

Lenin on Imperialism

[These are two chapters from a longer work that I may never get around to finishing. The idea was to first sum up Lenin's views on imperialism in light of the additional evidence and experience since his day, as a prelude to a discussion of "globalization" and other topics. These two chapters were first written around 2001, and expanded slightly up through 2007. –S.H.]

1. Lenin on Imperialism as a New Stage of Capitalism

As all of us (in my intended audience) are painfully aware, this is still the imperialist era. So the first thing we have to be able to do is to correctly conceptualize the basic points about imperialism. This is necessary for many reasons, including so that we can later come to terms with the contemporary notion of "globalization".

The best place to start in discussing imperialism is still Lenin's 1916 pamphlet, "Imperialism, the Highest Stage of Capitalism". We should not just assume, however, that whatever Lenin said back then must necessarily be correct; that is not the scientific approach to Marxism. Instead, let's look at how Lenin characterized or defined imperialism, and see if we can agree with what he said in light of our nearly a century of additional experience with the monstrous beast.

Lenin argued that modern imperialism (or *capitalist imperialism*) constitutes a new stage in the history of capitalism. The first stage, he said, was the competitive form of capitalism characterized by relatively small-scale enterprises, few of which dominated their market. This is the form of capitalism that mostly existed in Marx's day, and which Marx analyzed in close detail. The newer stage of capitalism, however, the imperialist stage, is characterized by huge monopolistic or semi-monopolistic (oligopolistic) corporations. Lenin remarked that "If it were necessary to give the briefest possible definition of imperialism we should have to say that imperialism is the monopoly stage of capitalism."¹

However, the term "monopoly capitalism" can be misleading. The way it is used by Lenin and virtually all Marxists since his day does not require that there be *only one* giant automobile manufacturer that has a 100% monopoly in its markets, or *only one single* steel producer, and so forth. In fact, it would have been better if the term 'oligopolistic' had been available in Lenin's day for him to use instead of the term 'monopolistic' to describe this higher stage of capitalism.² But however it is expressed, the point is that there are *degrees* of monopolization, and Lenin wanted to emphasize that at the fundamental economic level what had most changed was that there was now *major aspects of monopoly* in this new stage of capitalism, whether or not the consolidation of companies had reached the point of there being a single survivor in each industry. That is, even if there still are several huge companies in each industry (along with some remaining inconsequential small ones, perhaps), they tend to collude and jointly control the market to their mutual benefit. This is something extremely important; it changes a lot of things about capitalism.

Lenin himself said (as we will discuss later) that *some* competition necessarily remains even under what he termed "monopoly capitalism". Since Lenin's day other writers (e.g., Paul Baran

and Paul Sweezy³) have more fully explored the aspects of genuine competition that still do exist between these oligopolistic corporations, and have pointed out that this competition tends to be restricted to secondary areas such as product styling and advertising, with only very weak competition in price and product quality, which more directly affect profits. While price fixing is officially illegal these days, the common approach is for the largest company in an industry to set the price level, and for the rest of the industry to then “coincidentally” match it.

But if this second stage of capitalism is characterized most centrally by the existence of major aspects of monopoly, and if it carries the name of “monopoly capitalism”, then why *also* give it the name “imperialism”? This is a question that has puzzled lots of people, including me when I was first learning about capitalist imperialism more than 40 years ago. The brief answer is that the characteristic political expression of this second stage of capitalism comes in the form of *imperialism*, and in fact imperialism characterizes modern capitalism as much as monopoly does.

However, many people are still troubled by the fact that traditional forms of imperialism existed during the pre-monopoly stage of capitalism, and even back in ancient times long before capitalism arose, with the Roman Empire for example. Since imperialism has been around so long, they don’t want to use this term as a name for the second stage of capitalism. Thus, the Marxist-influenced Third World theorist Samir Amin starts off a recent essay with the following paragraph:

Imperialism is not a stage, not even the highest stage, of capitalism: from the beginning, it is inherent in capitalism’s expansion. The imperialist conquest of the planet by the Europeans and their North American children was carried out in two phases and is perhaps entering a third.⁴

Amin goes on to describe the “first phase of this devastating enterprise” as the conquest of the Americas by European mercantilist powers and the second phase as “the colonial subjugation of Asia and Africa”. And today, he says, “we see the beginnings of a third wave of devastation of the world by imperialist expansion, encouraged by the collapse of the Soviet system and the regimes of populist nationalism in the Third World.”⁵

It is clear that Amin is using the word “imperialism” in the older, more traditional and more limited sense, of one country forcefully acquiring direct or indirect political and/or economic control over other countries or areas. He is unable to recognize that Lenin and his followers *are using the term differently*. We Marxist-Leninists seek not merely to describe the political surface of society, but to probe the material underpinnings and bring to light the economic factors and relationships which lead to those political circumstances. Lenin made the choice to use the term ‘imperialism’ not just to refer to certain political policies of aggression, conquest, and foreign control, but more importantly to refer to an *economic system that depends upon such “policies” for its very existence*. This is a profound new meaning for the term ‘imperialism’.

There is of course some truth to Amin’s assertion that (old-style) imperialism accompanied capitalism from the beginning. It is even true to say that imperialist policies were important to capitalism from the beginning, and grew to be of *ever-greater* importance to capitalism throughout the 18th and 19th centuries. But it is also important to recognize that there was a *qualitative change, or leap*, toward the end of the 19th century, when imperialist “policies” became not just “very important” to capitalism, but *central* to it—so central that they now characterize the very economic system. That is the quite valid point Lenin was trying to make.

2. Lenin's Five-Point Definition of Imperialism

However, Lenin went well beyond this fundamental proposition, that modern imperialism *is* “the monopoly stage of capitalism”.⁶ He gave a more elaborate 5-point definition of capitalist imperialism as follows:

And so, without forgetting the conditional and relative value of all definitions in general, which can never embrace all the concatenations of a phenomenon in its complete development, we must give a definition of imperialism that will include the following five of its basic features: 1) the concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life; 2) the merging of bank capital with industrial capital, and the creation, on the basis of this “finance capital,” of a financial oligarchy; 3) the export of capital as distinguished from the export of commodities acquires exceptional importance; 4) the formation of international monopolist capitalist combines which share the world among themselves, and 5) the territorial division of the whole world among the biggest capitalist powers is completed. Imperialism is capitalism in that stage of development in which the dominance of monopolies and finance capital has established itself; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun; in which the division of all territories of the globe among the biggest capitalist powers has been completed.⁷

What can we say about these five points? Have there been changes in imperialism since Lenin's day that might lead us to revise any of Lenin's points, or perhaps add others? It's amazing the resistance that some dogmatists put up to even *asking* questions like this! But we have decided to be scientific about such things. So we will ask questions, raise doubts, try to really think about what has changed and what the implications of those changes are, and if necessary, not shrink even from rejecting, revising or expanding various of Lenin's five points.

Point 1: Monopolies Play a Decisive Role in Economic Life

Note first that Lenin phrases this point about monopoly in a more cautious way than he did in his more concise definition of imperialism. Instead of simply saying that “imperialism is the monopoly stage of capitalism” he says here that at the imperialist stage “monopolies play a decisive role in economic life”. I think anyone who is at all knowledgeable about modern capitalist economies, and understanding how Lenin uses the term ‘monopoly’, would have to agree that this was not only true in Lenin's day, but is—if anything—even more certainly the case today.

It is true that there have been antitrust laws on the books in the major capitalist countries for more than a century. And in the U.S. the Standard Oil Trust was broken up in 1911 into 34 separate companies. But does this show that there is a lesser degree of monopoly in the oil industry now? Not at all. Firstly, even after Rockefeller's Trust was broken up into separate companies, these companies still colluded and engaged in price fixing, and the like. Many of the 34 companies were rather small and not central to the matter of industry price fixing, and this made it easier for the few big ones to collude, not only with each other, but also with the small number of other big oil companies around the world. For example, “In 1928 the heads of British Petroleum, Royal Dutch Shell, and Standard Oil met in the Scottish highlands and secretly agreed to limit production in the wake of the huge discoveries in the Middle East.”⁸

More to the central point, there are *today*, after more than a century of supposed antitrust regulation, a very small number of super-giant oil companies that completely dominate that industry worldwide. And the consolidations continue and have even been speeding up lately. Among the recent ones (1998-2001): Exxon merged with Mobil, Chevron with Texaco, BP with Amoco, Arco with both Conoco *and* Phillips, and in Europe, Total merged with PetroFina *and* Elf.

Even bourgeois economists recognize that antitrust legislation has been largely ineffective. In 1949 there was a symposium on the topic in the *American Economic Review*, and every participant agreed that antitrust legislation was a dismal failure. Thurman Arnold began his presentation by openly stating that “the antitrust laws have not been effective in the real world”, and Arthur Burns remarked that “there is very little doubt that we have failed to achieve a competitive system at all closely resembling that which was in the minds of the economists of the last century and which provided the background for the legislation”.⁹ And there has been no change for the better since then.

However, the situation is actually far worse than what these establishment economists admit. Far from being an opponent of monopoly (though an “ineffective” one), governments in the imperialist era actually *promote* monopoly. The “antitrust” legislation on the books is at most a false cover for this real stance. As the radical economists E. K. Hunt and Howard Sherman summed it up, “the enforcement of antitrust laws and the actions of the numerous government regulatory commissions have consistently aided and abetted the achievement and maintenance of monopoly power”.¹⁰

As I suggested earlier, you could argue that the terms “semi-monopoly” or “a few oligopolistic corporations” might be more precisely correct than simply “monopoly”. But Lenin never claimed that just *one single* monopolistic company controlled each major branch of industry; that is not how he used the term ‘monopoly’. On the contrary he argued that even under a situation of growing monopolistic concentration, some competition could continue and even intensify in certain respects.¹¹ So I think we can say that Lenin’s first point about monopoly playing a decisive role in modern economic life is still quite correct, provided it is not interpreted too rigidly or dogmatically.

Of course one very relevant thing that has happened with regard to monopoly since Lenin’s death is the rise and fall of Soviet state monopoly capitalism (in the revisionist era, circa 1956-1991), which was much more monopolistic than even Western-style monopoly capitalism. This, in itself, was a very important development in the economic history of capitalist imperialism. (And one that *still* has not been adequately analyzed and summed up, in my opinion.)

My view is that one of the main underlying *economic* reasons for the collapse of Soviet-style state monopoly capitalism was just that all the problems that Lenin describes as being associated with monopoly—in particular, bureaucracy and the tendency towards stagnation—were *also* greatly intensified in such a system, as part of the general intensification of monopoly itself. In short they could not compete economically with the *somewhat* less monopolistic, and thus *somewhat* more efficient, Western monopoly capitalism.

One final thing to briefly mention here (and which will be discussed more thoroughly later), is the recent trend of capitalist “globalization”. The great expansion of international trade in the past few decades and the global capitalist market have so far actually led to a moderate *increase* in international economic competition. Japanese and Korea auto manufacturers, for example, are much more willing to compete with “Detroit” in the areas of quality and pricing than Ford and

GM have been willing to compete with each other in these areas. Thus the initial effect of this new globalization trend is toward somewhat less monopoly and somewhat more efficiency in world capitalist production. This may well be eventually reversed (as it was during the pre-World War I period of “globalization”) if the multinational corporations of the world become somewhat more chummy and form de facto international cartels. In any case, it is important to remember that this current situation of somewhat more international competition is still a very secondary effect compared to the overall international (but nation-based) oligopolistic organization of capital.

Point 2: Development of a Financial Oligarchy

The essence of Lenin’s second point about the development of a financial oligarchy also seems rather undeniable to me. The Rockefellers, for example, went from just dominating the oil industry to control of banks like Chase Manhattan,¹² and so forth. Some have disputed the validity of the term “finance capital”, but I see nothing wrong with it (as long as no one tries to mystify it or “reify” it).

However, it is sometimes implied that the development of finance capital was due mostly to the take-over of industry by the banks, which is by no means always true. In the Rockefeller case, for example, it was a family of industrial capitalists who took over some banks and shifted their own focus from industry to finance.

Moreover, there has not in general been an actual merger of banks with industrial corporations. Sometimes, in fact, big industrial corporations start their own independent financial operations (such as the finance arms of big auto companies like GM and Ford), and most big industrial corporations sell and buy “commercial paper”, which means in effect that they make loans to each other. In other words, we should not view the development of finance capital in too simplistic a fashion; there are *many* aspects to it and many mechanisms involved. The phrase “the merger of industrial and banking capital”, while correct in essence, should not be taken too literally. It is actually more like a major “interpenetration”, to various degrees, in a variety of ways, and differently in different countries, rather than a simple formal merger.

The concept of “finance capital” derives from Rudolf Hilferding’s influential 1910 book by that same name.¹³ This is one of the two main books that Lenin relied on in writing his pamphlet on imperialism (the other being the work on imperialism by the British radical-liberal, J. A. Hobson.) One of several problems with Hilferding’s book is that it generalized too much on the basis of how capitalist imperialism was developing in Europe, and particularly in Germany. And Lenin carried over aspects of this undue central focus on Germany into his own theory of imperialism.

In continental Europe, and especially in Germany, the big banks have often bought up (or otherwise acquired) controlling numbers of shares in industrial corporations. Thus finance capital in Germany has often taken the form of bank control of industry. However the laws in the U.S. and Britain make this more difficult. It is true, however, that through their management of pension funds, etc., which own corporate stock, banks often achieve great influence in the operation of industrial corporations even in these two countries. Nevertheless, finance capital in the U.S. and Britain does tend to be somewhat more informal than in continental Europe. Interlocking directorships of industrial and financial corporations, and other means such as exclusive social clubs, mean that all the biggest capitalists know each other well and have extensive agreements, arrangements and understandings with each other.

In Japan, South Korea, and other countries in Asia, finance capital takes yet another form. There again it is not so much banks which control industry, but rather there are huge conglomerates (zaibatsu and keiretsu¹⁴ in Japan, chaebol¹⁵ in South Korea) each of which have numerous industrial divisions and also banks. Something similar, but less formal and rigid has developed in Taiwan, and may now be developing in newly capitalist mainland China.

Point 3: The Export of Capital Acquires Pronounced Importance

The main aspect of Lenin's third point, about the export of capital becoming much more important has certainly been borne out as correct over the past century. In 1897 the U.S. had only \$700 million total investment abroad; by 1914 (just before World War I) this had jumped to \$5 billion—a growth of more than 600% in less than 17 years. This continued to expand rapidly (except during the Great Depression) to \$54.4 billion in 1950, and \$166.9 billion in 1970.¹⁶ By 1990 U.S. direct investment abroad had reached \$629 billion.¹⁷ And by the end of 2003 the U.S. “direct investment position” abroad reached \$1,788,911,000,000.00—that's more than 1.7 *trillion* dollars!¹⁸ Moreover, in the one year of 2004 this U.S. direct foreign investment *increased* by a further \$248 billion, bringing the total to nearly \$2 trillion!¹⁹

Of course the other imperialist countries also have huge investments abroad, although the United States is by far the biggest investor in other countries and owns as much abroad as do the next two largest investor countries, Britain and Germany combined.²⁰

There is, however, a point here which Lenin did not sufficiently stress, and this is that the degree of *control* of the economy of Third World countries by the imperialist countries far exceeds that which might seem to be the case by only looking at the foreign direct investment in these countries.

Moreover, there is one important new development since Lenin's time with regard to the production and distribution of commodities, and thus the direction of the flow of trade. In Lenin's day most commodities other than raw materials and agricultural products were produced in the advanced capitalist countries and exported to the rest of the world. Over the past 40 years, however, something very different has begun to develop—“run away shops”, corporations moving production to low-wage “Third World” countries, and exporting the commodities *back* to the advanced capitalist mother countries. While it is still true that most of the production by imperialist corporations in foreign lands is for the local market there, a rapidly growing amount of it in cheap-labor Third World countries is destined for the home market. If Lenin were writing today I think he would certainly point this out as a very important new feature of capitalist imperialism.

In a sense, this shifting of production to the Third World has been an outgrowth of the previous export of considerable amounts of capital to the “periphery” of the imperialist empires. (Most investment still goes not to the periphery, but to other advanced capitalist countries, however.) But despite this, and despite the obvious importance of material trade in both directions, the export of capital itself remains of tremendous importance to capitalist imperialism.

Point 4: The World is Being Divided Up Among International Trusts

Lenin's fourth point is currently rather dubious, however. This is the claim that the world is being divided up among international trusts or cartels. (This point also came from Hilferding, and was based on his undue generalization of both the situation in Germany and also of world economic events in that specific pre-World War I period.) The formal international "trusts" in many important industries that Lenin gives such notice to were indeed very important when he wrote his pamphlet on imperialism, but they were mostly destroyed by World War I and to some extent by anti-trust legislation in many countries. That legislation, and the general intensification of nationalism among the world's bourgeoisies in the first half of the 20th century, was much more effective at breaking up international cartels than it was in breaking up informal cartels among oligopolies *within* individual capitalist countries.

Today when we hear the word 'cartel' the thing that most readily pops to most people's mind is OPEC, the association of many of the world's important oil producing countries.²¹ However, OPEC was actually formed in 1960 in order to resist the predations of the real oil cartel, that is, the "Seven Sisters", the giant oil companies that then dominated the international oil market. Because of mergers, they are down to just "Four Sisters" now, which of course makes collusion even easier.²² It is therefore fair to say that at least in the oil industry there still does exist an international cartel—or perhaps two combating cartels, if you count OPEC as one also. But each of these two diminishes the other's effectiveness.

In any case, in most industries today, international cartels do not really exist. Of course there are always *some* attempts in that direction going on, but they are generally limited in scope, duration and effectiveness at the present time. (This may again change in the future.) As of 2006, for example, a fledgling secret international cartel among manufacturers of computer memory chips is being broken up.²³

It is true that we have many centrally important "multinational corporations" (MNC's) these days, which may seem to be the sort of thing that might support Lenin's thesis. (These are sometimes called Transnational Corporations (TNC's), which is actually a more appropriate name.) But the curious thing about these so-called multinational corporations is the fact that almost all of them are really controlled by the capitalist-imperialists of one or another single country. Thus we have U.S. MNC's, such as IBM, Microsoft or GM; Japanese MNC's such as Toyota and Sony; British MNC's such as BP; and so forth. All multinational corporations are multinational in their sphere of *operation*, but very few are "multinational" with respect to which bourgeoisie(s) *control* them. This is a very important distinction to keep in mind.

There are a few exceptions to this rule, the most prominent being Shell Oil which is owned jointly by British and Dutch capitalists. This strange beast even had *two* separate corporate boards of control until very recently—one in England and one in Holland! There are also some signs of a trend within Europe to Europeanize German, French, Italian, and other MNC's; I'll discuss that more when we get to the section on "globalization". But the fundamental situation is still that almost all MNC's remain under the control and protection of individual imperialist bourgeoisies and their individual countries.

Lenin himself did not believe that the international cartels which had suddenly become so important in his day could remain stable and fixed; on the contrary, he condemned such a notion on the part of Kautsky and others.²⁴ Lenin's quite valid theory of the uneven development of capitalism—including among the capitalist countries and also among the different capitalist

companies in specific industries—led him to expect that cartels, where they exist, will be unstable, and tend to collapse and reform on a new basis, again and again.

However, Lenin did believe that the international cartelization of industry was itself a central and permanent feature of capitalist imperialism, even if individual cartels might themselves collapse and reform. But the past century has proven that international cartelization is much *less* central and significant in the history of capitalist imperialism than Lenin's theory predicted. So we have to correct Lenin's theory on this point.

While a new round of international cartelization may yet arise as part of the development of this new period of globalization, *so far* this new intensified globalization has meant a somewhat heightened economic *competition* between the MNC's controlled by the different national bourgeoisies.

Point 5: The Territorial Division of the World is Completed

Lenin's fifth point, that the territorial division of the whole world among the biggest capitalist powers is completed, remains basically true. But there have been several very important new developments in this area.

First of all, since Lenin's 1916 pamphlet, the imperialists of the world have on three major occasions carved up the world anew. Firstly, after World War I (and this is what World War I was basically about); secondly after World War II (and this is what World War II was basically about); and thirdly, in the aftermath of the collapse of the Soviet social-imperialist empire during the 1989-91 period. Interimperialist contention between the Soviet revisionist imperialists (or "social-imperialists") and the U.S. imperialists did not lead to a world war—though it came uncomfortably close to doing so on several occasions. Instead, the Soviet revisionist leadership came to recognize that they were too weak to resort to war to save or extend their empire and had to acquiesce to the peaceful dismemberment of much of their own sphere of control.

Secondly, at least for the time being, one imperialist power—the U.S.—has emerged from the interimperialist battles of the 20th century as the top dog, the lone superpower. *All* other actual or would-be imperialist powers in the world must for now play the role of either a junior partner to U.S. imperialism, or else lay low for now and gradually try to build up economic and military strength for some future power contest (as Russia and China are doing—much more successfully so far in China's case).

Moreover, despite the great importance of the fact that there is at present only one single superpower, and that world capitalist-imperialism has been considerably deformed by this fact, this does not at all verify Kautsky's theory of ultra-imperialism, as we will see later on.

Thirdly, since Lenin's day, there has been a very great change in the outward control mechanisms of the oppressed countries on the part of the imperialist powers. I.e., nearly everywhere open colonialism has given way to a much more camouflaged neo-colonialism. This means that most individual "Third World" countries are no longer the exclusive preserve of one imperialist country which has the right to exclude other imperialist powers. Despite this, however, many poorer parts of the Third World are still to a large degree controlled economically by the former open colonial power. This is the role that France plays in many of its former colonies in sub-Saharan Africa, for example.

This switchover from open colonialism to neo-colonialism happened for one primary reason and one main secondary reason. The primary reason was the tremendous uprisings of oppressed people's in the Third World against open colonialism. The world's peoples just would not stand for traditional colonialism any more. The secondary reason is that the United States—which was at the same time developing as a superpower and lacking a huge colonial empire itself—for its own ideological reasons preferred a more hidden form of exploitation and control of other countries and would no longer accept the exclusive political and economic control of large parts of the world by its weakened European competitors. The U.S. found it better to pretend to be in favor of “independence” and “democracy” in order to gain entrance into the former European colonies itself.

It is interesting that neo-colonialism was actually developed alongside open colonialism. During the 19th century the British began to extend their economic control over much of South America, but any desire to make additional areas of the Americas into open British colonies came up directly against the “Monroe Doctrine” and U.S. ambitions to control the New World for itself. Moreover, the Brits had to be careful to at least not get too much in the way of U.S. trade and economic activity, especially in Latin America. Later on, as U.S. imperialism became much stronger and British imperialism weakened, the U.S. more and more took over the British neo-colonial role, and intensified and perfected this new method of control.

Today neo-colonialism is the dominant and preferred method of control and exploitation of the Third World on the part of all imperialist countries. Generally this means that one imperialist power (most often the U.S.) takes principal “responsibility” for overseeing the neo-colony, and usually has at least some special privileges there. Other imperialist powers, however, are allowed a piece of the action, and the neo-colony is officially “independent”.

Summing Up Lenin's “Five Points”

It seems fair to say that most of what Lenin wrote about imperialism is still quite valid. At least four of his five defining points seem to have been confirmed by the history of the past century, and there is at least a germ of truth to the fifth point as well. It is true, however, that there have been some developments that Lenin did not foresee, or at least did not fully foresee and sufficiently emphasize. Among these are:

- 1) Full-scale international cartelization was not a permanent or necessary aspect of capitalist imperialism. Lenin was quite right in seeing the world under imperialism as being dominated by a fairly small number of truly giant corporations, however.
- 2) Neo-colonialism would eventually supersede open colonialism in most parts of the Third World.
- 3) While Lenin was right to criticize Kautsky's notion of “ultra-imperialism” it seems he did not sufficiently appreciate the possibility that at times there might be one top dog among the imperialist powers. This is a little strange given that Britain had for a while already played something close to this role in the latter part of the 19th century.
- 4) While Lenin of course viewed the state as an agency of the capitalists, and therefore the imperialist state as an agency of the imperialists which exists in order to carry out their interests, it seems he did not foresee the greatly expanded role the state would soon begin to play in managing the national economy. Nor did he foresee the development of international financial agencies (such as the IMF and World Bank) and the important role they would come to play.

However, Lenin did get all the most essential points right:

1) Capitalist imperialism signifies a qualitative drop in the level of competition and a qualitative increase in the direction of monopoly. (The domination of the world by a fairly small number of giant corporations is a corollary of this.) It therefore also signifies a qualitative increase in bureaucracy, parasitism, and moribund stagnation.

2) Capitalist imperialism, as its name suggests, signifies a qualitative increase in the importance of the domination and exploitation of other countries.

3) Because of his theory of “uneven development” under capitalism, Lenin correctly predicted that the imperialist era would be one of interimperialist contention and war, including world wars.

4) Lenin has also been largely proven correct in expecting the imperialist era to be a period of important social revolution (even if there are some relatively quiet periods between the revolutions).

With this historical and theoretical discussion of capitalist imperialism behind us, let us proceed to the current situation of capitalist imperialism in the world.

Notes

¹ V. I. Lenin, “Imperialism, the Highest Stage of Capitalism: A Popular Outline”, (Peking: FLP, 1975 (1916)), p. 105.

² The terms ‘oligopoly’ and ‘oligopolistic’ probably did not exist in Russian in Lenin’s day. These terms were also not being used in English in standard discussions of economics until well after Lenin’s death. The very first use of the term ‘oligopoly’, according to the *Oxford English Dictionary* was in a specialized context by J. H. Lupton in his book *Utopia of Thomas More* (1895). However the OED gives the next use of the term, and the first in a standard economics context, as being by E. H. Chamberlin in his 1933 book *Theory of Monopoly Competition*.

³ Paul Baran & Paul M. Sweezy, *Monopoly Capital*, (NY: Monthly Review Press, 1966).

⁴ Samir Amin, “Imperialism and Globalization”, *Monthly Review*, Vol. 53, #2, June 2001, p. 6. This article was reconstructed from the notes of a talk delivered at the World Social Forum in Porto Alegre, Brazil, in January 2001.

⁵ *Ibid.*, p. 9.

⁶ Lenin, “Imperialism...”, p. 105.

⁷ *Ibid.*, pp. 105-106.

⁸ *U.S. News & World Report*, Dec. 14, 1998, pp. 26-27.

⁹ “The Effectiveness of the Antitrust Laws”, by Thurman Arnold, et al., in *Monopoly Power and Economic Performance*, 3rd ed., edited by Edwin Mansfield (NY: W.W. Norton, 1974), pp. 144-151.

¹⁰ E. K. Hunt and Howard J. Sherman, *Economics: An Introduction to Traditional and Radical Views*, 4th ed., (NY: Harper & Row, 1981), pp. 329-330.

¹¹ Competition can intensify internationally, for example, even though national economies remain highly monopolistic. As Lenin noted, “Certainly, monopoly under capitalism can never completely, and for a very long period of time, eliminate competition in the world market...” [*Imperialism...*, p. 119.]

¹² Chase Manhattan is now merged into J. P. Morgan Chase, and as of 2004 is the second largest bank in the world, after Citigroup.

¹³ Hilferding, Rudolf, *Das Finanzkapital: Eine Studie über die jüngste Entwicklung des Kapitalismus*, (Vienna: 1910). English translation edited by Tom Bottomore, *Finance Capital: A Study of the Latest Phase of Capitalist Development*, (London: Routledge & Kegan Paul, 1981).

¹⁴ A zaibatsu is a Japanese group of large companies which is controlled by a family-owned holding company, such as Toyota. A keiretsu is an association of loosely related companies on the basis of having a common banker or supply network. Examples of keiretsu are Mitsui, Mitsubishi, and Sumitomo.

¹⁵ A chaebol is the South Korean equivalent of a Japanese zaibatsu. The chaebol dominate the South Korean economy to an even greater degree than the zaibatsu and keiretsu do the Japanese economy. Examples are Hyundai and Samsung.

¹⁶ U.S. Commerce Dept., *Historical Statistics of the United States: Colonial Times to 1970*, Part 2, (Washington, DC: 1975), “International Investment Position of the United States: 1843-1970”, Series U-26, pp. 868-9. The figures are for then current market prices.

¹⁷ U.S. Census Bureau, *Statistical Abstract of the United States: 2002*, 122nd ed., (Washington, DC: 2001), Table 1141, p. 719. The figures are on a “current-cost basis”.

¹⁸ James K. Jackson, “U.S. Direct Investment Abroad: Trends and Current Issues”, *Congressional Research Service Report for Congress*, April 29, 2005, Table 1, page CRS-3. Available on the “CRS Web” on the Internet. The figure is on a “historical-cost basis” (i.e., the cumulative “book value”).

¹⁹ *Ibid.*, p. CRS-1. Furthermore, these statistics actually understate the real extent of U.S. investment abroad. Government statisticians define direct investment abroad as the ownership or control, directly or indirectly of 10% or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise. Thus if a U.S. corporation buys only 9.9% of some big French corporation, that would *not* be included in the figures.

²⁰ *Ibid.*, p. CRS-2.

²¹ The original five members of OPEC in 1960 were Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela. Other countries joined later and it now has 11 members which together represent about 40% of world oil production, and about 2/3 of the world’s proven oil reserves. For a brief official history of OPEC see: <http://www.opec.org/aboutus/history/history.htm>

²² The original “Seven Sisters” were:

1. Standard Oil of New Jersey (Esso), which later became Exxon, and after the merger with Mobil became ExxonMobil.
2. Royal Dutch Shell (which is actually a joint British-Dutch corporation).
3. British Anglo-Persian Oil Company, which later became British Petroleum (BP). BP later acquired Amoco (which was originally called Standard Oil of Indiana).
4. Standard Oil of New York (Socony), which became Mobil, and later merged with Exxon.
5. Texaco, which later merged into Chevron.
6. Standard Oil of California (Socal), which became Chevron, and later absorbed Texaco and most of Gulf Oil.
7. Gulf Oil. Later was mostly absorbed into Chevron.

As of 2005 only four “Sisters” survived as independent companies: ExxonMobil, Chevron, Shell and BP. However, there was a sometimes mentioned “Eighth” Sister in Europe, that also survives (in merged form of course) as CFP-Total-Elf, so we could say that there are now “Five Sisters”, not Four.

²³ The U.S. Department of Justice reported that an American marketing executive, Thomas Quinn, of the U.S. branch of Samsung Electronics Company (a South Korean company) had pled guilty to being part of a global price fixing conspiracy and was being sentenced to a term in jail. (*ComputerWorld*, Oct. 2, 2006, p. 18.) Of course, for every one of these sorts of conspirators against the public who are nabbed dozens or maybe thousands are never stopped or punished. Still, occasional enforcement of price-fixing laws does at least keep would-be cartels somewhat in check.

²⁴ See for example Lenin's comments on Kautsky near the end of section V of "Imperialism..." as well as his later criticism of Kautsky's theory of "ultra-imperialism" (in section VII). I'll get into the issue of "ultra-imperialism" later in connection with the "globalization" issue.