

IV. SOVIET SOCIAL-IMPERIALISM AROUND THE WORLD

1) Soviet Social-Imperialism and the Third World

Even the most superficial look makes it painfully obvious that something other than proletarian internationalism is the driving force behind the Soviet Union's relationship with the developing countries of Asia, Africa and Latin America. In India, the USSR's main Asian ally and recipient of billions in Soviet "aid", the carts still go through the streets of Calcutta each morning to pick up the bodies of those who died of starvation and exposure the night before. In recent meetings of the UN, the Soviet Union has isolated itself from the vast majority of the world's countries when it has united with U.S. imperialism and a handful of other imperialist states to oppose the right of Third World countries to control their own natural resources.

All over the world the Soviet Union is interfering in the affairs of other nations: sometimes through clandestine activities aimed at bringing pro-Soviet cliques to power, other times through economic blackmail. Soviet troops still stationed in Czechoslovakia serve as a constant reminder of the willingness of the USSR to resort to naked aggression. In every sphere the Soviet Union reveals itself as a superpower willing to trample the interests of the peoples of the Third World into the dirt.

In this chapter, and based on what we have established in Chapter III, we will show that the USSR is governed not by any desire to see the Third World countries embark on the so-called "non-capitalist road of development," but is in fact driven by its imperialist nature to rob and plunder every corner of the globe where it can stretch its tentacles.

In Chapter III we have seen how the Soviet economy is developing according to regulation by the blind law of value. We have seen that the Soviet ruling class will invest only in those industries which yield the most profit. And, as we have also seen, such maximum profit can only arise on the basis of exploitation and thus the Soviet social-imperialists are forced to increasingly intensify the exploitation of the Soviet working class.

But as the social-imperialists search frantically for the most profitable investments, like all imperialists they eventually run into a brick wall. In Lenin's words, "The necessity for exporting capital arises from the fact that in a few countries

capitalism has become 'overripe' and (owing to the backward state of agriculture and the impoverished state of the masses) capital cannot find a field for 'profitable' investment."¹

Under socialism the Soviet Union could productively employ its entire surplus domestically, though in the spirit of proletarian internationalism it often did employ some of this surplus in *real* foreign aid to developing nations. But today the goal of production is not the improvement of life for the Soviet masses through all-round economic development, but the blind increase of accumulated capital. And like other imperialist powers before them, the Soviets in pursuing more capital, *export* their capital and invest it abroad where the rate of profit is much higher.

Lenin summed this up as follows:

*"As long as capitalism remains what it is, surplus capital will be utilized not for the purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalists, but for the purpose of increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap."*²

Along with the need to export capital throughout the world, the Soviet Union must try to monopolize sources of raw materials wherever they can be found, and is forced into competition with other imperialist powers for "spheres of influence." As the "new" and rising imperialist power, the Soviet Union is today forced to push for a new and more favorable division of the world.

In pushing for this, the Soviet Union has run head-on into the established power of the U.S. imperialists. While the whole capitalist world is increasingly in severe crisis—affecting the Soviet Union as well as the U.S.—the Soviet Union is generally on the *ascendancy* relative to declining U.S. strength. Thus, everywhere, in the developing countries of Asia, Africa and Latin America and also in Europe, which is the main area of contention between the two superpowers, U.S. imperialism finds itself in the position of attempting to hold on to its empire while the Soviet Union

seeks to challenge U.S. imperialism's control.

This rivalry between the two superpowers is largely responsible for the turmoil existing in the world today. While this turmoil creates extremely favorable conditions for the struggle of the peoples of the world for national liberation and socialism, the rivalry between the USSR and the U.S. is also fraught with danger. For it is precisely inter-imperialist rivalry which led to both world wars, and which threatens the world's people with the possibility of a third world war. We will have more to say on this subject in a later chapter.

Soviet social-imperialism is a new and rising imperialist force in the world, trying to take the place of the United States in dominating other countries. Just as Britain shoved out the Dutch or Portuguese, and just as the U.S. shoved out Britain and France, now the Soviet Union is doing some shoving of its own. And just as the British sometimes appeared "anti-imperialist" by siding with some "natives" against the Portuguese and Spanish in the West Indies, just as the U.S. tried to appear "progressive" in pushing Britain out of India, so the USSR tries to look "progressive" and "anti-imperialist" in contesting U.S. imperialism in India, Latin America, the Middle East, etc. But the *appearance* of anti-imperialism, covered by talk of democracy, independence, development, or even socialism, must not be allowed to hide the *reality* of inter-imperialist rivalries and a continuing redivision of the world as Lenin described almost 60 years ago.

No imperialist power likes to come out and admit what its true nature is. Even U.S. imperialism, which has long ago been exposed throughout the world, continues to try to mask itself as a "democracy." The Soviet Union also has a mask it tries to hide behind. The social-imperialists have hired scores of "theoreticians", well versed in distorting the writings of Marx and Lenin, to try to portray Soviet imperialism as "socialism" and Soviet foreign policy as "proletarian internationalism."

As the home of the October Revolution and the first workers' state, which under Lenin and Stalin consistently supported the struggles of the peoples of the colonial and semi-colonial world for national liberation, the Soviet Union enjoyed immense prestige. The present day rulers of the USSR have tried to capitalize on the internationalist stand of the Soviet Union before Khrushchev's coup, masking their policies of aggression and plunder. For this reason also, it is important to rip the facade of socialism off the hideous features of Soviet social-imperialism.

The transformation of the Soviet Union into an imperialist power has taken place during a period of tremendous growth of national liberation struggles in the Third World and during a period of deterioration of the U.S. as the unchallenged superpower. These two conditions have determined the form and method used by the social-imperialists to seek control of Third World countries. Hence, a look at how the U.S. imperialists

rose "to the top" can throw some light on what the USSR has been doing in recent years.

The U.S. has been an imperialist power since the turn of the century, but it has only been since World War II that it was temporarily able to dominate virtually the entire capitalist world. As far as the imperialist powers were concerned, WWII was essentially a fight to determine which imperialist powers would control the lion's share of the world's resources—raw materials, sources of cheap labor, markets for the export of capital, etc. The war developed principally from the rivalry between British, French and U.S. imperialism on the one hand, and German, Italian and Japanese imperialism on the other. Throughout the 19th century, Britain had been the kingpin imperialist power. But imperialism develops unevenly, with some imperialist nations growing stronger and others growing weaker through inter-imperialist competition, and soon Germany was in a position to challenge this supremacy. This challenge was defeated in WW I, which shackled German imperialism with chains of debt and war reparations.

Attempting to keep the Germans in this weak position, the British and French imperialists, along with their rapidly developing U.S. allies, set the stage for a second conflict. Allied with the rising but also dissatisfied power of Japanese imperialism in the East, the German imperialists under Nazi leadership aggressively challenged all attempts of their rivals to maintain the old division of the world. The result of World War II is, of course, well known. The fascist powers were completely defeated and Britain and France emerged from the war considerably weakened—certainly in no position to maintain their vast colonial holdings. Among the imperialist powers only the U.S. emerged with its productive forces intact, ready to step into the vacuum created by the demise of its rivals.

World War II also gave rise to a tremendous upsurge in the struggle of the world's people for socialism and national liberation, especially in the colonial and semi-colonial world. No force on earth, including U.S. imperialism, could save the colonial system in its old, open form. Shortly after the war, the Chinese people succeeded in winning their liberation, a tremendous blow to the whole imperialist system. Within a relatively short period of time, most former colonies achieved at least *formal* political independence. But we know that political independence by itself does not mean an end to imperialist plunder. In *Imperialism, the Highest Stage of Capitalism*, Lenin writes:

*"Finance capital is such a great, it may be said, decisive force in all economic and in all international relations, that it is capable of subjecting, and actually does subject to itself even those states enjoying the fullest political independence . . . of course finance capital finds most 'convenient', and is able to extract the greatest profit from such a subjugation as involves the loss of political independence of the subjected countries and peoples."*³

U.S. imperialism was not strong enough to establish colonies in the traditional sense and fly the stars and stripes over the parliaments of the newly independent African and Asian nations. Instead, U.S. imperialism had to *adapt* itself to political realities and seek *forms* of exploitation based on the changing world situation. In fact, in some cases the U.S. supported the independence of the former colonial countries since it didn't want the special privileges of the former colonial powers to restrict the flow of U.S. finance capital into those countries. (This was *not* the case, however, in those colonies like Vietnam where movements for independence were led by Communists who were determined to go beyond simple political independence and drive all imperialism out of the nation.)

U.S. imperialism banked its strategy on indirect rule through puppets representing the reactionary classes in the Third World countries who would keep the workers and peasants suppressed while allowing an open door to U.S. penetration. This penetration took many forms—direct loans to reactionary governments, arms sales, and most importantly, direct investments by the U.S. monopolies. Thus, the *form* of U.S. domination over many Third World countries differed considerably from the previous outright colonialism of Britain and France, yet the *content*—export of capital, seizure of raw materials, etc.—remained the same. This distinction between form and content is especially crucial in examining how the Soviet Union has adapted its imperialist plunder to the political reality of the 60s and 70s.

The outright plunder of Third World countries by the U.S. monopolies, and the maintenance of backward social systems that retarded the productive forces in those countries, kept the masses of people in starvation conditions. There was no way the people of the exploited countries would tolerate such a situation for long. In the decades since WW II, the struggles of the peoples in the Third World have grown. Everywhere the cry "Yankee go home!" has been raised and in a number of countries the people have risen in armed revolution against the robbery of their homeland by U.S. imperialism. Not only have the workers and peasants of the oppressed countries resisted U.S. imperialism, but even sections of the exploiting classes in the underdeveloped world are driven to resist imperialism.

That section of the capitalist class in these countries which opposes imperialism because it cannot compete with the monopolies, and because imperialist domination maintains feudal and semi-feudal relations in the countryside, thus preventing the development of an adequate national market, is known as the *national bourgeoisie*. This is to distinguish it from that section of the bourgeoisie that is tied in with the old relations of production—that is, with feudalism—therefore an ally and prop of the imperialists—known as the *comprador bourgeoisie*.

Throughout the Third World the national

bourgeoisie is stunted and dwarfed by imperialism. The history of the struggle for national liberation has shown that the national bourgeoisie is incapable of leading the masses of people in completely freeing Third World countries from foreign domination. This is due to the incomplete development and economic flabbiness of the national bourgeoisie and also because, while it opposes imperialism, the national bourgeoisie also fears the workers and peasants, whose interests lie in eliminating all forms of exploitation.

The usual method of struggle of the national bourgeoisie is military coups and similar forms that do not rely on and arouse the strength of the workers and peasants. Once in power, the national bourgeoisie is in quite a bind. On the one hand, it faces sabotage and economic blackmail from imperialism which seeks a return to the old ways. It lacks sufficient capital to adequately develop the productive forces in a capitalist way. And because of its nature as an exploiting class, the national bourgeoisie cannot mobilize the workers and peasants to fully practice self-reliance and take the destiny of the country into their own hands. This can only be done in a socialist system where the working class rules.

While the national bourgeoisie is a vacillating class caught between imperialism and the masses of the oppressed people, it can still play a progressive, anti-imperialist role. Where the national liberation struggle is led by the proletariat, the national bourgeoisie can be won to participate in an anti-imperialist, new democratic united front. Within such a united front, representatives of the national bourgeoisie can play an important role in making revolution.

Where the national bourgeoisie comes to power on its own, it has often continued to stand up to imperialism—winning concessions which at times are even of benefit to the masses of oppressed people and which strike real blows at imperialist power. When the national bourgeoisie in a given country does stand up to imperialism, it is strengthened by the support and encouragement of socialist countries like China and by the growing unity among the Third World peoples.

However, history has also shown that once in power, the national bourgeoisie may often fall under the sway of one or another imperialist power and sections of it can be transformed into a *comprador bourgeoisie* dependent on imperialism. This can occur even where the national bourgeoisie has played an independent anti-imperialist role for some time. Only a revolution led by the working class and the establishment of a socialist society can finally and fully free Third World countries from the rule of foreign imperialism.

It is important to discuss the role of the national bourgeoisie because this class has played an important part in determining the form of Soviet social-imperialism's strategy in competing with the U.S. for domination of the Third World. Usually the national bourgeoisie in power attempts to limit the control of the country by the foreign

monopolies through attempts to build up the "public sector", that is, the state-owned industries, etc. The strategy of social-imperialism is to encourage such development of the public sector, while at the same time maneuvering the countries of the Third World into dependence on the USSR for loans, military shipments, etc. The Soviets try to justify their imperialist policies by claiming that they are only helping Third World countries embark on the "non-capitalist road of development."

The social-imperialists have written that "(nationalization) in some instances is a vigorous measure for accelerating the transition to the immediate construction of the basis of socialism, because the state sector itself is anti-capitalist and transitional to socialism." The fact of the matter is that the "state sector" is not necessarily "anti-capitalist", as any worker in the post office can readily testify. We saw in examining the Soviet Union itself that state ownership does not have anything to do with socialism, if the bourgeoisie has power.

Examining a few countries in which Soviet social-imperialism has concentrated its efforts should help illustrate the point.

2) Soviet Satellite

With a population of 400 million, India is the second most populous country in the world. Yet for centuries the Indian people have suffered incredibly under the burden of colonialism and imperialism. The subjugation of India by Great Britain arose with the development of capitalism and was crucial in the development of Britain as the world's first major capitalist power. In the era of rising capitalism, India was used by the British capitalists as a source of raw materials and most importantly, as a market for the export of finished goods, principally cloth.

The flooding of India with cheap cloth, produced in the sweat shops of Manchester and spun out of the blood-soaked cotton picked by slaves in the U.S. and by Indian peasants themselves, wreaked havoc in India, undermining the handicraft system and leaving millions of people with no means of support. The drawing of India into the world capitalist system intensified the exploitation of the peasantry by forcing the peasants to pay land rent in cash rather than the old rent-in-kind which had meant turning over a section of the crop to the landlords.

As capitalism developed into its moribund, monopoly stage—imperialism—the exploitation of the Indian people was further intensified. The export of commodities (finished goods) gave way to the export of capital as the principal form of exploitation. The British built railroads, factories and other enterprises. None of this went to "lighten the labor" of the Indian people, but only led to entombment of millions of Indian workers in foreign-owned factories.

But with the development of imperialism and

the export of capital came the significant development of a modern proletariat in India and the rudiments of an Indian bourgeoisie. Coupled with the development of the general crisis of capitalism that began with the outbreak of WW 1, this produced a tremendous movement among the Indian people for national liberation. Strikes developed; and in places armed struggle broke out. A Communist Party was formed, but the communists never developed the correct line for revolution in the colonial and semi-colonial world. They did not lead the Indian people in waging people's war (surrounding the cities from the countryside, relying on the peasants as the main force and the workers as the vanguard, etc.).

It was the Indian bourgeoisie that was able to gain control of the people's struggle against British imperialism. In particular, it was Mahatma Gandhi and Jawaharlal Nehru who, through the Congress Party, were to assure that "independence" would not mean liberation and that India would remain a victim of imperialist plunder. Congress Party members were drawn from diverse sections of the Indian people, but the party's leadership always represented the bourgeoisie, both those sections who were directly tied to British imperialism, the compradors, and those capitalists that sought an independent India in which they might reap profit off the Indian masses. The Congress Party always sought to shackle the people's struggle and never seriously challenged imperialism or the semi-feudal system in the countryside. Gandhi's philosophy of "non-violence" was a philosophy of subservience to imperialism and opposition to revolution.

Following WW II, Britain was unable to maintain its colonial rule in India. India became "independent" and divided into two states—present day India and Pakistan—and political power in India passed to the hands of the Congress Party where it has remained ever since. U.S. imperialism began to edge out British interests in India through large scale investment by U.S. monopolies and private and U.S. government loans to the Indian government. U.S. imperialism, then in its heyday, became the principal overlord of India.

The Congress Party did nothing to try to wrest India from imperialist domination. In fact, the following quote from B. K. Nehru, former Indian ambassador to Washington, demonstrates quite clearly where they were coming from: "India is unwilling to generate all the necessary capital to reach the take off point by the most obvious means: viz. by changing the institutional framework of Indian society through restrictions of individual liberties and democratic freedoms (sic) ... the alternative is to receive, temporarily, greater assistance from other nations."⁵ In other words, the Indian capitalists and landlords were "unwilling" to take any steps that might lessen their "democratic" right to exploit the Indian people.

Nehru and the other government leaders always masked their subservience to imperialism with vague talk of "socialism." In international affairs they tried to present themselves as champions of peace, neutrality and independence from imperialism—and from the actual socialist countries as well.

From the time of independence to the middle 50s, India's trade and financial dealings were almost entirely with the West. U.S. imperialism dominated the world money market at that time, partly through control of the World Bank. These imperialists extorted a whopping 6.5% interest rate on all loans to Third World countries.

When the Khrushchev clique seized power in the Soviet Union, they began looking for ways to challenge U.S. imperialism's control of India. They initiated trade that actually gave India favorable terms for a few years.

In 1959 and 1960, events took place that provided the Soviets an opportunity for further penetration into India, and at the same time helped expose the face of the Soviet revisionists to the world's people. In 1959, India began to provoke border incidents with the People's Republic of China. The Khrushchev clique rushed to the "defense" of India and tried to pressure China into giving up huge sections of territory to India. This was the beginning of the Soviet-Indian alliance against China.

India also became involved in a war with neighboring Pakistan over India's ripoff of Kashmir, a Moslem area which, as part of the partition of British India, was supposed to be able to choose which state it wished to affiliate with. The Indian reactionaries consistently fought against self-determination for the people of Kashmir. The Soviet Union backed India in this war of aggression also, and began sending weapons to India.

As the revisionists who seized power in the Soviet Union began to transform that country into a full-blown imperialist nation, Soviet penetration of India grew rapidly. In particular, the Soviet Union began making long-term loans to the Indian government to build up the "public sector" of the Indian economy. Previously, U.S. imperialism had refused to loan money to India for the development of state-owned enterprises. The Clay Commission, which was set up under President Kennedy, recommended that the U.S. attempt to blackmail India into abandoning plans to establish and strengthen the public sector. The excuse given for this was that loans to state-owned enterprises would be tantamount to aiding socialism.

Of course, the U.S. imperialists were not so naive as to believe this. Had some sections of the U.S. bourgeoisie that didn't already have a strong foothold in India been more influential in the U.S. government at the time, things could have been very different. But as it was, it seems that the most powerful and politically influential sections of the U.S. ruling class were those already en-

trenched in the Indian private sector, which they apparently believed to be the most profitable method of exploitation in that country.

It would appear that these forces were afraid that development of the Indian public sector could create openings for rival corporations to move in. The social-imperialists were more than glad to step in where the U.S. would not. And on the surface, Soviet loans seemed quite different from the terms offered by Western imperialists. Soviet loans had the relatively low interest rate of 2.5% and could be repayed over a 12-year period. Furthermore, the Soviets agreed to accept payment in rupees, India's currency, instead of insisting on payment in dollars or a similar "hard" currency. And, of course, Soviet aid could be used to develop state-owned enterprises.

However, it soon became clear that there was more to Soviet "aid" than met the eye. First of all, Soviet aid, unlike loans from the West, came "tied." That is, India was required to spend all the money it received from the Soviets on goods from the Soviet Union. And prices of the imported goods were determined by trade agreements and not according to the free market price for such goods. So the Soviets were able to charge exorbitant prices for outmoded machinery, thus disguising the real rate of interest on the loans. As Soviet domination of the Indian economy increased, the difference between what the Soviets charged India for industrial goods and their free market value grew. The Indian *Economic Review* hit the nail on the head when it wrote, "Though the rate of interest on Soviet loans appears to be a mere 2 and a half per cent, the actual rate (loan in kind) which is quite high lies concealed in the exorbitant prices of the goods supplied by the Soviet Union."⁶

In the ten years from 1955 to 1966, Soviet loans to India amounted to the enormous figure of 1.2 billion U.S. dollars. Nearly 70% of Soviet goods sold 20 to 30% higher than world market prices. In some cases the price discrepancy was even more outrageous. In 1969, the Soviet Union sold spare tractor parts to India at *three times the price* at which the same parts were sold to East European countries. In the same year, the USSR sold nickel to India at 30,000 rupees per ton as against only 15,000 rupees per ton on the European markets.⁷

But the price charged by the Soviets for exported goods is only half the story. India must pay for these goods, and for interest on loans, by exporting numerous goods to the Soviet Union. Once again there is a price discrepancy in favor of the social-imperialists. It is estimated that prices fixed by trade agreements for Soviet imports from India are in most cases 20 to 30% *lower* than world market prices. In short, the Soviet Union is able to extract surplus value from India through huge price gouging as well as the 2.5% interest rate charged. It is only because India is mortgaged to the Soviet Union that the social-imperialists are able to do this.

As early as 1971, Indian Defense Minister Jagjivan Ram conceded that Soviet-built enterprises control 30% of the steel production, 20% of electric power, 35% of oil refining, 60% of the electrical equipment, 75% of the production of electric motors, and 25% of aluminum output in India.⁸ Undoubtedly, these figures are outdated by now. Most of the Soviet economic "aid" goes to build entire industrial enterprises that are constructed under the direction of Soviet engineers and bosses. Even an Indian parliamentary committee was forced to criticize the Soviets' "overbearing attitudes in much the same way as the government found fault with Americans in the past."⁹ By keeping the blueprints and the engineers firmly in Soviet hands, the social-imperialists further maintain the dependence of India on the USSR. It should be remembered that in 1960, the Soviets took their engineers and blueprints with them when they tried to blackmail the People's Republic of China.

In addition to loans to state-owned enterprises, the USSR has found India a ready market for armaments. No official statistics are available on the exact size of Soviet arms shipments to India, but all estimates put it in the billions, further increasing India's indebtedness to the Soviet Union.

This Soviet stranglehold on India has grown stronger with every passing year. In fiscal 1971 to 1972, India asked Moscow for a new loan of 200 million rupees while it still owed 400 million! By 1968 the "debt service ration" reached 28% of India's export earnings.¹⁰ This means that 28% of all the money India takes in from the sale of commodities around the world goes simply to make payments on Soviet loans. The situation is so so bad that even an Indian writer sympathetic to the Soviet Union writes, "It is not unlikely that in coming years the credits from the USSR will be used for repaying old debts and credit receipts will only mean that India's export earnings will be available mostly for importing goods and services."¹¹ This is the same as re-financing your home—you borrow more money to pay the bank you borrowed from in the first place. This is further proof of the subservience of India to Soviet social-imperialism.

Until the last few years, the Soviets were satisfied with extracting raw materials and agricultural goods from India. In recent years, though, the Soviet Union has taken a cue from the U.S. imperialists and begun to set up runaway shops to produce manufactured goods for the USSR.

In 1972, Mishra, the Indian Minister of Foreign Trade, said, "India was ready to undertake production of labor intensive items for the Soviet Union", and that "India could specialize in certain fields and items and produce them to meet Soviet requirements as well."¹² On June 9, 1972, the *Journal of Commerce* reported that India and the Soviet Union were negotiating four conversion deals under which Indian plants will actually process

Soviet raw materials and then re-export the finished products back to the Soviet Union. This is nothing other than the runaway shop! It bears a striking resemblance to the kind of blood-sucking arrangement U.S. textile and electronics firms have going on the U.S.-Mexican border. In addition, many other factories the Soviets have built in India produce goods that are sold back to the Soviet Union, including steel from "model" Soviet-funded steel mills and also surgical equipment.

In February 1972, the *Far East Economic Review* reported that the Soviet Union was preparing to sell industrial goods to the private sector in India as well.¹³ Then, in 1973, the CPSU journal *Kommunist* wrote that "running joint stock enterprises" has "taken priority" for the Soviet Union.¹⁴ Such enterprises are Soviet social-imperialism's answer to the U.S. multinational corporation. These firms enable the Soviets to share in the direct ownership of capitalist enterprises in India, and permits the social-imperialists to directly rip off the surplus value produced by Indian workers. Indeed, there is no limit to the appetite of imperialism, including Soviet social-imperialism.

Soviet domination of India goes way beyond the simple extraction of wealth. The fact that India is mortgaged to the USSR has many other ramifications. In his work, *Imperialism, the Highest Stage of Capitalism*, Lenin quotes a German bourgeois publication as saying, "In these international transactions the creditor nearly always manages to secure some extra benefit; a favorable clause in a commercial treaty, a coaling station, a contract to construct a harbor, a fat concession or an order for guns."¹⁵ In particular, the Soviets have obtained an "extra benefit" by turning India into its main military ally in Asia. While both India and the Soviet Union try to present themselves as great champions of world peace, events have proven otherwise. This is demonstrated most dramatically by the "Bangla Desh" affair.

Seizing advantage of the discontent of the masses in East Pakistan, the Indian reactionaries, backed to the hilt by the Soviets, stirred up a phony "national liberation" movement. They sent armed infiltrators into East Pakistan as well as starting border incidents. Having set the stage, India launched a full-scale attack on East Pakistan which resulted in a quick defeat for the Pakistani army. Only days before the invasion, India and the Soviet Union signed a "friendship" treaty which was really nothing less than a military pact. One provision called for each country to come to the aid of the other if they were "attacked." The *Times of India*, a leading spokesman of India reaction, wrote that, "It is obvious that India would not have liberated Bangla Desh (without) the treaty of friendship with the Soviet Union."¹⁶ After India "liberated" Bangla Desh, the Soviets were quick to rush in and offer "aid" to that country as well.

The Indian subcontinent and the Indian Ocean are both extremely important in the plans of the social-imperialists, and the new tsars are trying to resurrect the dream of the original tsars who sought to expand the boundaries of tsarist Russia

to the ocean's shores. Already the Soviets have supported a military coup in Afghanistan by some pro-Soviet sections of the army. Standing in the way between Afghanistan and the Indian Ocean is Pakistan, and the Soviets are continually plotting to further dismember that state.

As in the Bangla Desh affair, the social-imperialists are trying to mask their imperialist expansion under the sign board of national liberation. The plan calls for the establishment of a "Pushtunistan state" in the area near Pakistan's border with Iran, a "great Baluchistan state" near the Afghanistan line. In February 1973, the government of Pakistan discovered large quantities of Soviet-made weapons and equipment destined for the Soviet trained "guerrilla warfare experts" now at work in Pakistan.

One might think that Soviet penetration into India and their aggressive policies toward other countries in the region would be so obvious that the social-imperialists might try to avoid the subject. On the contrary, they have written endless articles claiming how they are helping India "develop a well-rounded economy," etc. In 1967, in the Soviet journal *International Affairs*, they did say that, "In India the national bourgeoisie and the landlord's are in power."¹⁷ Yet in 1971, when in the middle of the aggression against Pakistan Indira Gandhi nationalized the Indian banks, the Soviets praised it as a step toward socialism!

The masses of the Indian people are beginning to see through the sugar-coated phrases of the Soviet Union. This year, 1974, huge strikes developed among Indian workers on the railways. Indira Gandhi, who is supposedly taking "steps toward socialism", called out the Soviet equipped army to crush this strike. Over 7,000 militant workers were arrested. The Indian ruling class has also viciously oppressed the peasants who are facing mass starvation as a result of imperialist plunder.

In June 1974, the Indian reactionaries exploded an atomic bomb for "peaceful purposes." A few days later they threatened to develop an H-bomb (for peaceful purposes?) Now that India has nuclear weapons, the social-imperialists are increasingly likely to use India to further their imperialist aims.

While the social-imperialists have gained increasing power and influence in India, the U.S. imperialists have not remained idle. The emergence of a Soviet stronghold in India represents a direct challenge to U.S. strength in South Asia. As we noted before, the U.S. initially attempted to prevent Soviet intrusion through economic blackmail of the Indian government. This policy failed as the internal contradictions of U.S. imperialism—specifically, the contradiction between the overall interests of U.S. policy vis-a-vis other imperialist powers and the particularities of competition between rival U.S. firms in relation to India—created an opportunity for the Soviets to step in and pose as the saviors of Indian "independence." Then, during the 60s and early 70s, the social-imperialists were able to make great inroads while the U.S. was "distracted" and bogged down

militarily in Vietnam, Laos and Cambodia.

Today U.S. corporations still maintain a strong interest in the private sector of the Indian economy, but overall U.S. influence is on the wane. Thus, U.S. policy makers have sought to gain a foothold in Pakistan as a counterweight to Soviet control in India.

This policy has only been partially successful, however. In the Bangla Desh war, for example, the then dominant Nixon-Kissinger policy was to cautiously back Pakistan even though it was clear quite early that the balance of power lay elsewhere. This produced a good deal of criticism from other bourgeois spokesmen like Ted Kennedy. Perhaps representing those U.S. corporations with important interests remaining in India, Kennedy's plan would seem to be to support India and thereby challenge Soviet influence from within, appealing possibly to pro-American compradors and—in a new twist for U.S. policy, possibly picked up from the Soviets—even sections of the national bourgeoisie.

The Soviet Union has been able to use India as a base for increased military activity, particularly naval action in the Indian Ocean where the Soviet navy is the dominant force in the area, with access to Indian ports for refueling and repairs. The Indian Ocean is one of the most strategic waterways in the world, as all sea traffic (including the passage of oil tankers) from Europe to Asia must pass here. It was formerly a U.S. stronghold inherited by the U.S. from Britain. However, the U.S. has now been forced to take up the growing Soviet challenge. The U.S. imperialists have thus made great efforts to win over the government of Sri Lanka (formerly Ceylon), as have the Soviets. More important, the U.S. is now planning to build a huge and extremely important strategic naval base on the small, uninhabited island of Diego Garcia in the center of the Indian Ocean. This base could be linked to and also help protect U.S. strongholds in the oil sheikdoms of Saudi Arabia and in Iran.

Yet even as the U.S. and Soviet imperialists contend for influence and control in India and the Indian Ocean, they join together in collusion against the revolutionary upsurge of the people in that region. The Soviets as well as the U.S. have encouraged and aided the Indian reactionaries in their suppression of mass struggle. And both superpowers have no intention of even letting some junior imperialists, the Japanese, for example, in on the action.

But in India, as in the world as a whole, contention between the two superpowers is primary. In a sense, India is a microcosm of this contention. All over the world the Soviet social-imperialists, today's most "hungry" imperialist power, are challenging U.S. imperialism, employing the very techniques we have seen them use in India. And everywhere in the world U.S. imperialism is resisting this challenge, economically, politically and militarily.

The economic ties between India and the Soviet Union are reflected in the political maneuvers

of the Soviet revisionists in India. Within the ruling Congress Party, the Soviet Union supports its own comprador-bourgeois faction. Although most Soviet "aid" is for state enterprise, some industrial projects financed by the USSR are 25% owned by private Indian capital, so that there are direct private ties between social imperialism and the Indian comprador bourgeoisie under the Soviet wing. Within the ruling Congress Party, the Soviet Union supports its own comprador bourgeois faction, including both private and State capitalist powers in India.

Within the workers movement, social imperialism also plays an important role in supporting Soviet penetration and the continued exploitation and oppression of the Indian people. Soviet influence in the Communist Party of India (CPI) has solidified the CPI in the revisionist camp. The leadership of the CPI pushes social pacifism, sabotages strikes such as the recent railroad strike in which 7,000 workers, including many communists, were arrested, and holds back the development of a revolutionary anti-imperialist movement in India.

3) The Soviet and the Middle East

The Middle East is an extremely strategic area in the struggle between the two superpowers for world dominance. Of utmost importance is that the Middle Eastern countries are the world's leading suppliers of oil, fulfilling nearly all the oil requirements of both Europe and Japan. Thus, control of Middle East oil can be an important weapon for economic blackmail of the imperialists from Europe and Japan and would be of decisive importance in the event of war. The Middle East is also important because of its strategic geographic location, lying at the crossroads of three continents—Asia, Africa and Europe.

Due to these and other reasons, the Middle East has always been a hotly contested area in the rivalries between the various imperialist powers. Since its transformation into an imperialist power, the Soviet Union has gone all out to challenge U.S. imperialism in the Middle East and to try to achieve hegemony there. Egypt, Iraq, and Syria have received over half of all Soviet military "aid" and one quarter of the economic "aid" that the USSR loans to Third World countries.

The last two wars between the Arab states and Israel, the 1967 war and the October 1973 war, were in large degree a reflection of the competition between the two superpowers for control of the Middle East.

Soviet penetration of the Middle East began in Egypt, which for decades had been an English vassal ruled by a feudal monarch. It primarily provided the old imperialist powers with two things—cotton and the Suez canal. British imperialism kept Egypt stunted and backward—essentially a one crop society. After WW II and the weakening of British imperialism, a national awakening took place in Egypt which resulted in a group of Egyptian military officers led by Nasser seizing power

in 1952 and establishing the first "radical" state in the Arab world. Nasser was one of the most dynamic leaders the national bourgeoisie has produced, and for a time he had a great deal of success in his efforts to break the imperialist stranglehold on Egypt. As a result, he won a good deal of popularity among the Arab peoples although he was in no way a true mass leader.

In 1956 two events took place that were to change the history of modern Egypt. Khrushchev made his famous "secret speech" and began turning the Soviet Union back to capitalism; and Britain, France and Israel launched an invasion of Egypt aimed at seizing back the Suez Canal which Nasser had nationalized the year before. After the intervention of the Western powers, and their puppet state Israel, Nasser began to search more desperately for a way to break the Western imperialist stranglehold on Egypt and thus find a way to develop Egypt's backward, one crop economy.

The traditional bourgeoisie in Egypt, those capitalists who owned the few industrial enterprises, were unwilling and unable to provide the capital necessary for rapid development of the economy. This is largely because they were more interested in gaining a rapid turnover on invested capital rather than in any long-range plan to build up the country. So Nasser, like Nehru, in India, decided to try to build up the public sector of the economy, and after toying with the idea of seeking loans from some second-rate Western imperialist powers (like W. Germany), he decided to nibble at the Soviet's bait. In particular, the Soviet Union offered to finance building of the huge Aswan Dam which would enable Egypt to increase its arable land by one third.

The building of the dam and other Soviet-financed projects did give a temporary spurt to the development of capitalism in Egypt—especially to the developing state bourgeoisie—but in no way did it eliminate Egypt's dependence on foreign powers. During the late 50s and early 60s, in order to emerge on the world scene as an imperialist superpower, the Soviet Union was willing to mainly extort a *political* price for its aid. The Aswan Dam became the "living proof" of the Soviet Union's friendship for the developing Third World nations. But even in these early years the Soviets benefited economically by monopolizing Egypt's cotton crop.

The state bourgeoisie in Egypt has always tried to keep a foot in both doors by trying to play the various imperialist powers off against each other for loans, wheat sales, etc. But gradually the Soviet Union clearly got the upper hand and brought Egypt into its "sphere of influence."

In particular, it was arms sales that really put the squeeze on Egypt. The Egyptian army became completely equipped, trained and organized by the Soviet Union. Thousands of "advisors" from the USSR flooded Egypt and took command of the armed forces. Along with increasing arms sales the Egyptian debt to the Soviet Union grew by leaps and bounds. By 1967 the Egyptian debt

to the Soviet Union reached 500 million Egyptian pounds¹⁸. While cotton production remained static throughout the Nasser years, imports of food grains grew steadily from 300,000 tons in 1956 to three million tons in 1967, a ten-fold increase in little over ten years.¹⁹ The annual cost of this imported Soviet grain was equivalent to the value of the entire Egyptian cotton crop! This is the kind of "well-rounded" economy Soviet "aid" has produced in Egypt.

But the social-imperialists were not satisfied with even this. In the Soviet journal *Foreign Trade*, someone writes, "It is widely known that the USSR has been the main purchaser of Egyptian cotton for several years. But the most important feature ... is the radical expansion of the list of Egyptian commodities purchased by the USSR. The present list ... includes ... cotton yarn and fabrics, knitted goods, rice, sesame, ground nuts, vegetables, fruit, etc."²⁰ Soviet "purchases" comprise part of the economic relations of dominance and exploitation enforced by the social-imperialists on Egypt. Not only do the social-imperialists rob the Egyptian people of their cotton; they are snatching everything else in sight!

The very nature of Soviet arms shipments to Egypt and other countries helps guarantee Soviet control. These arms shipments consist in large part of highly technical weapons systems which force the recipient countries to fight conventional wars and hinder real mobilization of the masses for defense. Also, they ensure that only the Soviet Union will be able to re-equip the army with spare parts.

After the military disaster of the June 1967 war, Egypt's dependence on the Soviet Union deepened as the Soviets were called upon to replace weapons lost in the fighting. They made the stipulation that Soviet-supplied weapons could only be used in the case of another Israeli surprise attack and not to fight to regain the occupied territories. Under pressure from the Egyptian people and the Arab masses throughout the Middle East, Anwar Sadat, Nasser's successor, was forced to throw out the Soviet "advisors" and prepare for war with Israel to regain these territories.

Egypt is not the only country in the Middle East that has been singled out for Soviet penetration. In addition to Syria, another "front line" country facing Israeli aggression, they have concentrated on Iraq, important mainly as one of the region's oil-producing nations. The USSR, like the U.S., is rich in natural resources, especially in abundant supplies of oil and natural gas. It is estimated, for example, that the Soviet Union has seven times the natural gas reserves of the U.S. However, abundant supplies of oil in the ground haven't eliminated the need for U.S. imperialism, driven by the law of maximizing profit, to continually seek to exploit cheaper sources elsewhere (like in Venezuela and the Middle East), and the same applies to the Soviet social-imperialists.

In the late 1960s, when Iraq nationalized foreign oil interests, all Western technical personnel were withdrawn from that country. The Iraqi govern-

ment found itself in a difficult situation. But the Soviet Union quickly stepped in to the "rescue." They offered to provide Iraq with needed technical assistance in return for trade agreements providing for sale of Iraqi oil at fixed prices. Today nearly all of Iraq's oil is sold to the Soviet Union at a price way below the world market price.

Starting from this position, the Soviet Union has gradually strengthened its hold in Iraq, once again largely through military "aid" which in Iraq is used for defense against neighboring Iran, a close ally of the U.S. imperialists.

While the fundamental nature of the relationship between the U.S. and the USSR in the Middle East is one of competitors seeking hegemony, they also conspire with each other to suppress revolution. The two superpowers have also tried to enforce a "no war, no peace" which diverts the attention of the masses from making revolution, and which ensures the dependence of the Middle East states on arms shipments from one or another of them. Finally, in October 1973, after six years of such a state of affairs, a number of Arab states, including Egypt, Syria and Iraq, went to war with Israel in an attempt to regain the territories occupied by Israel since the 1967 war.

The Soviet Union reaped huge benefits from this war. Unlike the 1967 war, the Soviet Union demanded hard cash for the armaments it supplied. The Soviets were paid in U.S. dollars, which they insisted upon, and these dollars came from some of the major Arab oil-exporting countries who gave the money to the "front line countries" as their contributions to the Arab cause. *Money Manager* magazine reported that the Soviets had in turn dumped these dollars on the Eurodollar market and were making loans to European and underdeveloped countries for the high interest rates of 10% or more. The magazine pointed out how medium term Eurodollar lending by international banks in the first quarter of 1974 hit a record \$10.5 billion, up four times from the amount lent in the first quarter of 1973.²¹ This is a clear indication of the incredible volume of arms shipments to the Arab nations in the last war, and also of the incredible gall of the social-imperialists who used payments for these arms to turn a quick financial profit.

Immediately after the October war, the Arab oil-producing states banded together to use the weapon of the oil boycott against U.S. imperialism. However, the Soviet Union tried to take advantage of this to further penetrate markets for oil in Western Europe. According to the British *Daily Express*, the Soviet Union forced Iraq to sell a quantity of oil for six million pounds to the USSR as part payment for arms shipments. This oil was quickly sold to West Germany during the months of the Arab oil boycott, for 18 million pounds—a profit of 300% which would make a Rockefeller proud.²²

In the period since the October war, the Arab oil-producing nations, as well as other oil-producing nations from the Third World, have also

banded together to try to force a rise in the price of oil sold to the imperialist powers. Most of the oil sold to the Soviet Union, however, was fixed in price by trade agreements signed when the price of oil was much lower. According to *Pacific Basin Reports*, "Under some contracts the Soviet Union paid the equivalent of \$3 a barrel for the oil, and promptly sold an equal quantity of oil in Europe for more than three times that amount."²³ Thus, instead of supporting the just struggle of the oil-producing nations for higher prices for oil, the Soviet Union held these countries previously contracted to low prices and then took advantage of the higher prices in Europe which were created by the concerted action of the oil-producing nations. *Al Rai al Amm* newspaper in Kuwait declared simply that the Soviet Union had "once again tried to enter Europe via the oil bridge at a time when Arab countries had been using the oil weapon to support the Arab cause."²⁴

Finally, since the October war, competition between the two superpowers has been developing rapidly in the Middle East. The "Kissinger diplomacy" conducted on behalf of U.S. imperialism in general and Rockefeller interests in particular, has been an attempt to challenge the dominance of the Soviet Union in several Arab countries, particularly Egypt. In his June 1974 "mission" to the Middle East, Nixon even went so far as to promise Egypt nuclear technology, allegedly for "peaceful purposes" (and though Nixon is gone now, this kind of policy remains in force).

On its part, the Soviet Union has attempted to make inroads into Israel, the chief puppet of U.S. imperialism in the area. At the height of the October war, the Soviet Union continued to allow large numbers of Jews, especially those with "higher education" and technical skills, to emigrate to Israel, thus providing Israel with its greatest need—more soldiers and highly trained personnel.

At the time of this writing, it is impossible to predict exactly what the result will be of the increasingly frenzied contention between U.S. imperialism and Soviet social-imperialism for control of the Middle East. Already it is clear that the Soviet Union will benefit greatly from the peace agreement between Egypt and Israel which provides for re-opening the Suez Canal, cutting the trip from Soviet ports on the Black Sea to the Indian Ocean by 9000 miles. What is certain is that the intensified contradictions between the superpowers can on the one hand only increase the danger of further war, not "guarantee peace", while on the other hand this does create a situation of turmoil that can be turned to the advantage of the revolutionary struggle of the peoples of the area.

As in the case of India, the Soviet social-imperialists go to great efforts to try to sweeten their plunder with honeyed phrases about "socialism", "peace", and "national independence." The social-imperialist "theoreticians" constantly talk about the "international division of labor." What this theory means is

that some countries' role in the "division of labor" is to grow cotton and produce oil, while the so-called "advanced" countries (read imperialists, especially Soviet social-imperialists) concentrate on heavy industry, etc. This is nothing more than the old theory of the British imperialists that "Britain is the workshop of the world," used to justify keeping vast areas of the world in poverty and backwardness.

The Soviet Journal *Problems of Economics* says, "The possibility exists for the formation and intensification of the division of labor in the fuel and raw material branches between the socialist and the developing nations."²⁵ Later in the same article, they admit, "A rough comparison of expenditures on the extraction of oil and gas in the Soviet Union and on oil and gas imports from certain developing countries shows that under certain conditions, these imports may prove advantageous even for the USSR." Thus, the Soviet Union is trying desperately to come up with a justification for doing precisely the same thing as the traditional imperialist powers—going all over the world with the aim of monopolizing sources of raw materials and extracting super-profits from Third World nations.

What is true for oil holds true for Soviet dealings in natural gas. As pointed out earlier, the Soviet Union has incredible gas reserves. Nevertheless, as an imperialist power the Soviet Union is forced to seek profits, not just gas. Already the USSR has entered into agreement with Afghanistan and Iran for the purchase of natural gas, and is in the process of building pipelines to get the gas into Western and Eastern Europe. This is what the Soviet Union means by the "international division of labor" in the "fuel branches."

The military implications of Soviet penetration of the Middle East are also quite important. Already the Soviet fleet, rarely seen in the Mediterranean prior to the 1967 war, is clearly the dominant naval force in the area. The U.S. 6th Fleet is now welcome only in Greece and Italy; its appearance in Turkey is cause for demonstrations of tens of thousands. And after the recent war on Cyprus—another example of the frenzied contention going on between the two superpowers in the Mediterranean—it appears that the U.S. may have lost much of its influence in Greece, too. In contrast, today the Soviet fleet has access to a large number of ports in the Mediterranean, the Persian Gulf and the Red Sea. And the re-opening of the Suez Canal will tremendously strengthen Soviet military strength in the area, linking the Soviet fleet in the Mediterranean with their strong naval forces in the Indian Ocean.

In any war for domination of Europe or for world domination in general, control of the oil resources of the Middle East would be crucial. The Soviet plan to build pipelines to bring oil and gas from the Middle East directly into Europe via the Soviet Union will be an important weapon in the

contention with U.S. imperialism for control of Europe, as well as ensuring huge profits for the social-imperialists. In fact, this contention over Europe is at present the key area of contention between the two superpowers and adds an additional and very important dimension to their rivalry in the Middle East. Already it is estimated that by 1980, 10% of West Germany's gas consumption will come from the Soviet Union, much of which in turn originates in the Middle East. Italy has signed an agreement with the Soviet Union that will provide 25% of Italy's gas needs.²⁶

Increasingly, the masses of Arab peoples and other peoples of the Middle East are coming to realize that they must fight *both* superpowers—that the Soviet Union which parades about as a friend of the Arab peoples is in fact a vicious imperialist exploiter.

4) Other Instances of Soviet Plunder of Third World Countries

We have concentrated on examining the role of the Soviet Union in India and the Middle East because these provide the clearest examples of social-imperialism's exploitation and plunder of Third World countries. However, the Soviet Union is not content to limit its imperialist penetration to those areas. In every corner of the globe the Soviet Union is attempting to contend with U.S. imperialism for markets for the export of capital, sources of raw materials and to turn other countries into "spheres of influence" of the USSR.

Throughout the Third World the Soviet Union has been functioning as an arms merchant. According to figures compiled by the government of Sweden, the Soviet Union increased its arms sales from an average of 95 million dollars a year, 11.3% of the world's total in the late 50s, to some 37.5% in the early 70s. In 1972 alone, the USSR sold 2.2 billion dollars worth of armaments.²⁷ In recent years the Soviet Union has shifted some of its means of plunder in the Third World from "economic aid" to "aid" devoted to arms. For example, in 1966 "economic aid" amounted to three or four times the amount of military "aid." But in 1970 arms exports came to four times the quantity of "economic aid."

As previous examples have shown, Soviet "economic" and "military" aid do not serve to develop the recipient countries. Such social-imperialist "aid" serves only to hold back the self-reliant development of these countries and to shackle them to the Soviet rulers' never-ending search for profit. Even as the Soviet Union is amassing fortunes out of war they talk hypocritically of "peace," and at the 28th UN General Assembly they proposed a 10% reduction in the military budgets of all nations. This was widely rejected as an obvious propaganda gimmick.

Even in Latin America, the traditional "base area" of U.S. imperialism, the Soviet Union is

stepping up its contention with the U.S. The Soviets have actively made "loans" in a number of Latin American countries, almost always the first step by the social-imperialists in their attempts to move in on their U.S. rivals' turf. Particularly gross has been the Soviet Union's plunder of the fisheries off the coast of South America. The Soviet Union has the most modern fishing fleet in the world, complete with huge trawlers that are capable of hauling in several times the tonnage of fish as the largest U.S. vessels. The exploitation of the fisheries off the South American coast has caused severe difficulties for these countries and has led to the impoverishment of many of the local fishermen who are completely unable to compete with the modern, large-scale fishing fleets of the imperialist powers, and especially those of the Soviet Union.

As a result, the peoples and governments of Latin America have demanded a 200-mile extension of their territorial sovereignty into the sea. This just demand has been supported by the vast majority of Third World countries and has received powerful support from the People's Republic of China and the other socialist nations. The Soviet Union, however, has united with U.S. imperialism and a handful of other maritime powers to try to block the 200-mile limit and force instead a 12-mile territorial limit on the Third World countries.

The Soviet Union has also proposed the "internationalization" of the Panama Canal. This, too, is in direct opposition to the demands of the Panamanian people, who insist on regaining sovereignty over the canal, not "internationalization." Various straits in Asia, important to Soviet commercial vessels and the Soviet Navy, have also been targeted for "internationalization." Because of its opposition to the Third World countries' demand to control their own sea bed resources and straits, the Soviet Union has found itself increasingly isolated. At recent UN conferences on control of the sea, both superpowers have been roundly condemned by the majority of Third World nations.

Like U.S. imperialism, the social-imperialists have tried to blackmail other countries economically and have practiced the ugly policy of "dumping" commodities on the world market with utter disregard for the often fragile economies of Third World countries which can be seriously hurt by a fall in the price of their exports. A clear example of this blackmail is the Soviet relationship with Malaysia. The *Far Eastern Economic Review* reported in 1972 that "When talks began this year for a technical cooperation pact, the Russians attempted to blackmail the Malaysians by threatening to use more synthetic rubber. With the Soviet Union already the largest purchaser of Malaysian natural rubber—buying about 25% of total production annually—the implications were obvious."²⁸ The Soviet vassal India has also been similarly stabbed in the back by the Soviet Union. It is reported that "Indian products

bought at liberal prices with the rupee are resold at discount prices in India's traditional markets for hard currency" by the Soviet Union.²⁹

The social-imperialists have also made use of the revisionist parties in a number of Third World countries to further their imperialist ends. It is well known that the attempted coup in Sudan in 1971 was precisely an effort to establish another pro-Soviet regime through the auspices of the Sudanese CP. In other countries, for example Egypt, the Soviets have ordered the "Communist" Parties disbanded if this furthers their imperialist designs. In Chile, the pro-Soviet "Communist" Party chimed in with the social-imperialists in preaching the fallacy of the "peaceful road to socialism." Actually what the leaders of the Chilean CP and the social-imperialists sought was the "peaceful transition" of Chile from a puppet of U.S. imperialism to a puppet of Soviet social-imperialism. The tragic results of the sabotage by the "Communist" Party of Chile of the revolutionary movement there are of course well known.

As already noted, while contention between the two superpowers is primary overall, the Soviet social-imperialists are not above colluding with U.S. imperialism in a number of forms, including actually insuring U.S. corporations against expropriation by Third World governments. After all, by getting into the "re-insurance" business, the Soviets can manage to turn a few extra bucks at relatively little risk and at the same time help to suppress real revolutionary struggles, an interest the social-imperialists share with their U.S. rivals.

The U.S. government's Overseas Private Investment Corporation (OPIC), set up to protect U.S. monopolies against the danger of expropriation, revealed in April 1972 that the Soviets are helping insure U.S. companies against expropriation in 70 developing countries. The OPIC said that Black Sea and Baltic Insurance Co. of London, a subsidiary of the Soviet state insurance agency, GOSSTRACKH, is underwriting part of \$26 million in re-insurance contracts the OPIC has placed with Lloyd's of London.³⁰ Thus the USSR has a direct financial interest in preventing expropriation of U.S. companies by Third World countries. If in any of these countries the Soviet Union does manage to gain the upper hand, forcing the U.S. out, any losses they pay out in insurance coverage will surely be more than covered by other gains. Thus the social-imperialists protect their interests from two directions.

The subject of Soviet re-insurance brings us to perhaps the grossest single exposure of Soviet social-imperialism—Soviet support for the counter-revolutionary Lon Nol regime in Cambodia.

Since the U.S.-backed coup in Cambodia which deposed the legitimate head of state, Norodom Sihanouk, the people of Cambodia, in close unity with the Vietnamese and Laotian people, have been waging an heroic war of national liberation. Yet for three long years the Soviet Union refused to recognize the legitimate government (the Royal

Government of National Union) led by Sihanouk. This is despite the fact that the Sihanouk government controls over 90% of the territory, has liberated two thirds of the population, and has for several years been recognized by a majority of world governments.

Instead, the USSR gave diplomatic recognition to the Lon Nol clique holed up in Phnom Penh and a few other Cambodian cities. It wasn't until the autumn of 1973, following a conference of non-aligned nations in which all 70 governments represented unanimously called for the recognition of Sihanouk as the only legitimate government in Cambodia—quite an embarrassing situation for the Soviets—that the social-imperialists made a tactical retreat. They then sent a note to Sihanouk that still fell far short of a clear statement of recognition of the Royal Government of National Union. And the Soviet Union still continues to portray the struggle of the Cambodian people as a "fratricidal" war. In this way they try to obscure the true nature of the liberation struggle in Cambodia, which is a people's war supported by the huge majority of the Cambodian people against U.S. imperialism and a handful of traitors.

But the Soviet Union's treachery in Cambodia goes far beyond its mere political and diplomatic support for Lon Nol. Investigations by a U.S. Senate sub-committee and the Australian journal *Financial Review*, have exposed the fact that the Lon Nol clique's insurance company, Societe Nationale Assurance, has been re-insured by the Soviet's GOSSTRACKH as well as by six other foreign insurance companies.³¹ Thus, the Soviet Union has been insuring the very same shipments of petroleum, military supplies and other goods that the heroic Cambodian people have spilled blood trying to stop from sailing up the Mekong River from south Vietnam! Sickening.

5) How the Social-Imperialists Extract Surplus Value From Third World Countries

Our point in discussing these examples of Soviet plunder and interference in various Third World countries is to prove that Soviet foreign policy flows directly from the fact that the Soviet Union has been transformed into an imperialist power governed by the same laws of imperialism that Lenin analyzes in his classic work, *Imperialism, the Highest Stage of Capitalism*. While many of the features of imperialism described by Lenin affect the relationship between the imperialist powers and the Third World (the need to monopolize markets, the struggle for a re-division of the world, etc.), the principal feature of all imperialism that forces it to follow a policy of aggression and plunder is, the driving necessity of imperialism to *export capital* to all corners of the world, and extract superprofits from wherever it can.

Lenin pointed out that in the advanced capitalist countries, "an enormous growth of surplus capital has arisen . . ." He further pointed out that under imperialism, the export of capital in the

form of loans, industrial equipment, railroads, etc., replaces the old type of international capitalist exploitation in which the capitalists made their profit, primarily through *trade*, exporting finished goods to the colonial and semi-colonial world in exchange for raw materials.

The imperialist drive to subjugate nations in order to export capital and extract the blood-soaked wealth of those countries has nothing to do with the desire of this or that government or businessman to gain petty economic privileges. It is the *driving force* shaping the foreign and military policy of all imperialist powers, including the Soviet Union.

Of course, the new tsars of the Soviet Union are not ready to declare themselves imperialists: they go to great lengths to "prove" that they can't be. For example, a piece of Soviet propaganda entitled *Economic Co-operation Between the USSR and the Developing Countries* attempts to prove this point. In it the Soviet apologist, V. Rimalov, writes:

*"The Soviet Union allocates considerable sums of money and material means in the form of credits for the economic development of countries in Asia, Africa and Latin America not because it has a surplus of such means, which (does not) find, as in the developed capitalist countries 'profitable' employment within the country . . . The Soviet Union does not, and cannot, have any financial surpluses that must be exported abroad . . . In the planned socialist economy, every ruble can be very effectively employed for the needs of the domestic economic development and for the greater satisfaction of the people . . . Soviet credits to the underdeveloped countries basically differ from those granted by the imperialist powers . . . The Soviet credits are not the export of capital but the means of fraternal assistance from the people of the socialist country to other peoples. As a result, the terms on which they are issued are essentially different from those of the capitalist world market. The major difference is that Soviet credits facilitate the creation of an independent national economy in the former colonial and dependent countries, while the financial 'aid' of the capitalist powers entails the maintenance of economic and, in the final analysis, political dependence of those countries on imperialism."*³²

The author then goes on to point out how the Soviet loans are only at 2.5% interest, how they are repayable over 12 years, etc. Aside from asserting that the USSR is "socialist" and not imperialist, the only real proof Rimalov offers for his contentions is that the Soviet Union indeed charges less for loans than was the practice of the Western imperialists prior to the entrance of the USSR into the capital export market. But Rimalov hardly gives us the entire picture of Soviet "aid." It is precisely in what he leaves out that the true imperialist nature of such "aid" is revealed.

First of all he neglects to inform us that all Soviet "aid", as we noted earlier in this chapter, is *tied*, that it can be used only to purchase goods manufactured in the Soviet Union (sometimes this is stretched to include purchase of goods from

the USSR's East European puppets). These goods, which are *primarily capital goods*—whole factories, heavy machinery, etc.—are sold by trade agreement and not at world market prices.

Numerous studies have revealed the exorbitant prices charged by the Soviet Union. One such study showed that in 1965, of 65 commodities exported by the Soviet Union to both industrial nations as well as developing countries, 53 commodities were sold at a higher price to those countries "lucky" enough to be receiving Soviet "aid."³³ On the average, the developing countries paid 13% more for the same goods than did the industrial countries. More recent figures published by the Chinese indicate that the figure has grown to 20-30%. Clearly this unequal exchange is a vast source of profit for the Soviet Union.

Some people are quick to point out that imperialist profit in the developing countries is obtained from the export of capital and not from unequal trade, and on this basis challenge the assertion that the USSR is, in fact, exporting capital and extracting surplus value from the Third World and other countries.

However, this argument is actually quite hollow. Mao Tsetung wrote, "When we look at a thing, we must examine its essence and treat its appearance merely as an usher at the threshold, and once we cross the threshold, we must grasp the essence of the thing; this is the only reliable and scientific method of analysis."³⁴ While the appearance is that the Soviet Union gets a very low rate of return on its investment, even if they do rake it in through unequal trade, the essence of the matter is that *it is through unequal trade that the Soviet Union realizes the surplus value generated by the export of capital.* In essence, it is little more than a book-keeping arrangement as to whether the profit comes back to the USSR in the form of interest or in the form of superprofits from sales *when the sales are tied by trade agreement to the export of capital.*

Perhaps the following example will help clarify the point. Imagine a coal mine where all the workers are forced to live in a company town in which the company sets prices for all food, rent and other necessities of life at, say, twice the market value of these goods. Clearly it would be superficial to simply look at the wages the miners receive to determine how much surplus value is extracted from their labor. Instead one would have to look at the *real wages*, that is, the value of the goods and services the miners were able to purchase with their paychecks.

This is not to say that the miners are exploited both as workers and as "consumers." The point is that the profit made by selling commodities at twice their value is a mere book-keeping arrangement on the part of the mine owners hiding the fact that the surplus value they rip off comes from the *labor* of the miners, since the miners are forced to purchase their goods at company stores where prices can be hiked up way above actual values due to the company's utter and complete

monopoly.

Essentially this is the same method the Soviet Union uses to mask the amount of surplus value it extracts from those countries, especially Third World countries, to which it exports capital. This is because, to repeat, Soviet trade with "aid" (capital)-receiving countries is linked directly, through treaty, with the terms for repayment of loans and is predicated on the relationship which exists between the Soviet Union as an imperialist power and the "aided" countries as exploited states.

Now let's examine some of Rimalov's other arguments which are supposed to "prove" that the Soviet Union is not an imperialist state. He says that in the Soviet Union, "every ruble can be used effectively for the needs of the domestic economy and for the greater satisfaction of the peoples."³⁵ We have already seen evidence of the sorry state of affairs of the Soviet economy and we shall see more in the next chapter.

It is clear that production in the USSR itself is not geared to the "satisfaction of the people" or we wouldn't be seeing the tremendous shift in production away from the basic needs of Soviet working people into more lucrative fields like vodka and the fashion industry. The argument that the Soviets are making a "sacrifice" in the interests of proletarian internationalism, and that capital exported by the Soviet Union could be productively employed in the Soviet Union, is no more true than the argument pushed by bourgeois liberals and the revisionist "Communist" Party in this country who say that if only we could "divert" expenditures from war and overseas investment there would be no unemployment at home. Such an argument implies that the imperialists *choose* to export capital, that they *choose* to carve up the world into competing spheres of influence. But the imperialists are not just evil or foolish men. They are *forced* to do these things. For if they did not they would not be imperialists.

In response to just this kind of thinking, Lenin wrote the following:

*"This argument is very often advanced by the petty bourgeois critics of capitalism. But if capitalism did these things (eliminate unevenness between industry and agriculture and raise the living standard of the masses—RU) it would not be capitalism; for both uneven development and a semi-starvation level of the masses are fundamental and inevitable conditions and constitute premises of this mode of production. As long as capitalism remains what it is, surplus production will not be utilized for the purpose of raising the living standard of the masses in a given country, for this could mean a decline in profits for the capitalists, but for the purpose of exporting capital abroad to the backward countries."*³⁶

What Lenin wrote about the old Western imperialist powers also holds true for the social-imperialists. Why is it that the Soviet Union purchases natural gas from Iran instead of de-

veloping its own vast gas reserves in Siberia? Why is it that the Soviet Union sets up factories in India, where the wages are as low as 16¢ a day, and imports the product of these factories back to the Soviet Union instead of setting up the factories in Moscow? It is exactly because "capital cannot find a field for 'profitable' investment" and not, as Rimalov writes, "to develop the economies" of other nations. Do the social-imperialists really expect people to believe that their plunder is nothing but "fraternal assistance"? Certainly they will never be able to convince the masses of the Soviet people, or the people of other countries exploited by the social-imperialists, that the reason for the backward state of agriculture in the Soviet Union and the stagnant economy in general is because the Soviet Union is making "sacrifices" out of its "love" for the peoples of the developing nations!

In the Soviet journal *Problems of Economics*, L. Zevin expands on how the USSR helps "develop the economies" of Third World countries. He writes that

*"Collaboration with socialist countries promotes the formation of a rational national economic complex based on modern technology in developing countries, leads to the elimination of the imperfect economic structure inherited from the past and of the one-sided dependence on the external factors, generates potential resources, promotes dynamic economic development and enables developing countries to pay off foreign debts through part of their increased national income without detriment to their economic progress."*³⁷

But facts speak for themselves. In the real world and not the fantasy, propaganda world of Soviet apologists, India, the largest recipient of Soviet "aid," has only gone deeper and deeper into debt to the Soviet Union and can hardly "pay off foreign debts... without detriment to economic progress." Egypt, another beneficiary of Soviet "aid", still has to import millions of tons of grain while concentrating on growing cotton to pay off the Soviet Union for this grain and for the Aswan Dam. Is this the "elimination of the imperfect economic structure inherited from the past" which Zevin writes of? As far as we can see, the only "dynamic economic development" to take place in the Third World countries receiving Soviet "aid" is the rapid development of more exploitation.

In the same article, Zevin has the nerve to quote Lenin who wrote that after achieving victory, the proletariat of the West would help the oppressed peoples of the East make the "transition to machines, to lighter work, to democracy, and to socialism." However, the social-imperialists hardly practice what Lenin preached. Aid from a socialist country can in fact help developing nations strengthen their economic independence, though it cannot substitute for revolutionary struggle of the people themselves to liberate their countries and their productive forces. But Soviet export of capital has nothing

in common with true socialist aid. The factories the USSR builds in India do not mean lighter labor for the Indian workers. Far from it—along with the export of capital goes the export of capitalist exploitation and misery.

While all imperialism "develops the economies" of its victims in the sense that it does build factories, railroads, etc., imperialism prevents real development of the productive forces. In particular, imperialism maintains semi-feudal relations of production in the countryside which prevents the real development of a national market, keeps millions of peasants in starvation, and provides an endless supply of workers who can be worked to death as rapidly as the machinery will allow.

Starving India is the clearest example of how social-imperialism does not "develop the economy" but simply combines capitalist exploitation with a semi-feudal, semi-colonial economy, without in any way fundamentally altering the essential relations of production. To point to a rise in the rate of steel production in India (much of which is exported to the USSR anyway) as proof of a "developing economy" while hundreds of thousands die of starvation and exposure is obscene. But that is what the revisionists are trying to sell the people of the world.

In contrast to social-imperialist plunder under the cover of "aid", genuine socialist countries give real aid, which assists countries of the Third World in the struggle against domination by the superpowers and all imperialist powers and their reactionary accomplices. An outstanding example of this is China's assistance to Tanzania and Zambia in building a railroad which will link the two countries and enable them to increase trade with each other and make it possible for Zambia in particular to transport its major products, especially copper, to the sea without having to depend on the racist regime of Rhodesia.

When these two countries approached the imperialist powers for help the response was that a railroad would be uneconomical and unnecessary. It was clear that a rail link between Tanzania and Zambia would compete with the older railroads built by and run in the interests of the imperialists. China, however, undertook to aid in the task. The Chinese have supplied economic assistance and on-the-spot technicians who live together with the people of Tanzania and are giving invaluable aid in constructing the railroad. In addition, Tanzanian and Zambian students have come to Peking to study railway technology and management.

The completion of this railroad which is scheduled for late 1976 will not only help Tanzania and Zambia in their struggles for self-reliance and independence, but will also strengthen support for the various liberation movements in Africa. Commenting on this aid, President Julius K. Nyerere of Tanzania said during a trip to China in March 1974:

*"The rich nations of the world talk about aid to the poor nations. A few of them give it, but many attempt to use the concept of aid as a cover for further exploitation. China, which is not a rich country, has talked about nothing. It has simply made it possible for us to have a railway linking our two independent African frontier states, without profiting out of our need or even making great propaganda out of it—which you would have every justification for doing... This railway will be of tremendous value to my country and to free Africa. But the example of hard work, and selfless service, which is being provided by the Chinese comrades who are acting as technicians and teachers on the railway may be of equal importance to Tanzania's future development... I believe that you are helping Tanzania, and the African liberation movements, as a contribution towards the cause of world revolution. Our best thanks to you will be to carry that cause to success in our own areas. I promise that we shall do our best."*³⁸

China's policy of providing real aid as opposed to the Soviet Union's use of "aid" as a means of exploitation flows from the diametrically opposite role the two countries play in the world today. This in turn stems directly from the nature of the social systems in the two countries—China is a socialist country ruled by the working class, while the Soviet rulers have restored capitalism and turned the first socialist state into a social-imperialist superpower.

In recent years a united front against the two superpowers is being forged with the People's Republic of China at its head. Throughout the Third World, the people are learning from bitter experience that only by struggling against both superpowers will it be possible for countries to win national liberation and embark on the road to socialism. From country to country the main enemy is different—it is correct, for example, for the people of Indochina to concentrate their main fire on the U.S. imperialists, while in recent years the social-imperialists have been the main enemy in India.

In certain conditions it is even necessary and appropriate to take advantage of the contradictions between the superpowers to defeat the enemy one by one. But at all times it is crucial to see that strategically, both the U.S. and the USSR are *enemies* of the people of the world. To fail to make such a correct appraisal is fraught with danger and can lead to the replacement of the domination of one superpower by the domination of the other rather than achieving real liberation.

Some people, including many sincere revolutionaries, point to the fact that the Soviet Union supports liberation movements in various parts of the world and argue therefore that the Soviet Union's actions are not those of an imperialist. Besides instigating and backing reactionary "insurgent" movements—as in Bangla Desh and other instances already mentioned—the Soviet Union does support certain genuine liberation struggles. But this does not change the fact—

which we believe we have clearly demonstrated—that the Soviet Union is a state monopoly capitalist—imperialist—power; nor is it at all times inconsistent for an imperialist power to support liberation movements. In particular, the Soviet social-imperialists have provided some military and economic assistance to liberation movements aimed at U.S. imperialism because the Soviets hope in this way to gain some advantage in their contention with the U.S.

U.S. imperialism, too, has on a number of occasions done the same thing in pursuing its imperialist rivalries with other major powers. For example, during WW 2 the U.S. to a certain degree cooperated with and even aided liberation movements in Indochina, the Philippines and other places because these movements were directing their fire at the Japanese. But the example of the Philippines shows the danger of failing to firmly grasp and educate the masses of people to the nature of imperialism even under conditions which may make a degree of cooperation with an imperialist power necessary and correct.

The Philippine's Communist Party during and immediately after WW 2 failed to arm its own ranks and the Philippine people with the understanding that once Japan was defeated, the U.S. would turn from a temporary ally to the major oppressor of the Philippines and would move to re-establish its rule there. The result was that the Philippine revolutionary movement suffered a serious setback.

Of course, like the U.S. imperialists, the Soviet social-imperialists don't always succeed in their efforts to take over and use these struggles for their own imperialist aims. The intentions of the imperialists, including the social-imperialists, are one thing, but their success in carrying out these intentions is quite another. In today's world, with the contention between the two imperialist superpowers playing such a decisive role in conditioning world affairs—creating a complex situation of great turmoil marked by both great opportunity and great danger for the people's struggle—it is crucial, in order to seize that opportunity and advance in the face of the danger, to have a firm grasp of the imperialist nature of the Soviet Union and to understand that the laws of imperialism determine, in the final analysis, the actions of the Soviet Union in the world.

6) The Soviet Union and Its Colonies in Eastern Europe

While the Soviet social-imperialists increasingly seek hegemony throughout the world, they have also moved to solidify their hold on Eastern Europe, the "back yard" of social-imperialism. Most of the East European countries, with the exception of Albania, did not originally develop socialism on the strength of their own revolutionary movements. These countries were liberated from the Nazi yoke in the closing stages of WW 2 by the heroic advances of the Soviet

Red Army. In all these countries the Soviet armies were greeted as liberators, and, following the war, the friendship of the Soviet Union and the advent of socialism were welcomed with great enthusiasm by the peoples of the region. In these countries the reactionary classes, the landlords and big capitalists, had in the main allied with or were completely subservient to the Nazis. With the Allied victory these forces lost all semblance of legitimacy and power.

Thus, it was possible after 1945 for these countries to begin the construction of socialism. The form of workers' state adopted by most of the countries was called "people's democracy" because, due to the particular conditions at the time, the dictatorship of the proletariat was based upon a democratic alliance between the working class, the peasantry and sections of the petty bourgeoisie under the leadership of the proletariat. Though these countries, like the Soviet Union, had suffered severely in the war, they began to rebuild their shattered economies on an independent and self-reliant basis with the fraternal cooperation and aid of the Soviet Union.

During the war, the U.S. had pledged to help these countries and the Soviet Union rebuild in "gratitude" for the great sacrifices the peoples there had made in the anti-fascist cause. However, when the Marshall Plan was proposed the political strings attached to such aid were unacceptable. The East European nations were in a bind and, though the Soviet Union also faced tremendously difficult tasks of recovery, Stalin encouraged a policy of cooperation, aid and mutual exchange. Stalin's overall goal was to promote the independent development of the economies of the East European countries, but at the same time he proposed that the socialist nations, as much as possible, cooperate and integrate their economies on the general basis of equality and mutual benefit. Thus, the Council of Mutual Economic Aid (COMECON) was formed.

From the beginning, however, COMECON was sabotaged by the actions of Voznesensky (he rears his ugly head again!), who as the leading Soviet economic official was placed in charge of the organization's development. While it is not completely clear what happened, it appears that Voznesensky to some extent distorted COMECON in the direction of encouraging Soviet dominance. While such dominance never characterized the workings of COMECON before 1956, it apparently continued to exist as a real weakness even after Voznesensky's death.³⁹

Such dominance was also in part encouraged by Stalin's decision at the war's end to temporarily subordinate the overall development of the socialist camp to the recovery of the Soviet Union. With the increasing threat posed by U.S. imperialism's aggressive and expansionist maneuvering—in Greece, for example, and its flaunting of the atomic bomb, it was crucial that the Soviet Union build up its economic and military strength as swiftly as possible. This was

important for the security of the people's democracies, too. But Stalin's policy did not aim at establishing any long-term structural dependency. Rather, his policy was for the time being to put some priority on Soviet needs. This was a necessity at the time and, overall, a correct policy.

Because the East European countries were mainly liberated from the outside, the Communist Parties in these countries were not particularly strong. While many communists had been heroic underground fighters against the Nazis, and while the Party was extremely popular in most countries, the East European Parties did not sink deep and firm roots among the masses and their revolutionary experience was in many respects limited. It is not surprising, then, that these Parties at time made serious errors, even when they were still generally upholding Marxism-Leninism. For example, such errors made it easier for the U.S. and West European imperialists to stir up reactionary revolts in East Germany and Poland in the early 50s.

In 1956 the imperialists managed to take advantage of the mistakes of the Hungarian Communist Party to incite a counter-revolutionary revolt in that country. This was aided by certain revisionist elements in the Hungarian CP. At the time all true communists recognized that many honest people had been duped in Hungary, but they were resolved not to let the imperialists break the unity of what at the time was still the "socialist camp", despite the fact that Khrushchev had already begun to lead the Soviet Party onto the revisionist road.

On the recommendation of Communist Parties throughout the world, including the Chinese Communist Party, Khrushchev sent troops into Hungary. Had Khrushchev been more decisive and moved earlier, before the imperialist agents had the time to mobilize the more reactionary and backward forces in Hungary, a great deal of blood could have been spared.

The Hungarian revolt does not only illustrate the weakness of the East European Parties. Its occurrence was in reality really encouraged by Khrushchev's speech, and especially his attack on Stalin at the 20th Congress some months before. This counter-revolutionary attack threw the whole world communist movement into turmoil, weakening the position of many Parties in and out of power. The Hungarian Party was, it would appear, particularly torn and the imperialists wasted little time in taking advantage of the situation.

Had Khrushchev not launched his attack on Stalin, on Marxism-Leninism and the dictatorship of the proletariat; had he not led the Soviet Party and many other Communist Parties down the revisionist path, the Hungarian communists might have corrected their errors. They might not have moved—as they did—further down the road to revisionism, restoring capitalism in Hungary. The Hungarian events might have been resolved on the basis of strengthening the dictatorship of the proletariat by relying on the masses. This, however, did not take place. Instead Khrushchev,

through force and inducement, dragged the already somewhat weak and vacillating parties of East Europe completely into the revisionist swamp, and these Parties have followed the lead of the Soviet social-imperialists in restoring the capitalist system.

Because most of the East European Parties, with the notable and world-inspiring exception of the Albanian communists, were in fact inadequately steeled and tempered by the mass struggle of the working class, they were easy prey to Khrushchev's revisionism. The Hungarian invasion, which was in general correct at the time because it did prevent an imperialist takeover of what was then a socialist country, also had the negative aspect of frightening the East European leaders into submission. Nearly all the Parties of East Europe endorsed the revisionist theses of the 20th Congress. Among the East European parties the Albanian Party of Labor led by comrade Enver Hoxha distinguished itself by resisting and repudiating these theses.

But while revisionism has transformed the Soviet Union from a socialist country into an imperialist superpower, revisionism has led the East European states into subservience and vassalage to Soviet imperialism. These countries today are indeed the Soviet Union's colonies. They include Bulgaria, Hungary, Czechoslovakia, East Germany and Poland.

Some people argue that this is not possible. They point out that some of the East European states—for example, Czechoslovakia—are in some respects *more* advanced industrially than the Soviet Union. This is true. It was also true of the old tsarist empire, too. As Mao puts it: "Political power grows out of the barrel of a gun." None of the East European states could ever hope to stand up to the Soviet Union militarily no matter how developed its industry. Nor have these countries a broad enough economic base to even equal the *overall* industrial capacity of the Soviet Union even if all were added together. Thus, on a capitalist basis, these countries can only choose either to remain vassals of the Soviets or they can try to escape to the protection and domination of the U.S. imperialists and their West European partners, as Czechoslovakia attempted in 1968.

Of course, there is a third path. It is conceivable that the countries of East Europe might at times be capable of winning a certain degree of national independence either by carefully playing off the two superpowers against each other or by asserting themselves in some other way. Yugoslavia has had some success with this policy and the socialist nations have encouraged such independence, just as they encourage many U.S. puppets to win concessions from and stand up to their masters.

But a long-term policy of real self-reliance and true independence, followed successfully in East Europe by Albania, can only be maintained by a socialist country where the proletariat is in power and where the leadership, guided by the science of revolution, Marxism-Leninism, is not afraid to

mobilize the broad masses in the struggle for independence and socialism. Complete national independence is possible only where the working class is free to exert full effort toward all-round, balanced development of the economy and where the masses and the Party are closely united, gaining strength one from the other. Capitalists themselves, the East European Soviet puppet leaders would never even dream of such a thing. And if they did, they'd call it a nightmare.

Today, as we have noted, the Soviet revisionists have cooked up the half-baked "theory" of the "international division of labor" to justify their plunder of East Europe, as well as other areas. According to this theory, each of the East European countries has a special "contribution" to make in the interests of the new Soviet tsars. As the Bulgarian journal *International Relations*, pointed out, the "international division of labor" "will spawn one-sidedness and dependence in the development of various countries" and will "aggravate inequality among countries."⁴⁰

The main vehicle for Soviet economic domination of East Europe is COMECON. Voznesensky would indeed be proud to know that his prize pupil, Kosygin, has learned his revisionist lessons here as well. The Soviet social-imperialists argue that all COMECON countries must recognize the "leading role" of the Soviet Union. They declare that certain countries, for example, Bulgaria and Mongolia (a non-European member of COMECON, also under the heel of Soviet domination), needn't "develop certain industrial departments" because the Soviet Union already "has built up such industrial departments." These countries are instead ordered to supply the Soviet Union with raw materials or even, in the case of Bulgaria, cheap imported labor.⁴¹

Each year tens of thousands of Bulgarian woodcutters migrate to the Soviet Union to cut wood in the forests of Kom. And this year it is reported that about 20,000 Bulgarians are working on construction of a huge paper and cellulose factory near Archangel in the Soviet Union. Couldn't these workers be making a greater contribution to the development of the Bulgarian economy?⁴²

Of course, in Bulgaria the Soviet social-imperialists have encouraged the development of Black Sea resorts at such places as Varna. For the workers? Hardly. These beaches have become the exclusive holiday preserve of Soviet and East European officialdom and are increasingly being opened up to West European and U.S. tourists, too.

In the more industrialized centers of COMECON, the economies are also distorted. Czechoslovakia, for example, has built up an advanced machine tool industry far more extensive than would be called for at this point were the economy being developed in an all-round way. This industry is oriented toward satisfying the needs of the Soviet Union. The Czechoslovak economy has become lopsided and totally dependent on foreign (mainly Soviet) trade. In Poland specialization in the interests of Soviet dominance has caused a reduc-

tion in the variety of Polish products. Critics there point out how this is "unfavorable in terms of technical progress, raw materials and investments."⁴³

Further, under the pretext of "fraternal cooperation", the Soviet Union has monopolized the supply of fuel and raw materials to East Europe. This is an extremely important method of control. According to statistics, East European COMECON members "now import from the Soviet Union almost all their oil, 80-90 per cent of their iron-ore and timber, three quarters of their oil products, rolled metal and phosphate fertilizer and over three-fifths of their cotton, coal and manganese ore."⁴⁴

As we noted previously, the Soviets often sell such raw materials at a substantial markup, having obtained these cheaply in return for credit from Third World nations like India, Egypt or Iraq. This markup enables the social-imperialists to also place the East European nations in a financial squeeze. Between 1960 and 1970, Czechoslovakia alone was forced to provide the Soviet Union with two billion rubles in loans and investment. Bulgaria has complained that "the redistribution of its agricultural investment to the raw materials departments of other countries will domestically slow down its own agricultural development."⁴⁵

In the course of restoring capitalism, the East European states have also served as stalking horses for the social-imperialists. Many of the "reforms" initiated in the Soviet Union in the course of capitalist restoration were previously tried out in "experimental" form in some of the East European countries, especially Hungary and East Germany.

We in the RU have not yet completed our research on the question of East Europe and we do not as yet fully understand the particularities of capitalist restoration in these countries. Nor are we yet aware of *all* the mechanisms by which the Soviet Union dominates the region. We do, however, know enough to be convinced that these countries have become colonies of the social-imperialists. For further information we are running as an appendix to this book an informative article by two Albanian authors which appeared in the May-June 1974 *Albania Today*. This article goes more deeply into the methods and forms of Soviet economic exploitation and control of East Europe.

It is also important to note that the East European countries are resisting Soviet control. In 1968 the Czechoslovak Communist Party was temporarily taken over by a different clique of capitalists who were convinced that a more profitable future for the Czech bourgeoisie could be found outside the Soviet orbit. Headed by the revisionist Dubcek, they initiated certain "reforms" in the Czechoslovak economy. While covering themselves with talk of democracy and making some small concessions to the masses (almost exclusively, however, to the petty bourgeoisie), Dubcek and his followers attempted to reorder the economy along the lines of what they called "market socialism." In theory this was really only

an extreme, competitive, capitalist version of the Kosygin "reforms." But its real purpose was to open the economy to Western investment. One indication of this was that the Czechs were making moves to transfer their currency from a standard based on the Soviet ruble to one of direct convertibility with the dollar.

The Soviet Union, however, would not stand for this. The Soviet rulers were not really concerned about whether the Czechs tried out some new capitalist economic "reforms" or not. In fact they were happy to have the Czechs experiment with whatever capitalist methods might produce the most profit for the Soviet Union. And in matters of "theory", the Soviet revisionists were not too concerned about the Czechs' attempts to more openly promote bourgeois liberalism under the cover of Marxism, though here we should emphasize that the political loyalty of the East European puppet Parties to Soviet policy is an important benefit the Soviet leaders do not care to lose. But what the social-imperialists were mainly worried about in Czechoslovakia was the possible "loss" of that country to U.S. and West European imperialism. This Brezhnev and Co. could not stand for. They thus launched a brutal invasion of Czechoslovakia in August 1968.

This invasion was not like the intervention in Hungary in 1956, because the Soviet Union by 1968 had been transformed into a full-fledged imperialist superpower. Although the Dubcek government did not represent the interests of the Czechoslovak people, the social-imperialist tanks represented an even more powerful enemy. And the people certainly recognized this. Indeed, despite the fact that Dubcek's government capitulated at once and urged the masses to passively lay down their arms, the people of Czechoslovakia fought back, spontaneously with great courage. Communists have soundly condemned the Soviet invasion of Czechoslovakia as an act of imperialist thuggery. We are convinced that one day the Czechoslovak people will rise up again and eventually free themselves from the interference and domination of Soviet social-imperialism and all imperialism.

Suffering under the jackboot of Soviet social-imperialism, the countries of East Europe have been increasingly torn apart by sharp and worsening contradictions. This has also called forth growing mass resistance. The greatest such episode so far took place in Poland in 1970-71. On December 13, faced with severe economic difficulties attributable directly to distortions of the economy created by social-imperialist domination, the Polish government drastically increased prices on a wide range of basic consumer necessities. This detonated a tremendous revolt by the Polish workers. In Gdansk on December 14, a general strike took place and the local Party headquarters was sacked. On December 17, the revolt spread to Szczecin and on the 19th to Elblag. The government response was to bring in tanks and shoot down the workers. But this failed to stop the revolt. Finally, the government and Party leadership

headed by the blood-stained dog Gomulka was forced to resign. Gomulka and his coterie were replaced by a new Politbureau headed by Edward Gierek. The troops were withdrawn but the price hikes remained in force.

At last, on January 25, 1971, Gierek agreed to meet with the still striking workers. As a good lackey, one of his first demands of the workers was "to cease the attacks (I know that they are circulating) against the Soviet Union."⁴⁶ This really reveals where things were at!

Gierek eventually managed, after many concessions, to get the workers to return to work. Excerpts from his discussions with workers at the Warski Shipyards in Szczecin were published in 1972 by the British journal *New Left Review*.⁴⁷ These are quite enlightening and reveal very clearly that the Polish working class is becoming more determined in its struggle against revisionists like Gierek and his bosses in Moscow.

The Polish people and the peoples of all the East European countries have a rich tradition of struggle. They will surely unite to overthrow the rule of the new tsars.

7) Western Capital Exploits Russian Workers

One result of the rebuilding of capitalism in the USSR is that Western capitalists are welcome to exploit Russian workers and raw materials. This is an especially ugly feature of Soviet social imperialism.

With the October revolution, the Russian people rid their country of the imperialism of the tsar and the Russian ruling class and put an end to imperialist penetration of their country. Now with the restoration of capitalism, Russia under the new tsars is once again imperialist and open to exploitation by other imperialists.

How exactly does this work? Since the USSR supposedly has "ownership of the means of production by the whole people", how can we maintain that the Soviet working class is being exploited by foreign capital? Isn't it just trade on an equal basis, as the revisionists claim? Let's look at the facts and listen to some people who know better.

As the revisionists become more and more ambitious in their forced march to rebuild capitalism, they are not satisfied with the tempo and scope of development. Furthermore, the revisionists have been wrecking the Soviet economy and cannot supply people with basic necessities. They lack capital, especially since a lot of it is tied up in the armaments industry. So they turn to the West where they find eager competing capitalists in search of new markets and investment opportunities for their capital exports. U.S. papers are full of these deals. The building of an auto plant by Fiat, the Occidental natural gas deal, the plans for joint ventures to extract raw materials in Siberia (oil, timber, uranium) etc.

But isn't it a contradiction that Western imperialists, always looking for superprofits and

control over their investments should invest their money in countries where they are legally barred from traditional forms of capitalist ownership?

This was indeed one of the worries the capitalists had before they started to make big deals with the USSR and the East European countries. But they soon found that reality is quite different. In a revealing and unique roundtable discussion organized by *The New York Times* with experts on East-West trade, the following discussion developed which is excerpted here:

Times: "How do you do business and at the same time satisfy both the desire of the multinational corporation to have full control of an enterprise and the doctrine of the communist system of ownership of its own assets?"

Hendricks (representing 145 companies): "By changing the psychological approach. Mr. Fakete (Deputy Governor of the Hungarian National Bank) once made a joke by suggesting that Eastern Europe was the most secure place in the world for an investment because everything was already nationalized. In other words we just have to change our approach. Our partner is the government. You negotiate transactions in which control does not depend on ownership."

The discussion goes on to point out that many East European countries (Hungary, Rumania, Yugoslavia) have changed their laws to make it legal for foreign companies to invest money in factories, mines, etc. The USSR has not gotten around to this. However, it doesn't really matter, as shown by the following statement from Samuel Pizar, an international lawyer specializing in East-West trade who was in on the Occidental deal:

"Theoretically, foreign equity ownership is against Marxism and Leninism. Capitalists are not allowed to exploit production in Communist countries. But let us see if there are any ways of getting around this. What does an American company look for? Number one it looks for control. Does that mean they could get control of a board of directors in the Soviet Union or in Hungary or in Poland? Out of the question. Not for many years anyway. But this is not really necessary. If you do a joint project with a Communist state company, it is not impossible to write into the contract a provision for a joint management committee. The Communist board of directors doesn't exercise much power anyway and it doesn't know anything about international selling and marketing. But the management committee, which may consist of several Americans and several Easterners, is not ruled out by Marxism-Leninism. Such a management committee could design the plant, put it into production, exercise quality supervision, develop the marketing aspects, without offending the Communist dogma and laws. One day, equity in the true sense may also be possible."

This was put very well, but how about profits?

How are they extracted? Let's listen to Pizar again:

"I remember a major deal where the American company would have accepted a piece of equity of the deal and if equity could not be given a piece of the profits defined by contract. But the Communist philosophy did not permit that. The company ended up getting something superior to equity and to profit. It got a royalty, a participation in the gross turnover of the venture; paid in hard currency."

In the case of Fiat, which built a complete auto plant in the Soviet Union, that means that for every car the Russian workers build the Italian firm is getting a cut. In other words, the profits are split between the Soviet state-monopoly capitalists and the foreign capitalists. The example of Fiat makes particularly obvious what the introduction of capitalist plants means to the Russian working class, because Fiat copied the plant exactly from the plant they run in Italy, where tens of thousands of Fiat workers have for years been waging a fierce struggle against speed-up and inhuman working conditions. (Once during one of the many wildcat strikes at Fiat, management argued: "We don't know what our workers are complaining about. We work here the same way as in the plant we built in the Soviet Union.") Now the revisionists have blessed the Russian working class with the same, which only shows that they are digging their own grave, because the Russian working class is bound to rise up against this oppression and overthrow this whole new capitalist system altogether.

In addition to the form of investment typified by Fiat, where the profit comes in the form of royalties, another form is becoming more important—loans to the USSR by Western banks. The rate of interest paid is around 6%. As *The Times* reported (12-9-1972), Western bankers are very happy that the USSR and the East European countries "are coming back into the debt market"—because this represents another way for them to extract profits created by the Soviet working class.

As analyzed elsewhere in this Red Papers, the fact of state ownership alone does not determine that the benefit of production goes to the working class. The real question is, who has the political power? What class of people runs the state? Let's listen once more to Pizar, who really knows the ropes:

"Now obviously control over the means of production cannot be obtained through ownership, because as we have all agreed, ownership is not allowed. But why can't we do this? Why can't we say to the Eastern side, your state will be the owner of the installation, the owner of the equipment. We will take a lease on it for say five years, 10 years, 15 years. Now you are the owner. We are not holding title to these means of production in a socialist country as Lenin and all the others said we could not. But while we are renting the facilities we are

controlling all the practical things that go with being in charge, producing and shipping, measuring and so forth."

This shows how things work. While the Western imperialists don't give a damn what legal form the ownership of the means of production takes, they are very much interested in "controlling the practical things", like production, profit, market, etc. Part of the "practical things" in this case is the Russian working class, which is being "leased" for exploitation by foreign capital, and this of course is the only source of profit, as was explained in the first chapter.

The Soviet revisionists try to justify this by saying that Lenin did the same thing when he introduced his New Economic Policy. As analyzed in Chapter 2, however, this only serves as a cover-up of the real tendencies of the Soviet revisionists, because the USSR of 1920 is not the same as that of 1974. What was done then, in a limited degree and controlled by a real Communist party and proletarian state was intended to serve the reconstruction of the destroyed Soviet economy and to help build socialism. What is being done today serves the ambitions of the new ruling class in the USSR and does not aid communism, as claimed by some Senators, George Meany of the AFL-CIO, and the "Communist" Parties of the USSR and the U.S.

Another argument being used by the Soviet revisionists boils down to the accusation that the "Maoist forces" are against foreign trade and pursue a "closed door" policy. Nothing could be further from the truth.

Today China has trade relations with over 150 countries, but these are quite different from the trade relations established by the Soviet Union. China's trade with other countries is based on

"equality, mutual benefit and helping to meet each other's needs." Let's take one example of imports of cereal grains. Both China and the USSR import wheat. They do it for different reasons. The big wheat deal between the U.S. and the USSR, a result of Soviet agricultural failures, ended up by inflating world market prices, which enabled the revisionists to resell a large share of the wheat to other countries at a huckster's profit. The deal also created price-inflating grain shortages in the U.S. itself.

China, however, is self-sufficient and imports wheat not for profit but in order to be able to export more cereals, especially rice, to Third World countries, often as outright grants. China has no internal or external debts and her imports and exports are balanced. By way of comparison, the USSR is indebted and has heavy problems with her balance of payments.

Another even more important difference is shown in the following remarks by China's Minister of Foreign Trade, Li Chiang. He says the Chinese people are following a policy laid down by Mao Tsetung of "maintaining independence, keeping the initiative in their own hands, and self-reliance", and continues:

"China will never try to attract foreign capital or exploit domestic or foreign natural resources in conjunction with other countries, as does a certain superpower masquerading under the name of 'Socialism.' She will never go in for joint-management with foreign countries, still less grovel for foreign loans as does that superpower."

Indeed, the Chinese people have shut the door to imperialism. Trade, yes. Exploitation, no. We are sure that the Russian people will shut that door once again when they overthrow the new tsars as they overthrew their forerunners.

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39. Michael Kaser, *COMECON*, Chs. I, II.
40. Quoted in *Peking Review*, July 5, 1974.
41. Same source.
42. *Albania Today*, May-June 1974. See appendix.
43. Quoted in *Peking Review*, July 5, 1974.
44. Same source.
45. Same source.
46. *New Left Review*, March-April 1972, p. 38.
47. "Polish Workers and Party Leaders—A Confrontation", *New Left Review*, 72, March-April 1972, pp. 35-53.