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Economic Imperialism

A. J. P. Taylor

1952

Ideas live longer than men, and the writer who can attach his name to an idea is safe for immortality. Darwin will live as long as Evolution, Marx be forgotten only when there are no class-struggles. In the same way, no survey of the international history of the twentieth century can be complete without the name of J A Hobson. He it was who found an economic motive for Imperialism. Lenin took over Hobson's explanation, which thus became the basis for Communist foreign policy to the present day. Non-Marxists were equally convinced, and contemporary history has been written largely in the light of Hobson's discovery. This discovery was an off-shoot from his general doctrine of under-consumption. The capitalists cannot spend their share of the national production. Saving makes their predicament worse. They demand openings for investment outside their saturated national market, and they find these openings in the undeveloped parts of the world. This is Imperialism. In Hobson's words, 'the modern foreign policy of Great Britain has been primarily a struggle for profitable markets of investment' — and what applied to Great Britain was equally true of France or Germany. Brailsford put it a few years later in a sharper way:

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Working men may proceed to slay each other in order to decide whether it shall be French or German financiers who shall export the surplus capital (saved from their own wages bill) to subdue and exploit the peasants of Morocco.

This idea is now so embedded in our thought that we cannot imagine a time when it did not exist. Yet the earlier Radical opponents of Imperialism knew nothing of it. They supposed that Imperialism sprang from a primitive greed for territory or a lust for conquest. The more sophisticated held that it was designed to provide jobs for the younger sons of the governing classes (a theory which James Mill invented and himself practised and which Hobson did not discard). Marx had no theory of Imperialism. In classical Marxist theory, the state exists solely to oppress the working classes – to silence their grievances, destroy their trade unions and force them ever nearer to the point of absolute starvation. Marx jeered at the ‘night-watchman’ theory of the state, but the only difference in his conception was that it stayed awake in the day-time. Hobson added a true Marxist refinement. Marx had demonstrated that the capitalist, however benevolent personally, was condemned by economic law to rob the worker at the point of production. Similarly Hobson showed that the capitalist, however pacific, must seek foreign investment and therefore be driven into imperialist rivalry with the capitalists of other states. Previously Marxists had condemned capitalism as being pacific and particularly for preventing the great war of liberation against Russia. Now all wars became ‘capitalistic’, and war the inevitable outcome of the capitalist system. It is not surprising that, when the first world war had broken out, Lenin seized on Hobson’s ‘bourgeois-pacifist’ theory and made it the cornerstone of neo-Marxism. Like most prophets he boasted of his foresight only when his visions had become facts.

the capitalists, who cause most of the trouble. Worst of all the men of Power who are missionaries as well.

cussing colonial affairs. He expected the international capitalists to join in the exploitation of China and even to recruit Chinese armies with which to hold down the workers of Europe. Brailsford looked to Europe only to reject it. He wrote — this in March 1914: ‘the dangers which forced our ancestors into European coalitions and Continental wars have gone never to return’. And again, ‘it is as certain as anything in politics can be, that the frontiers of our modern national states are finally drawn. My own belief is that there will be no more wars among the six Great Powers.’ Even if there were a war, ‘it is hard to believe that ... German Socialists would show any ardour in shooting down French workmen. The spirit which marched through Sedan to Paris could not be revived in our generation.’ It may be unfair to judge any writer in the light of what came after. Yet men with far less of Brailsford’s knowledge and intellectual equipment foresaw the conflict of 1914, and even the shape that it would take. The true vision of the future was with Robert Blatchford, when he wrote his pamphlet, *Germany and England*, for the *Daily Mail*.

This is a sad confession. Hobson and Brailsford are our sort. We think like them, judge like them, admire their style and their moral values. We should be ashamed to write like Blatchford, though he was in fact the greatest popular journalist since Cobbett. Yet he was right, and they were wrong. Their virtues were their undoing. They expected reason to triumph. He knew that men love Power above all else. This, not Imperialism, is the besetting sin. Lenin knew it also. Hence, though a rationalist by origin, he turned himself into a wielder of power. Thanks to him, there is nothing to choose between Rhodes and a Soviet commissar. Nothing except this: the capitalist may be sometimes corrupted and softened by his wealth; the Soviet dictators have nothing to wear them down. If the evils which Hobson and Brailsford discovered in capitalism had been in fact the greatest of public vices, we should now be living in an easier world. It is the high-minded and inspired, the missionaries not

Hobson wrote his book immediately after the partition of Africa and when the experiences of the Boer war were fresh in everyone’s mind. For him, Imperialism was mainly acquisition of tropical lands, and what he foresaw next was the partition, or perhaps the joint exploitation, of China. In the spring of 1914 Brailsford applied similar doctrines to a wider field. *The War of Steel and Gold* (1914) is a more brilliant book than Hobson’s, written with a more trenchant pen and with a deeper knowledge of international affairs. Though less remembered now, it had probably a stronger influence on its own generation, and American historians between the wars, in particular, could hardly have got on without it. Our own thought is still unconsciously shaped by it. Brailsford speaks more to our condition. The aggressive, self-confident Imperialism of the Boer war seems remote to us; the competition of great armaments is ever-present in our lives.

Both writers wrote with Radical passion. The first sensation in re-reading them is to cry out: ‘Would that we had such writers nowadays!’ Take Hobson’s peroration:

Imperialism is a depraved choice of national life, imposed by self-seeking interests which appeal to the lusts of quantitative acquisition and of forceful domination surviving in a nation from early centuries of animal struggle for existence... It is the besetting sin of all successful States, and its penalty is unalterable in the order of nature.

Or Brailsford’s

Let a people once perceive for what purposes its patriotism is prostituted, and its resources misused, and the end is already in sight. When that illumination comes to the masses of the three Western Powers, the fears which fill their barracks

and stoke their furnaces will have lost the power to drive. A clear-sighted generation will scan the horizon and find no enemy. It will drop its armour, and walk the world's highways safe.

These are heavyweights of political combat. The intellectual diet of the mid twentieth century cannot nourish such stamina. But we must stay the flood of our admiration with some doubting questions. Was the Hobsonian-Leninist analysis of international capitalism a true picture either then or now? Has the struggle for overseas investments ever been the mainspring of international politics?

The export of capital was certainly a striking feature of British economic life in the fifty years before 1914. But its greatest periods were before and after the time of ostensible Imperialism. What is more, there was little correspondence between the areas of capitalist investment and political annexation. Hobson cheats on this, and Lenin after him. They show, in one table, that there has been a great increase in British investments overseas; in another that there has been a great increase in the territory of the British Empire. Therefore, they say, the one caused the other. But did it? Might not both have been independent products of British confidence and strength? If openings for investment were motive of British Imperialism, we should surely find evidence for this in the speeches of British imperialists, or, if not in their public statements, at any rate in their private letters and opinions. We don't. They talked, no doubt quite mistakenly, about securing new markets and even more mistakenly, about new openings for emigration; they regarded investment as a casual instrument. Their measuring-stick was Power, not Profit. When they disputed over tropical African territory or scrambled for railway concessions in China, their aim was to strengthen their respective empires, not to benefit the financiers of the City. Hobson showed that Imperialism did not pay the nation. With longer experience, we

can even say that it does not pay the investors. But the proof, even if convincing, would not have deterred the advocates of Imperialism. They were thinking in different terms.

The economic analysis breaks down in almost every which has been examined in detail. Morocco has often been treated as a classical case of finance imperialism, by Brailsford himself and in more detail by E D Morel. In fact, the French financiers were forced to invest in Morocco much against their will, in order to prepare the way for French political control. They knew they would lose their money, and they did. But Morocco became a French protectorate. Again, Brailsford made much play with the British investment in Egypt, which Cromer had promoted. But Cromer promoted these investments in order to strengthen British political control, and not the other way round. The British held on to Egypt for the sake of their empire; they did not hold their empire for the sake of Egypt. Even the Boer war was not purely a war for financial gain. British policy in South Africa would have been exactly the same if there had been no gold-mines. The only difference is that, without the profits from the dynamite-monopoly, the Boers would have been unable to put up much resistance. Rhodes was a great scoundrel in Radical eyes, and quite rightly. But not for the reasons that they supposed. Rhodes wanted wealth for the power that it brought, not for its own sake. Hence he understood the realities of politics better than they did.

Those who explained Imperialism in terms of economics were rationalists themselves and therefore sought a rational explanation for the behaviour of others. If capitalists and politicians were as rational as Hobson and Brailsford, this is how they would behave. And of course a minority did. They took their profits, agreed with their enemy in the way and died quietly in their beds. But they did not set the pattern of events. It is disturbing that, while Hobson and Brailsford were so penetrating about the present, they were wrong about the future. Hobson ignored Europe altogether — rightly, since he was dis-