

Lenin, Kautsky and "ultra-imperialism"

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Nick Beams replies to a discussion on Lenin, Kautsky and "ultra-imperialism" between JF and KP. JF sent the discussion to WSWS.

KP: I am reading *Imperialism: The Highest Stage of Capitalism*, by Lenin, and I am trying to understand a controversy he discusses regarding Kautsky's postulation of an "ultra-imperialism", wherein monopoly has reached such a high stage that it can effect "the joint exploitation of the world by internationally united finance capital."

What I don't understand is why this didn't come about. It clearly is the case that, in WWI, WW2, and Bush's coming World War 3/4, the imperialist powers chose to fight one another in an attempt to redivide the world rather than uniting to impose a single rule upon the world. But what forced them into this choice? The institutions of the League of Nations and the United Nations appear to be attempts by imperialist nations to unify their rule and prevent redistributive crises, but the first failed and the second is failing. What objective economic/political conditions make this inevitable?

JF: You might as well ask why don't the largest capitalists simply join together to create a single overarching monopoly and thereby eliminate forever the threat of competition. The answer is that even if the capitalists all perceived that such a combination would be in their long-term best interests, they also perceive that in the short run they can often improve their position by undercutting other capitalists, and thereby gain from increased market share. Likewise, with the imperialist powers, even if they all perceived that they would all be better off joining together in Kautsky's ultra-imperialism, individual countries will always be tempted to gain short-term advantages at each other's expense. And as soon as one country does this, the others will do the same to protect their own interests.

Now, I would maintain that something like Kautsky's ultra-imperialism did exist during the Cold War period, with all of the major capitalist powers joining together in an alliance to counter the Soviet Union and the socialist bloc. Now this alliance was quite like the ultra-imperialism that Kautsky had envisioned, since the US was (and is) the hegemonic power that dominated the alliance, but it came close to Kautsky's idea, since most of the traditional rivalries that had dominated international relations prior to say 1914 or even 1939 were kept in close check. However, since the collapse of the Soviet Union in 1991, this alliance has begun, slowly but surely, to unravel and many of the old great power rivalries have begun to reemerge. This is manifest in the current diplomatic wrangling over the United States' attempt to push through the Security Council a resolution that would authorize the US to go to war against Iraq. Currently, France, Germany, Russia, and China amongst others stand opposed to such a resolution.

Nick Beams responds:

The conflict between Lenin and Kautsky over the possibility of "ultra-imperialism" certainly has a great deal of relevance for present-day world politics.

On the eve of World War I Kautsky, at that time regarded as the leading Marxist theoretician, published an article in which he held out the prospect that after the war, the various capitalist classes could come to an agreement, rather like firms in a cartel, to peacefully divide up the world. The aim of the article was to counter the arguments of those Marxists who maintained that the only way of ending imperialist war was the overthrow of the capitalist system that produced it. Not so, according to Kautsky.

Seeking to defend the support for the war by German Social Democracy, a decision in which he had played a crucial role, Kautsky maintained that there was no economic necessity, arising from the capitalist system itself, for imperialist war. Hence, a policy, other than the struggle for socialist revolution, could be pursued to end it. Indeed, rational capitalists would come to see the destructive effects of war.

"There is no economic necessity for continuing the arms race after the World War, even from the standpoint of the capitalist class itself, with the exception of certain armaments interests," he wrote. "On the contrary, the capitalist economy is seriously threatened precisely by the contradictions between its states. Every far-sighted capitalist today must call on his fellows: capitalists of all countries, unite!" [Karl Kautsky *Ultra-imperialism* in *New Left Review* No. 59 January-February 1970]

In his reply, Lenin made clear that while the tendency of economic development was towards the formation of a "single world trust", capitalism was fraught with such deep conflicts—economic, political and national—that such an ultra imperialist amalgamation was impossible. Alliances between the imperialist powers, whether of one coalition against another or a "general alliance embracing all the imperialist powers are inevitably nothing more than a 'truce' in periods between wars," he insisted. "Peaceful alliances prepare the ground for wars, and in their turn grow out of wars; the one conditions the other, producing alternating forms of peaceful and non-peaceful struggle on one and the same basis of imperialist connections and relations within world economic and world politics" [Lenin, *Imperialism*, *Collected Works*, Volume 22, page 295].

Lenin's acknowledgement that there was an economic tendency towards the formation of single world trust pointed to the drive of the productive forces under capitalism to outgrow the framework of the nation-state in which they developed and expand on an international scale—the process now known as globalisation.

Trotsky dealt with the same issue in a slightly different way.

“Imperialism,” he wrote, “represents the capitalist predatory expression of a progressive tendency in economic development—to construct human economy on a world scale, freed from the cramping fetters of nation and state.”

The forces of production, he explained, had outgrown the framework of the national state. Henceforth, economic life had to be organised on a global scale. But the capitalist classes could not solve this problem in a historically progressive manner. Each of the major great powers attempted to organise the world in accordance with its own interests. Hence, they came into collision with each other giving rise to a conflict, which, at a certain point, led inevitably to war.

But what of Kautsky’s point that that “far-sighted” capitalists, recognising the danger posed to them, would be able to organise some peaceful division of the world?

No Marxist would deny that the capitalist ruling classes are conscious of the dangers which confront them and take economic and political measures to avert and contain them. Indeed, at one level, the political economy of the twentieth century could be written as the history of the continuous efforts by the capitalist classes to contain the effects of the contradictions of the capitalist economy. However, there are objective limits to these efforts.

There is no question that far-sighted bourgeois politicians will, at certain times, seek to represent the interests of “capital-as-a-whole,” even against certain sections of the capitalist class. But these efforts are limited by the fact that “capital-as-a-whole” exists in the form of many capitals that are in conflict with each other as they struggle to appropriate the surplus value extracted from the working class in the form of profit. This conflict takes the form of competition, takeover battles between giant corporations and firms and conflicts between different states that act in the interests of different sections of capital.

To the extent that the mass of surplus value available to capital as a whole is increasing, the conflicts between these different sections of capital, and the states which act in their interests, can be controlled and regulated. But once the process of capitalist accumulation encounters difficulties, and profit rates begin to fall, the struggle among the different sections of capital takes on an increasingly bitter and even violent character. This is the economic basis of the development of inter-imperialist conflicts, which, at a certain point, give rise to war.

With these general points in mind, let us consider the history of the post-war period. Acting in the interests of the capitalist system as a whole, US imperialism effected a re-organisation of the world economy after 1945, establishing a kind of “ultra-imperialism” under its hegemony, and created the conditions for the resumption of capitalist accumulation, which had broken down in 1914 and had never subsequently attained its pre-World War I levels.

The post-war system rested on the strength of US capitalism vis-à-vis its rivals and the general expansion of profits and production that took place from 1945 to 1973. But once the process of capitalist accumulation encountered greater difficulties and the US started to lose its relative economic dominance over its rivals’ economic and political relations between the major powers began to change. In 1971, faced with a growing balance of payments crisis, the US under President Nixon unilaterally withdrew the

gold backing from the US dollar—the linchpin of the international monetary system established under the Bretton Woods agreement in 1944—and forced the rest of the world to adopt the system of floating exchange rates.

We do not have the space here to traverse the economic history of the past three decades. Suffice it to say that since the mid-1970s world capitalism has never returned to the rates of growth, and profits, which marked the 1950s and 1960s. Increasingly in the 1990s there was a resort to financial speculation and manipulation, which, for a time, covered over the underlying pressure on profit rates.

But now the collapse of the US financial bubble has revealed the underlying rot. Having fuelled its economy with an inflow of capital from the rest of the world, the US is now the most indebted nation in history—with external debts running at around \$2.8 trillion or more than a quarter of gross domestic product.

Faced with a series of mounting economic problems, US imperialism seeks to re-organise the world, that is, to use political and military means to try to overcome its deepening economic problems. However, this brings it into conflict with its economic rivals in Europe and Asia. Before the standoff over Iraq, those conflicts were clearly visible in the breakdown of the World Trade Organisation Ministerial meeting in Seattle in 1999 and the subsequent difficulties in getting the Doha round underway.

The driving force behind the US imperialism’s war against Iraq is the attempt to dominate the Middle East, not as an end in itself, but as a means to place it in the best position to push back its rivals. Likewise, the opposition of France, Germany and the other major imperialist powers is not motivated by concern for the masses of Iraq or the Middle East in general, let alone opposition to war, but by the desire to put a spoke in the wheel of the US juggernaut.

In other words, in the onslaught against Iraq, we can see ever more clearly defined the outlines of a new inter-imperialist war of the twenty-first century, potentially even bloodier than those of the twentieth.

We come back to the heart of the conflict between Lenin and Kautsky. Contrary to Kautsky, war and the resort to militarism is an economic necessity for capitalism. This means, as Lenin, Trotsky and Rosa Luxemburg maintained, that the only answer to imperialist barbarism is the struggle for international socialism.

Nick Beams



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