, Malcolm, Marx, Engels, Lenin, Walter Rodney, Kwame Ture and yes Mao and Stalin, have all given us sufficient material to fashion a viable, durable, working socialist appropriate for the African Personality, our history and culture. We nor any other people do not bend our beliefs accordings to the ideological vagaries or whims of individual personalities, or groups of parties or states.

3. The CIA coup against the democratically elected government of Iran, led by Dr. Mohammad Mossadegh, who famously remarked, "I put my trust in the support of the Iranian people. That is all."

The contemporary history of Iran had been intertwined with oil, a highly sought after energy source by the west, since 1901 when a 60 year
exclusive rights were given to William Knox D'Arcy, a British subject, for oil exploration and exploitation in Iran's southern provinces. In 1908, oil was struck and The Anglo-Persian Oil Company was established. Just before the start of World War I in 1914, the British government purchased 51% of the company’s shares. The British thus created a beachhead and practically colonized the southern west corner of Iran, directly and indirectly interfering in the political affairs of the entire country. APOC cheated on the meager 16% payment to Iran and treated Iranian oil workers with contempt and racism in their own land. It all came to a head in July 1946 when about 6,000 Iranian oil workers went on a strike in Agajari. Their clash with the government troops resulted in more than 200 dead and wounded workers.

Mossadegh envisioned an Iran that was independent, free and democratic. He believed no country could be politically independent and free unless it first achieved economic independence. As he put it, "The moral aspect of oil nationalization is more important than its economic aspect." He sought to renegotiate and reach an equitable and fair restitution of rights of Iran but was faced with intransigence by the company. To put an end to 150 years of British political interference, economic exploitation and plundering of Iran's national resources, Mossadegh engineered the nationalization of the oil industry.

Mossadegh first presented the idea of nationalization to the Majles mandated "Oil Commission" on March 8, 1951. The following day the National Front, a coalition of several parties, held a huge rally in Baharestan, a square in front of the Majles, in support of oil nationalization. On the eve of the Iranian New Year, on March 20, 1951 [29 Esfand, 1329] the National Front bill for oil nationalization received the final approval from the Senate, only a few days after unanimously being approved by the Majles deputies. A month later, Dr. Mohammad Mossadegh was nominated for the position of Prime Minister, which he won by votes of nearly 90% of the representatives present.

The dispute between Iran and the disbanded Anglo-Iranian Oil Company (AIOC) continued with no resolution in the horizon, increasing tension between Iran and Britain. The British government imposed economic sanctions on Iran and additionally threatened Iran with a military attack. In June 1951, the Iranian government discovered a British spy network that revealed subversive activities by a large number of Iranian politicians and journalists, including communists who were receiving bribes from the British government and the AIOC. In response, the Iranian government closed the British consulate. The British government reacted by calling their ambassador, Francis Shepherd, back to London. In October 1951, Premier Mohammad Mossadegh traveled to New York to personally defend Iran's right to nationalize its oil industry before the UN Security Council. The British government, looking for support, had taken their case to the United Nations for a hearing. Mossadegh gave a dramatic and successful presentation, demonstrating that Britain’s oil profits in 1950 alone were more than what it paid to Iran during the previous half century.
Mossadegh with Ernest Gross Mossadegh then headed for Washington, DC where he met with President Harry S. Truman. His visit was covered widely in newspapers, magazines, television, and theatrical newsreels. On his return to Iran in November 1951, he stopped at Farouk airport in Cairo, Egypt and was greeted by thousands of admirers who chanted "LONG LIVE MOSSADEGH" and "LONG LIVE IRAN." During his three day visit, the Egyptian King, Premier, Cabinet and other dignitaries honored Mossadegh personally, and a gala dinner was given in his honor by the municipality of Cairo. By January 1952, Mossadegh was named Time magazine's Man of the Year, his second Time cover in a span of 7 months.

In June 1952, Mossadegh traveled to the Hague and presented nearly 200 documents to the International Court regarding the highly exploitative nature of the AIOC and the extent of its political intervention into the Iranian political system. "There is no political or moral yardstick by which the court can measure its judgment in the case of nationalization of the oil industry in Iran", he argued. "...and that under no condition we will accept the jurisdiction of the court on the subject. We cannot put ourselves in the dangerous situation which might arise out of the court's decision." The verdict was to be announced later, and Mossadegh returned to Tehran having won the respect of the judges.

Prime Minister Mossadegh found it difficult to deal with deteriorating economic and security conditions, worsened by increasing subversive activities of foreign powers and their agents. In a July 1952 meeting with Mohammad Reza Shah, who headed the military, Mossadegh requested control of the armed forces but was refused. In response, Mossadegh immediately submitted his resignation as Prime Minister.

The following day, the Shah, at the behest of the British and American governments, appointed Ghavam Saltaneh as Prime Minister. Ghavam Saltaneh took a hard line, further angering the people who had come out to the streets in support of Mossadegh. In the largest street protest on July 20, 1952 (30 Tir, 1331) the security forces clashed with the demonstrators resulting in hundreds of casualties. The Shah, witnessing the depth of the people's support for Mossadegh, became highly alarmed and changed course. He appointed Mossadegh to the dual role of Prime Minister and Minister of Defense, as permitted by the Constitution. Ironically, on the same day the International Court at the Hague voted in favor of Iran against the British in their dispute, followed by the U.N. Security Council rejection of the British claim. Mossadegh was at the height of his power and popularity, hailed as a hero not only in Iran, but in the greater Middle East.

As leader of Iran, Mossadegh sponsored laws for a “clean government” and independent court systems, defended freedom of religion and political affiliations, and promoted free elections. He implemented many social reforms and fought for the rights of women, workers, and peasants. A fund was created to pay for rural development projects and give assistance to farmers. According to his policy of 'Negative equilibrium', an idea that helped the formation of the non-allied nations, Mossadegh also refused to
grant an oil concession to the Soviet Union. Most importantly, Mossadegh helped to foster a national self-sufficiency that remains unduplicated in Iran since his tenure: balancing the budget, increasing non-oil productions and creating a trade balance. His policies were frequently opposed by the Shah, army generals, leading clerics, land owners, the Tudeh (Communist) party, and the governments of Britain and America. Nevertheless, Mossadegh could always rely upon the support of the people.

Meanwhile, the British continued to undermine Mossadegh's authority by inciting division in the country, tightening the worldwide embargo on the purchase of Iranian oil, freezing Iranian assets and threatening Iran with invasion by amassing a Naval force in the Persian Gulf. When all attempts failed, Britain concluded that "Mossadegh must go" by any means necessary. Working jointly with the American CIA, they plotted a coup to overthrow his democratically elected government.

On August 15, 1953, with participation of the Shah and their Iranian collaborators, a CIA drafted plan codenamed Operation Ajax, headed by Kermit Roosevelt, went into action, but it failed to dislodge Mossadegh from power. In the second attempt on August 19, 1953, [28 Mordad 1332] the violent overthrow of the government was accomplished. Mossadegh escaped capture, but his home was invaded, looted and burned to the ground. The following day Mossadegh surrendered to authorities and was imprisoned. During this bloody episode, many hundreds were killed or wounded. Followers of Mossadegh were arrested, imprisoned, tortured or even murdered. Mossadegh's Foreign Minister, Dr. Hossein Fatemi went into hiding but was captured a few months later. He was beaten, stabbed and, after a show trial, executed by a firing squad. The reign of terror had begun.

**Mossadegh's trial**

Tried as a traitor in a military court, on December 19, 1953, Mossadegh pronounced:

"Yes, my sin-- my greater sin... and even my greatest sin is that I nationalized Iran's oil industry and discarded the system of political and economic exploitation by the world's greatest empire. ...This at the cost to myself, my family; and at the risk of losing my life, my honor and my property. ...With God's blessing and the will of the people, I fought this savage and dreadful system of international espionage and colonialism.

....I am well aware that my fate must serve as an example in the future throughout the Middle East in breaking the chains of slavery and servitude to colonial interests."

"Dr. Mohammad Mossadegh Biography"
http://www.mohammadmossadegh.com/biography/

4. And last in the catalog of our expanded examples of non-African examples, the brutal
coup in Chile and the murder of the democratically elected Head Of State, Allende.

When Salvador Allende, a committed Marxist, came within three percent of winning the Chilean presidency in 1958, the United States decided that the next election, in 1964, could not be left in the hands of providence, or democracy.

Washington took it all very gravely. At the outset of the Kennedy administration in 1961, an electoral committee was established, composed of top-level officials from the State Department, the CIA and the White House. In Santiago, a parallel committee of embassy and CIA people was set up.

U.S. government intervention in Chile in 1964 was blatant and almost obscene," said one intelligence officer strategically placed at the time. "We were shipping people off right and left, mainly State Dept. but also CIA, with all sorts of covers." All in all, as many as 100 American operatives were dedicated to the operation.

They began laying the groundwork for the election years ahead, a Senate investigating committee has disclosed, "by establishing operational relationships with key political parties and by creating propaganda and organizational mechanisms capable of influencing key sectors of the population." Projects were undertaken "to help train and organize 'anti-communists'" among peasants, slum dwellers, organized labor, students, the media, etc..

After channeling funds to several non-leftist parties, the electoral team eventually settled on a man of the center, Eduardo Frei, the candidate of the Christian Democratic Party, as the one most likely to block Allende's rise to power. The CIA underwrote more than half the party's total campaign costs, one of the reasons that the Agency's overall electoral operation reduced the U.S. Treasury by an estimated $20 million—much more per voter than that spent by the Johnson and Goldwater campaigns combined in the same year in the United States. The bulk of the expenditures went toward propaganda.

The operation worked. It worked beyond expectations. Frei received 56 percent of the vote to Allende's 39 percent. The CIA regarded "the anti-communist scare campaign as the most effective activity undertaken", noted the Senate committee. This was the tactic directed toward Chilean women in particular. As things turned out, Allende won the men's vote by 67,000 over Frei (in Chile men and women vote separately), but amongst the women Frei came out ahead by 469,000... testimony, once again, to the remarkable ease with which the minds of the masses of people can be manipulated, in any and all societies.

What was there about Salvador Allende that warranted all this feverish activity? What threat did he represent, this man against whom the great technical and economic resources of the world's most powerful nation were brought to bear? Allende was a man whose political program, as described by the Senate committee report, was to "redistribute income [two percent
of the population received 46 percent of the income] and reshape the Chilean economy, beginning with the nationalization of major industries, especially the copper companies; greatly expanded agrarian reform; and expanded relations with socialist and communist countries."

A man committed to such a program could be expected by American policy makers to lead his country along a path independent of the priorities of US foreign policy and the multinationals. (As his later term as president confirmed, he was independent of any other country as well.)

"I don't see why we need to stand by and watch a country go communist because of the irresponsibility of its own people." Thus spoke Henry Kissinger, principal adviser to the President of the United States on matters of national security. The date was 27 June 1970, a meeting of the National Security Council's 40 Committee, and the people Kissinger suspected of Imminent Irresponsibility were Chileans whom he feared might finally elect Salvador Allende as their president.

The United States did not stand by idly. At this meeting approval was given to a $300,000 increase in the anti-Allende "spoiling" operation which was already underway. The CIA trained its disinformation heavy artillery on the Chilean electorate, firing shells marked: "An Allende victory means violence and Stalinist repression." Black propaganda was employed to undermine Allende's coalition and support by sowing dissent between the Communist Party and the Socialist Party, the main members of the coalition, and between the Communist Party and the [communist dominated]CUTCh.

Nevertheless, on 4 September Allende won a plurality of the votes. On 24 October, the Chilean Congress would meet to choose between him and the runner-up, Jorge Alessandri of the Conservative National Party. By tradition, Allende was certain to become president.

The United States had seven weeks to prevent him from taking office. On 15 September, President Nixon met with Kissinger, CIA Director Richard Helms, and Attorney General John Mitchell. Helms' handwritten notes of the meeting have become famous: "One in 10 chance perhaps, but save Chile! ... not concerned with risks involved ... $10,000,000 available, more if necessary ... make the economy scream.

Funds were authorized by the 40 Committee to bribe Chilean congressmen to vote for Alessandri, but this was soon abandoned as infusible, and under intense pressure from Richard Nixon, American efforts were concentrated on inducing the Chilean military to stage a coup and then cancel the congressional vote altogether.' At the same time, Nixon and Kissinger made it clear to the CIA that an assassination of Allende would not be unwelcome. One White House options-paper discussed various ways this could be carried out.

Meanwhile, the Agency was in active consultation with several Chilean military officers who were receptive to the suggestion of a coup. (The
difficulty in finding such officers was described by the CIA as a problem in overcoming "the apolitical, constitutional-oriented inertia of the Chilean military.) They were assured that the United States would give them full support short of direct military involvement. The immediate obstacle faced by the officers was the determined opposition of the Commander-in-Chief of the Army, Rene Schneider, who insisted that the constitutional process be followed. He would have to be "removed".

In the early morn of 22 October the CIA passed "sterilized" machine guns and ammunition to some of the conspirators. (Earlier they had passed tear gas.) That same day Schneider was mortally wounded in an attempted kidnap (or "kidnap") on his way to work. The CIA station in Santiago cabled its headquarters that the general had been shot with the same kind of weapons it had delivered to the military plotters, although the Agency later claimed to the Senate that the actual assassins were not the same ones it had passed the weapons to.

The assassination did not avail the conspirators' purpose. It only served to rally the army around the flag of constitutionalism; and time was running out. Two days later, Salvador Allende was confirmed by the Chilean Congress. On 3 November he took office as president.

The stage was set for a clash of two experiments. One was Allende's "socialist" experiment aimed at lifting Chile from the mire of underdevelopment and dependency and the poor from deprivation. The other was, as CIA Director William Colby later put it, a "prototype or laboratory experiment to test the techniques of heavy financial investment in an effort to discredit and bring down a government."

Although there were few individual features of this experiment which were unique for the CIA, in sum total it was perhaps the most multifarious intervention ever undertaken by the United States. In the process it brought a new word into the language: destabilization.

"Not a nut or bolt [will] be allowed to reach Chile under Allende", warned American Ambassador Edward Korry before the confirmation. The Chilean economy, so extraordinarily dependent upon the United States, was the country's soft underbelly, easy to pound. Over the next three years, new US government assistance programs for Chile plummeted almost to the vanishing point, similarly with loans from the US Export-Import Bank and the Inter-American Development Bank, in which the United States held what amounted to a veto; and the World Bank made no new loans at all to Chile during 1971-73. US government financial assistance or guarantees to American private investment in Chile were cut back sharply and American businesses were given the word to tighten the economic noose.

What this boycott translated into were things like the many buses and taxis out of commission in Chile due to a lack of replacement parts; and similar difficulties in the copper, steel, electricity and petroleum industries. American suppliers refused to sell needed parts despite Chile's offer to pay cash in advance.
Multinational ITT, which didn't need to be told what to do, stated in a 1970 memorandum: "A more realistic hope among those who want to block Allende is that a swiftly deteriorating economy will touch off a wave of violence leading to a military coup."

In the midst of the near disappearance of economic aid, and contrary to its warning, the United States increased its military assistance to Chile during 1972 and 1973 as well as training Chilean military personnel in the United States and Panama. The Allende government, caught between the devil and the deep blue sea, was reluctant to refuse this "assistance" for fear of antagonizing its military leaders.

Perhaps nothing produced more discontent in the population than the shortages, the little daily annoyances when one couldn't get a favorite food, or flour or cooking oil, or toilet paper, bed sheets or soap, or the one part needed to make the TV set or the car run; or, worst of all, when a nicotine addict couldn't get a cigarette. Some of the scarcity resulted from Chile being a society in transition: various changeovers to state ownership, experiments in workers' control, etc. But this was minor compared to the effect of the aid squeeze and the practices of the omnipresent American corporations. Equally telling were the extended strikes in Chile, which relied heavily on CIA financial support for their prolongation.

In October 1972, for example, an association of private truck owners instituted a work-stoppage aimed at disrupting the flow of food and other important commodities, including in their embargo even newspapers which supported the government (subtlety was not the order of the day in this ultra-polarized country). On the heels of this came store closures, countless petit-bourgeois doing their bit to turn the screws of public inconvenience- and when they were open, many held back on certain goods, like cigarettes, to sell them on the black market to those who could afford the higher prices. Then most private bus companies stopped running, on top of this, various professional and white-collar workers, largely unsympathetic to the government, walked out, with or without CIA help.

Much of this campaign was aimed at wearing down the patience of the public, convincing them that "socialism can't work in Chile". Yet there had been worse shortages for most of the people before the Allende government—shortages of food, housing, health care, and education, for example. At least half the population had suffered from malnutrition. Allende, who was a medical doctor, explained his free milk program by pointing out that "Today in Chile there are over 600,000 children mentally retarded because they were not adequately nourished during the first eight months of their lives, because they did not receive the necessary proteins."

Financial aid was not the CIA's only input into the strike scene. More than 100 members of Chilean professional associations and employers' guilds were graduates of the school run by the American Institute for Free Labor Development in Front Royal, Virginia-"The Little Anti-Red Schoolhouse". AIFLD, the CIA's principal Latin America labor organization, also assisted in
the formation of a new professional association in May 1971: the Confederation of Chilean Professionals. The labor specialists of AIFLD had more than a decade's experience in the art of fomenting economic turmoil (or keeping workers quiescent when the occasion called for it).

CIA propaganda merchants had a field day with the disorder and the shortages, exacerbating both by instigating panic buying. All the techniques, the whole of the media saturation, the handy organizations created for each and every purpose, so efficiently employed in 1964 and 1970, were facilitated by the virtually unlimited license granted the press: headlines and stories which spread rumors about everything from nationalizations to bad meat and undrinkable water ... "Economic Chaos! Chile on Brink of Doom!" in the largest type one could ever expect to see in a newspaper ... raising the specter of civil war, when not actually calling for it., literally ... alarmist stories which anywhere else in the world would have been branded seditious ... the worst of London’s daily tabloids or the National Enquirer of the United States appear as staid as a journal of dentistry by comparison.

The government contingency plans were presumably obtained by the Agency through its infiltration of the various parties which made up Allende's Unidad Popular (UP) coalition. CIA agents in the upper echelons of Allende's own Socialist Party were "paid to make mistakes in their jobs". In Washington, burglary was the Agency's tactic of choice for obtaining documents. Papers were taken from the homes of several employees of the Chilean Embassy; and the embassy itself, which had been bugged for some time, was burgled in May 1972 by some of the same men who the next month staged the Watergate break-in.

In March 1973, the UP won about 44 percent of the vote in congressional elections compared to some 36 percent in 1970. It was said to be the largest increase an incumbent party had ever received in Chile after being in power more than two years. The opposition parties had publicly expressed their optimism about capturing two-thirds of the congressional seats and thus being able to impeach Allende. Now they faced three more years under him, with the prospect of being unable, despite their best and most underhanded efforts, to prevent his popularity from increasing even further.

During the spring and summer the destabilization process escalated. There was a whole series of demonstrations and strikes, with an even longer one by the truckers. Time magazine reported: "While most of the country survived on short rations, the truckers seemed unusually well equipped for a lengthy holdout." A reporter asked a group of truckers who were camping and dining on "a lavish communal meal of steak, vegetables, wine and empanadas" where the money for it came from. "From the CIA," they answered laughing.

There was as well daily sabotage and violence, including assassination. In June, an abortive attack upon the Presidential Palace was carried out by the military and Patria y Liberatad.
In September the military prevailed. "It is clear," said the Senate investigating committee, "the CIA received intelligence reports on the coup planning of the group which carried out the successful September 11 coup throughout the months of July, August, and September 1973."

The American role on that fateful day was one of substance and shadow. The coup began in the Pacific coast port of Valparaiso with the dispatch of Chilean naval troops to Santiago, while US Navy ships were present offshore, ostensibly to participate in joint maneuvers with the Chilean Navy. The American ships stayed outside of Chilean waters but renamed on the alert. A US WB-575 plane—an airborne communications control system—piloted by US Air Force officers, cruised in the Chilean sky. At the same time, American observation and fighter planes were landing at the US air base in Mendoza, Argentina, not far from the Chilean border.

Washington knows no heresy in the Third World but independence. In the case of Salvador Allende independence came clothed in an especially provocative costume—a Marxist constitutionally elected who continued to honor the constitution. This would not do. It shook the very foundation stones upon which the anti-communist tower is built: the doctrine, painstakingly cultivated for decades, that "communists" can take power only through force and deception, that they can retain that power only through terrorizing an brainwashing the population. There could be only one thing worse than a Marxist in power—an elected Marxist in power.

excerpt from the book, "Killing Hope"
by William Blum
http://www.thirdworldtraveler.com/Blum/Chile_KH.html

The overthrow of the Allende government has some of the same attributes as that which overthrew the Pan-Africanist government of Nkrumah in Ghana; the same pattern of destabilization. Indeed it also resembles the assault on Mossadegh. It appears to have combined many of the tactics used in both anti-people actions. This is not surprising since the CIA was the common denominator and the moving force in all three.

And there are numerous other examples in Africa, the diaspora, and also in Ireland, Indonesia, Philippines, Mexico, Palestine, generally speaking where ever people are oppressed and are not organized sufficiently to throw off their tormentors, such things have occurred.

Nevertheless, these counterrevolutionary actions did not and could not halt the peoples' will to be free, their determination to strive for a better life. The historical momentum in the world is objective, because it is subject to the laws of dialectics, and just as the revolutionary movements have had setbacks, so has capitalism.

Here again from that citadel of capitalistic political economic doctrine, Foreign Affairs, we get a glimpse of the monopoly capitalistic sentiment, except this time, it is a very welcome somber prognostication:

The financial and economic crash of 2008, the worst in over 75 years, is a major geopolitical setback for the United States and Europe. Over the
medium term, Washington and European governments will have neither the resources nor the economic credibility to play the role in global affairs that they otherwise would have played. These weaknesses will eventually be repaired, but in the interim, they will accelerate trends that are shifting the world’s center of gravity away from the United States.

A brutal recession is unfolding in the United States, Europe, and probably Japan -- a recession likely to be more harmful than the slump of 1981-82. The current financial crisis has deeply frightened consumers and businesses, and in response they have sharply retrenched. In addition, the usual recovery tools used by governments -- monetary and fiscal stimuli -- will be relatively ineffective under the circumstances.

This damage has put the American model of free-market capitalism under a cloud. The financial system is seen as having collapsed; and the regulatory framework, as having spectacularly failed to curb widespread abuses and corruption. Now, searching for stability, the U.S. government and some European governments have nationalized their financial sectors to a degree that contradicts the tenets of modern capitalism. Much of the world is turning a historic corner and heading into a period in which the role of the state will be larger and that of the private sector will be smaller. As it does, the United States' global power, as well as the appeal of U.S.-style democracy, is eroding. Although the United States is fortunate that this crisis coincides with the promise inherent in the election of Barack Obama as president, historical forces -- and the crash of 2008 -- will carry the world away from a unipolar system regardless.

The Great Crash, 2008: A Geopolitical Setback for the West
Roger C. Altman, Jan-Feb 2009

It is not too late to reclaim our former greatness and serenity as a leading element of global human culture. But we will have to be prepared for a fierce struggle to achieve our goals. The current global regime will not voluntarily give up its immense ill-gotten gains, simply because we have been robbed of it by them.

What we require is an economy of our own making. One that is a just, egalitarian, cooperative, human centered, social economy based on "the optimal zone for development" (Consciencism, Nkrumah) -- referring to the totality of the African continent. An economy that we will develop with the vast array of talents and skills of the African global demographic, plus all the rest of the world's people interested in mutual development support.

To accomplish this noble achievement will require the optimal unity of the people of Africa, at home and abroad. Nothing less than the overall unity of the peoples of Africa, at home and abroad, will suffice. This is the only way we can achieve our goal, the total liberation and unification of Africa under scientific socialism, in short, Africa under a socialist All-African Union Government. We must take Nkrumah seriously when he wrote:

The new phase of the armed revolutionary struggle in Africa embraces the
entire continent. It is essential that we know what we fight, and why we fight. Imperialism and neocolonialism must be broken down into their component parts so that we can clearly see them. We must know their world strategy.

p. 1, Nkrumah "Handbook of Revolutionary Warfare"

And their world strategy can only be defeated by a world strategy of our own, led by an All-African Scientific Socialist Union Government. This is the only way to accommodate the world African population and help satisfy the just demands of the majority of human beings on our common planet.

Dr. Nkrumah clearly demonstrates the absolute antagonist links between neocolonialism, that is the last stage of monopoly capitalist exploitation, imperialism and the global African nation. He also clearly demonstrates, once again that the only solution to our problem is Pan-Africanism, the total liberation and unification of Africa under a scientific socialist Union Government.

Thus as we look at the global capitalist crisis, which is dragging the whole world down with it, the need for African unity that would act in concert with all the other peoples of the world who also oppose imperialism and capitalism becomes clearer everyday. This is what we must focus on, the organized unity of the African world and the organized unity of the majority of the world who, just as we do, suffer from the very existence of monopoly capitalism (imperialism in its current and last form, neo-colonialism.)

Lenin wrote in the preface to his book Imperialism: The Last Stage of Capitalism, the following: "I trust that this pamphlet will help the reader to understand the fundamental economic question, viz., the question of the economic essence of imperialism, for unless this is studied, it will be impossible to understand and appraise modern war and modern politics."

Indeed, imperialism is the dominant force behind the global system of political crimes and rampant warfare. Lenin went on to prove that imperialism was the source of the first World War, which was foreshadowed by events such as the so-called Fashoda Incident (or Crisis), in which France and England engaged in a major armed skirmish in Sudan, which nearly came to all out blows; the so-called Boer War, where the British colonial imperialists in South Africa engaged in a war against the "Boer" Dutch imperialist colonialists over the gold in what these colonialists called the "Transvaal" area of Azania(South Africa). This war in particular had the makings of a major world confrontation, as it not only drew the Dutch, siding with their colonialists, but the Germans, who were engaged in a conflict with England for dominance in Europe and for the role of the leading force in what we will call the general concept of European World Dominance; and the French, who were also contending for dominance of the European continent and the world against the British. France also had colonialists in the area too, as many of them came there after the massacre of Huguenots in France. Generally speaking much of Europe, including large sectors of the Irish sided with the so-called Boers, in most cases because of their own struggles — as in the case of the Irish, or alternatively rivalries, as in the case of France, Germany and Holland (Dutch) against the British Empire. Of course, this did not mean that there was a complete cessation of other conflicts amongst the imperialist, for example it did not obliterate the contradictions and rivalry between France and Germany. But it did focus these forces on the British, so, to
that extent it diminished conflicts within the pro-Boer bloc in Europe.

Politically, we see a similar "diplomatic" phenomena in the imperialist world, with the Berlin Conference of 1884, which was called by Bismarck's government to bring all the European powers and the European settler state of the US, together to carve up the Congo, specifically, and Africa generally. This was done for strategic reasons, as the Congo is at the heart of Africa, as Nkrumah observed, but also so that each of the other parties to the conference could take advantage of the relative weakness of the Belgian imperialist state which had been the sole looter and murderer entity preying on the Congo. As you know this is a weakness that the other colonialists exploited on a grand scale to ruthlessly plunder and loot the Congo's enormous wealth in natural resources. This is a battle that we are still fighting today as the imperialists, with the aid of neocolonialist stooges in Africa, combined with imperialism's control of various multilateral organs, such as the UN Security Council; so-called aid groups, and various other agency forms, continue the rape and massacre of the Congo and her people.

Nkrumah clearly understood the importance of exposing the nature of neocolonialism. His exposition on the Congo tragedy accurately dissected the imperialist processes at work there. His book, Challenge of the Congo, emphasized the historical roots of the war against Lumumbaist administration of the Congo and Pan-Africanism. Here is an example of his historical recount of this ongoing war. (A war that is indeed of global and Pan-African importance):

This famous document known as the Regimento of 1512, can perhaps be described as the first essay in neocolonialism. It provided that the Portuguese should help the King of the Congo in organizing his kingdom:

In the year 1482, three small Portuguese ships set out from Elmina in Ghana. Their mission was to find a route round Africa which would outflank the Arab States which controlled North Africa. The Portuguese hoped to reach the legendary kingdom of that supposed great African Christian monarch, Prester John. This fleet, commanded by Diogo Cam, never rounded the tip of Africa but it did discover the ancient kingdom of the Congo, and the long history of European intervention in Central Africa had begun.

The Portuguese were already established in a number of forts along the African West Coast, of which the Fort of St. George at Elmina (1481), from which the expedition started, was the largest and best equipped. The African States of this coast and hinterland were well organized politically, militarily and economically. They controlled the produce of the interior and sold it on their own terms. They did not need to enter any military or economic alliance with the Portuguese, who were tolerated solely as traders.

In the Congo, however, it was different. The King of the Congo, the Mani Congo, was in reality only a feudal overlord and he was engaged, as had been the Portuguese monarchy eighty years before, in a life and death struggle with his nominal vassals. The Portuguese therefore were welcomed by the Mani Congo as potential allies. The Portuguese on their side saw the opportunity of establishing a Christian State as a bastion
against Islamic intrusion and as a link with the Kingdom of Prester John. The first consignment of technical aid, consisting of priests and skilled craftsmen with the tools of their trade and a variety of religious objects, arrived in 1490.

From then onwards there was a small but steady flow of European technicians, who included, in 1492, two German printers. Considering that printing had been established in England only fifteen years before and had not yet been established in Spain, the provision of printers is a remarkable tribute to the level of civilization reached in the Congo. The Portuguese, with the support of the Mani Congo, set out on a systematic policy of westernization in the Congo. At this point emerged the contradiction that has haunted European and African relations ever since.

The Congolese wanted to secure, through trade with Europe, foreign exchange in the form of gold and silver, capital equipment like merchant ships and printing presses, and above all European specialist in medicine, teaching, shipbuilding and navigation. The Portuguese on the other hand were determined to exploit the naval knowledge, their large merchant fleet and their command of the sea. This command of the sea involved alliances with those who controlled the approaches to the Congo and beyond. Such an alliance was fatal to any real partnership between the Congo and Portugal. The center of Portuguese naval power in the Central and South Atlantic was the island of Sao Tome, originally colonized as a Portuguese penal settlement in the very year the first group of priests and technicians were sent to the Congo. It was ruled by a Lord Proprietor, whose goodwill the Portuguese had to maintain at all costs.

The Lord Proprietor of Sao Tome had one overriding interest--the slave trade. Once Portugal began to develop Brazil she became herself dependent on the slaves sold through the Sao Tome slaving organizations.

The development of all this was in the future. At the time, it appeared on paper that Portugal and the Congo treated each other as equal states. The Mani Congo, who ascended the Ivory Throne in 1506, became a Christian as part of a concerted policy of westernization. Much of the correspondence of this remarkable king, Dom Affonso, with the Kings of Portugal has survived and it is clear that he looked on the Portuguese alliance as the most effective method of modernizing his kingdom. Before we condemn his lack of realism in this regard, it is necessary to remember that there are African rulers today who are pursuing a similar policy. What subsequently happened in the Congo should be an object lesson to them.

In much the same way as modern colonialist powers provided their colonial territories with model constitutions, so King Manoel of Portugal provided a constitution for the Congo. This famous document known as the Regimento of 1512, can perhaps be described as the first essay in neocolonialism. It provided that the Portuguese should help the King of the Congo in organizing his kingdom. The Portuguese were to introduce a system of European law and to train the Congolese Army in their methods of warfare. They were to teach the royal court the correct etiquette to observe and...
they were to build churches and to provide missionaries. In return for this
the Congo would fill the Portuguese ships with valuable cargo. In his letter
of instruction to the Ambassador who was to present the Regimento, the
king of Portugal wrote:

'This expedition has cost us much; it would be unreasonable
to send it home with empty hands. Although our principal
wish is to serve God and the pleasure of the King of the
Congo, none the less you will make him understand, as
though speaking in our name, what he should do to fill the
ships, whether with slaves or copper or ivory. '

The mention of copper is interesting as showing that the products of the
Zambia and Katanga copper belt were already well known. At this time,
surviving records show that Katanga copper was also being marketed on
the East Coast, though the main African trade in the metal was internal.
Dom Affonso accepted the Regimento and provided the Portuguese with
320 slaves. Thus began an unequal trade between the Congo and the
West. The evil effect of this trade was not immediately apparent and the
Kingdom of the Congo was at first able to treat other European nations on
equal terms. In 1513 a mission from the Man! Congo led by his son, who
had been baptized Dom Henrique, visited the Pope, travelling overland
from Portugal and carrying with them gifts of ivory, rare skins and the fine
woven raffia textiles then manufactured in the Congo. Dom Henrique, who
was at this time 18 years old, was able to address the Pope in Latin and
five years later, on the formal proposal of four Cardinals, he was elevated
to the rank of Bishop of the Congo.

In the end Dom Affonso was prepared to sacrifice all Portuguese trade if he
could suppress slaving. In 1526 he wrote to the King of Portugal:

'We cannot reckon how great the damage is, since the above
mentioned merchants daily seize our subjects, sons of the
land and sons of our noblemen and vassals and our
relatives.... Thieves and men of evil conscience take them
because they wish to possess the things and wares of this
Kingdom..... They grab them and cause them to be sold:
and so great, Sir, is their corruption and licentiousness that
our country is being utterly depopulated. And to avoid
(them), we need from (your) Kingdoms no other than priest
and people to teach in schools, and no other goods but wine
and flour for the holy sacrament: that is why we beg of Your
Highness to help and assist us in this matter, commanding
your factors that they should send here neither merchants
nor wares, because it is our will that in these kingdoms (of
Congo) there should not be any trade in slaves nor market
for slaves. '

But by then his power had been undermined. The traders of Sao Tome
went over his head to his nominal vassals from whom they procured the
slaves, even fomenting civil wars in which Portuguese subjects served on both sides. Thus whichever way the war went, an ample supply of captives was assured for sale to Sao Tome and Brazil. With Dom Affonso's death the Congo Kingdom broke up. Portuguese troops, acting under the terms of the alliance, drove out invaders in 1570 and the Mani Congo of the time acknowledged Portugal as the protecting power. The ancient Congo capital of Sao Salvador was raised to the rank of city as was made the seat of the Bishop of the diocese of the Congo and Angola. But by 1700 the Bishops had departed, its twelve churches were in ruins and Sao Salvador was a deserted city. The Portuguese turned their attention to the area farther south, the Portuguese colony now known as Angola.

The first attempt to construct an African State by an African leader in alliance with a European power had foundered in anarchy and confusion.

In the last official Handbook of the Congo published by the Belgian Government in 1959, the results of western slave trading are thus described:

'By the end of the 17th century the slave trade, which had started as a Portuguese monopoly, had become a gigantic international undertaking. The places where slaves were kept became more and more numerous and profitable. The French appeared in their turn, drove the Portuguese away from the port of Cabinda and installed their slave markets chiefly beyond the north bank of the river toward Loango and Malemba, while the English traded in the estuary.

In the course of a single year, in 1778, 104,000 slaves had been exported from Africa; one third of them came from the Congo and Angola. '

Excerpt from "Challenge of the Congo"
http://www.panafricanperspective.com/aaprp/congo.html

We all remember the terrible slaughter, ghoulish dismemberment and acid-based disintegration of the body of the legitimate Congolese government of Patrice Lumumba on the order of President Dwight D. Eisenhower. We cannot forget the role that the UN played in this international crime and how they used the Ghana army to block Lumumba's access to the Congo's key radio station.

This crime was facilitated by the fact that the Ghanaian army Nkrumah had inherited from the British a few years earlier were overwhelmingly loyal to the British and not Ghana. This was particularly true of the officer class and indeed Major General Henry Templer Alexander the leader of the Ghanaian contingent in the Congo, was a European settler from Britain. So, the Ghanaian army of that day had no intention of observing the command of Nkrumah, particularly in light of their command structure blatantly contradicting Nkrumah.

This kind of neo-colonialist mentality in the Ghanaian military was the essential reason
that Nkrumah had advocated a merger of the Congo and Ghana rather than an appeal to the UN by the Lumumba government. As a union of the two countries would have put the forces under joint Ghana-Congo control, but the resort to the UN, put all the military contingents ostensibly in the Congo to stabilize the legitimate government under UN control, and not under their national states. This is why Egypt and Guinea withdrew their forces, as they felt it was pointless to continue working with the UN; Nkrumah kept his forces inside Congo at the request of Lumumba, prior to the radio station incident, of course.

This episode contributed, along with the numerous assassination attempts on his life, (there were some eight or so attacks on his life by the imperialists), led to Nkrumah’s decision to build a socialist armed force in Ghana that would protect the Pan-Africanist base in Ghana that Nkrumah and the Convention Peoples Party (CPP), and obviously Pan-Africanism as a whole.

And we must not forget that many African lackeys inside and outside of Africa, played an essential role in this vile conquest of the infant Congolese state whose only ambition, and thus only "crime", was to work for the achievement of justice for the long suffering people of the Congo and of Africa at large.

One of the few concrete efforts to combat these imperialist forces was the belated agreement between Lumumba's Congolese government and Nkrumah's Ghana government.

Here is the text of the Congo-Ghana agreement:

Secret Agreement signed by Osagyefo, Dr. Kwame Nkrumah and His Excellency, Mr. Patrice Lumumba, Prime Minister of the Republic of the Congo, at Accra on 8 August 1960.

The President of the Republic of Ghana and the Prime Minister of the Republic of the Congo have given serious thought to the idea of African unity and have decided to establish with the approval of the Government and peoples of their respective States, among themselves a UNION OF AFRICAN STATES. The Union would have a Republican Constitution within a federal framework.

The Federal Government would be responsible for:

- Foreign Affairs;
- Defense;
- The issue of a Common Currency;
- Economic Planning and Development.

There would be no customs barriers between any parts of the Federation. There would be a Federal Parliament and a Federal Head of State. The Capital of the Union should be Leopoldville. Any State of Territory in Africa is free to join this Union. The above Union presupposes Ghana's abandonment of the Commonwealth.
Dated at Accra this 8th day of August 1960

Kwame Nkrumah
President of the Republic of Ghana

Patrice Lumumba
Prime Minister of the Republic of Congo

http://www.panafricanperspective.com/aaprp/agree.html

This Ghana-Congo Agreement, along with the Ghana-Guinea Union of November 1958, and the Union of African States (UAS), created when Mali joined the Ghana-Guinea Union, in April 1961 were the first tentative steps towards building a truly united African government.

Unfortunately, after the CIA-MI6 overthrow of Ghana's great Pan-Africanist government under the leadership of the CPP and Dr. Nkrumah (February 24, 1966), Mali lost its nerve and thus the UAS ended. However, the spirit of the unity created by the Democratic Party of Guinea (PDG) and the CPP lived on when President Seku Ture of Guinea, on behalf of the people and party-state of Guinea invited Osagyefo to assume the mantle as Co-President of Guinea. This was an absolutely heroic gesture on the part of the Guinean Revolution, as it thwarted imperialism's goal of ending Nkrumah's work promoting the African Revolutionary struggle and Pan-Africanism generally.

The Congo situation is one of the starkest examples of neo-colonialism at work, joined by the bloody overthrow of Nkrumah and the peoples' government of Ghana, and the NATO mercenary army invasion of the PDG state in Guinea on November 22, 1970.

Fortunately in the case of the latter crime, the valiant people of Guinea, and the forces fighting for the liberation of Guinea Bissau, who had training facilities in Guinea Conakry, other African movements training in Guinea, Nkrumah and the core of the other Pan-Africanists working directly with Nkrumah, such as his Political Secretary, Kwame Ture (aka Stokely Carmichael) and his wife at the time, Miriam Makeba, combined to defeat this NATO-backed invasion. It was a shining moment and clear indicator of Pan-Africanism's true potential for good in the world.

But, neocolonialism is still with us today. This is the meaning of the rightist, pro-western capitalist dominance inside the African Union (AU). Although it uses Nkrumah as a symbol, many of the leaders reject his policies absolutely. They enshrine capitalism and links with the imperialist states as sacrosanct, they follow the imperialist dictates on the question of African integration/unity, opting for a go slow, regional-based approach, both of which Nkrumah and his allies opposed furiously. In short much of the AU's past edicts have been lifted right from the imperialist playbook.

But there are signs of possible positive movement. The Libyan led effort to use the "African Union Authority" as a back door to African Union Government. There has been stiff opposition to the US's AFRICOM hoax, which is clearly a neo-colonialist effort, with its emphasis on US military domination of both military and political-economic systems in Africa. But, even here, even with the most naked ambition to extend neo-colonialist control of Africa, there are misleaders, such as Sirleaf in Liberia, the regime in Djibouti...
and others who are openly loyal to the AFRICOM and general US military occupation of Africa.

Neo-colonialism thus remains strong. The recent April 2009 G20 meeting in London, did not include an AU representative, but the Ethiopian leader, a pawn of the US, was invited as the representative of the NEPAD, which is not really a part of the AU, as it is the "common" property of the so-called "partners" of Africa and Africa. The decision to ignore the AU was taken even though it contradicted the stated position (Jan 2009) of the AU that Africa should be represented by the Chair of the African Union and the Chair of the African Union Commission. By the way, one of the things that the Libyans proposes to do in the context of creating the AU Authority is to finally put NEPAD under Africa's control.

And the fact that the AU was not invited, although a chorus of African leaders lobbied for its inclusion is even more of a slap in the face because the European Union (EU) was an official participant in the G20 meeting. This demonstrates the weakness of the AU, as now configured, the submissive posture of the current crop of African leaders and their absolute capitulation to the major capitalist powers, particularly the US, and Africa's pathetic reverence for the IMF and similar US-dominated agencies, a reverence that is more like subservience. Far too many African leaders have assimilated the habit of obsequious servility in the face of imperialist bullying and intimidation. They do not have the courage and integrity of a Sobukwe, Ben Bella, Nasser, Seku Ture, Lumumba or Nkrumah. Too many are like Nyerere, Kenyatta and Mandela.

The South African government delegation at the G20, which was the only official African state delegation, led by Trevor Manuel, said that it did not discuss Africa's great damage caused by the capitalist crisis, because it was based on its own merits. Not that it should have allowed itself to be fostered as Africa's voice without the consent of Africa.

On the other hand it is not surprising that the ANC government did not make an overly vigorous argument for Africa's case for inclusion in this meeting, as it has been in the vanguard of the vocal opposition to African Union Government, and thus African Unity and Pan-Africanism, since at least 1999. It is totally locked into the preservation of the imperialist economy which owns the South African neocolonial state.

In fact, the ANC led government is essentially a tool to achieve the dream of the British imperialist since Cecil Rhodes, that of a South African led southern and central African federation to dominate Africa's economy. The Rhodes idea has been expanded dating back to the "apartheid" state, when it became a Constellation of Southern African States, whose purpose was the domination and control of the whole African economy. This in essence is why the ANC does not support Pan-Africanism, and thus refuses to support any calls for the implementation of Union Government in Africa.

Thus we see why the struggle against neocolonialism, in all its forms, from financial and economic manipulation, to psychological and philosophical brainwashing, to political and military strategies of destabilization, is essential. As Nkrumah wrote, "It is only when the bourgeois ruling class in neo-colonialist states is overthrown by class-based socialist revolution, that fundamental changes in society can be accomplished." p. 81 "Class Struggle in Africa"

*Neo-colonialism in depth....*
Neo-colonialism emerged because of the collapse of the colonialist imperialist system. The colonialist system of imperialism arose when the great European banks, stock markets, capitalist combines and trusts, could no longer find new opportunities to make super-profits in their host countries. So they targeted and seized overseas areas to conquer and exploit.

This is essentially how Lenin explained the development of imperialism as the last stage of capitalism. To further our understanding I would like to offer two quotes from Lenin's book, *Imperialism The Highest Stage of Capitalism*, so we can get a feel for his views:

It is not without interest to observe that even at that time these leading British bourgeois politicians fully appreciated the connection between what might be called the purely economic and the politico-social roots of modern imperialism. Chamberlain advocated imperialism by calling it a "true, wise and economical policy," and he pointed particularly to the Germans, American and Belgian competition which Great Britain was encountering in the world market. Salvation lies in monopolies, said the capitalists as they formed cartels, syndicates and trusts. Salvation lies monodies, echoed the political leaders of the bourgeoisie, hastening to appropriate the parts of the world not yet shared out. The journalist, Stead related the following remarks uttered by his close friend Cecil Rhodes, in 1895, regarding his imperialist ideas,

'I was in the East End of London (a working-class quarter) yesterday and attended a meeting of the unemployed.. I listened to the wild speeches, which were just a cry for 'bread! bread!' and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism.... My cherished idea is a solution for the social problem, i.e., in order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the goods produced in the factories and mines. The Empire, as I have always said, is a bread and butter question. If you want to avoid civil war, you must become imperialists.'

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and

...Imperialism is the epoch of finance capital and of monopolies, which introduce everywhere the striving for domination, not for freedom. The result of these tendencies is reaction all along the line, whatever the political system, and an extreme intensification of existing antagonisms in this domain also. Particularly acute become the yoke of national oppression and the stringing for annexations, i.e., the violation of national independence (for annexation is nothing but the violation of the right of nations to self determination). Hilferding justly draws attention to the connection between imperialism and the growth of national oppression.
'In the newly opened up countries themselves,' he writes, 'the capitalism imported into them intensifies contradictions and excites the constantly growing resistance against intruders of the people who are awakening to national consciousness. This resistance can easily become transformed into dangerous measures directed against foreign capital. The old social relations become completely revolutionized. The age-long agrarian incrustation of 'nations without a history' is blasted away, and they are drawn into the capitalist whirlpool. Capitalism itself gradually procures for the vanquished the means and resources for their emancipation and they set out to achieve the same goal which once seemed highest to the European nations: the creation of a united national state as a means to economic and cultural freedom. This movement of national independence threatens European capital just in this most valuable most promising field of exploitation, and European capital can maintain its domination only by continually increasing its means of exerting violence.'

To this must be added that it is not only in newly opened up countries, but also in the old, that imperialism is leading to annexation, to increased national oppression, and, consequently, also to increasing resistance...

**Neo-colonialism is a stage of imperialism**

Now an imperialist system that exists in neo-colonialist conditions can be described as the phase of the internationalization of monopoly financial capital where the political reins of power appear to be in the hands of the native peoples. That happens when the monopoly capitalist find that the peoples of the area that they have seized will no longer tolerate colonialism. That is, instead of passively accepting their enslavement, the people fiercely oppose the imperialist system and demonstrate a strong willingness to fight, die and KILL if necessary to end it.

To avoid the loss of the colony's wealth and labor, either through a victorious outcome achieved by the indigenous forces or by a war that destroys the ability to make profit, even if the colonialists are not strictly speaking defeated by the popular forces, the colonialist decided to pretend to give the people their freedom and sovereignty. Thus by placing handpicked leaders from among their native elite lackeys, they can still reap the benefit while appearing to have relinquished all control over the territory. All the while they are exercising all power in the infected area from behind the screen of these cadres of lackeys.

Kwame Nkrumah picked up where Lenin left off and demonstrated that the final desperate stage of imperialism is neo-colonialism, that is the stage where the consciousness of the colonized peoples is so high that old-line colonial forms can no longer remain in tact. Hence there must be a new colonialism, one that lulls the people into thinking that the attainment of sham independence, that is possession of the trappings of political sovereignty, without the means and power to exercise real
economic and political control, fully satisfies the goals and objectives of their particular
national liberation struggle. In essence, the people are deprived of social and economic
improvement in their lives and are given the myth that they are independent of the
colonial power, who has merely feigned withdrawal, and continues to run the society
behind the screen of local reaction, primarily the local, i.e., the indigenous, bourgeoisie.

Nkrumah pointed out that neo-colonialism is sustained by the ages old tactic of divide
and rule. The remedy for this is obvious unity; African unity; unity between Africa and
Asia, Latin America, strengthening ties with the socialist states across the globe, and
building relationship with the small anti-imperialist circles in the imperialist countries
themselves. The pre-requisite for this is the development of ideological clarity among all
these forces.

He pointed out that the key to understanding neo-colonialism is that it represents a
compromise in the previous imperialist equation, namely the participation of the state in
the determination of the direction of capitalism, and the provision of benefits to the
workers in the imperialist countries, thus transforming the rich-poor conflict from the
national level, that is the conflict inside their countries between the capitalist and the
exploited, to a conflict at the international level, where the intensified exploitation and
oppression of the captive nations, to buy off their own working classes, transfers the
rich-poor conflict from a contradiction pitting national forces, the workers of the
particular capitalist state, to one between the peoples of the subject country and the
neo-colonialist state. In the last few decades of the 20th century, however, capitalism
found itself unable to maintain the system of modern day "bread and circuses" and
decided to shut down the welfare state and increase their overt control of the neo-
colonies. This has even led to some people, including Ali Mazrui, to call for the re-
colonization of Africa. Ideological turncoats such as Mazrui, Ben Jochanon, must be
exposed and defeated just as their masters in the neo-colonial global white supremacy
structures centered in the US and Europe.

Dr. Nkrumah was very clear that neo-colonialism was the number one threat to world
peace; the source of instability, assassinations, coups, limited wars against small
countries, and most threatening of all, it carries the seed of a potentially devastating
third world war.

Through his work and sacrifice, Dr. Nkrumah and his comrades, helped us understand
the true nature of neo-colonialism. We now know that neo-colonialism is first and
foremost the breakup of the large geopolitical units that were employed in the colonial
period into small ineffective states. This is done because, whereas the colonial powers
were interested in the administrative benefits and economies of scale provided by larger
geopolitical areas, they did not want the newly independent peoples to have these
advantages.

Generally speaking neo-colonialism is affected through either collective imperialism such
as the collaboration of the US, Belgium, Britain in the Congo, each seeking to assure that
the Congolese national liberation movement did not realize its political and social goals
that would have benefited the people of the Congo, and ended the diabolical dominance
of their multinational mining concerns and other interests; or by the domination of a
single imperialist power such as the USA.

Among other critical components of neo-colonialism are their intelligence and espionage
capability. These are used to defeat the true revolutionary elements in the national liberation struggle by means of physical elimination, and psychological warfare, and counter conditioning of the peoples. These entities promote splits between countries; instigate tribalism, religious and ethnic tensions; anything that will keep the people divided. An essential element of neo-colonialism is the campaign to negate Pan-Africanism by their strategy of substituting regional groupings as the cornerstone of African Unity as opposed to the full continental political unity advocated by Pan-Africanists. Unfortunately we note that the African Union has continued to follow this neo-colonialist format.

An extremely important component is the use of a variety of military means — control of the military through the alliance with reactionaries in the national armies such as Ankrah and Oto in Ghana, Mobutu in the Congo and so forth. Related tactics in this area include defence agreements, which allow the former colonial power to intervene in the affairs of the state any time their interest is threatened by the peoples' just struggles to seize control over their existence, achieve true sovereignty, and improve their quality of life; and by one sided agreements giving the former colonial power army, naval and air bases on the territory of the neo-colonial state, agreements which are nothing more than arrangements for the hosting of disguised garrisons in the subject neo-colonialist country. The European Union (EU) and the US are planning and formalizing the use of specific military assets in Africa, either in tandem, via EU-NATO cooperation; as part of the alliance between the US and individual European countries, notably France, UK and Belgium, or separately. The creation of the AFRICOM and related US military structures aimed at Africa, coupled with similar actions of their European allies, have become the hallmark of this new form of military aggression against Africa and her interest.

Closely related to these is the provision of military aid to the puppet state.

A central form of neo-colonialism is manipulation of the financial, economic and trade sectors of the erstwhile independent country. Commercial domination is achieved through interlocking multinational corporations such as Unilever and Anglo American.

Still another critical element is their activities in the realm of ideological, psychological, philosophical, educational, and other related cultural areas.

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

The need to study and combat neo-colonialism, page 239, Nkrumah, Neo-colonialism: The Last Stage of Imperialism

US role in Neo-colonialism

Dr. Nkrumah identified the USA as the leading force in the global neo-colonialist system. Pointing out that it had honed its skills in the course of its long time control of Latin America, he went on to show how at the conclusion of world war two, it used its superior financial and military position to establish a dominant position across the globe.
Foremost among the neo-colonialists is the United States, which has long exercised its power in Latin America. Fumbling at first she turned towards Europe, and then with more certainty after world war two when most countries of that continent were indebted to her. Since then, with methodical thoroughness and touching attention to detail, the Pentagon set about consolidating its ascendance, evidence of which can be seen all around the world.

US’s post WW II assumption of the leading role in neo-colonialism, page 239, Nkrumah, Neo-colonialism: The Last Stage of Imperialism

Osagyefo demonstrated the evolution and importance of the welfare state concept in neo-colonialism. He explained that it was a necessary response to the problems faced by the individual capitalist states that found themselves fighting the disaffected workers in their own country, as well as the emerging national liberation movements in the colonized world. The disaffection among their workers was instigated by the fact that the profits of capitalist imperialism primarily benefited the capitalist class, and very little benefit was received by the other sectors, causing these sectors to be less supportive of imperialism. As one bourgeois author described this phenomena:

Purchasing power was limited by the fact that a large proportion of the national income went to capital claimants, that is, owners or creditors in payment of rents, profits, royalties, and interest. The disproportionate share of these claimants induced further expansion and contributed to overproduction. Although wages and salaries increased in the 1920's the proportion of the national income allocated to wages decreased.

Distribution of national income in the US before the era of the Welfare State, pages 204 -205, Francis G. Walett, Economic History of the United States

This disproportionate dispensation of the profits of imperialism induced a reaction in the disadvantaged sectors in the capitalist societies. The reaction was manifested in strikes, slow downs and similar actions. What really alarmed the capitalist however was, as Osagyefo pointed out, that the disgruntled workers were beginning to see the anti-colonial fighters around the world as their natural allies in their own battles with the capitalist.

To bring these sectors back into the fold the capitalist tinkered with the system, and altered their position slightly. In other words they reformed it, by using some of the profits from international monopoly financial capital's exploitation to give their workers some social benefits. In short they created the welfare state.

In his analysis of the evolution of neo-colonialism from its predecessor colonialism, Nkrumah provides us with this explanation of the rise of the Welfare State system.

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

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

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

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

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

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

Advent of the Welfare States pages xii to xiii, Nkrumah, Neo-colonialism: The Last Stage of Imperialism

The weaknesses of the system were evident as least as early as the great depression of 1929. One of the leading factors of that decline was identified, by Walett, as the collapse of the post World War I US-centered global financial and trading system:

When world trade began to contract in 1929, many European and Latin-American debtors were unable to export enough goods to obtain the funds they needed for payment of interest charges on their American loans. Importers of American products were compelled to reduce their purchases.

Depression of 1929 and the collapse of the US global trade and financing system, page 205, Francis G. Walett, Economic History of the United States

As such, the second world war was inevitable, as the capitalist imperialist powers had to initiate a new round of redistribution of global spheres of political economic influence.

Today we see a new phase in this last stage of imperialism. Dr. Nkrumah pointed out that the existence of the nuclear standoff between the Soviet led bloc and the US led bloc, made world wars of the types that developed in 1914 and 1939, less likely and forced imperialism to engage in limited wars, such as the war against the people of Indochina, when the US attempted to exploit the defeat of French colonialism and replace France as the imperialist power in that area.

As Nkrumah pointed out even though these kinds of conflicts are limited in scope, they could very easily develop a momentum sufficient to create the conditions for a world war. And the situation in Asia very nearly developed such characteristics as there was conflict not only in Vietnam and the rest of Indochina; there was the Chinese war of liberation, which only ended in 1949, between the socialist forces, led by Mao, and imperialist neo-colonialism; there was the US neo-colonialist war against socialist Korea in the early to middle 50's; and violent tension throughout much of the region.

However, generally speaking, the possession of nuclear weapons by both blocs did tend to diminish the possibility of a world war. Now, however, with the internal collapse of the Soviet bloc, due to poor ideological development of Soviet society, largely because of their failure to take Lenin's advice on the critical role of theory. (Lenin had argued that Marx and Engels were correct in their assertions that the theoretical struggle should be put at the same level as the political and economic struggle, but this was ignored by the leadership of the USSR.) Hence, there is no longer a bi-polar power equation, and in fact there is only one remaining all-around super power, the US. Compounding this is the fact that the Peoples Republic of China has hamstrung itself by it investment and
related policies implemented as part of their social capitalism structures. Policies that has made it unlikely that China will be able to act as a sufficient counterweight to imperialism in the near and intermediate future.

This reality has led some of the leading elements of US capitalism, and their main allies in Europe and elsewhere, to assume that this gives them a carte blanche to pursue aggressive military and related policies throughout the world, and to intensify the drive for a peculiarly American form of fascism domestically. This has increased the possibility of a third world war to the degree that it may be historically imminent.

Just as technology and other factors made WW II much more costly in terms of human suffering than WW I, a third world war would certainly make the second world war look relatively tame in comparison. It must be prevented if our global civilization and common heritage as human beings is to be preserved.

Fortunately, the resolute resistance of the peoples around the world, in the Middle East, Latin America, Asia and Africa; plus the incipient, and still relatively unconscious, anti-capitalist and anti-imperialist movement that have enlisted large sections of the population in the NATO countries, shows the very real possibility of defeating those who are recklessly pushing us to a truly disastrous world war.

The consciousness of the people of the imperialist countries is a critical component in humanity's struggle against the narrow and dangerous policies of the imperialist sectors. However, the most important blow against neo-colonialism, the lynchpin of contemporary imperialism, and thus of the drive to expanding global warfare, must be struck by the peoples suffering under the direct yoke of neo-colonialism. This is why Africa, as the most oppressed and exploited of the neo-colonized areas, is so important to the survival of humanity.

*Consequences for the world's exploited countries*

Nkrumah demonstrated how the primary products of the exploited countries, neo-colonized and non-aligned alike, were steadily losing purchasing power, and the prices demanded of them for manufactured goods from the imperialist countries were steadily rising.

It was estimated by United Nations experts that the dependent countries had to pay 2.5 to 3 billion more for their imports of manufactured goods in 1947 than they would have had to pay if price ratios were the same as 1913. For the period from 1950 to 1961, according to the Food and Agricultural Organisation of the U.N., the index of returns for primary materials fell form 97 to 91 (70 for cocoa, coffee and tea), while that for manufactured goods rose from 86 to 110...In terms of exchange as between primary producing countries and the exporters of manufactured goods, there has been a decline in ten years form 113 to 82, to the disadvantage of the former. The value of Ghana's exports in 1962 was the same as that for 1961, but the volume had increased by about six per cent. The value of imports in 1962 was reduced by 16 per cent but the volume fell by only 14 percent.
Economic impact of neo-colonialism on the exploited peoples, page 238, Nkrumah, Neo-colonialism: The Last Stage of Imperialism

Today we see that in point of fact primary commodities, such as cocoa, are still controlled by the imperialist countries, through the means of the commodity trading markets — which they use to set prices; domination of the value added side of the processing of the commodity (e.g., in the case of cocoa, the preeminence of imperialist countries in the transformation of cocoa into chocolate and collateral products); the financial control of the global banking system, including the Bretton Woods institutions the IMF and World Bank through SAP and HIPC constraints; by means of the use of so-called agricultural and technological advisors; and so forth.

President Fidel Castro, speaking at the Group of 77 meeting in Havana observed that in 67 of the "South" countries such commodities accounted for at least 50% all export revenues. He also remarked that purchasing power of sugar, cocoa, coffee and other such commodities was only 20% of their 1960 value and as a consequence does not even cover the cost of production. President Castro unequivocally placed the blame on these circumstances at the doorstep of the neo-colonial powers.

According to interest groups such as the chocolate industry, however, the price of the cocoa commodity is strictly a function of supply and demand. The chocolate industry firmly defend the futures contract marketing of cocoa, and deny that these markets manipulate and control prices, asserting that the commodity exchanges that handle the trading are transparent and neutral in the process.

I can recall back in 1979 the then Nigerian Oil Minister pointed out that the price of oil was manipulated through the use of nonexistent oil, that is oil that only exists on paper (the future contract), but nonetheless is figured in the projected supply of petroleum as if it was actual oil, thus affecting the "supply" of oil. In the same way, futures trading institutions artificially alter the perceived supply of other commodities, such as cocoa, by the issuance of future contracts and options. (It is important here to remember that each commodity exchange has members of the exchange who participate in the trading, these members are in fact actual members of the exchange, and not patrons as others who sell and buy the contracts. Hence, the exchange can use the well-financed members to create or stop a flurry of buying and selling in any of the commodities it offers.) By manipulating cocoa prices through the selling and purchasing of futures contracts, that is, inflating or deflating the anticipated supply of a commodity through the time sensitive exchange of the fictitious commodities created by means of the future contract, they actually determine the pricing level offered to the producer of the real good, those that produce the actual physical commodity. Since it is exceedingly rare for a purchaser of a futures contract to actually take possession of the physical commodity, the commodities exchange does not have to deliver the physical good, so it doesn't matter that the majority of the supposed commodity they are buying and selling never really existed, that such exchange are essentially notional operations, in the same way that credit swaps and the other such shady transactions that have come to symbolize the current phase of capitalist systemic crisis. Nevertheless, these operations exercise great power in determining the price of the physical commodity.

Imagine for a moment you grow apples, and you went to market once a year, obviously you would hope to get the best price for your apples, let us say you wanted 12.50 US a basket. However, there was a futures trading establishment issuing future contracts for
the purchase of a basket of apples at 7.50 for the specific month that you are going to market. Now the big, so-called "value added" concerns that buy apples, for manufacturing pies, juice, jellies, and what not, can go to the futures traders and purchase a future contract at the 7.50 price before hand, thus locking in a price five dollars lower than what you intend to ask for. Since, even though we know that the futures industry does not normally deliver tangible commodities to their customers, they have the capacity to do so if the customer wants or if circumstances dictate for other reasons, you cannot simply assume that they won't be able to get the apples they want at that price. So, you could not afford to hold at your price of 12.50 because you, as an individual producer, are not big enough, not capitalized sufficiently to take on the futures exchanges. Your options are very limited. Basically you could hold on to your apples and not sell at the time you had intended, which is not a good option, as apples are highly perishable, and as a grower you have not invested in the means to freeze them or alter them so they do not spoil, Or you could find something else to do with your crop, such as eat them yourself, give them away, throw them away; all of which would mean you would not have the revenue you anticipated from the sale of the apples. Or you can sell your real apples at the price established by the futures industry.

Clearly then to avoid this conundrum, this dilemma, you would have to find a way to aggregate with other apple growers. In essence your only real viable option, would be the creation of a cooperative cartel of apple producers strong enough to counteract the collusion between the financial sector, the trading sector and the apple users industry, such a cartel would then attempt to set export and production numbers for its member apple growers.

However, since the apple users industry have the backing of their government(s), you would have to find a way to get around this even if you created a cartel. If you lived in an area under the same jurisdiction as one of the governments in league with the apple users, you would have to find some way of keeping the apple users from deploying their influence to induce the government to block your cartel. If you lived in an area not controlled by the government(s) of the apple users, you would obviously turn to your government for protection and succor. But if your government is too weak, or otherwise unable to render the needed support, then you would have to somehow help your geographical area get an innovative form of government that could and would respond to the apple growers and similarly impacted sectors of your country's economy.

So, obviously for the chocolate industry and their lobbies to assert that the prices are not fixed by the collusion between themselves and the financial/trading sectors is simply a bold face lie to cover up their grand and highly lucrative activity, what we would call in street jargon, a hustle. A hustle that has very negative implications for African countries such as Ivory Coast, Ghana and to a lesser extent, others such as Cameroon and Nigeria; and one would have to say Africa generally. Because, it is also a negative economic and social factor for countries such as Burkina Faso, whose citizens go to the Ivory Coast to work in its cocoa agricultural.

These circumstances have obvious political implications for the producer countries as a whole, because the manipulation of commodity prices can be used to destabilize the country, as was the case in Ghana. In the era of the CPP government in Ghana, the production of cocoa in Ghana increased but revenues from cocoa sales decreased because of the price offered (in fact the production doubled from the early fifties to the early sixties.)
The cold facts are that the West, here we refer specifically to the US, UK and France, which are major consumers of cocoa, the US being the major consumer, connived to destroy the Ghanaian economy by keeping the cocoa price down, thus causing massive dislocation in the society and giving cover for the treasonous, criminal actions of Generals Otu and Ankrah, and (Acting) Police Commissioner Harlley, the leaders of the coup against the then CPP government. Each of these three western countries had general and specific reasons for moving against the CPP government. Let us look at a few.

The US for example was concerned because the CPP government was highly critical of its role in the Congo and southern Africa, its war against Vietnam, its leading role in neo-colonialist generally and the racism that is endemic to the US society; the UK was upset because of the CPP government's policy toward its Rhodesian and South African settler colonies and the settler-dominated neo-colony of Kenya; France was specifically peeved because the CPP opposed their nuclear testing in Africa, was an obstacle to its plans to isolate the PDG government in Guinea, who had dared to reject the Gaullist government's implicit demand that they become a part of France, and instead opted for true independence. In short, all of them were concerned with the support the Ghanaian government was giving to African liberation generally, especially its support for the armed movements against colonialism, settler colonialism and neo-colonialism, opposed Ghana's attempts to build socialism, and maintain ties with the socialist states, in point of fact, they were against Ghana's role, in the words of Omowale Malcolm X, as the font of Pan-Africanism. Hence, they colluded to get rid of the CPP government, just as forty years or so earlier they colluded to get rid of Garvey and the UNIA movement.

If there are any lingering doubts about the neo-colonialist states power to manipulate the prices of commodities such as cocoa, all one needs to do is take a peak at document 271. Memorandum From the President's Special Assistant (Rostow) to President Johnson, an official US document and part of the official files of the Lyndon Johnson administration. It details a meeting between then US Vice President Hubert Humphrey with the head of the illegal regime of the misnamed National Liberation Council (NLC), General Ankrah. It details Ankrah begging Humphrey for help in the cocoa pricing structure negotiations. Ankrah explained that without such an agreement there could be no economic development, as cocoa exports represented 60 per cent of Ghana's exports. Humphrey replied that any effort on his part to support achievement of the price stabilization agreement would be blocked by the various chocolate industry interest groups in the US. Keep in mind that Ankrah was a key leader in the criminal enterprise that overthrew the CPP government. Thus we see that even a stooge of imperialism and the leading representative of their puppet government could not counteract the power of the combination (the banks: IMF/World Bank, chocolate manufacturers, cocoa future traders and so on) that really determine the price of cocoa and control the production and distribution of the commodity.

This scenario is typical of every commodity, more or less, for in the case of petroleum, the existence of OPEC has modified that somewhat, however, since many of the OPEC members are in the pocket of imperialism, and there are petroleum producers who are not part of OPEC, even OPEC's power is severely limited.

In the specific case of cocoa, the big chocolate combine has plans to introduce or increase cocoa bean production in other areas; they are specifically looking at Panama, Peru, and Vietnam. This will further weaken Africa's leeway in the cocoa trade.
If there was ever an economic argument for Pan-Africanism, for a continental socialist government, then the current commodity-trading imbalance is certainly one.

**Conclusion**

Nkrumah understood that even if a small country assumed an anti-imperialist position, if the continent it was a part of is infected with neo-colonialism, then all the countries and the great majority of the peoples of these countries on that continent would be adversely impacted.

Hence he posited that only Pan-Africanism, the construction of a United Socialist States of Africa could overcome the disastrous impacts of neo-colonialism. This would negate the problems of balkanization, render tribalism ineffective as a divisive device, and provide the political, military, economic and general cultural wherewithal to checkmate collective imperialism; and prevent a third and disastrous world war.
Leadership of Nkrumah

Kwame Nkrumah is and will be ever living
Since Africa, to him grateful
Is also living and will live forever.

Fighters of all races and colors
Demanding Independence and progress for Peoples,
Equality and solidarity among nations of the world
Keep living and we shall continue endeavors
To follow the path shown by Kwame Nkrumah.

President Ahmed Seku Ture
From his poem dedicated to Osagyefo

Dr. Nkrumah warned the world about the imperialist nature of the USA — that is a society which due to its predatory history had amassed great military, scientific, technological, economic and commercial-industrial strength enough so that it can dominate the peoples of the globe — for a time. For as the French Emperor Napoleon Bonaparte remarked, "all empires come to an end."

Nkrumah pointed out that the US had amassed sufficient technology and resources that it could create a totally classless society. But as he also pointed out the amoral and immoral nature of the society, the backwards, anti-human political system that accompanied its exploitative and oppressive economic system creates what is in effect a fascist social-political reality internally, one which is the very citadel of neo-colonialism.

Now that Africa has begun to fully realize that the current global financial collapse is a systemic function of capitalism in its imperialist form (called globalism to deceive those who wish to be deceived or who just really don't know any better), now that African leaders have no choice but to recognize and acknowledge that the worse is yet to come, some of the them are beginning to make noises...for example South Africa, Kenya and various other states' financial and economic spokespeople have roundly criticized the US, and also the Bretton Woods institutions, particularly the IMF, as the source, the very genesis of the crisis. Their most egregious error, however, is that they do not want to accept the reality that this is nothing more than one of the forms of the new kind of violence we suffer at the hands of neocolonialism and general imperialism in its other forms.

Yet these states and the African Union (AU) as a whole, have done nothing of substance to properly respond to this crisis. They seem to be paralyzed by an awe of the mighty imperialists. There are some bright signs, however, mostly coming from the states allied with Libya, which are pushing independent political and economic, financial and monetary, foreign and military policies and actions that would be part and parcel of a United States of Africa. They must be supported in this, and they do seem to be growing stronger, albeit by increments.
First of all we must recognize that this is not a fluke, but a consistent characteristic of capitalism, it even has a well known name, the boom and bust cycle. One source said that there was a crisis every ten years or so in Marx's time.

One contemporary European institution, puts the frequency of recessions in the US alone as about once every five years. So far from abating, the boom and bust cycle has picked up momentum. Once we as a culture comes to grip with this reality, we can make the intelligent decision and rid ourselves of the neo-colonialist, imperialist system imposed on us by monopoly capitalism.

**Neocolonialist violence continues unabated**

This systemic problem emanating from the US is in point of fact another attack on the world at large. One that is particularly devastating on an impoverished Africa, which has never gotten out from under the effect of the slave trade's depopulation and colonialism, and is now locked into the neocolonialist system. This neo-colonialism, is the genesis of the violence and other problems, from low mortality rates to malnutrition, unemployment to bad sanitation, lack of health services to lack of electricity everywhere, whether in the Great Lakes, Southern and East Africa, Central and West Africa, the Horn, the Northern shelf, in short this has negative effect on the whole of the continent, if not directly, indirectly.

This violence also stalks the diaspora in a mirror reflection of the violence perpetrated against Africans at home by the same, identical world forces.

And the stakes grower higher each day.

These sinister world forces, led by the US, are now using the Democratic party liberal face of fascism (with the added potency of the face being "black") to pursue its global war and exploitative policies. If you recall the current Administration has made it clear that it is 100 percent behind the AFRICOM occupation of the African continent and that it intends to continue to support settler colonialist Israel.

**What is the solution?**

Nkrumah provided a clear solution to this new form of violence and domination...an All-African political-military agency to take on imperialism in all necessary dimensions, all scales and scope of contention between us.

It includes a diplomatic offensive to create and consolidate the solidarity of Africa and the peoples of Latin America, Asia, the states practicing socialism in the world, and all the people of the world who oppose imperialism wherever they may reside. It includes the economic rejuvenation of the African world....and generally speaking the cultural rebirth of our people.

This is the only answer to the capitalist global crises that periodically rock the entire world. That is why the role of Nkrumah is so important in modern human history. That is why he was named by the people of Ghana, and still called that to this day by many in the world, the Osagyefo, the Redeemer. In a very real sense, all who struggle against injustice are following in the Redeemer's footsteps.
It is as if all the great spirits of Africa gathered together one day and agreed to create a being that would be the consummate, principled leader for Africa and the world. Upon unveiling their collective creation, the great spirits said, we shall call him the Osagyefo, the Redeemer.

In reality, it was the work of mortal human beings just like you and I that realized that Dr. Kwame Nkrumah was, and is, Africa's and the world's Redeemer. He is our Redeemer because he gave all of us a message, and an example, of the arts and sciences needed to free ourselves from modern day bondage.

So what is Nkrumah's essential message? A simple straightforward one, to wit, the world is wracked with injustice and suffering; and humanity must rise to the occasion and throw off the yoke imposed on us by modern day Roman empire. He further teaches us that modern empire is no more invincible than historical or Biblical Babylon or Rome.

Nkrumah's general views can be summed up in a few paragraphs. Let us start with his view of the state of the war between international capital and the African diaspora.

Think about the killing of our people in Haiti. Think about the situation in Guadeloupe and Martinique. The attacks and killing of our people in Britain, France, Germany, Spain and Italy. In each of these countries there has been both official and nonstate racist killings of African people. But, our people have resisted valiantly. For example the French state was severely rocked by the resistance of the African immigrant population, especially the youth, in response to the state's attempt to launch a program of liquidation of the African population in that country.

And of course the US is certainly not a haven or sanctuary of security for our people, as nearly every day you read of some new murder or murders perpetrated against us.

**Africans resistance in the seat of the Empire**

Nkrumah says in his book the *Handbook of Revolutionary Warfare*, p. 39, that the leading power of the capitalist imperialist world, the United States, faced a "grave domestic situation is aggravated by the massive counter-attacks of the African-American revolutionaries..."  

Does this hold true for today? Is it accurate to say that there are massive counterattacks? Yes, it is.

Let us be frank, it is well known that the mass anger of Africans in the US continues to simmer just below the surface of the rancid society, which, of course, means that the placid social veneer is frequently blown asunder by violent resistance to daily repression and exploitation. These counterattacks are not as numerous as those in the sixties, they do not occur as frequently as those of the sixties and the scale and scope of the counterattacks certainly do not correspond to the nationwide counter-offensives and related actions of reprisals following the assassination of Dr. King. But, nevertheless, they do exist and there is no doubt that they will continue.

This is demonstrated by the anti-police repression revolts that have hit several major cities in the latter half of the 20th century. During that period, particularly between the
1980s and the mid-90s, there were numerous major explosions against the internal expressions of US imperialism.

Most notably of these was the series of rebellions in Miami in the 1980s against police murders of Africans, and the outright insurrection that was instigated by a California court’s exoneration of the gang of LA police who brutally beat an unarmed and non-resisting Rodney King. A beating, mind you that was video taped and shown all over the world. This rebellion shook the US and demonstrated conclusively to the world at large that the circumstances of the African people living in the US were still captives of a fascist Nazi regime.

The authorities in the US were alarmed at the fact that the youth organizations in Los Angeles' African community put aside their internecine feud in an effort to strike back at their mutual antagonists. This revolt was replicated in other parts of the country as well, but in no other municipality did it reach the level of the Los Angeles rebellion. The city officials were deadly afraid that the African popular insurrection forces would make it to the neighborhoods of the elites and burn down their homes. But that did not actually come to pass. Some US media pundits, such as Brian Lamb of CSPAN, believed that some of the tactics used by the African youth of the city were the direct result of their dialogs with Kwame Ture of the A-APRP.

Another significant point of the rebellion was the fact that the Mexicano-Chicano community joined in the assault. They obviously recognized it as a strategic opportunity to strike back as a common enemy and tormentor.

Since then there have been other instances of such resistance, although none of the scale of the response to the travesty of a trial in California. I will mention a couple as representation.

The Cincinnati rebellion of 2001, in response to the continued and deliberate killing of Africans, which shook the country because it demonstrated the hypocrisy of the American system at a time when the UN was talking about racism and the US was desperately trying to convince the world that this was a thing of the past in American social structures.

In 2003, there was a similar explosion in Benton Harbor, Michigan again because of the killings of Africans from deliberate, criminal and in every sense of the phrase, absolutely unwarranted deadly police violence. This too blemished America's image, as Benton Harbor is a retreat for the powerful Daley family that runs Democratic Party affairs in Chicago, Cook County and much of the rest of the state. In effect they run much of the state as the other capitalist party, the Republicans, has very little influence in most of Illinois.

There were other forms of police repression directed against the African people that lead to counterattacks. For example in the Ohio city of Toledo there was a rebellion against the police role in support of the Nazi party efforts to intimidate the Toledo African community in 2005 by marching through the community. This blatant support of racism and fascism was repeated in Bowling Green Ohio except it was the Ku Klux Klan marching rather than the Nazis. The Africans in Toledo were rightfully and justifiably angered by the police protection afforded to the Nazi march particularly since the community had pleaded with the city officials to prevent the Nazis from invading their community, to no
avail. When the police became abusive and intimidating towards the African people, the residents of the community mind you, there was a righteous explosion. There were many local ordinances that could have been used to prevent the Nazi provocation, not to mention federal laws such as hate speech prohibition (which covers speech in all its forms including demonstrating and carrying of placards and other symbols), just to name one statute.

We can safely conclude that Nkrumah’s assertion about the proclivity of armed resistance among the of Africans in America in the period, in which he wrote these words, continues to exist in contemporary times. Because the conditions under which the Africans in the US must live has not changed.

Large segments of the African demographic in America are so frustrated and fed-up with the nature of capitalist imperialism in the US, that they have deduced (correctly we hasten to add) that the only logical communal recourse, the only practical option, is armed resistance.

However, we must keep in mind that this is no recent phenomenon. This tradition of militant response to oppression by the Africans in America is not in any sense a new factor in our struggle in America or in the western hemisphere as a whole. It is in no way or manner a creation of our struggles of the 20th and 21st century. From the era of chattel slavery to this moment, significant elements of African people in the US have been committed to liberation and freedom "by any means necessary" and demonstrated that they had no intention of embracing theories that encourage us to "suffer peacefully", to use a couple of well-known truisms from Brother Malcolm X (Omowale), in the face of systemic racist violence and other forms of imperialist repression.

On that same page of Handbook of Revolutionary Warfare, p. 39, Nkrumah tells us that the US,. the vanguard of the capitalist imperialism of the current era, was even then suffering terrible social, economic and financial problems, with dire political, and thus military implications for the maintenance of the empire. This is as true today as it was at the time of the book’s publication.

Which brings us back to the question of the crises imposed on the world by capitalism.

The answer is and always was and always will be, we must organize ourselves to alter the political equation in the world so that our interests take precedence over those of the imperialists. This requires Africa and the Africans of the world to create sufficient politico-military structures, that is structures that can fight all over the continent, anywhere on the continent, on any terrain, and in a multitude of battle configurations and win. This in turn will require the proper political leadership and administration. Which can only come about by the creation of an All-African Union Government committed unreservedly to scientific socialism.

We must be guided by our understanding of the world, an understanding that will be more accurate if we consistently employ a focused, organized way of perceiving and conceiving phenomena. What is generally called the Scientific Method.

The scientific method is nothing more than the use of our observation capacity, via our five senses, standard investigating methods: that is our observation is first formulated
into a hypothesis, then our hypothesis is tested by experimentation, so that we can analyze the results of the experiment, that is, have we developed a tool, a method, to help us solve our problems and then verify its reproducibility and the validity of the conclusion drawn from the initial experimentation by communicating our results and methods to others, who in turn will experiment to verify the results. Then we can develop alternative ways of approaching the problem we face based on the basic conclusions derived from our process.
Doing It Right

Africa will be liberated sooner or later against all odds. But if it is to be soon, by an accelerated revolution of the people, and a total war against imperialism, then we must establish a unified continental high command here and now, to plan revolutionary war, and to initiate action.

If we fail to do this, and to lead the people's revolution, we are likely to be swept away one by one by imperialism and neo-colonialism. It is no longer feasible to take a middle course. The time for reform, however progressive, is past. For reforms cannot hold the enemy at bay, nor can they convince the silent, internal agents of neocolonialism, eliminate the puppets, or even destroy the capitalist structure and mentality inherited from colonialism. The cancerous growths are proliferating at the very heart of our parties and territories whether they emerge under the cloak of constitutionalism, parliamentarianism, bureaucratic etiquette, an imposing civil service, officers trained in western "a-political" tradition to maintain the bourgeois-capitalist status quo by means of military coups, or if they appear in the most obvious guise of corruption and nepotism."

Dr. Kwame Nkrumah

Let us be clear. Monopoly capitalism, imperialism, is the source of the recurring crises. It is not a freak occurrence in an otherwise well-functioning system. As one pundit put it years ago, from now on depression will be scientifically planned. Whether he was joking or serious, we have to come to the understanding that these crises are part and parcel of the system itself, you cannot separate monopoly capitalism - imperialism from its pattern of cyclical crises. It is just the nature of the beast.

Nkrumah tells us this about monopoly capitalism:

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

A heavy blow was dealt to international monopoly capitalism with the triumph of the Russian October Revolution. From then on it was faced not
only with the struggle for hegemony within its own ranks, which was much worse, it was forced to engage in a defensive struggle against an opposing ideology. That ideology had achieved a signal success in withdrawing a sixth of the earth’s surface from monopoly capitalism's field of operations, a fact which it has never and will never forgive, and was threatening to undermine imperialism’s power at other strategic spots which had soften under the blows of war.

With the failure of interventionist war to subdue the new socialist State (the USSR), a *cordon sanitaire* was raised around the Soviet Union to prevent the spread of socialist contamination to other parts of Europe. Fascism was encouraged to prop capitalism at points where it had been seriously damaged and was faced with popular discontent, as in Germany and Italy, and to bolster it in those outposts which were and remain semi-colonial appendages to Western imperialism, Spain and Portugal.

These devices, however, were unable to cope with the recurrent crises that were tearing at the very heart of capitalism and sharpening the bitter contentions between rival imperialism which erupted into a second global war in 1939. From this holocaust, socialism emerged as a much more threatening challenge to imperialism than ever before. At the same time we, the peoples of imperialism’s ‘far flung empires’, had come to realise that we could have control over our own destiny and began to make our bid for independent nationhood. Thus imperialism came to be challenged on another front, the colonialist front, in a time when science had heightened the capabilities of the productive machinery of capitalism thereby increasing its need for raw materials and market for new chemically-produced primary materials, manufactured goods and overseas employment of growing capital surpluses. Challenged thus by anti-colonialism and socialism, imperialism is now engaged in a ‘to-the-death’ trial for survival against the forces that are antagonistic to it and that are building across the globe even while the internecine struggle within itself is becoming more and more brutal. In this multi-sided struggle imperialism has been forced into the use of many artifices to maintain itself in being by the colonialist process without the benefits of colonial control.

pp 37-9 Nkrumah, “Neocolonialism: The Last Stage of Imperialism”

Objective research has shown that Continental Unity is the way forward: In the following excerpts from a comparative study of the progress of India and Africa, two analysts, Paul Collier, Tony Venable, show this to be true.

The population of South Asia lives almost entirely in one mega-country or two large ones. In contrast, the rather smaller population of sub-Saharan Africa is spread across some fifty countries. Does this political fragmentation have economic consequences? We suggest that both private economic activity and the provision of public goods benefit from powerful scale economies that confer advantages on the South Asian model. Paradoxically, although as a result Africa has a greater need than other
regions for supra-national power structures, it has far less --- made less progress towards regional unity.

Paul Collier, Tony Venable, p. 1, "Trade and economic performance: does Africa's fragmentation matter?"

If the next half-century of efforts at African political union are no more successful than the last, then Africa's structural undersupply of public goods will need to be addressed internationally. It may be that the internationalization of public goods provision through the United Nations, offers better prospects to the small states of Africa, and to the many other small states that find themselves left out of the huge regional polities.

In aggregate, Africa is less populous and poorer than India, yet it is subdivided into around 50 independent states. In this paper we have suggested that this radical political sub-division of an already small economy has inflicted a wide range of costs on African citizens. In the private economy manufacturing and services have the potential for large scale economies which are frustrated by political fragmentation. This skews Africa’s comparative advantage towards those sectors and modes of production where scale is less important, most notably peasant agriculture. In the public sector the lack of scale raises the cost of a wide range of public goods and so accentuates the problem of undersupply intrinsic to low-income. These losses to the private and public economies are mutually reinforcing: low private incomes reduce state revenues and so compound the under-provision of public goods, while the lack of public goods further reduces private incomes.

Finally, we might note that the political stresses produced by poverty have tended to be perverse. Whereas what is needed is a stronger impetus towards unity, poverty is a fertile breeding ground for xenophobia and division. So far during 2008 there have been riots in Johannesburg against immigration from Zimbabwe and de facto ethnic partition in Kenya. The vision of African Unity, pioneered by Nkrumah and Nyerere, is in need of serious revival.

Paul Collier, Tony Venable, p. 32, "Trade and economic performance: does Africa's fragmentation matter?"

http://users.ox.ac.uk/~econpco/research/pdfs/TradeAndEconomicPerformance.pdf

I would like to offer one small caveat in reference to the overall quality of Collier's and Venable's work. While their general premise is solid their grasp of history is faulty, as Nyerere fought to keep Africa fragmented throughout his political career, virtually until he was literally on his death bed, where he confessed that Nkrumah's continental union government idea was the correct way to go and that he was wrong to fight it.

But unfortunately he did fight the concept tooth and nail, along with Nkrumah's insistence on scientific socialism. So, for the greatest part of his life, Nyerere was wedded to what he saw as the virtues of the British and Roman Catholic Christian model
of society. Societal models which, frankly are totally anathema to Africa and African interests. This makes Nyerere's commitment to African Unity somewhat doubtful and even suspect.

Of course if we were united under a government controlled by the people of Africa, we would set up the structures to rationalize all our activities in our own interest; and consequently the interest of humanity at large. Such structures would enhance the indigenous and adapted knowledge that we possess for our development, instead of gearing the process to the profit of the imperialists in Europe and North America.

Take food for instance, Africa has developed cooking and dining habits that, left to our own devices, would lead to excellent nutrition. The fermented grains, the one pot stews and soups, the use of the various greens, fruits, tubers and roots, the sea food, palm oil, sufficient and proper amounts of fowls, red meats and so forth are the bases of the Pan-African diet, so to speak, as these things, and other food stuffs such as okra can be found in much of Africa. We could have a society well everyone from infants to the eldest of the elders are well nourished and satisfied with the food they eat. The only thing blocking this is the neo-colonialist opposition to Pan-Africanism, i.e., to our political economic unity, formulated in the context of Union socialist government encompassing the whole of the African world,

But there are those who would like to pretend otherwise, they blame the people's revolutionary leadership for not embracing capitalism in the anti-colonial phase of the African national liberation struggle.

They argue that it is our failure to imitate our tormentors and engage in vile political economic fornication with capitalism that has put us in this position. So in essence what we are told is that the rapist is not responsible for the rape, the murderer is not responsible for the murders, it is those who resist rape, those who stop the murderers who are responsible! This is the logic of our tormentors; and their local stooges proudly mimic them at every opportunity.

But we know better.

It is our lack of unity; our lack of power that maintains our sad circumstances. We are poor, worse than poor, destitute as a people, in the midst of our own wealth. Our wealth is so great, and our misfortune, because of our lack of control of the wealth, is so tragic, that they can only be adequately described in the words used by Dr. Nkrumah decades ago:

It is said, of course that we have no capital, no industrial skill, no communications, no internal markets, and that we cannot even agree among ourselves how best to utilize our resources for our own social needs.

Yet all the stock exchanges in the world are pre-occupied with Africa's gold, diamonds, uranium, platinum, copper and iron ores. Our capital flows out in streams to irrigate the whole system of Western economy. Fifty-two per cent of the gold in Fort Knox at this moment, where the USA stores its
bullion, is believed to have originated from our shores. Africa provides more than 60 per cent of the world's gold. A great deal of the uranium for nuclear power, of copper for electronics, of titanium for supersonic projectiles, of iron and steel for heavy industries, of other minerals and raw materials for lighter industries the basic economic might of the foreign Powers comes from our continent.

Experts have estimated that the Congo Basin alone can produce enough food crops to satisfy the requirements of nearly half the population of the whole world and here we sit talking about regionalism, talking about gradualism, talking about step by step. Are you afraid to tackle the bull by the horn?"

Kwame Nkrumah, from Address to the Conference of African Heads of State and Government, May 24, 63

If we in Africa are talking about building on our best practices towards integration, then our international partners certainly need to look in a more systematic way at how they can build on their best practices in fostering regional solutions in Africa. It is in this context that we are looking forward to a transformed relationship between Africa and its development partners. This relationship is a two-way street: Africa should put in place the necessary political reforms to ensure that its economies take off. In return, the developed countries should invest the necessary resources through enhanced aid, debt relief and market access to give African economies the jump-start they need.

The only sustainable solution to Africa's specific problems and to the chaos created across the globe by monopoly capital's continuous cycle of world crises is comprehensive socialist African Union Government. Those who continue to try and sell the African people and nation on regionalism, trade liberalization, privatization, opening up our infant markets to predator capitalist conglomerates and the like, are preaching the gospel of evil. They are consciously or otherwise preaching a line that can only lead to our collective demise.

Union Government is the only kind of government which would give Africa what she needs. Continental customs and commercial agencies, financial entities, banks and currency organizations, monetary policies, fiscal policies as well as structures for defense, foreign policy and the other essential functions of a continental authority charged with macro scale geo-political, geo-economic and geo-strategic matters. All functioning based on a model of human cooperation, rather than the cut throat competition of capital centered societies.
Africa's Future Lies with Pan-Africanism

It is all down to political will, not economics, not technology.

We have to use converging technology to popularize the concept that the quality of life of each African everywhere in the world is dependent on the quality of governance provided by Union Government...that such a government has to start with the people themselves. It must be brought to the people in their languages, in their idioms, at their optimal convenience, for their interest, and indeed the demand has to be a self-organized demand. In the end it is the people that make the Union Government. It is the people who must demand it; defend it; develop it; critique it; control it; plan for it; budget it; manage it; administer it; coordinate it; reengineer it; maintain it. Most importantly it is the People who must comprise the Union Government...develop a message and use every possible channel television, audio systems, Internet -WWW, intranets, extranets, magazines, films, computer games and all other means.

The sense of national patriotism that every citizen of the Pan-African nation should feel is a direct correlation of the ability of Pan-Africanism to convert macroeconomic policies into successful microeconomic gains for the society and people.

The systematic replication of trained individuals to serve as agents of diffusion of philosophical conscientism in all walks of life is the only way forward. This can only be done by creating something like a Kwame Nkrumah Ideological Institute and then endowing it with the same kind of resources as any other world class institution of higher learning. Political will.

We want to help position Africa in a way that assists it in the struggle for a meaningful voice in the world. We must harmonize the links between the diplomacy of the conference halls and cocktail receptions — and the world of geopolitical contention in Africa's favor...Create the condition for the flowering of a healthy cooperative market system by shifting the emphasis away from the narrow unto the concerns and happiness of the majority.

Taking the experience and theory of Post-WWII political leadership as social-psychological and philosophical guideposts, we should develop an integrated strategy for the deployment of contemporary technology, and management technique in commerce, finance, and fiscal matters according to the cultural personality of the society.

The way forward for Africa and African people is clear, we must achieve Pan-Africanism. Development will not come as a result of the largesse of our historical/contemporary exploiters, oppressors, and tormentors. Which is not the same as saying that we should not seize every opportunity to wrench what is due to us from these forces, nor is it to say that external assistance has no role in our development plans. It is saying, however, that all economic and commercial relations with the non-African world must be conducted on the basis of Africa's interests, and Africa's interest alone. For example aid and investment must not contain political or economic conditions, as was the case in 1965 when Osagyefo published Neo-Colonialism, and the US withdrew its "food aid" as a way of punishing Ghana. Another example is found in Seku Ture's description of financial aid that is conditioned on the recipient's country's agreeing to purchase only from the firms of the donor country, deal with the donor country's banks and so on...
I cannot offer any better advise than my standard litany...when in need of sage advice, turn to Osagyefo and he will show us the way forward:

Wherever there is economic dependence there is no freedom

Toward Colonial Freedom, p 17

Private business must be made to serve the social good; in our context it must be a servant to the global African renaissance. As Nkrumah and history itself has shown, the role of history is essential to the rejuvenation and rebirth we seek, for our renaissance is dependent on our proper interpretation of history. Thus, Nkrumah knew that humanist and cooperative business forms were essential to Africa’s progress; her overall renaissance. As the history of capitalism is decidedly anti-human.

This is precisely why Fukuyama talks about the death of history (see http://www.wesjones.com/eoh.htm) they desperately seek a way out of the trap monopoly capital has set for itself.

But the history, even the recent history of capitalism, speaks eloquently to the power of monopoly capitalism. For example one look at the Forbes 2000 leading companies in the world verifies the power of monopoly. The very first ranked company is the conglomerate General Electric. Of the top 100 companies we see that they break down this way:

- 23 Banks
- 13 Oil & gas
- 9 Telecommunications
- 6 Insurance
- 6 Utilities
- 6 Drugs & bio-tech
- 5 Tech hardware & equip
- 5 Consumer durable goods
- 4 Diversified financials
- 4 Materials
- 3 Conglomerates
- 3 Chemicals
- 2 Trading companies
- 2 Software companies
- 2 Semiconductors companies
- 2 Retailers
- 2 Food drink and tobacco concerns
- 1 Media company
- 1 Food market
- 1 Household & personal products concern


Indeed if you add just the six insurance, three conglomerates, four diversified financial entities, four materials companies and skip everything else (although obviously the rest qualify as monopolies or at least powerful oligopolies) you come up with a whopping
40%! And that pattern pretty much holds up when you examine the all 2000 companies on the list. This demonstrates the real power of monopoly in the world today, and remember that 40 percent does not include the oil and gas monopolies the big technology manufacturers, trading companies or utilities. If we used a broader definition of monopoly we would find that the entire top tier of global companies are completely dominated by them. But for our purposes here we will stick to the narrower definition, most frequently found in discourses about imperialism.

Others simply deny the forces of history such as the followers of Schumpeter. Schumpeter taught that monopolies were the source of greater innovation in society and thus a positive social force - even though he admitted that the concentration of power in monopoly would lead to unemployment on a mass scale - and therefore, as he said himself, leads to the ultimate demise of capitalism.

There are those who advocate that monopoly capital can be both good and bad. Here is the explanation of how monopoly is sometimes good for us as seen by the Linus Information Project (Linus is the open source operating system that emulates Unix...there main concern is to limit the property assertions of monopolies such as AT&T and Microsoft in the computer software industry. Thus they support the reigning in or regulation of monopolies of this type, but they are not anti-monopolists per se):

**Why Monopolies Can Be Beneficial**

Despite their reputation for evil, monopolies can actually generate a net benefit for society under certain circumstances. These are usually situations in which the power and duration of the monopoly are carefully limited.

Natural monopolies can be particularly beneficial. This is because of their ability to attain lower costs of production, often far lower, than would be possible with competitive firms producing the same product in the same region. However, it is almost always necessary for such monopolies to be regulated by a relatively uncorrupted government in order for society to obtain the potential benefits. This is because such monopolies by themselves, as is the case with all monopolies, have little incentive to charge prices close to cost and, rather, tend to charge profit-maximizing prices and restrict output. Likewise, there is often little incentive to pay much attention to quality.

It has long been recognized that government-granted monopolies (i.e., patents, copyrights, trademarks and franchises) can benefit society as a whole by providing financial incentives to inventors, artists, composers, writers, entrepreneurs and others to innovate and produce creative works. In fact, the importance of establishing monopolies of limited duration for this purpose is even mentioned in the U.S. Constitution. In addition to being for limited periods of time, such monopolies are also generally restricted in other ways, including that there are often fairly good substitutes for their products.

"Monopoly: A Brief Introduction", by The Linus Information Project (LINFO) http://www.linfo.org/monopoly.html
The defenders of monopoly capital often try to confuse the true nature of monopoly by referencing the theory of the classical capitalist economists such as Adam Smith and David Ricardo.

However they have no answer for Smith’s observation that the capitalists if allowed to congregate together will inevitably attempt to use this informal association to devise ways and means to create aggregate power and thus increase exponentially their economic control and wealth (The Wealth of Nations). Nor can they rewrite the words of Ricardo: "The produce of the earth - all that is derived from the surface by the united application of labour, machinery, and capital - is divided among three classes of the community; namely the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivated." (Principles of Political Economy and Taxation.) This inevitably leads to increase political and societal power no matter how much certain quarters such as the Libertarians cry otherwise.

And this process continues to this very day. The mega-wealthy families have a long tradition of annual "social" occasions, dinners, parties, outdoor outings on their yachts - the first thing Franklin Roosevelt did after winning the Presidential election the first time was to convene a meeting of his rich allies to determine and develop his policy. It is widely known that the Rockefeller family uses this technique also, hosting a yearly event when the powerful economic families hobnob and talk shop, so to speak.

This process is supplemented by formal organizations of two types. 1. There is the notorious Rockefeller creation, the Trilateral Commission and others of this type; 2. There are groups billed as alliances of specific industry and commercial sectors, such as the American Bankers Association, which openly communicates to the world the fact that its function is policy development intended to advance the material interests of its membership. There are many such groups, for example: American Bankers Association (ABA), Securities Industry and Financial Markets Association (SIFMA), The Business Roundtable, US Chamber of Commerce, the National Association of Manufacturers (NAM), the American Association of Exporters and Importers AAEI, the Computer Coalition for Responsible Exports (CCRE), Information Technology Industry Council (ITI), Telecommunication Industry Association TIA, American Electronics Association (AEA) Electronic Industries Association (EIA), the Semiconductor Equipment and Materials International (SEMI) and the Semiconductor Industry Association (SIA), just to name a few.

These associations and more are the united voice of the monopoly capital concerns such as General Dynamics; HSBC, BP, General Electric (This conglomerate was ranked #1 on this year's Forbes top 2000 global companies list); Société Générale Group, Barclays, Northrup Grumman; Boeing; Lockheed; International Business Machines IBM; Archer Daniels Midland ADM; Zurich American Insurance Company; Halliburton; Cargill; J P Morgan Chase; BankAmerica; Fluor Corp.; General Motors; RCA; Disney; ExxonMobile; Royal Dutch Shell, Unilever, Rio Tinto, Barclay, Goldman Sachs; Texaco, Bayer Group, Siemens, United Technologies, Toyota, Volkswagen, Honda, Daimler, Nissan Motor and the rest.

And of course these elements are very influential in quasi - governmental agencies, from the Federal Reserve System on the national state level to groups such as the International Labor Organization and Bank for International Settlements (BIS) on the
global level.

And as this was not enough the monopolists also control the national states-based entities such as the Chambers of Mines, the case of the mining industry South Africa is an excellent example, the naked collusion of the big power mining aggregates inside that neo-colonial state's chamber is highly instructive.

And less we forget, there are also entities such as the Davos, Switzerland-based World Economic Forum meeting and the various regional alliances, ad hoc, semi-permanent or permanent created by groups such as the European Union on various economic, commercial and monetary matters; free trade agreements such as NAFTA and AGOA, and broader efforts such as the Group of 7, Group of 8, and now the so-called Group of 20.

This does not exhaust the ways that monopolists collude to dominate the world; for example we have not even talked about the impact of groups such as the Club of Rome.

But you get the picture: despite the loud denials, these people are conscious of themselves as a class and they work together as a class, even as they are trying to displace each other so that there would be even greater monopoly, under the control of the successful displacer of course.

Thus we need to be conscious of our class identity and class goals and objectives. The class I speak of is what President Seku Ture and the Democratic Party of Guinea referred to as the "class of the people."

Defining the class of the people:

The extremely erudite and prescient sociologist and historian W E B Du Bois describes in brief the nature of the class struggle between the monopolist and the class of the people in a 1958 article called "The Negro and Socialism", published in "W.E.B. Du Bois Speaks,"

In the late nineteenth and twentieth centuries, ... in most of the world European monopoly of wealth and technique - strengthened by theories of the natural inferiority of most human beings - led to the assumed right of western Europe to rule the world for the benefit and amusement of white people. This theory of world domination was hidden behind the rise of the Western working classes, and helped keep democracy and social progress from eastern Europe, Asia, and Africa; from Central and South America, and the islands of the seven seas.....

At the very time when the colonial peoples were trying desperately to have food and freedom, powerful Americans became obsessed by the ambition to have North America replace Britain as the empire upon which the sun never dared to set. They demanded high profits and high wages even if the rest of the world starved....

Such a national policy found unexpected support in our long-encouraged prejudice against people with black or colored skins and against all groups of foreign-born who were not of Anglo-Saxon descent....
In order to let the nation return to normal sanity we must realize that socialism is not a crime nor a conspiracy, but the path of progress toward which the feet of all mankind are set.... The footsteps of the long oppressed and staggering masses are not always straight and sure, but their mistakes can never cause the misery and distress which the factory system caused in Europe, colonial imperialism caused in Asia and Africa, and which slavery, lynching, disenfranchisement, and Jim Crow legislation have caused in the United States.

Thus the class-nation (including the race issue) was created.

We must then become conscious of this struggle of global classes and develop intelligent solutions, solutions based on focused, organized thinking and carried out with precision and all due diligence. After all we are fighting to ensure that we are the determining factor in our individual and social lives, as opposed to the other class, the monopoly class, which is fighting to continue our enslavement.

There are many philosophical approaches to this struggle. For example a top libertarian historian, Joseph R. Stromberg, advocates the Austrian school of capitalist economics' explanation of the situation, with a base that is derived from the classical economy theory of free markets, a concept that is also relied upon, in a highly perverted form, so perverted that the original theory of Adam Smith and others is virtually unrecognizable in neo-classicism. Indeed the neo-classicists are among the leading monopoly capitalists - imperialists. Just take one their intellectual and practical heroes Milton Friedman of the Chicago School of Economic. Among his political adherents we find the fascist state of Pinochet's Chile, the zionist fascist state of Israel and of course the legions of the Reagan revolution, whose basic policies have been quietly continued by those who claim to oppose the Republican approach in the Democratic Party.

Here is the gist of Stromberg's argument:

Empire, then, is the state writ large, the state in extenso. Imperialism is the outcome of an interaction between the permanent state apparatus and individuals or interest groups bent on exploiting productive societies. The tendency in neo-classical economic circles to theorize states as merely another type of "firm" has produced a few insights, but at the price of blinding us to the sheer fact of state power. What is needed is an analysis of state power as an autonomous force in history, a notion to which Hilferding turned in his last, unfinished essay. A logic of political expansion can be essayed, grounded on the incentives present to, and the goals held by, political actors, as Guido Hülsmann has lately argued. Military and fiscal factors will loom large in such an analysis.

Wilhelm Röpke discerned that empire has nothing in common with "capitalism," understood as a system of free markets: It is therefore frequently possible to prove that in individual cases "economic" factors play a part in an aggressive foreign policy, when private pressure groups understand how to make use of their national government for their own purposes, or the true economic interests of the nation as a whole are falsely depicted. It is shown over and over again, however, how little these examples go to prove that the prevailing economic system of necessity and
by reason of its intrinsic structure results in an aggressive foreign policy. It is true that in such cases the chain of cause and effect contains economic links, but it ends finally in the field in which, contrary to the materialistic interpretation of history, all decisions take place: the field of politics, power, ideology, psychology, sociology, emotionalism.

Thus, while both Austrians-libertarians and Marxists have worked to elucidate the empirical evidence of the relationship between the government, the economic forces, and American empire, in the final analysis, the Austrian-libertarian necessarily parts company with the Marxist. As Röpke makes explicit:

The idea that the economic system which rests upon the regulating function of the market and the separation of political sovereignty from economic activity is that which compulsorily drives nations into war, must be completely rejected."


We however, do not see it that way at all. We are the victims of the crime, it is we who have loss millions upon millions of our people, and continue to do so to this very day. It is we who have had our lands alienated by vicious barbarians from Europe. It is we who have, as a result of the depopulation of our society and the theft of our lands, who have had all our socio-economic systems destroyed as a result of the destruction of our politico-military capacity by alien invaders.

And it is we, in alliance and partnership with other peoples who have suffered at the hands of the imperial states, who will organize ourselves to reclaim human civilization and resurrect humankind so that the glory of each man and woman, each child in the world, is equally appreciated as that of any other human being.

So how do we go about this monumental task?

Given what we know about monopoly capitalism's impact on us, what should we do? Or more precisely what is to be done and how should it be done? (The when is obvious as soon as possible!)

Our first step is to base everything we do on the need to institutionalize the constant improvement of our grasp and practice of our individual sense and collective reality of socialist conscience. That is, starting with the general similarity of the traditional communal sense of egalitarianism, and humanistic democracy of the preponderance of societies in history, we can build a social form that takes the enormous benefits of such a society and re-engineer them so that they function properly in today's highly technological world.

This is a direct function of a system based on constantly improving methods of life-long
learning for our entire human population. This will strengthen our general cultural systems, and particularly our practical and theoretical activities in the realm of political socialization and geo-economics, so that we can easily adapt to any change in the natural and human created worlds.

For us it is clear we cannot overcome the systems of retardation and backwardness that neo-colonialism (the last fortress system of monopoly capitalism) imposed on us. Clearly, as Nkrumah has shown in his classic book on the subject, "Neocolonialism: The Last Stage of Imperialism", our oppression and exploitation is implemented on a Pan-African basis, and thus can only be defeated on a Pan-African basis. In other words we must find sufficient scope and scale of activity that is positive to negate the scale and scope of the negativity imposed on us by external principals and their internal agents.

**Tips from Nkrumah on these Tasks**

This means a number of key things, here are a few that are probably the most essential for our common purposes:

1. Understanding the optimal zone for development, and the role of collective scientific action based on materialism to gain the most from the zone, as described in Nkrumah's book, "Consciencism: Philosophy and Ideology of Decolonisation"

2. The absolute need for a general and an ubiquitous use of automation and cybernetics and the political socialization regime needed to make it work in our interest as a people and culture, as per "Class Struggle in Africa" (Nkrumah)

3. The specific use of communication and information systems as described in Nkrumah's "Handbook of Revolutionary Warfare"

4. Use of historical materialism and dialectical materialism such as described in "Consciencism: Philosophy and Ideology of Decolonisation"

5. The full and most effective use of the global human resources available to us that is not just the continental demographic groups, not just the global African demographic, but all of humanity that want a better way of life for people, as Nkrumah describes most completely in "Handbook of Revolutionary Warfare."

6. Mastering the multiform struggle requiring to conquer the opposing system and sub-systems, including most particularly overcoming internal impediments and obstacles to this goal; that is a struggle which assumes every possible form known to human culture generally from artistic expression to armed struggle. His books "Handbook of Revolutionary Warfare" is hands down the best choice here.

7. And generally speaking the development of an ideological understanding that will allow us to collective shape our various responses to nature in such a way as to insure optimal development and happiness for our peoples and the world in general. The books "Consciencism: Philosophy and Ideology of Decolonisation", "Class Struggle in Africa", "Neocolonialism: The Last Stage of Imperialism", "Handbook of Revolutionary Warfare", "Africa Must Unite", "Challenge of the Congo", "Dark Days in Ghana", all have much useful instructional advice in this area, along with several others, however the most important and the most onpoint in this area is of course, "Consciencism..."

Ideology is particularly important. It is our cultural consciousness, or more precisely our collective conscience (and therefore our individual conscience) that is at the very heart of ideology. And of course we know that ideology is found in absolutely every single aspect
of human existence, so its importance cannot be overemphasized.

What we sometimes refer to as the state of being conscious, the state of consciousness, is nothing more than a human being who is guided and regulated by their sense, their moral and ethical understanding of what is good and bad. This is what is more precisely called living conscientiously; that is following your conscience in all things, all endeavors.

As such a highly developed since of conscience in a human society will guarantee a much more just, egalitarian, human centered society. Thus, the highest form of conscience is that which is defined by and rooted in scientific socialism. As the alternative a capitalist conscience is nothing more than institutional perpetuation of the circumstances that are the engine of misery that creates the global degradation and destruction of human society, all for the aggrandizement of a tiny minority. A minority which by definition is the most evil and beast-like of humanity. We have had centuries of suffering under this kind of soulless societies.

Thus Nkrumah’s philosophical consciencism is precisely the solution we have been seeking for centuries. It is the aggregate statement of our best possible collective state of conscience. Or to put it another way our highest possible form of consciousness. That means that in such a society individuals would tend to be much more likely to do the right thing than in a society based on the selfish, individualistic, idealist social-philosophical system of capitalism.

Our embrace of philosophical consciencism will not only aid us but it will be a plus for the whole world. For in point of fact the institutionalization of a positive philosophical approach to life with have an opposite effect on the general human society that the capitalist negative philosophical system. Thus our philosophical advances will serve as an instructive reality, a demonstration effect to use the academic terminology, that will spread like an epidemic or contagion of positive waves of innovation and contribute to combating capitalism all over the globe.

As wikipedia says about conscience in the global context:

> World conscience is the idea that with global communication we as a people will no longer be estranged from one another, whether it be culturally, ethnically, or geographically. Instead, we will approach the world as a place in which we all live, and with newly gained understanding of each other we will begin to make decisions based on what is beneficial for all people.

> Related to this idea is the idea of world consciousness. It too, looks at people in terms of the collective, but refers more to the universal ideas of the cosmos, instead of the interconnectedness of choice. In other words, conscience is ‘inner voice’.


There is a hint of idealism in the wikipedia view, but we must remember that nothing is perfectly free of idealism, nor is anything absolutely devoid of materialism. So, with that single caveat we can readily see how the interplay between consciencism at the level of
one state, one continent, one people, one culture, could be a powerful influence for the construction of a better world society due to the interplay with specific consciencism with universal or general consciencism in the world.

To achieve this level of consciencism, we must consciously set out to produce and reproduce - enhance it. That means all our didactic, pedagogical energy and skills, all our epistemological and ontological understanding must be oriented to the production of cultural memes and general knowledge that in turn, because of its manifest ability to improve our lives as individuals and as a collective, reinforces philosophical consciencism in our people and society. And thus reinforces the tendency towards positive development in the rest of the world.

This will give us a cognitive system that is self-perpetuating, self-organizing and self-referential facilitates are understanding and use of knowledge. Our collective cognition skills will rapidly improve to the point that we will be able to reclaim our ancient role as a leading force in human history in all fields of human endeavor. It will enhance our general mental processes of knowledge generation, and improve our collective sense of awareness, perception, reasoning, and judgment.

It is the perfect response to the era of intelligent Complex Adaptive Systems (iCAS)

As two Singaporean academics, Thow Yick Liang and Pak Tee Ng, put it:

The entire humanity is gradually drifting into the fourth era - the intelligence era. The transformation is facilitated by the emergence of a better educated and continuous learning and relearning generation that can function comfortably in a knowledge-intensive economy and respond constructively to the fast-changing environment. Therefore, a highly educated population is the main resource that all competitive nations must cultivate. In this respect, the first critical factor necessary for nurturing a highly competitive organization/nation is to optimize the intrinsic intelligence and thinking ability of the individuals, and the second factor is to increase the effectiveness of the interactive dynamics. The primary intelligence sources in such a nation must be connected effectively to elevate the collective intelligence of the systems synergistically.

Apparently, individual intelligence and collective intelligence must be nurtured and utilized to the optimal in order to survive in the stiffer and faster-changing competitions. In particular, collective intelligence and its associated attributes must be better cultivated through a deeper comprehension of complex adaptive systems and intelligent organizations dynamics. Therefore, the strategies to be adopted are those that focus on bio-logic rather than machine-logic. In this study, the strategies utilized by the Singapore's education system as an intelligent human organization are examined and the analysis is further substantiated by a more in-depth investigation of three junior colleges as intelligent complex adaptive systems (iCAS) at the operational level.

Intelligent complex adaptive systems (iCAS): An analysis of the education system and three junior colleges in Singapore
Journal Human Systems Management
Such a paradigm — approach can facilitate our desire to organize ourselves intelligently. In essence, it provides us with a proper mindset necessary for developing, administrating, operating, coordinating, leading, managing and structuring all our human systems and organizations in such a way as they correspond to the needs of the current era.

It will lead us to adopt steps and techniques that ensure that we will not only compete in the global knowledge economy, but win!

It will lead us to the embrace of a common mindset that is referred to as an orgmind by some researchers in the management of our affairs based on extremely intelligent human organizations, iCAS, that by definition will generate highly efficient human thinking systems and as a consequence the emergence of an orgmind -- that is a common way of thinking in an organized group context, appropriate to the interest of African and the great majority of peoples due to its dependence on "integrated deliberate and emergent strategy," and general information theory. (Associated systemic concepts we should consider go by the names Connectivity Culture, and Collective Intelligence Organizational Learning Knowledge Management, but they are not the totality of this development paradigm.)

**Financial Economy As We See it**

African and particular Egyptian innovation, gave the world its first financial system with a tremendous impact in the vitality of the commercial trading and agricultural systems. The difference is this: while you can find instances of interest rates on loans between individuals in ancient Egypt, (see for example "A history of interest rates". By Sidney Homer, Richard Eugene, at this url: http://books.google.com/books?id=w3hmC17-em4C&pg=PA50&lpg=PA50&dq=Egyptian+grain+banks&source=bl&ots=pTLff0Co-B&sig=RS0C6_P-DmJA4WgRGuSRQTmI&hl=en&ei=QbbOSfOxFuLunQfhzNzoCQ&sa=X&oi=book_result&resnum=7&ct=result#PPA50,M1)

I have found no evidence of systematic speculative activities such as exists in capitalism.

Nor did the fact that the Egyptian grain repository system became a powerful financial banking system devolve into the fraud of such as we see in the speculative world of fractional reserve bank systems of capitalism.

Remember, grain was not the only commodity that the Nile Valley and Africa in general processed in abundance. There was the immense gold mining in parts of Africa such as in the upper Nile area (Nubia). Africa had established significant positions in the world silver market by the time of the rise of Carthage, which controlled silver mines in Spain. There was extensive mining done by the pre-colonial indigenous rulers of Zimbabwe, as documented by Walter Rodney in his tome "How Europe Underdeveloped Africa", and of course there were other activities such as the marketing of ivory.
But despite this dominant position in so many vital areas, there does not appear to be one instance of Africa resorting to institutional deceptions of the kind commonplace to capitalism, and which are especially widespread in modern-day capitalism because of the power and speed of digital technology. (As the spread of the current cycle of global crises has amply and painfully demonstrated.)

Much of capitalism's malevolent magic is a function of the speed and storage capacity of digitalization. That is the swindles can be done in temporal and spatial dimensions so great and varied that those who do not have similar capacities and the prerequisite understanding have no chance of coping.

Digitalization has made capitalist swindles a vast hustle way beyond the dreams of the most farsighted capitalist pioneer. This is the reality of the swaps, repackaged and parceled mortgage scams and all the rest that has dominated the world's attention for the past few years or so, and particularly in the last two years.

The nature of the current spate of crises is the child of unprincipled, in many cases outright criminal, actions, done at lighting speed (the speed of digitalization) and played out over the whole globe. In short, what we see ravaging the world is the mother of all scams and hustles.

But this system of speculation, hedging and related actions is not the only little trick up the capitalist sleeve that benefits from digitalization.

Their age-old hustle of manipulating a bank's money reserves is also vastly enhanced by the capitalist's crude exploitation of the technological capability of acting almost at the speed of a click and the ability to traverse vast expanses of the globe, combined with monopoly capitals' position of power in the world which allows them to bypass and circumvent any constraints that local market structures may wish to apply, but cannot really do so because of the relative global power equation between the local market and the global monopoly markets.

Thus the monopoly capitalist has a free run of the world. As long as the world ignores the solution: scientific socialism.

The socialism of a liberated territory is subject to a number of principles if independence is not to be alienated from the people. When socialism is true to its purpose, it seeks a connection with the egalitarian and humanist past of the people before their social evolution was ravaged by colonialism; it seeks from the results of colonialism those elements (like new methods of industrial production and economic organization) which can be adapted to serve the interest of the people; it seeks to contain and prevent the spread of those anomalies and domineering interests created by the capitalist habit of colonialism; it reclaims the psychology of people, erasing the 'colonial mentality' from it; and it resolutely defends the independence and security of the people. In short, socialism recognizes dialectic, the possibility of creation from forces which are opposed to one another; it recognizes creativity of struggle, and, indeed, the necessity of the operation of forces to any change. It also embraces materialism and translate this into social terms of equality.
But just as the negative actors on the human stage use of digital technology enhances what it wishes to do. Our human centered paradigm also values the capabilities of automation and cybernation. Thus by adapting and adopting the technology for positive ends we employ our common sense by sublating what are forced labor and stolen resources have created.

As Dr. Nkrumah, wrote in "Class Struggle in Africa":

Economically and industrially Europe and the USA are ready and poised for socialism. There are the necessary material ingredients which could make socialism possible overnight. In the USA when automation and cybernation aided by nuclear energy reach their highest form of development, the forces of production will have been developed to a point at which there could be the classless society which Marx predicted could come only under communism. But although the USA is at present one of the most affluent and industrialized countries in the world, it is at the same time one of the most socially and politically backward.

Clearly then the problem is the social and political systems directing the use of the technology. Given our materialist philosophical conscientism system we will make contemporary communication, information and production systems work for the peoples interest, that is our interest.

....The intensification of the dialectical moment which produces independence will raise the index of development. A greater positive action therefore emerges as the key to development along socialist lines. That is, for socialist development, the socialist conscience of the people must be enhanced through education and party activity. The forces of positive action, political, economic and cultural, need to be mobilized and streamlined for progress.

This requires an increase in the number of people contributing to positive action and an improvement in the quality of their contribution. This requires a greater space a, achieved through positive unity as defined in formula (xiii), and it creates an optimum zone of self-induced development.

Part of that process is the socialization of the people and our institutions so that

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past of the people before their social evolution was ravaged by colonialism; it seeks from the results of colonialism those elements (like new methods of industrial production and economic organization) which can be adapted to serve the interest of the people; it seeks to contain and prevent the spread of those anomalies and domineering interests created by the capitalist habit of colonialism; it reclaims the psychology of people, erasing the 'colonial mentality' from it; and it resolutely defends the independence and security of the people. In short, socialism recognizes dialectic, the possibility of creation from forces which are opposed to one another; it recognizes creativity of struggle, and, indeed, the necessity of the operation of forces to any change. It also embraces materialism and translate this into social terms of equality.

Kwame Nkrumah, pp. 105-6, "Consciencism: Philosophy and Ideology of De-Colonisation"

Equipped with Osagyefo's guidance we can utilize modern technology for proper human development. For example if we wanted to build a global simulated scenario that would function as a Pan-African training system we could very easily use Adobe's Captivator to achieve this.

Captivate facilitates the use of video, audio, so the presentation is much more compelling and instructive that plain text alone, or even text combined with static or animated graphics. It provides excellent interactivity, including the capacity to give near-instant feedback and assessment responses to the person using the simulation. It is an excellent tool for many of the theoretic and practical task required in the propagation and institutionalization of philosophical conscientism. With ubiquitous hand held devices, laptops, desktops a society could easily start with one or two layers of blade servers and perhaps a cloud computing setup (with sufficient system redundancy) and the use of XML, that is (Ex)tensible Markup Language and Really Simple Syndication, commonly known as RSS and Learning Management Systems, LMS, we could easily devise a continental and global system of exchange of information that will strengthen our group intelligence and thus make our self-refential iCAS strategy that much more effective.

And given the fact that such technology can convey any aspect of any domain of human creativity, it will be a great blessing and boost for our people and the world. For example we could develop a course on economics using the theory of cybernetician, Prof. Zivko Kostic who demonstrated that economies are functions of social structures and that the more concise input from the human factors processed by the economic components of the society the greater will be the return*. Putting this in terms of the Pan-African global social economy and political milieu would greatly assist the development of Pan-Africanism.

But this is just one small use. There is robotic production of automobiles, planes, ships, prefab building components for homes, hospitals, schools, airports, maritime ports, general businesses, rail road facilities, "cultural" institutions, and other kinds of construction. People could produce digitalize fictional, such as romance novels, poetry, history of soccer in Africa, publish voluminous macro-economic and micro-economic studies and data as factors of global and continental trends driving increased integration or other such literature on the development of Pan-Africanism; hosting an on-line art gallery or offer classical philosophical works on the web.
These and the infinite number of other similar political, economic, financial, commercial, philosophical, management science, and/or social activities that any given human or human agency may devise is what makes the digital revolution an actual Revolution.

For example businesses requires excellent tools for modeling and simulating the vicissitudes of a world of cyclical economics and fragile market social-psychology, as each crises of capitalism proves too our collective misfortune (well at least the majority of us, as it obvious that the perpetrators of these capitalist crimes profit from their self-induced crises). Businesses need Enterprise Architecture methods and tools to help it understand and maintain the systemic vitality of the particular agency. It needs the power and speed of automated accounting to keep abreast of its financial position, to guide it in decisions related to purchasing, a/p, hiring, research development investment, governmental reporting requirements and many other aspects of the given business. They have to have a good, dependable system of tracking management decisions, likewise a viable method of supply chain management and definitely the ability to manipulate these sources of information so that they can be looked at as both separate streams of information, specific pieces of data and/or as a unified whole.

Political agencies need all these things also, it needs Enterprise Architecture (EA) for the same reasons as a business. It needs legacy systems of various kinds to help it plot future development of the society by the knowledge that can be gained from looking at the history of the state and the people. These same needs, to varying degrees of course, apply also to entities as diverse as universities, hospitals, museums, distribution systems managers and virtually every other aspect of a large complex society.

Digitalization, properly used gives us greater collective intelligence and hence greater success in the general societal spheres of interest, that is political, economic, educational, indeed, it would be most accurate if we said that this applies to everything that impacts Africa and Africans culturally really.

For example we should always be learning, so the smart use of our leisure time would allow for this by mixing some learning with the pure entertainment/recreation aspects of leisure. Such an approach will go a long way towards self-empowerment in our communities and our global nation. It would help us develop a process that would encourage and intensify the process of developing a steady stream of personnel who are constantly gaining competency in critical areas; things such as software engineering, data mining, content design, DBMS, simulation modeling, project management, Enterprise Architecture development and the myriad of other areas.

It will also increase our potential for developing new revenue generators. Commercially this constant upgrading and fine tuning of our collective intelligence level, our human databases of communal knowledge in vital areas would open up many potential markets and revenue generating areas for us. Everything from automated travel and leisure services, online book stores, AI-assisted infra-structural projects, system analysis, computer aided market research, forecasting and polling, computer-based event planning, offshore outsourcing of software engineering and data processing, educational services and so on. This would allow us to take advantage of the globalization trend and avoid as much of the risk as we can possibly identify and counteract.

To do this we need to:
Train and prepare the human capital. The more informed we are about the digital revolution the greater is the derived benefit for us all in our various roles in the global society. that is as business people, customers, cooperative workers and vendors.

When we look at specified demographic sectors, for example, the class of people who have yet to enter the Internet - based economy because they do not have infra-structural access, capital, knowledge and so forth, we suddenly realize that there are literally billions of potential new "workers-managers", and customers out there in the African world, just waiting for them day when Africa stands erect in the world and takes its proper place.

This is where we want to go...we want to show every possible interest group that we have a chance for a win win situation here. Let us do a little imagineering here: If at the aggregate competency level of today's Africa work force was able to be upgraded wouldn't Africa gain as a whole? wouldn't that be good for both the African continent and its individual constituent states but also for the rest of the world?...

So it is a win - win situation...helping humanity in two of its most important roles -- as those who produce-manage and consume.

1. Informed customers will be able to access and appreciate the quality and value of the services and products created by the digitalized global economy / society;
2. Producers (cooperative investors, managers, workers of various types) will be able to create quality and value in the form of the services and products of the African digital society and economy.
3. The institutions of the society, generally, will have more capital to invest in the needs of the people and the state.

All we need to do is to define our optimum position in the global market, partner carefully and ethically, and remember the basic business axiom: every circumstance of risk carries within itself immense opportunity, all that is required is planning, working and perseverance.

This we can do if we have the right financial and economic strategies in place. That is, if we have the proper political economy in place; one that puts the peoples' interest first at all times. This means that the security and development of the people comes first, the survival of the people comes first, the advancement of the people as communities, families, and individuals, always comes first. It is the main determinant of fiscal, monetary, financial, economic, commercial, educational, and every other kind of political decision made by a society functioning within the context of a philophical consciencist system.

What we need is calm and insightful actors who know the link between successful, cooperative entrepreneurship and motivating human beings; and the correct form of political organization of the society and the state...that is one based on philosophical consciencism.

This is the critical determinant of the amount of revenue we can generate over time. It is the essential element of consideration when we make our decisions about disposition of resources.
It will also help us amass a competent pool of worker-managers who can deploy cooperative team structures so that we can launch our expanded development effort...in this task we cannot stress the absolute importance of planning, working and perseverance guided by redemptive goals, objectives and philosophy too often nor too strenuously.

We must be proficient in the use of economic and commercial intelligence. This will enable us to use forecasting methods to stay ahead of the curve in all critical business sectors.

First: We must fully realize that the institutional efforts that will be successful in this approach will all share some common attributes.

- The recognition that the economy is global. All competition and markets have been globalized
- That innovation in technology, techniques, processes, methods, and methodologies deployed in production, distribution and related areas, is the only way to survive in a globalized competition.
- That planning and implementation reflect their understanding of the two above items.

We have to understand that overall planning and deployment processes are greatly enhanced by the use of statistical tables of historical data. This allows the government, the worker, cooperative worker-management, or business owner(s) the opportunity to anticipate and cope with the ongoing process of change.

This logic would perforce be reflected in all of our business plans, marketing strategies, in the design and general use of the information systems.

For maximum efficiency historic and forecast data should be updated regularly and made available HTML, XML or similar universal formats over private intranet for reasonable security with ease of access.

Those activities that are of interest to the general African population must either be posted to the internet or there would have to be an intranet or extanet that encompasses and serves the total Pan-African demographic and world.

To properly forecast political economic, financial, and commercial developments, we have to situate current political and economic events in their proper historical context. This will help us cope with the process of change and analyze evaluate longer-term developments. This would be reflected in our business plan, and its derivatives the marketing plan, MIS and DSS systems, Human Resource policies and so forth. Think of it as applying materialist logic to stochastic analysis and chaos planning.

This means we have to deploy the analytic tools to systemically dissect and re-engineer (where called for) the general infrastructure and key sectors of our economy.

We will need develop the capacity to generate statistical tables of historical data over 1, 2, 5 year periods and longer (and shorter). This is an imperative for both assessment/analysis and general planning. We would want our people to stay on top of
the current-accounts situation of critical markets, the levels and trends of commodity
prices, foreign exchange and interest rates, tax environment in each commercial
operational theater / venue in which we function, our rate of growth, the activity and
position of our global competitors, the level of unemployment and inflation, anticipate
changes in regional integration-induced trade flows and the credit market.

To do this, we must have a readily digestible, steady stream of all the data germane to
our position in the world. We must provide ourselves access to global and regional
economic indicators and forecasts to guarantee that we are relying on the optimal
historic and forecast data.

Data points can be updated monthly and produced in spreadsheet, XML and HTML
formats, and where appropriate rendered into RSS feeds.

Data series should include these and other categories (that is to say the series in not
limited to this array):

- Gross domestic product
- Fiscal and monetary indicators
- Demographics and income
- Foreign payments
- Foreign debt stock
- Foreign debt service
- Foreign trade
- Quarterly indicators
- Monthly indicators
- Weekly indicators
- Daily indicators
- Hourly indicators.

(This is an expansion of the approach that the Allende government was developing with
the participation of the whole national work force and the assistance of the British
cybernetician Stafford Beer.)

The data and information generated would be made available digitally to every individual
and agency that has a need to know. That is everyone who has some function that
requires access to the information generated by the process, or specific elements of the
data.

Logically we would want people to be able to access the information with ease. Pervasive
or ubiquitous computing combined with technologies such as DHTML, XML, HTML, RSS
makes this a relatively simple and straightforward process.

It might also be useful to deploy cloud computing, with sufficient redundancy in case of
system failure or accidents or natural disaster or human-made disaster such as
terrorism, vandalism, carelessness or some other action, intentional or unintentional that
will take down aspects of our system.

If we do these kind of things we can create the necessary quality and value. Our
businesses will be able to compete at the level of all other world class commercial
entities no matter where they are in the world.

Africa will create quality and value that appeals to a large globalized market and thereby increase the size of our work force and radically improve our standard of living and quality of life. Digitalization in the context of Pan-Africanism will allow us to employ a geographically dispersed work force using standard remote processing protocols and techniques.

We will be empowered to serve our market better because we will be able to communicate more efficiently. Informed customers are able to appreciate the quality and value of the services and products created by the digitalized economy. Most importantly this will allow the African people to interact with the world on various commercial levels across geographical and time boundaries.

But none of this is possible without Union Government. That is government guided by the principles of philosophical consciencism. Union Government is the only way Africa will be able to speak with one voice and act as one. This require first and foremost the proper political and military agencies which would of course, operate on a Pan-African scale and scope.

It is the only way to end the misery of Africa’s and the world peoples generally.

*Kostic wrote:

*Every organizational system of people and material resources with an economic goal is a specific economic structure, the mezzo economy, bounded by its specific goals from the macro economy (social economy) and from the micro economy (economy of individuals) which are integrated in the mezzo economy or are outside it.*

*The mezzo economy, by its functioning within its macroeconomic environment, influences the state of the macro- and microeconomics and causes changes in them, being subject itself to influences of the macro- and microeconomics which manifest themselves in changes of the state of the mezzo economy.*

*The complex of states and changes of states in the macro-, mezzo-, and microeconomics and their mutual effects make up the global social economy.*

*All these effects have their repercussions in the mezzo economic structure.*

*The mezzo economic structure, as an organizational system, is made up of its subsystems: the human (the working collectivity of the enterprise), the material and the financial subsystems. In the first, three further subsystems are acting: the executive function, the function of*
management, and the function of administration. In the second, the following ones are differentiated: the technical-technological subsystem (working resources, equipment, and technological proceedings), the subsystem of material supplies (raw materials, parts, commodities in stock). The third consists of: the allocated financial resources, expenses and income.

All these subsystems, by their functioning in the mezzo economic structure, make it possible for the mezzo economy, as an organizational system, to perform its function in the process of social reproduction, thereby providing for the macro- and microeconomic interests and simultaneously realizing its own mezzo economic interests. Each disturbance in the functioning of any subsystem gives as a consequence a certain degree of disorganization in the mezzo economic system, entropy of that system and reduction of the economic quality of the results of functioning of the mezzo economy in the process of social reproduction, that is reduction of the economic quality of the exit from the system. Such a result of functioning of the mezzo economy affects the macro- and microeconomic interests, this being reversibly reflected both in the mezzo economy and its structure.

The feedback mechanism between macro-, mezzo-, and microeconomic interests does not include also the automatism of that mechanism. Constant decisions are required from the administrative subsystem in the mezzo economy, through which decisions, in the sense of business policy and respective organizational measures, the economic processes are guided in the direction of the goals laid down. The goals are defined in such a way that in the field of identical macro-, mezzo-, and microeconomic interests the realization of corresponding economic maxima is aimed at, whilst in the field of conflicting interests the tendency is to find out corresponding economic optima.

The definition of these economic sizes and their insertion as criteria of economic efficiency of the functioning of the mezzo economy and criteria of economic quality of the results of that functioning, that is the economic quality of the exit from the system, requires constant analytic follow-up and regulative acting by the administrative subsystem which with its decisions has to influence the processes in order to put their economic effects back into the boundaries set, in case they surpass the boundaries of toleration.

Nevertheless, these administrative decisions are complicated by the fact that the factors of dynamic and the factors of the entropy of the mezzo economic system are not to be found only in the sphere of economic processes.

The mezzo economic structure in contemporary society is no longer only a subsystem of the macro- economy, but also a subsystem of the total social structure.

On the other hand, the working collectivity of the contemporary enterprise
no longer represents only integrated microeconomics, but also associated human personalities whose behavior is not determined by their economic interests only. Although any behavior has its economic effects, the economic effects and economic goals are not sufficient to explain the social character of individual acts.

Individual reactions cannot be separated from their social surroundings, from the social structure and its institutions, and the social structures are subject to the dialectical dynamics of society wherein, with the transition from one system to another, the laws of the economy of the enterprise also change.

The role which the mezzo economy as an organizational system receives in society is becoming more and more important, because the mezzo economic structure is growing to become a society in miniature, is becoming a subsystem of the aggregate social structure, which fact commits the administrative subsystem in it to much more complex and responsible decisions, which will also include the extra-economic factors of the development of the mezzo economy and the more so regulate the mutual reversible relations of macro-, mezzo, and microeconomic interests.

The basic goal of the macroeconomy as an economic system appears in the final analysis as the satisfaction of social and individual needs, this being provided by the functioning of the mezzoeconomy in the process of social reproduction and the physical product as the result of such functioning.

A series of macroeconomic interests in the mezzoeconomy and mezzoeconomic effects in the macroeconomy ensue from this basic purpose of the macroeconomy and the basic relation of the macro- and mezzoeconomy.

from the article "Feedback mechanism between mezzo economic structure and micro- and macroeconomic interests", by Prof. Z. Kostic, in the book Progress in Cybernetics and Systems Research, Vol. II