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V. LATE NINETEENTH-CENTURY
COLONIAL EXPANSION AND THE ATTACK ON THE
THEORY OF ECONOMIC IMPERIALISM: A CASE
OF MISTAKEN IDENTITY?

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THE concept of imperialism which Hobson, Lenin and the combined force of the international socialist movement forged into an *idée fixe* of the twentieth century was roughly handled by Western scholars long before 1945. But since then the attack has grown more precise and its character has altered. Among the first of the post-war historians (writing in English) to attempt the dethronement of imperialism as the demi-urge of the period between 1870 and 1914 was Richard Koebner. He determined on a semantic approach and put the term's linguistic history to rigorous scrutiny. On the philosophical assumption that a term's meaning is to be defined by its actual use and provenance in the political discourse in which it arose, he found that the modern concept of economic imperialism sprang out of a limited, local controversy over the nature of the Boer War. He concluded that it had been illicitly mated with other forms of militarism and economic expansion to spawn a hybrid, mythical monster that had been allowed to sprawl its length over more than half a century of world history.¹

On the statistical side the work of Cairncross and others has laid bare the lack of apparent connexion between the export of capital and the late nineteenth-century scramble for colonies.² Diplomatic historians, with A. J. P. Taylor in the van, have reinforced the earlier monumental study of W. L. Langer, and while rejecting any monocausal explanation of imperialism have come down heavily in favour of the view that looks upon it as a primarily political phenomenon.³

What has distinguished the contribution of Ronald Robinson and John Gallagher is the alteration they have brought about in the character of the attack. Following the prevailing trend of minimizing the strength and compulsiveness of the expansionist forces in Europe in the later nineteenth century they pursue the full logic of the argument and enforce its corollary. If Europe was drawn reluctantly and involuntarily into Africa after 1870 and

¹ Richard Koebner, 'The Concept of Economic Imperialism', *Economic History Review*, 2nd ser. II, no. 1 (1949).

² A. K. Cairncross, *Home and Foreign Investment, 1870-1913* (1953). The best summary of the literature is to be found in D. K. Fieldhouse. See below.

³ A. J. P. Taylor, *Germany's First Bid for Colonies*, and *The Struggle for Mastery in Europe*.

not propelled by her own internal dynamism, then the initiative for the African Scramble was to be found primarily in the workings of African and not European societies.⁴

The importance of this re-interpretation needs labouring. Historians like Taylor and Hinsley have seen the partition of Africa as the product of chance and inconsequence rather than necessity, but even so it remains for them essentially a safety-valve for European energies. 'All the Great Powers except Austria-Hungary found a safe channel for their exuberance outside Europe. They stumbled on this solution by chance, without foresight... The struggle for mastery in Europe was postponed, not abandoned: this alone was the meaning of the "age of imperialism".'⁵ Robinson and Gallagher will have none of this, because it reproduces old error in new guise. It still regards imperialism as a home-grown European phenomenon springing out of internal developments within European society. The attractiveness of their own interpretation lies in its recognition of the autonomy of Africa's history and in its subtle accommodation to the historiographical revolution of our time. That revolution may briefly if tritely be described as a shift of the locus of historical initiative and decision from the institutional superstructure to the level of local communities and interest groups. While this reverses the ordinary notion of the direction of historical causation, it effects a still more dramatic reversal of stand-point for viewing the historical relation of Europe with other societies. The decisive initiatives are now read as coming from below not above, from African and Asian societies and not from the colonial power structure of Europe. In one sense, therefore, Robinson and Gallagher perform an important ground-clearing operation, removing the bogey of imperialism that blocked the historian's vision and rendering intellectually respectable those microcosmic studies of African societies in the colonial period in which history is detected issuing from the grass-roots.

Such a method stands the classical model on its head, or at least appears to do so. But its efficacy depends on a particular set of assumptions concerning the classical model's construction and, as these assumptions are shared by almost all adverse critics of the model, they need to be made explicit. The assumptions are:

1. that imperialism is synonymous with colonialism, that is to say with the extension of Western political control over the non-Western world;
2. that imperialism was generated by pressures produced within Western society;

⁴ J. Gallagher and R. Robinson, 'The Partition of Africa', *New Cambridge Modern History*, xi; *Africa and the Victorians* (1961); 'The Imperialism of Free Trade', *Economic History Review*, 2nd ser. vi (1953); R. Robinson, 'The Official Mind of Imperialism', *Historians in Tropical Africa*, University College of Rhodesia and Nyasaland (Salisbury, 1962).

⁵ A. J. P. Taylor, *The Struggle for Mastery in Europe*, p. 256. Cf. F. H. Hinsley, 'International Rivalry in the Colonial Sphere, 1869-1885', *Cambridge History of the British Empire*, III, 99.

3. that these pressures manifested themselves first as ideological and political movements in European life;
4. that such pressures were, however, fundamentally economic in origin, and sprang out of the change from industrial capitalism, with its emphasis on simple commodity-exchange relationships with overseas territories, to finance capitalism, with its emphasis on the export of capital to colonial dependencies;
5. that the colonialism appropriate to industrial capitalism was non-monopolistic pacific, and abstentionist, and the colonialism appropriate to finance capitalism monopolistic, bellicose, and annexationist;
6. that the latter form of colonialism (imperialism) succeeded the former (mid-Victorian anti-imperialism) suddenly, about 1870, and that from 1870 to 1900 or 1914 there ensued the high age of imperialism whose quintessence was the scramble for colonies among the great powers.

It has been the work of Robinson and Gallagher to refute the applicability of this model to British expansion in general and to the European partition and occupation of tropical Africa between 1870 and 1900 in particular. Their method is deliberately polemical. They overturn the model by reversing each one of its assumptions. Imperialism they argue was the product of pressures within overseas and not within Western societies; it was a consequence and not a cause of the African partition; it came at the end and not the beginning of the colonial scramble; it was first and foremost a political phenomenon, originating in nationalist revolutions overseas that generated by reaction corresponding nationalist movements of defiant self-assertion from Europe. It introduced economic motives only as an afterthought. For Hobson, surplus capital forced the European powers 'to place larger and larger portions of their economic resources outside the area of their present political domain, and then stimulate a policy of political expansion, so as to take in the new areas'.⁶ For Robinson and Gallagher:

So far from commercial expansion requiring the extension of territorial claims, it was the extension of territorial claims which in time required commercial expansion. The arguments of the so-called new imperialism were *ex post facto* justifications of advances, they were not the original reasons for making them!

For them, misconception as to the logical or causal relation between African and European societies necessarily involves an equivalent error of chronology. Imperialism, with its flags and drums, its belligerent ideologies, its redirection of economic effort, its imperial grants-in-aid came—if it came at all—after the completion of the scramble for colonies, at the end of the nineteenth century. On this hypothesis, then, there was no sharp change in direction after 1870; the notion of an abrupt reversal of colonial policy at that time from pacific abstention to belligerent annexation cannot be sustained. If anything British colonial policy between 1870 and 1895 grew more timid, more pacific, couched in terms of preserving existing commercial interests rather than

⁶ J. A. Hobson, *Imperialism* (1902), p. 80, cited D. K. Fieldhouse, 'Imperialism: an Historiographical Revision', *Economic History Review*, xiv, 2 (1961).

opening paths for new. Salisbury was no Palmerston. He built his African empire defensively, largely as a strategic outwork for the real empire of trade and investment in the East. British policy held to its old course, continuing to devolve authority where it could, assuming it where it had to but, above all things, maintaining free trade.

If all this is true then the theory of economic imperialism is not so much exploded as merely declared irrelevant as an explanation of European colonial expansion between 1870 and 1900. But the theory on any ordinary reckoning has been dealt all but a knockout blow. The *coup de grâce* has been attempted by D. K. Fieldhouse, who drawing together recent critiques isolates what he holds to be the essential tenets of the theory in order to controvert it explicitly:

The central feature of the theory of imperialism by which it must stand or fall, is the assertion that the empires built up after 1870 were not an option but a necessity for the economically advanced states of Europe and America: that these capitalist societies, because of their surplus of domestically produced capital, were forced to export capital to the under-developed regions of the world: and that it was only this investment—prospective or existing—that supplied a motive for the acquisition of colonies.⁷

So defined, the model is then assailed with all the arguments used by Robinson and Gallagher but now marshalled in a concentrated, direct assault. The model errs at every point, we are told: in the postulate of a sharp change of direction of colonial policy after 1870; in ignoring the fact that capital exports avoided the new colonial territories acquired after 1870; in misdescribing the primary-exporting country, Great Britain, as dominated in 1870 by monopoly finance capitalism and controlled by a few trusts and cartels; in not taking into account that 'the age of German cartels came only after about 1900, while the main German grab for colonies had taken place during the previous twenty years'.⁸ Elsewhere the same writer concludes: 'The Theory of Capitalist Imperialism might have been true, but in fact it was not. Sooner or later the sheer volume of the evidence and argument marshalled on the other side will convince the majority that imperialism was not the simple product of advanced capitalism.'⁹

What is noticeable in all these versions of the concept of economic imperialism—in that of Fieldhouse no less than that of Robinson and Gallagher—is the conflation of the arguments of Hobson and Lenin into a single model, Fieldhouse going so far as to maintain that the two differed in only minor particulars. But Hobson's influence remains paramount.¹⁰ Indeed it was Hobson who by his almost exclusive attention to British expansion made imperialism synonymous with colonialism. It was Hobson who tabulated

⁷ D. K. Fieldhouse, 'Imperialism': an historiographical revision, *Economic History Review*, 2nd ser. XIV, 2 (1961), 195.

⁸ *Idem*, p. 197.

⁹ D. K. Fieldhouse, *The Theory of Capitalist Imperialism*, paperback (1967), p. 192.

¹⁰ Fieldhouse, *Economic History Review*, op. cit. p. 193.

British capital exports and British colonial acquisitions in terms of cause and sequence; who in 1902 spoke of his work as analysing 'the imperialism of the last three decades', and who directed his main attention to the largest colonial gain of the period, Africa.

Yet it is too easily forgotten that the theory of economic or capitalist imperialism does not stand or fall on the authority of Hobson but of Lenin. A scrutiny of Lenin's principal writings reveals that no error could be more fundamental than to suppose that he was putting forward the same model of imperialism as Hobson. In the vital question of chronology Lenin made it plain that the era of monopoly finance capitalism did *not* coincide with the scramble for colonies between 1870 and 1900 but came after it.

for Europe [he wrote] the time when the new capitalism *definitely* superseded the old can be established with fair precision: it was the beginning of the twentieth century. . . Thus the beginning of the twentieth century marks the turning point, not only in regard to the growth of monopolies (cartels, syndicates, trusts) . . . but also in regard to the growth of finance capitalism.¹¹

Similarly, in its colonialist aspect imperialism did not emerge, according to Lenin, until all the 'unoccupied' portions of the world had already been divided up into colonial or semi-colonial territories; for imperialism which 'in its economic essence . . . is monopoly capitalism' was the struggle for the re-division of the already divided world:

Fourthly [after listing three other sources] monopoly has grown out of colonial policy. To the numerous 'old' motives of colonial policy, finance capital has added the struggle for the sources of raw materials, for the export of capital, for 'spheres of influence', i.e., for spheres for profitable deals, concessions, monopolist profits and so on, and finally, for economic territory in general. When the colonies of the European powers in Africa, for instance, comprised only one-tenth of that territory (as was the case in 1876), colonial policy was able to develop by methods other than those of monopoly—by the 'free grabbing' of territories, so to speak. But when nine-tenths of Africa had been seized (by 1900), when the whole world had been divided up, there was inevitably ushered in the era of monopoly ownership of colonies and, consequently, of particularly intense struggle for the division and re-division of the world.¹²

Earlier he had written:

Imperialism is capitalism in that stage of development in which the dominance of monopolies and finance capital has established itself, in which the export of

¹¹ V. I. Lenin, 'Imperialism, the Highest Stage of Capitalism', *Collected Works* (Moscow, 1964), XXII, 200.

¹² *Idem*, pp. 299–300. Cf. 'Imperialism and the Split in Socialism', October 1916, *Lenin, Works*, XXIII, 111: 'Neither Marx nor Engels lived to see the imperialist epoch of world capitalism, which began not earlier than 1896–1900.'

Cf. 'The Discussion on Self-Determination Summed Up', July 1916, *Works*, XXII, 341–2: ' . . . and 1898–1916 (I take the most important landmarks of imperialism as a period: from the Spanish-American imperialist war to the European imperialist war) '.

Cf. Lenin to Jivessa Armand, 25 Dec. 1916: *Works*, XXXV, 268. 'You have forgotten the main thing—that in 1891 no imperialism existed at all (I have tried to show in my pamphlet that it was born in 1898–1900, not earlier) . . . '

capital has acquired pronounced importance, in which the division of the world [i.e. in terms of markets] among the international trusts has begun, in which the division of all territories of the globe among the biggest capitalist powers has been completed.

The official textbook, *Political Economy*, issued by the Institute of Economics of the Soviet Academy of Sciences in 1957, spells the theory out with still greater clarity:

Premonopoly capitalism, with free competition predominating, attained the apex of its development in the 1860s and 1870s. During the last third of the 19th century there took place the transition from pre-monopoly to monopoly capitalism. Monopoly capitalism finally took shape towards the end of the 19th century and the beginning of the 20th century. Monopoly capitalism or imperialism is the highest stage of capitalism... In the last quarter of the 19th century, in the period of transition to the monopoly stage of capitalism, the map of the world underwent radical changes. All the developed capitalist countries followed the oldest colonial power, Britain, on the road to territorial conquest... Towards the beginning of the 20th century, the division of the world was complete. The colonial policy of the capitalist countries had led to the conquest of all the lands not hitherto occupied by the imperialists. No more 'free' lands remained; a situation had been created in which every fresh conquest presupposed wresting territory from its owner. The completion of the division of the world placed on the order of the day the struggle to *re-divide* it. The struggle to re-divide the already divided world is one of the fundamental distinguishing features of monopoly capitalism.¹³

Lenin, it will be noted, envisaged the period from 1870 to 1900 as a transitional period. He postulated, therefore, no sharp discontinuity between the pre- and post-1870 periods. Colonial policy continued by means of the 'free grabbing' of territory and remained in a relative sense fundamentally pacific and non-monopolistic.¹⁴ The export of capital was not the dominant feature of colonial policy, Lenin fully acknowledging that 'the export of capital reached enormous dimensions only at the beginning of the 20th century'.¹⁵ All the features of the concept of economic imperialism so freely attributed to him by Fieldhouse and others are not applicable to the period before 1900 or

¹³ *Political Economy, A Textbook issued by the Institute of Economics of the Academy of Sciences of the U.S.S.R.* ed. C. P. Dutt and Andrew Rothstein (London [1957]), pp. 279, 296.

¹⁴ Cf. 'The Collapse of the Second International', May-June 1915, *Works*, XXI, 225-6. 'Let us recall what the passage from the previous and "peaceful" period of capitalism to the present and imperialist period has been based on: free competition has yielded to monopolist combines and the world has been partitioned. Both these facts (and factors) are obviously of world-wide significance: Free Trade and peaceful competition were possible and necessary as long as capital was in a position to enlarge its colonies without hindrance, and seize unoccupied land in Africa, etc., and as long as the concentration of capital was still weak and no monopolist concerns existed, i.e. concerns of a magnitude permitting domination in an entire branch of industry. The appearance and growth of such monopolist concerns, have rendered the free competition of former times *impossible*; they have cut the ground from under its feet, while the partition of the world *compels* the capitalist to go over from peaceful expansion to an armed struggle for the *re-partitioning* of colonies and spheres of influence.'

¹⁵ 'Imperialism', *Works*, XXII, 242.

so. The neo-Marxist theory of imperialism is an explanation of the world in the twentieth century. Lenin was concerned not to provide a theoretical analysis of the scramble for colonies in the last three decades of the nineteenth century but of the genesis of war in Europe after 1900.¹⁶

Even so, it can be urged that Lenin blurred the distinction between the pre- and post-1900 periods, that he saw the features of monopoly capitalism already emerging after 1870, and that his reading of the appropriation of colonies in the transitional period was an avowedly economic one. Lenin certainly did go so far as to say:

We saw above that the development of pre-monopoly capitalism, of capitalism in which free competition was predominant, reached its limit in the 1860s and 1870s. We now see that it is *precisely after that period* that the tremendous 'boom' in colonial conquests begins, and that the struggle for the territorial division of the world becomes extraordinarily sharp. It is beyond doubt, therefore, that capitalism's transition to the monopoly stage of capitalism, to finance capital is *connected with* the intensification of the struggle for the partition of the world.¹⁷

But about the details of this connexion Lenin was studiously vague. The high epoch of finance capitalism was clearly not so concerned with the colonial territories proper as with the struggle for the semi-colonial countries which still retained nominal political independence—Persia, the Turkish empire, and China. Of the pre-1900 scramble he noted that the main areas of colonial expansion in the transitional period after 1876 were Africa and Polynesia, but his direct references are few. He drew attention to the manner in which France, although roughly equal in size and population with Germany and Japan, had vastly outdistanced them in colonial expansion, acquiring between 1876 and 1914 three times as much colonial territory as the other two combined.

It was not an accident [commented Lenin] that in France it was precisely the extraordinary rapid development of *finance*, and the weakening of industrial capital, that, from the eighties onwards, gave rise to the extreme intensification of annexationist (colonial) policy.¹⁸

Yet having said this, Lenin did not go on to say that all territorial acquisitions could be directly referred to economic motives. His theory makes allowance for strategic motives, or for economic motives that were largely speculative. With unoccupied territory running out the scramble for the remaining areas also could take on an irrational fervour:

Hence the inevitable striving of finance capital to enlarge its economic territory and even its territory in general. . . finance capital in general strives to seize the largest

¹⁶ 'Imperialism', 1920 Preface, *Works*, xxii, 189–90. Cf. 'Preface to N. Bukharin's Pamphlet, Imperialism and the World Economy', December 1915, *Works*, xxii, 103.

¹⁷ 'Imperialism', *Works*, xxii, 256.

¹⁸ *Idem*, p. 268. But cf. Lenin to Inessa Armand, 19 Jan. 1917: *Works*, xxxv, 273: '1891. The colonial policy of France and Germany was *insignificant*. Italy, Japan, the United States had no colonies *at all* (now they have). . .'

amount of lands in all kinds in all places, and by every means, taking into account potential sources of raw materials and fearing to be left behind in the fierce struggle for the last scraps of undivided territory, or for the repartition of those that have been already divided.¹⁹

Lenin likewise made allowance for ideological or political movements to assist the expansionist forces, acknowledging that 'The non-economic superstructure which grows on the basis of finance capital, its politics and its ideology, stimulates the striving for colonial conquest.' While room is made for the operation of factors other than the economic, even the economic factor is not given so simple a character as its critics suppose. Lenin did not argue that in the transitional period to imperialism the new urge to find profitable outlets for export capital displaced the old commodity-exchange relationship. It was simply additional to it, so that the safeguarding of trade rather than capital investment could still rank as a prime motive for colonial acquisition. And he nowhere claimed that the full force of capitalism was thrown against the colonial areas. Even Hobson did not. Indeed for Hobson the 'distinctive feature of modern Imperialism, from the commercial standpoint, is that it adds to our empire tropical and sub-tropical regions with which our trade is small, precarious and unprogressive';²⁰ and the problem he set himself to answer in his book was how the British nation was 'induced to embark on such unsound business'.²¹ Lenin appears to have adopted Hobson's solution: although not profitable to the metropolitan country as a whole, colonial acquisitions could prove highly profitable to certain 'parasitic' elements of capitalism. Lenin, it will be recalled, spoke of finance capital's struggle for 'spheres of influence' which he defined as 'spheres for profitable deals, concessions, monopolist profits, and so on'.

Robinson and Gallagher rightly pour scorn on the notion that economic interests were anything like powerful enough to bring about a historical phenomenon so remarkable as the scramble for Africa, but it is another thing to say they had no place at all, and *sub silentio* they admit their importance. Given monopoly rights and corresponding political authority it was not unreasonable for African chartered companies or Leopold's Congo Association to suppose they were on to a sound speculation, and even where these early hopes were disappointed it would be difficult to show that the principals in these enterprises made serious losses. Robinson and Gallagher freely allow that the economic expansion of British settlers in South Africa had grown almost too powerful under Rhodes for Britain to control, and they have to

¹⁹ *Works*, xxii, p. 262. Cf. J. Gallagher and R. Robinson, 'The Partition of Africa', *New Cambridge Modern History*, xi, 626, 'The partition had brought them [European statesmen] to a kind of geopolitical claustrophobia, a feeling that national expansion was running out of world space, and that the great powers of the twentieth century would be those who had filched every nook and cranny of territory left.'

²⁰ J. A. Hobson, *Imperialism* (1902 ed.), p. 38.

²¹ *Ibid.* p. 46.

acknowledge that direct British trading interests in Nigeria had grown to a magnitude sufficient to coerce British statesmen into taking the country under political tutelage in 1885 in order to ward off French and German encroachment. Only in Egypt and East Africa were commercial interests clearly of subordinate importance. The 'official mind' may have placed considerations of strategy and security uppermost in its calculations of African policy, but it would be difficult to show that it acted very differently in that part of the world where Robinson and Gallagher regard the British economic stake as preponderant, and for whose strategic defence they argue Britain's African policy was shaped. For in Asia political expansion was, in fact, equally determined more by strategic than economic interest, whether in Malaya in the early seventies or Upper Burma in the eighties.²² The 'official mind' had always been cast in this mould since its conscious emergence in the eighteenth century when government and overseas commerce were finally separated into autonomous agencies. But in Asia, as in Africa, the *agencies* of expansion were essentially economic and provoked the crises that drew the statesmen on to the scene. The interrelationship of economic activities and the workings of the official mind may be more subtle and complex than either of the rival theories seemingly allow,²³ but when freed of the elements of exaggeration Lenin's account of the colonial scramble is not one of narrow economic determinism, nor is Robinson's and Gallagher's one of simple non-economic motivation.

The priority the latter accord to political over economic motives, and to African over European causal initiatives, turns out to be more apparent than real. Although there is a compelling attraction in their argument that local political crises in Africa rather than insistent economic pressures in Europe brought the powers into 'the last continent', these local crises on closer examination are seen to have had their origins in the corrosive action of the expanding European economy on indigenous political structures. And this fact they ultimately acknowledge:

All the processes of expansion were reaching their peak. The metropolitan society was putting forth its strongest energies. It was at this climactic point that the social changes in its satellites were quickest and most violent. Hence it was at this time that their relations with the metropolis tended to move into crisis. The colonial communities were breaking off toward full independence; while anti-Western nationalism and social upheaval were estranging the non-European partners of British interests.²⁴

In the light of this admission it is difficult to sustain the argument that for 'all the hindsight of social scientists, there was no comprehensive cause or

²² Cf. C. D. Cowan, *Nineteenth Century Malaya* (1961), p. 270.

²³ Cf. D. C. M. Platt, *Finance, Trade, Politics in British Foreign Policy 1815-1914* (OUP, 1968); 'Economic Factors in British Policy during the "New Imperialism"', *Past and Present*, no. 39 (April 1968); 'The Imperialism of Free Trade: Some Reservations', *Economic History Review*, 2nd ser. XXI, no. 2 (August, 1968).

²⁴ *Africa and the Victorians*, p. 469.

purpose behind' the African partition, or to credit that it was a fortuitous freak.²⁵ In varying measure both Hobson and Lenin had contended that imperialism was no fortuitous phenomenon and that the unbalanced state of the capitalist economy had left the West no option but external expansion. But on a deeper reading of Robinson and Gallagher the fortuitousness they detect in the African scramble lay rather in the unexpectedness of the local political crises in contemporary political consciousness and not in the predisposing causes.²⁶

On any final reckoning it may be said that the two authors nowhere commit themselves to a sustained critique of Lenin or Hobson,²⁷ that they carefully limit themselves to Africa and indeed urge that African empire was acquired to make trade and investment in the East more secure. But in practice their argument is intended to carry farther and to knock both economic and political explanations of imperialism as a phenomenon sharply on the head. They smell a final inconsequence in all tropical empire and nurse a conviction that in the end it was always peripheral to Europe's main concerns:

the gaudy empires spatch-cocked together in Asia and Africa... were linked only obliquely to the expansive impulses of Europe. They were not the objects of serious national attention... It would be a gullible historiography which would see such gimcrack creations as necessary functions of the balance of power, or as the highest stage of capitalism.²⁸

But how far did orthodox Marxist-Leninist theory regard tropical empire as the highest stage of capitalism? How far indeed did Lenin equate imperialism with colonialism? The spell cast by Hobson's writings and his concentration on British expansion have led most critics writing in English to suppose that in the classical model of economic imperialism the two terms are synonymous. But this is to overlook the other major source of Lenin's theory and to ignore what he said about the other great powers. Imperialism as an expression had a dual origin, and was used equally to describe expansionist militarism on the European continent as overseas colonialism.²⁹ Rudolf Hilferding's theory of finance capital had carefully kept the two phenomena in balance, and the most cursory reading of the concluding section of this book is enough to

²⁵ J. Gallagher and R. E. Robinson, *New Cambridge Modern History*, xi, 593.

²⁶ Cf. *Africa and the Victorians*, p. 156: 'The Egyptian crisis after 1876 was no accident. Although both French and British misunderstood its character, it was not unusual for European influences in the end to bring about a nationalist reaction and the fall of a collaborating Oriental regime. The internal crisis was worked by the extension of European influence into Egypt since the beginning of the 19th century; and when the insidious effects had come to a head, the occasion of direct European intervention had arisen.'

²⁷ But there are occasional direct references, cf. 'The Imperialism of Free Trade', *Economic History Review*, 2nd ser. vi, 1 (1953), 2, 15.

²⁸ 'The Partition of Africa', *New Cambridge Modern History*, xi, 639.

²⁹ Some of Lenin's earliest uses of the term 'imperialism' omit all reference to extra-European colonialism; cf. 'The Tasks of Revolutionary Social Democracy in the European War', Aug. 1914, *Works*, xxi (Moscow 1964), 15 ff. and 'The European War and International Socialism', Aug.-Sept. 1914, *idem*, pp. 20 ff.

demonstrate how almost all the principal features of imperialism delineated by Lenin were the product not of Hobson's but of Hilferding's fertile brain.³⁰ In Hilferding are to be found the ideas of the uneven rate of capitalist development; of the emergence of capitalist monopoly systems organized behind national frontiers but constrained by their internal dynamic to strive constantly for the enlargement of their economic territory; of the multiple forms taken by export capital, of which the acquisition of colonies proper was but one; and of the inevitable provocation of national liberation movements by finance capital in the world that it subjugated. Hilferding drew the distinction between industrial and loan export capital, the former characterizing the powers expanding most rapidly industrially such as Germany and the United States, the latter those older countries like Britain and France in which finance capital had developed further. Similarly, he drew the traits of the three major capitalist complexes, the United States with a large economic territory politically unified, Britain with its empire capable of being drawn increasingly into a tighter economic unity, and Germany denied both these outlets for economic expansion. Here were all the elements of Lenin's holistic interpretation of the age and the world war into which it plunged.

Lenin gave greater precision to Hilferding's notions and backed them with statistical analysis. He did not suppose that finance capital had been chiefly directed to the colonial world as critics like Fieldhouse suggest. Only of England could this be said to be true. The figures he quotes for 1910 show that Great Britain had foreign capital investments exactly twice as large as either France or Germany, of which some 41 per cent was placed in Asia, Africa, and Australia, some 53 per cent in America (including Canada), and the rest in Europe. France had some 23 per cent of her capital investment in the Asia, Africa, Australia category, 11 per cent in America, and some 66 per cent in Europe. Germany with the same amount of capital investment had distributed her investments respectively 20, 29, and 51 per cent. Lenin concluded:

French capital exports are invested mainly in Europe, primarily in Russia... This is mainly *loan* capital, government loans, and not capital invested in industrial undertakings. Unlike British colonial imperialism, French imperialism might be termed usury imperialism. In the case of Germany, we have a third type; colonies are inconsiderable, and German capital invested abroad is divided most evenly between Europe and America.³¹

It was perfectly possible, he conceded, for monopoly capitalism to enlarge its economic territory without resort to political means. 'Economic "annexation" is *fully* achievable without political annexation and is widely practised.'³² Imperialism in that sense was the division of the world market by trusts,

³⁰ Cf. R. Hilferding, *Das Finanzkapital* (Wien, 1927 edn.), fünfter Abschnitt, 'Zur Wirtschaftspolitik des Finanzkapitals'.

³¹ 'Imperialism', *Works*, xxii, 243.

³² 'A Caricature of Marxism and Imperialist Economism', Aug.-Oct. 1916; *Works*, xxiii, 44.

combines, and banking capital. Yet the inherent tendency of imperialism was to violate political independence. Aggressive expansion was not, however, limited to colonial imperialism but extended to continental militarism:

It is not only in newly opened-up countries, but also in the old, that imperialism is leading to annexation, to increased national oppression, and consequently, to increasing resistance. . . .³³

The characteristic feature of imperialism is precisely that it strives to annex *not only* agrarian territories, but even most highly industrialised regions (German appetite for Belgium; French appetite for Lorraine), because (1) the fact that the world is already divided up obliges those contemplating a *redivision* to reach out for *every kind* of territory, and (2) an essential feature of imperialism is the rivalry between several Great Powers in the striving for hegemony, i.e. for the conquest of territory, not so much directly for themselves, as to weaken the adversary and undermine his hegemony. . . .³⁴

Bukharin specifically nailed common misconceptions on this point in his work on *Imperialism and World Economy*, to which Lenin gave his blessing and contributed a preface in 1915:

None the less, it is customary to reduce imperialism to colonial conquests alone. This entirely erroneous conception formerly found some justification in the fact that the bourgeoisie, following the line of least resistance, tended to widen its territory by the seizure of free lands that offered little resistance. Now, however, the time has come for fundamental redivision. Just as trusts competing with one another within the boundaries of a state first grow at the expense of 'third persons', of outsiders, and only after having destroyed the intermediary groupings, thrust themselves against one another with particular ferocity, so the competitive struggle between state capitalist trusts first expresses itself in a struggle for free lands, for the *jus primi occupantis*, then it stages a redivision of colonies, and finally when the struggle becomes more intense, even the territory of the home country is drawn into the process of redivision.³⁵

As always, Lenin's line of argument was shaped by tactical exigencies, and his writing was slanted to condemn the errors of 'reformism' and 'social democrat opportunism' symbolized for him in the person of 'the renegade Kautsky'. Kautsky had defined imperialism as 'merely a system of foreign policy' with the implication that it was an adventitious excrescence of capitalism, a policy that lay within the range of conscious choice and not an inherent necessity.³⁶ Lenin was concerned, of course, to represent imperialism as an inescapable stage of capitalism, bringing the capitalist powers into ever more violent conflict, rather than a mere external policy towards undeveloped territories where the powers could come to an agreement without resorting to war. Imperialism became in his eyes, therefore, a fundamental economic

³³ 'Imperialism, the Highest Stage of Capitalism', *Works*, xxii, 297.

³⁴ *Idem*. pp. 268–9.

³⁵ N. Bukharin, *Imperialism and World Economy* (London, Martin Lawrence, n.d.), p. 121.

³⁶ 'A Caricature of Marxism and Imperialist Economism'; *Collected Works*, xxiii, 42.

condition rather than simply a form of external policy, and this is no doubt the reason why he chose to borrow Hilferding's title 'Finance Capital: the Latest Stage of Capitalism', but changed it significantly into 'Imperialism: the Latest Stage of Capitalism'.³⁷ Yet even in terms of external policy Kautsky's interpretation had to be condemned. Lenin's insistence that imperialism strove not merely for the annexation of agrarian territories but also highly industrialized regions was directed against Kautsky's definition that imperialism was 'a product of highly developed industrial capitalism', and consisted 'in the striving of every industrial capitalist nation to subjugate and annex ever larger agrarian territories'.³⁸

As Winslow has said, this tended to mean that for Kautsky imperialism was 'merely another term for colonialism'.³⁹ Lenin read the same error into the theory of Rosa Luxemburg who had vehemently espoused the principle of imperialism as a stage rather than policy, but had gone to the extreme conclusion that capitalism had no other outlet for expansion than continuous invasion of the non-capitalist sectors of the world economy. For her, imperialism was 'the political expression of the accumulation of capital in its competitive struggle for what remains still open of the non-capitalist environment'.⁴⁰ This was in effect to shift the centre of gravity to the colonial frontier with a vengeance, and incurred Lenin's disapproval for what he considered, in her biographer's words, her 'whole attempt to transport the problems of imperialism into foreign and colonial territories—instead of leaving them at home where they belonged'.⁴¹ He smelled in it a new heresy which he dubbed 'imperialist economism', under which lurked his old enemy, Legal Marxism, tricked out in new clothes. Its false doctrine taught that capitalism, in its latest form of imperialism, should be allowed to pursue its brutal but progressive rôle unimpeded, while social democracy eschewed political action and concentrated on trade unionism, syndicalism, and the mass strike. Lenin, of course, stood for political action by a small conspiratorial party ready to exploit all forms of discontent, even though reactionary. The most potent of these was the nationalism of subject peoples, which 'imperialist economism' scouted as diverting the working-class movement to the service of reactionary bourgeois causes. Rosa Luxemburg argued that the erection of a Polish national state was meaningless in the days of large-scale economic concentration and the hegemony of finance capital in the advanced states, since imperialism in these forms rendered political independence a sham.⁴² But Lenin

³⁷ This was Lenin's first title, changed later on to '*Imperialism, the Highest Stage of Capitalism*'.

³⁸ 'Imperialism...', *Works*, xxii, 297. Cf. 'Imperialism and the Split in Socialism', Oct. 1916; *Works*, xxiii, 107.

³⁹ E. M. Winslow, *The Pattern of Imperialism* (New York, 1948), p. 155.

⁴⁰ Rosa Luxemburg, *The Accumulation of Capital* (1963, paperback), p. 446.

⁴¹ J. P. Nettl, *Rosa Luxemburg* (1966), II, 533.

⁴² Cf. 'The Junius Pamphlet' and 'The Discussion on Self-Determination Summed Up', *Works*, xxii. 'A Caricature of Marxism and Imperialist Economism', *Works*, xxiii.

regarded the teaching as covert chauvinism which by exporting imperialism to the colonies and semi-colonies allowed the German Social Democrat movement conveniently to ignore imperialist annexation like Alsace and Lorraine.

For him the vital practical importance of the theorizing on imperialism was its relevance for the 'national and colonial question', as his writings and letters immediately before and after the composition of his celebrated tract on imperialism make evident. He sought to embrace the phenomena of national liberation movements both in Europe and the semi-colonial and colonial world within a single explanation. The age of industrial capitalism with simple commodity exchange promoted the creation of the bourgeois democratic state in Europe. Monopoly capitalism (or imperialism) on the other hand saw the end of nationalism as a progressive force at home, while its essentially oppressive character provoked national and democratic movements abroad. But the term imperialism had to be stretched in the process, and Lenin is often found slipping into the popular usage whereby it denoted merely an external policy 'predatory and oppressive towards other peoples'.⁴³ National liberation movements like that for American independence were clearly far older than the age of imperialism, and Lenin could speak of the Seven Years War between Britain and France for colonies as an imperialist war, 'which is possible on the basis of slavery and primitive capitalism as well as on the basis of modern highly developed capitalism'.⁴⁴ Russian imperialism presented even trickier problems since tsarism was basically a pre-capitalist form of absolutism. He acknowledged that what he called 'military and feudal imperialism' was still predominant and characterized the oppression exerted by 70 million Great Russians over 100 million European people. But the policy of tsarism towards Persia, Manchuria and Mongolia (with presumably the backing of foreign finance capital) he saw in contrast as 'capitalist imperialism of the latest type'.⁴⁵ The combination of the two types was reflected in Russia's relations with France and Britain which had resulted in an 'alliance of tsarist imperialism and advanced capitalist European imperialism, which is based on their common oppression of a number of nations'.⁴⁶ The paradoxical character of Russian imperialism had one important advantage from the revolutionary viewpoint. Its contradictions were sharper; from this notion was later to be developed the theory that the chain of imperialism tended to break at its weakest link.

These refinements apart, Lenin was left with a clear doctrine. The world could be divided into three camps: the advanced capitalist countries of Western Europe and the United States, where progressive bourgeois national

⁴³ 'The Question of Peace', July-Aug. 1915, *Works*, XXI, 290.

⁴⁴ 'The Junius Pamphlet', July 1916, *Works*, XXII, 310.

⁴⁵ 'Socialism and War', July-Aug. 1915, *Works*, XXI, 306.

⁴⁶ 'The Discussion on Self-Determination Summed Up', July 1916, *Works*, XXII, 342.

movements had come to an end long ago, and oppression of other nations both at home and in the colonies had taken their place; secondly, Eastern Europe comprising Austria, the Balkans and particularly Russia, where it was 'the twentieth century that particularly developed the bourgeois-democratic national movements and intensified the national struggle'; and thirdly, the semi-colonial countries like China, Persia and Turkey, and all the colonies where 'the bourgeois-democratic movements have hardly begun, or have still a long way to go'.⁴⁷ He had no doubt as to where the impact of imperialism had been most intense; it was in the second group. Capitalism had been able to develop much faster and more freely among the subject nationalities of Eastern Europe than among the semi-colonial and colonial countries, and consequently had generated 'greater resistance to national oppression and annexations'.⁴⁸ There could in his eyes be no comparison in the relative importance of the national liberation movements in Europe and the colonial world:

Social Democracy, we read in the Polish theses... 'must utilise the struggle of the young colonial bourgeoisie against European Imperialism *in order to sharpen the revolutionary crisis in Europe*...' Is it not clear that it is least of all permissible to contrast Europe to the colonies in *this* respect? The struggle of the oppressed nations *in Europe*, a struggle going all the way to insurrection and street fighting, capable of breaking down the iron discipline of the army and martial law, will 'sharpen the revolutionary crisis in Europe' to an infinitely greater degree than a much more developed rebellion in a remote colony. A blow delivered against the power of the English imperialist bourgeoisie by a rebellion in Ireland is a hundred times more significant politically than a blow of equal force delivered in Asia or in Africa.⁴⁹

Lenin was not prepared to shift the centre of gravity of capitalist imperialism outside Europe to the colonial frontier. But his teaching did not become widely known until after the Bolshevik victory when it was understandable that it should have been misinterpreted. For by then a theory devised to explain the World War and the revolutionary possibilities in Europe had to be turned to meet a totally different situation, the defence of 'socialism in one country' against a potentially hostile capitalist West. Lenin's Eastern European group of countries which he envisaged as the storm centre of imperialism in 1916 had now dropped out of the picture; and imperialism increasingly connoted the oppression of the colonial and semi-colonial world by the advanced capitalist powers. In these terms it came to be understood by

⁴⁷ 'The Socialist Revolution and the Right of Nations to Self-Determination', Feb.-March 1916, *Works*, xxii, 150-1.

⁴⁸ 'The Discussion on Self-Determination Summed Up', July 1916, *Works*, xxii, 338: '...capitalism is undoubtedly developing the productive forces more vigorously, rapidly and independently in Poland, Finland, the Ukraine and Alsace than in India, Turkestan, Egypt and other straightforward colonies'.

⁴⁹ 'The Discussion on Self-Determination Summed Up', July 1916, *Works*, xxii, 356-7.

the post-First War generation who fell under the influence of Marxism, and whose conception of imperialism—especially that of Anglo-American writers—had been powerfully coloured by Hobson's book. For men like Leonard Woolf or Maurice Dobb it was axiomatic that imperialism meant colonialism.⁵⁰ Lenin appeared to lend substance to the idea in 1920 when at the second congress of the Comintern he made a bid for the support of the revolutionary forces among 'the toilers of the East'. The Draft Theses on the National and Colonial Questions and the Report of the subsequent Commission gave notice that Lenin was prepared to contemplate espousing even peasant movements in the colonial areas, and in a flight of oratory he could predict that Britain's back would be broken not on the banks of the Thames but on the Yangste, the Ganges, and the Nile.

Even if this mirrored a fading of the hope that the internal contradictions of imperialist capitalism would produce immediate proletarian revolution in the West, it did not mean that the epicentre of imperialism had been shifted to the colonial areas, and certainly not to the tropical colonies acquired after 1870. The essential revolutionary struggle remained in the West and lay between the advanced proletariat led by the Soviet Union and the bourgeoisie of the advanced capitalist powers; all else was subsidiary.⁵¹ Stalin's theory of the chain of imperialism breaking at its weakest link in no way altered the doctrine. The question was seen simply as to how 'the dependent and colonial countries can be transformed from a reserve of the imperialist bourgeoisie into a reserve of the revolutionary proletariat'.⁵² Not until Maoism did any official Communist voice dare to suggest that the centre of gravity had shifted to the Third World and to advance the claim that 'the whole course of the international proletarian revolution hinges on the outcome of the revolutionary struggles of the peoples of these areas, who constitute the overwhelming majority of the world's population'.⁵³

If Lenin's theory of imperialism remains in the last resort an explanation of the internal configuration of the industrialized world in which

⁵⁰ Leonard Woolf, *Empire and Commerce in Africa* (1920), pp. 22 ff. Maurice Dobb, chap. VII, 'Imperialism' in *Political Economy and Capitalism* (1937).

⁵¹ Lenin, 'Preliminary Draft of Theses on the National and Colonial Questions', June 1920, *Works*, xxxi, p. 146: 'World political developments are of necessity concentrated on a single focus—the struggle of the world bourgeoisie against the Soviet Russian Republic, around which are inevitably grouped, on the one hand, the Soviet movements of the advanced workers in all countries, and, on the other, all the national-liberation movements in the colonies and among the oppressed nationalities...' Cf. his outline for draft theses on the international economic and political situation for the 2nd Congress of the Comintern, 19 July 1920, *Works*, xxxv, 450–1.

⁵² J. Stalin, 'The Foundations of Leninism' (1924) in *Leninism* (London, 1940), p. 52.

⁵³ 'A Proposal concerning the General Line of the International Communist Movement', para. 8, 14 June 1963; Reply of Chinese Communist Party to Communist Party of the Soviet Union. Printed D. Floyd, *Mao Against Khrushchev* (paperback edn. 1963), p. 410. Cf. G. Fairbairn, *Revolutionary Warfare and Communist Strategy: The Threat to South-East Asia* (1968), pp. 130ff.

colonialism is but one and not the most important derivative,⁵⁴ then a large part of the critique directed against it falls wide of the mark. The validity or otherwise of the Marxist theory and the canons of historical explanation it employs are a separate question. Yet when the arguments of both Lenin and of Robinson and Gallagher have been freed from the elements of caricature, their general analyses of European colonialism between 1870 and 1914 exhibit a surprising degree of correspondence. Lenin, it would appear, was no Leninist; he too stands the classical model of economic imperialism on its head.

⁵⁴ Soviet Russia, in terms of the theory, is included in 'the industrialized world'. For a modern Marxist statement, cf. Harry Magdoff, 'The Age of Imperialism', *Monthly Review*, New York, xx (June 1968), esp. pp. 22-3.