

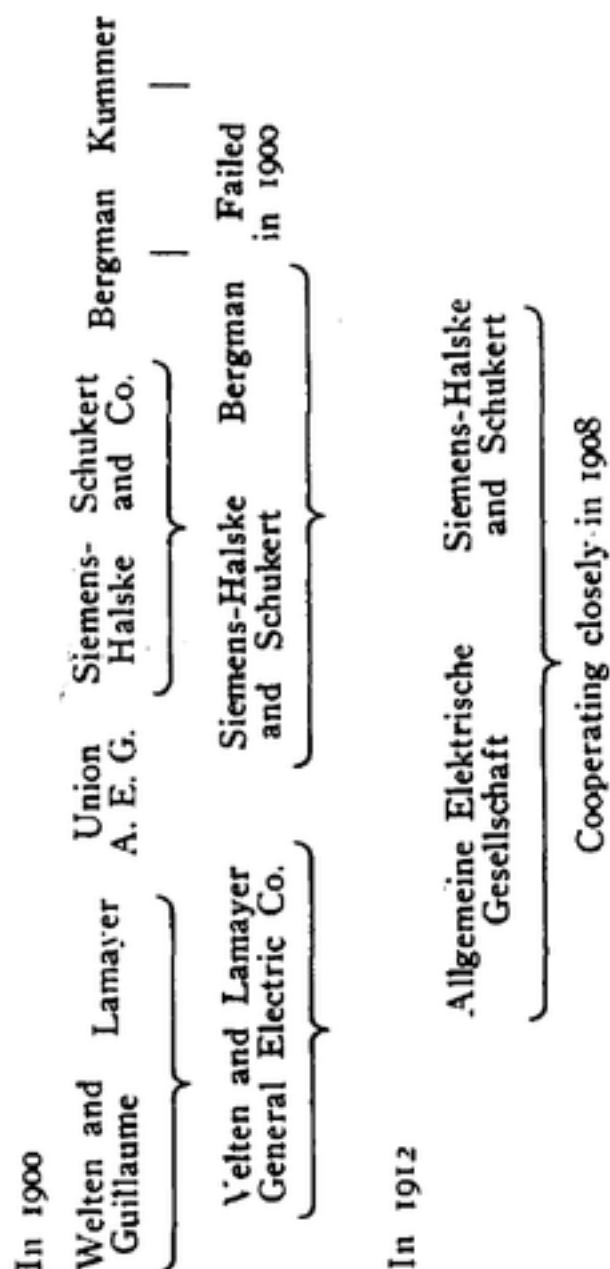
# Imperialism — the Final Stage of Capitalism

(Continuation)

By N. Lenin

Translated from the Russian by Andre Tridon

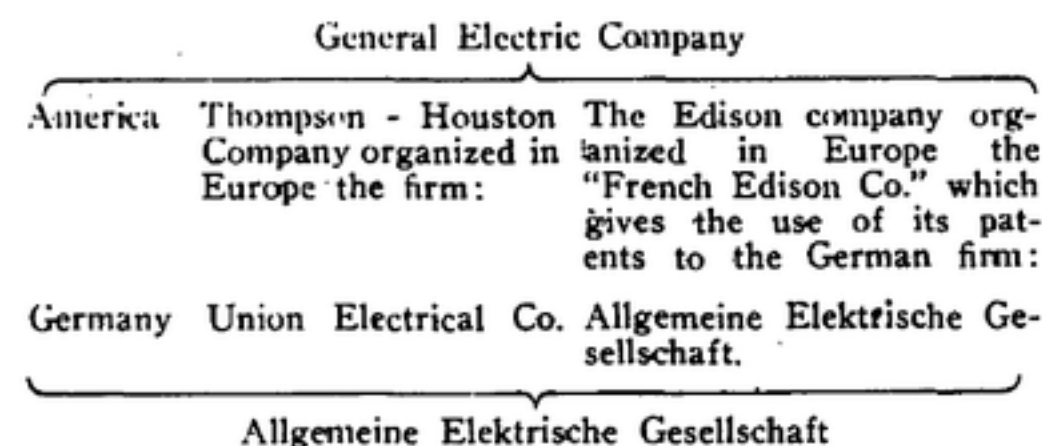
**B**ETWEEN 1908 and 1912 all those groups combined into two or rather one single group. The combination took place as indicated below.



The well-known Allgemeine Elektrische Gesellschaft controls now (by way of "participation") between 175 and 200 societies and a capital amounting approximately to 1½ billion marks. It has 34 direct foreign representatives, among them 12 stock companies in ten different countries.

In 1904 the amount of capital invested in foreign countries by the German electrical industry was estimated at 233 million marks (62 millions in Russia). The Allgemeine Gesellschaft is, in other words, a gigantic combine comprising as many as 16 manufacturing concerns alone, producing everything from cables and insulating material to automobiles and flying machines.

Concentration in Europe was only part and parcel of the process of concentration in America. This is what I mean:



Thus two electrical "powers" combined. "There does not exist any electrical company on earth independent from them," writes Heining in his article "The Ways of the Electricity Trust."

The following figures will give us an idea, although rather superficial, of the magnitude of the returns and operations of the two electricity trusts:

	Goods produced in millions of marks	Working-men	Net profits in millions of marks
America:			
General Electric Co.	1907 252	28,000	35.4
	1910 298	32,000	45.6
Germany: Allgemeine Elektrische Gesellschaft			
	1907 216	30,700	14.5
	1911 362	60,800	21.7

In 1907 the American and the German trusts came to an understanding for a division of the world between themselves. No more competition: The General Electric Company "received" the United States and Canada. The Allgemeine Elektrische Gesellschaft "received" Germany, Austria, Russia, Holland, Denmark, Switzerland, Turkey, the Balkans. Special arrangements, of a confidential nature, were concluded as regards the daughter-concerns opening new fields of industry and "new" territories not as yet divided up. Inventions and experiments are to be pooled. (65)

One can understand how difficult it would be to compete against what practically amounts to a world trust, disposing of several billion marks and having its own branches, agents and representatives in every corner of the globe. But a division of the world between two powerful trusts does not exclude a redistribution in case uneven development, wars, failures, should change the distribution of power.

The petroleum industry gives us such an example of redistribution accompanied by strife.

"The petroleum market of the world," Jeidles wrote in 1905, "is still divided between two large financial groups: the American Oil Trust (the Standard Oil Company), controlled by the Rockefeller interests and the Rothschild-Nobel combine, exploiting the Baku oil fields." These two groups are closely united, but their monopoly is being threatened from five sources: (66) 1. the exhaustion of the American oil wells; 2. the competition of the Mantashef firm in Baku; 3. the new oil discoveries in Austria; 4. in Rumania; 5. oil finds in the Dutch colonies, controlled by the wealthy firm of Samuel and Tell, allied also to English banks. The last three are backed by large German banks under the leadership of the Deutsche Bank. Those banks have systematically developed the petroleum industry, in Rumania, for instance, in order to secure important points of strategic importance to them. In 1907 the capital invested in Rumanian oil fields amounted to 185 million francs out of which 74 millions had been invested by German banks. (67)

Then began a struggle which economic literature designates as the war for the partition of the world. On one side there was Rockefeller's oil trust, which, bent on controlling the situation, founded a daughter-concern in Holland and bought up oil wells in Dutch India, thus trying to deal a death blow to its chief competitor, the Dutch-English oil trust. On the other hand, the Deutsche Bank and other German banks were trying to control Rumania and to line up with Russia against the Rockefeller interests. The latter disposed of enormous amounts of capital and of an excellent system of transportation and delivery. The fight was bound to end, and did end in 1907, with the absolute defeat of the Deutsche Bank, which could only do one of two things, either liquidate its oil holdings at a loss of several millions, or make its submission. It chose the latter and concluded a most unfavorable agreement with the oil trust.

According to the terms of that document, the Deutsche Bank engaged itself not to "undertake anything unfavorable to the American interests," the agreement to be void should Germany pass a law giving the government the monopoly of the oil trade.

Then began the "oil farce." One of the financial kings of Germany, Von Gwinner, director of the Deutsche Bank, started through his private secretary

## Manifesto of the Communist International

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of the Second International held before the war. They appear as before with proposals of compromise and conciliation and thereby paralyze the energy of the proletariat, lengthening the period of crisis and consequently increasing the misery of Europe. War against the Socialist Centre is a necessary condition of successful war against Imperialism.

Spurning the half-heartedness, hypocrisy and corruption of the decadent official Socialist parties, we, the Communists assembled in the Third International, feel ourselves to be the direct successors of the heroic efforts and martyrdom of a long series of revolutionary generations from Babeuf to Karl Liebknecht and Rosa Luxemburg. As the First International foresaw the future development and pointed the way; as the Second International gathered together and organized millions of the proletarians, so the Third International is the International of open mass action of the revolutionary realization, the *International of deeds*. Socialist criticism has sufficiently stigmatized the bourgeois world order. The task of the International Communist Party is now to overthrow this order and to erect in its place the structure of the socialist world order. We urge the working men and women of all countries to unite under the Communist banner, the emblem under which the first great victories have already been won.

Proletarians of all countries! In the war against imperialistic barbarity, against monarchy, against the privileged classes, against the bourgeois state and bourgeois property, against all forms and varieties of social and national oppression—*unite!*

Under the standard of the Workmen's Councils, under the banner of the Third International, in the revolutionary struggle for power and the Dictatorship of the Proletariat, proletarians of all countries *unite!*

(To be continued)

an agitation to bring about the oil monopoly. All the gigantic machinery of the largest Berlin bank was put in motion, all the strings were pulled, and the press was filled with patriotic declamations against the tyranny of the American trust. On March 15, 1911, the Reichstag passed an almost unanimous resolution calling upon the government to prepare a bill establishing the government's monopoly of the oil trade.

The government welcomed that popular idea; and the Deutsche Bank, which was endeavoring to strangle its American competitor and to close a profitable deal thanks to a government monopoly of the oil trade, had almost won the game. The German oil kings were already dreaming of profits as huge as those made by the Russian sugar manufacturers. Only, the large German banks fought over the division of the spoils, the Disconto Gesellschaft exposed the greed of the Deutsche Bank, and then the German Government was afraid of fighting the Rockefellers; it had to count on them for its oil supply, the Rumanians needed billions for war preparations in 1913. The monopoly plans were postponed till some future time. The Rockefeller interests came out of the fight with all the honors.

The Berlin review *Bank* stated on that occasion, that Germany could fight the petroleum trust by simply establishing a monopoly of electrical power and transforming all water power into cheap electrical current. But it added: "that monopoly will be established whenever convenient to the producers of electricity. That is when a large crash will be impending in the electrical industry, and when the enormous and expensive electrical stations which are being built everywhere by private concerns and for which those concerns are already securing monopolies from cities and governments will no longer prove profitable. . . . Then we shall have to rely on water power; but it will be impossible to transform that energy into cheap electrical power through direct government management: we shall give it over to private monopolies controlled by the government, because private industry has already closed a number of deals and secured for itself large rewards. This is what happened in the case of the potash monopoly and this will happen when the government acquires the monopoly of electrical power. It is high time our state Socialists who allow themselves to be blinded by fine principles should realize that in Germany monopolies are not means to benefit the consumer or to secure for the government a share of the operating profits, but merely to rehabilitate, at the expenses of the government, private industrial enterprises on the verge of bankruptcy." (66)

Such is the remarkable admission which bourgeois German economists are compelled to make. We see clearly how private and public monopolies are entangled one with another in this era of finance capital, and how the one and the other are simply details of the struggle raging among the large monopolistic groups for the division of the world.

In the field of mercantile navigation the giant growth of concentration has also brought about a division of the world.

In Germany we find two large companies, the Hamburg American and the North German Lloyd with a capital of 200 million marks, stocks and bonds and a fleet costing 185 and 189 million marks.

On the other hand there was organized in America on January 1, 1903, the so-called Morgan trust, the International Mercantile Marine Co., comprising 9 American and English lines and disposing of a capital of 120 million dollars. An agreement was signed in 1903 between the German colossus and the Anglo-American trust with a view to dividing up the world and trade profits. The German lines agreed not to compete for freight and passages between England and America. Lists of the available ports were established, and a general committee of control was created. The agreement was to be in force for 20 years with a clause specifying that in case of war it was to be void. (69)

Very illuminating is also the history of the international rail combine. The first attempt at combining English, Belgian and German rail plants was made in 1884 at a time of great industrial stagnation. The nations joining the combine agreed not to compete in their home markets and divided among themselves the foreign markets on the following basis: England 66%, Germany 27%, and Belgium 17%. England was left entirely in possession of the Indian market. One English firm which remained outside of the combine was subjected to a concerted attack for which funds were supplied from a certain percentage of the general profits. In 1886, however, the combine broke up when two English firms withdrew from it. It is to be noticed that no agreement could be reached during the following periods of great business activity.

(To be continued)