

Dots for Joining

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Tom [Riley]'s reply to Dave [Watts] raises some issues about the way in which the argument we have been having has been conducted, expressing frustration about those who hold Russia to be imperialist failing to engage with his arguments and his facts, but somehow half-realising that we who hold that position are similarly frustrated by a sense that he and his side fail to engage with our arguments and our facts. At the last conference I think all sides were, if not angry about the other not answering their arguments, at least very sad, and that perhaps, has continued, but really neither the anger nor the sadness has been very helpful.

We can agree that one side or the other in this argument is more or less correct, and that the other is failing to engage. But only the resolution of the argument will lead to agreement on which side it is that fails to engage. The argument will not be furthered by that complaint on either side ... though I know from my own experience that it is an irresistible temptation to make it sometimes. Though the words have not been used too directly, I think it is clear enough that those who do not regard Russia as imperialist think those of us who do are impressionists who deny fundamental precepts of the materialist understanding of history. Most of our side of course, have the reciprocal view, that you (leaving your mistaken views on economic realities aside) have a crude economic reductionist and empiricist view blind to certain deeper processes and denying the law of combined and uneven development and the complex mediations between economics and politics as understood by Lenin and Trotsky.

So we've got to get on with it, clearing the way forward, idea by idea, fact by fact, argument by argument. It was to this end that a few weeks ago I started introducing a series of questions, in an attempt to make step by step clarifications. That resulted in a very strong complaint on a Skype discussion that I was introducing a hostile interrogatory tone to the discussion. That was not my intention.

One of our difficulties is that on our side we simply do not accept that the kind of orientation to the data that you ask of us will provide definitive answers. Just to take one example, that I think was alluded to in an earlier stage of the discussion: the sixth largest supplier of mobile phone networks internationally (with a revenue of \$23 billion a year) is called VimpelCom Ltd. Seventy percent of its revenue comes from Russia and Italy, and the balance from Ukraine, Kazakhstan, Uzbekistan, Armenia, Georgia, Kyrgyzstan, Cambodia, Laos, Bangladesh, Pakistan, Burundi, Zimbabwe the Central African Republic, and Canada. Its headquarters are in Amsterdam and in the statistics it shows up as Dutch. It is 48 percent controlled by the Russian AlfaGroup who have 56 percent of the economic rights. The AlfaGroup is under the control of Mikhail Fridman, one of the most powerful oligarchs. As well as Alfa's 48 percent, VimpelCom is 43 percent controlled by Telenor, a Norwegian telecoms corporation, with the balance held by various minority interests. [Wikipedia] Now VimpelCom is just one example, discovered by accident, of Russian imperialist investment accruing superprofits. Business often hides its tracks, whether for reasons of deception or simply because business is not served by filing information on the questions most interesting to us, so it is lucky when you find examples such as VimpelCom.

But there's a lot more investments than VimpelCom. How do I know that? Well it is in the nature of things that billionaires must invest their billions. It is simply not possible to spend billions of dollars on personal

consumption. A billion -- a thousand million -- is a VERY high number. And so a billionaire simply has too much to spend it all on private yachts and pedicures and high class hookers. They invest their money. Somewhere. The other members of Russia's finance bourgeoisie are like Mikhail Fridman, making ordinary imperialist investments, and although we might not be able to name the firms in which they are investing, there are certainly thousands of them.

The available data does not do justice to the reality, but there's enough to make a very strong case indeed. In their document of 19 June 2013 Josh and Barbara presented data which shows that Russia has been a global net exporter of Foreign Direct Investment flow since 2009. Josh [Decker]'s reply to Dave of 17 March 2014 and Barbara [Dorn]'s reply to [Roxie Baker] of 20 March 2014 are both very important contributions, adding considerably to the picture both theoretically and empirically, with Josh citing material which shows the general under-reporting of Russia's stock of outward investment and Barbara citing material which proves a continuing and increasing flow of such investment.

We have shown there are real oligarchic financial institutions with real money for real investments, that they in fact make such investments, and that they are getting real returns. It has been asserted that Russian outward investment is predominantly state sponsored and narrowly focussed for purposes of state and perhaps towards longterm aspirations, but the contrary evidence is far stronger. And of course it is. Russian oligarchs are not distinguished among capitalists by attributes of self-denial and delayed gratification. They have money to invest and they want profits and they want them soon.

And there are a lot of them. And they are intertwined with the Russian state. And the state is one of the more powerful states on the international arena, and has expansionist policies which serve their interests. And this helps the billionaires' investments return higher profits.

But somehow we are not getting this across.

On our side, we think it is highly significant that you use the same arguments to show that Russia is not imperialist today as you previously used in your now-abandoned attempt to show that Russia was not imperialist before the Revolution. You do not see the significance.

You think that capacity to compete on the world market is proportional to labour productivity (and so to the organic composition of capital). We think that world power status and international spheres of influence may interfere with that proportionality.

You think that when Trotsky says Czechoslovakia was imperialist because it was highly economically developed, that implies that because Russia is on the whole not so developed, it is therefore not imperialist. We do not follow your logic.

We think that high levels of raw material production have historically always been one in the array of indicators that Leninists have seen as tending to indicate that a country is imperialist. You apparently think they are a counter-indication.

We think that the military power and geostrategic influence Russia has to facilitate hydrocarbon transit through

Central and Western Asia and Eastern Europe (pipelines etc) is highly analogous to the military power and geostrategic influences Western imperialists have or had on particular rail links and trading choke-points (such as the Straits of Gibraltar or Malacca or the Panama or Suez Canal), and that power over such trading routes is a characteristic element of imperialist power contributing to its capacity to extract surplus profits. You do not.

We believe that some part of the flow of superprofits to Russia is incorporated in prices received for hydrocarbon exports, ie, that this untraceable element of these revenues is a function of its imperialist status. You dismiss hydrocarbon income as counter-indicative of imperialism. You think that getting oil and gas from the ground in Russia through pipelines to Central and Western Europe is a technical-economic activity different in kind from that characteristic of imperialism, and that therefore any extra profits from that investment cannot be "surplus-profit" (or the fruit of imperialist advantage). We think the necessary industrial activity represents continuing investment of capital and labour power, including in the semi-colonies through which the hydrocarbons flow, all of which add value to the product sold, and facilitate surplus value for the imperialist investors.

You seem to think that the bourgeoisie of Saudi Arabia and the bourgeoisie of Russia are qualitatively similar in their configurations and their relations to their states. We see discrepancies -- far more than simply their rather different number of billionaires (8 Saudi billionaires as against 111 Russian according to a Wikipedia table, though that may be skewed).

We think that any capitalist state will use what power it has internationally to get the best profits possible for its bourgeoisie, and that military might allows for the leveraging of higher profit levels. So we furthermore think that in the real existing world a capitalist great power will in fact be able to garner profits at a higher level than a capitalist state that is not a great power. You apparently think that (in the case that a capitalist great power is somewhat economically backward) it will not use its power for the purposes of increasing its profits.

Clearly each side is getting impatient with the other, but in the IBT comrades do change and have changed their minds in the past and are capable of doing so this time round too. So let us proceed.