

IMPERIALISM  
A CRITIQUE OF CUNLIFFE (IB 81).

Ellis

This document is a response to Cunliffe's reply to IB 49 on 'imperialism, the world economy and Permanent Revolution' by Kinnell.

There is of course no 'line' on the question from the majority or their supporters. I therefore can speak only for myself. I do believe it to be necessary, however to 'defend' Kinnell from the kind of arguments put forward in Cunliffe's document. I recognise, and I'm sure Kinnell recognises, gaps, weaknesses etc in IB 49. But it is I think, an important starting point for the discussion that we need to have on the nature of contemporary imperialism. Cunliffe's response to it is a dangerous step backwards.

Marxism, the theory of imperialism, and political debate.

Rosa Luxemburg was a great revolutionary thinker. She was also an important Marxist economist. She developed a theory of imperialism that was quite different to that of Lenin. To my knowledge, Lenin did not denounce her for it; and Bukharin's response to it was only published by the CPSU after her death. Despite her different position on imperialism, the Bolsheviks wanted her to be a part of the new International that they founded in 1919 - which she was, despite some misgivings. And this was despite the fact that she had a position on the national question which denied the right of nations to self-determination at a time when colonialism still existed on a major scale. Lenin thought she was wrong - and so do I. But it shows a different perspective on politics and on debate than that shown in IB81.

Her position on Imperialism was based on an argument (since I believe proved convincingly to be wrong) that there was an massive contradiction in Marx's analysis of capitalism - and as such it is probably one of the most 'revisionist' theories ever produced by a major Marxist thinker.

Look at the spirit of Luxemburg's approach to theory and you see something quite different to the dogmatism of IB81. For example, she says :

'Marxism is not a dozen people who ascribe the right to 'expert knowledge' to each other and before whom the mass of faithful Moslems must prostrate themselves in blind trust.

Marxism is a revolutionary world outlook which must always strive for new discoveries, which completely despises rigidity in once-valid theses, and whose living force is best preserved in the intellectual clash of self criticism and the rough and tumble of history.'

(ANTI Critique, MRP 1972 p150).

Arguing against her critics on the specific issues in question, she writes:

'And despite all this the official 'experts' of Marxism explain that there is no problem of accumulation, that everything has been solved once and for all by Marx... And now that the situation has been pointed out to them they find this very

stangeness quite in order. They cling doggedly to this idea and violently attack anyone who thinks he sees a problem where official Marxism has been nothing but self-satisfied for decades',

(p64).

This is the genuine spirit of Marxism - as a critical, and self critical scientific theory. The spirit of IB81, as of so much produced in debates on this question, is the spirit of those like Kautsky and Bauer that Luxemburg was arguing against.

Of course that does not prove that what I am about to say is right: but it should serve as a warning to the dogmatists, the 'anti-revisionists' in our ranks.

## LENIN AND IMPERIALISM

Cunliffe attempts to show that Kinnell (IB 49) has put forward a completely inadequate assessment of the world economy and imperialism today. He attacks, first of all, the 'method' of IB49, describing it as 'empiricist', full of omissions, dishonest etc. And he attempts to show that by this false method Kinnell falsifies Lenin's theory of imperialism, which, Cunliffe argues, is still (almost completely) relevant today. But what of Cunliffe's method?

Cunliffe's method is to state the basic points of Lenin's position, compare it to contemporary reality, conclude that little has changed, and so deride Kinnell's tentative alternative view. What he does not do is address himself to Lenin's theory. And so he presents it as if it were merely a series of observations about the world.

A theory is not that. Any bourgeois economist can observe the growth of monopolies or list statistics about capital exports. A theory explains these things, examines their interconnexions, situates a phenomenon within a coherent theoretical whole. A 'defence' of Lenin's theory would need to defend its whole theoretical structure, not simply focus on some of its observations. It would also need to address itself to the purpose of Lenin's theory. Cunliffe fails to do either.

First of all, it is important to put Lenin's work in its historical context, politically and intellectually. 'Imperialism - the Highest Stage of Capitalism', written in 1916, is subtitled 'A Popular Outline'. It is a polemical pamphlet with an explicit political purpose.

Theoretically, it is not particularly original. It owes a great deal to Bukharin, and to an extent via him to Hilferding, and to the liberal economist Hobson. Bukharin seems to have been the major influence. Lenin's introduction to Bukharin's 'Imperialism and World Economy' - which is much more theoretically weighty - does not claim to dissent from any of its propositions. The elements Lenin got from Hobson are, I think, weaknesses as compared to Bukharin's position.

Lenin's 'Imperialism' is an outline of general theoretical conclusions reached by Bukharin, with a few additions. It is not really a work of theory. To treat as the work of theory on the subject is therefore a bit peculiar.

It has two main political objectives. First, it is a critique of Kautsky's theory of 'ultra-imperialism' and an attempt to explain the basis for the policy of revolutionary defeatism. Second, it is an attempt to explain why the Second International collapsed in 1914.

The central point that Lenin makes against Kautsky is that the latter is wrong to believe that capitalist expansion can be peaceful. Violence - militarism, conquest and war - are, Lenin argues, the inevitable and logical consequence of the nature of the capitalist mode of production: they are not incidental features.

'Kautsky detaches the politics of imperialism from its economics, speaks of annexations as being a policy 'preferred' by finance capital, and opposes it to another bourgeois policy, which, he alleges, is possible on this very same basis of finance capital. It follows, then, that monopolies in economics are compatible with non-monopolistic, non-violent, non-annexationist methods in politics.' ('Imperialism' Peking 1973 p110).

Cunliffe uses this quote against Kinnell - alleging that Kinnell 'separates the politics from the economics' of imperialism, and so belittles 'the continuing exploitation of the colonial masses by the imperialist bourgeoisie' (p6). But Lenin's point against Kautsky was not simply that such exploitation exists (who denies that? Kinnell doesn't), but that it is necessarily backed up by violence. The separation of politics from economics to which Lenin refers was the insistence by Kautsky that politics - an imperialist foreign policy - was not the necessary consequence of economics - capitalist expansionism.

For Lenin, as for the bulk of his contemporaries, it was this militarism conquest and war that constituted imperialism. He argued that capitalism's tendency towards such violence had qualitatively increased for a number of reasons; his theory of imperialism is an attempt to explain this development.

Giovanni Arrighi has commented that

" 'at the bottom of Lenin's discourse... even when he was speaking of monopoly of finance capital... lay the constancy of the tendency to war between rival capitalist countries... This reference must have seemed to him to be evident and commonplace to call for explicit treatment' ". (Arrighi, 'The Geometry of Imperialism' p14)

Nobody is disputing that this tendency to war, militarism, and violence to enforce overseas interests is as central to imperialism now as it was in Lenin's day. Nobody is disputing that these phenomena result from the dynamics of capitalism. What is in dispute is the adequacy of Lenin's explanation of these phenomena.

### The labour aristocracy

The second major point to Lenin's theory is an explanation of the material basis of social chauvinism. This is the theory of the 'labour aristocracy', according to which imperialism buys off a section of the working class with the super profits it makes in the colonies and semi colonies.

Cunliffe has not as yet addressed himself to this side of the question at all, although it is central to Lenin's theory. According to his method, Cunliffe will no doubt argue that there is still a labour aristocracy, so Lenin was right. But it is not so simple a question.

There are a number of objections to Lenin's theory of the labour aristocracy:

1) Monopoly capital is more powerful than its predecessors, has closer links with an enlarged state, etc. There is no necessary reason why it should buy off its workers: it might be in a better position to force down their living standards.

2) It is not clear how we could know if the money used to buy off a section of workers, if this indeed takes place, should necessarily be derived from colonial super profits.

3) In reality high wages are quite compatible with an increased rate of exploitation - are indeed dependent upon it - because they arise from increases in productivity. Capital's global operations of course in part account for such increases (an increased organic composition of capital at an international level) but they are only part of an explanation of it. It is not only the export of capital - or specifically the export of capital to colonies that accounts for it. The historical process whereby the forces of production are developed in the advanced capitalist countries is far more complex.

Lenin's position is also in my opinion logically contradictory, since as we shall see, he elsewhere argues that the export of capital results from a surplus, which in turn is caused by the impoverishment of the masses. You can't really have it both ways - unless the 'labour aristocracy' is extremely small.

But in that case, what is it? How do measure it? Who is a labour aristocrat? Is it just the labour bureaucracy? In what sense - except indirectly - are labour bureaucrats paid by monopoly capital? What about well paid workers in general? Are they an objectively pro imperialist class enemy?

Throughout the post war boom, Trotskyists quite rightly sought to defend the idea that the working class in imperialist countries was still a revolutionary force, against an assorted array of third worldists. The theory of the labour aristocracy is a boon to the third worldists. The one Trotskyist group who have rigidly adhered to it - the RCG - have now, quite logically, ended up as Maoists.

Someone claiming to be defending Lenin's theory in all its aspects cannot honestly remain silent on a central feature of it which is so clearly ridden with contradictions and holes. So far, Cunliffe is silent on it.

\*monopoly capital;

#### Lenin's five points

Cunliffe lists Lenin's five basic defining characteristics of imperialism as a stage in capitalist development. These are; \* the merging of banking and industrial capital into 'finance' capital; the increased importance of the export of capital; the formation of international cartels and trusts; and the territorial division of the world between the 'great powers'. Cunliffe goes on that

'With the exception of (the last point) which relates specifically to colonialism and has clearly been transformed by subsequent developments, what is striking about Lenin's definition is not how antiquated but how modern it sounds nearly 70 years later'. (p5)

Cunliffe's 'defence' of Lenin is completely banal. He complains for example that Kinnell says little about monopolies, but monopolies are an important feature of the world today. As he puts it, 'Monopoly is very much alive and kicking the world's working classes'. But to point to the continuing existence of monopolies is hardly a defence of Lenin in particular: Baran and Sweezy, with a quite different theory of imperialism to Lenin's, see monopoly as central. It depends what you see the Effects of monopoly to be.

Similarly, Cunliffe adds that

'...the 'export of capital' may pose some of the problems of theoretical explanation that Kinnell raises... but its existence... is beyond question' (p5).

But it is precisely the explanation that is at issue. I would make a number of theoretical objections to Lenin's theory.

1) The relationship between the development of 'international monopolist combines which divide the world amongst themselves' and 'the territorial division of the world among the biggest capitalist powers' is not spelt out. The nature of the relationship between the internationalisation of capital and the imperialist nation state is a very big theoretical question, and it would be facile to be over-critical of Lenin for not answering it; but it is equally facile to ignore it.

2) As Kinnell points out, the explanation Lenin gives for the export of capital is dubious. Lenin says that

'The necessity for exporting capital arises from the fact that in a few countries capitalism has become 'overripe' and (owing to the backward stage of agriculture and the impoverished state of the masses) capital cannot find a field for 'profitable' investment' (Lenin, pp73-74)

In the first place, even these were an adequate explanation in Lenin day, they do not still apply - and certainly did not during the post war boom. But the argument is implicitly underconsumptionist. Marxist theory does not explain crisis as resulting from a lack of buying power, but rather explains how such a situation arises through a theory of overproduction. Lenin's argument implies a non Marxist theory of crisis.

But in any case, the bulk of capital exports have been historically to other imperialist countries : it is therefore logically impossible for such export to be caused by a capital surplus. If a capitalist cannot invest in his/her own country because of a 'glut' of capital s/he cannot then invest in another country with a similar glut. It seems more likely that investment overseas, as at home, is motivated by profitability, irrespective of the existence of a surplus.

3) It is not adequate to acknowledge (as Cunliffe does, p5) that Lenin may have been a little overenthusiastic in his assessment of the fusion of banking and industrial capital into finance capital. As Kinnell notes, Lenin gives credence to the idea that the imperialist countries could be transformed into non productive 'rentier states'. This had not happened in 1916, and it has not happened since - as does who point to the concentration of manufacturing industry, should know.

in advanced countries

### The importance of Lenin's theory

So what does this leave us with? It undoubtedly leaves us with a theory that has too many weaknesses to be regarded as the basic text on the question of imperialism - which it was never intended to be. It therefore leaves us with a dire need to develop the theory of imperialism.

It nevertheless leaves us with a few vital starting points and some important insights. The insistence that capitalist expansion is necessarily violent; the insistence that it is necessarily competitive, hence holds the potential of war; the importance of monopoly capital (the concentration and centralisation of capital on an international level); all of these things are important, valid, and useful. Uncritical dogmatism is not.

### THE NATIONAL QUESTION

The issue which is being debated - and which was of some importance to the dispute on the South Atlantic war - is an assessment of the significance of the achievement of 'formal' - ie political - independence by many third world countries. Much of the substance to Cunliffe's document revolves around this issue.

Cunliffe argues that it is of little significance. Kinnell argues it is of major significance and constitutes a bourgeois revolution for much of the third world. Kinnell argues - and I agree absolutely - that a demand for 'national independence' in such a situation can only mean autarchy (socialism - or more likely state capitalism in one country except on a pigmy scale.) Its content - which Kinnell

calls 'isolationism' is thus reactionary. And it flows from a view of the world as divided into two 'camps'. It therefore sacrifices the political independence of the working class for a bourgeois or petty bourgeois project.

### Politics and programme.

Of least consequence of Cunliffe's objections - because it is ridiculous - is his claim that Kinnell's position has no programmatic conclusions. Was there no issue of programme in the debate on the south Atlantic war?

I would have thought that the notion that we are opposed to the slogan of 'economic independence' was pretty self evidently programmatic in content. So is Kinnell's section on the theory of permanent revolution. But it is true that much of IB49 is negative - what a working class programme should not be. Such a clearing of the ground is not without justification in itself, and is not without precedent in the history of Marxism. But it does have important positive conclusions - as the debate on the war showed.

Cunliffe claims that Kinnell calls into question the issue of the rescheduling of foreign debts. The issue here is in what way we put this demand forward. Is it the mean foreign capitalists we oppose, or the bourgeois austerity measures that tend to accompany loan renegotiations or debt rescheduling?

Cunliffe questions whether or not we would be in favour of a workers' government cancelling its foreign debt. I certainly would. But Cunliffe goes on to say that Kinnell 'does nothing to explain how repudiation of foreign debts by a workers' government would not be equally isolationist' (p4).

Consider import controls. We are opposed to them. But we would call for a workers' government to establish a state monopoly of foreign trade (control imports and exports) - because we judge such actions by the class nature of the state. There is no contradiction. Nor is there in the case of foreign debts.

Politically the drift of Kinnell's document is that we must be resolutely opposed to third world nationalism. It is a serious and important argument. And I think we should adopt it.

### The nature of economic domination.

#### 1) Industrialisation in LDCs.

Cunliffe disputes Kinnell's argument that the 'gap' between the ACCs and some LDCs is closing. He disputes it on the grounds that much of the capital invested is foreign - a point to which I return.

He elsewhere commends Lenin for recognising that this might happen, which rather confuses the issue. But he does not seem to see why it is so important. If industrialisation is taking place on a fairly significant scale in some LDCs, this has immense consequences for us. It means that a significant section of society is being proletarianised. Though not automatically, this increases the possibilities of a working class seizure of power. With an increase in the international operation of capitalist production, this also, if only potentially, increases the basis for working class internationalism.

The 'gap' is measured in a number of ways - not altogether satisfactorily, but we have to base our analysis on such statistics as presently exist or we cannot say anything. If measured in terms of the proportions of GNP or GDP devoted to industry as against agriculture; the percentage of the population working in different spheres; the level of capitalist development in agriculture etc there is no doubt that countries such as Chile - or Argentina - have

of the proportions of GNP or GDP devoted to industry as against a agriculture; the percentage of the population working in different spheres; the level of capitalist development of agriculture etc, there is no doubt that countries like Chile - or Argentina - have far more in common with Portugal or Greece than they do with Bangladesh. I cannot see why this is of so little interest.

Cunliffe leaves out of his account the significant role that the local state has played in post war developments. In Egypt, for example, the LDC about which I know most, the vast bulk of manufacturing industry is in the hands of the local state and this includes some of the most important plants which the state itself established. Often also, multinational cos. set up plant by mobilising local capital - it is simply not true to imply that everything is owned by the imperialists. And all of this is extremely important.

And finally, Cunliffe says that it is wrong to compare different historical periods. This is true. But when many people living in imperialist countries seem to think that people in LDCs are barely out of mud huts, it does not seem <sup>not</sup> unreasonable to me to point out that material conditions in many LDCs is drastically different from Europe fairly recently. When I was living in Egypt, I was once asked by a friend if I thought that industry would ever come to the country. We had just passed one of the largest steel plants in Africa on the train.

## 2) The significance of foreign capital

Cunliffe complains that Kinnell

'... fails to show the link between Brazil's newly increased steel output and the direct investment of multinational manufacturers'

and he wants to know

'who owns the manufacturing concerns, who profits from the exports and the deformations that these developments have brought about in countries such as Brazil'.

For Cunliffe therefore it is clear that the foreign origin of capital is a decisive question in and of itself. The fact that capital is foreign negates any other statement that might be made about capitalist development in LDCs.

I agree that the foreign origin of capital is important, and has important results - in a certain sense. It is important to recognise the effects that an increase in direct investment (as opposed to loans) have on the international economy. It is important to examine the effects of an increase in private bank lending. These things tell us a lot about the nature of contemporary imperialism, the relationship between capital and the state, the nature of the current crisis and the distribution of power within the capitalist class internationally.

What is of primary significance in the foreignness of capital is not its national origin. There is absolutely no reason to believe that local capital would operate any differently - if it could. The difference lies in one particular feature - its size. Being, for the most part bigger, imperialist capital has a range of options that most third world capitalists do not have.

It also means, of course, which is vital, that foreign, eg multinational capital will have a more powerful, imperialist state to act as its political guarantor of last resort - emphasising the extent to which a revolutionary struggle in an LDC will have to challenge imperialist power.



The fact that capital is international is very important - it is the material basis for our internationalism. But to say that the international quality of capital is important is one thing: to say that it is its foreignness is something else completely. In the context of a third world working class struggle - aside from its analytical irrelevance - its only consequence can be to play directly into the hands of the bourgeois nationalists who want not to overthrow imperialism, but to improve their place in the pecking order.

The impoverishment of the world's masses arises from the uneven development of capitalism, not from the fact that foreign capitalists are qualitatively more horrible than national ones.

Notions of a 'deformed economy' fall into the same trap. It implies that capitalism is 'normally' an egalitarian system - and consequently shifts the blame from the System itself onto a demonologically conceived foreign enemy.

Also, it is not unreasonable to ask why if foreign capital in itself has such bad effects, the export of capital to other imperialist countries does not have the same effects.

### 3) International finance and debt.

I agree with Cunliffe that Kinnell's section on debt needs to be expanded. I agree that the IMF and the IBRD have played a vital part in the structures of post war imperialism. I do not agree that the role that they have played constitutes a form of national oppression, or negates the significance of political independence.

I will only make a few brief points here.

i) The demands that international financial institutions make on LDCs always - to my knowledge - accord with the logic of capitalism rather than willfully take away national rights - eg they demand deflation and austerity measures to reduce inflation. The prime victims are the masses. The local bourgeoisie may lose out too - but my heart does not exactly bleed.

Of course if a state - even a capitalist one - cancelled its debt and was threatened with retaliation, that would change the issue: a threat to national rights would be in question.

ii) The recent debt explosion only really makes sense if you accept that the state in the countries affected has a high degree of autonomy from imperialism. Lending on the scale that it took place in the 1970s was unknown in Lenin's day. It took place because the state in countries like Mexico was borrowing as an independent competitor on the financial market. If all the projects being financed were simply foreign, the state would not have had to borrow in this way. (Unless I suppose you think that the imperialists forced or conned them into it).

iii) The notion of 'creditor' and 'debtor' nations that Cunliffe puts forward is too crude. How do you rank Saudi Arabia?

iv) - which relates to point ii) - the 'debtor' countries are also the most developed LDCs. It is a byproduct of the process of capital accumulation that capitalists will borrow: it is therefore a symptom of an acceleration of capitalist development in those countries.

#### 4) Political control.

Imperialism of course does exercise pressure on its third world allies. But one of the consequences of decolonisation was that the imperialist states had to establish alliances with classes or sections of them to a much greater extent than had existed hitherto<sup>1</sup>. This does not of course mean that imperialism does not also intervene directly.

But it means that there are important qualifications to imperialism's ability to intervene directly, depending on the extent to which it can consolidate alliances with internal class forces.

The example of Chile that Cunliffe mentions is a case in point. Cunliffe says that imperialism is able to 'impose political decisions on 'independent' regimes, and even force through changes in regimes (as in Chile)' (p4). Whilst it is of course true that the US played an important role in the downfall of Allende, the decisive drive towards the coup came from the Chilean ruling class and the Chilean army.

Imperialism cannot simply force third world regimes to do things. Independent bourgeois regimes have acted (in a limited way, and concurrently against the interests of the working class) against their bigger competitors in the shape of imperialist capital - witness Nasser in Egypt. The reopening of Egypt to foreign capital in the 1970s was not simply forced upon them, but arose from the coincidence of internal and external factors.

#### CONCLUDING REMARKS

##### Lenin on dependency

Cunliffe quotes Lenin :

' ( There are) diverse forms of dependent countries which, officially, are politically independent, but in fact are enmeshed in the net of financial and diplomatic dependence'.

I have three objections to Cunliffe's use of this Quotation

- 1) The term 'dependence' has come to be associated with a whole theoretical approach developed after WW2, which has seeped into the frame of reference of the Trotskyist movement. Lenin's meaning was much more limited.
- 2) It is quite likely that Lenin would have believed, in 1916, that the 'official' independence of such countries was temporary and liable to be taken away by a conquering imperialism. Non colonial imperialism seemed at the time to be the exception rather than the rule.
- 3) We cannot base our assessment of a different historical period on a few isolated references in Lenin's work. We have to concretely and soberly make an independent judgement.

##### Soviet imperialism

Cunliffe argues that it is wrong to believe that the USSR is 'imperialist' even in the most minimal, common sense meaning of the word. He argues that Trotsky's comment on the USSR's 'tendency to expand its power, its prestige, its revenues' is only intended as an explanation of the invasion of Poland. Normally, The Soviet bureaucracy seeks to collaborate with imperialism.

I have two points.

Generally, I agree, the USSR attempts to establish a modus vivendi with imperialism. However, sometimes - especially in the third world - it does not. Take the example of Angola. Take the example of Afghanistan for that matter. Why does the Soviet bureaucracy act in this way? It seems to me that it does so in its own interests - to expand 'its power, its prestige and its revenues', and it has acted in such a way on many occasions since world war two.

Second, I cannot see how a tendency towards something can only explain one event.

### Arrogance

Cunliffe charges Kinnell with arrogance towards the masses of the third world. He claims that Kinnell holds that 'imperialism has changed to the extent that 'oppressed' and 'oppressor' are no longer valid categories'.

Of course some people are oppressed and others are oppressors. But these are not now nor have they ever been adequate categories for Marxists. There is a difference between the oppression of slaves, serfs and workers. This is really ABC stuff.

What Kinnell actually says is that it is false to divide all countries in the world into two categories - oppressed and oppressor - and then draw automatic conclusions politically. Nobody disputes that imperialism does horrible things to the masses of the third world. Kinnell actually outlines the details of the inequalities of the world economy at the beginning of IB49, if you bother to read it.

There is a lot I have not said in this document, and the second part of it is shorter than I would have liked for reasons of time. It is to be hoped that we can in the future get on with the work of analysing the realities of imperialism today and put this kind of discussion behind us.

