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CH. I
APPROACHES

V. I. LENIN
FROM IMPERIALISM, THE HIGHEST STAGE OF CAPITALISM: A POPULAR OUTLINE

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Chapter V
The Division of the World among Capitalist Combines

Monopolist capitalist combines—cartels, syndicates, trusts—divide among themselves, first of all, the whole internal market of a country, and impose their control, more or less completely, upon the industry of that country. But under capitalism the home market is inevitably bound up with the foreign market. Capitalism long ago created a world market. As the export of capital increased, and as the foreign and colonial relations and the “spheres of influence” of the big monopolist combines expanded, things “naturally” gravitated towards an international agreement among these combines, and towards the formation of international cartels.

This is a new stage of world concentration of capital and production, incomparably higher than the preceding stages. Let us see how this super-monopoly develops.

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Chapter X
The Place of Imperialism in History

We have seen that the economic quintessence of imperialism is monopoly capitalism. This very fact determines its place in history, for monopoly that grew up on the basis of free competition, and precisely out of free competition, is the transition from the capitalist system to a higher social-economic order. We must take special note of the four principal forms of monopoly, or the four principal manifestations of monopoly capitalism, which are characteristic of the epoch under review.

Firstly, monopoly arose out of the concentration of production at a very advanced stage of development. This refers to the monopolist capitalist combines, cartels, syndicates and trusts. We have seen the important part that these play in modern economic life. At the beginning of the twentieth century, monopolies acquired complete supremacy in the advanced countries. And although the first steps towards the formation of the cartels were first taken by countries enjoying the protection of high tariffs (Germany, America), Great Britain, with her system of free trade, was not far behind in revealing the same basic phenomenon, namely, the birth of monopoly out of the concentration of production.

Secondly, monopolies have accelerated the capture of the most important sources of raw materials, especially for the coal and iron industries, which are the basic and most highly cartelised industries in capitalist society. The monopoly of the most important sources of raw materials has enormously increased the power of big capital, and has sharpened the antagonism between cartelised and non-cartelised industry.

Thirdly, monopoly has sprung from the banks. The banks have developed from modest intermediary enterprises into the monopolists of finance capital. Some three or five of the biggest banks in each country have hands of mil lions of ducats, those c ritories and the surrounding areas. When there was monopoly intense of the type...
each of the foremost capitalist countries have achieved the "personal union" of industrial and bank capital, and have concentrated in their hands the disposal of thousands upon thousands of millions which form the greater part of the capital and income of entire countries. A financial oligarchy, which throws a close net of relations of dependence over all the economic and political institutions of contemporary bourgeois society without exception—such is the most striking manifestation of this monopoly.

Fourthly, monopoly has grown out of colonial policy. To the numerous "old" motives of colonial policy, finance capital has added the struggle for the sources of raw materials, for the export of capital, for "spheres of influence," i.e., for spheres for profitable deals, concessions, monopolist profits and so on; in fine, for economic territory in general. When the colonies of the European powers in Africa, for instance, comprised only one-tenth of that territory (as was the case in 1876), colonial policy was able to develop by methods other than those of monopoly—by the "free grabbing" of territories, so to speak. But when nine-tenths of Africa had been seized (approximately by 1900), when the whole world had been divided up, there was inevitably ushered in a period of colonial monopoly and, consequently, a period of particularly intense struggle for the division and the redivision of the world.

The extent to which monopolist capital has intensified all the contradictions of capitalism is generally known. It is sufficient to mention the high cost of living and the oppression of the cartels. This intensification of contradictions constitutes the most powerful driving force of the transitional period of history, which began from the time of the definite victory of world finance capital.

Monopolies, oligarchy, the striving for domination instead of the striving for liberty, the exploitation of an increasing number of small or weak nations by an extremely small group of the richest or most powerful nations—all these have given birth to those distinctive characteristics of imperialism which compel us to define it as parasitic or decaying capitalism. More and more prominently there emerges, as one of the tendencies of imperialism, the creation of the "bond-holding" (rentier) state, the usurer state, in which the bourgeoisie lives on the proceeds of capital exports and by clipping coupons. It would be a mistake to believe that this tendency to decay precludes the possibility of the rapid growth of capitalism. It does not. In the epoch of imperialism, certain branches of industry, certain strata of the bourgeoisie and certain countries betray, to a more or less degree, one or other of these tendencies. On the whole, capitalism is growing far more rapidly than before. But this growth is not only becoming more and more uneven in general; its unevenness also manifests itself, in particular, in the decay of the countries which are richest in capital (such as England).

When free competition in Great Britain was at its zenith, i.e., between 1840 and 1860, the leading British bourgeois politicians were opposed to colonial policy and were of the opinion that the liberation of the colonies and their complete separation from Britain was inevitable and desirable. M. Beer, in an article, "Modern British Imperialism," published in 1898, shows that in 1852, Disraeli, a statesman generally inclined towards imperialism, declared: "The colonies are milestones round our necks." But at the end of the nineteenth century the heroes of the hour in England were Cecil Rhodes and Joseph Chamberlain, open advocates of imperialism, who applied the imperialist policy in the most cynical manner.

It is not without interest to observe that even at that time these leading British bourgeois politicians fully appreciated the connection between what might be called the purely economic and the politico-social roots of modern imperialism. Chamberlain advocated imperialism by calling it a "true, wise and economical policy," and he pointed particularly to the German, American and Belgian competition which Great Britain was encountering in the world market. Salvation lies in monopolies, said the capitalists as they formed cartels, syndicates and trusts. Salvation
lies in monopolies, echoed the political leaders of the bourgeoisie, hastening to appropriate the parts of the world not yet shared out. The journalist, Stead, relates the following remarks uttered by his close friend Cecil Rhodes, in 1895, regarding his imperialist ideas:

"I was in the East End of London yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for 'bread,' 'bread,' 'bread,' and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism.... My cherished idea is a solution for the social problem, i.e., in order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the goods produced by them in the factories and mines. The Empire, as I have always said, is a bread and butter question. If you want to avoid civil war, you must become imperialists."

This is what Cecil Rhodes, millionaire, king of finance, the man who was mainly responsible for the Boer War, said in 1895, **

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**. The unevenness in the rate of expansion of colonial possessions is very marked. If, for instance, we compare France, Germany and Japan, which do not differ very much in area and population, we will see that the first has annexed almost three times as much colonial territory as the other two combined. In regard to finance capital, also, France, at the beginning of the period we are considering, was perhaps several times richer than Germany and Japan put together. In addition to, and on the basis of, purely economic causes, geographical conditions and other factors also affect the dimensions of colonial possessions. However strong the process of levelling the world, of levelling the economic and living conditions in different countries, may have been in the past decades as a result of the pressure of large-scale industry, exchange and finance capital, great differences still remain; and among the six powers, we see, firstly, young capitalist powers (America, Germany, Japan) which progressed very rapidly; secondly, countries with an old capitalist development (France and Great Britain), which, of late, have made much slower progress than the previously mentioned countries, and, thirdly, a country (Russia) which is economically most backward, in which modern capitalist imperialism is enmeshed, so to speak, in a particularly close network of pre-capitalist relations.

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Colonial policy and imperialism existed before this latest stage of capitalism, and even before capitalism. Rome, founded on slavery, pursued a colonial policy and achieved imperialism. But "general" arguments about imperialism, which ignore, or put into the background the fundamental difference of social-economic systems, inevitably degenerate into absolutely empty banalities, or into grandiloquent comparisons like "Greater Rome and Greater Britain." Even the colonial policy of capitalism in its previous stages is essentially different from the colonial policy of finance capital.

The principal feature of modern capitalism is the domination of monopolist combines of the big capitalists. These monopolies are most firmly established when all the sources of raw materials are controlled by the one group. And we have seen with what zeal the international capitalist combines exert every effort to make it impossible for their rivals to compete with them; for example, by buying up mineral lands, oil fields, etc. Colonial possession alone gives complete guarantee of success to the monopolies against all the risks of the struggle with competitors, including the risk that the latter will defend themselves by means of a law establishing a state monopoly. The more capitalism is developed, the more the need for raw materials is felt, the more bitter competition becomes, and the more feverishly the hunt for raw materials proceeds throughout the whole world, the more desperate becomes the struggle for the acquisition of colonies.

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The bourgeois reformists, and among them particularly the present-day adherents of Kautsky, of course, try to belittle the importance of facts of this kind by arguing that it "would be possible" to obtain raw materials in the open market without a "costly and dangerous" colonial policy; and that it would be "possible" to increase the supply of raw materials to an enormous extent "simply" by improving agriculture. But these arguments are merely an apology for imperialism, an attempt to embellish it, because they ignore the principal feature of modern capitalism: monopoly. Free markets are becoming more and more a thing of the past; monopolist syndicates and trusts are restricting them more and more every day, and "simply" improving agriculture reduces itself to improving the conditions of the masses, to raising wages and reducing profits. Where, except in the imagination of the sentimental reformists, are there any trusts capable of interesting themselves in the condition of the masses instead of the conquest of colonies?

Finance capital is not only interested in the already known sources of raw materials; it is also interested in potential sources of raw materials, because present-day technical development is extremely rapid, and because land which is useless today may be made fertile tomorrow if new methods are applied (to devise these new methods a big bank can equip a whole expedition of engineers, agricultural experts, etc.), and large amounts of capital are invested. This also applies to prospecting for minerals, to new methods of working up and utilising raw materials, etc., etc. Hence, the inevitable striving of finance capital to extend its economic territory and even its territory in general. In the same way that the trusts capitalise their property by estimating it at two or three times its value, taking into account its "potential" (and not present) returns, and the further results of monopoly, so finance capital strives to seize the largest possible amount of land of all kinds and in any place it can, and by any means, counting on the possibilities of finding raw materials there, and fearing to be left behind in the insensate struggle for the last available scraps of undivided territory, or for the repartition of that which has been already divided.

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The necessity of exporting capital also gives an impetus to the conquest of colonies, for in the colonial market it is easier to eliminate competition, to make sure of orders, to strengthen the necessary "connections," etc., by monopolist methods (and sometimes it is the only possible way).

The non-economic superstructure which grows up on the basis of finance capital, its politics and its ideology, stimulates the striving for colonial conquest. "Finance capital does not want liberty, it wants domination," as Hilferding very truly says. * * *

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Since we are speaking of colonial policy in the period of capitalist imperialism, it must be observed that finance capital and its corresponding foreign policy, which reduces itself to the struggle of the Great Powers for the economic and political division of the world, give rise to a number of transitional forms of national dependence. The division of the world into two main groups—of colony-owning countries on the one hand and colonies on the other—is not the only typical feature of this period; there is also a variety of forms of dependent countries; countries which, officially, are politically independent, but which are, in fact, enmeshed in the net of financial and diplomatic dependence. We have already referred to one form of dependence—the semi-colony. Another example is provided by Argentina.

"South America, and especially Argentina," writes Schulze-Gaeurnitz in his work on British imperialism, "is so dependent financially on London that it ought to be described as almost a British commercial colony."

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Chapter VII

Imperialism as a Special Stage of Capitalism

We must now try to sum up and put together what has been said above on the subject of imperialism. Imperialism emerged as the development and direct continuation of the fundamental attributes of capitalism in general. But capitalism only became capitalist imperialism at a definite and very high stage of its development, when certain of its fundamental attributes began to be transformed into their opposites, when the features of a period of transition from capitalism to a higher social and economic system began to take shape and reveal themselves all along the line. Economically, the main thing in this process is the substitution of capitalist monopolies for capitalist free competition. Free competition is the fundamental attribute of capitalism, and of commodity production generally. Monopoly is exactly the opposite of free competition; but we have seen the latter being transformed into monopoly before our very eyes, creating large-scale industry and eliminating small industry, replacing large-scale industry by still larger-scale industry, finally leading to such a concentration of production and capital that monopoly has been and is the result: cartels, syndicates and trusts, and merging with them, the capital of a dozen or so banks manipulating thousands of millions. At the same time monopoly, which has grown out of free competition, does not abolish the latter, but exists over it and alongside of it, and thereby gives rise to a number of very acute, intense antagonisms, friction and conflicts. Monopoly is the transition from capitalism to a higher system.

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. Such a definition would include what is most important, for, on the one hand, finance capital is the bank capital of a few big monopolist banks, merged with the capital of the monopolist combines of manufacturers; and, on the other hand, the division of the world is the transition from a colonial policy which has extended without hindrance to territories unoccupied by any capitalist power, to a colonial policy of monopolistic possession of the territory of the world which has been completely divided up.

But very brief definitions, although convenient, for they sum up the main points, are nevertheless inadequate, because very important features of the phenomenon that has to be defined have to be especially deduced. And so, without forgetting the conditional and relative value of all definitions, which can never include all the concatenations of a phenomenon in its complete development, we must give a definition of imperialism that will embrace the following five essential features:

1. The concentration of production and capital developed to such a high stage that it 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, which has become extremely important, as distinguished from the export of commodities.
4. The formation of international capitalist monopolies which share the world among themselves.
5. The territorial division of the whole world among the greatest 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 great capitalist powers has been completed.

* * *
Another special feature of imperialism, which is connected with the facts we are describing, is the decline in emigration from imperialist countries, and the increase in immigration into these countries from the backward countries where lower wages are paid. As Hobson observes, emigration from Great Britain has been declining since 1884. In that year the number of emigrants was 242,000, while in 1900, the number was only 169,000. German emigration reached the highest point between 1880 and 1890, with a total of 1,453,000 emigrants. In the course of the following two decades, it fell to 544,000 and even to 341,000. On the other hand, there was an increase in the number of workers entering Germany from Austria, Italy, Russia and other countries. According to the 1907 census, there were 1,342,294 foreigners in Germany, of whom 440,800 were industrial workers and 257,329 were agricultural workers. In France, the workers employed in the mining industry are, "in great part," foreigners: Polish, Italian and Spanish. In the United States, immigrants from Eastern and Southern Europe are engaged in the most poorly paid occupations, while American workers provide the highest percentage of overseers or of the better paid workers. Imperialism has the tendency to create privileged sections even among the workers, and to detach them from the main proletarian masses.

It must be observed that in Great Britain the tendency of imperialism to divide the workers, to encourage opportunism among them and to cause temporary decay in the working class movement, revealed itself much earlier than the end of the nineteenth and the beginning of the twentieth centuries; for two important distinguishing features of imperialism were observed in Great Britain in the middle of the nineteenth century, viz., vast colonial possessions and a monopolist position in the world market. Marx and Engels systematically traced this relation between opportunism in the labour movement and the imperialist features of British capitalism for several decades. For example, on October 7, 1858, Engels wrote to Marx:

"The English proletariat is becoming more and more bourgeois, so that this most bourgeois of all nations is apparently aiming ultimately at the possession of a bourgeois aristocracy, and a bourgeois proletariat as well as a bourgeoisie. For a nation which exploits the whole world—this is, of course, to a certain extent justifiable."

Almost a quarter of a century later, in a letter dated August 11, 1881, Engels speaks of "... the worst type of English trade unions which allow themselves to be led by men sold to, or at least, paid by the bourgeoisie." In a letter to Kautsky, dated September 12, 1882, Engels wrote:

"You ask me what the English workers think about colonial policy? Well, exactly the same as they think about politics in general. There is no workers’ party here, there are only Conservatives and Liberal-Radicals, and the workers merely share the feast of England’s monopoly of the colonies and the world market...." (Engels expressed similar ideas in the press in his preface to the second edition of The Condition of the Working Class in England, which appeared in 1892.)

We thus see clearly the causes and effects. The causes are: 1) Exploitation of the whole world by this country. 2) Its monopolistic position in the world market. 3) Its colonial monopoly. The effects are: 1) A section of the British proletariat becomes bourgeois. 2) A section of the proletariat permits itself to be led by men sold to, or at least, paid by the bourgeoisie. The imperialism of the beginning of the twentieth century completed the division of the world among a handful of states, each of which today exploits (i.e., draws super-profits from) a part of the world only a little smaller than that which England exploited in 1858. ** **

The distinctive feature of the present situation is the prevalence of economic and political conditions which could not but increase the irreconcilability between opportunism and the general and vital interests of the working class movement. Embryonic imperialism has grown into a dominant system; capitalist monopolies occupy first place in economics and politics; the division of the world has been completed. On the other hand,
instead of an undisputed monopoly by Great Britain, we see a few imperialist powers contending for the right to share in this monopoly, and this struggle is characteristic of the whole period of the beginning of the twentieth century. Opportunism, therefore, cannot now triumph in the working class movement of any country for decades as it did in England in the second half of the nineteenth century. But, in a number of countries it has grown ripe, over-ripe, and rotten, and has become completely merged with bourgeois policy in the form of "social-chauvinism."

Chapter IX

The Critique of Imperialism

By the critique of imperialism, in the broad sense of the term, we mean the attitude towards imperialist policy of the different classes of society as part of their general ideology.

The enormous dimensions of finance capital concentrated in a few hands and creating an extremely extensive and close network of ties and relationships which subordinate not only the small and medium, but also even the very small capitalists and small masters, on the one hand, and the intense struggle waged against other national state groups of financiers for the division of the world and domination over other countries, on the other hand, cause the wholesale transition of the possessing classes to the side of imperialism. The signs of the times are a "general" enthusiasm regarding its prospects, a passionate defence of imperialism, and every possible embellishment of its real nature. The imperialist ideology also penetrates the working class. There is no Chinese Wall between it and the other classes. The leaders of the so-called "Social-Democratic" Party of Germany are today justly called "social-imperialists," that is, socialists in words and imperialists in deeds; but as early as 1902, Hobson noted the existence of "Fabian imperialists" who belonged to the opportunist Fabian Society in England.

Bourgeois scholars and publicists usually come out in defence of imperialism in a somewhat veiled form, and obscure its complete domination and its profound roots; they strive to concentrate attention on partial and secondary details and do their very best to distract attention from the main issue by means of ridiculous schemes for "reform," such as police supervision of the trusts and banks, etc. Less frequently, cynical and frank imperialists speak out and are bold enough to admit the absurdity of the idea of reforming the fundamental features of imperialism.