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GUIDELINES ON INTERNATIONAL RELATIONS OF THE COMMUNIST PARTY OF THE PHILIPPINES

RESTATEMENT OF CPP POSITION ON INTERNATIONAL RELATIONS

ON MONOPOLY CAPITALIST "GLOBALIZATION"

STILL IN THE ERA OF MODERN IMPERIALISM AND PROLETARIAN REVOLUTION

By Tignay T. Umili

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**STILL IN THE ERA OF MODERN IMPERIALISM
AND PROLETARIAN REVOLUTION 36**

By Tignay T. Umili

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GUIDELINES ON INTERNATIONAL RELATIONS OF THE COMMUNIST PARTY OF THE PHILIPPINES

1. The CPP conducts its international relations in accordance with the basic principles of Marxism-Leninism-Mao Zedong Thought and with its policies and decisions regarding the revolutionary struggles of the proletariat and people in the Philippines and the world.

These principles, policies and decisions are well stressed in the current rectification movement which started in a comprehensive and profound way in 1992. The ten points guiding the rectification movement are relevant to the international relations of the CPP.

2. The following principles guide the CPP in establishing, maintaining and developing relations with any foreign party or parties:

- a. The CPP upholds the principle of independence, equality and noninterference.
- b. The CPP seeks the realization of the principles of mutual support, cooperation and mutual or common benefit.

3. The CPP seeks to develop two possible kinds of relations with other parties:

- a. One is on the basis of ideological and political understanding in accordance with Marxism-Leninism-Mao Zedong Thought and proletarian internationalism.
- b. Another is on the basis of anti-imperialist political solidarity on one or more issues at any given time.

4. The CPP favors bilateral relations with foreign parties as the principal form of its international relations. Bilateral relations logically and necessarily follow from the principle and reality of the integrity and independence of the CPP as well as its equality with every foreign party with which it relates. The CPP can bet-

ter handle its bilateral relations than multilateral ones in ideological and political terms and in the most concrete forms of cooperation.

The CPP appreciates ideological and political discussions or mainly or simply political discussions in bilateral relations as a way of raising higher the level of common understanding and practical cooperation. It does not expect the complete congruity of views on all issues with parties with which it relates, especially those issues outside of their respective national competence.

The CPP has the attitude of accumulating points of agreement with the other party in bilateral relations and proceeding with cooperation, while laying aside for study the points of disagreement.

The CPP does not allow any foreign party with which it has bilateral relations to interfere in its internal affairs as well as in its relations with other parties, whether these relations are bilateral or multilateral.

5. The CPP may enter into multilateral relations in the form of attending conferences, seminars, fora and the like for the following purposes:

- a. To express its own views on issues;
- b. To share its own experiences and views with other parties;
and
- c. To promote common understanding and cooperation in ideological-political terms or in terms of anti-imperialist solidarity.

It is the view of the CPP that all parties that claim to be Marxist-Leninist are in a period of clarifying their Marxist-Leninist and antiimperialist position and developing such position through revolutionary study and practice. In this connection, the CPP appreciates and recognizes as positive development any advances made by a party or group of parties from a previous ideological position.

6. In its multilateral relations, the CPP is firmly guided by the principle of independence, equality and noninterference.

a. The CPP decides the nature of its own participation or nonparticipation at any time.

b. In signing a declaration, resolution or any instrument of multilateral understanding or agreement, the CPP follows its own judgment and the principle and method of consensus and unanimity.

c. Any CPP delegation to and any CPP commitment in any kind of multilateral meeting or occasion is subject to the decision of the CPP central leadership.

The CPP rejects any suggestion that it can be dictated upon or manipulated by any kind of presumptive center, a majority vote of parties within any grouping, any other party's concept of unity or hostile alignment against other parties, patronage or any kind of factor or consideration that violates any of the principles that guide the CPP in international relations.

7. It is our view that there is no single party or group of parties in the world today which can presume itself to be the international center of the proletarian revolution or which can decide what constitutes the unity of the international communist movement other than the express common adherence of parties to Marxism-Leninism.

We understand why none of the remaining ruling communist or workers' parties has presented itself as the center of the world proletarian revolution. There is the just objection to subordination of one self-determining party to another party or a group of other parties on top of the question of objective conditions, subjective factors and the burden of responsibility.

We recognize the multiplicity of meetings of parties that can gather for study and exchange of experience and views on the basis of ideological, political or geographic affinity. We consider as idealist, futile and counterproductive any effort to impose on these

varied meetings or counterpose to them the notion of "international center" or "unity of the international communist movement" from the viewpoint of any single party or any group of parties.

The CPP is gratified that some of these meetings of parties, *previously hostile to each other and contemptuously or conveniently labeling each other as followers of this or that country*, are showing an unprecedented degree of willingness to study the full range of the basic principles of Marx, Engels, Lenin, Stalin and Mao.

8. The NDF, through its international network of representatives, is authorized to develop protodiplomatic and diplomatic relations and all other relations helpful to fulfilling its diplomatic tasks.

The NDF is also entrusted with the task of representing the Philippine revolutionary forces and the people's government on the question of negotiations with the Philippine reactionary government and likewise the task of acquiring diplomatic recognition of the status of belligerency, and eventually the recognition of the people's government.

9. The CPP has its own personnel and organization abroad and directs the work of its own personnel in forming Party and mass organizations among overseas Filipinos. There is a distinct necessity and appropriateness for this, especially because of previous shortcomings in this regard.

At the same time, the CPP agrees that the Party in the host country and its mass organizations by their own efforts can recruit members from among overseas Filipinos and hold consultations with the CPP regarding the background, current work and perspective of such overseas Filipinos. Furthermore, the CPP agrees to allow certain of its members to become dual members of the party in the host country as a result of consultations.

The CPP makes the following agreement on two grounds:

- a. Membership in a party or mass organization is a matter of individual qualification and choice of the member.
- b. The principle of proletarian internationalism allows the CPP to develop its own personnel and work abroad and likewise allows the party in the host country to involve the overseas Filipinos in the revolutionary struggle where they reside.

10. The best kind of contribution that the CPP can make to the world proletarian revolution is to make advances and when possible to win total victory in the Philippine revolution. In the same vein, the best support that other parties can give to the CPP and the Philippine revolution is to make advances and win victories in their respective revolutionary struggles. The CPP and the Philippine revolution can make advances and win victories only by following and carrying out the principle of self-reliance. The CPP must be able to operate and grow in strength by relying on the membership dues and contributions of its members.

The Philippine revolution can advance only by relying on the political mobilization of the Filipino people and on the grain and other contributions of the working people who are benefited by revolutionary campaigns, on production by the revolutionary forces, on taxes from certain sections of the population and on confiscation from the enemy. The CPP and other Philippine revolutionary forces are grateful for any necessary and appropriate foreign assistance but are not dependent on it. They must also be vigilant towards its negative effects. Previous experience shows that foreign assistance from the best possible sources abroad to the revolutionary forces as well as from Western funding agencies to so-called NGOs has had some negative effects, aside from the positive effects. # (1994)

Restatement of CPP Position on International Relations

**By the Central Committee
Communist Party of the Philippines
May 1, 1996**

By way of celebrating May 1, it is appropriate for the Communist Party of the Philippines to clarify anew how it is guided by the principle of proletarian internationalism and works for the unity of the workers of all countries and for the fulfilment of the historic mission of the working class. This restatement of the CPP position on international relations is in consonance with the guidelines issued in 1994.

As the advanced detachment of the working class in the Philippines, the CPP leads the Filipino people in the new-democratic revolution and prepares the ground for the socialist revolution. The two-stage Philippine revolution is for the benefit of the Filipino people. It is also part of the world proletarian revolution for socialism and against monopoly capitalism and all reaction.

There is no better way now for the CPP to perform its proletarian internationalist duty than to make advances in the revolutionary struggle in the Philippines against imperialism and the local reactionary classes of big compradors and landlords. At this time, the people's war requires the most selfless sacrifices from Party cadres and members in the service of the Filipino people and the world's proletariat and people.

The CPP upholds the Marxist-Leninist-Maoist ideological line. It is guided by this line in developing external relations. This line guarantees the integrity of the CPP as a revolutionary party of the proletariat and at the same time requires the CPP to pursue the political line of anti-imperialist solidarity and the broad international united front against imperialism.

The CPP recognizes the distinction and dialectical relationship between its ideological and political line. In addition to guaranteeing the Marxist-Leninist integrity of the Party, the ideological line encourages it to be close to parties with a similar line and to carry out the political line of developing the broadest possible range of relations in the struggle against monopoly capitalism. In international affairs as in domestic affairs, the CPP engages in revolutionary practice in the complexity of the real world. The political line provides the concrete basis for the further development of the ideological line.

In developing external relations, the CPP upholds as guiding principles the following: independence, equality, noninterference, mutual support and mutual benefit. The CPP does not expect to have congruent views with another party on every issue in ideological or political terms. The continuing exchange of views and experience is meant to raise the level of mutual understanding and practical cooperation.

The CPP gives first place to bilateral relations because these allow the amplest opportunity for mutual understanding and cooperation. In the second place, the CPP may participate in multilateral conferences, fora, seminars and the like. In any case, it expresses and exchanges views in the appropriate style on issues in the agenda priorly agreed upon.

The CPP may sign bilateral communiques, agreements and resolutions in order to define the points of mutual understanding and cooperation. It is emphatically prudent about co-signing with more than one party any resolution or other document. This requires thorough discussion and consensus among the co-signers as well as the approval of the CPP Central Committee.

The CPP does not join any international center or any form of organization of parties in which any party or a group of parties acquires the authority to decide the ideological and political line for other parties or obliges the CPP by some form of organiza-

tional discipline to consider itself ideologically united with any party or parties holding a revisionist or any other form of bourgeois ideology.

The CPP promotes and supports the solidarity relations and diplomatic work of the NDFP as well as the solidarity relations of other allied organizations within the NDFP with their counterparts abroad. At the same time, the CPP encourages all legal patriotic and progressive Filipino forces to have solidarity relations with their counterparts abroad.

The CPP welcomes and appreciates the organization of compatriots overseas as well as the support groups and solidarity groups dedicated to supporting and assisting the Filipino people's revolutionary struggle. In excess of the sufficient number of Party members assigned to necessary Party units abroad, the CPP may mutually agree with a definite party that certain CPP members in the host country become dual members of the CPP and that party.

By all means, the working class parties in host countries can educate and recruit overseas Filipinos who are within their reach and who are not priorly CPP members. The CPP encourages overseas Filipinos to join progressive trade unions and other progressive mass organizations in the countries where they reside and work.

The CPP, all other Philippine revolutionary forces and the Filipino people must wage self-reliant revolutionary struggle. They seek and welcome moral and material support from abroad but are not dependent on it. At the same time, they strive to extend all possible unconditional support to the proletariat and people abroad in their revolutionary struggle. #

ON MONOPOLY CAPITALIST “GLOBALIZATION”

**Contribution of the Communist Party
of the Philippines to the 5th Conference
of the International Conference of Marxist-Leninist
Parties and Organizations (ICMLPO)
September 29, 1996**

Capitalism has been globalizing since the 16th century. In the manufacturing stage of capitalism, colonialism was a major part of the primitive accumulation of capital in addition to the exploitation of the proletariat and the peasants in Europe.

In their critique of capitalism, Marx and Engels saw the implications and consequences of colonialism and free trade in the period of free competition capitalism, when the industrial revolution was in progress and the bourgeoisie was wielding more political power than ever before. In fact, the propagandists of the neoliberal Right retrogressively pick up their liberal slogans from earlier centuries.

Towards the end of the 19th century, competition and the commercial crises led to concentration of capital and monopoly as the dominant force in the industrial capitalist countries. Industrial capital merged with bank capital to accelerate the growth of capitalism as never before. The export of surplus capital gained crucial importance over the export of surplus commodities thus making the role of finance capital decisive. International combines of monopolies (cartels, syndicates and so on) arose. By the start of the 20th century, monopoly capitalism or modern imperialism had completely divided the world. Outside the imperialist countries, territories were divided into colonies, semicolonies and dependent countries.

Monopoly capitalism and the crisis of overproduction drove the imperialist powers to combine against each other in order to redivide the world and wage war. The first general crisis of monopoly capitalism led to World War I and the establishment of the first socialist country. The second general crisis of monopoly capitalism was even more severe. It led to World War II and to the rise of several socialist countries and the great wave of national liberation movements.

The third general crisis of monopoly capitalism did not result in any global war among the imperialist powers. The Cold War, which started out as the struggle between the capitalist camp and the socialist camp, eventually became a struggle between the imperialist alliance headed by the United States and Soviet social-imperialism. The revisionist rule and restoration of capitalism in the Soviet bloc countries since 1956 served to undermine the world proletarian revolution as the two superpowers colluded against the interests of the world proletariat and people while they engaged in neocolonial competition.

Up to the middle of the '70s, however, the cause of world proletarian revolution advanced, especially through the Great Proletarian Cultural Revolution, the victory of the Indochinese revolution, and the perceivable strategic decline of US imperialism, despite the Soviet revisionist betrayal. But eventually, the traditional imperialist powers prevailed by integrating the revisionist-ruled countries, including China, and defeating the revisionist-ruled bureaucrat monopoly capitalism in the Soviet Union.

The situation today is comparable to the early years of the 20th century before World War I. There is a unified world capitalist economy in the sense that no socialist country poses any serious challenge to the capitalist system. At the same time, this world economy has been divided among the traditional imperialist powers. But driven by monopoly competition and the crisis of over-

production, they strain to redivide the world, notwithstanding all their efforts to unify against the world proletariat and the people.

So far, monopoly capitalism has not made any fundamental departure from the five features of imperialism as defined by Lenin. We are still in the era of modern imperialism and proletarian revolution. This is especially because imperialism has warded off the challenge of socialism and national liberation movements in the wake of World War II. It has done so by using military power, finance capital and neocolonialism and by taking advantage of the revisionist betrayal and capitalist restoration in the Soviet Union since 1956.

Even the bourgeois theorists and publicists of globalization cannot help but borrow consciously and unconsciously from Lenin's critique of imperialism, especially of the third and fourth features. But they take these features out of context and arrive at different conclusions. In effect, they deny the theory of uneven development; they deny the destruction of productive forces in the wake of capital accumulation and overproduction; they deny crisis and war as a result of overproduction; they deny the interimperialist struggle for a redivision of the world; and, most importantly, they deny the objective basis of and need for the new-democratic and socialist revolutions through class struggle and anti-imperialist struggle under the leadership of the proletariat in various countries.

They conjure the illusion of an irresistible and unchallengeable internationalization of capital under the neoliberal banner of unimpeded investments, trade liberalization and privatization. They obscure the fact that the imperialist countries have consistently used state monopoly capitalism to exploit the world proletariat and people and to counter the challenge of new-democratic and socialist revolutions.

Since a long time ago, capitalism in the pursuit of profit has shrunk the globe by bombarding the backward countries with

surplus commodities and surplus capital. It has been driven to do so by its own laws of motion, the class struggle between the bourgeoisie and proletariat, the struggle between the imperialists and oppressed peoples and nations and interimperialist contradictions. To free themselves effectively from the clutches of monopoly capitalism, the world proletariat and people have no choice but to wage class struggle and armed revolution in order to establish the proletarian dictatorship or the people's democratic dictatorship, as the case may be.

Interimperialist contradictions impelled the rapid scientific and technological advances during World War II and the Cold War. The use of nuclear, electronic and other new technologies in social production by the traditional imperialist powers was a major factor in the victory over Soviet bureaucrat monopoly capitalism, which had rushed headlong into the arms race and failed to renovate civil production and to compete in the production and marketing of new consumer products. Now, high technology is more than ever accelerating the crisis of monopoly capitalism and the intensification of the basic contradictions of the world capitalist system. Among the winning imperialists, the higher social character of high-tech production comes into a more severe contradiction with the greedier methods of private appropriation under the global monopoly capitalist policy of neoliberalism. The recrudescence of liberal jargon cannot change the nature of imperialism and its dire consequences to the world's proletariat and people.

I. The Term and Concept of Globalization

As used by the big bourgeoisie and its petty-bourgeois followers, "globalization" is a supra-class, supranational and universalist process of irresistible all-round homogenization of the world under the auspices of monopoly capitalism, through the multilat-

eral agencies (UN, IMF, WB/IBRD and WTO) and the multinational or transnational firms and banks.

It seeks to deny Lenin's theory of uneven development, his description of the current era as that of modern imperialism and proletarian revolution, the class struggle and the need for proletarian dictatorship in imperialist countries, the oppression of peoples and nations by imperialist states and foreign monopolies, and the need for the anti-imperialist revolutionary struggle under the leadership of the proletariat.

It seeks to obscure such basic contradictions in the world capitalist system as those between the bourgeoisie and the proletariat, between the imperialists and the oppressed peoples and nations and among the imperialists and monopoly combines themselves. It seeks to deny the national and ultranational character of the monopoly bourgeoisie and the need for establishing the proletarian dictatorship in specific countries.

It is an idealist and reactionary concept for denying and glossing over the reality of imperialist states and exploiting classes, for exaggerating the unification of the industrial capitalist states and the monopolies, for metaphysically separating the imperialist states from the monopolies and then claiming that the latter decide on their own (without using their own states) the "development" or exploitation of the world.

Both petty-bourgeois exponents and critics of "globalization" agree on the same virtual reality that transnational corporations now rule the world independently of and more effectively than national states, as if there were no necessary connection between the monopolies and the national states as well as the imperialist-controlled multilateral agencies. They mystify "globalization", they browbeat and keep out of the discussion those who advocate anti-imperialist and class struggle and they limit the debate to one between outright pro-imperialism and reformism.

Marshall McLuhan (1962) first popularized the term "globalization", particularly in the use of his catchphrase "global village". He described the electronic means of instant global communications as changing the content of modern culture. Indeed, with the further development of modern communications and transport, the imperialists would gain another advantage and weapon for further seizing economic, political and cultural initiative and determining the trends of thought and entertainment in the world against their revolutionary opponents as well as their social-imperialist rival.

In the '60s and '70s, petty-bourgeois minded academics were encouraged with research grants to undermine or put aside Marxist-Leninist theory with pseudo-Marxist theorizing about the nature of the world capitalist system. Their ideas about the "post-industrial society" and "development" were sidestreams to the growing "mainstream" debate of the Keynesians and monetarists in bourgeois society.

Immanuel Wallerstein (1974) came forward with his "world system" theory, conceptually dividing the world into a center or core of industrial capitalist countries and the periphery of underdeveloped countries but exaggerating the coherence of the world capitalist system to the point of glossing over the distinction of national modes of production. The theorists of "dependent capitalism" played along with their own nuances on the unification of the world and dichotomy into metropolis and dependent countries. They slurred over the real differences between the far more numerous semifeudal countries and the fewer dependent capitalist countries and conceptually dissolved the former.

Petty-bourgeois technocrats in UN agencies, academics in the UN university system, bourgeois institutes of development, imperialist state agencies, neoconservative think tanks and the Munich-based Max Planck Institute orchestrated the propagation of the neo-Kautskyite notion that monopoly capitalism is benign.

even if painful, criticizable and therefore reformable, because it supposedly breaks down precapitalist formations and opens the way to capitalist development and free market economies.

In the '70s, the multinational corporations (MNCs) were quick to adopt "globalization" as a shibboleth and marketing strategy. They saw the combination of culture and market as the way to maximize the global sales of products through global advertising, exemplified by Coca Cola offering the image of an assembly of people of all nations singing in "perfect harmony".

While the Soviet social-imperialists competed with the US imperialists in neocolonialism and military interventions and prated about "noncapitalist development", China's Deng revisionist clique whipped up the Kautskyite "theory of productive forces" and pushed big comprador modernization by carrying out capitalist-oriented reforms and integrating China into the world capitalist system as a "developing" country.

The nationalization of oil production in OPEC countries and the demand of third world countries for a new international economic order were undercut by imperialist control of the global market and overloading of the neocolonial client states with loans to induce infrastructure building, an overproduction of raw materials, higher military spending, conspicuous consumption and bureaucratic corruption.

Since the '80s, the bourgeois economists have been celebrating as the most important feature of globalization the dismantling of national barriers to the operation of capital markets. Simultaneous dealing in the main markets of New York, London, Tokyo and Frankfurt is supposed to be beyond the control of any one national agency even as in fact the stocks and bonds traded are still mainly and characteristically those of the national shareholders, firms and governments in the country of the capital market.

So far, without losing their national basing and instrumentation of their states, the monopolies have "globalized" most such

aspects as finance capital, trade and the use of high-tech communications rather than productive capital. There is no such thing as the limitless internationalization of the capitalist mode of production as to dissolve the far more numerous semifeudal economies and the lesser number of dependent capitalist economies and the so-called newly-industrializing economies.

Reaganism and Thatcherism, the rise of monetarism, neoliberalism and the drive for privatization and deregulation, the collapse of revisionist-ruled states and the rampage of neocolonialism have meant the unification of the monopoly capitalists against the proletariat and oppressed peoples and nations, without eliminating nationality and monopoly competition among imperialists themselves.

Such instruments of capitalist "globalization" as the monopoly corporations and banks have not lost their national character (if one examines the main nationality of the investors and the special advantages taken from their respective states). Multilateral agencies like the UN, IMF, WB, WTO, OECD, Group of 7, Group of 24 and so on involve the individual participation and combinations of imperialist states, according to their relative strengths, at the expense of a majority of states.

Both the illusion and some real degree of the unification and homogenization of the monopoly capitalists and the world capitalist system to the extent that there has yet been no interimperialist war, except the real localized and regional "proxy" wars between one imperialist and another social-imperialist power during the Cold War, have been the consequence of the US-led capitalist alliance since the end of World War II against several socialist countries and the great wave of national liberation movements.

To allow the expansion of capital, restrain interimperialist contradictions and defeat the socialist challenge in a constricted world market, the monopoly capitalists have used state monopoly

capitalism to muster resources and create outlets for surplus capital in the reconstruction of war-ravaged capitalist economies, military research and development, the arms race, the competition in space exploration, suburbia and the car culture, the production of new consumer goods, neocolonialism and the penetration of the bureaucrat capitalist regimes.

In the wake of capitalist restoration in China and the collapse of the earlier revisionist-ruled states and economies in the Soviet bloc, the basic contradictions in the world capitalist system are exposed and intensified because the winning capitalist powers are now weighed down by both the costs of winning the Cold War and the ever pressing crisis of overproduction, which is accelerated by high technology for private profit and the self-defeating ravages of finance capital and neocolonialism.

The costs of winning the Cold War include the colossal deficit-spending of the United States for the arms race and accommodating the exports of its allies for so many decades, the strengthening of capitalist allies which have become competitors, and the widescale neocolonial destruction of productive forces in most countries. The counterproductive character of neocolonialism is the result of imperialist financing for the overproduction of raw materials and some manufactures for the consumption of the capitalist countries and the upper classes in the underdeveloped countries since the '70s.

The effort of the US to reverse its strategic industrial decline since 1975, to revive its own manufacturing capacity and promote its own exports, to recover from its colossal debts and deficits and share the military burden is disturbing the balance of its relations with its capitalist allies. Even as the slogans of free market economies and free trade are ringing loud, the US, the European Union and Japan are scrambling to consolidate their respective national and regional markets and penetrate each other's secure markets.

Under the global regime of privatization, deregulation and free trade, the former Soviet bloc countries, China and India should be huge additions to the world capitalist system as fields for all sorts of investments and as markets. But the main thrust of the multinational firms is to take over profitable enterprises, dump their surplus products and speculative capital on these countries, undermine and close down national industries without replacing them and prioritize in a few low-wage countries export-oriented sweatshop manufacturing which is now overproducing the consumer goods for the industrial capitalist countries.

The main and essential point about the use of high technology in the world capitalist system is not the realization of the Kautskyite notion that "ultra-imperialism" is spreading industrial development. But it is the accelerated concentration and centralization of capital in a few industrial capitalist countries, the reduction of the wage fund even in said countries and the destruction of the productive forces on a global scale due to the rapidly aggravating crisis of overproduction.

The basic point to keep in mind about high technology for private profit is that it has an unprecedentedly high social character (so many units for society at so small a labor cost per unit) but the capitalist relations of production involve an unprecedentedly rapacious method of private appropriation.

Taking advantage of its lead in research and development and possession of property rights over high-tech processes, the US has been renovating its equipment, overproducing high-tech goods for production and consumption and unsettling the balance of its relations with the other industrial capitalist countries. The United States is now notorious for its bullying tactics in trying to break the Japanese market wide open for US products and to reduce or take back previous market accommodations to Japan in the Asia-Pacific.

The United States raises its own productive capacity for export and at the same time directly subordinates Japan through bilateral agreements on investments, trade, finance, technology, energy sourcing and security. It has the NAFTA as a regional market. And in East Asia, it puts Japan and other countries within the framework of US hegemony through the Asia-Pacific Economic Cooperation (APEC). While the US and Japan compete, they unite at the expense of other countries and the world proletariat and people.

It is only the low end of high technology, such as nonreproductive manufacturing equipment and consumer goods, that is being brought to only a few underdeveloped countries and the "newly-industrializing economies". The high end of high technology or the know-how and equipment to produce high-tech equipment are held tightly by the few industrial capitalist countries.

The kind of equipment and processes that is brought to the underdeveloped countries of East Asia and elsewhere involve mainly the use of cheap labor for the reassembly of parts to make such consumer goods as electronic gadgets, clothes, toys, shoes and the like for the industrial capitalist countries as well as for a small portion (not more than 10 percent) of the local population.

However, in most of the underdeveloped countries where the low end of high technology does not reach, production with the use of older equipment becomes uncompetitive in the world capitalist market. There is today a widescale closure of old plants without any replacement. The overproduction of goods in a few "newly-industrializing economies" and underdeveloped countries crushes the production of goods by older equipment in a far greater number of underdeveloped countries.

International finance for the so-called emerging markets is used to stimulate the production and sale of consumer goods of the multinational companies and to cover the debt service burden and the current budgetary and trade deficits of particular countries.

A worse form of finance capitalism has arisen as a result of a series of IMF-WB structural adjustment programs (SAP). The amount of loan capital available for infrastructure building and stimulation of raw material production has decreased. But more than a trillion dollars of speculative capital move daily to finance consumerism, debt service, deficits and privatization of public assets. Ninety percent of the investments moving about daily are in the form of speculative portfolio investments and are concentrated in the United States, European Union and Japan.

In a social and cultural sense, "globalization" is nothing but a new fancy term for the old darned bourgeois cosmopolitanism that is so contemptuous of proletarian internationalism and the anti-imperialist solidarity of the peoples of the world. Like the petty bourgeois-minded academic pedants of the '60s and onward, the present-day petty-bourgeois camp followers of the big bourgeoisie, whose babbling numbers have increased in academia and NGOs due to official adoption and funding by imperialist agencies, love to spring the term "globalization" in a vain attempt to confound others and declare as "outdated" the Marxist-Leninists and anti-imperialists.

To pass themselves off as progressive, they criticize to some extent the multilateral agencies of imperialism and the multinational firms and banks but they use the technocratic concepts and pseudoliberal language of the imperialists, the UN and bourgeois institutions and merely advocate some reforms within the world capitalist system.

In academic gibberish, they present themselves as "post-modern", departing from the abstractions of "modernism" and returning to the human shape in the form of "mass" or "pop" culture and "multiculturalism" or more precisely the bourgeois assimilation of folk culture in response to the criticism of "globalization" as cultural imperialism.

The petty-bourgeois camp followers, who parade under the signboard of "globalization", speak in the high-flown "classless", "supraclass", "universalist" terms of having a sense of the common fate of humanity, of being supranationalist at the level of individual commitment to "globalist" values and of engaging in social movements without class and national commitments, especially in such issues as environment, gender, ethnicity and the like, which they misappropriate for their anticommunist and pro-imperialist purposes.

In both industrialized capitalist countries and underdeveloped countries, monopoly capitalism has systematically and cleverly used the petty-bourgeois mentality to separate the white collars from the blue collars as well as the higher stratum of the blue collars from the lower strata and pave the way for the acceptance of the undiluted ideas of the big bourgeoisie.

The petty-bourgeois mentality has also been used to penetrate the working class movement and to subvert socialist societies and pave the way for the revision of the basic principles of scientific socialism, the coming to power of revisionist cliques and the emergence of bureaucrat monopoly capitalism.

Petty-bourgeois ideology and sentiments have been so well developed in bourgeois academic institutions and so well publicized by high-tech mass media in support of monopoly capitalism that the bourgeois concept of "globalization" has seeped into some parties that try to take the working class stand. The so-called information superhighway is littered with a great deal of trash. It is in fact a disinformation superhighway dispensing a glut of disinformation in the service of monopoly capitalism.

The concept of "globalization" is inducing certain wrong notions such as the following:

1. That Lenin's era of imperialism and proletarian revolution belongs to the past and that neocolonialism is a post-imperialist phenomenon.

2. That Kautsky is after all correct with his theory of ultra-imperialism, contradicting Lenin's theory of uneven capitalist development and misrepresenting imperialism as a unified benign force that breaks down precapitalist formations and brings about industrial capitalist development and the growth of the working class on a global scale.

3. That the study of the Marxist-Leninist theory of state and revolution, class struggle and proletarian dictatorship can be put in the backburner to give priority to higher but purely economic demands (e.g. equal pay for equal work the world over) as the main preparation for the world proletarian revolution, instead of the burning issues (e.g. the current reality of rising mass unemployment and deteriorating wage and living conditions) that immediately make the class struggle a political struggle.

4. That the new-democratic revolution led by the proletariat in the underdeveloped countries cannot be but bourgeois-nationalist if it cannot await a new wave of socialist revolutions in the imperialist countries.

5. That the world proletarian revolution can only be the result of a simplified struggle between a globally unified monopoly bourgeoisie and the world proletariat and that the total collapse of that unified imperialism is impending despite the current state of the subjective forces of the revolution in the world.

II. Facts About Monopoly Capitalism

The United Nations Commission on Trade and Development (UNCTAD) has been an outstanding propagandist of the line that transnational corporations (TNCs) have been internationalizing the capitalist mode of production to the extent that these entities have been doing away with their national basing and that these have little or no more national basing.

It preaches the following: "Enabled by increasingly liberal policy frameworks, made possible by technological advances, and driven by competition, globalization more and more shapes today's world economy. Foreign direct investments by transnational corporations (TNCs) now play a major role in linking many national economies, building an integrated international productive system as the productive core of the globalizing world economy."

In the World Investment Report of 1995, where the above quotation appears, the UNCTAD unwittingly belies its own panegyric for the TNCs with the statistical data it provides. TNCs are exceedingly few in comparison to multinational corporations (MNCs). The overwhelming majority of monopoly firms that conduct international business are nationally based and are controlled by national shareholders. They practically carry national flags as they consolidate their control over their own national and regional markets and try to penetrate the markets of others.

They invest and trade multinationally but the large majority of their assets and sales are in their home countries. According to a 1993 listing of Fortune Global, only 18 of the 100 largest companies kept the majority of their assets abroad. Shareholdings are even more limited to nationals, especially because the underdeveloped host countries of subsidiaries succumb to the economic and political pressures of the imperialist states and allow nationals of a foreign country to own up to 100 percent of the subsidiary firm. It is also a myth that management is being internationalized. Only 2.1 percent of the board members of the top 500 US companies are foreign nationals.

All monopoly firms benefit from the industrial, financial, trade and security policies of their own states. Many of them are beneficiaries of contracts, export incentives, investment insurance and financial bailouts provided by their governments. State monopoly capitalism provides so many kinds of incentives to the monopoly

firms. Most research and development are undertaken at home, often with state assistance. Imperialist states and monopoly firms of various states are increasingly engaged in industrial and economic intelligence and counterintelligence against each other.

According to UNCTAD's own index of transnationality, based on shares of foreign assets, foreign sales and foreign employment, the top 100 MNCs reduced their foreign activities because of depressed conditions in most underdeveloped countries. These activities include production and speculation. According to a recent study by Hirst and Thompson, between 70 and 75 percent of MNC value-added was produced in the home country. The researchers conclude that international businesses are "nationally embedded" and continue to be MNCs rather than TNCs.

Far from creating an international capitalist mode of production or an "integrated production system" on a global scale, the MNCs are reinforcing the economic domination of the world by a small minority of imperialist countries, are destroying national industries of other countries without replacing them with new productive assets and are making more grossly uneven the development of the world. They jealously guard and keep their basic technology and core processes in their own countries and concentrate the low-end of high technology on some 10 countries in the world, where they avail of cheap labor in sweatshops that can be easily relocated as soon as the wage level rises. Rather than the TNCs, the MNCs are the principal instrument of the imperialist countries for competing with each other and redividing the world.

There is a growing surge of finance capital, especially in the form of speculative portfolio investments. This is pushed by recurrent recessions and stagnation in the industrial capitalist countries and by the economic devastation of the third world and the former Soviet bloc countries. Foreign direct investments (FDI) have increased five times faster than the value of trade and ten

times faster than the value of world output since 1983, according to David Yaffe, who provides further data below.

From 1991 to 1993, global FDI stocks increased about twice as fast as global exports and three times as fast as global GDP. In 1995, the FDI of MNCs stood at around USD 230 billion. But it generated a global FDI stock of USD 2.6 trillion and global sales of foreign affiliates at USD 5.2 trillion and up to USD 7 trillion, including the subcontractors, franchise holders and licensees. The financial bloat is unprecedentedly large in the entire world history of capitalism.

Investment stocks and flows inward and outward are concentrated in the three global centers of capitalism, the United States, Japan and the European Union and their regional trading partners. Seventy per cent of the outflows from the imperialist countries (60-65 percent of global flows) comes from only 5 countries: US, Japan, Germany, France and the United Kingdom. Recently, the US has recovered the lead in FDI, accounting for one-quarter of the global stock and one-fifth of global flows.

FDI outflows from the third world economies are merely 10 percent of global FDI outflows in 1994 and come from a small number of so-called newly-industrializing economies (NIEs), mainly in East Asia, with Hongkong alone accounting for 64 per cent of the total. The outward investment involves moving labor-intensive activities to lower-wage countries in the same region. Only 6 percent of FDI outward stock is accounted for by third world economies, even as their share of global exports and global GDP are 23 and 21 percent, respectively.

FDI outflows from the imperialist countries into the third world countries increased from USD 35 billion in 1990 to USD 84 billion in 1994 and about USD 90 billion in 1995. Seventy-five percent of the inflows into third world countries went to only 10 countries in 1993, with China taking 37 percent of the total.

FDI stock of the imperialist countries abroad was also highly concentrated, with 67 percent going to only 10 countries. Asia accounted for 70 percent of total flows into the third world in 1994. Latin America received 24 percent, with Mexico and Venezuela taking 71 percent of this. Africa got a measly 4 percent of the total flow into the third world. Thus, it continues to be the most abandoned continent, with FDI flowing mainly to oil-producing countries.

Central and Eastern Europe received USD 6.3 billion of FDI from the imperialist countries in 1994. The amount has been used mainly for taking over profitable enterprises and facilitating the dumping of surplus goods overproduced by the imperialist countries.

To demonstrate the worsening uneven development of the capitalist world, let us consider FDI in terms of its distribution among the world's population. The United States, Japan and European Union have only 14 percent of the world's population but have 75 percent of the total of global FDI flows.

If we add the population of China's coastal regions, into which flows the biggest part of the FDI from the imperialist countries, then only 28 percent of the world's population get 91.5 percent of FDI. Between 57 and 72 percent of the world's population receive only 8.5 percent of total global FDI. What integrated production system is UNCTAD babbling about?

The promotion of export-oriented manufacturing in China's coastal regions as well as all the consumption-driven and import-dependent economic activities undertaken by the MNCs and the Chinese new bourgeoisie have undermined the comprehensive industrial foundation built under socialism and Mao. The heavy and basic industries under bureaucrat capitalist management are being bankrupted, breaking down, being opened to privatization or being closed down.

There are about 40,000 MNCs with 250,000 foreign affiliates today. The largest 100 MNCs (excluding those in banking and finance) have about USD 3.7 trillion of global assets, with USD 1.3 trillion outside their home countries. They account for a third of the combined FDI stock of their countries.

The world's 500 largest industrial corporations employ 0.05 percent of the world's population and control 25 percent of the world's economic output. A mere 1 percent of all MNCs own half of the global stock of FDI. Two-thirds of world trade is controlled by MNCs, with half of this or USD 1.3 trillion exports being intra-firm trade between MNCs and their affiliates. USD 4 out of USD 5 received for goods and services sold abroad by US MNCs are actually earned from goods and services produced by their foreign affiliates or sold to them. The goods are processed with cheap labor abroad.

The top five MNCs control nearly 70 percent of the global market for consumer durables. So do the top five firms in automotive, airline, aerospace, electrical components, electronics and steel industries control more than 50 percent of output. The top five MNCs in oil, personal computer and media industry account for more than 40 percent of global sales. The foreign affiliates of 23 MNCs account for 80 percent of the total world sales in electronics. Seventy to 80 percent of global research and development (R&D) expenditures and 80 to 90 percent of technology payments are within the confines of the MNCs.

Most FDI flowing into the imperialist countries do not involve new productive investments but mere speculation, ownership switching and busting of unions through mergers, acquisitions and privatizations. Ninety percent of the value of the FDI going to the US in 1993 was for acquisitions of existing companies. In the case of outward FDI from the US, the ratio of the number of new establishment to acquisitions was 0.96 in other imperialist countries and 1.8 in third world countries.

The FDI flowing from the MNCs to third world countries was only 7 percent of the domestic investment of these countries in 1993. The 10 countries where this FDI is concentrated are attractive to the MNCs for various reasons: high rates of profit, access to large markets, relatively good infrastructure, cheap labor, deregulated economy, security guarantees, repression of the working people and no requirements of environmental protection.

The rate of return to US FDI in third world countries in 1993 was officially at 16.8 percent, nearly twice the level in imperialist countries at 8.7 percent. The rate of return is actually far higher in third world countries, if we take into account transfer-pricing (overpricing imports and underpricing exports by MNCs in host countries). Under third world conditions of deteriorating terms of trade, debt servitude and policy subservience, the depreciation of labor power and tax avoidance are easily done.

Export-oriented manufacturing has been shifted by the MNCs to some countries in the third world and Eastern Europe because the cost of labor is low. Labor power can be as low as USD 1 per day in China compared to USD 31 per hour in Japan. Average labor cost in Eastern Europe is USD 1.50 per hour, while it is USD 26 in Germany. It is USD 5 per day in Mexico, while it is USD 16.17 per hour in the US.

UNCTAD and the MNCs expect that the FDI flows into the third world and East European countries can generate industrial development and a middle class as a consumer market even without the establishment of heavy and basic industries and in fact with the destruction of national industries. But what they miss is the growing overproduction in export-oriented manufacturing whose products are destined mainly for the imperialist countries. The overproduction of textile and apparel has been conspicuously worsening in China and the rest of East Asia since 1994. Likewise, the glut in the reassembly of electronic products is increasingly showing.

The sweatshops of China and the rest of East Asia are bound to be in trouble as the US expands the same type of operations in Mexico within the NAFTA framework, especially after the fall of the Mexican peso. This has made Mexican labor far cheaper than before. *The crisis of overproduction in the imperialist countries* results in mass unemployment and a reduced market for the exports of the South and the East, where more and more countries are enticed to overproduce consumer goods for the imperialist countries.

Previously devastated by the crisis of overproduction in raw material since the '70s, most of the third world countries are debt-ridden, depressed and impoverished. Now the tigers and kittens among them in export-oriented manufacturing are in for the crisis of overproduction in consumer manufactures for the imperialist countries. This coincides with the crisis of overproduction in high-tech and other goods in the imperialist countries.

The current rapid expansion of production and foreign trade, followed by crisis, is similar to that in the period before World War II. FDI stock was 9 percent of world output in 1913, while it was 8.5 percent in 1991. But far more unsettling to the world capitalist system now is the flow of USD 1.23 trillion a day through the foreign exchange system as investment firms and MNCs are increasingly drawn to speculation and sheer finance capital operations.

Third world debt, now at more than USD 1.8 trillion, continues to rise despite the resort to rapid local public borrowing, attraction of speculative portfolio investments, privatization of public assets and rising levels of taxation, if only to cover trade and budgetary deficits. The former Soviet bloc countries in general are afflicted with conditions similar to those of the third world countries. They are economically depressed and are weighed down by rising deficits and debt burden.

The global market for the imperialist countries is shrinking and giving rise to more intense competition among the imperialist countries. Despite the WTO, the imperialist countries gear themselves up for trade wars by consolidating national and regional markets and by trying to penetrate each other's markets. The interimperialist struggle to redivide the world is sharpening.

The development of the world capitalist system has become more grossly uneven than ever before. We should not see onesidedly only the integrative and constructive consequences of high technology in capitalist production for profit. It is absolutely necessary to see the disintegrative and destructive aspect. In fact, the destruction of productive forces is the main aspect adversely affecting all the imperialist countries and the underdeveloped countries, as a result of the concentration of high-tech production in a few imperialist countries, the rapid accumulation of capital there and the accelerated crisis of overproduction.

It is a basic law of monopoly capitalism that the expansion of productive capital in the world runs up to certain limits and goes into destruction of productive forces. The world capitalist system is now in the throes of a great spasm, which has already created a new world disorder.

III. Perspective of the World Proletarian Revolution

The scientific basis for the revolutionary optimism of the revolutionary forces of anti-imperialism and socialism is to be found in the accelerated contradiction between the forces and relations of production under capitalism.

Productivity has been raised so high by high technology and a far more educated and trained work force than ever before has arisen in the world. And yet the relations of production have become far more avaricious than ever before with the worst forms of finance capital and far more destructive than ever before to the

forces of production. This fact is emphasized by the monopoly capitalist propagation of the dogma of neoliberalism. The irrationality of capitalism is seen most starkly in the disemployment and impoverishment of the people in the face of the stupendous amount of productivity available.

Computer technology is potentially a tool for socialist economic planning and obtaining the general and specific demands of the people. In the meantime, however, the imperialists use information technology for their own purposes in the mode of production and superstructure. The absurdity of capitalism is flagrant in the reign of imperialist and petty-bourgeois disinformation and miseducation with the use of powerful high-tech means of information and education. In due time, the class struggle between the bourgeoisie and proletariat will sharpen in the superstructure as the latter intensifies its resistance in all forms of social activity.

1. Contradictions between the bourgeoisie and proletariat. The objective conditions for the intensification of the class struggle between the bourgeoisie and the proletariat exist. The crisis of overproduction is worsening in the industrial capitalist countries. There are the frequent and prolonged recessions, falling rates of production and profit for entire economies, profit-making through wage cost-cutting, chronic unemployment, deteriorating terms of employment in the name of flexibility and cutbacks on social spending in favor of monopoly corporate greed.

But the subjective forces of the proletarian revolution are still small and weak in the imperialist countries. They need to overcome the stupor from previous relatively better times, tripartite corporativism (among the state, the capitalists and the bureaucratic unions) the widespread petty-bourgeois mentality subservient to the big bourgeoisie and the ideological and political currents induced by bourgeois laborism, reformism, social democracy and modern revisionism among the workers.

The proletarian revolutionaries should anticipate that as they succeed to develop the revolutionary movement of the working class, the monopoly bourgeoisie will use counterrevolutionary violence to suppress it. The study of the Marxist-Leninist theory of state and revolution and the resurgence of militant political actions are indispensable to the development of the movement for socialism against monopoly capitalism.

2. Contradictions between imperialism and the oppressed peoples and nations. Through the use of neocolonialism and wars of aggression, the imperialists have carried out the most bitter oppression and exploitation and the ruination of national economies in Asia, Africa and Latin America and in the former Soviet bloc countries in Eastern Europe and elsewhere. The new world disorder is currently on a rampage in the countries of the oppressed peoples and nations as a result of intensified exploitation under the banner of neoliberalism, privatization and free trade.

The intolerable economic dictates, blockades, intervention and aggression of the imperialist countries and the conflicts of reactionary cliques using the slogans of nationalism, ethnocentrism and religion are currently generating instability, tension and violence on a wide scale. There are revolutionary movements led by the revolutionary parties of the proletariat but are still few as a result of imperialist suppression, neocolonialism and revisionist betrayal. Even then the struggle between armed revolution and armed counterrevolution is focused on the countries of the oppressed peoples and nations. The world proletariat and people should cherish and support the armed revolutionary movements led by the proletariat because these are the harbingers of the resurgence of the world proletarian revolution on an unprecedented scale.

3. Contradictions among the imperialists. Since the advent of Soviet monopoly bureaucrat capitalism in 1956, there had been a bitter interimperialist struggle between two superpowers even

as the revisionists and social-imperialists misrepresented this as a struggle between capitalism and socialism during most of the run of the Cold War. In the wake of the collapse of the Soviet Union, the traditional capitalist powers headed by the United States have remade a world capitalist market without the challenge of a socialist productive system, and continue to be united against the revolutionary forces and the people. But they are increasingly competing and maneuvering against each other.

The expansion of capital from the traditional imperialist powers to China, the former Soviet bloc countries and other countries with some industrial foundation is aimed at the destruction of the national industries. The consequence is self-defeating for the imperialist countries because there is eventually a destruction of the market for their surplus capital and surplus goods. The global market becomes more constricted and becomes the ground for an increasingly intense and bitter competition among the imperialist powers.

But it will take some time for the worsening crisis of overproduction to sharpen the interimperialist contradictions to the point of breaking up the current alliance of imperialist countries and bring forth the imminent danger of interimperialist war. Local wars involving the intervention of the imperialists are on the rise. So far, the US has been able to use the authority of the UN Security Council or the name of the UN to expand its hegemonic interests, as in the war of aggression against Iraq in 1991 or at the least to come on top of interimperialist contradictions, as in Bosnia.

The danger of a world war can arise not only from direct contradictions among the traditional imperialist powers due to competition and crisis that can bring forth counterrevolutionary nationalist and fascist movements but also due to the far more desperate situation of imperialist Russia which is driven to expand arms production and sales and is now prone to the rise of nation-

alism and military-led fascism. The foreign interventions of both principal and secondary imperialist powers can lead to collisions among them.

There is now neither an imminent interimperialist world war nor an impending total collapse of imperialism nor an unhindered and unlimited growth of industrial capitalism in the world. But there is more than enough disorder and instability to stimulate the emergence and development of revolutionary forces.

Marxist-Leninist resoluteness, militancy and a sense of protracted struggle are required of proletarian revolutionaries. Resistance is generated by the intolerable conditions of oppression and exploitation. Revolutionary mass struggles are rising in different parts of the world. The germinal formations of proletarian revolution must be prepared all over the world.

In the foreseeable future, there can be a widespread and sustained upsurge of the broad anti-imperialist mass movement and socialist movement on an unprecedented scale. The new-democratic and socialist revolutions can be accomplished in specific countries under the leadership of specific revolutionary parties of the proletariat. It is probable for revolutions to occur in several countries at the same time because of the severity of the crisis on a world scale. But the revolution has to develop on the basis of the concrete conditions of a country and the proletarian dictatorship can arise only in each country.

The unprecedented gravity of the crises of overproduction being brought about by high-tech capitalist production for profit in the imperialist countries is laying the ground for the socialist revolutions. These will be preceded by the strengthening of the working class movement (including the white collars and unemployed) and by winning decisive victories against the monopoly bourgeoisie, whose weaponry includes nationalism and fascism.

Because of the main aspect of imperialism which is destructive to the forces of production, especially in the underdeveloped

countries, successful seizures of power by the revolutionary party of the proletariat will still be confronted with the problems arising from war, the low level of economic and technological development, aggression and the blockade of the imperialists, which confronted Lenin, Stalin and Mao.

The fundamental teachings of all the great communist thinkers and leaders retain their basic validity and will be upheld in the next round of new-democratic and socialist revolutions. There are ceaselessly new conditions to comprehend but there are also the qualitatively persistent conditions due to the continuing dominance of imperialism. We cannot presume that we are already in a post-imperialist situation. We continue to be in the era of modern imperialism and proletarian revolution, especially because socialism was defeated in the Soviet Union in 1956 and further on in China in 1976 and because the full restoration of capitalism in these countries has undermined the comprehensive industrial foundation previously built by socialism. #

Still in the Era of Modern Imperialism and Proletarian Revolution

By Tignay T. Umili

The world is still in the era of modern imperialism and proletarian revolution. The description is currently valid, especially because what was conceived of as the third stage of the general crisis of capitalism by the Moscow meetings of 1957 and 1960, as something involving the struggle between the capitalist camp and the socialist camp (augmented by the national liberation movements) and resulting in the triumph of the socialist camp has not run the course as expected. In fact, since as early as 1956, the Soviet revisionist ruling party had started to betray socialism and break up what was presumed as the socialist camp.

In the definition of the first and second stages of the general crisis of capitalism, both the aggravation of the capitalist crisis and the happy outcome for the proletarian revolution are taken into account. In the first stage, the capitalist crisis led to World War I and further on to the first socialist state. In the second stage, the capitalist crisis led to the Great Depression and World War II, and further on to several socialist countries.

Since the end of World War II, we have seen the economic growth and relatively mild recessions of the industrial capitalist countries in the '50s and '60s and the increasing virulence of the general crisis of capitalism since the '70s. At the same time, we have seen the betrayal of socialism by modern revisionism since 1956. Even such great revolutionary feats as the Great Proletarian Cultural Revolution and the categorical defeat of US imperialism in Indochina in the first half of the '70s could not reverse the trend of capitalist restoration in the former socialist countries (including China in 1976) and the undisguised absorption of these countries into the world capitalist system.

But at this point in time, the general crisis of capitalism is definitely worse than ever before. The international mechanisms set up by US imperialism at the end of World War II, like the United Nations, the International Monetary Fund, the World Bank (International Bank for Reconstruction and Development or IBRD), GATT or now WTO, OECD, Group of 7 and NATO are under increasing strain but holding forth in the face of the greatly weakened status of the forces of the world proletarian revolution.

The imperialist countries have increasingly used their respective national state power and home-based and flagship private monopoly firms and banks to oppress and exploit their own proletariat and people, to combine their strength in coping with the capitalist crisis and in shifting the burden of the crisis to the underdeveloped countries and to compete with each other. The imperialist states have used high technology to increase their respective economic and political power.

We cannot speak of the unprecedented growth of state monopoly capitalism without recognizing the role of the national states. Since the inception of modern imperialism, the monopoly bourgeoisie has increasingly utilized the state in the superstructure and state monopoly capitalism as an instrument for accelerating the private concentration of capital and private appropriation of public resources through state purchase contracts, equity, loans, subsidies and the like.

When we speak of state monopoly capitalism as playing a bigger role than ever, we actually say that the national state is more than ever a tool of the monopoly bourgeoisie in accelerating private capital concentration through the private appropriation of public resources, in countering crisis, in competition and combinations, including the neocolonial utilization of bourgeois client states in colonies, semicolonies and dependent countries.

In the last 50 years, we have seen the increase of bourgeois states from some 54 in the early years of the United Nations to

some 185 at present. Especially because of the disappearance of socialist states, the existence of imperialist states and their client states is a level of reality which proletarian revolutionaries have to reckon with. These are oppressors and targets of revolutionary struggle and eventual overthrow in their homegrounds. The existence of these states should not be glossed over by the notion that these are already in sharp contradiction with the global spread of industrialization or internationalization of high-tech industrial capitalist production.

The increasing adoption and development of high technology by the imperialist states accelerate and intensify the contradiction between the capitalist relations of production and the forces of production (including the actual and potential work force displaced by high technology) within the industrial capitalist countries and drive the monopoly bourgeoisie to use state power to control the proletariat and people, counter the crisis and sharpen the competition among the imperialist states as well as push their combination at the expense of client-states.

At present, the uneven development of capitalism is grosser and more glaring than ever. There is overconcentration of capital in the imperialist countries at the expense of other countries. The most internationalized aspect of imperialism is not the spread of industrial production but the financial aspect which has taken the most vicious forms of speculative capital, devastating economies overnight and feeding on the consumption appetite of the upper less than 10 percent of the population.

Within the industrial capitalist countries, there is the rapid concentration of constant capital at the expense of variable capital for wages. Certain monopoly firms which are ahead in producing or adopting high technology make higher profits than the rest. But entire national economies of industrial capitalist countries suffer stagnant or falling rates of economic growth and profitability. The US is currently upsetting the balance of its relations

with Japan and the European Union by trying to take the lead in the application of high technology, reverse its strategic industrial and trade decline since 1975 and solve its deficit and debt problems.

The grossly uneven development of capitalism and the current glaring destruction of productive forces are seen in Asia, Africa and Latin America and in the former Soviet bloc countries. The adoption of lean production by the imperialist countries will further thin out or even outrightly destroy industrial development even in the handful of countries in Asia and Latin America, where an industrial foundation or basic industries were established--not because of imperialist diffusion of productive capital but because of socialism (China, North Korea and Eastern Europe) and anti-imperialist bourgeois nationalism (India and Egypt).

Whatever is the extent of the further technological development of the means of production as well as that of the fourth feature (international combines) and the fifth feature (division and redivision of the world by monopoly capitalist states) in Lenin's definition of imperialism, there is no substitute for the arduous struggle of the revolutionary party of the proletariat in its own country.

The development of the subjective forces of the revolution in specific countries is the development of the forces of the world proletarian revolution. These subjective forces must face up to the question of state power and revolution in their respective countries and take the line that they must wage revolutionary class struggle and ultimately overthrow the state or class dictatorship of the big bourgeoisie and replace it with that of the proletariat directly in industrial capitalist countries or through the people's democratic state in semifeudal countries.

Since Marx and Engels founded the revolutionary theory and practice of the proletariat, the main slogan has always been "Workers of all countries, unite!" And communist parties the