

WHY IS IMPERIALISM A DIRTY WORD?

A BRIEF ANALYSIS

Prepared by:

Stanford Chapter of  
Students for a Democratic Society  
April, 1968

From Webster's Seventh New Collegiate Dictionary we find essentially this definition of imperialism: it is the policy of extending the power of a nation state through direct territorial acquisitions or through indirect control of the political or economic life of other areas. To better understand what this definition implies and how it relates to America, we must first traverse the history of the word, if only briefly.

Imperialism as a policy has been with humanity for a long time. Yet only since the nineteenth century, with a world dominated by the British Empire, has the word and the concept itself attained importance and correspondingly been much maligned. A Briton of the time mouthed the words "Empire" and "Imperialism" with chauvinistic pride, for his country was saving the heathen and delivering oppressed peoples from oppressive governments. But Christianity was not bread and western civilization was not heaven. To an American of the time, however, the words were four-lettered, for imperialism then meant political colonies and an American could not forget his own history. But that was not the only reason. Nineteenth century America's foreign trade was riding an ascending curve and she needed to develop more foreign markets, markets which, being political colonies, she found were closed to her. "Foul!" she cried, "Down with imperialism!"

Yet, relying on Yankee ingenuity, America not only found a way to circumvent the political colonies, but also discovered a new and better form of imperialism. She neatly plunked her foot in the door. The era of colonial imperialism yielded to the modern era of open market imperialism. The problems of colonial nationalism yielded to the efficiency of economic control. Such was the trend of America's Open Door Policy with respect to China. Not to be cheated out of the economic potential of China through the formation of political colonies by her European counterparts and Japan, America formulated the Open Door Policy, which asked for the creation of an open market, free competition atmosphere with an independently innocuous Chinese government. After all, should not everybody have the right to compete equally for China's raw materials, cheap labor, and huge markets? It is the American way: the firstest with the mostest will emerge on top; the meek shall not inherit the earth. And as is clearly evidenced by the state of the world today, America was not meek.

For the Left, imperialism had never meant political colonialism per se, but nevertheless its definition was derived from the British Empire. As developed by the writings of Hobson and Lenin, the Leftist meaning of imperialism always was specifically the policy of extending control and power outside of one's borders through finance and capital. That this definition needs to be modified and updated shall be clear when we examine the present nature of American imperialism. And so we come to the end of our brief word history.

Let us now ask two questions whose answers are intertwined with each other. First, is America really imperialistic? This is a slightly rhetorical question as an affirmative answer has already been implied in the above discussion concerning the Open Door Policy. However, an examination of some facts might solidify the case. We should remember that imperialism is the management of one state's political economy by another state.

\* and received, as a result of the burgeoning American military muscle.

With six per cent of the world's population, America controls 60% of the world's productive capacity. Her overseas investments are incredibly and indisputably immense, amounting to over 130 billion dollars. Because of these investments, most of the world's, or rather what is called the "Free World's," \* national economies are heavily influenced by American hands. Consider Latin America, where every year 30 to 40% of her foreign exchange payments are for the interest, not the principal, on loans, loans from a benevolent United States and from institutions supported and dominated by the United States, such as the Export-Import Bank and the International Bank for Reconstruction and Development (the World Bank). A country in such a position of economic dependence to the United States cannot have a totally independent political policy. To procure another loan merely to pay off the accrued interest on older "grants" requires a foreign and domestic policy favorable to the United States and her investors. Thus it is that pressure from internal (rich ruling elite) and external (Uncle Sam) economic forces has convinced Brazil's National Congress to pass an act which committed Brazil (1) never to expropriate an American firm except with that firm's "full and complete agreement"; (2) to pay any damages caused to American enterprises by "war, revolution, insurrection, strikes, and sabotage"; and (3) to allow American firms to invest in Brazil under the regulations of American laws. Brazil would do better to become America's 51st state than to remain a "sovereign" state. From these facts and others readily available, we might conclude that America was somewhat imperialistic.

Second, what is the nature of American imperialism? The most obvious aspect of American imperialism, one that looms in front of us, is that gargantuan statistic, the 130 billion dollars in foreign investments which plucks Chiquita Bananas in Guatemala and mines gold in South Africa. This 130 billion is so huge, it tends to overshadow the complete picture. It neglects to mention how a capital investment can direct the rest of the capital in a country -- can direct it into assembling autos from parts imported from General Motors rather than into steel production, without which a country cannot be economically self-sufficient. Assembling General Motors can be made a more profitable venture, even more profitable than producing one's own. And the 130 billion fails to take into account technology's influence, for control of technology can mean control of another's capital for one's own selfish ends. Thus foreign firms are licensed to employ American patents, processes, and trademarks. Thus the computer industry of the world is largely in American control, the latest step in which was General Electric's purchase of France's largest computer concern. Neither of these methods of capital and thus economic control are reflected in that 130 billion.

And foreign investment figures do not explain America's control of natural resources, particularly the one which runs technological society: black gold. In fact, two-thirds of the "Free World's" oil is concentrated in the hands of a few American corporations. Venezuela, which has reserves of about 17 billion barrels, is producing over one billion barrels

\* One might believe that the so-called "Free World" means that the peoples living therein have civil rights and liberties in the true Western liberal tradition until one observes that the "Free World" includes countries such as South Africa, Nationalist China, Mozambique, and Spain. With that insight, one is lead to the conclusion that "Free World," actually means that area of the world to which capital has free access. And since America is the leader of the "Free World," it especially means that area of the world to which American capital has free access.

a year. Which is to say that American oil corporations will suck Venezuela dry at approximately the same time that their concessionary rights expire in 1984. And we have yet to reveal the American government's hand in this business of imperialism.

Without the federal government's Special Forces and Marines, United Fruit could not dominate Guatemala. Without AID and the World Bank and the supportive hands of the Commerce and State Departments, the corporations could not multi-nationalize themselves. Without the federal government's sugar subsidies, the sugar companies could not maintain their lethal grip on the economies of small states from the Caribbean to the Central Pacific. Without the State Department's Cold War sales campaign and the active support of the Defense Department's weapon hucksters, General Dynamics could not continue to fatten on arms sales to Europe. Without big government, big business would be lost.<sup>1</sup>

And then there is the ideological smokescreen designed to rationalize America's imperialism behind a cloud of slogans, most notably, anti-communism. An anti-imperialist social revolution of the poor or nationalistic is opposed as being communistic. Thus thousands of Marines landed in the Dominican Republic to fight the communists, all 100 odd of them. And thus the debacle in Indochina. This is not to say that anti-communist ideology is the only reason for these conflicts. But it is one of those reasons which intertwined with all the others determine the fabric of American imperialism. Hopefully this brief survey on the nature of American imperialism reveals its scope and pervasive character; certainly the topic is not exhausted, nor is it definitively known and understood, but a basic analysis has been presented.

Now that imperialism is more than a radical slogan, what should our judgment of it be? Throughout this paper, an anti-imperialist bias is purposefully evident. Some of the reasons for this fact are the following.

First, in the underdeveloped Third World, if industrialization is a goal which will benefit all the people of the nation, then American imperialism should be avoided, for it hinders the balanced industrialization which would attain such a goal. American imperialism distorts a country's economy in the sense that priorities for investment are not based on the needs of the people or the country, but on the profitability in world markets for American corporations.

Second, American imperialism, rather than being a capital importer, can act as a capital drain on a country, as is the case in Latin American ones. If a country is in a state of capital loss, then obviously it will not have as much capital with which to industrialize.

Third, the basic element of imperialism is power and control. If America believes in the right of self-determination for peoples as she professes she does, then she must end her imperialistic nature or own up to her hypocrisy. A story from the Wall Street Journal is quite revealing on this subject:

---

<sup>1</sup> Oglesby, Carl, Containment and Change, Macmillan, New York, 1967, p. 109.

President de Gaulle's government is determined to keep France from becoming an economic colony of the U.S., Charles de Chambrun, French foreign trade secretary, said.

Mr. Chambrun told the Associated Press that this concern helps explain French stockpiling of American gold, close bargaining in the Common Market and the fruitlessness of the latest round of negotiations ....

"If we did nothing, in a few years we would have the same problems as Latin America has ...

"If don't want to take America's gold, we just want to stop the overabundance of American capital in France."<sup>2</sup>

Fourth, while certain classes and some people enjoy the leftovers of imperialism, many do not. From the killing of Indians in Brazil to the suppression of blacks in South Africa, imperialism spreads misery and suffering to millions of humans. This is not to say that the practitioners of the policy of imperialism, corporation captains and government officials are all natural born sadists and racists, but that given the nature of imperialism and the values that it espouses, it becomes very difficult to do otherwise.<sup>3</sup>

Fifth, imperialism requires militarism. America supports the military in other "Free World" countries not only to enable them to suppress people who are dissatisfied with the pace of progress, the type of progress (Coca-colonization), or the inequalities therein, but also to gain the friendship of the ruling oligarchy, to strengthen that conservative class -- the military, and to help maintain the economy and balance of payments through arms sales. Imperialism also necessitates a militaristic America herself, in order to preserve the boundaries of the "Free World" playpen for the profit games of American corporations. And so we witness a General Hershey stocking a large army.

Sixth, imperialism increases the need for an anti-communistic ideology, not only to oppose radical change, not only to justify suppression and counterrevolutionary actions, not only to support dictators, but also to attempt a reconciliation between the facts of imperialism and the highest ideals of America concerning man. Americans are thus made blind to truth, and as a corollary, to justice.

The list is not ended here. The crimes of imperialism against humanity are not finally catalogued and whatever virtues imperialism may have remain unsung. Understanding imperialism and the economic foundations of the world is not easy. Imperialism is not the same in any two countries; it has many forms and guises. Yet we must remember that imperialism is not an artifact, however grandiose, on an intellectual mantelpiece, but that imperialism is central to the quality of human life, that imperialism allows the powerful, relentless, and selfish to dominate, that imperialism means a fruitful life for some at the expense of the fire for others. This then is imperialism, the antithesis of all the noblest and most humane of American ideals.

---

<sup>2</sup> Wall Street Journal, February 24, 1966.

<sup>3</sup> Jean-Paul Sartre's essay on genocide in the February 1968 issue of Ramparts is both revealing and relevant on this topic.

RECOMMENDED READINGS:

Carl Oglesby & Richard Shaull, Containment and Change.

W. A. Williams, The Tragedy of American Diplomacy.

Paul Baran & Paul Sweezy, Monopoly Capital.

Paul Baran, The Political Economy of Growth.

David Horowitz, The Free World Colossus.

John Gerassi, The Great Fear in Latin America.

D. F. Fleming, The Cold War and its Origins.

C. Osgood, Ideals & Self-Interest in America's Foreign Policy.

E. M. Winslow, Theories of Imperialism.

J. A. Hobson, Imperialism.

V. I. Lenin, Imperialism, The Highest Stage of Capitalism.

K. Nkrumah, Neo-Colonialism, The Last Stage of Imperialism.

Bertrand Russell, War Crimes in Vietnam, Chapter 8.