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AN ANALYSIS OF CLASSICAL THEORIES OF IMPERIALISM

When a pre-existing homogeneity of ideas among participants is lacking, a debate on imperialism always begins with a discussion of the meaning of the word itself and the legitimacy of its use in scientific circles, since it is a word charged with emotional and ideological meanings (1). The history of the word, coined in the past Century, contributes to feeding the polemics, having rapidly changed its meaning. First used almost as a synonym for Bonapartism and then to synthesize the various aspects of Napoleone III's policy (2), it entered the English vocabulary with the proclamation of the Indian Empire, already charged with pejorative implications, and was used by the Liberals to attack Disraeli's policy. Later, towards the end of the Century, when imperial policy found supporters in the Liberal camp as well, imperialism was justified as a civilizing mission ("the white man's burden"), but in the same period the German Marxists took over the word, using it to define the new phase that was opening in the development of capitalism and therefore in world history itself.

But Marxism is unity of theory and practice, so that even an attempt at scientific explanation by Marxists must constitute a guide and stimulus for action, and therefore entail a practical political conclusion. Now the Marxist judgement, although it avoided all moral evaluation, considered imperialism as a vehicle not only of increased oppression and exploitation, but also of war. And it drew the conclusion that to fight these effects, we must fight the cause, i.e. imperialism and the capitalism that is its matrix: the scientific and political evaluation of the Marxists are inseparable. This explains the reticence of non-Marxist historians, political scientists, and economists, who would like to see the word itself eliminated from the scientific vocabulary. By eliminating the word, they actually eliminate all scientific analysis of the phenomenon.

On the one hand, in fact, Marxist authors have attempted to give a consistent explanation of the nature, causes and effects of imperialism, as well as its mechanisms of operation. And although their

analyses differ on many points, there is nevertheless a common core: all Marxist writers are agreed in holding that imperialism is a historically necessary phenomenon which has its roots in the nature of capitalism itself; at a certain point in its development, capitalism is forced to take on new forms and procedures - i.e. the characteristics of imperialism - with such a marked accentuation that we can speak of a new phase in its history. (3)

Non-Marxist authors tend instead to deny this relationship between imperialism and capitalism, interpreting imperialism as simply a political choice connected with the power-hunger of men and States. It is therefore not historically necessary. In this regard, there exists a whole literature contesting the Marxist point of view, which tries to demonstrate that this or that colony was conquered without any economic interest or that in other cases a government moved in for ideological reasons or power politics. (4) It is clear that none of these objections undermines the Marxist conception in the slightest. This conception views history as a unitary whole, without separating economic, political, and much less ideological, motives: if capitalism requires an expansion policy, a cumulative process of drives and pressures of various nature is set off which produces its own ideology and its own policy, and these become forces capable of autonomously orienting choices and determining decisions. But this does not lessen the fact that the process, seen as a whole, was set off by the needs of capitalist development and that this aspect remains the dominant factor, in the last analysis.

Thus it is certain that militarism - called into life and fed by an expansion policy - becomes in turn a permanent stimulus for further expansion and finds strategic reasons to justify it. In the same way, the national pride cultivated in the masses or the questions of prestige necessarily connected with an expansion policy may appear to anyone considering the individual historical events, taken in themselves and divorced from the general context, as the specific

motives behind a particular conquest or even a war. But no Marxist has ever dreamed of claiming that England occupied Malta or Gibraltar to exploit them economically or that behind every imperialist action there must be an economic interest directly justifying it: the most imperialistic of all wars, the war in Vietnam, is in itself disproof enough. What is important for Marxists is to explain the imperialist phenomenon as a whole, to clarify that it is the requirements of capitalist development that give rise to expansionist policy, with all that this involves in terms of greater militarism, nationalist exaltation, etc. The historian can then analyze this policy and break it down into its various moments, studying the most immediate causes of each; but the historian who isolates the immediate causes from the distant ones and the individual events from the overall processes, losing sight of the forest for the trees, is a bad historian.

It is therefore clear that in speaking of the classical scholars of imperialism, we shall be speaking only of the Marxists, and particularly of those whom we feel have made the greatest contributions: Rosa Luxemburg, Bucharin and Lenin (5). Naturally we shall not attempt a systematic exposition of their thought, which we are sure is known by all; we shall instead attempt to see what in this thought is valid and current and in what direction it must be developed, or rather corrected, in order to deal with the new manifestations of modern imperialism. Basically, this report, while founded on the classics, is intended as only an introduction to an up-dated study which Marxism greatly needs, since the dogmatization of Lenin's thought carried out by Stalin blocked all further serious research for several decades and still today leads to a misunderstanding of certain facts and to the simple repetition of assertions that no longer find justification in today's reality. Only in the last few years have Marxists begun to realize the insufficiencies of Lenin's study in explaining the imperialism of today and multiplied their research and debates, but much is yet to be done (6).

It is common to trace studies on modern imperialism back to

Hobson's book of 1902 (7), and Hobson's is indeed the first systematic treatment. But some years earlier the German Social Democrats had already begun to debate the problem. Until the beginning of the 1890's it was not possible to speak of imperialism as a primary phenomenon. There were, undoubtedly, colonial powers, and undoubtedly colonial conquests had strongly aided capitalist development, first by stimulating primitive accumulation through the plunder of their wealth and the slave trade (8), and later by offering markets for the goods exported by the first industrial power, England, and supplying necessary raw materials. But as long as England remained the only great industrial power in the world, it was impossible to speak of imperialism as a new phase of capitalism, since the race among the industrial powers for control of the world market did not yet exist. It was around the 1890's that the United States and Germany began to emerge as serious competitors for English industrial power, and under the pressure of their developing capitalism the need for an expansion policy first arose (9). And similarly, at least in Germany, there arose a trend towards a sharp increase in armament, particularly naval, to support this expansion policy.

Three events particularly call the attention of scholars and the public to the period at the turn of the Century: the beginning of U.S. colonization (the occupation of Hawaii and the Spanish-American War for Cuba, the Philippines and Porto Rico), the British Boer War which crowned the imperial dreams of Cecil Rhodes, and the collective expedition by the great powers into China with the excuse of repressing the Boxer revolt. The supreme command of this expedition was entrusted to a German general and it strongly bears the mark of Germany's intention to play its part in world politics, the Weltpolitik.

It was in this context that the word "imperialism" took on its new meaning. In the United States, a German immigrant, Carl Schulz, raised his voice to condemn the American actions, publishing in 1898 his Thoughts on American Imperialism and, the following year, his The Issue of Imperialism. In England, John A. Hobson, an economist

who had also been a war correspondent in South Africa, attempted a theoretical interpretation of imperialism in the above-mentioned volume of 1902. But it was in the ranks of the German Social Democrats that a real debate was finally opened in 1900, the same year that saw General von Waldersee lead the European expedition in China. Karl Kautsky and Heinrich Cunow attempted an initial analysis of imperialism (10), and a discussion of Weltpolitik, the name then used for the policy of expansion on a world scale, i.e. the phenomenon that precisely in those years would take on the new name of imperialism, was placed on the agenda at the annual party congress held in Mainz. In the course of this debate, the left wing of the party criticized its passivity on the question of the China expedition and demanded a protest action. Rosa Luxemburg maintained that the China expedition represented the first event in a "new era", the era of Weltpolitik, and that the system would never leave it again: it was therefore the last era, the final phase of capitalism (11). Shortly after, it was the turn of another left-wing exponent, Ledebour (12), who even more explicitly stated that "the central point of the Welt-politik is ^{an upsurge} of all capitalism towards a policy of plunder, which takes European and American capitalism into all parts of the world", and he adds: "we must not forget that we are dealing with phenomena of world history in the final stage of capitalism (the italics are ours, L. B.), which may take different forms in different States, but is basically the same everywhere, in absolutist Russia as in constitutional Britain, in France and America as in Germany with its indefinable form of government". And anticipating Luxemburg's and Lenin's polemics against the social-patriots and the social-chauvinists, he noted ^{that} in the struggle against the imperialist ^{epidemic} of bourgeois society, clashes would also occur with some comrades, such as the revisionist Bernstein who had defended "the imperialist colonial policy" (13)

We can thus trace Marxist interest in the problem back to 1900, at which time, some of the themes commonly attributed to Lenin had

already emerged: i.e. that a new phase in capitalist history had begun; that this new phase constituted the final stage of capitalism (precisely the definition used by Lenin in the title of his book); that its outcome is war and that it finds support among opportunists within the ranks of the party itself (14). Around these themes a long polemic developed over the following years within the Social Democrat ranks, and the true meaning of Rosa Luxemburg's classic work, Die Akkumulation des Kapitals (15), can only be grasped within the context of this debate⁽¹⁶⁾. And her adversaries were well aware of this when they opened fire on her book in the pages of both the major party daily, Vorwärts, and the theoretical journal, Die Neue Zeit; Lenin, whose relations with Luxemburg at the time were far from good, joined in the criticism (17).

As is known, Luxemburg's analysis begins from a discussion of the value of concept of extended reproduction presented in Book II of Capital. We shall not deal with this aspect here, both because Marx's notes, laboriously shaped into Book II by Engels, do not give us his definitive thought in this regard, and because Luxemburg's long and confused treatment of the subject seems superfluous to the concrete analysis of imperialism. Nor shall we stop to examine the basic problem Luxemburg raises, above and beyond the Marxian concepts, i.e.: the problem of the impossibility of capitalist accumulation without continuous exchange with the non capitalist areas, both because it would take up too much space in this report and because it is not necessary. The most interesting part of the book is the third, on the historical conditions for accumulation, in which she shows that in order to escape the contradiction revealed by Marx between the rate of increase of the productive forces and the rate of increase of the capacity for consumption (18), which hinders the production of surplus value and therefore the process of accumulation and the development of capitalism itself, capitalism must succeed in selling a part of its overall product in a non-capitalist area (to peasants or artisans in the capitalist country itself or to colonies or semi-colonies). But in doing so,

it draws these areas into the capitalist market and thus reduces the extent of the non-capitalist area and its own possibilities for future development. When, in some future day, these possibilities have completely disappeared, because the world has all been transformed into a capitalist area, capitalism will no longer be able to survive. Therefore, the struggle among the various industrial States and the various capitalist groups to ensure themselves these outlets will become increasingly bitter, raising the level of international tensions and making war inevitable. On the other hand, the growing tax burden necessary to cover ever-greater military spending and the authoritarianism implicit in militarism, together with the crises that accompany this contradictory process of development, will also increase internal tensions. The result will be an aggravation of social conflicts, which will finally lead to a revolution, probably on the occasion of a war, and, in any event, certainly without having to wait for capitalism to exhaust all its possible outlets (19).

We shall now try to answer an objection which is often repeated and, we feel, unfounded, and point out the points in the book which are definitely valid. The objection, if not to say the accusation, is that of economism, of mechanicism, of catastrophism: i.e. of having claimed that certain objective economic processes (the total transformation of the non-capitalist areas into capitalist areas because of the need to produce surplus value) would produce the impossibility of survival, and therefore the death, of capitalism, thus neglecting the subjective, political factor of the class struggle. The accusation sounds strange indeed to anyone who knows Luxemburg's thought - all the more so since she was also accused of just the opposite sin, revolutionary romanticism. Actually (quite aside from the fact that the difficulties in the production of surplus value are not a merely economic problem, but arise from the class contradictions in capitalist society, and that the inter-imperialist struggles for the conquest of markets are highly political in nature), Rosa Luxemburg more than once repeated in the course of her book that because the process she was describing was a

process rising out of class contradictions, it would lead in the course of its development to such a sharpening of the class struggle that a revolutionary situation would result long before the process arrived at its end, i.e. at the impossibility of survival of capitalism for objective reasons. (20). But she felt, along with Marx, that the class struggle of the proletariat has hopes of success ^{only} to the extent that it fits in to the objective processes of history (21), that it cannot be made to develop arbitrarily, either by decisions from leaders or spontaneity from the masses, but rather unfolds and grows on the basis of the contradictions of the system. And she felt that the proletariat can gain class consciousness, consciousness of the final socialist goal, only if it sees socialism not as just one possible option among others, but as a historical necessity, as Marx saw it (22). Therefore, her practical- revolutionary ^{efforts} were always aimed at giving the proletariat the certainty of this necessity, on the one hand, and, on the other, at analyzing the objective processes in order to study their contradictions and grasp the points where the action of the mass could best be used, in such a way that their revolutionary conscience and capacity would mature and grow together with the development of capitalism itself, down to the moment of the final conflict. Die Akkumulation des Kapitals is an important contribution to this effort.

Pruned of the less interesting parts mentioned above, the central thesis of the book, that the accumulation process (and therefore intensive development), which is a vital necessity for capitalism, cannot unfold unless accompanied by a process of expansion (extensive development), in a continual attempt to overcome the above-mentioned contradiction, and that this necessarily leads to a struggle among all the industrial economies for the conquest of non-capitalist areas and their inclusion in the capitalist market and for control of the world market, is a thesis which history has forced theoreticians to accent. Joan Robinson has correctly written that "few would deny that the extension of capitalism into new territories was the mainspring of what an aca-

as the Polish Party, expressed the opinion of the Bolshevik Party on the question of civil war and that this opinion had not changed since 1907. Similarly, in its resolution on the position of the socialist currents, the I Congress of the Third International used this amendment as a point of reference for identifying the Marxist currents within the Second International.

41. N.I. Bucharin, Mirovoe Choziajstvo i Imperialism (Petrograd, 1917); Italian translation: L'economia mondiale e l'imperialismo (Rome, 1966).

42. Op. cit., (Italian edition), 110.

43. Ibid., 112.

44. Otto Bauer had already dealt with the problem in his study on nationalities, with particular reference to Central Europe and Austro-Hungarian Empire. He arrived at the conclusion that as a result of differences in wage levels (for example, between German and Czech workers), the capitalists in the more developed countries came to appropriate not only the surplus value produced by their workers, but also a part of that produced by the workers in the less developed countries. Nationalitätenfrage und die Sozialdemokratie (Vienna, 1907), 215.

45. Op. cit., 150.

46. in Das Finanzkapital (Vienna, 1910)

47. Op.cit., 253.

48. Ibid., 262.

49. Ibid., 264.

50. Ibid., 264. Bucharin quotes this passage from Isaev: "the State creates new organs for this purpose, a multitude of officials and agencies. On every hand the content of State activity is enriched with

her vision of the relationship between capitalist areas and non-capitalist areas, we already have, in embryonic form, the domination-dependence relationship which Marxist scholars of U.S. imperialism, and particularly the Latin Americans, have recently and correctly underlined.

In fact, she pointed out that the non-capitalist areas are drawn into the network of capitalist relations and forced to transform their economies in the capitalist direction, but by means of a process that bleeds them white and subjects them to capitalist exploitation. In other words, through her analysis of imperialism, Rosa Luxemburg arrived even then at the conclusion that capitalism cannot be extended to all the rest of the world under conditions of equality, because the countries drawn into the capitalist market ex novo are in actual fact imprisoned in a relationship of dependence and exploitation.

"Non-capitalist organizations provide a fertile soil for capitalism; more strictly: capital feeds on the ruins of such organizations, and although this non-capitalist milieu is indispensable for accumulation, the latter proceeds at the cost of this medium nevertheless, by eating it up"(28). "The contradictions inherent in the modern system of foreign loans are the concrete expression of those which characterize the imperialist phase. Though foreign loans are indispensable for the emancipation of the rising capitalist states, they are yet the surest ties by which the old capitalist states maintain their influence, exercise financial control and exert pressure on the customs, foreign and commercial policy of the young capitalist states" (29). "With the building of the Suez Canal, Egypt became caught up in the web of European capitalism, never again to get free of it"(30). The domination that the more advanced capitalist countries exercise even over countries that are politically independent, thanks to the mechanisms of the world market and capitalist relations is portrayed here with particular effectiveness(31).

A third point that deserves mention is her analysis of military spending as a "subsidiary market" for capitalist production, i.e. how the use of unproductive public spending such as military spending can, together with external non-capitalist market, help the accumulation process to overcome its own contradictions. This was a thesis that Rosa Luxemburg had advanced as early as 1898 in her polemics with Bernstein (32).and returned to in the Accumulation (33). It is also one of the theses whose importance the Marxists themselves did not realize (there is no mention of it in Bucharin or Lenin, who both wrote after she did), but which is today considered essential in all analyses of U.S. capitalism, beginning with Baran and Sweezy's (34). Joan Robinson also notes in this regard: "The analysis which best fits Rosa Luxemburg's own argument, and the facts, is that armaments provide an outlet for the investment of surplus ... which, unlike other kinds of investment, creates no further problem by increasing productive capacity (...) And something like it is now widely accepted as being true" (35).

It is therefore not surprising that in a recent debate on imperialism an Italian scholar wrote: "Yet today, for the purposes of a historical reexamination of the imperialist phenomenon by Marxists, the heritage of Rosa Luxemburg is perhaps in a certain sense more fruitful than Lenin's". (36)

But Luxemburg's study must also be seen from the standpoint of political strategy, all the more so since she wrote it for reasons of this sort and not for scientific interest alone. As is known, Marx wrote that the socialist revolution, as the point of arrival of capitalist contradictions, would break out only when these contradictions had reached a critical point, which he tended to see in an economic crisis, similar to the one that had preceded the revolutionary years 1848-49. (37) But neither the following cyclical crises nor the great depression after 1873 had produced the revolutionary situation, so that by the

end of the Century it was not only Bernstein and the revisionists who no longer believed in the economic crisis that would light the fuse of revolution. Rosa Luxemburg was the first to connect the socialist revolution with a crisis that was not economic, but rather political, i.e. war, in her polemics with Bernstein in 1898 (38), and she returned to the problem in her report on this question at the International Socialist Congress held in Paris in 1900, shortly after the congress of her own party in Mainz, of which we have already spoken. (39). Her diagnosis of the inevitability of imperialism and, consequently, of the imperialist war in preparation, is therefore a call to the consciousness of the proletariat to prepare in time to meet ^{the} incipient threat, in such a way that the imperialist war will become the tomb of imperialism. In fact, it was she that proposed to the International Congress in Stuttgart in 1907 the famous resolution, ^{also} signed by Lenin and approved by majority, which can be considered in a certain sense the charter and birth date of revolutionary socialism (40). It was on this resolution, reconfirmed five years later at the Basel International Congress, that Lenin was to base his revolutionary policy against the War. And it was naturally also with this aim of warning the party and mobilizing the masses in view of the world war (which she foresaw and predicted perhaps more clearly than anyone else, thanks to her lucid analysis of imperialism) that she had published her book and sought to give a "scientific" demonstration of the inevitability of events. The points of naivete, exaggerations and errors in which she certainly fell are but small defects when compared to her lucidness in tracing the fundamental lines of capitalist development and in pointing to the prospects for the near future.

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The political framework had changed when first Bucharin (1915) and later Lenin (1916) wrote their essays on imperialism. The war had broken out, and the question was no longer simply to predict it

and mobilize the masses against the incipient danger, but to examine its causes and call the masses to draw the revolutionary consequences from it. Aside from the differences in interpretation, and also in temperament, among the authors, this changed political framework in part explains the differences in approach between Luxemburg and the two Bolshevich authors. Of the last two, Bucharin (although his book has gone almost unobserved, since, although it was written first, it was published after Lenin's at the end of 1917 in Russia and was then buried under the events leading up to Bucharin's execution) would seem to have been the most original, and his work undoubtedly influenced Lenin's text, which is instead better constructed (41).

Rosa Luxemburg had seen imperialism as the building-up of a world market, in which the industrialized countries dominated the less developed and clashed among themselves for a greater share of this dominion. In the title and in the first chapter of his book, Bucharin starts from the world economy. It is important that right from the beginning imperialism is analyzed from the standpoint of the unity of the system, seen as a complex of economic relationships (42), but then the analysis of this unitary system is not sufficiently developed and differentiated. Bucharin does specify, however, that "the whole process of modern world economic life boils down to the production of surplus value and its distribution among various groups and sub-groups of the bourgeoisie on the basis of a continuous extended reproduction of relations between two classes: the world proletariat on the one hand and the world bourgeoisie on the other" (43). The interesting thing in this definition - while it is a little over-simplified and not sufficiently differentiated - is the concept that the basis of the world economy, i.e. of imperialism, is the reproduction of capitalist production relations on the world scale; however, we do not find in this definition, aside from other differentiations on which Bucharin had not reflected, even a mention of

the unequal nature, the domination-dependence nature, of the relations the world market consolidates and reinforces, although Bucharin shows in his book that he was aware of them.

In fact, in the preceding pages, he had already referred to the division of labor between the city and countryside, which is now reproduced in all parts of the world, not as a natural division of labor that exists, but is increasingly less important, but rather as a division due to social reasons, i.e. brought about by the unequal development of the productive forces (a concept already developed by Otto Bauer), since each country that industrializes behaves on the international level with respect to the agrarian regions just as the cities with respect to the countryside on the internal level (44).

Thus no country can be studied in isolation, as a closed economy, but only to the extent that it is considered as a part of this complex which is the world economy, of this complex of relationships that tie it, directly or indirectly, to all the other countries. The world economy, in other words, is not the product of a sum of national economies, placed one beside the other, but rather of their relationships and reciprocal interdependence, of their "connection" (45).

However, this complex of international relations which make up the world economy has not yet reached the same degree of organization that characterizes the individual national economies, and particularly the more developed. The principal factors in the process of organization of the developed economies are the centralization and concentration of capital, which leads to the formation of monopolies and trusts, both horizontal and vertical; the role of the banks, which leads to the fusion of bank capital and industrial capital, giving the banks a leadership role (here to a large extent he follows Hilferding's analysis) (46); and finally the State, thanks to increasing State intervention in the economy and the creation of State economies favoring capitalist development. "The national economy is transformed into a single, giant combined trust, whose shareholders

are the financial groups and the State. We shall call formations of this sort State capitalist trusts" (47).

It is odd that Bucharin is the only one among the three major Marxist students of imperialism we are considering who amply, and correctly, points up the importance of the role the State plays in this process of economic organization, a role destined to become increasingly important in the future and certainly essential for the development of imperialism. Bucharin knew perfectly well that State power had been used in the past as a weapon in the hands of the ruling classes on the economic level, as well as the political, and that it had intervened as their "defender and protector" on the world market, but nevertheless "it has never had the colossal importance that it has in the epoch of financial capitalism and imperialist politics" (48). In fact, not only does the State intervene with tariffs and protectionism, not only do its foreign policy and military power protect national capital everywhere, but it also intervenes directly in economic life. "The remains of the old ideology, of laissez faire, laissez passer, disappear; and the epoch of the 'new merchantilism' - imperialism - begins (49). Quoting from Prof. Isaev's Mirovoe Chzjajstvo, Bucharin points up the process of interpenetration between economics and politics, which is a characteristic of the new phase of monopoly capitalism (50). The State apparatus no longer limits itself to providing the framework within which capitalist activity can unfold; it becomes an integral part and a leadership factor in this activity. In this way, the government is de facto transformed into a 'committee' chosen by the representatives of the business organizations and becomes the supreme manager of the State capitalist trust (51).

Thus strengthened and organized in giant monopolies, coordinated among themselves by the banks and State intervention, the national economy is armed to confront foreign competition: to the extent that

it disappears from the internal market as a result of the formation of monopolies, "competition becomes almost totally outside competition, and it is clear that the organs of this 'outside' struggle, and in first place State power, must be exceptionally strengthened" (52). One of the most important means in this strengthening is militarism, since outside competition leads, as we shall see, to war. But a State of this nature cannot be a democratic State, and parliament is reduced to "a decoration^{where} the decisions prepared beforehand by the business organizations are rubber-stamped and where the collective will of the whole united bourgeoisie simply finds its formal consecration" (53). Although presented in a clearly schematic form, the process Bucharin describes is, in its general lines, the same that we are still witnessing with our own eyes; and on this essential aspect of imperialism as well, (the increasing transfer of decision-making power to centers outside parliament) he is the only one to call attention. Nor, writing in the midst of the world war, does it escape him that the war has further reinforced the phenomenon: "alongside the strengthening of the financial capital groups, we must point out the colossal strengthening of the State in economic life, which favors and coordinates the interests of the ruling class, opening up the road to worse developments" (54).

But what are the reasons that drive the developed national economies, so well organized on the national level, to seek external outlets, to accept the challenge of international competition, to the point of recourse to war? In other words, what is the cause of imperialism? Bucharin's answer to this question may seem uncertain, since he gives three successive explanations, not only without connecting them theoretically, but also presenting each one in turn as if it were the decisive one. Initially, perhaps in implicit polemics with Rosa Luxemburg, he claims that capitalism is driven towards the outside by the trend towards a fall in the profit rate: "the rush towards a higher rate of profit is the motor of world capitalism" (55).

But a little further on he instead returns to the Luxemburg theme: "the present development of capitalism, making the sale of products increasingly difficult, drives the ruling classes of the various 'national' groups to an expansionist policy" (56). Alongside these two motivations, he then adds a third: "the growing aspirations of the capitalists in the individual 'national economies' to enlarge their raw material markets" (57). He then returns to these "three basic causes behind the politics of conquest of the modern capitalist States " (58) ^{together,} but without any thorough analysis of the capitalist mechanisms underlying them and with a tendency to oscillate between the contradictions in the realization of surplus value and the over-accumulation of capital, i.e. between Luxemburg's thesis and what will shortly be Lenin's.

On the other hand, he describes the consequences of this situation, through the dialectics of the national economies and the world economy, with sufficient efficacy and clarity. The national economies, as we have seen, tend towards increasing organization, towards a cohesive structure, under the pressure of the big monopolies and thanks to the coordinating intervention of the State. And, as the system of relations and trade among the national economies broadens, giving rise to the world economy, the same trends towards concentration and centralization emerge on the international level, setting off similar processes of international organization of the economy. In this area we can say that Bucharin had greater foresight than Lenin; there is even a forewarning of the future international corporations in his book (59), and, in any event, he sees the international organization of capital as a necessary trend. The outlook is therefore for a cohesive organization of the world economy as well: "the process of internationalization of capitalist interests we have described in the first section of our work acts as a powerful stimulus to the formation of an international State capitalist trust" (60). But when Bucharin was writing, the process of organization of the inter-

national economy was still at the early stages, whereas in the national economies it was already very advanced. Thus the international process could not yet provide instruments capable of solving the development requirements of the national economies peacefully. The war in progress stood as living testimony to the greater strength of the national organizations: the incipient process of internationalization "is counteracted by another still stronger trend, the strongest trend, the trend towards the nationalization of capital and ^a closing-up within national confines" (61).

The situation of the world economy thus presents the following picture. On the one hand, as a result of the law of unequal development between industrialized States and agrarian States, "the world productive system assumes (...) the following form: a certain number of compact and organized economic bodies (the 'great civilized powers') and a periphery of non-developed countries with an agrarian and semi-agrarian structure" (62); on the other hand, as a result of the expansionist drives of the industrialized economies, a bitter competitive struggle among the great national trusts, and the States that express their needs, to extend their own "networks (...) of international subordination over the backward economies" (63) and ^{to} absorb "whole countries that are violently torn from their own economic centers and shut up within the economic system of the victorious 'nation'" (64). The result of this merciless competitive struggle among the imperialist States, of these "compact national groups armed from head to toe and ready to jump on each other from one moment to the next" (65) cannot be but war.

Bucharin also precedes Lenin in his attack on the ultra-imperialism of Kautsky: he recognizes that the process of internationalization of capital tends to reproduce the need for a structured and cohesive capitalist organization on the international level, as has already been created within the individual States, but he feels that the requirements of imperialism, which push towards increasingly strong national

organization, will ^{lead} to armed conflict before the process of internationalization can be accomplished. In other words, as we have already said, the forces pushing towards war (inter-imperialist conflict) are stronger than those pushing towards peaceful organization (the process of organization of the international economy). Naturally, a series of wars might lead in the last analysis to a super-imperialism, i.e. to the affirmation of one State over all the others, but this can occur only in a mechanical vision of the historical process which ignores class conflicts. Because "a series of wars taking place without interruption and on an ever larger scale will inevitably produce a dislocation of the social forces" (56), i.e. the socialist revolution. It is true that the outbreak of the first war has produced the opposite phenomenon - the socialist parties have rallied around their respective bourgeoisies to support the imperialist war. This is because imperialism, thanks to its super-profits, has been able to offer privileged conditions to the working class and establish a coincidence of immediate interests (italics ours, L.B.)⁽⁶⁷⁾ which has led the working class to forget the deep class antagonism for the moment. But the few extra pennies in wages obtained by the European workers are nothing when compared to the millions of workers massacred: the masses cannot ignore this reality. The class logic once more asserts its rights and the masses "begin (...) to turn the front of the imperialist war, turning it into civil war against the bourgeoisie" (68). The revolution will necessarily precede Kautsky's ultra-imperialism or super-imperialism.

This, in synthesis, is Bucharin's book, which sees the roots of imperialism in the contrast between the development of the productive forces and the limitations of national economic organization. To a certain extent, it anticipates Lenin's conception, in that ^{in large part} it accepts Hilferding's same conclusions (the formation of monopolies under the pressure of financial capital) and ends with the same argument against Kautsky and ultra-imperialism, in the name

of the certainty of the revolution. But it also contains new ideas that we do not find in Lenin and that make this book richer than Lenin's, although less vigorous. "There can be no doubt," Jalée writes, "that Bucharin's work and analyses effectively helped Lenin" (69): a reestablished recognition of an at least partial derivation is necessary.

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It should be clear that if we have dwelt so long on Luxemburg and Bucharin, it is primarily because they are authors that Stalinism for long misunderstood, libelled or, in the best of cases, ignored. We thus felt the need to restore them to a more proper position in a necessarily rapid excursus over the history of the Marxist theory of imperialism. For just the opposite reasons we do not think it necessary to expound Lenin's thought in any detail, both because it is universally known and because anyone who wants to reestablish a proper scale of values must necessarily strive to break down the myth of perfection built up around this as other of Lenin's writings. Among other things, the dogmatization of Lenin's work over a period of almost fifty years has contributed more to hindering than encouraging studies on the more recent developments of imperialism (70).

We shall therefore only briefly recall the outlines of Lenin's reasoning. Towards the end of the last Century, a new phase opened in the history of capitalism, characterized by transition from the previous competitive phase to the formation of great industrial monopolies, thanks to processes of centralization and concentration. The process was encouraged by the new role assumed by the banks which, having also reached monopoly dimensions, in practice controlled almost all the liquid capital and could intervene directly in the productive process: the result was a fusion between bank capital and industrial capital, a symbiosis between banks and industry, to use Bucharin's formula, which Lenin borrowed. Here we are still substantially back

with Hilferding and Bucharin, the two books which, together with Hobson's, exerted the greatest influence over Lenin's work. The birth and growth of the great monopolies not only increased the volume of production, but also permitted the realization of extra-profits, and this led to two things: on the one hand, the possibility to grant some wage increases in favor of a worker aristocracy, which thus came to constitute the rank and file for opportunist tendencies and led to the split within the working class movement; and, on the other, an enormous excess in capital, since the wage increases involved were always quite modest. Since it could not find employment at home, this excess had to be exported: the exportation of capital thus became the characteristic of monopoly capitalism, just as the exportation of commodities had been the characteristic of competitive capitalism. The exportation of capital (alongside which the exportation of commodities and the search for raw materials continue to play a role) drove those powers where the monopoly process was advanced to seek ever-new territories to subject to their own dominion, and thus, even before the end of the XIX Century, we arrived at the division of the whole world on the basis of the existing balance of power.

The dominant powers, Lenin says, here following Hobson, will increasingly live on the income returned by their investments in the colonies and will increasingly become countries of rentiers and parasites. But they will be threatened in this their privileged position by the countries that are still growing. In fact, since there are no longer any free territories to annex, since the whole world has already been divided up, every time the unequal development of the monopoly powers upsets the old power balance, it will be necessary to proceed to a redistribution, which can only take place through a war. In this sense, the development of the monopolies and financial capital, far from preparing a successive phase of ultra-imperialism, as Kautsky predicted, is destined to sharpen the conflicts and war all the more, as Luxemburg and Bucharin had already affirmed.

War must therefore be considered an inevitable consequence of imperialism. Hence the necessity for the proletariat to rebuild its revolutionary unity in the struggle against imperialism and war, as called for by the resolution of the International Socialist Congress of Basel.

In this treatment we do not find any attempt at theoretical explanation of the deep-seated contradictions that force capitalism to become imperialist, or, if you prefer, of imperialism's nature as an answer to these contradictions, as carried out by Rosa Luxemburg and in part also by Bucharin. It is probable that Lenin had such an explanation in mind, but it is useless to look for it in the book and not legitimate to seek it in his early writings on the prospects of capitalism in Russia, as a number of scholars have done, since few writers more than Lenin write with such an adherence to the present, and it is not possible to transpose his thoughts over a period of twenty years. We do find in Lenin's book an accurate description of some of the internal mechanisms of imperialist development, but more than an original analysis, what we really have is ^a rearrangement of arguments already treated by other authors. Naturally, it is not just a servile repetition: the effort necessary in linking them together logically at times required a different evaluation of the phenomenon. For example, many descriptions are taken from Hobson, but they are placed in a different context from that used by Hobson, who was a liberal economist. For Lenin, imperialism is a necessary phase in capitalist development; whereas Hobson saw other solutions which Lenin excluded. Even Lenin's central arguments - the transition from the competitive to the monopoly economy, the role of financial capital, the transition from exportation of commodities to exportation of capital - can, to a large extent, be found in Hilferding and Bucharin, and, as concerns the part he dealt with, in Hilferding they are treated in greater depth. As concerns the different meaning of exportation of commodities and exportation of capital (which, according to Lenin, is precisely what characterizes the transition to imperialism), Lenin's analysis

lacks a theoretical explanation. Lenin does not exclude - indeed he repeats, as did Rosa Luxemburg and Bucharin after her - that the exportation of capital can be useful in preparing the exportation of commodities (71), but there is not the slightest mention of the connection between the phenomena, in the sense of Marx's statement that "...capital is made up of commodities and therefore the overproduction of capital implies an overproduction of commodities" (72).

Lenin himself does not try to hide his sources: the definition of financial capital is taken as it stood from Hilferding (73), as Bucharin had also done, for that matter. It is true that ~~the latter~~ is only cited once, whereas he is often present in the text, but this is probably because Bucharin's book had not yet been published, although Lenin had read it in manuscript and written the preface, dated December 1915. Lenin also makes use of Bucharin's arguments to a large extent in his polemics against Kautsky's ultra-imperialism, but in a more forceful form.

The theory of unequal development, which we have already encountered in Bucharin (and before him, in Otto Bauer) is also invoked by Lenin, but not in the sense of slower development on the part of the more backward countries. Indeed, Lenin considers just the opposite hypothesis. That is, he considers the case of less developed countries which, by means of an accelerated growth rate, catch up with the more advanced countries and consequently demand a redivision of the dependent markets and territories, on the basis of the new power balance created by their growth. And he uses the example of Germany which started off from positions much more backward than England and is now in a position to challenge her. The theory that the more developed States, beginning with England, will turn into rentier-States, i.e. into States based on a rotten parasitic capitalism living on its coupons, which Lenin borrowed from Hobson, has proved to be untrue; and it is difficult to underwrite Hobson's picture (which Lenin accepts as "completely right" (74)) of a Western Europe transformed

into a land of rich, lazy aristocrats with a large following of servants and tradesmen, from which "all the main arterial industries would have disappeared, the staple foods and manufactures flowing in as a tribute from Asia and Africa" (75). Personally, we do not underwrite the theory of the worker aristocracy either, since we feel the roots of opportunism are more general and deeper, i.e. they are inherent in the nature of capitalist relations themselves and cannot be reduced to an exceptional case. (76) Finally, Lenin's book is completely lacking in some very important analyses, such as the new role of the State (Lenin does no more than cite a few cases of corrupt officials or 'personal unions' among capitalists and politicians (77), whereas Bucharin had already gone into the problem with greater depth), or the processes of capitalist organization first on the national and then on the international level, which Bucharin had also dealt with.

For the rest, despite these weaknesses, Lenin's analysis is well-documented and persuasive, and certain important aspects, such as the formation of monopolies and the exportation of capital, are clarified very effectively. But, in our opinion, the error of all Leninists who insist on making Lenin's text a sort of Gospel, or, in any event, a theoretical work that exhausts the theoretical analysis of imperialism, is that of forgetting that all of Lenin's writings, from What is to be Done? to State and Revolution, were above all practical battles, conceived and written in relation to the practical goals he was setting out to reach at that particular moment. From this point of view, Lenin's Imperialism is a complete success, in that it presents an absolute adherence to the historical moment in which it was written, a high level of concreteness and an effectiveness in its polemics against the opportunists and social-patriots that would be difficult to equal. It is no accident that authors dealing with the problem of imperialism from a theoretical point of view often affirm the superiority of Rosa Luxemburg (78), whereas in the most recent debates on imperialism, with the exception of the servile reiterators who are now

a minority, the best Leninists now correctly place their emphasis on the book's value as a political weapon in the struggle against the parties of the Second International and as a means of revolutionary mobilization. From this standpoint, which was probably the only one that interested Lenin at the time, Imperialism lives up to the best of Lenin's works, which is why it still has a hold on readers today that goes far beyond the intentions of the author himself (79).

To sum up, if we seek a theoretical explanation of the nature of imperialism in Lenin's book, we do not find it; if we seek a description of imperialist mechanisms, we find some valid answers, together with some omissions; if we seek the effects of imperialism, we see the emergence of inter-imperialist war; and if, at last, we seek an instrument of propaganda and agitation, we find a masterly book.

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Anyone who has studied today's imperialism can easily grasp the deep changes that have occurred in the situation since the period in which the books we have examined were written. We must therefore ask the question: are the classics still useful in the study of modern imperialism?

We believe that the primary task awaiting scholars today is a systematic re-examination of the historical situations through which capitalism has passed in the various countries - in the formative phase, in the following phase of development and finally in the transition to the imperialist phase: situations that are not the same for Britain and Germany, for France and the United States, but which, precisely because of their diversity, allow us to distinguish the essential characteristics from those tied to the specific conditions of any particular country. Today the economic historians have gathered sufficient material on which to work to allow Marxists to give an adequate answer to the theoretical problem of the nature of imperialism at long last. On this specific point, we feel that Rosa

Luxemburg is still the most helpful author. In this regard, we share the opinion of the Venezuelan economist Armando Cordova, who has contributed so much to the study of the problem. He writes:

"Since his concern was essentially to study capitalism as an economic regime in itself, Marx necessarily had to construct a 'closed' model. Therefore the connections between this essential and abstract model of the 'mode of capitalist production and the corresponding relations between production and circulation' and the colonial and semi-colonial world of his time are practically non-existent, reduced to one historical writing in so far as they had constituted important sources of primitive capitalist accumulation, a process which, with respect to the Western Europe of his day, he considered more or less completed. Not that Marx was not aware of the fact that the flow of surplus from these countries would never stop, but rather he considered this flow to be the result of particularly advantageous trade transactions carried out by the capitalist countries with the dependent periphery or as resulting from the exploitation of other forms of non-capitalist production relations; an approach which, in any case, seems rather limited at present. The task of reflecting on the direct exploitation of the surplus created in the dependent countries as an important complement of the surplus value expropriated from the metropolitan working class was to fall on Lenin and the other Marxists of the imperialist period. I think, however, that it was Rosa Luxemburg who more clearly than anyone else saw the limitations of a model based on the exclusive predominance of surplus value production in the dominating countries, for the purposes of understanding the world nature of extended capitalist accumulation" (80).

After having cited Rosa Luxemburg's famous passage on the two aspects of accumulation (81), Cordova continues: "Without attempting to go into the other aspects of the author's controversy with Marx, I feel that the point of view we are discussing, aside from constituting

an evident enrichment of Marxian theory, represents a contribution of great value for the understanding of capitalist development and its effects on the dependent periphery, since, alongside the exploitation of the surplus value produced by the metropolitan workers, it attributes an absolute historical continuity to the expropriation by the metropolitan capitalist countries of the surplus product created in the dependent countries" (82). We agree that it is from here that we must start for a development of the theory.

Having established that, from our point of view, the "mainspring" of imperialism is the process of accumulation in a system of "world economic inter-dependence" (83), we must immediately add that within this system of world economy, the attention of the classical writers was concentrated on the developed capitalist countries, considering the others only as objects of exploitation. This was natural enough, since our authors dealt with the problem of imperialism in relation to the study of the historical necessity (Luxemburg) or the causes (Bucharin and Lenin) of the world war, i.e. of an inter-imperialist war. And for them, an inter-imperialist war represented a moment of revolutionary crisis. The essential problem at that moment was therefore to orient the working class movement in relation to the war that was approaching (Luxemburg) or in progress (Bucharin and Lenin) and the following developments (84). Nevertheless, it seems strange that none of them felt the need to go into the problem from the other side, the side of the colonized countries, which Hilferding had already touched on in his book (85). Only Lenin goes so far as to quote Hilferding's passage, but without adding anything of his own (86). But it was this same Lenin who was to grasp the practical importance of the problem, and, initially in polemics with Luxemburg, reaffirm the importance of wars of national liberation (87), later making it one of the flags of the Third International, which was to contribute to raising up the peoples of Asia against imperialist domination (88). And this was Lenin's decisive contribution to the analysis of imperialism, a contribution of revolutionary action.

As it led to underestimating the revolutionary role of the dependent peoples, the emphasis placed on inter-imperialist conflicts also led to rejecting the hypothesis, of which Bucharin and Lenin were aware, of a successive phase called super-imperialism or ultra-imperialism. Naturally, they were correct in rejecting the Kautskyan hypothesis, which, particularly in the course of the war, had extremely dangerous political implications. And they were also right in maintaining that the inter-imperialist conflicts would have continued. However, as on the national level the conflicts between the great oligopolies and groups had not only not prevented, but actually favored forms of organization that avoided the worst of tensions, attrition and imbalance by means of increased State intervention, so on the international level the trend towards forms of cohesive organization, dominated by the strongest groups, which would not eliminate the inter-imperialist contradictions, but would limit recourse to armed conflict, was destined to progress. In other words, the phenomenon which has emerged since the Second World War - no longer a period of inter-imperialist wars among powers each trying to wrest certain territories out of the hands of another, but rather a period of hierarchical organization of the world market by means of mechanisms that ensure the strongest groups a greater share of world dominion(89). The functions the State fulfils through its agencies on the national level are, on the international level, mainly performed by the dominant imperialism, U.S. imperialism, through a whole series of international agencies under its control, of super-national economic areas, of sub-imperialisms in some countries under its domination (Brazil is the primary example) and, finally, of vassal ruling classes in most countries. Bucharin's, and even more strongly Lenin's, hope or certainty that the world revolution would sweep away imperialism before this process could be completed has not come true, and the world working class movement would be mistaken if today it placed its cards on future inter-imperialist wars - although

there is no reason to exclude they will not take place, as there is no reason to exclude new world economic crises. But there can be no doubt that imperialist capitalism is no longer so anarchical as it was in the past and that it has sought remedies to guard against these two dangers.

Also lacking in the classics, because it did not yet exist in concrete form, is the whole emerging problem of the existence of a vast complex of States that have eliminated the capitalist mode of production and, while taking part in international trade, elude the snares of international exploitation.

Another important point, on which we find little enlightenment in our authors, are international capitalism's new instruments of domination, after the almost total abolition of the direct colonial regime. These represent a complex series of economic, financial, monetary, political, cultural and technological, etc. instruments, on which, despite the proliferation of studies, a vast field of research is still open, but which it is not our job to investigate here. But even with respect to the problems the classical writers dealt with at length (exportation of capital and commodities and the search for raw materials) new mechanisms have emerged which radically alter many old approaches: here we are thinking particularly of the multi-national corporations and the conglomerates. In these cases, not only is the problem of the relationship between industrial and bank capital overcome; much more important is the fact that through the multi-national corporations, the great giants of imperialism also overcome tariff barriers and conquer markets from within, setting up factories in other countries, both underdeveloped and developed. But to the extent that they conquer the markets from within - i.e., in practice, buying or establishing firms within foreign countries - to the same extent they remove from these countries those decision-making centers on which their economic life depends to a greater or lesser extent, since - no matter how much autonomy is left to the dependent firms - the important decisions are

always made at the center. And this loss and transfer of decision-making centers, which may affect the whole economic life of a country - particularly if placed in the general context of international relations, including conditional loans, unstable market prices, etc. - constitutes one of the most important aspects of modern imperialism.

In relation to this aspect, i.e. the establishment of factories in dependent countries, we must consider two other aspects which the classical writers did not. The first concerns the exportation of capital: today, in fact, the profits made by firms belonging to a multi-national corporation, together with the interest on loans, gives rise to a flow of capital from the dependent countries to the dominant countries, in many cases greater than the flow in the opposite direction. Therefore we are no longer witnessing the general phenomenon of exportation of capital from the developed countries to the less developed, but also, to a large extent, the opposite phenomenon. The second aspect is technology. Technological progress has been so rapid in the post-World War II period that nowadays the hypothesis of a backward country succeeding in catching up with the more advanced technologies with its own means can be considered impossible. Japan and Italy represent perhaps the last two examples of countries that arrived late to industrial development but have managed to reach internationally competitive technological levels, while remaining within the framework of capitalist relations. Aside from these two, the other countries, such as the Soviet Union, have succeeded only after having broken the bonds of dependence on the capitalist market. Now the classical writers generally started from the hypothesis that the industrialization of the underdeveloped countries could raise their level of development. Today, instead, the great leap forward made by technology permits, or actually encourages, the more advanced countries to expel from their own productive process the less advanced technologies, those characteristic of the first industrial revolution, which can instead be transferred to the less developed countries. Therefore the indus-

trialization of these countries, rather than shortening the distances, actually accentuates and consolidates the supremacy of the dominant economies.

It is not in the scope of this report to analyze all the new aspects of today's imperialism. To conclude, we should like to underline three points:

a) the first is that, despite all these new aspects, today's imperialism is a logical development of yesterday's imperialism, just as yesterday's was a logical development of the previous phase of capitalism. The deep reasons for this development are in the nature of capitalism itself and its contradictions (its basic contradiction above all), and the classics can help us in studying these new developments as they studied the previous developments, supplying theoretical and methodological instruments as well.

b) the second is that, while we are speaking of many different new aspects, we do not in any way consider them to be independent one of the other, but rather all connected to what we consider a new phase of capitalist development. It is still correct to speak of imperialism, but only if we admit that the imperialism about which the classical authors wrote was not in reality the final phase of capitalism; we are now living a new phase, all of whose mechanisms and effects we have not yet grasped. And this prevents us from elaborating a valid anti-imperialist strategy.

c) the third and last point concerns precisely this strategy. The problem is no longer that of the inevitability of inter-imperialist wars and the revolutions they may produce, and much less that of a general economic crisis that will spark the revolutionary fire. The problems are infinitely more complex, and if, on the one hand, as we have observed, the colonial world has started to move and become a protagonist, it would, in our opinion, be deeply mistaken to give into to the "Third World" thesis, according to which imperialism can

only be defeated by an attack from the outside, i.e. by the peoples of the "countryside" or the "periphery". Undoubtedly the importance of the wars of liberation is enormous, but we must not forget that, precisely because they are wars of liberation against a foreign domination, the social motivations are strongly interwoven with national motivations, and a war of liberation can also end with the victory of a bourgeoisie (bureaucratic, if not industrial) which maintains its country within the confines of the capitalist world. Vietnam, where the social and national motivations are harmoniously fused, is more an exception than a rule.(90). But, on the other hand, it is true that the difference in living conditions between the workers in the dominant countries and those in the dependent countries is so great as to render anything but evident the ties of solidarity that should unite them; although the worker continues to be exploited in any stage of capitalist development, this exploitation can never be translated into direct political action, but must necessarily pass through a cultural mediation. And it is particularly in this area that the mystification of consciousness can produce deep-reaching upsets and deviations. The field of cultural struggle, today one of the most neglected by the international working class movement, which leaves itself open to models of life imposed by the ruling class, is instead one of the most important. On this problem as well, perhaps, Rosa Luxemburg with her writings can be a useful guide in opening up new roads.

Lelio Basso

The author apologizes for not having been able to locate in time all of the texts or translations in English editions. A number of the citations, in particular those from Bucharin, have been retranslated from the Italian translation, and the page references refer to the Italian edition, unless the English edition is expressly indicated.

FOOTNOTES

1. Cf. A.P. Thornton, The Imperialist Idea and its Enemies (London, 1959), X, and David K. Fieldhouse, The Economic Exploitation of Africa: some British and French Comparisons (no date), 1.
2. Cf. Der Imperialismus und die Congress-Idea, anonymous (Leipzig, 1865).
3. "It is true that, from the moment it first appears on the scene of history, capitalist production's impetuous drive towards non-capitalist countries runs through its whole development like a red line, gradually gaining in importance, to the point that in the last quarter century, in the phase (italics ours) of imperialism, it appears as the decisive and dominant factor in social life". Die Akkumulation des Kapitals (Berlin, 1923), 400.
4. Cf. D.K. Fieldhouse, "Imperialism: an historical revision", The Economic History Review (Dec. 1961).
5. Kautsky, Hilferding and Otto Bauer also dealt with imperialism, but the three most important attempts at overall explanation are the three cited.
6. See, for example, aside from the well-known works by Baran and Sweezy, Magdoff's book, The Age of Imperialism, (New York, 1969), the considerable material published in Monthly Review, the many and important Latin American contributions and the recent debates: Varna, Algiers, C.E.R.M., Tilbury, Elsinor, etc.
7. J.A. Hobson, Imperialism (London).
8. It is from this point of view that Marx deals with the problem in Capital, I, Ch. XXIV.
9. In a note to Capital, Engels refers to the "decisive war of industry which must decide the dominion over the world market". MEW, XXV, 506.

10. Cf. K. Kautsky, "Der Krieg in Südafrika" in Die Neue Zeit, XVIII, No. 7, 196-203, and H. Cunow, "Handelsvertrags - und imperialistische Expantionspolitik" in Die Neue Zeit, XVIII, No. 34, 207-215.

11. Protokoll über die Verhandlungen des Parteitages der Sozialdemokratischen Partei Deutschlands, Abgehalten zu Mainz vom. 17 bis 21 September 1900 (Berlin, 1900), 165.

12. Georg Ledebour, then a member of the left wing of the Social Democrat Party, later became one of the left-wing leaders of the Independent Social Democrat Party and, as such, took part in the "Spartacist" insurrection in Berlin in January 1919, during which Rosa Luxemburg and Karl Liebknecht were killed. He was arrested and became the protagonist of a famous trial.

13. Protokoll, cit., 166-167.

14. Reference to an article by Bernstein in Sozialistische Monatshefte praised by the Frankfurter Zeitung.

15. Berlin, 1913.

16. Precisely because this tie with the polemics of the time and with her other writings has not been grasped, Rosa Luxemburg has still recently been accused of not having drawn a practical political line from her analysis of imperialism, in contrast to Lenin. Quite aside from the fact that Lenin wrote his book during the World War, when immediate action against ~~the~~ imperialist war was a necessity for every revolutionary Marxist, whereas Luxemburg wrote hers in peacetime, it is clear that her whole book is an energetic argument in favor of a political line, the line which she herself, as we shall see, had clearly formulated in the famous Stuttgart resolution of 1907. Purposely presented in a scientific and impartial guise to make it more acceptable; the book introduces into the debate a weighty argument against revisionism, which claimed that the contradictions of capitalism were declining and that capitalism could live

on indefinitely, with continual improvements.

17. Cf. Lenin's letter to the editors of the Bremer Burger-Zeitung, in Soc., V ed., XLVIII.

18. "This is law for capitalist production, imposed by incessant revolutions in the methods of production themselves, by the depreciation of existing capital always bound up with them, by the general competitive struggle and the need to improve production and expand its scale merely as a means of self preservation and under penalty of ruin. The market must therefore be continually expanded, so that its interrelations and the conditions regulating them assume more and more the form of a natural law working independently of the producer and become ever more uncontrollable. This internal contradiction seeks to resolve itself through expansion of the outlying field of production. But the more productiveness develops, the more it finds itself at variance with the narrow basis on which the conditions of consumption rest". Capital, III (Moscow, 1966), 244-245.

19. "The more ruthlessly capital sets about the destruction of non-capitalist strata at home and in the outside world, the more it lowers the standard of living for the workers as a whole, the greater also is the change in the day-to-day history of capital. It becomes a string of political and social disasters and convulsions, and under these conditions, punctuated by periodical economic catastrophes or crises, accumulation can go on no longer. But even before this natural economic impasse of capital's own creating is properly reached it becomes a necessity for the international working class to revolt against the rule of capital". The Accumulation of Capital (London, 1951), 466-67.

20. The concept affirmed in the passage cited in note 19 also appears more than once in the Anti-criticism: "But by means of this process capitalist prepares its own collapse in a two-fold way. On the one hand, by expanding at the expense of all forms of non-capitalist production, it moves towards the moment when all mankind will consist solely of capitalists and wage-earners, and therefore further expansion and hence accumulation will become impossible; on the other, to the extent that this trend unfolds, it sharpens the class conflicts and international economic and political anarchy to such an extent that even before the final consequence of the economic development - the absolute and undivided domination of capitalist production in the world - is reached, it will produce a revolt of the international proletariat against the persistence of capitalist domination" (italics ours), in Die Akkumulation, cit., 396-397. "Nature" - this does not mean (...) that the historical process must or even can be exhausted down to the final limit of this economic impossibility" (italics ours), because as it advances towards this limit, capitalism produces "such a social and political sharpening of the contradictions of society and such unsustainable situations that necessarily prepare the end of the dominant system", Ibid, 506.

21. We must remember that for Marx the revolutionary praxis of the proletariat lies in "conscious participation in the historical process of social revolution that is unfolding before our eyes", Herr Vogt in MEW, XIV, 439.

22. "The best way to raise the energy and revolutionary faith of our militants is to once again show them the historical necessity, the logical development and the previous victories of the revolution", "Co dalej?" in Z doby rewolucyjnej, No. 3, "Czerwony Sztandar" Editions (Warsaw, 1906).

23. Introduction to the English edition of Accumulation of Capital (London, 1951), 28.

24. Introduction to the Italian translation of Accumulation (Turin, 1968), XXVIII. In this regard, cf. also T. Kemp, Theories of Imperialism (London, 1967). "She has not discovered the solution to the realization problem, but she has cast her light on some of its aspects. She has not shown that the expansion of capitalism into non-capitalist territory is the only means of furthering accumulation, but she has established a case for it being a necessary one". (p. 56). "If historically one is justified in speaking not of one but of a complex of factors as contributing to the possibility of capitalist accumulation, nonetheless it would hardly have been conceivable without the expansion into other territories and societies which Luxemburg overemphasized in her theoretical sections, and described vividly in the chapters on the historical conditions of accumulation". (p. 58). Ch. Palloix writes in turn: "the theoretically correct central contribution of Rosa Luxemburg's analysis lies in her determination of the contradictions in the capitalist mode of production, although she then uses it in the wrong place. And her theory of imperialism retains all its value when she demonstrates imperialism's nature as the external negation of the contradictions in the capitalist mode of production", L'Economie mondiale capitaliste (Paris, 1971), 71. And finally, "Rosa Luxemburg's analysis represents an incomparable continuation of Marx's analysis in that it clearly points up the contradictions and limitations present in the concrete reality of the capitalist system for accumulation and the realization of surplus value", O. Caputo, R. Pizarro, "Imperialismo, Dependencia y Relaciones Economicas Internacionales". Cuadernos de Estudios Socio Economicos, No. 12-13 (1970), 202-203.

25. Vienna, 1919.

26. Accumulation, cit. (English edition), 457 note.

27. On the political role of loans as a source of domination, Cf. Accumulation, cit., Ch. XXX, 418-446 *passim*. Furthermore, already at that time Rosa Luxemburg denounced the cumulative process of debts, which is still characteristic of imperialist methods today. "These operations of capital, at first sight, seem to reach the height of madness. One loan followed hard on the other, the interest on old loans was defrayed by new loans, and the capital borrowed from the British and French paid for the large orders placed with British and French industrial capital", Ibid., 434.

28. Ibid., 416.

29. Ibid., 421.

30. Ibid., 430.

31. J. Valier writes: "In conclusion, we must observe that in all her historical analysis Rosa Luxemburg points up the contradictory development of the colonial and semicolonial economies: the penetration of foreign capital breaks down the feudal-type barriers to development in these economies, it expands the ^{commodity} ~~commodity~~ categories in order to build a market. But it only frees in order to better enslave and imposes a domination that paralyzes all autonomous development. Rosa Luxemburg understands that the productive process is world-wide and based on a hierarchy, and she presents one of the earliest explanations of under-development resulting from imperialism", "Les théories de l'impérialisme: de Lénine et Rosa Luxemburg", in Critiques de l'économie politique, No. 4-5 (1971), 80.

32. Cf. Rosa Luxemburg, "Sozialreform oder Revolution?" in Politische Schriften, I (Frankfurt, 1966), 77-78.

33. "Further the multitude of individual and insignificant demands

for a whole range of commodities, which will become effective at different times and which might often be met just as well by simple commodity production, is now replaced by a comprehensive and homogeneous demand of the State. And the satisfaction of this demand presupposes a big industry of the highest order. It requires the most favorable conditions for the production of surplus value and for accumulation. In the form of government contracts for army supplies the scattered purchasing power of the consumers is concentrated in large quantities and, free of the vagaries and subjective fluctuations of personal consumption, it achieves an almost automatic regularity and rhythmic growth. Capital itself ultimately controls this automatic and rhythmic movement of militarist production through the legislature and a press whose function is to mould so-called 'public opinion'. That is why this particular province of capitalist accumulation at first seems capable of infinite expansion. All other attempts to expand markets and set up operational bases for capital largely depend on historical, social and political factors beyond the control of capital, whereas production for militarism represents a province whose regular and progressive expansion seems primarily determined by capital itself", Accumulation, cit., 466.

34. In Italy, this thesis has been amply developed by P. Sylos-Labini in Economie capitalistiche ed economie pianificate (Bari, 1960).

35. Op.cit., 27-28.

36. Cf. E. Galli della Loggia, "Analisi storica e storiografica dell'imperialismo" in L'Europa dell'imperialismo, "Quaderni storici", No. 20 (Ancona, 1971), 501.

37. "A new revolution is possible only as a consequence of a new crisis. But the one is just as sure as the other" in Neue Rheinische Zeitung-Politisch-ökonomische Revue, No. V-VI (Hamburg, 1850), 153. (MEW, VII, 440).

38. "Sozialreform oder Revolution?", cit., 53.

39. In this report Rosa Luxemburg emphasizes "that the policy of

militarism has become generalized and intensified under the form of the world policy of imperialism", that with this development, "bourgeois society has entered into a new phase of its evolution; the capitalist world gains new impetus in its development" but "the fatal moment of its defeat is fast approaching". "Since this policy is beginning to dominate all the internal and external policy of the capitalist world, socialist policy must organize its defense. It is time for the Socialist Party through its representatives to officially acknowledge this world policy; it is precisely this that we intended to underline with our resolution (...). But it is not only to give new impetus to the day-to-day struggle, but also from the standpoint of our final goal, that a closer union among the proletariat of all countries on political questions is urgent today. Citizens, at the beginning of the socialist movement it was generally supposed that a great economic crisis would mark the beginning of the end, the great capitalist débâcle. Today this hypothesis has lost many of its ~~possibilities~~ probabilities; but it is becoming increasingly probable that it will instead be a great world-wide political crisis that will toll the bell for capitalism. Therefore, citizens, if the capitalist Marlborough goes off to war, from which he may never return, if the world policy generates conflicts and unexpected, imponderable events, we must prepare ourselves for the great role that sooner or later we shall have to play", Compte-rendu sténographique non officiel de la version française du cinquième Congrès Socialiste international tenu à Paris du 23 au 27 septembre 1900 (Paris, 1901) 181-185.

40. Internationale Sozialisten-Kongress - Stuttgart 1907 - vom 18. bis 24. August (Berlin, 1907), 97. In an article by Zinoviev, "More on the Question of Civil War", published in the official organ of the Bolshevik Party Sotsialdemokrat, No. 51, February 29, 1916, and included in the collection of articles from this period edited by Lenin (N. Lenin, G. Zinoviev, Gegen den Strom. Aufsätze aus den Jahren 1914-16, (Verlag der Kommunistischen Internationale, 1921), 321-327) it is stated that the Luxemburg amendment, which was presented in the name of the Russian as well

as the Polish Party, expressed the opinion of the Bolshevik Party on the question of civil war and that this opinion had not changed since 1907. Similarly, in its resolution on the position of the socialist currents, the I Congress of the Third International used this amendment as a point of reference for identifying the Marxist currents within the Second International.

41. N.I. Bucharin, Mirovoe Khoziajstvo i Imperialism (Petrograd, 1917); Italian translation: L'economia mondiale e l'imperialismo (Rome, 1966).

42. Op. cit., (Italian edition), 110.

43. Ibid., 112.

44. Otto Bauer had already dealt with the problem in his study on nationalities, with particular reference to Central Europe and Austro-Hungarian Empire. He arrived at the conclusion that as a result of differences in wage levels (for example, between German and Czech workers), the capitalists in the more developed countries came to appropriate not only the surplus value produced by their workers, but also a part of that produced by the workers in the less developed countries. Nationalitätenfrage und die Sozialdemokratie (Vienna, 1907), 215.

45. Op. cit., 150.

46. in Das Finanzkapital (Vienna, 1910)

47. Op.cit., 253.

48. Ibid., 262.

49. Ibid., 264.

50. Ibid., 264. Bucharin quotes this passage from Isaev: "the State creates new organs for this purpose, a multitude of officials and agencies. On every hand the content of State activity is enriched with

ever new functions".

51. Ibid., 269-270. In his Antidühring, Engels had already spoken of the State's new functions as a collective capitalist.

52. Ibid., 263.

53. Ibid., 270.

54. Ibid., 303. Writing in the course of the world war, Bucharin points out how these phenomena had been particularly intensified: "alongside the strengthening of the financial capitalist groups, we must point out the colossal intensification of State intervention in economic life" (p. 303), a process which favors and coordinates the interests of the ruling class, opening the door to the worst developments, to an attempt to pass off, under the guise of this omnipotent State, supposedly representative of the collective interest, a "national socialism" that would prevent the resurgence of the old classist socialism. In Bucharin's book there is a quotation, which he calls "curious", from a book by Max Krahmann, Krieg und Montanindustrie, which deserves note because it identifies among the components of imperialist capitalism a permanent vein of reaction which has already given bitter fruits and still persists "The present massive influence of all the measures adopted by State power for military reasons to strengthen the State itself and defend the country naturally brings us much closer to State socialism in the mining sector as well. But not in the way that, before the war, some feared and others foretold. This is not a socialism that has been watered-down internationally, but a socialism that has been strengthened nationally. And we are rapidly approaching it. It is not democratic communism and even less domination by the aristocratic class; it is a nationalism that reconciles the classes. And since August 1, 1914, we have been approaching it by giant steps that would have been considered absolutely impossible before" (p. 315). This nationally strengthened socialism was to come a few years later with Hitler and call itself national socialism.

55. Ibid., 199.

56. Ibid., 206.

57. Ibid., 213.

58. Ibid., 230. In any event, and in this too Bucharin anticipates Lenin, the emphasis is placed on the exportation of capital as the major phenomenon, although he admits that the exportation of capital can prepare the exportation of commodities and cites the case already illustrated by Rosa Luxemburg of the railways in Turkey, financed by the Deutsche Bank and build with German materials.

59. Ibid., 140, 148.

60. Ibid., 286.

61. Ibid., 286.

62. Ibid., 182.

63. Ibid., 133.

64. Ibid., 256.

65. Ibid., 234. On page 229 we read that "those attritions and conflicts among the 'national' groups of the bourgeoisie, which inevitably rise from the depths of modern society, in their development lead to war as the only solution to the problem from the standpoint of the dominant ~~foreign~~ social groups";

66. Ibid., 292.

67. Ibid., 330. We have underlined the adjective "immediate" as used by Bucharin, because it seems to us that the roots of opportunism lie precisely in the separation of the immediate goal of an improvement within the system from the final goal of overthrowing the system. Cf., in this regard, our Introduction to Rosa Luxemburg, Scritti politici (Rome, 1970).

68. Ibid., 335.

69. P. Jalée, L'impérialisme en 1970 (Paris, 1969), 10. The editor of the Italian edition of Bucharin's book, Paolo Santi, concludes his long introductory study with this judgement: "If it does not possess the polemical energy and the political acuteness of Lenin's book, it is certainly not inferior in its economic analysis and indeed contains suggestions, such as that relative to foreign trade in the monopoly era, that anticipate by several decades the findings of modern economists and that we do not find in Lenin. And we hope that it will contribute to the renewed interest in the problem of imperialism, as regards both a re-examination of the past and the analysis of present reality". Op. cit., 83.

70. F. Kemp writes: "The ossification of Lenin's theory of imperialism into a rigid doctrine (...) has to be deplored if only because it departs so markedly from the scientific standards which Lenin set himself and expected from others. The lack of any real contribution to the theory of imperialism (...) by the economists of the USSR, has tended to discredit Marxism in the eyes of many (...)" Kemp, Op. cit., 4. Ch. Palloix also speaks of the "theoreticians wedded to the Leninist interpretation of imperialism". "Réflexions sur l'impérialisme", in Politique aujourd'hui (April 1969).

71. "The export of capital abroad thus becomes a means for encouraging the export of commodities". Lenin, Imperialism, the Highest Stage of Capitalism (New York, 1939), 66.

72. Capital, III, cit., 256.

73. "Bank capital - and therefore capital in the form of money - which in reality is thus transformed into industrial capital - is by me called financial capital". Hilferding, Op. cit., 283.

74. Imperialism, cit., 104.

75. J. A. Hobson, Op. cit., 314, 364.

76. In note 67 we have already expressed our opinion that opportunism is a general phenomenon within the working class movement characterized by the separation between immediate goals and the final goal. On the question of the worker aristocracy, Cf. E. Hobsbawn, "Lenin and the 'Aristocracy of Labor'" and M. Nicolaus, "The Theory of the Labor Aristocracy" in Monthly Review (April, 1970)

77. Imperialism, cit., 42, 58, 66.

78. In his report on Lenin at the Algiers debate, G. Labica argued against "the theoretical superiority of Rosa, which is generally recognized (...) As witness G. Lukacs and L. Goldmann, among others". "La théorie léniniste de l'impérialisme" in La Pensée (August 1969), 73.

79. Kemp writes: "The political objective is thus very clear: it is to provide operational material for the socialist movement, or rather that small section which had resisted wartime chauvinism": Op. cit., 65.

80. Cf. A. Cordova, "Il 'capitalismo sottosviluppato' di André Gunder Frank" in Problemi del Socialismo, No. 10 (1972).

81. "Thus capitalist accumulation as a whole, as an actual historical process, has two different aspects. One concerns the commodity market and the place where surplus value is produced - the factory, the mine, the agricultural estate. Regarded in this light, accumulation is a purely economic process, with its most important phase a transaction between the capitalist and wage labourer. In both its phases, however, it is confined to the exchange of equivalents and remains within the limits of commodity exchange. Here, in form at any rate, peace, property and

equality prevail, and the keen dialectics of scientific analysis were required to reveal how the right of ownership changes in the course of accumulation into appropriation of other people's property, how commodity exchange turns into exploitation and equality becomes class-rule. The other aspect of the accumulation of capital concerns the relations between capitalism and the non-capitalist modes of production which start making their appearance on the international stage. Its predominant methods are colonial policy, and international loan system - a policy of spheres of interest - and war. Force, fraud, oppression, looting are openly displayed without any attempt at concealment, and it requires an effort to discover within this tangle of political violence and contests of power the stern laws of the economic process. Bourgeois liberal theory takes into account only the former aspect: the realm of 'peaceful competition', the marvels of technology and pure commodity exchange; it separates it strictly from the other aspect: the realm of capital's blustering violence, which is regarded as more or less incidental to foreign policy and quite independent of the economic sphere of capital. In reality, political power is nothing but a vehicle for the economic process. The conditions for the reproduction of capital provide the organic link between these two aspects of the accumulation of capital. The historical career of capitalism can only be appreciated by taking them together". Accumulation, cit. 452-453.

82. See note 80.

83. The expressions are Magdoff's.

84. Obviously, the question of war, because of the new forms of conflict, lies at the very center of his reflection on imperialism and therefore occupies a place of particular importance. In thus setting up a new revolutionary political practice, Lenin derives from it the two strategic consequences which we all know and which I shall limit myself here to recalling:

1) transformation of the imperialist war into revolution, which confronts the proletariat with new tasks on all levels;

2) active support of the national liberation struggles". G. Labica, Op. cit., 79.

85. "Capitalism itself gradually procures for the vanquished the means and resources for their emancipation and they set out to achieve the same goal which once seemed highest to the European nations: the creation of a united national state as a means to economic and cultural freedom. This movement for national independence threatens European capital just in its most valuable and most promising fields of exploitation, and European capital can maintain its domination only by continually increasing its means of exerting violence". R. Hilferding, Op. cit., 406.

86. Imperialism, cit., 121.

87. "In the period of imperialism, national wars by the colonies and semi-colonial countries are not only probable, but inevitable". "Apropos of Junius's Pamphlet" in Soc., V edition, XXX, 6.

88. The proceedings of the Third International offer a gold mine of material on this point and constitute the beginning of a new phase in which already existing anti-imperialist movements took on a socialist content.

89. To a large extent, the mechanisms of this process have yet to be explored by Marxist scholars. The goal is to create a type of society at the world level which, while not eliminating the contradictions of capitalism, softens the attrition sufficiently to permit more efficient operation. (ex-Chancellor Erhard's "formierte Gesellschaft"). What is needed is thus the maximum concentration of power (culminating in the U.S. top-ranks) together with a decentralization of subaltern powers, exploiting what I would call the "non-commissioned officer complex", i.e. the willingness of anyone who feels himself invested with a modicum of power to faithfully serve higher authority. This leads to a hierarchical organization of

social life which acts as a valid defense against an uprising of the oppressed. Another aspect which cannot be ignored is the physical elimination of those who refuse to become obedient wheels in this machine, be they individuals (the Brazilian Death Squads are illustrative) or entire peoples (the American Indians yesterday and the Vietnamese today).

90. Cf. L. Basso, "L'esperienza rivoluzionaria di Ho Chi Minh", in Problemi del Socialismo, No. 42 (1969).

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THE DRIVING FORCE OF IMPERIALISM
IN THE MODERN ERA

Capital is international. The fact that its historical development paralleled that of the nation-state did not prevent the establishment of the capitalist world market. However, because of political interventions in defense of one national bourgeoisie against competitor nations, the concentration of capital was, and is, more difficult to achieve on an international than on a national scale. Even capitalist crises, acting as world-embracing accelerators of the concentration process, needed the additional measure of imperialistic wars to extend the national concentration process to the international scene. This process is inherent in capital accumulation. The contradiction between the national form of capital and its need for expansion which recognizes no boundaries is intertwined with the contradiction between its competitive nature and its urge for monopolization. In theory, a competitive economy is thought to flourish best in a free world market. Actually, however, competition leads to monopolization and the free market to protected markets secured by political means. Monopolistic competition implies imperialistic struggles to break existing monopolies in favor of new monopolistic constellations. The economic form of competition takes on political expression and therefore ideological forms, which come to overshadow the economic pressures at their source.

The apologists of capitalism of course deny its imperialistic aspect and see it as an aberration thrust upon capitalism by forces external to itself. J. Schumpeter*), for example, though admitting that "nationalism and militarism, while not creatures of capitalism, become 'capitalized' and in the end draw their best energies from capitalism," held nonetheless that imperialism "would never have been evolved by the 'inner logic' of capitalism; but found its source in 'precapitalist elements in our social life,' which were bound to disappear, and thus 'imperialism will wither and die.'" As the bourgeoisie, despite all facts to the contrary, could not admit that its economic system is necessarily imperialistic, it remained for the critics of bourgeois society to evolve

*) The Sociology of Imperialism, 1919.

a theory of capitalistic imperialism.

These theories are mainly associated with Hobson, Kautsky, Hilferding, Luxemburg, Bukharin, and Lenin, and, though formulated around the turn of the century, are still influential in the contemporary world. Lenin's*) theory of imperialism, in particular, is still held in high esteem, not so much because of its exemplary execution but because of the legendary quality of Lenin's name. In fact, however, his writings on imperialism, more polemical than theoretical in character, are quite time-conditioned and contribute little to the comprehension of present-day imperialism, except insofar as they make the general and obvious statement that capitalism implies imperialism. This is partly so because even at the time of their appearance and notwithstanding their strictly "economic" treatment of imperialism, Lenin paid more attention to the fleeting political aspects of the imperialist imperative than to its underlying socio-economic dynamics. His book on imperialism was intended to unmask the first world war as an imperialist war, which also provided the condition for social revolution, since in Lenin's view imperialism constituted the "highest" or "last" stage of capitalist development. This idea was substantiated by relevant data from various bourgeois sources, a critical utilization of the theoretical findings of J.A. Hobson and R. Hilferding, and a rejection of K. Kautsky's speculative theory of super-imperialism as a way toward a peaceful capitalism. The data and the theories utilized were themselves bound up with a particular historical stage of capitalist development and contained no clues regarding its further course.

Since all these observers were confronted by the same imperialistic activities, there is no real distinction between the descriptive parts of their various studies. It was only in their interpretations of the events, due to varying underlying theoretical assumptions, that differences emerged. Whereas Hobson**) explained the competing imperialistic drives as the result of

*) Imperialism: The Last Stage of Capitalism, 1917

**) Imperialism, 1902.

the underconsumption of the laboring population, which induces the capitalists to find profitable investments abroad, Kautsky*) allowed for the possibility of a capitalistic development leading to an integration of international capital and a joint exploitation of the world in a state of ultra-imperialism, which would end the era of capitalist wars. For Hilferding**), imperialism was the result of the emergence of "finance capital" and its attempts to overcome its national limitations, a trend which he saw as the precondition for a socialist revolution executed by the state's expropriation of the highly concentrated capital. Rosa Luxemburg***) found the origins of imperialism in the capitalistic need for extra-capitalist territories wherein to realize part of the surplus-value which could not be capitalized at home. There was no difference between Bukharin's****) earlier exposition of imperialism and that of Lenin.

"Underconsumption" relative to production is a fact, of course, but one on which the existence and accumulation of capital is based and which designates no more than the production of surplus-value on which the capitalist^{ist} system rests. The "disproportion" between production and consumption accompanies the whole of capitalist development, not only its imperialistic stage, and characterizes capitalism on a national and international scale. For non-capitalist territories to be able to realize the surplus-value produced in capitalist countries would presuppose the existence of surpluses in the former equal to the unrealizable profit part of the capitalist nations, in which case they would not be non-capitalist nations and the problem of profit realization would not be solved, only generalized. The anarchy of capitalist production allows, of course, for difficulties in the sphere of circulation and therefore for the realization of surplus-value, yet the basic contradictions of capitalism are to be found not in the

*) Neue Zeit, Nr.5, April 1915.

**) Das Finanzkapital, 1910.

***) Die Akkumulation des Kapitals, 1912.

****) Imperialismus und Weltwirtschaft, 1917.

sphere of circulation but in that of production. However, Hobson's and Rosa Luxemburg's mistaken economic explanation of imperialism does not affect their recognition of the need for such an explanation, which can be differently substantiated as, for instance, by Henryk Grossmann's*) theory of imperialism, which bases itself on Marx's theory of accumulation as determined by the immanent contradictions of capital production.

While imperialism turns into a necessity for capitalism, in the form of colonialism, it started out as a mere opportunity. The non-capitalist world was simply there for the taking, which was at times accompanied by rivalries and wars between the colonizing powers and at other times by common agreements such as, for instance, the division of Africa through the Berlin Act of 1885. The exploitation of the colonies was determined by the changing needs of the colonizers as occasioned by their own development, and subordinated the fate of the non-capitalist countries to the accumulation requirements of the capitalist nations. The profit motive is the propellant of capitalism and it may be satisfied in different ways: through unequal exchange relations, or through the direct exploitation of subject populations, that is, by commodity exchange, by capital exports, or by both at once. The greater the need for profits, the stronger are the imperialistic tendencies, turning from colonialism to the world at large. While imperialism has been a part of capitalism from its beginning, it became increasingly accentuated by the mounting difficulties of maintaining an accelerating capital accumulation, and led to inter-imperialist wars for national privileges in the possession and exploitation of the world's markets and resources.

Although the compulsion to imperialism is inherent in capitalism, it is the development of the latter which accounts for its specific manifestations at any particular time. For Lenin, however, capitalism became imperialism "only at a definite and very high stage of capital development", a stage which implied the rule of national and international monopolies, which, by agreement or force,

*) Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems, 1929.

divided the world's resources among themselves. Following Hilferding, Lenin associated imperialism with the emergence of a "new type of capitalism," brought about by the fusion of banking and industrial capital. However, this "finance capital" did not represent a new type of capitalism but merely characterized a specific and historically limited phase of German capital development. Even if this fusion had been a general occurrence, it would still not represent a new type of capitalism but simply its further concentration and centralization. For Lenin, however, finance capital represented "a new social order, which marks the transition from free competition to the socialization of production." But since capitalism combines at all times, not only under monopolistic conditions, the socialization of production with the private appropriation of surplus-value, what Lenin meant to say was, of course, that we were witnessing the transition from competitive to organized capitalism. Yet this strange equation of organized capitalism with the socialization of production may account for Lenin's later concept of socialism as the next step from monopoly capitalism, that is, as the state-monopoly of production made to serve the whole of society.

In Lenin's view, the imperialistic stage of capitalism was characterized not so much by commodity exports as by the export of capital, which allowed the big imperialist powers, and a part of their laboring populations, an increasingly parasitical existence at the expense of the subjugated regions of the world. In this way, imperialism explained for Lenin not only colonialism, the capitalist competition for raw materials, the annexations of desired territories and the establishment of spheres of interest, but also the reformism of the labor movement in the leading capitalist nations, which presumably partook in some measure of the extra-profits of the financial oligarchies. He perceived this situation as the "last stage" of capitalism because he expected that its manifold contradictions would lead directly from war to social revolution on an international scale, thus ending both imperialism and capitalism.

This revolutionary optimism proved to be premature. Although the first world war led to the Russian Revolution, imperialism was not, as Lenin surmised, "the eve of the proletarian world revolution." But without ensuing revolutions, the imperialistic wars may, like crises, serve to make possible a new period of

capital expansion through a forced restructuring of the world economy. This was the case after the first as well as the second world war, which also involved the de-colonization of previously subjugated nations. Though this changes nothing in the imperialistic nature of capitalism, it altered the methods and even motives of imperialistic activities.

The changes brought about by a series of depressions and wars led not to a confrontation of imperialism and socialism, but to the division of the world into more or less centrally controlled economic systems and to a widening of the gap between capitalistically developed and underdeveloped nations. It is true that this division is generally seen as one between capitalist, socialist and "third world" countries, but this is a misleading simplification of rather more complex differentiations between these economic and political systems. "Socialism" is falsely but commonly understood as a state-controlled economy within a national framework, wherein planning replaces competition. As such, it is no longer capitalism in the traditional sense, nor is it socialism in the Marxian sense of an association of free and equal producers. Functioning in a capitalistic and therefore imperialistic world, it cannot help partaking in the general economic and political power competition and, like capitalism, must either expand or contract. It must grow stronger in every respect in order to limit the expansion of capitalism by which it would otherwise be destroyed. The national form of so-called socialist or state-controlled regimes sets them in conflict not only with the capitalist world, or particular capitalist nations, but also with each other; they must give first consideration to national interests, i.e. the interests of the newly-emerged and privileged ruling strata, whose existence and security are based on the national state. This leads to the spectacle of a "socialist" brand of imperialism and the threat of war between nominally socialist countries.

Such a situation was inconceivable in 1917 and for that reason neither confirms nor disproves Lenin's analysis of imperialism, or any other made at the time, but simply makes them irrelevant. What happened since that time was not a clear-cut struggle between the opposing forces of imperialism and socialism, but the emergence of national-revolutionary regimes in a number of less-developed countries and the collapse of the traditional

forms of colonialism. However, because imperialism has been identified with capitalism, the anti-imperialist struggles were waged with anti-capitalist and socialist ideologies, even though the objective presuppositions for socialism did not exist in the rebelling nations. What these nations could accomplish, or tried to accomplish, was to modernize themselves by way of industrialization, which had not been possible within the world market relations dominated by the great imperialist powers.

Contrary to Lenin and other Marxists, the export of capital was not designed to industrialize the subjugated countries and thereby increase their profit-producing capacities, but was limited to their exploitation as foodstuff and raw material producers and as customers of goods manufactured in the industrial nations. The profits extracted in this fashion aided the more rapid accumulation of capital in the imperialist nations and therewith their ability to extract more surplus-value out of their own laboring population. The capital concentration and centralization process divided the world into developing and stagnating, into "poor" and "rich" nations, just as it polarized the classes in each particular capitalist nation.

Anti-imperialist revolutions were required to change this state of affairs, but their successes implied, at best, no more than the possibility of a more rapid development. Because of the already achieved highly monopolized nature of modern capitalism, this development could not be initiated on a laissez-faire, or private-property basis, but demanded a state-controlled economy in order to offset the as yet incomplete centralization and organization of capital in the imperialist nations by a stricter, more effective, centralization in the newly developing countries. But the state-controlled economy implies, in principle, not only the nationalization of capital, but also the exclusion of foreign capital. Thus it delimits with its own expansion the international extension of the monopolistic private-enterprise capitalism. Actually, of course, by force of circumstances, the economic relations between the state-controlled and the private-enterprise economies are not completely severed and, where possible, they now involve the recognition of at least partial mutual interests rather than complete incompatibility.

The growing number of nations adopting the state-controlled road of development weakens the domination of the world market by the great capitalist powers and makes their own further expansion increasingly more problematic. They are thus forced to attempt to stop this development, and this the more so as the state-controlled economy implies the end of the traditional capitalist class relations. For private enterprise-based capitalists, the state-controlled economy implies as much as socialism would, since it deprives them of their ruling class position. For that reason, present-day imperialism is not only a question of the direct or indirect appropriation of the surplus-value produced in other countries, but also an attempt to arrest the further spread of state-controlled systems by opposing national-revolutionary movements going in that direction. However, no capitalist nation, or combination of such nations, has thus far had the power to prevent the transformation of hitherto-underdeveloped countries and - to employ the common usage - no "socialist" nation, or combination of such nations, has had the power to defeat the capitalist world.

In this stalemate, which impairs the expansion of both the capitalist and "socialist" world, each nation, in either grouping, and notwithstanding its needs for allies, tries first of all to safeguard its own special interests. There is then no real but only an opportunistic solidarity between the nations in the capitalist as well as in the "socialist" camp. In this situation alliances are formed between nations of different social structures, and enmities arise between countries which were expected to cooperate. This indicates, of course, that nationalism and imperialism are not opposites but imply each other, even though the national survival of some countries may depend on the imperialism of some other nation. Under these conditions, the so-called "third world" countries are not only objects of the rivalries between different capitalist nations, not only of those between capitalism and "socialism" as such, but also of the rivalries between the "socialist" nations themselves. "Socialism" and imperialism are now so inextricably intertwined as to negate Lenin's thesis that the socialism of his conception would succeed monopolistic imperialism.

Lenin's theory of imperialism as "the eve of world revolution" was an extension of his theory of the Russian revolution to the world as a whole. Just as in Russia different classes combined under proletarian leadership to overthrow autocracy, so on an international scale, nations, at various stages of development, combine under the leadership of the industrial workers in the imperialist nations against the common enemy - monopolistic imperialism. Under such conditions, it would be possible to bypass the otherwise inevitable capitalistic development of semi-feudal countries and, through their liberation, to integrate the colonial regions into the emerging socialist world. It was this theory which, in Stalin's view, made "Leninism the Marxism of the age of imperialism." Based on the presupposition of successful socialist revolutions in the advanced capitalist nations, the theory could neither be proven right or wrong, as the expected revolutions did not materialize.

In Lenin's opinion, as stated in "Imperialism," the "territorial division of the whole earth by the great capitalist powers was already completed," and the imperial^{ist} war was waged for the re-division of the world, including the territories of the imperialist powers themselves. Actually, the war weakened the colonial powers and in the course of the second world war deprived them of their colonies and special spheres of interest. Colonialism, that is, the direct political-military control of markets and raw materials, proved to be only one historical form of imperialism; which could be replaced by more subtle methods of domination. The monopolistically-determined international "division of labor," which incorporated colonization, continued to determine the economic conditions of the colonial countries even after they had gained their political independence. Their continued economic dependency forced them to maintain or re-establish commercial relations with the great powers, which for the latter are no less lucrative than those enjoyed under colonial conditions. Independence brought new ruling elites into being whose interests are vested in the maintenance of the prevailing world-market relations. In this way the fruits of imperialism can be gained with smaller expense, even though there is now less security with respect to investments than there was before because of the danger of further revolutionary developments. To maintain the status quo, it is then essential for the capitalist powers to assist all

collaborating national governments in the former colonies, and to prevent the rise of governments which would be unwilling, or unable, to continue the existing relationships. This is largely done by economic means but also, if necessary, by military interventions.

The end of colonialism has thus led only to neo-colonialism through which the dominating powers exercise their control of dependent countries via their own national governments. However, imperialism as neo-colonialism is no longer the exclusive privilege of the capitalist world, and in a somewhat modified form appears in the "socialist" part of the world as an aspect of the continued competition between these different socio-economic systems and for its own sake as well. To be sure, there are small capitalist nations which flourish without engaging in imperialistic activities. But such nations, operating within the frame of the capitalist world market, partake nonetheless, albeit indirectly, in the imperialistic exploits of the larger imperialist powers, just as - on the national scale - many small sub-contractors profit from the business given to them by the large prime-contractors producing for the war economy. Not all capitalist countries can expand imperialistically. They find themselves more or less under the control of those nations which have this opportunity, even if the control restricts itself to the economic sphere. It is for this reason that some European observers see in the recent expansion of American capital in Europe a form of neo-colonialism and others press for a more integrated Europe able to act as a "third force" in a world dominated by imperialistic powers.

The great power blocs which were formed in the wake of the second world war are now beset with various dissolving tendencies, and the imperialist world remains in flux. It is often assumed that all capitalistic activities are directly determined by their immediate needs to make profit and to accumulate capital and when such obvious reasons are not directly discernible, the critics of capitalism are somewhat at a loss to account for the rationale of imperialist aggression. In the case of Indochina, for example, the apparent absence of important incentives for American intervention has been a troublesome fact, which was seemingly mitigated by the recent discovery of offshore oil potentials, which were supposed to explain, at least in part, the continued interest of big business in a victorious conclusion

of the war. It should be clear, however, that the Indochina war was there, and would be there, without this discovery, and explanations must be found other than some definite but isolated capitalistic interest. It will also not do to speak of an "industrial-military complex" conspiring within the American system to serve particularistic interests in disregard of those of society as a whole. While it is true that imperialism is economically motivated and spearheaded by groups particularly favored by it, such explanations fail to do justice to the complexity of the problem by failing to consider the fundamental contradictions of capital production.

In capitalism, on a social level, neither the production nor the accumulation of capital is a consciously-controlled process. Each capitalist entity, be it the entrepreneur, the corporation, the conglomerate or the multinational enterprise, necessarily limits its activities to the enlargement of its capital, without regard to, or even the possibility of having regard for, social needs and for the course of social development. They are blind to the national and international social consequences of their relentless need to enlarge their capital. Their enormous weight within society determines social policies and therewith the policies of government. They know what they are doing, but not where it will lead them; they cannot comprehend the consequences of their activities. War may be initiated not because of some definite economic expectations, such as possession of specific raw materials, entry into new markets, or the export of capital, but because of past economic policies whose consequences were not foreseeable. This is quite clear, of course, in the case of imperialistic activities in defense of capitalist property which stands in danger of being expropriated, or has been expropriated, in nations which try to gain, or regain, some measure of independence in economic as well as in political terms. This explains recent interventions such as those in Guatemala, Cuba, the Dominican Republic, the Congo and so forth. It is not clear with respect to Indochina, where American interests are minimal and their possible loss of no consequence to her economy. Yet, this intervention, too, was the unforeseen outcome of past economic and political developments, even though it cannot be related to any immediate and specific economic need or opportunity on the part of American capitalism.

There is only one way to secure the capitalist market economy and that is through the continuous expansion of capital. It is this expansion which is the secret of its prosperous stages of development, just as a lack of expansion results in periods of depression. For American capital, the last depression, that of 1929, did not lead to a new period of prosperity but to an era of relative stagnation, which was overcome only through transforming the economy into a war economy, that is, the growth of production not by way of capital accumulation, but through the accumulation of the national debt and production for "public consumption" such as is required by war and preparation for war. Even the war failed to restore a rate of capital expansion sufficient to assure the full utilization of productive resources and the available labor power. The government found itself forced to continue to support the economy by way of deficit-financed public expenditures which, by the nature of the capitalist system, are expenditures which are non-competitive with private capital and are therefore largely military expenditures.

Military expenditures are, of course, a deduction from the national income and can neither be capitalized nor consumed in the usual sense of the term. A steady growth of expenditures for war is possible only at the expense of capital accumulation and living standards. It is, therefore, no solution for the problems caused by an insufficient rate of capital expansion; rather, it makes it more difficult to achieve a solution. Capitalistically, war makes "sense" only if it can serve as an instrument for bringing about conditions more favorable for a further expansion and extension of capital. But war or no war, short of an accelerated rate of private capital expansion, there is only the choice between a deepening depression and its amelioration through the further extension of non-profitable "public expenditures". However, whereas war might eventually yield the preconditions for an American penetration into East Asia and elsewhere, and its present expense be recompensed by future profits, public expenditures for other purposes do not have such effects. Experience shows that war does open up possibilities for further capital expansion. From a consistent capitalistic standpoint a successfully-waged war is more "rational" than a steady drift into capitalistic decline, as manifested by an increase in government-induced production outpacing the expansion of private capital.

Even if the "mixed economy" has found acceptance as a probably unavoidable modification of the capitalist system, the "mix", that is, governmental interventions in the economy, are supposed to be only such as benefit private capital. To keep it that way, interferences in market relations must be limited on the national as well as on the international level. Just as internally a general expansion of government production would spell the certain end of capitalistic property relations, so the extension of a state-determined social system of production within the world economy points toward the contraction of the free-enterprise economies. It is thus as important to contain the spread of state-controlled systems of production as it is within each private-capitalist nation to restrict governmental interventions in the economy. Both these necessities are interrelated. With more nations adapting the state-controlled form of capital production and therewith limiting the expansion of private capital, insufficient expansion of the latter calls forth more intensive government interventions. To halt the trend toward state-capitalism in the market economies requires the containment and possibly the "roll-back" of already-established state capitalist systems. But while at home the capitalists control their governments and thus determine the kind and degree of the latter's economic interventions, they can only halt the dreaded transformation abroad by either gaining control of the governments of other nations or by imperialistic interventions.

There is, then, no special reason for America's intervention in Indochina, apart from her general policy of intervening anywhere in the world in order to prevent political and social changes that would be detrimental to the so-called "free world", and particularly to its dominating power. Like an octopus, America extends her suckers into all the underdeveloped countries still under the sway of capitalistic property relations to assure their continued adherence to the free-enterprise principle or, at least, to the world-market relations which made them appendages of Western capitalism. She tries to rally all pro-capitalist forces into various regional alliances; arms and finances the most reactionary regimes; penetrates governments and offers aid - all to halt any social movement which might strive for the illusory goal of political and economic self-determination. Because self-determination is not a real possibility, the

United States recognizes that attempts to attain it could only result in leaving the orbit of Western capitalism to fall into that of the Eastern powers.

Separately, none of the small nations which experienced American intervention endangered the United States hegemony in world affairs to any noticeable extent. If they were hindered in their attempts to rid themselves of foreign domination and of their collaborating ruling classes, it was in recognition of the fact that their national-revolutionary activities are not accidental phenomena, but so many expressions of an as yet weak but world-wide trend to challenge the capitalist monopolies of power and exploitation. They must therefore be suppressed wherever they arise. In this respect, the present differs from the past in that past imperialistic interventions took place in order to create empires, or to subject other nations to the overrule of expanding foreign capital, whereas at present they serve to prevent the destruction of capitalism itself.

For this reason the imperialist imperative is more demanding than ever before, while, at the same time, anti-imperialist activities find their accentuation in a developing world-wide economic crisis. The recovery of European and Japanese capitalisms implies the return of their imperialistic potentialities, and the diverging national interests between China and Russia are additional elements simmering in the caldron of contradictory capitalist, imperialistic and nationalistic aspirations. "Peace" is no longer secured by the "balance of terror", exercised by the great atomic powers. Independence has proved to be no solution for the permanent crisis conditions of newly-formed national states. But national aspirations can assert themselves only through separate rivalries of the great imperialist powers, just as these powers exercise their foreign policy options via the various national rivalries. Any small-scale war has thus the potentiality of issuing into a new world war. The explosive situations in India, the Middle East, Indochina, and elsewhere, involve issues at once nationalistic and imperialistic, affecting in one measure or another the economic interests of all nations. To avoid a new world conflagration, and yet to safeguard and expand the nationally-organized capitals and their profitability, brings about a feverish diplomatic activity in search for favorable political-military combinations which form one aspect of capitalist competition.

The recent deliberations in Peking and Moscow revealed clearly that wars of national liberation can be waged only within the framework of overriding big-power interests, in which the latter are the decisive elements. For example, the situation in Indochina is what it is because neither Russia nor China has been willing to risk a world war to drive the Americans out of Southeast Asia, just as they were equally unwilling to allow the United States to become the unchallenged power in the Pacific. Although it is asserted that nothing but the wish to pacify the world accounts for the various diplomatic moves of the imperialistic powers, this general desire does not affect the actual national or imperialist interests, and the economic pressures at their base, which turn the "search for peace" into so many preparatory steps toward a new world war.

A Chinese-American rapprochement has nothing to offer the Russians except the possibility of undoing such a strange alliance by way of accommodation with the Americans at the expense of Russian ambitions, not only in the Pacific but on a global scale. With this overture to China, the American administration finds itself in a position to exploit the frictions between Russia and China for its own imperialistic ends, even though each of these powers remains, by virtue of its different social structures and economic systems, in opposition to the United States. However, both the Stalin-Hitler pact and Russia's alliance with the anti-fascist powers during the second world war show that different socio-economic systems may unite for a specific common goal without, therefore, losing their basic incompatibility. As with all other nations, it is the overriding need to secure and aggrandize the national state in the imperialistic environment which determines Chinese foreign policies. If at one time this required an anti-American attitude, at another time it may well lead to an alliance with the former enemy.

Because capitalism and nationalism cannot cease being imperialistic, it is their prolongation, in no matter what modified form, which raises the specter of new wars, even in the various attempts to avoid a new holocaust. Since the "uneven development" of the great powers is the cause and effect of the concentration and centralization process of capital accumulation, as well as the basis of imperialism, its detrimental effects upon

the peace of the world could only be removed through the abolition of both capitalism and nationalism. And though this pressing need expresses itself in a continued integration of the world economy, this integration itself appears in the form of an intensified imperialism. As matters stand at present, the probability of avoiding new imperialistic wars, either as national liberation struggles under the tutelage of one or another of the competing imperialist powers, or as the outcome of a newly-arising economic world crisis involving the imperialist powers themselves, is rather low. To avoid the threatened destruction of the world requires the emergence of anti-capitalist movements in the advanced imperialist nations and their success in restructuring the world economy in accordance with the real needs of their populations through the transformation of their own societies.

Bertrand Russell Centenary Symposium

Spheres of Influence in the Age of Imperialism

Linz, Austria, September 11—15, 1972

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(3)

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ECOSOC RESOLUTION 1721(LIII)

THE IMPACT OF MULTINATIONAL CORPORATIONS
ON THE DEVELOPMENT PROCESS AND ON INTERNATIONAL RELATIONS

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



E/RES/1721 (LIII)
14 August 1972

Fifty-third session
Agenda item 2

RESOLUTION ADOPTED BY THE ECONOMIC AND SOCIAL COUNCIL

1721 (LIII). The impact of multinational corporations on the development process and on international relations

The Economic and Social Council,

Recalling that, according to the Charter of the United Nations, the creation of conditions of stability and well-being is necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples,

Recognizing the growing interdependence of economic and social development in the various parts of the world,

Aware that economic and social conditions are continually undergoing changes which require regular scrutiny to ensure unimpeded and equitable progress towards the attainment of an integrated world economy within the framework of the International Development Strategy for the Second United Nations Development Decade,

Taking note of the statement in the World Economic Survey, 1971 which says, with reference to the multinational corporations, that "while these corporations are frequently effective agents for the transfer of technology as well as capital to developing countries, their role is sometimes viewed with awe, since their size and power may surpass the host country's entire economy. The international community has yet to formulate a positive policy and establish effective machinery for dealing with the issues raised by the activities of these corporations" (see E/5144, ^{1/} p.10),

^{1/} United Nations publication, Sales No.: E.72.II.C.2.

Noting also the resolution adopted at the fifty-sixth session of the International Labour Conference, concerning the social consequences of the activities of multinational corporations^{1/} and the convening by the Governing Body of the International Labour Organisation of a meeting concerning the relationship between multinational undertakings and social policy.

Noting further that, in resolution 73 (III) on restrictive business practices adopted at the third session of the United Nations Conference on Trade and Development, considering the possible adverse impact of restrictive business practices, including among others those resulting from the increased activities of multinational enterprises, on the trade and development of developing countries, the Conference decided that an Ad hoc Group of Experts on Restrictive Business Practices' should be set up to make a further study of restrictive business practices followed by enterprises and corporations which have already been identified and which are adversely affecting the trade and development of the developing countries, including among others such practices which may stem from cartel activities, business restrictions practised by enterprises and multinational corporations, export prohibitions, agreements on market distribution and allocation, the tying of the supply of inputs including raw materials and components, restrictions specified in contracts for the transfer of technology, arbitrary transfer pricing between the parent company and its affiliates and monopoly practices,

1. Requests the Secretary-General, in consultation with Governments, to appoint from the public and private sectors and on a broad geographical basis a study group of eminent persons intimately acquainted with international economic, trade and social problems and related international relations, to study the role of multinational corporations and their impact on the process of development, especially that of the developing countries, and also their implications for international relations, to formulate conclusions which may possibly be used by Governments in making their sovereign decisions regarding national policy in this respect, and to submit recommendations for appropriate international action, the study group to consist of not less than 14 nor more than 20 persons;

^{1/} See International Labour Conference, Provisional Record No. 2, Fifty-sixth Session, Geneva, 27 May 1971.

2. Recommends that the study group appointed by the Secretary-General be informed of the conclusions of the Ad hoc Group of Experts on Restrictive Business Practices established by the United Nations Conference on Trade and Development at its third session, and the comments on them of the Trade and Development Board's Committee on Manufactures, so that, among the various aspects of the problem, the important one referred to the Ad hoc Group of Experts can be taken into account in the global study of multinational corporations envisaged in paragraph 1 above;

3. Recommends further that the study group take advantage of and take into account research being carried out in this field by other international organizations, particularly that of the Governing Body of the International Labour Organisation as a result of the resolution concerning the social consequences of the activities of multinational corporations adopted at the fifty-sixth session of the International Labour Conference;

4. Further requests the Secretary-General to submit the report of the study group, together with his own comments and recommendations, to the Economic and Social Council at its fifty-seventh session at the latest, and to inform the Council at its fifty-fifth session of the progress made in the implementation of the present resolution.

1836th plenary meeting,
28 July 1972.