

Weltmarkt und Imperialismus: Zur Entstehungsgeschichte der klassischen marxistischen Imperialismustheorie. Oliver Nachtwey. Cologne: Neuer ISP Verlag, 2005

... In that empire, the art of cartography reached such perfection that the map of one province alone took up the whole of a city, and the map of the empire, the whole of a province. In time, those unconscionable maps did not satisfy, and the colleges of cartographers set up a map of the empire which had the size of the empire itself and coincided with it point by point. Less addicted to the study of cartography, succeeding generations understood that this widespread map was useless, and not without impiety they abandoned it to the inclemencies of the sun and of the winters. In the deserts of the West some mangled ruins of the map last on, inhabited by animals and beggars; in the whole country there are no other relics of the disciplines of geography.¹

This slim volume (originally a Masters thesis submitted to the University of Hamburg) offers an overview of the classical-Marxist theories of imperialism and attempts to link them with contemporary debates on globalisation. Its chronological framework goes from the revisionist controversy of the late nineteenth century to the debate on economic crises and the prospects of capitalism in the 1920s. The book is a welcome addition to the existing histories of the Marxist theories of imperialism, most of which remain untranslated from the German and have long been out of print.²

Nachtwey set himself the daunting task of reviewing the often bulky and highly abstruse works of fourteen major Marxist theoreticians in 107 pages. The book opens with an introductory chapter offering short definitions of the theoretical concepts relevant to the Marxist theory of crises and the world market (declining tendency of the rate of profit, disproportionalities and realisation problems, underconsumption and accumulation, and so on) as well as references to the exegetic literature on these issues. The second chapter gives a synopsis of the expansion of the world market and of the economic development of Germany and Russia during the half century that preceded the outbreak of the First World War. It deals briefly with phenomena such as the Great Depression of 1873–90 and the subsequent period of expansion until the eve of the War, the agrarian crisis of the late nineteenth century, the growth of protectionism and monopolies, and the arms race and militarism of the antebellum period. The third chapter occupies three-fourths of the book (seventy pages) and carries the title ‘Marxist Interpretations of the Development of the World Market’. Under this heading, Nachtwey includes four separate subjects:

- 1) The revisionist debate on the theory of collapse [*Zusammenbruchstheorie*] between Eduard Bernstein on the one hand and Heinrich Cunow, Karl Kautsky and Rosa Luxemburg on the other.
- 2) Tugan-Baranovsky’s history of economic crises in England and its review by Kautsky; Lenin’s polemic with the Narodniks about the prospects of development of a home

1. Borges 1961, p. 103.

2. For instance Mandelbaum 1926 and Schröder 1975. Unfortunately, the contributions of these researchers are not reflected in the anglophone Marxist literature on the subject, for example Kemp 1967.

market for capitalism in Russia; and Parvus's works on the world market and the agrarian crisis, protectionism and free trade, the business cycle and the long waves of capitalist development (it is not clear why these three issues were grouped together).

- 3) The debate on the theory of imperialism in the German and Russian Social-Democratic parties until the Bolshevik Revolution.
- 4) The debate of the 1920s on economic perspectives and the structural transformations of capitalism in Russia (Kondratieff and Varga) and Germany (Hilferding and Grossman).

A concluding chapter of three pages sums up Nachtwey's conclusions from his review of the literature.

Nachtwey covers much ground in few pages, which makes his work both thought-provoking and at times frustrating. He points out, for instance, that the background to the rise of revisionism within the SPD was the boom that capitalism experienced at the turn of the nineteenth century. To counter Bernstein's arguments that the development of the world market, the credit system, modern transportation and communication technologies, the cartels and employer's associations had rendered the Marxist theories of crises obsolete, the orthodox Marxists began to develop a theory of collapse of capitalism, which later served as an inspiration for Rosa Luxemburg's *The Accumulation of Capital*.³ The first theoretical analyses of imperialism came as a by-product of this debate, the orthodox arguing that capitalism should indeed have experienced a collapse, according to its immanent laws of development, but that the bourgeoisie had found a temporary way out in imperialist foreign policy (as an outlet for surplus commodities and capital, and also a source of jingoism). But Nachtwey fails to mention that, as far back as 1900, Karl Kautsky and Heinrich Cunow published articles on imperialism using the concept of finance-capital, which was later made famous by Hilferding's book on that subject.⁴

Indeed, Kautsky, in his 1900 analysis of the Boer War and the aftermath of the Spanish-American War, employed, for the first time, not only the concept of *Finanzkapital* (although not exactly in Hilferding's sense, but rather opposing the former 'good', free-trade, pacifist and democratic policy of industrial capital to the 'bad', protectionist, militarist and imperialist policy of money-capital) but also the idea of investment imperialism developed two years later by John A. Hobson in his famous book. Kautsky's analysis merits to be quoted at length:

The capital made through trade and commerce finds in the home market and the markets of industrial neighbours no sufficiently good investment; they press forward to fresh countries. It is no longer a question of merely securing a market for an increasing superfluity of goods, but also to provide the increasing accumulations of capital with fields for investment. . . . From this new situation in the world springs the new colonial policy, the hunt for new colonies, the modern American expansion policy, the English imperialism, and, at least partly, the German world-policy. . . .

3. The usual reference is Cunow 1898, pp. 356–64, 424–30.

4. See Kautsky 1900, and Cunow 1900.

In the meantime, to a much greater extent than industry, finance finds satisfaction in the acquisition of colonies. . . . For the financier, looking for the most profitable investment of his capital, it is of the highest importance that his fields of investment should lie in his own state, which secures them with more or less force. Since the state has to decide over the granting of railway, mining, and other concessions, she can, by means of subsidies, raise the value of industrial undertakings, shipping companies, etc., just as on the other side she can, through legislation, limit or cut off their income altogether. Therefore we find that capital invested in foreign countries, so soon as it becomes a powerful factor, always endeavours to bring these countries under the government of their own State. Examples of this are Egypt, the annexation of the Hawaii Islands by the United States at the instigation of the American planters, the Cuban war in consequence of the agitation of interested capitalists in America, the French expedition to Madagascar to ensure the profits on the loan of the 'Comptoir d'Escompte' and the people behind it, and the South-African war for the purpose of abolishing the Boer peasant régime as a hindrance to the British financiers, and to make the South-African market free as a field for the investment of British capital.

Therefore the newly-awakened passion of capitalistic states for the acquisition of colonies, and therefore the endeavour to create fields for the investment of superfluous capital, and to get grants in foreign countries of districts for exploitation as so-called spheres of interest; therefore also the rise of militarism in democratic countries, such as England and America. In order to force through concessions, and for the protection of the exported capital, a certain application of force is indispensable. England, Russia, and Germany succeeded in leasing territories in China, Italy did not.

From this altered economic situation is explained the spirit of increasing jealousy between German, English, and North American capitalist circles. Just as certain as it is that England's and Germany's industry are mutually dependent, and that an interruption in the commercial relations of the two countries must have the most disastrous effects on their economic development, it is equally certain that the finance-capitalist has frequently other interests than the industrial-capitalist. . . . Finance-capital is by nature thoroughly monopolist; its endeavour is to assure for itself a monopoly in the exploitation of certain districts.

What alone draws profit from the founding of colonies, from the modern expansion policy, is the finance-capital, which draws further advantages from the failures of colonial governments and the consequent expenditure and loans for colonial purposes.

And then the costs of the world-policy, which to England are now being so forcibly demonstrated in South Africa, the reaction on home affairs, the inevitable strengthening of militarism, the breeding of constantly renewed colonial troubles, the increase of warlike entanglements. Like every other policy, so certainly has the imperialistic world-power policy found, besides their poet, Rudyard Kipling, also their philosophers and sophists, who endeavour to prove that imperialism means the strengthening of democracy, a rise in the general well-being, and many other things besides. Hitherto nothing has been seen of these consequences, but only a renewal of colonial crimes and the colonial wars of previous centuries; of these there is a plentiful choice. We only need look at the war of the United States with

the Filipinos, at the last English war with the Indian frontier tribes, at the Matabele war, at the Boer war. These are the most striking triumphs of the imperialist world policy. The prospect of like results for Germany is not enticing.⁵

A subject that Nachtwey does not deal with is how Hobson's book came to influence Lenin.⁶ The subject merits further investigation because it is the main 'unorthodox' (i.e. not derived from the German Marxist debate on imperialism) theoretical source used by Lenin. We know that Lenin reviewed favourably the Russian version of one of Hobson's early books on the evolution of modern capitalism in 1899.⁷ After an intensive review of the SPD periodicals, Hans-Christoph Schröder could find only a single reference to Hobson's book: a review in *Vorwärts* by the Austro-British Marxist Max Beer in December 1906.⁸ Most probably, Hobson's *Imperialism* attracted Lenin's attention during the period of his London exile, which coincided with the publication of the first edition of the book (1902).⁹

Nachtwey correctly argues that the analysis of the Marxist theories of imperialism cannot be separated from that of the theories of the business cycle. He therefore underlines the significance of the Russian legal-Marxist Tugan-Baranovsky's book on the latter issue and of Kautsky's review of it.¹⁰ Tugan-Baranovsky was a neo-Kantian like Bernstein and Konrad Schmidt, who tried to combine the Marxist theory of value with marginal-utility theory. But, despite his eclecticism, his work was theoretically important, because it underlined the significance of Marx's expanded reproduction schemata (which later played a major role in Rosa Luxemburg's theory of imperialism) and criticised the Narodniks' rejection of the possibility of capitalist development in Russia. Tugan-Baranovsky denied the existence of a chronic problem of realisation of surplus-value under capitalism and argued that, since capitalist production creates its own market without necessarily having to resort to non-capitalist third persons, it is capable of endogenous growth. On this issue, he was in agreement with Lenin, who also rejected the Narodniks' underconsumptionist theories and attributed the development of foreign markets to the growth of the division of labour and to the unequal development of the different sectors of the capitalist economy.

In his review of Tugan-Baranovsky's book, Kautsky quoted Marx's dictum in the third volume of *Capital*:

The ultimate reason for all real crises always remains the poverty and restricted consumption of the masses, as opposed to the drive of capitalist production to develop the productive forces as though only the absolute consuming power of society constituted their limit.¹¹

5. Kautsky 1900, pp. 230–6.

6. Hobson 1902.

7. Lenin 1899.

8. Beer 1906.

9. Krupskaja 1959.

10. See Tugan-Baranovsky 1969 and Kautsky 1902, pp. 37–47, 76–81, 110–18, 133–43.

11. Marx 1990, p. 615.

Kautsky foresaw a time in which all the industrial nations would experience chronic overproduction due to the incapacity of the world market to absorb all the commodities resulting from the expansion of the productive forces. Nachtwey favours an explanation of crises based on the declining tendency of the rate of profit rather than one based on disproportionalities and realisation problems, and therefore criticises Kautsky (as well as Cunow) for defending what he sees as an eclectic concession to the underconsumptionist theory of crises. But he notes that Kautsky's review was part of his polemics against the revisionists, and not a foundation stone for his later theory of ultra-imperialism as argued, for instance by M.C. Howard and J.E. King in their *History of Marxian Economics*.

Nachtwey emphasises the significance of Parvus as 'the Marxist theoretician that dealt most fully and systematically with the world market' (p. 46). He finds Parvus's definition of the world market as the 'nodal point of the production relations' (p. 47) that increasingly determines the economic conditions of particular countries, and especially Parvus's stress on the 'disappearance' of the national state, strikingly similar to some contemporary analyses of globalisation. But Nachtwey retains a critical attitude towards his theories and refuses to endorse them *in toto*. He points out, for instance, that Parvus's advocacy of free trade was mistaken, and that Kautsky was closer to the mark when he argued, in his 1901 brochure on commercial policy, that the dispute between free trade and protectionism was a struggle between different sections of the bourgeoisie in which the proletariat must not take sides (which became the official SPD position on this issue).¹² Nachtwey also notes that Hilferding later rejected the demand to return to free trade as a reactionary utopia, and recognises that Parvus built a model based on the assumption of free competition without taking into consideration that the process of concentration and centralisation tends to develop trusts and monopolies. He attributes to both Parvus and Kautsky the belief that colonialism runs against the logic of capitalist accumulation, since the most important markets for industry were the other industrial countries rather than the backward regions. But Nachtwey nevertheless praises Parvus for being 'the only theoretician that systematically included the declining tendency of the rate of profit in his analysis' (p. 50) as well as for laying the foundations of a theory of long waves of capitalist development (i.e. of the changes operated in the business cycle as a result of the structural changes of the world market since the writing of Marx's *Capital*) in his 1901 pamphlet *The Commercial Crisis and the Trade Unions*.¹³

One of the most unsatisfactory sections of Nachtwey's book is his overview of the evolution (or rather involution) of Kautsky's views on imperialism. He barely mentions the 9 January 1907, 'Hottentot Elections' to the Reichstag, in which a wave of imperialist chauvinism led to the loss of 38 Social-Democratic seats and to the creation of a conservative pro-colonialist bloc behind Chancellor von Bülow. The ensuing debate on colonialism provided the trigger for the first book-length analyses of imperialism in Marxist circles: Parvus's *The Colonial Policy and the Collapse of Capitalism*¹⁴ and Kautsky's *Socialism and*

12. Kautsky 1901.

13. Parvus 1901. Ernest Mandel later included the relevant passages in his anthology. See Parvus et al. 1972.

14. Parvus 1907. See the review of this book by Hilferding 1907.

Colonial Policy.¹⁵ Nachtwey fails to analyse Kautsky's important if flawed brochure, as well as to mention the fact that both Kautsky and Parvus's works were written with a view to the forthcoming Stuttgart Congress of the Second International (6–24 August 1907), which adopted a resolution on militarism whose concluding paragraphs, drafted by Rosa Luxemburg and Lenin, advocated the policy later made famous by the slogan: 'turn the imperialist war into a civil war'.¹⁶

Similarly, Nachtwey fails to place adequately Kautsky's *volte-face* on the issue of disarmament and his later theory of ultra-imperialism in the context of the split between the centre and left factions of the SPD after 1910.¹⁷ Since 1911, Kautsky began to sponsor a United States of Europe without analysing the exploitative and oppressive nature of such a common market of imperialist countries. Nachtwey mentions Rosa Luxemburg's first criticism of Kautsky's positions (called 'Peace Utopias')¹⁸ but not her retort to Kautsky's advocacy of similar positions during the First World War.¹⁹ More importantly, Nachtwey fails to mention Karl Radek's criticism of Kautsky's positions²⁰ as well as Radek's book on German imperialism and the working class, which preceded by one year the publication of Rosa Luxemburg's book on imperialism.²¹ Radek's book is significant because it shows a prominent member of the SPD left wing who, while following Rosa Luxemburg's lead politically, referred to the works of Hilferding, Otto Bauer, Parvus and Kautsky as the theoretical sources for his work, and, in that sense, stood much closer to Lenin's famous analysis of imperialism, published five years later.²²

Much better than the section on Kautsky is Nachtwey's treatment of Hilferding's work. He points out, for instance, that Hilferding saw the declining tendency of the rate of profit as the driving force behind the trends toward monopolisation and capital exports, and that in an often overlooked article Hilferding described the fall in the rate of profit 'the law of movement of capitalism'.²³

It is interesting that this article appeared almost forty years before the publication of Marx's *Grundrisse*, which described the declining tendency of the rate of profit as 'in every respect the most important law of modern political economy'.²⁴ Nachtwey believes that this emphasis makes Hilferding's analysis of imperialism much closer to Parvus's than to Kautsky's or Rosa Luxemburg's. Nachtwey highlights the new theoretical concepts introduced by Hilferding into Marxist political economy, such as the founders' profit,

15. Kautsky 1975.

16. Resolution 1974.

17. Ratz 1966, pp. 197–227, and Petit 1969, pp. 325–37.

18. Luxemburg 1911, pp. 491–504.

19. Luxemburg 1915, pp. 33–42.

20. Radek 1912a.

21. Radek 1921.

22. Radek 1912b referred to the following books as 'the most exhaustive descriptions of the general driving forces of imperialism': *Finanzkapital* of Hilferding (1910), *Nationalitätenfrage und die Sozialdemokratie* of Bauer (1907), *Kolonialpolitik und Zusammenbruch* of Parvus (1907).

23. Hilferding 1903, pp. 274–81.

24. Marx 1973, p. 748.

accruing to individual capitalists turning their enterprises into joint-stock companies, and his emphasis on the growing dominance of the capitalist economy by finance-capital, i.e. capital in money form at the disposal of the banks, which is made use of by the industrialists and thus converted into industrial capital.

Finance capital signifies the unification of capital. The previously separate spheres of industrial, commercial, and bank capital are now brought under the common direction of high finance, in which the masters of industry and of the banks are united in a close personal association. The basis of this association is the elimination of free competition among individual capitalists by the large monopolistic combines.²⁵

Nachtwey mentions the review of Hilferding's *Finance Capital* (1910) by Kautsky, who described it as 'the fourth volume of Capital'.²⁶ But he fails to review the controversy around Hilferding's theory of money, especially Kautsky's still untranslated article on this issue, which was recommended by Lenin in his article on Marx and Marxism for the *Granat Encyclopaedia*.²⁷ Hilferding saw disproportionalities as the main cause of crises, and believed that the disturbances in the regulation of prices brought about by the cartels sharpened the disequilibria between different branches of production. He argued, in common with all the 'orthodox' opponents of revisionism, that monopolies cannot eliminate crises, because they can regulate production in certain branches but not in the economy or in the world market as a whole. Nachtwey believes that Hilferding's (a member of the Kautskyist Centre) hypothetical scenario of a general cartel regulating production on an antagonistic basis and his theory of organised capitalism provided the basis for his reconciliation with revisionism in the 1920s.

Rosa Luxemburg's theory of imperialism was developed in her 1913 book *The Accumulation of Capital*, aimed against the centrist positions of Kautsky and Hilferding. Nachtwey, like most Marxist scholars, rejects her postulate of an immanent realisation problem in capitalism and believes that she derived her theory of the capitalists' need to resort to non-capitalist 'third persons' for the realisation of their surplus-value from the works of the legal-Marxist Pytor Struve. But he argues that Rosa Luxemburg shared with Parvus, Trotsky and Bukharin the theoretical premise of taking the transformations of the world market as the starting point for their analyses of imperialism, viewing from this perspective the development of the particular countries, their position in the hierarchy of the global division of labour and their international relations, rather than proceeding from the tendencies of the national economy like Hilferding and Kautsky.

25. Hilferding 1981.

26. Kautsky 1911, pp. 764–72, 797–804, 838–64, 874–83.

27. 'For the further development of Marx's economic views as applied to recent phenomena in economic life see Hilferding 1911. Outstanding inaccuracies in the author's views on the theory of value have been corrected by Kautsky 1912, pp. 837–47 and 886–93.' Lenin 1974a, pp. 43–91. Kautsky's article was part of a larger polemic including Varga 1912, pp. 212–20; Gelderen 1912, pp. 660–4 and Hilferding 1912, pp. 773–82.

Nachtwey shares with this reviewer the shortcoming of not knowing Russian, and therefore his analysis of the Russian debate on imperialism is less detailed and rich than his analysis of the German one. But he does point out one major difference between both debates: while both had in common the analysis of the factors that eventually led to the outbreak of the First World War, the Russian debate on imperialism had a unique background – namely the debate against the Narodniks' views on the development of capitalism in Russia. This is evident in Lenin's reaction to Rosa Luxemburg's book, in which he immediately saw a repetition of the Narodniks' mistakes. In a letter to Kamenev written before 29 March 1913, Lenin said:

I have read Rosa's new book *Die Akkumulation des Kapital*. She has got into a shocking muddle. She has distorted Marx. I am very glad that Pannekoek and Eckstein and O. Bauer have all with one accord condemned her, and said against her what I said in 1899 against the Narodniks. I intend to write about Rosa for No. 4 of *Proveshcheniye*.²⁸

The editors of his *Collected Works* added this note:

In March and April 1913, Lenin was working on an article to be called 'Rosa Luxemburg's Unsuccessful Addition to Marxist Theory'. He drew up a plan of the article, compiled statistical tables and copied quotations from Marx's *Capital*, but the article was never published.

In his article for the Granat Encyclopaedia, Lenin recommended three reviews of Rosa Luxemburg's *The Accumulation of Capital*: Gustav Eckstein's in *Vorwärts*,²⁹ Anton Pannekoek's in *Bremer Bürger-Zeitung*,³⁰ and Otto Bauer's in *Die Neue Zeit*, the only one so far translated to English.³¹ Lenin's marginal notes to Rosa Luxemburg's book have also been translated to English.³²

Trotsky's views on imperialism are dealt with briefly by Nachtwey because of their scattered and unsystematic character: unlike the other Marxist theoreticians, Trotsky did not write a book on the economics (as distinguished from the political aspects) of imperialism or deal with the theory of crises besides his criticism of Kondratieff's theory of the long waves.³³ Here, one misses an analysis of Trotsky's (admittedly much later) definition of imperialism as 'the expansionist policy of finance capital'.³⁴

Nachtwey attaches special significance to Bukharin's book *The World Economy and Imperialism* (its original title). Bukharin, like Trotsky, followed Hilferding on the growing influence of banks, finance-capital and monopolies, and defined imperialism as 'the policy

28. Lenin 1974b, p. 94.

29. Eckstein 1913.

30. Pannekoek 1913.

31. Bauer 1913, pp. 831–8, 862–74.

32. Lenin 2000, pp. 225–38.

33. Trotsky 1941, pp. 111–14. See also Day 1976a.

34. Trotsky 1973, p. 26.

of finance capital'.³⁵ Like Hilferding, Bukharin saw in the falling tendency of the rate of profit the driving force of capitalism and therefore of imperialism. But, just like the Austrian theoretician, Bukharin confined this law to the background in his analysis of crises and saw as their immediate motive the disproportionalities caused by the anarchy of capitalist production, among which they included the realisation problem. Bukharin distinguished between two contradictory processes – the tendency towards the organisation of capitalism in national trusts and the internationalisation of the economy – and saw the drive for foreign markets as the result of the conflict between the growth of the productive forces and the national narrowness of the organisation of production. Bukharin developed Hilferding's idea of a tendency towards a general cartel but reached a different hypothetical scenario: huge national state-capitalist trusts competing in the world market for the annexation of economic areas, especially agricultural ones in the colonies and semi-colonies. Competition, annulled in the home market, thus reappeared (according to Bukharin) in a sharper form in the world market, leading to militarism and world wars.

Unlike Bukharin and Trotsky, Lenin did not define imperialism as the policy of finance-capital but as the monopoly stage of capitalism, even though both definitions arguably amount to the same thing. Lenin emphasised much more than Bukharin the unevenness of capitalist development, from which he deduced the impossibility not only of a world cartel (Hilferding) and ultra-imperialism (Kautsky) but also of the progressive regulation of production at the national level by state-capitalist trusts (Bukharin). Lenin did not share Bukharin's views on the regulatory possibilities of state capitalism. He argued with Marx that monopoly can never completely replace competition and that therefore the regulation of the national economies by monopolies exists only as a tendency which can never reach complete fulfilment.

Nachtwey considers Lenin's work on imperialism empirical-inductive rather than deductive, meaning that the unravelling of the actual tendencies of capitalist development from statistical and empirical data receives more emphasis than their logical deduction from the categories and laws of Marx's *Capital*. He correctly points out that Lenin's *Imperialism* deals neither with the falling tendency of the rate of profit nor with the theory of crises, but it could be argued that Lenin was not seeking to develop new theoretical concepts (which he took from Hilferding) or to investigate the relationship between imperialism and the business cycle. Rather, he was trying to explain to the workers the reasons for the outbreak of the First World War and the capitulation of the Second International before a murderous national chauvinism. Less to the point, Nachtwey argues that Lenin's *Imperialism* is 'descriptive and inconsistent' (p. 94) and that its reference to capitalism's 'rotteness' or 'decay' is 'an inaccurate concept with little analytical content' (p. 94). In his cavalier treatment of a book without which, in the opinion of this reviewer, it is impossible to understand either the history or the twentieth century of contemporary politics, Nachtwey seems to have been influenced by a certain academic trend which tends to dismiss Lenin's book as of scant theoretical value.³⁶ He overlooks Lenin's superior use of the dialectical method vis-à-vis Bukharin in the handling of contradictions such as the unevenness of capitalist development (both between production branches and between

35. Bukharin 1972.

36. See, for instance, Brewer 1990.

countries), monopoly vs. competition, market relations vs. state control, and so forth.³⁷ Nachtwey also fails to mention Lenin's and the Communist International's development of the political aspects of the theory of imperialism, such as the policies of revolutionary defeatism in the imperialist countries and the anti-imperialist united front in the colonies and semi-colonies.³⁸

Nachtwey then moves on to the debate on stabilisation and the perspectives for a collapse of capitalism in the 1920s. He offers very short analyses of Eugen Varga's *Die Niedergangsperiode des Kapitalismus* (1922) and Nikolai Kondratieff's *The Long Wave Cycle* (1925) (one page each), mainly taken from Richard Day's major work on the Soviet theories of crises, for instance in his statement that Varga's theory of crises was essentially Luxemburgist in content if not in form.³⁹ He correctly points out that Varga's catastrophism provided a pseudo-theoretical background for Stalin's ultra-left 'Third-Period' policies, and that Varga collaborated with Stalin in his fight against Bukharin, but does not trace the stages of his degeneration or mention that Varga and Trotsky submitted a joint report to the Third Congress of the Comintern.⁴⁰

Nachtwey provides more detailed analyses of the works of the two major 'theorists of collapse' who came out against the optimistic analyses of capitalist development of the mid-1920s and saw in the relative stability of the world economy a temporary phenomenon: Fritz Sternberg (1926) and Henryk Grossmann (1929). Grossmann's book *The Law of Accumulation and Breakdown of the Capitalist System; Being also a Theory of Crises* was, according to Nachtwey, the first Marxist theory of collapse to put the declining tendency of the rate of profit (rather than the realisation of surplus-value like Rosa Luxemburg) at the centre of its analysis. Grossmann believed that overaccumulation rather than underconsumption would bring about the collapse of capitalism. His law of accumulation was conceived as a logical development of Otto Bauer's criticism of Rosa Luxemburg's book, carrying the analysis of the reproduction schemata from their 4th period to their 36th period. Nachtwey argues that, in his analysis of unequal exchange between nations, Grossmann anticipated the central tenets of the dependency theories developed after the Second World War. But his overall judgment of Grossmann's work is negative (he finds it fundamentally marred by a mechanical conception of collapse) and the same holds for his assessment of the neo-Luxemburgist work of Sternberg. Nachtwey does not mention the interesting fact that Trotsky invited Sternberg to write a joint work on the world economy in 1934:

In the first days of September Trotsky had long conversations with Fritz Sternberg, a German economist who Trotsky hoped could be persuaded to write the section on the world economic situation in the program of the new International. But nothing came of this idea, because Sternberg drifted away from Trotskyism.⁴¹

37. Day 1976b, pp. 244–60.

38. See Joubert 1988 and Fourth Congress of the Communist International 1983.

39. Day 1981.

40. Trotsky and Varga 1921. The joint authorship with Eugen Varga is not mentioned in Trotsky's *The First Five Years of the Communist International*, from which the online edition was taken.

41. Heijenoort 1978, p. 56.

In the conclusion, Nachtwey argues that the debate on imperialism brought about an ‘internationalisation’ of Marxist political economy, in other words, the analysis went beyond the development tendencies within the framework of the national states to analyse the contradictions of the world market as a superior entity determining the dynamics of the individual national markets, as Trotsky later insisted in his polemics with Bukharin and Stalin.⁴² But Nachtwey also believes that ‘an inconsistent and superficial theory of crises, especially as regards the declining tendency of the rate of profit, is common to all the classical-Marxist theories of imperialism’ (p. 101).

Given the large scope of Nachtwey’s book and its small size, this detailed review of its contributions and omissions fatally put us in the position of Borges’s insane cartographers: the review of the book is almost as long as the book itself. But we think this extravagance is justified by the significance and topical interest of Nachtwey’s little book.

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42. See Trotsky 1957.

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