

A Marxist re-think

James Alexander

Imperialism: Pioneer of Capitalism

Bill Warren, Verso/New Left Books, pb
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This is a very refreshing book, not only because it so clearly analyses the origins and development of modern socialist ideas about capitalism in general and imperialism in particular, but because in doing so it manages to break free of modern socialists reluctance to face up to the recent improvement in the living standards of the mass of the world's population. Warren accounts for that reluctance by pointing to the great turn-around in communist thinking accomplished by Lenin and his followers during the First World War, and it is to this that Warren devotes the first half of his book.

I must first sound a note of warning. Throughout his book Warren uses "imperialism" to mean 'the spread of the capitalist system into non-capitalist or primitive capitalist areas of the world'. This conflicts with the everyday usage of the term to mean spread of empires, or the political domination of a weak society by a stronger one. The problem seems to arise through the confusion of notions of economic domination with the idea of political domination. Specific political domination or colonialism has existed for thousands of years, and is a fairly coherent phenomenon. Economic domination is much more problematical. It is often the case that the wealthier and more economically advanced nations are the ones who have the money available to finance an offensive and imperialistic army. But this only enables them to pursue political control in order to commandeer land and ports, to levy taxes or to conscript an army. It may also enable that state to grant monopoly rights and privileges to mine or farm the area concerned, to the exclusion both of other outsiders and of the local inhabitants. It does seem as if it is this latter category of coercions that is often confused as being some form of economic

domination. If this is the case and these coercions are to be considered a part of the capitalist system, then so be it. But it must be made clear that they are political measures in conflict with the competitive nature of the free market from which develop the incentives to innovate technology or to improve old technology which in turn are the mainsprings of progress.

Warren actually begins the book by approvingly quoting from the many clear statements by the founders of communism, Marx and Engels, on capitalism and "imperialism". They held that the spread of the capitalist system into the non-capitalist areas of the world was ultimately a good thing. Just as they hailed the spread of capitalist industrialisation in the West as a major advance in the progress of the world towards their communist society, so they supported its spread to other regions. They were effusive in detailing the wonders of the machine age that brought about large-scale production methods enabling goods to be produced in much greater, and much cheaper, quantities than ever before. Although always railing against the inequities of the distribution of wealth, they recognised that more wealth was being created, that could be spent on improving the quality of life for the mass of the population.

Marx and Engels did not see any special difficulties for the world in following the Western nations, though they did not say that the change would be particularly pleasant and considered it would probably involve a good deal of hardship. So these hard-headed realists argued that capitalism would have a dual role in the primitive capitalist areas: firstly to destroy the isolation of small village communities through political conquest and centralisation, enabling the large manufacturing combines of the West to compete with and undercut the small-scale producers, eventually putting them out of business and forcing reorganisation; secondly, once this stage had been completed the capitalist forces, as in the West, would lead these societies to rebuild, utilising the very same roads and railways that had enabled the West to enter and overthrow old structures.

Warren sympathises with this view, even to the extent of supporting the introduction of 'law and order' through colonial control. He later acknowledges that recent research by economic historians now indicates that the results of the introduction of Western competition were far from leading to a 'bleaching of the plains of India with the bones of Indian weavers' as envisaged by Marx in a despatch to the *New York Daily Tribune*. New research tends to show that in the case of Indian handloom weavers their absolute numbers remained fairly stable while the proportion of handloom weavers fell as the Indian cotton textile industry in general grew.

The change in the original pro-"imperialist" Marxian outlook began with the publication of Lenin's *Imperialism: The Highest Stage of Capitalism* in 1916. In this pamphlet Lenin set out to explain the cause of war and the cause of the general enthusiasm for the war that swept over the working classes of the West. In his explanation he was implicitly recognising the failure of the Marxian system to chart the future course of world development. Other communists had also changed their views about the world. Mostly though, they changed them towards accepting reality, by becoming reformists and social democrats, and they began to work with the existing system. Yet Lenin saw in the war the final reckoning of the capitalist system, arguing that it had now become totally moribund and reactionary.

Marx held that the development of capitalism would inevitably tend to the creation of one enormous monopoly firm that would control all the world's production and distribution. This firm could then easily be taken over and run in the interests of the working masses. Lenin argued that somehow this stage had been reached in the individual Western nations, but that the proletariat had been bribed into supporting the capitalist nations and their wars. In one of the smaller sections of *Imperialism* Lenin states that the money for this bribery was found through the exploitation of the masses in the colonial empires. As Warren shows, it seems that the imperialism of the modern capitalist nations was now exploitative because the nature of capitalism in the West had changed for the worse.

Influenced more by J.A. Hobson than by Marx, Lenin asserted that Western capitalism had become moribund due to the drying up of investment opportunities in the countries of its origins. This in turn had led to its forced spread overseas in search of profitable avenues for investment. Thus Lenin had not only explained the clash of imperial interests that had led to war, he had also provided revolutionary rationales for the active communist role in seeking to overthrow the bourgeois and collaborationist governments of the West, and for his later support of anti-colonialist movements in the East. In the most impressive part of the book Warren shows how thoroughly false Lenin's thesis turns out to be when analysed in the light of the facts. He shows conclusively that 'there is no evidence of any relationship between territorial acquisition and 'superabundance' of capital, nor indeed that a stage of superabundance had been reached by any of the imperialist powers.' It seems in fact as if quite the contrary occurred - namely a net capital inflow. Lenin also tried to argue that the fifty-year period to 1914 was characterised by technological stagnation as well as overall stagnation. Yet it was precisely this period which saw the most rapid and sustained growth across a broad range of nations, confirming the progress made by Britain in the previous hundred years.

Despite its shortcomings Lenin's thesis gradually became the accepted truth amongst the communists and socialists of the world, partly due to the backing it got from the Russian-sponsored Third International of Communist Parties. Although Warren bemoans the fact that this organisation tended to look to simply anti-colonial movements for support, rather than "authentic" working class groups in the largely colonial world, it is difficult to get particularly heated about it. In the light of the feeble response of the authentic working class groups of the already industrialised West to Bolshevik calls for aid, the Russian leaders must have been sensible to ferret out support where they could find it. Other reasons for the spread of Lenin's ideas must lie in the West, as it was in the West that the intelligentsia fell in love with the ideals supposedly guiding communists in Russia.

It is hardly surprising that Lenin's ideas became the norm, as wherever young people went, Leningrad or Cambridge, they could hardly avoid becoming inculcated with anti-capitalist and anti-"imperialist" ideas. In the weakest part of the book Warren discusses the post war judgement on colonialism as delivered by the newly educated elites of both major powers and their vassals. He manages to lump together the economic development of the "non-capitalist" world in the period with his analysis of colonialism. He fails to understand the dynamic nature of the profit signal in leading entrepreneurs to the unexplored opportunities of the largely undeveloped economics of the colonies. Warren appreciates the role of capitalism in organising society so that it can more efficiently exploit its capability to produce wealth, but falls in with the usual conservative notion that law and order has to be imposed from above. Thus he cannot see the possibility that the gains from trading with the entrepreneurs who flocked to the colonies largely regardless of the dangers involved, might possibly have led to the indigenous population gradually seeing the necessity to have some greater degree of peace and safety.

The last two chapters are taken up with an analysis of the more modern notion that "neo-colonial" dependence of the neo-industrialised world on the developed capitalist world somehow leads to "underdevelopment". The theory has its origin in the Leninist notion of moribund capitalism acting as a parasite on the undeveloped world. It takes more concrete form in the fact that many countries of the undeveloped world rely on exports of raw materials to the developed world for the major proportion of their income. When these nations fail to industrialise, "despite" government attempts to move the process along by state control and direction of resources into the leading sectors (One of the major dynamic areas for this aid is, rather ironically, cement production), the natural thing to do is look for scapegoats.

The weakness of the arguments are easily demonstrated by indicating that several so-called undeveloped nations have been enjoying rapid growth, and that they have enjoyed this growth in so far as they have

liberalised their economies and allowed domestic and foreign entrepreneurs to act without the discipline of state direction but with the discipline of the market.

Warren stumbles upon this truth only near the end, but by then has managed without it quite easily to show up the modern theory of underdevelopment.

To find out just how he accomplishes this you will have to read the book. It is an exciting and iconoclastic work that will be useful for anyone attempting to come to terms with the development of the modern world.

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