

Introduction

The English economist J.A. Hobson first put forth the idea of merged international capital as a possibility in 1902. He never pretended to be other than a reformer. Hobson expressed the hope the "superimperialism" would end conflict between imperialist countries and thereby bring a lasting peace.

It was a far graver offense on the part of the ex-Marxist Karl Kautsky to parrot this notion as "ultraimperialism," when World War I was raging. The only effect of Kautsky's claptrap was to confuse the struggle of the working class in a time of revolutionary crisis. Lenin not only exposed Kautsky's "theory" politically, but gave a scientific reason for its impossibility, the theory of uneven development:

"Uneven and spasmodic development of individual enterprises, of individual branches of industry and individual countries, is inevitable under the capitalist system," Lenin said. And further: "Compare this reality--the vast diversity of economic and political conditions, the extreme disparity in the rate of development of the various countries, etc., and the violent struggles among the imperialist states--with Kautsky's silly little fable about "peaceful" ultra-imperialism. Is this not the reactionary attempt of a frightened philistine to hide from stern reality?" (*Imperialism*)

Today the bourgeoisie sell the same ideas of "superimperialism" and "ultraimperialism" under the label of "globalization." Unfortunately there are today as in Lenin's time people who claim to be "Communists" but try to hide from stern reality behind the bourgeois fable of "globalization." In the United States one such theory is marketed by *Unity & Struggle* under the label of "non-governmental imperialism." This "theory" serves no purpose but to divide, confuse, and extinguish the revolutionary struggle of the working class.

Just how good is Lenin, anyway? There is only one way to find out: apply his method and his theory to the present day. As Lenin said,

... the best reply that one can make to the lifeless abstractions of "ultra-imperialism" (which serve exclusively a most reactionary aim: that of diverting attention from the depth of *existing* antagonisms) is to contrast them with the concrete economic realities of present-day world economy. (*Ibid.*)

Part I examines the pattern of uneven development between countries: rich countries contrasted with poor ones, imperialist countries contrasted with one another. It is a compilation of articles published in the monthly newsletter, *For a Better World*. Part II examines the uneven pattern of capital exports among the imperialist countries. It will be shown that Lenin's theory of imperialism survives the tests of time and factual investigation, and that the "theory" of "globalization/non-governmental imperialism" is no more than an attempt to hide the nature of imperialism from the masses.

A Note on Terminology

The reader will see that the term “Third World” is not used in this pamphlet. Since the disintegration of the Soviet Union and the “East Europe” bloc and their loss of any real sovereignty, these countries have fallen to a level of economic activity lower than countries like Mexico and Turkey.

Since the “Third World” is understood to mean the countries of Africa, Asia, and Latin America, this term is no longer sufficiently inclusive to describe the countries oppressed by imperialism. Neither is the term “developing countries” at all satisfactory. Investigation shows that the oppressed countries are actually losing ground relative to the imperialist countries. Hence I have reverted to Lenin’s term, “capital dependent countries.”

I. Uneven Development between Countries

i. Imperialist v. Capital-Dependent Countries

The bourgeoisie talk a lot these days about something they call “globalization”. They claim that the ever greater flow of capital from rich, imperialist countries to poor, capital-dependent countries has put the whole world on an equal and beneficial footing.

An imperialist spokespersons puts it this way: “The driving idea behind globalization is free-market capitalism—the more you let market forces rule and the more you open your economy to free trade and competition, the more efficient and flourishing your economy will be.”

The idea shows up in “Marxist” drag as something called “non-governmental imperialism.” This notion also claims that there is no qualitative distinction between imperialist and oppressed countries, just a quantitative one: “. . . now all the nations of the world must line up at the pay window of intl. finance capital. And increasingly [sic] their whole foreign domestic and economic political policy are dictated by ‘non-governmental’ economic monstrosities, who are multinational in form and combine bank, industrial, and usury capital to dominate the world. . .”; the U.S. is a country “almost without sovereignty”, etc. (“Revolutionary Democracy Needs an Anti-Imperialist Cultural Revolution,” by Amiri Baraka, *Unity & Struggle Journal*, May, 1999.)

Either way, this “theory” is a flagrant untruth. The unevenness of development between the two types of countries is greater than ever. The world is being torn apart by imperialist oppression.

The backwardness of the dependent countries is a permanent feature of imperialism. The statistics of the imperialists themselves prove it. The statistics and classifications are drawn from the World Development Report of 1997, published by the World Bank.

Distribution of Population and Wealth

Our first chart is the distribution among four groups of countries by population and wealth. The World Bank gives a gross world product (GWP) of \$27.8 trillion (a trillion is a million millions) and a world population of 5.67 billion. All figures in this chart are percentages of the two totals.

Three-fourths of the people in the world share one eighth of the wealth among them (low and lower-middle). (Fig. 1) One sixth of the population lives in countries that own four-fifths of the wealth! Even in those countries the wealth is grossly mal-distributed between the proletariat and the bourgeoisie. In the United States, for instance, the poorest 40% of the population owns less than 1% of the total wealth.

The high-income countries went from a 1980 ownership of 72%, already crushingly high, to a 1995 share of 80.8%. (Fig.. 2) The low-income share

dropped from 6.9% to 4.9%. This was despite the fact that China's real output had more than tripled, to more than half the total product for the low-income group in 1995.

Probably most of the overall shift was due to the collapse and de-industrialization of the Soviet bloc countries. Nothing could more clearly show the revolting hypocrisy of imperialist claims for capitalist “democracy” and “freedom”: the “freedom” to “democratically” plunder dependent countries to the limits that they can bear.

The claims of “globalism” and the opportunist theory of “non-governmental imperialism” are likewise given the lie. The numbers show the truth. The qualitative fracture line in the world between the imperialist countries and the dependent countries, far from having disappeared, is deeper than ever.

These charts make the words “uneven development” seem hardly adequate. Ultimately the economic gulf will lead to the death of imperialism

The dependent countries have no hope of development under imperialism. The people's struggles flame up again and again: labor conflicts, battles for national independence, and at the highest level, the people's revolutionary armed struggles led by genuine, anti-revisionist Communist Parties.

The fraudulent theory of “globalization” says that imperialism offers peaceful development to the oppressed, a way out of uneven development. The fraudulent theory of “non-governmental imperialism” says that imperialism is stronger than the people, and repudiates the revolutionary armed struggle.

None of these propositions will ever hold true. Never, so long as classes exist. Never, so long as imperialism exists.

-FaBW, September, 1999

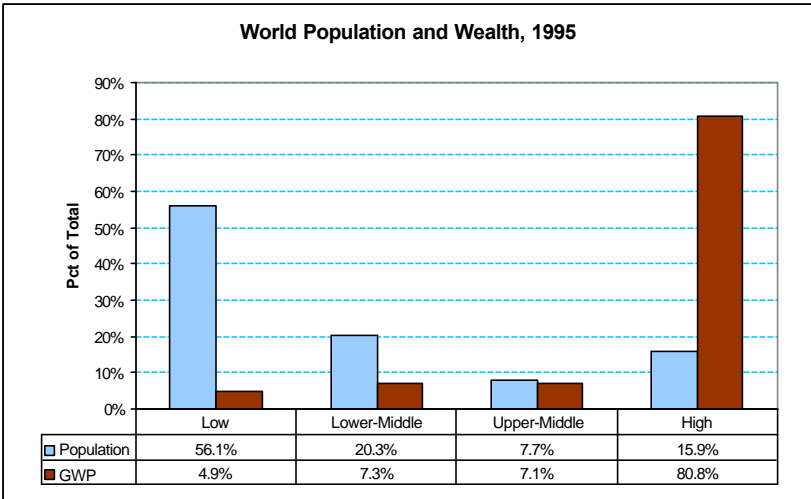


Figure 1

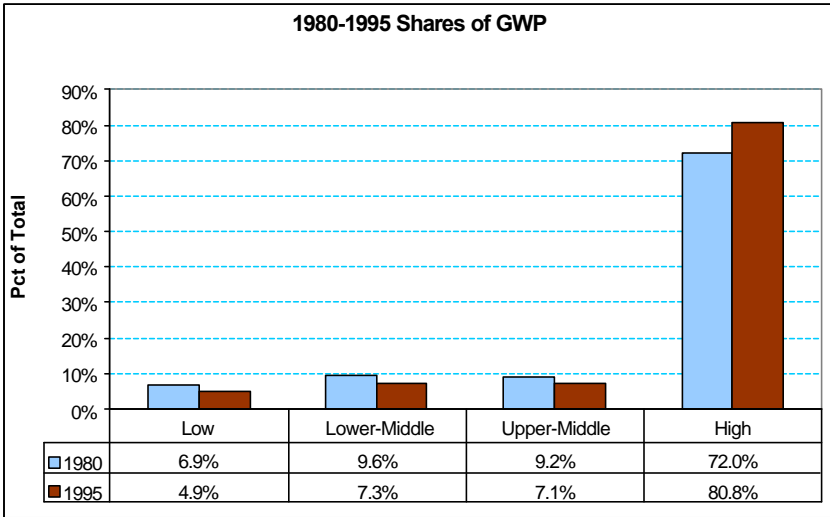


Figure 2

ii. Socialism, Life Expectancy, and Literacy

The bourgeoisie has jumped all over the 1990 collapse of Soviet revisionism and the restoration of capitalism in China to praise their social system. They say it's the best thing that human beings can achieve and it will last forever. Socialism, we are told, does not work. It sounds like talk about the "Thousand-Year Reich"!

Of course capitalism is the best thing that can be achieved—for capitalists! But slavery was the best thing for slaveholders, and feudalism the best thing for the nobility. Nonetheless slavery is almost gone from the world and feudalism has become completely backward. In contrast the achievements of socialism stand as beacons of progress and prove, even amidst the amazing confusion of today, that socialism is the future of the world. We will look at statistics from the 1997 World Development Report, published by the World Bank, and give special attention to China.

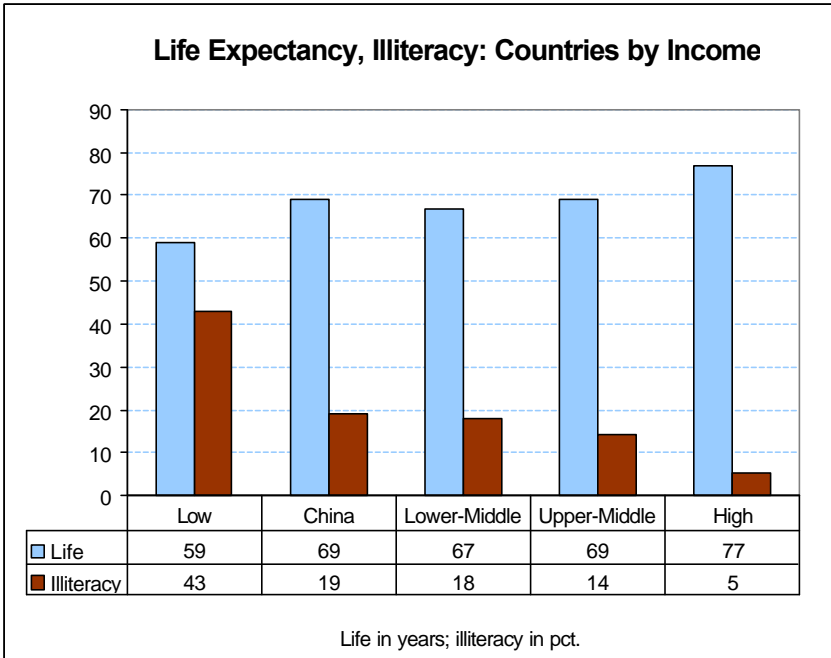
Note that this graph has only one scale, from 0 to 90, but in the case of life expectancy it means years and in the case of illiteracy it means percent. The World Bank gives no illiteracy rate for high-income countries but states that UN figures give less than 5%. Therefore the graph uses 5%, the worst case. Even so illiteracy in low-income countries is more than eight times that in the high-income countries. Life expectancy at birth in high-income countries is 77 years. In low-

income countries excluding China it is only 59 years—a difference of 18 years.

China is a low-income country (1995 per-capita GNP of \$620). In these crucial quality-of-life indicators, according to that unimpeachable instrument of imperialism, the World Bank, China looks more like a middle-income country. It has about the same life expectancy (69 years) as the upper middle and about the same adult illiteracy (19%) as the lower-middle.

These things are unquestionably the result of China's quarter-century of development under the system of revolutionary socialism. Even the improvement in the numbers under the bourgeois regime that succeeded Mao Zedong would never have come without the earlier period. In the place of capitalist profits, hundreds of millions of people got education, health care, and enough to eat, due to socialism—developments that make our good imperialist bourgeoisie shudder. Horrid fellow, Mao!

-*FaBW*, November, 1999



iii. Uneven Development of Imperialist Countries in the 1990s

Uneven and spasmodic development of individual enterprises, of individual branches of industry and individual countries, is inevitable under the capitalist system,” says Lenin (Imperialism, Ch. II) For this reason the idea that there can be an “internationally united finance capital” is something that “utterly and definitely breaks with Marxism.” (Ibid., Ch. VII)

In Lenin’s time this “theory” was called -imperialism.” Today it is called “globalism,” or, in “Marxist” drag, “non-governmental imperialism.” (U&S, May, 1999, p. 7)

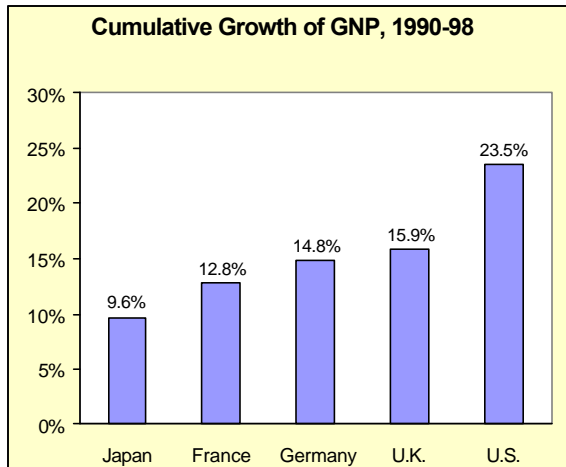
Lenin wrote Imperialism more that eighty years ago. We will see how the imperialist countries have done in the 1990s relative to each other. The patterns are highly uneven. Lenin had imperialism x-rayed eighty years ago. He is still right. U&S is wrong.

Let us look first at cumulative growth of the five big imperialist countries over the period 1990-1998 inclusive, based on constant 1990 dollars (chart above right.). The United States has seen fairly steady growth in the last several years while the economy of Japan has been stagnant all through the decade.

All five economies managed some growth.

The United States exceeded the others by a highly significant margin. Its percentage of growth exceeds that of Japan, its closest rival in size, by two and a half times, and France by about two times. Moreover, the U.S. economy was much the largest to start.

In 1990, the U.S. economy was 87% again as large as that of Japan. In 1998, it had grown to 111%. Yet for decades, before 1990, the Japanese economy had enjoyed a much higher rate of growth than the U.S. economy. The earlier period caused a lot of nervousness about Japan in U.S. ruling circles. Today the Japanese bourgeoisie can only be all the about the U.S.

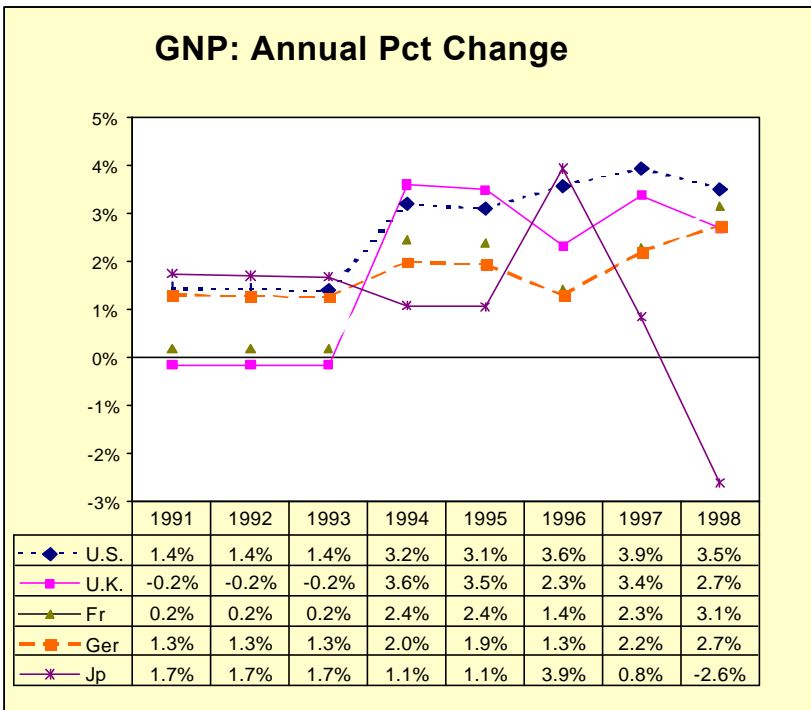


Comparisons; Annual Growth of GNP; Unemployment

The next graph looks at year-to-year growth rates of the imperialist “big five.” All kinds of irregularities are seen.

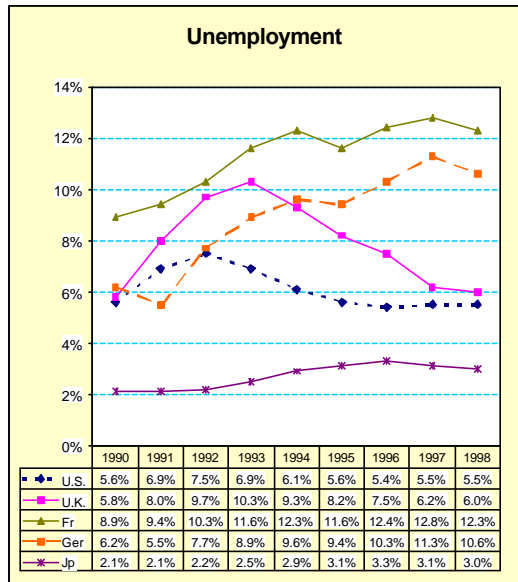
If you concentrate on the line for any one country, you will see that the chart is quite simple. The thing that makes it look complicated is uneven development.

The early 1990s are a period of stagnation for all five. In 1994 the U.S. picks up a little and maintains moderate growth through 1998. Japan languishes until 1996, when it gets a bounce, and declines steeply for the next two years. Britain gets a jump in 1994 and hangs in with moderate growth; France and Germany do something similar at even lower rates. Hence there is not only un-



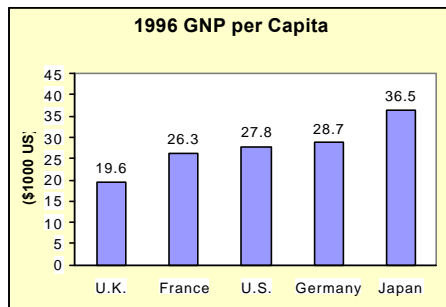
France and Germany are much the worst in employment.

They started to do a little better in growth around 1994, but they stay at high unemployment. Britain's rate hit a bad peak in 1993 but declined somewhat. Starting around 1995 the United States had its longest period of relatively low unemployment in decades. Japan, in the pits in terms of growth, is qualitatively lower in unemployment than any other! Still, 3% in 1998 is half again as high as 2% in 1990. If there were, say, a million unemployed in 1990, there were half a million more in 1998.



Per-capita GNP: Stagnation in the Most Advanced Capitalist Country

By this highly significant measure Japan, with its stagnant economy, still exceeds the United States, the 800-pound gorilla of imperialism, by a third! In fact this gives Japan a very good claim to possession of the most advanced economy in the world. The U.K., which would seem to have been doing almost as well as the U.S., looks more like a southern European country than a northern one. (France has almost the same population as Britain but an economy more than a third again as large; Italy has almost exactly the same population and GNP as Britain.)



Growth, unemployment, GNP and per capita GNP: there is very little correlation of anything when the big imperialists are compared to each other. It might be said the U.S. imperialism, in its capitalistic sort of way, has managed to keep its head above water in the 1990s. Britain is much the same, but at a much

lower level of activity. Japan is struggling to keep from drowning—its financial woes have posed the constant danger of tipping its economy over into a full-scale 1930s-style depression—while it continues to show the highest level of productivity and the lowest unemployment of all! France and Germany have done somewhat better in growth than Japan but have run very high unemployment rates, and have the labor unrest to prove it.

We see that the overall economic picture of the five richest countries in the world is a complete jumble. Compare as well the enormous gap between the imperialist and capital-dependent countries of the world, as shown in the September, 1999 issue of *FaBW* (Myth of “Globalization”), and our articles exposing the growing tensions among the big powers (“Buchanan Flap”, October, “Test-Ban Treaty Debate”, November, etc.). It is clear how justly the U&S reprise of Karl Kautsky’s “theory” of “ultra-imperialism” deserves Lenin’s rebuke: “Compare this reality—the vast diversity of economic and political conditions, the extreme disparity in the rate of development of the various countries, etc., and the violent struggles among the imperialist states—with Kautsky’s silly little fable about “peaceful” ultra-imperialism. Is this not the reactionary attempt of a frightened philistine to hide from stern reality?” (ibid., Ch. VII)

-*FaBW*, March, 2000

II. Capital Exports

i. Breakdown: Loans and Direct Investment

A highly summarized picture of capital exports from 1988 through 1995 is given by the graphic titled “Net Capital Flows” (next page.) The source is *World Debt Tables* for 1996, published by the World Bank. The capital flows are to “developing countries,” i.e., from imperialist countries to capital-dependent countries.

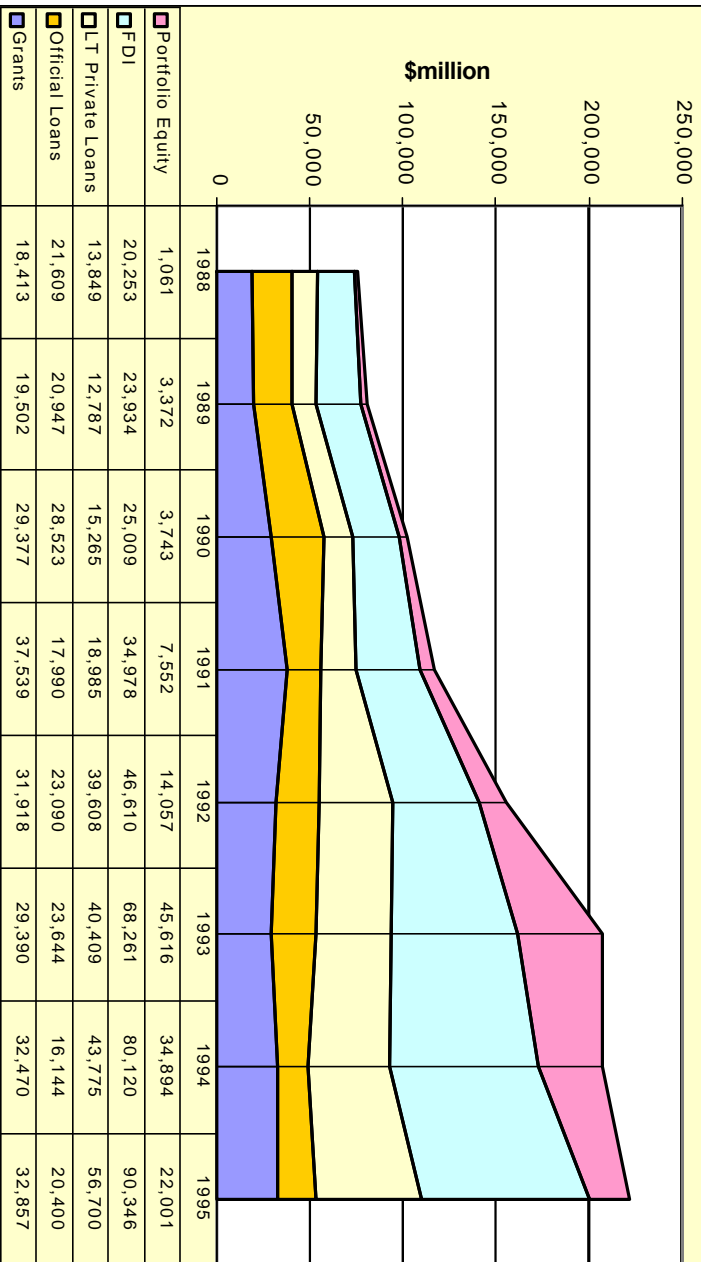
There are two forms of capital export: loans and investments. Further, the data shows two types of investment: foreign direct investment (FDI) and portfolio equity. The World Bank defines foreign direct investment as “investment that is made to acquire a lasting management interest (usually 10 percent of voting stock) in an enterprise operating in a country other than that of the investor. . . [to gain] an effective voice in the management of the enterprise.” Ten percent of voting stock in almost all cases in fact confers thoroughgoing management control. The other type of investment is called portfolio equity. The distinction comes down to portfolio equity being smaller and more volatile forms of investment.

The graph shows a tremendous shift in the relative weight of the loans versus investment over the eight-year period. Loans roughly doubled, but investment grew by a factor of more than five. In 1988 only 29% of total capital exports were investments; in 1995, investment had grown to 51% of the total, slightly more than half. Investment exports continued to balloon through 1997 but fell sharply in 1998 due to the Asian and other fiscal crises. Note also that the huge expansion of investments follows the collapse of the Soviet Union in 1990.

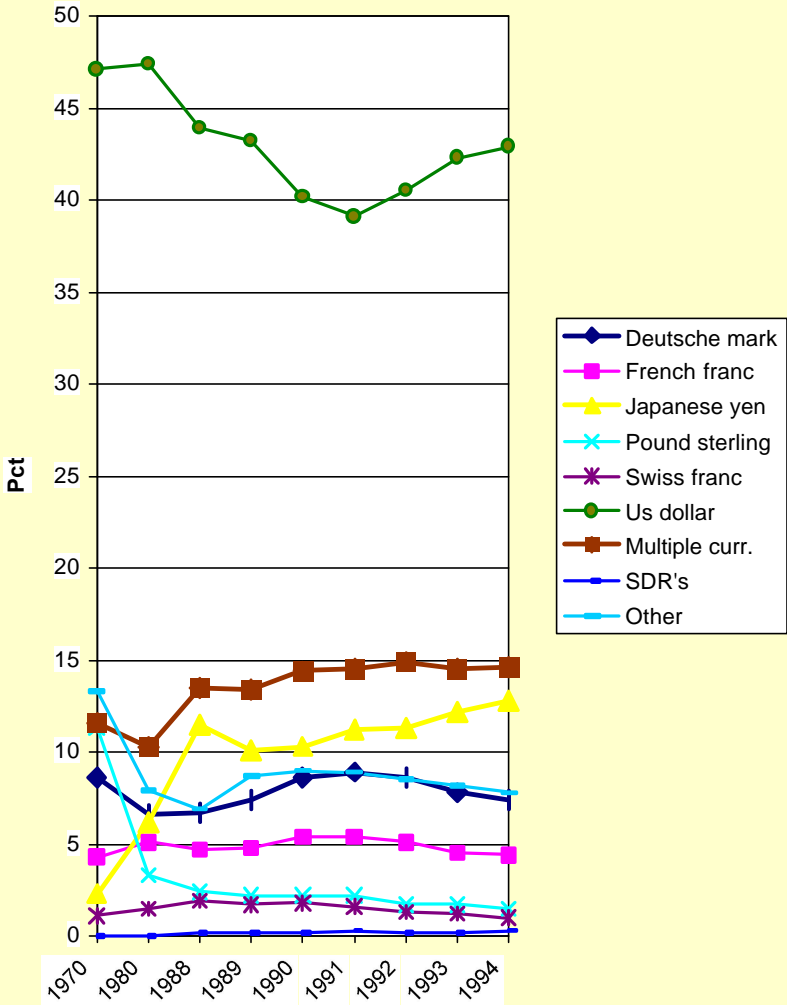
The next graph, “Currency Composition of LTD,” shows the disproportionate weight relative to the other big imperialists of U.S. loan capital in dependent countries. The World Bank calls loan exports “long term debt” (LTD). Setting aside the “multiple currencies” category, in 1994 the combined currencies of Britain, France, Germany and Japan come to about 27% of the total. But U.S. currency came to 43% of the total, whereas the combined economies of the first four outweighed that of the United States by about one fourth. Hence the United States does not just lead its rivals in this category, it dominates them.

Again it is Lenin’s theory of imperialism and uneven development that is upheld by the data. The “theory” of “globalization/non-governmental imperialism” by contrast offers absolutely nothing to account for this data. Next we will take a detailed look at exports of investment capital.

Net Capital Flows



Currency Composition of LTD



ii. Direct Investment

V.I. Lenin defined the term “imperialism” decades ago. Of course the imperialist class, the bourgeoisie of the industrially developed monopoly capitalist countries, has never accepted Lenin. Lately they have invented the “theory” of “globalization of capital” to hide the ever more intense and destructive consequences of their social system, imperialism.

Moreover, world Communism has been greatly affected in recent decades by revisionism: the influence within the workers’ revolutionary movement of the bourgeoisie. A prime recent example is the proclamation of “non-governmental imperialism” (NGI) by *Unity & Struggle*. This is only a repetition of the bourgeois notion of “globalization” in a pseudo-Marxist disguise. The falsity of “NGI” must be exposed because bourgeois deceptions are always the most sophisticated in “Marxist” camouflage.

“NGI” makes the preposterous claim that, “. . . now a ‘non-governmental’ Imperialism (any national form is for propaganda, market focus & access, robbery of resource, armed force, &c) is the all around ruler of the world, in its essential form, so that even in the old imperialist states of the second world, and the U.S. itself, the people suffer from the curse of imperialism yet in lesser degrees than the third world, but with increasing severity every day. And the monopoly capitalist class of these countries must either be merged with intl. finance capital or be relegated to the side of the road, or bankrupted and reduced to a national bourgeoisie whose markets are truncated by their own history and loss of power.”

Here we are told several things. First, the imperialists have resolved their national conflicts. Second, the distinction between imperialist and dependent countries lies only in the degree of oppression, not in the *type* of oppression. Third, even in the imperialist countries a section of the bourgeoisie has contradictions with imperialism. No factual basis for these claims is given by “NGI,” here or elsewhere.

Lenin argued that these things could not happen under capitalism because of the spasmodic and uneven character of its development. This paper will show that Lenin’s line is correct on the division of the world and on the uneven character of imperialist development.

* Amiri Baraka, “Revolutionary Democracy Needs an Anti-imperialist Cultural Revolution,” *Unity & Struggle Journal*, May, 1999

The Basis of Imperialism

Lenin focused on the basis of imperialism, its internal contradictions, its metabolism. He showed that imperialism arises at a certain time in history from monopoly capitalism. He also examined the conditions of imperialism, its external circumstances. Conditions will change, but the basis of imperialism can never change as long as it exists.

In his great pamphlet *Imperialism, the Highest Stage of Capitalism*, Lenin gave a famous definition of imperialism:

... 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. (Ch. VII)

"NGI" claims the all-around ruler of the world is now a merged "international finance capital," i.e., the imperialists have resolved their national conflicts. This can only mean that the fifth point of Lenin's definition no longer holds. A comrade once remarked to me that this sort of idea has become very widespread in world Communism. In opposition, he made the observation that it is as if the fourth category of Lenin's definition had eliminated the fifth. This fantasy has no basis in fact. An examination of the patterns of capital exports shows a pronounced division of the world among the imperialists, created by the unevenness of development.

Lenin said, "The growth of internal exchange, and particularly of international exchange, is the characteristic distinguishing feature of capitalism. Uneven and spasmodic development of individual enterprises, of individual branches of industry and individual countries, is inevitable under the capitalist system." (*Imperialism*, Ch IV). The importance of the principle was shown by World War I. It broke out because Germany had become much stronger than Britain or France economically and militarily, but lacked its proportionate share of the colonial loot. The big powers were forced by their capitalist social basis to fight it out.

While claiming allegiance to Lenin, "NGI" says the imperialists have created an overall system of controlled development. But on the political side the inter-imperialist conflicts that led to two world wars have openly reappeared. They become more antagonistic every day. Witness the conflict between the United States and virtually every European power over the U.S. plan to develop a "national missile defense" (NMD), in truth part of a nuclear first-strike strategy. "NGI" does the service to the imperialists of denying Lenin under a "Marxist" cover, muddling the origins and dangers, even the existence, of these conflicts. It

is the focus of this paper to examine the economic side, however.

A simple statistical inquiry into capital exports will show that “NGI” fails to meet even the most elementary standards of factual accuracy. It will be shown, contrary to “NGI”, there still exists the economic division of the world among the separate imperialist countries. The big imperialist powers today are the same that existed prior to WW I. The balances among them have shifted, but the distinct national bastions of finance capital remain. Their development is still jaggedly uneven. The unevenness of imperialism, a division of the world that is not in proportion to strength, still gives rise to conflicts. The capitalists ultimately can settle the conflicts among themselves only by force.

Changing Conditions of Imperialism

Lenin defined imperialism in terms of the development of finance capital and monopoly in a handful of powerful industrially developed capitalist countries. This social system emerged around the end of the nineteenth century. Its basis has become, if anything, more consolidated since then. The conditions of imperialism, however, can and do change.

In Lenin’s time the division of the world among the imperialist powers very prominently featured the possession of colonies. Lenin said, “Finance capital finds most ‘convenient,’ and is able to extract the greatest profit from such a subjection as involves the loss of the political independence of the subjected countries and peoples.” Lenin also made a qualification that has been repeatedly confirmed since then: “Finance capital is such a great, it may be said, such a decisive force in all economic and in all international relations, that it is capable of subjecting, and actually does subject to itself even states enjoying the fullest political independence.” (*Imperialism*, Ch. VI)

Among the colonies of Lenin’s time are now the formally independent but economically dependent countries of Asia, Africa, and Latin America. Lenin clarified the special advantages imperialism gains from the plunder of these regions:

As long as capitalism remains what it is, surplus capital will be utilized not for the purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalists, but for the purpose of increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap. . . 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. (*Ibid.*, Ch. IV)

Lenin gave statistics for the division of colonies among the great powers. He found that the division of colonies among the imperialists was all out of proportion to strength. Germany, which had grown to greatly exceed Britain and France in finance capital and industry, possessed almost no territory by comparison. This was the basis of the conflicts that gave rise to World War I.

Today, after the conclusion of two world wars, there is a further source of conflict: the feature of inter-imperialist dependency. European and Japanese imperialism are, due to the outcome of the Second World War, still to a great extent dependent on energy and other raw material resources in countries under U. S. finance capital and military dominance. The Japanese bourgeoisie, for instance, when they have conflicts of interest with the U.S. bourgeoisie, are hardly in a position to say “no” to Washington when the latter dominates the Persian Gulf, the source of most of their oil. The outcome of this kind of dependency is the hegemony of one big imperialist power over the others, not the mythical international “merger” of finance capital of which the “theory” of “NGI” babbles. U.S. hegemony further intensifies the struggle among the imperialists to re-colonize the formerly independent countries of East Europe and the former Soviet countries.

There are few outright colonies today, but statistics have improved greatly since Lenin’s time. Category three of Lenin’s definition says, “The export of capital as distinguished from the export of commodities acquires exceptional importance.” Hence the thing to examine is the pattern of capital exports by the imperialist countries to the dependent countries of Asia, Africa, and Latin America. Striking differences are found, which amount to a territorial division of the world. This confirms Lenin and refutes “NGI”.

Capital Exports to Dependent Countries

“To enable the reader to obtain the most well-grounded idea of imperialism possible, we deliberately tried to quote as largely as possible *bourgeois* economists who are obliged to admit the particularly incontrovertible facts concerning the latest stage of capitalist economy,” says Lenin (*ibid.*, Ch. VII).

The figures in Table I, at the end, are drawn from the Organization for Economic Cooperation and Development (OECD) International Direct Investment Statistics Yearbook (October 1998). These figures relate that portion of capital exports the bourgeoisie call “foreign direct investment” (FDI).

Three tables are given at the end of this article. Tables II and III are derived from Table I. The point of the exercise is Table III, however:

Table III: Capital Exports in US Dollar Equivalent Value (“FDI”)

	Africa	Asia	Lat Am	E Eur/Sov	Total	GNP (trill)	Cap Exp/trill
France	3,976	6,470	17,791	2,229	30,466	1.53	19,912
Germany	2,707	11,230	16,477	11,887	42,301	2.35	18,000
Japan	5,138	85,820	58,422	209	149,589	5.00	29,918
J.K.	8,200	29,067	22,377	3,067	62,711	1.15	54,531
J.S.	6,832	76,015	147,535	8,127	238,509	7.10	33,593

JSD exchange rates: 1 French franc = \$.182; 1 DM = \$.60; 1 yen = \$.009; 1 pound = \$1.60.

This table completely discredits the silly little “NGI” fable of the merger of “international finance capital.”

For each trillion dollars of GNP, Germany has only a little more than half the FDI capital exports of the United States, France slightly more. Germany has an economy more than twice the size of Britain's, yet its FDI capital exports to the dependent countries are only about two thirds of that country's. France and Germany together export only slightly more capital to the dependencies than Britain, but their combined economies are 337% as large.

Relative to the United States and given the size of their economy, the German imperialists should have about \$80 billion in super-profitable FDI capital exports to dependent countries. Thus they are "lacking" about \$40 billion. The French imperialists are "losing out" on about \$20 billion. As well as super-profits they lose the strategic power of control over sources of raw materials and cheap labor. This can hardly arouse friendly feelings in Paris and Berlin toward the imperialist "class brethren" in Washington. More than anything else it explains the emergence of the Paris-Berlin axis, today a financial-diplomatic alliance, but more and more a military alliance as well.

Japan has the most advanced economy of all. Its GNP per capita, for instance, exceeds that of the U.S. by more than 40%, yet its rate of capital exports lags behind the U.S. It barely keeps up with the U.S. in Asia, its "back yard". Still, Asia accounts for 57% of Japan's FDI capital exports to dependent countries.

Latin America is the biggest area for imperialist capital exports, about a third more than Asia. By contrast with Japan, the United States owns more than 60% of total capital exports to its "back yard".

Several factors account for Britain's high rate of capital exports. It was on the "winning" side of both world wars. It has a longer history of empire than any of the others. It has been more tightly linked than any other to U.S. imperialism ever since the end of World War II. It has the highest rate of capital exports among the five but the most backward economy: with almost the same population as France, it has an economy only 75% as large. This shows that imperialism only means profits for the imperialists. It does not develop the forces of production or the economy overall.

U.S. dominance over the imperialist world-system was established at the end of WW II, when the U.S. accounted for about half of the world economy. Today the imperialist "big five" together account for about the same part of the world economy, the U.S. only about one fifth—yet U.S. imperialism retains its hegemony.

In sum, the territorial division of the world by the big powers is still very much a part of the world scene. Today the dependent countries have formal political independence, but very little economic independence. The division of the world according to export of capital is markedly out of proportion to the strength in finance capital and industrial development of the different imperialist countries. Lenin's theory still describes the world correctly. Fantasies of "globalization" are only attempts by the imperialists to disguise their robbery of

the dependent countries, and to obscure the rivalries among themselves. “NGI” is the same thing in opportunist “Marxist” clothing, all the more insidious for it.

Capital Exports to Developed Countries

The big imperialists also export capital to one another and to other developed countries. This is not a new thing—Lenin referred to it often in *Imperialism*. The rich countries export more capital to each other than they do to the poor countries. The OECD figures for 1997, for instance, showed the U.S. with \$610 billion in capital exports to the other 25 countries of the OECD, and \$250 outside. The adherents of “NGI” work themselves all into a lather over this, as if it were something new that proves the international “merger” of finance capital. It proves no such thing.

In 1996 the United States had \$45 billion in Germany. This hardly stacks up as a big deal against Deutschland’s \$2.35 trillion GNP. The U.S. had \$36 billion in Japan, and Japan had \$125 billion in the U.S.—not a big two-way investment against \$12 trillion in combined GNP, evidence more of the notorious trade imbalance than anything else. The supporters of “NGI” may wave their hands in the air and shriek fantasies of multinational aggregates—without, of course, ever stooping to do something so crude as to actually cite some facts. It should suffice to examine the overall patterns of imperialist capital exports to developed and non-developed countries. Again the pattern is strikingly uneven.

Table IV: Capital Exports by Percent, Developed Countries/Non-Developed
Figures are in national currencies, in millions.

	OECD	non-OECD	dev.	non-dev.	dev.	non-dev.
France	777,867	232,690	770,671	239,886	76.3%	23.7%
Germany	377,618	44,107	373,571	48,154	88.6%	11.4%
Japan	18,082,700	11,915,900	17,682,432	12,316,168	58.9%	41.1%
J. K.	171,413	37,703	170,622	38,494	81.6%	18.4%
U.S.	610,203	250,520	583,732	276,991	67.8%	32.2%

Germany, as ever in the history of imperialism, lags in relation to strength. Eighty-nine percent of its capital exports go to developed countries, where a deal is just a deal. When Deutsche Bank bought Bankers Trust in the U.S. for \$9 billion in 1998, for instance, it got a concern on the edge of bankruptcy. The other big U.S. banks would hardly have allowed the acquisition if they feared any real competition for profits. Only 11% of Germany’s capital exports went to the non-developed countries, where the pickings are especially fat. Also, France’s 24% to non-developed countries is significantly “behind” the 32% of the U.S. and the 41% of Japan.

Britain, the highest in capital exports to dependent countries in relation to GNP, also sends a very high percentage of its capital exports to developed countries. Its overall rate of capital exports compared to GNP is therefore much higher than any of the other four. This can only mean that the British imperialists find far less incentive to invest in their own country than do the other imperialists. This goes a long way to explain why the oldest imperialists country is the most backward.

Hence, in the pattern of the total capital exports of the big imperialist countries, uneven development is again the rule. Once again the facts vindicate Lenin and discredit “NGI”.

Conclusions

The “theory” of “NGI” rests on the complete falsehood that there is such a thing as international finance capital, in the sense of merger. It likewise falsely discounts the uneven development of the imperialist powers. Despite its rhetoric it bears no correct relationship at all with the ideas of Karl Marx and V.I. Lenin—nor for that matter, with those of Mao Zedong. It is a restatement of the bourgeois claptrap of “globalization”. “NGI” is no more than a snare to catch the gullible and ill-informed, to steer them down a dead end, to hide from the masses the rising dangers of war among the imperialist powers.

Tables

Source: Organization for Economic Cooperation and Development (OECD), International Direct Investment Statistics Yearbook (October 1998)

Table I : Capital Exports of Five Imperialist Countries
National Currencies, in Millions

	Africa	Asia	Lat Am	Mid East	Mexico	Turkey	S. K.
France	20,278	22,298	86,893	2,838	3,842	3,354	4,509
Germany	4,061	14,037	21,727	545	2,989	1,058	1,205
Japan	560,000	18,778,200	16,030,000	112,100	337,953	62,315	401,800
J.K.	4,920	16,288	12,872	677	554	237	238
J.S.	10,253	69,291	147,086	8,959	25,395	1,076	6,528

Table II: Dependencies Adjusted by Region (*)

	Africa	Asia	Lat. Am.	E Eur/Sov			
France	20,278	32,999	90,735	2,229			
Germany	4,061	16,845	24,716	11,887			
Japan	560,000	9,354,415	6,367,953	209			
J.K.	4,920	17,440	13,426	3,067			
J.S.	10,253	85,854	172,481	8,127			

(*) Mexico, Turkey, and S. Korea are OECD countries, hence they are not included in the original figures for their regions. In order to reflect the distinction between imperialist and non-imperialist countries, figures for Mexico are added to Latin America. The Middle East countries are in the Persian Gulf, plus Israel. They and S. Korea are added to Asia.

Table III: US Dollar Equivalent Value

	Africa	Asia	Lat. Am.	E Eur/Sov	Total	GNP (trill)	Cap Exp/trill
France	3,687	6,000	16,497	2,229	30,466	1.53	19,912
Germany	2,437	10,107	14,830	11,887	42,301	2.35	18,000
Japan	5,091	85,040	57,890	209	149,589	5.00	29,918
J.K.	7,872	27,904	21,482	3,067	62,711	1.15	54,531
J.S.	10,253	85,854	172,481	8,127	238,509	7.10	33,593

JSD exchange rates used are: 1 French franc = \$.182; 1 DM = \$.60; 1 yen = \$.009; 1 pound = \$1.60.

III. U.S. dominance among the fifty most profitable corporations for 1999

A study of the fifty most profitable corporations in the world for 1999 yields further evidence of uneven development among the capitalist countries. See the table on the following pages.

The data is gathered from fortune.com on the internet page select the "Global 500" link, and then hit "custom search." Set the number of companies to 50, set "Profits" to "Very important" and leave all the other indices to "Unimportant." Of course this data is not permanently on line. It was gathered in October, 2000. I have added the column for nationality.

The striking thing about the list is of course the overwhelming predominance of U.S. corporations. Thirty-three of the most profitable fifty are U.S. companies; Europe has fifteen, Japan a measly two.

The size of corporations fails to explain the dominance of the United States. The listing of the fifty largest corporations in the world based on revenues (not shown) breaks down into twenty Japanese companies, fifteen U.S., and fifteen European. The only thing this proves, if anything, is that Japanese capital is somewhat more centralized than that of the other imperialist countries.

A few U.S. corporations made really extraordinary profits: General Electric made almost \$11 billion; Microsoft made \$7.8 billion on revenues of "only" \$19.7 billion, and Intel did almost as well; thirteen of the most profitable were U.S. companies. Again, the second largest economy in the world, Japan, was hardly a blip by comparison. Seven of the fifty largest companies were German but only one (Daimler) was in the fifty most profitable. This is some evidence of the doldrums of the German economy. However, no fewer than *five* of the most profitable companies This shows the limits of what can be found by examining only a few companies, even the largest.

Though it is hardly more than a note, this brief study provides yet another evidence of the unevenness of development of whole countries under capitalism.

Fifty most profitable corporations as of March, 2000

All figures in US\$ millions

Company	Revenues	Profits	Assets	Ctry
1 General Electric	111,630.00	10,717.00	405,200.00	US
2 Citigroup	82,005.00	9,867.00	716,900.00	US
3 Royal Dutch/Shell Group	105,366.00	8,584.00	113,883.00	Hol
4 SBC Communications	49,489.00	8,159.00	83,215.00	US
5 Exxon Mobil	163,881.00	7,910.00	144,521.00	US
6 Bank of America Corp.	51,392.00	7,882.00	632,574.00	US
7 Microsoft	19,747.00	7,785.00	37,156.00	US
8 Intl. Business Machines	87,548.00	7,712.00	87,495.00	US
9 E.I. du Pont de Nemours	27,892.00	7,690.00	40,777.00	US
10 Philip Morris	61,751.00	7,675.00	61,381.00	US
11 Intel	29,389.00	7,314.00	43,849.00	US
12 Ford Motor	162,558.00	7,237.00	276,229.00	US
13 DaimlerChrysler	159,985.67	6,129.13	175,068.78	Ger
14 General Motors	176,558.00	6,002.00	273,921.00	US
15 Merck	32,714.00	5,890.50	35,634.90	US
16 Cable & Wireless	14,825.85	5,758.90	34,343.42	UK
17 Chase Manhattan Corp.	33,710.00	5,446.00	406,105.00	US
18 HSBC Holdings	39,348.15	5,407.80	567,793.29	UK
19 Wal-Mart Stores	166,809.00	5,377.00	70,245.00	US
20 Olivetti	30,087.78	5,268.32	75,699.73	Ital
21 ING Group	62,492.39	5,250.19	493,948.61	Hol
22 American International Group	40,656.08	5,055.44	268,238.00	US
23 BP Amoco	83,566.00	5,008.00	89,561.00	UK
24 Morgan Stanley Dean Witter	33,928.00	4,791.00	366,967.00	US

	Company	Revenues	Profits	Assets	Ctry
25	Lucent Technologies	38,303.00	4,766.00	38,775.00	US
26	Novartis	21,608.89	4,432.27	40,935.37	Swz
27	Verizon Communications	33,174.00	4,202.00	62,614.00	US
28	UBS	27,651.92	4,193.32	613,198.37	Swz
29	Johnson & Johnson	27,471.00	4,167.00	29,163.00	US
30	Bristol-Myers Squibb	20,222.00	4,167.00	17,114.00	US
31	Lloyds TSB Group	22,836.72	4,067.99	283,803.97	UK
32	GTE	25,336.21	4,032.84	50,831.80	US
33	WorldCom	37,120.00	4,013.00	91,000.00	US
34	Fannie Mae	36,968.60	3,911.90	575,167.40	US
35	Volvo	15,120.65	3,897.15	22,897.17	Swz
36	Roche Group	18,348.75	3,836.55	43,998.94	Swz
37	Procter & Gamble	38,125.00	3,763.00	32,113.00	US
38	Wells Fargo	21,795.00	3,747.00	218,102.00	US
39	Toyota Motor	115,670.92	3,653.44	160,571.63	Jpn
40	Hewlett-Packard	48,253.00	3,491.00	35,297.00	US
41	Bank One Corp.	25,986.00	3,479.00	269,425.00	US
42	Credit Suisse	49,361.98	3,475.13	451,506.58	Swz
43	BellSouth	25,224.00	3,448.00	42,453.00	US
44	AT&T	62,391.00	3,428.00	169,406.00	US
45	Nippon Life Insurance	78,515.14	3,405.37	423,281.47	Jpn
46	BT	30,545.99	3,311.28	59,963.79	UK
47	Zurich Financial Services	39,962.00	3,260.00	221,178.00	US
48	First Union Corp.	22,084.00	3,223.00	253,024.00	US
49	Pfizer	16,204.00	3,179.00	20,574.00	US
50	Nestlé	49,694.12	3,144.32	36,819.78	Swz

