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THE IMPERIALISM OF FREE TRADE

By JOHN GALLAGHER AND RONALD ROBINSON

I

It ought to be a commonplace that Great Britain during the nineteenth century expanded overseas by means of 'informal empire'¹ as much as by acquiring dominion in the strict constitutional sense. For purposes of economic analysis it would clearly be unreal to define imperial history exclusively as the history of those colonies coloured red on the map. Nevertheless, almost all imperial history has been written on the assumption that the empire of formal dominion is historically comprehensible in itself and can be cut out of its context in British expansion and world politics. The conventional interpretation of the nineteenth-century empire continues to rest upon study of the formal empire alone, which is rather like judging the size and character of icebergs solely from the parts above the water-line.

The imperial historian, in fact, is very much at the mercy of his own particular concept of empire. By that, he decides what facts are of 'imperial' significance; his data are limited in the same way as his concept, and his final interpretation itself depends largely upon the scope of his hypothesis. Different hypotheses have led to conflicting conclusions. Since imperial historians are writing about different empires and since they are generalizing from eccentric or isolated aspects of them, it is hardly surprising that these historians sometimes contradict each other.

The orthodox view of nineteenth-century imperial history remains that laid down from the standpoint of the racial and legalistic concept which inspired the Imperial Federation movement. Historians such as Seeley and Egerton looked on events in the formal empire as the only test of imperial activity; and they regarded the empire of kinship and constitutional dependence as an organism with its own laws of growth. In this way the nineteenth century was divided into periods of imperialism and

¹ The term has been given authority by Dr C. R. Fay. See *Cambridge History of the British Empire* (Cambridge, 1940), II, 399.

anti-imperialism, according to the extension or contraction of the formal empire and the degree of belief in the value of British rule overseas.

Ironically enough, the alternative interpretation of 'imperialism', which began as part of the radical polemic against the Federationists, has in effect only confirmed their analysis. Those who have seen imperialism as the high stage of capitalism and the inevitable result of foreign investment agree that it applied historically only to the period after 1880. As a result they have been led into a similar preoccupation with formal manifestations of imperialism because the late-Victorian age was one of spectacular extension of British rule. Consequently, Hobson and Lenin, Professor Moon and Mr Woolf¹ have confirmed from the opposite point of view their opponents' contention that late-Victorian imperialism was a qualitative change in the nature of British expansion and a sharp deviation from the innocent and static liberalism of the middle of the century. This alleged change, welcomed by one school, condemned by the other, was accepted by both.

For all their disagreement these two doctrines pointed to one interpretation; that mid-Victorian 'indifference' and late-Victorian 'enthusiasm' for empire were directly related to the rise and decline in free-trade beliefs. Thus Lenin wrote: 'When free competition in Great Britain was at its height, i.e. between 1840 and 1860, the leading British bourgeois politicians were... of the opinion that the liberation of the colonies and their complete separation from Great Britain was inevitable and desirable.'² Professor Schuyler extends this to the decade from 1861 to 1870: '...for it was during those years that tendencies toward the disruption of the empire reached their climax. The doctrines of the Manchester school were at the height of their influence.'³

In the last quarter of the century, Professor Langer finds that 'there was an obvious danger that the British [export] market would be steadily restricted. Hence the emergence and sudden flowering of the movement for expansion... Manchester doctrine had been belied by the facts. It was an outworn theory to be thrown into the discard.'⁴ Their argument may be summarized in this way: the mid-Victorian formal empire did not expand, indeed it seemed to be disintegrating, therefore the period was anti-imperialist; the later-Victorian formal empire expanded rapidly, therefore this was an era of imperialism; the change was caused by the obsolescence of free trade.

The trouble with this argument is that it leaves out too many of the facts which it claims to explain. Consider the results of a decade of 'indifference' to empire. Between 1841 and 1851 Great Britain occupied or annexed New Zealand, the Gold Coast, Labuan, Natal, the Punjab, Sind and Hong Kong. In the next twenty years British control was asserted over Berar,

¹ J. A. Hobson, *Imperialism* (1902); V. I. Lenin, *Imperialism, the Highest Stage of Capitalism* (Selected Works, (n.d.), v); P. T. Moon, *Imperialism and World Politics* (New York, 1926); L. Woolf, *Empire and Commerce in Africa* (n.d.).

² Lenin, *op. cit.* v, 71.

³ R. L. Schuyler, *The Fall of the Old Colonial System* (New York, 1945), p. 45.

⁴ W. L. Langer, *The Diplomacy of Imperialism, 1890-1902* (New York, 1935), I, 75-6.

Oudh, Lower Burma and Kowloon, over Lagos and the neighbourhood of Sierra Leone, over Basutoland, Griqualand and the Transvaal; and new colonies were established in Queensland and British Columbia. Unless this expansion can be explained by 'fits of absence of mind', we are faced with the paradox that it occurred despite the determination of the imperial authorities to avoid extending their rule.

This contradiction arises even if we confine our attention to the formal empire, as the orthodox viewpoint would force us to do. But if we look beyond into the regions of informal empire, then the difficulties become overwhelming. The normal account of South African policy in the middle of the century is that Britain abandoned any idea of controlling the interior. But in fact what looked like withdrawal from the Orange River Sovereignty and the Transvaal was based not on any *a priori* theories about the inconveniences of colonies but upon hard facts of strategy and commerce in a wider field. Great Britain was in South Africa primarily to safeguard the routes to the East, by preventing foreign powers from acquiring bases on the flank of those routes. In one way or another this imperial interest demanded some kind of hold upon Africa south of the Limpopo River, and although between 1852 and 1877 the Boer Republics were not controlled formally for this purpose by Britain, they were effectually dominated by informal paramountcy and by their dependence on British ports. If we refuse to narrow our view to that of formal empire, we can see how steadily and successfully the main imperial interest was pursued by maintaining supremacy over the whole region, and that it was pursued as steadily throughout the so-called anti-imperialist era as in the late-Victorian period. But it was done by shutting in the Boer Republics from the Indian Ocean: by the annexation of Natal in 1843, by keeping the Boers out of Delagoa Bay in 1860 and 1868, out of St Lucia Bay in 1861 and 1866, and by British intervention to block the union of the two Republics under Pretorius in 1860.¹ Strangely enough it was the first Gladstone Government which Schuyler regards as the climax of anti-imperialism, which annexed Basutoland in 1868 and Griqualand West in 1871 in order to ensure 'the safety of our South African Possessions'.² By informal means if possible, or by formal annexations when necessary, British paramountcy was steadily upheld.

Are these the actions of ministers anxious to preside over the liquidation of the British Empire? Do they look like 'indifference' to an empire rendered superfluous by free trade? On the contrary, here is a continuity of policy which the conventional interpretation misses because it takes account only of formal methods of control. It also misses the continuous grasp of the West African coast and of the South Pacific which British sea-power was able to maintain. Refusals to annex are no proof of reluctance to control. As Lord Aberdeen put it in 1845: '... it is unnecessary to add that Her Majesty's Government will not view with indifference the

¹ C. J. Uys, *In the Era of Shepstone* (Lovedale, Cape Province, 1933); and C. W. de Kiewiet, *British Colonial Policy and the South African Republics* (1929), *passim*.

² De Kiewiet, *op. cit.* p. 224.

assumption by another Power of a Protectorate which they, with due regard for the true interests of those [Pacific] islands, have refused.¹

Nor can the obvious continuity of imperial constitutional policy throughout the mid- and late-Victorian years be explained on the orthodox hypothesis. If the granting of responsible government to colonies was due to the mid-Victorian 'indifference' to empire and even a desire to be rid of it, then why was this policy continued in the late-Victorian period when Britain was interested above all in preserving imperial unity? The common assumption that British governments in the free-trade era considered empire superfluous arises from over-estimating the significance of changes in legalistic forms. In fact, throughout the Victorian period responsible government was withheld from colonies if it involved sacrificing or endangering British paramountcy or interests. Wherever there was fear of a foreign challenge to British supremacy in the continent or sub-continent concerned, wherever the colony could not provide financially for its own internal security, the imperial authorities retained full responsibility, or, if they had already devolved it, intervened directly to secure their interests once more. In other words, responsible government, far from being a separatist device, was simply a change from direct to indirect methods of maintaining British interests. By slackening the formal political bond at the appropriate time, it was possible to rely on economic dependence and mutual good-feeling to keep the colonies bound to Britain while still using them as agents for further British expansion.

The inconsistency between fact and the orthodox interpretation arises in yet another way. For all the extensive anthologies of opinion supposedly hostile to colonies, how many colonies were actually abandoned? For instance, the West Africa Committee of 1865 made a strong and much quoted case for giving up all but one of the West African settlements, but even as they sat these settlements were being extended. The Indian empire, however, is the most glaring gap in the traditional explanation. Its history in the 'period of indifference' is filled with wars and annexations.

Moreover, in this supposedly *laissez-faire* period India, far from being evacuated, was subjected to intensive development as an economic colony along the best mercantilist lines. In India it was possible, throughout most of the period of the British Raj, to use the governing power to extort in the form of taxes and monopolies such valuable primary products as opium and salt. Furthermore, the characteristics of so-called imperialist expansion at the end of the nineteenth century developed in India long before the date (1880) when Lenin believed the age of economic imperialism opened. Direct governmental promotion of products required by British industry, government manipulation of tariffs to help British exports, railway construction at high and guaranteed rates of interest to open the continental interior—all of these techniques of direct political control were employed in ways which seem alien to the so-called age of *laissez-faire*. Moreover, they had little to do, particularly in railway finance, with the folk-lore of rugged individualism. 'All the money came from the English

¹ Quoted in J. M. Ward, *British Policy in the South Pacific, 1786-1893* (Sydney, 1948), p. 138.

capitalist' as a British official wrote, 'and, so long as he was guaranteed five per cent on the revenues of India, it was immaterial to him whether the funds which he lent were thrown into the Hooghly or converted into bricks and mortar.'¹

To sum up: the conventional view of Victorian imperial history leaves us with a series of awkward questions. In the age of 'anti-imperialism' why were all colonies retained? Why were so many more obtained? Why were so many new spheres of influence set up? Or again, in the age of 'imperialism', as we shall see later, why was there such reluctance to annex further territory? Why did decentralization, begun under the impetus of anti-imperialism, continue? In the age of *laissez-faire* why was the Indian economy developed by the state?

These paradoxes are too radical to explain as merely exceptions which prove the rule or by concluding that imperial policy was largely irrational and inconsistent, the product of a series of accidents and chances. The contradictions, it may be suspected, arise not from the historical reality but from the historians' approach to it. A hypothesis which fits more of the facts might be that of a fundamental continuity in British expansion throughout the nineteenth century.

II

The hypothesis which is needed must include informal as well as formal expansion, and must allow for the continuity of the process. The most striking fact about British history in the nineteenth century, as Seeley pointed out, is that it is the history of an expanding society. The exports of capital and manufactures, the migration of citizens, the dissemination of the English language, ideas and constitutional forms, were all of them radiations of the social energies of the British peoples. Between 1812 and 1914 over twenty million persons emigrated from the British Isles, and nearly 70 per cent of them went outside the Empire.² Between 1815 and 1880, it is estimated, £1,187,000,000 in credit had accumulated abroad, but no more than one-sixth was placed in the formal empire. Even by 1913, something less than half of the £3,975,000,000 of foreign investment lay inside the Empire.³ Similarly, in no year of the century did the Empire buy much more than one-third of Britain's exports. The basic fact is that British industrialization caused an ever-extending and intensifying development of overseas regions. Whether they were formally British or not, was a secondary consideration.

Imperialism, perhaps, may be defined as a sufficient political function of this process of integrating new regions into the expanding economy; its character is largely decided by the various and changing relationships between the political and economic elements of expansion in any particular

¹ Quoted in L. H. Jenks, *The Migration of British Capital to 1875* (1938), pp. 221-2.

² Sir W. K. Hancock, *Survey of British Commonwealth Affairs* (1940), II, pt. 1, 28.

³ A. H. Imlah, 'British Balance of Payments and Export of Capital, 1816-1913', *Econ. Hist. Rev.* 2nd ser. v (1952), pp. 237, 239; Hancock, *op. cit.* p. 27.

region and time. Two qualifications must be made. First, imperialism may be only indirectly connected with economic integration in that it sometimes extends beyond areas of economic development, but acts for their strategic protection. Secondly, although imperialism is a function of economic expansion, it is not a necessary function. Whether imperialist phenomena show themselves or not, is determined not only by the factors of economic expansion, but equally by the political and social organization of the regions brought into the orbit of the expansive society, and also by the world situation in general.

It is only when the polities of these new regions fail to provide satisfactory conditions for commercial or strategic integration and when their relative weakness allows, that power is used imperialistically to adjust those conditions. Economic expansion, it is true, will tend to flow into the regions of maximum opportunity, but maximum opportunity depends as much upon political considerations of security as upon questions of profit. Consequently, in any particular region, if economic opportunity seems large but political security small, then full absorption into the extending economy tends to be frustrated until power is exerted upon the state in question. Conversely, in proportion as satisfactory political frameworks are brought into being in this way, the frequency of imperialist intervention lessens and imperialist control is correspondingly relaxed. It may be suggested that this willingness to limit the use of paramount power to establishing security for trade is the distinctive feature of the British imperialism of free trade in the nineteenth century, in contrast to the mercantilist use of power to obtain commercial supremacy and monopoly through political possession.

On this hypothesis the phasing of British expansion or imperialism is not likely to be chronological. Not all regions will reach the same level of economic integration at any one time; neither will all regions need the same type of political control at any one time. As the British industrial revolution grew, so new markets and sources of supply were linked to it at different times, and the degree of imperialist action accompanying that process varied accordingly. Thus mercantilist techniques of formal empire were being employed to develop India in the mid-Victorian age at the same time as informal techniques of free trade were being used in Latin America for the same purpose. It is for this reason that attempts to make phases of imperialism correspond directly to phases in the economic growth of the metropolitan economy are likely to prove in vain. The fundamental continuity of British expansion is only obscured by arguing that changes in the terms of trade or in the character of British exports necessitated a sharp change in the process.

From this vantage point the many-sided expansion of British industrial society can be viewed as a whole of which both the formal and informal empires are only parts. Both of them then appear as variable political functions of the extending pattern of overseas trade, investment, migration and culture. If this is accepted, it follows that formal and informal empire are essentially interconnected and to some extent interchangeable. Then

not only is the old, legalistic, narrow idea of empire unsatisfactory, but so is the old idea of informal empire as a separate, non-political category of expansion. A concept of informal empire which fails to bring out the underlying unity between it and the formal empire is sterile. Only within the total framework of expansion is nineteenth-century empire intelligible. So we are faced with the task of re-fashioning the interpretations resulting from defective concepts of organic constitutional empire on the one hand and Hobsonian 'imperialism' on the other.

The economic importance—even the pre-eminence—of informal empire in this period has been stressed often enough. What was overlooked was the inter-relation of its economic and political arms; how political action aided the growth of commercial supremacy, and how this supremacy in turn strengthened political influence. In other words, it is the politics as well as the economics of the informal empire which we have to include in the account. Historically, the relationship between these two factors has been both subtle and complex. It has been by no means a simple case of the use of gunboats to demolish a recalcitrant state in the cause of British trade. The type of political lien between the expanding economy and its formal or informal dependencies, as might be expected, has been flexible. In practice it has tended to vary with the economic value of the territory, the strength of its political structure, the readiness of its rulers to collaborate with British commercial or strategic purposes, the ability of the native society to undergo economic change without external control, the extent to which domestic and foreign political situations permitted British intervention, and, finally, how far European rivals allowed British policy a free hand.

Accordingly, the political lien has ranged from a vague, informal paramountcy to outright political possession; and, consequently, some of these dependent territories have been formal colonies whereas others have not. The difference between formal and informal empire has not been one of fundamental nature but of degree. The ease with which a region has slipped from one status to the other helps to confirm this. Within the last two hundred years, for example, India has passed from informal to formal association with the United Kingdom and, since World War II, back to an informal connexion. Similarly, British West Africa has passed through the first two stages and seems to-day likely to follow India into the third.

III

Let us now attempt, tentatively, to use the concept of the totality of British expansion described above to restate the main themes of the history of modern British expansion. We have seen that interpretations of this process fall into contradictions when based upon formal political criteria alone. If expansion both formal and informal is examined as a single process, will these contradictions disappear?

The growth of British industry made new demands upon British policy. It necessitated linking undeveloped areas with British foreign trade and,

in so doing, moved the political arm to force an entry into markets closed by the power of foreign monopolies.

British policy, as Professor Harlow has shown,¹ was active in this way before the American colonies had been lost, but its greatest opportunities came during the Napoleonic Wars. The seizure of the French and Spanish West Indies, the filibustering expedition to Buenos Aires in 1806, the taking of Java in 1811, were all efforts to break into new regions and to tap new resources by means of political action. But the policy went further than simple house-breaking, for once the door was opened and British imports with their political implications were pouring in, they might stop the door from being shut again. Raffles, for example, temporarily broke the Dutch monopoly of the spice trade in Java and opened the island to free trade. Later, he began the informal British paramountcy over the Malacca trade routes and the Malay peninsula by founding Singapore. In South America, at the same time, British policy was aiming at indirect political hegemony over new regions for the purposes of trade. The British navy carried the Portuguese royal family to Brazil after the breach with Napoleon, and the British representative there extorted from his grateful clients the trade treaty of 1810 which left British imports paying a lower tariff than the goods of the mother country. The thoughtful stipulation was added 'that the Present Treaty shall be unlimited in point of duration, and that the obligations and conditions expressed or implied in it shall be perpetual and immutable'.²

From 1810 onwards this policy had even better chances in Latin America, and they were taken. British governments sought to exploit the colonial revolutions to shatter the Spanish trade monopoly, and to gain informal supremacy and the good will which would all favour British commercial penetration. As Canning put it in 1824, when he had clinched the policy of recognition: 'Spanish America is free and if we do not mismanage our affairs sadly she is *English*.'³ Canning's underlying object was to clear the way for a prodigious British expansion by creating a new and informal empire, not only to redress the Old World balance of power but to restore British influence in the New. He wrote triumphantly: 'The thing is done... the Yankees will shout in triumph: but it is they who lose most by our decision... the United States have gotten the start of us in vain; and we link once more America to Europe.'⁴ It would be hard to imagine a more spectacular example of a policy of commercial hegemony in the interests of high politics, or of the use of informal political supremacy in the interests of commercial enterprise. Characteristically, the British recognition of Buenos Aires, Mexico and Colombia took the form of signing commercial treaties with them.

In both the formal and informal dependencies in the mid-Victorian age there was much effort to open the continental interiors and to extend the

¹ V. T. Harlow, *The Founding of the Second British Empire, 1763-1793* (1952), pp. 62-145.

² Quoted in A. K. Manchester, *British Pre-eminence in Brazil* (Chapel Hill, 1933), p. 90.

³ Quoted in W. W. Kaufmann, *British Policy and the Independence of Latin America, 1804-1828* (New Haven, 1951), p. 178.

⁴ Quoted in J. F. Rippey, *Historical Evolution of Hispanic America* (Oxford, 1946), p. 374.

British influence inland from the ports and to develop the hinterlands. The general strategy of this development was to convert these areas into complementary satellite economies, which would provide raw materials and food for Great Britain, and also provide widening markets for its manufactures. This was the period, the orthodox interpretation would have us believe, in which the political arm of expansion was dormant or even withered. In fact, that alleged inactivity is seen to be a delusion if we take into account the development in the informal aspect. Once entry had been forced into Latin America, China and the Balkans, the task was to encourage stable governments as good investment risks, just as in weaker or unsatisfactory states it was considered necessary to coerce them into more co-operative attitudes.

In Latin America, however, there were several false starts. The impact of British expansion in Argentina helped to wreck the constitution and throw the people into civil war, since British trade caused the sea-board to prosper while the back lands were exploited and lagged behind. The investment crash of 1827 and the successful revolt of the pampas people against Buenos Aires¹ blocked further British expansion, and the rise to power of General Rosas ruined the institutional framework which Canning's strategy had so brilliantly set up. The new regime was unco-operative and its designs on Montevideo caused chaos around the Rio de la Plata, which led to that great commercial artery being closed to enterprise. All this provoked a series of direct British interventions during the 1840's in efforts to get trade moving again on the river, but in fact it was the attractive force of British trade itself, more than the informal imperialist action of British governments, which in this case restored the situation by removing Rosas from power.

British policy in Brazil ran into peculiar troubles through its tactless attempt to browbeat the Government of Rio de Janeiro into abolishing slavery. British political effectiveness was weakened, in spite of economic predominance, by the interference of humanitarian pressure groups in England. Yet the economic control over Brazil was strengthened after 1856 by the building of the railways; these—begun, financed and operated by British companies—were encouraged by generous concessions from the government of Brazil.

With the development of railways and steamships, the economies of the leading Latin American states were at last geared successfully to the world economy. Once their exports had begun to climb and foreign investment had been attracted, a rapid rate of economic growth was feasible. Even in the 1880's Argentina could double her exports and increase sevenfold her foreign indebtedness while the world price of meat and wheat was falling.² By 1913, in Latin America as a whole, informal imperialism had

¹ M. Burgin, *Economic Aspects of Argentine Federalism* (Cambridge, Mass., 1946), pp. 55, 76–111.

² J. H. Williams, *Argentine International Trade under Inconvertible Paper Money, 1880–1900* (Cambridge, Mass., 1920), pp. 43, 103, 183. Cf. W. W. Rostow, *The Process of Economic Growth* (Oxford, 1953), p. 104.

become so important for the British economy that £999,000,000, over a quarter of the total investment abroad, was invested in that region.¹

But this investment, as was natural, was concentrated in such countries as Argentina and Brazil whose governments (even after the Argentine default of 1891) had collaborated in the general task of British expansion. For this reason there was no need for brusque or peremptory interventions on behalf of British interests. For once their economies had become sufficiently dependent on foreign trade the classes whose prosperity was drawn from that trade normally worked themselves in local politics to preserve the local political conditions needed for it. British intervention, in any case, became more difficult once the United States could make other powers take the Monroe doctrine seriously. The slackening in active intervention in the affairs of the most reliable members of the commercial empire was matched by the abandonment of direct political control over those regions of formal empire which were successful enough to receive self-government. But in Latin America, British governments still intervened, when necessary, to protect British interests in the more backward states; there was intervention on behalf of the bond holders in Guatemala and Colombia in the 'seventies, as in Mexico and Honduras between 1910 and 1914.

The types of informal empire and the situations it attempted to exploit were as various as the success which it achieved. Although commercial and capital penetration tended to lead to political co-operation and hegemony, there are striking exceptions. In the United States, for example, British business turned the cotton South into a colonial economy, and the British investor hoped to do the same with the Mid-West. But the political strength of the country stood in his way. It was impossible to stop American industrialization, and the industrialized sections successfully campaigned for tariffs, despite the opposition of those sections which depended on the British trade connexion. In the same way, American political strength thwarted British attempts to establish Texas, Mexico and Central America as informal dependencies.

Conversely, British expansion sometimes failed, if it gained political supremacy without effecting a successful commercial penetration. There were spectacular exertions of British policy in China, but they did little to produce new customers. Britain's political hold upon China failed to break down Chinese economic self-sufficiency. The Opium War of 1840, the renewal of war in 1857, widened the inlets for British trade but they did not get Chinese exports moving. Their main effect was an unfortunate one from the British point of view, for such foreign pressures put Chinese society under great strains as the Taiping Rebellion unmistakably showed.² It is important to note that this weakness was regarded in London as an embarrassment, and not as a lever for extracting further concessions. In

¹ J. F. Rippy, 'British Investments in Latin America, end of 1913', *Inter-American Economic Affairs* (1951), v, 91.

² J. Chesnaux, 'La Révolution Taiping d'après quelques travaux récents', *Revue Historique*, CCIX (1953), 39-40.

fact, the British worked to prop up the tottering Peking regime, for as Lord Clarendon put it in 1870, 'British interests in China are strictly commercial, or at all events only so far political as they may be for the protection of commerce'.¹ The value of this self-denial became clear in the following decades when the Peking government, threatened with a scramble for China, leaned more and more on the diplomatic support of the honest British broker.

The simple recital of these cases of economic expansion, aided and abetted by political action in one form or other, is enough to expose the inadequacy of the conventional theory that free trade could dispense with empire. We have seen that it did not do so. Economic expansion in the mid-Victorian age was matched by a corresponding political expansion which has been overlooked because it could not be seen by that study of maps which, it has been said, drives sane men mad. It is absurd to deduce from the harmony between London and the colonies of white settlement in the mid-Victorian age any British reluctance to intervene in the fields of British interests. The warships at Canton are as much a part of the period as responsible government for Canada; the battlefields of the Punjab are as real as the abolition of suttee.

Far from being an era of 'indifference', the mid-Victorian years were the decisive stage in the history of British expansion overseas, in that the combination of commercial penetration and political influence allowed the United Kingdom to command those economies which could be made to fit best into her own. A variety of techniques adapted to diverse conditions and beginning at different dates were employed to effect this domination. A paramountcy was set up in Malaya centred on Singapore; a suzerainty over much of West Africa reached out from the port of Lagos and was backed up by the African squadron. On the east coast of Africa British influence at Zanzibar, dominant thanks to the exertions of Consul Kirk, placed the heritage of Arab command on the mainland at British disposal.

But perhaps the most common political technique of British expansion was the treaty of free trade and friendship made with or imposed upon a weaker state. The treaties with Persia of 1836 and 1857, the Turkish treaties of 1838 and 1861, the Japanese treaty of 1858, the favours extracted from Zanzibar, Siam and Morocco, the hundreds of anti-slavery treaties signed with crosses by African chiefs—all these treaties enabled the British government to carry forward trade with these regions.

Even a valuable trade with one region might give place to a similar trade with another which could be more easily coerced politically. The Russian grain trade, for example, was extremely useful to Great Britain. But the Russians' refusal to hear of free trade, and the British inability to force them into it, caused efforts to develop the grain of the Ottoman empire instead, since British pressure at Constantinople had been able to hustle the Turk into a liberal trade policy.² The dependence of the

¹ Quoted in N. A. Pelcovits, *Old China Hands and the Foreign Office* (New York, 1948), p. 85.

² V. J. Puryear, *International Economics and Diplomacy in the Near East* (1935), pp. 216-17, 222-3.

commercial thrust upon the political arm resulted in a general tendency for British trade to follow the invisible flag of informal empire.

Since the mid-Victorian age now appears as a time of large-scale expansion, it is necessary to revise our estimate of the so-called 'imperialist' era as well. Those who accept the concept of 'economic imperialism' would have us believe that the annexations at the end of the century represented a sharp break in policy, due to the decline of free trade, the need to protect foreign investment, and the conversion of statesmen to the need for unlimited land-grabbing. All these explanations are questionable. In the first place, the tariff policy of Great Britain did not change. Again, British foreign investment was no new thing and most of it was still flowing into regions outside the formal empire. Finally the statesmen's conversion to the policy of extensive annexation was partial, to say the most of it. Until 1887, and only occasionally after that date, party leaders showed little more enthusiasm for extending British rule than the mid-Victorians. Salisbury was infuriated by the 'superficial philanthropy' and 'roguery' of the 'fanatics' who advocated expansion.¹ When pressed to aid the missions in Nyasaland in 1888, he retorted: 'It is not our duty to do it. We should be risking tremendous sacrifices for a very doubtful gain.'² After 1888, Salisbury, Rosebery and Chamberlain accepted the scramble for Africa as a painful but unavoidable necessity which arose from a threat of foreign expansion and the irrepressible tendency of trade to overflow the bounds of empire, dragging the government into new and irksome commitments. But it was not until 1898 that they were sufficiently confident to undertake the reconquest of so vital a region as the Sudan.

Faced with the prospect of foreign acquisitions of tropical territory hitherto opened to British merchants, the men in London resorted to one expedient after another to evade the need of formal expansion and still uphold British paramountcy in those regions. British policy in the late, as in the mid-Victorian period preferred informal means of extending imperial supremacy rather than direct rule. Throughout the two alleged periods the extension of British rule was a last resort—and it is this preference which has given rise to the many 'anti-expansionist' remarks made by Victorian ministers. What these much quoted expressions obscure, is that in practice mid-Victorian as well as late-Victorian policy makers did not refuse to extend the protection of formal rule over British interests when informal methods had failed to give security. The fact that informal techniques were more often sufficient for this purpose in the circumstances of the mid-century than in the later period when the foreign challenge to British supremacy intensified, should not be allowed to disguise the basic continuity of policy. Throughout, British governments worked to establish and maintain British paramountcy by whatever means best suited the circumstances of their diverse regions of interest. The aims of the mid-Victorians were no more 'anti-imperialist' than their successors', though they were more often able to achieve them informally; and the late-

¹ Quoted in Cromer, *Modern Egypt* (1908), I, 388.

² Hansard, 3rd Series, cccxxviii, col. 550, 6 July 1888.

Victorians were no more 'imperialist' than their predecessors, even though they were driven to annex more often. British policy followed the principle of extending control informally if possible and formally if necessary. To label the one method 'anti-imperialist' and the other 'imperialist', is to ignore the fact that whatever the method British interests were steadily safeguarded and extended. The usual summing up of the policy of the free trade empire as 'trade not rule' should read 'trade with informal control if possible; trade with rule when necessary'. This statement of the continuity of policy disposes of the over-simplified explanation of involuntary expansion inherent in the orthodox interpretation based on the discontinuity between the two periods.

Thus Salisbury as well as Gladstone, Knutsford as well as Derby and Ripon, in the so-called age of 'imperialism', exhausted all informal expedients to secure regions of British trade in Africa before admitting that further annexations were unavoidable. One device was to obtain guarantees of free trade and access as a reward for recognizing foreign territorial claims, a device which had the advantage of saddling foreign governments with the liability of rule whilst allowing Britons the commercial advantage. This was done in the Anglo-Portuguese Treaty of 1884, the Congo Arrangement of 1885, and the Anglo-German Agreement over East Africa in 1886. Another device for evading the extension of rule was the exclusive sphere of influence or protectorate recognized by foreign powers. Although originally these imposed no liability for pacifying or administering such regions, with changes in international law they did so after 1885. The granting of charters to private companies between 1881 and 1889, authorizing them to administer and finance new regions under imperial licence, marked the transition from informal to formal methods of backing British commercial expansion. Despite these attempts at 'imperialism on the cheap', the foreign challenge to British paramountcy in tropical Africa and the comparative absence there of large-scale, strong, indigenous political organizations which had served informal expansion so well elsewhere, eventually dictated the switch to formal rule.

One principle then emerges plainly: it is only when and where informal political means failed to provide the framework of security for British enterprise (whether commercial, or philanthropic or simply strategic) that the question of establishing formal empire arose. In satellite regions peopled by European stock, in Latin America or Canada, for instance, strong governmental structures grew up; in totally non-European areas, on the other hand, expansion unleashed such disruptive forces upon the indigenous structures that they tended to wear out and even collapse with use. This tendency in many cases accounts for the extension of informal British responsibility and eventually for the change from indirect to direct control.

It was in Africa that this process of transition manifested itself most strikingly during the period after 1880. Foreign loans and predatory bankers by the 1870's had wrecked Egyptian finances and were tearing holes in the Egyptian political fabric. The Anglo-French dual financial

control, designed to safeguard the foreign bondholders and to restore Egypt as a good risk, provoked anti-European feeling. With the revolt of Arabi Pasha in 1881, the Khedive's government could serve no longer to secure either the all-important Canal or the foreign investors' pound of flesh.

The motives for the British occupation of 1882 were confused and varied: the desire, evident long before Disraeli's purchase of shares, to dominate the Canal; the interests of the bondholders; and the over-anxiety to forestall any foreign power, especially France, from taking advantage of the prevailing anarchy in Egypt to interpose its power across the British road to India. Nearly all Gladstone's Cabinet admitted the necessity of British intervention, although for different reasons, and, in order to hold together his distracted ministry, the Prime Minister agreed.

The British expedition was intended to restore a stable Egyptian government under the ostensible rule of the Khedive and inside the orbit of informal British influence. When this was achieved, the army, it was intended, should be withdrawn. But the expedition had so crushed the structure of Egyptian rule that no power short of direct British force could make it a viable and trustworthy instrument of informal hegemony and development. Thus the Liberal Government following its plan, which had been hastily evolved out of little more than ministerial disagreements, drifted into the prolonged occupation of Egypt it was intent on avoiding. In fact, the occupying power became directly responsible for the defence, the debts and development of the country. The perverse effect of British policy was gloomily summed up by Gladstone: 'We have done our Egyptian business and we are an Egyptian government.'¹ Egypt, then, is a striking example of an informal strategy misfiring due to the undermining of the satellite state by investment and by pseudo-nationalist reaction against foreign influence.

The Egyptian question, in so far as it was closely bound with the routes to India and the defence of the Indian empire itself, was given the highest priority by British policy in the 'eighties and 'nineties. In order to defend the spinal cord of British trade and empire, tropical African and Pacific claims were repeatedly sacrificed as pawns in the higher game. In 1884, for example, the Foreign Office decided that British vulnerability in Egypt made it unwise to compete with foreign powers in the opening scramble for West Africa; and it was therefore proposed '... to confine ourselves to securing the utmost possible freedom of trade on that [west] coast, yielding to others the territorial responsibilities... and seeking compensation on the east coast... where the political future of the country is of real importance to Indian and imperial interests.'² British policy was not one of indiscriminate land-grabbing. And, indeed, the British penetration into Uganda and their securing of the rest of the Nile Valley was a highly selective programme, in so far as it surrendered some British West African claims to France and transferred part of East Africa to Germany.

¹ Quoted in S. Gwynn and G. M. Tuckwell, *Life of Sir Charles Wentworth Dilke* (1917), II, 46.

² F.O. Confidential Print (East Africa), 5037.

IV

Thus the mid-Victorian period now appears as an era of large-scale expansion, and the late-Victorian age does not seem to introduce any significant novelty into that process of expansion. The annexations of vast undeveloped territories, which have been taken as proof that this period alone was the great age of expansion, now pale in significance, at least if our analysis is anywhere near the truth. That the area of direct imperial rule was extended is true, but is it the most important or characteristic development of expansion during this period? The simple historical fact that Africa was the last field of European penetration is not to say that it was the most important; this would be a truism were it not that the main case of the Hobson school is founded on African examples. On the other hand, it is our main contention that the process of expansion had reached its most valuable targets long before the exploitation of so peripheral and marginal a field as tropical Africa. Consequently arguments, founded on the technique adopted in scrambling for Africa, would seem to be of secondary importance.

Therefore, the historian who is seeking to find the deepest meaning of the expansion at the end of the nineteenth century should look not at the mere pegging out of claims in African jungles and bush, but at the successful exploitation of the empire, both formal and informal, which was then coming to fruition in India, in Latin America, in Canada and elsewhere. The main work of imperialism in the so-called expansionist era was in the more intensive development of areas already linked with the world economy, rather than in the extensive annexations of the remaining marginal regions of Africa. The best finds and prizes had already been made; in tropical Africa the imperialists were merely scraping the bottom of the barrel.

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