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MARXIAN, LIBERAL, AND SOCIOLOGICAL THEORIES OF IMPERIALISM

1. The Three General Points of View.

It is the purpose of this paper to present and discuss what may be called the "Marxian", "liberal", and "sociological" theories of imperialism, and to indicate briefly how the formula of "economic imperialism" has been typically used by historians. The literature on the theory of imperialism is very extensive, particularly in Germany, where both socialist and non-socialist writers have long been pre-occupied with the question. The greater part of this material, however, is either highly dialectical or polemical in nature and of doubtful scientific value, but, because of its influence in popularizing a new apparatus of ideas and in giving new content and meaning to an already overworked Schlagwort, it cannot be ignored. In Great Britain the word "imperialism" generally connotes something peculiar to the British Empire, in contrast to the universal meaning commonly attached to it by German writers. Among American writers the concept is employed in so many studies in international relations that the results are almost as scattered and confusing as they are in Germany.

There can be no doubt that the concept of imperialism has changed greatly in recent times. Originally associated with the Imperium Romanum, imperialism carried with it a connotation of absoluteness which would be difficult to duplicate in modern times, and as such it was simpler, more direct and more powerful than it is today. (1) Some idea of the nature of the change which has taken place, converting imperialism into a term to beware with, may be gained by comparing the definitions given in standard dictionaries, where the original and simpler sense has been largely retained, with the variety of complex and contradictory meanings brought out in Parts II, III and IV of this paper. (2).

(1) See T.R. Glover, *Democracy in the Ancient World*. (Cambridge, England, 1927) pp. 154, 169, 170, 212.

(2) See for example Webster's New International Dictionary and the Oxford English Dictionary (1901). The latter defines imperialism as "the rule of an emperor, especially when despotic or arbitrary", as France and Napoleon III; and as the imperialism of the British Empire, which is the policy "(1) of seeking, or at least not refusing, an extension of the British Empire in the directions where trading interests and investments require the protection of the flag; and (2) of so uniting the different parts of the Empire having separate governments, as to secure that for certain purposes, such as maritime defence, internal commerce, copyright, and postal communication, they shall be practically a single state." Webster similarly speaks of imperialism as the "power or government of an emperor; imperial authority or system"; and as the "policy, practice, or advocacy of seeking, or acquiescing in, the extension of the control, dominion, or empire of a nation", and gives as examples "the acquisition of new territory or dependencies, especially when lying outside the nation's natural boundaries, or by the extension of its rule over other pieces of mankind, as where commerce demands the protection of the flag." Webster also refers to imperialism as "the closer union of more or less independent parts for operations of war, copyright, internal commerce, etc., as in the case of the closer union of parts of the British Empire advocated by some."

Othmar Spann, in an article on "Imperialismus" in *Handwörterbuch der Sozialwissenschaften* (V, (1923), 363-85), gives a history of the word from Roman times to modern times when it came into common use in connection with Napoleonic despotism, but received a different meaning in England in the "greater Britain" movement, and still another meaning under the influence of the Marxian economic interpretation. A number of definitions, more or less in line with the historical stages through which the concept has passed, are given.

The writer who has done most to trace the history and use of the concept of imperialism is J. Hasegawa. See his articles: "Marxismus und Imperialismus", *Jahrbuch für Nationalökonomie und Statistik*, Vol. CXIII (1919); and "Zur Deutung des Imperialismus", *Wirtschaftswissenschaftliches Archiv*, Vol. XXVI (1927). His accompanying bibliographies are particularly helpful as regards German writings on

Where once it was regarded as personal or political, characteristically carried on by military force, imperialism is now considered to be fundamentally economic both in origin and purpose, its political and military manifestations being looked upon as incidental. More and more the statement can be found that economics is but another name for politics, there being no line of demarcation between the two, and that the writing of history became scientific only when formulas were discovered which could be used to interpret historical events in terms of the economic environment. Granting that a new and more scientific approach to history was needed in which economic factors should receive more attention and personal and military exploits less, it is now quite evident that the economic interpretation has been overworked, or at least very crudely employed. Historians, more than others perhaps, have been inclined to accept it altogether too uncritically; and in their zeal to make history scientific they have merely made it conform to questionable hypotheses.

The outstanding general theory of imperialism, both from the point of view of precedence and of influence, is the Marxian. It is based on the assumption that all political phenomena issue from economic and material causes; it holds, in brief, that imperialism is the inevitable product of the capitalistic form of production and exchange and can only disappear, with all its attendant evils, with the advent of universal socialism.

Closely akin to the Marxian is the theory of imperialism arising from those liberal and professedly non-socialistic sources which hold, nevertheless, that imperialism is an "economic" phenomenon and traceable to the maladjustments of capitalism, if not to capitalism as such. From this point of view, "economic" imperialism is regarded as the leading form of a large genus. Military, personal, religious, and political forms of aggrandizement are looked upon as merely secondary or contributory factors. The more inclusive Marxian theory, by contrast, regards it as tautological to speak of "economic" imperialism because the capitalist mode of production itself accounts for what happens in the social, economic, political, and religious world. Nevertheless, both theories spring from a deep-seated dislike of capitalism or its workings, or both, and from the belief that there can be no peace for the world until the capitalistic system is either entirely replaced by a more highly socialized arrangement or radically reformed.

The third theory of imperialism with which we are here concerned represents a radical departure from the economic interpretations just alluded to; for, instead of interpreting imperialism in terms of the current (capitalistic) form of economic organization, it maintains the view that imperialism is an atavism, a pre-capitalist phenomenon, projecting itself into an industrial society whose very nature, texture, and international ramifications tend to work against the military and political exclusiveness associated with competitive empire-building. From this point of view imperialism is the end, and the economic system (whether it be handicraft or capitalistic or socialistic) is the means. From this broad sociological view there is no concatenation of cause and effect between economic and political forces but merely a sort of functional relationship which is highly variable, representing a temporary compromise, with the older forces tending to disappear in the face of the newer.

(2) continued.

imperialism. German socialists, more than anyone else have exploited the term "imperialism", which they frankly took from the English. As Karl Kautsky remarks, England alone was not responsible for the new policy of expansion toward the end of the nineteenth century, but she supplied the term "imperialism", which best describes the process (Neue Zeit, XXXIII, No. 2 (1915), 110). In general, Continental and American writers use the terms "imperialism" and "imperialistic" more widely and loosely than is the case in Great Britain, where such expressions give way to "imperial preference", "imperial federation" etc, in the purely local sense noted above.

II. The Marxian Theories of Imperialism.

There is no single Marxian theory of imperialism except as regards the fundamental belief that imperialism springs in modern times entirely from capitalism (3). When the various interpreters of Marx leave this common ground and launch into the details of their analyses and criticisms, they differ widely. Only the fact that their differences are, after all, chiefly differences of emphasis makes it possible to group them under a common category. The lack of outward unity among neo-Marxian writers on imperialism may be very largely explained by the fact that Marx himself never explicitly stated a theory of imperialism (4). His nearest approach to such a theory is to be found in what he had to say about colonialism, but it is evident at once that in Marx's mind colonialism belonged to those dark days of pre-capitalist accumulation which helped give rise to modern dark days of pre-capitalist accumulation which helped give rise to modern capitalism (5). He regarded the days of colonization as definitely over; or at least he regarded colonial enterprises as anachronisms, soon doomed to give way, along with all capitalist and pre-capitalist elements, to socialism (6).

(3) I have used the term "Marxian" rather than "socialist", or have used the two terms interchangeably, because it is the Marxian element rather than the social element which properly characterizes what is loosely and vaguely called "socialism". Without this element, with its greater or less emphasis upon the economic interpretation, the dialectic, the labor-cost theory of value, and the concentration of capital, no critique of capitalism can properly be called socialistic. This practically excludes what passes as "socialism" in England and America, but embraces what is known as "communism" in those countries.

(4) In only one place have I found the word Imperialismus in Marx, and in only one instance have I seen it intimated that the word, as Marx used it, entitled him to the honor of having explicitly originated the socialist theory of imperialism. Speaking of the empire of Napoleon III, Marx wrote: "Imperialism is, at the same time, the most prostitute and the ultimate form of the state power which nascent middle-class society has commenced to elaborate as a means of its own emancipation from feudalism, and which full-grown bourgeois society had already finally transformed into a means for the enslavement of labor by capital" (The Paris Commune (including The Civil War in France, from which the excerpt is taken), p. 73). Marx used Imperialismus in the original, Der Bürgerkrieg in Frankreich (1876), pp. 25-26.

Leon Trotsky remarks that "this definition has a wider significance than for the French Empire alone, and includes the latest form of imperialism, born of the world-conflict between the national capitalisms of the great powers" (The Defence of Terrorism, a Reply to Kark Kautsky (1921) p. 33).

(5) Capital (Moore's and Aveling's translation; Chicago, 1909), I, 825.

(6) At the close of the first volume of Capital, Marx has a chapter on "The Modern Theory of Colonization". He defined "real colonies" as "virgin soils colonized by free immigrants", and referred to the United States as still, "speaking economically", only a colony of Europe. Much significance is attached to the phrase, "speaking economically" by some of Marx's followers, because they believe it places the emphasis, in modern imperial matters as well as in the older colonialism, where Marx consciously believed it to belong. That is to say, the significant thing is the economic and not the political relationship, for it confirms the belief that imperialism is an economic stage and not merely a political policy. See Max Schippel, "O dieser Imperialismus", Sozialistische Monatshefte, 1915, No. 2 p. 585, and below pp. 725, 729.

Marx's own purpose, however, in writing the chapter on "Modern Theories of Colonization", was to point at once to capitalist avarice and the futility of any attempt of capitalism to save itself by forced colonial schemes. He referred particularly to an attempt to "affect the manufacture of wage-workers in the Colonies", which he found in the scheme of "systematic colonization" proposed by E.G. Wakefield and partially attempted by acts of Parliament. The scheme proposed, in brief, was that the government should place an artificially high price on land in the colonies in order to discourage laborers there from becoming independent and thus insure against a continuous labor shortage in the colonies. Furthermore, the proceeds from the sale of such lands were to be used to defray the expenses of exporting surplus laborers from England to her colonies. The fact that such a proposition could arise proved to Marx, not only that colonialism is based on exploitation, but that capitalism is fast approaching its end when recourse must be had to such methods. "True colonialism", the essence of which

Again, some of Marx's followers, as will be pointed out more fully later, identify modern imperialism with Marx's "monopoly stage" of capitalism; but here also it must be noted that the monopoly stage of capitalism, according to Marx, came long after the colonial era and not with it. Furthermore, Marx regarded capitalism as already in this final or monopoly stage at the time he wrote; and he was fully convinced that the revolution which was to usher in universal socialism was at hand. For this reason he had relatively little to say about the monopoly stage of capitalism. Having reached its final stage, in which contradictions had ceased to operate, capitalism was incapable of further developing any sort of policy, either of free trade or protectionism, colonialism or imperialism. It could only await the revolution, for, having woven its own winding-sheet it could have no hope for a new lease on life. To identify modern imperialism with Marx's monopoly stage, therefore, requires severe amendments to the time element in Marx's prophecy regarding the advent of socialism, and can only mean that Marx's followers, not Marx himself, find the material for a theory of imperialism in this part of the master's doctrine. We must turn, therefore, to the neo-Marxians for Marxian theories of imperialism. Each disciple naturally regards his own contribution as faithful to the way Marx himself would have regarded the situation, could he have anticipated the revival of colonialism and imperialism.

The question of who is entitled to the credit of first formulating a socialist theory of imperialism has given rise to much controversy in socialist circles. Various claims have been made to the honor of having first advanced new suggestions and ideas, but no one can claim to have worked out a complete theory alone. Karl Kautsky, on whom fell the task of carrying on where Marx and Engels left off, could look back in 1915 and argue that it was he who first gave a socialist explanation of the new colonial policy as opposed to the old (7). It is true that in 1898, when the entire world was being stirred by "imperialistic" wars, Kautsky undertook to explain the situation in terms of the evolution of capitalism - by no means a new type of explanation, for it was common to Marx and all his followers. Nevertheless, the attempt may be regarded as a typical product of the revived interest among Socialists in "capitalist" colonial policies arising from the international difficulties of the period (8).

(6) continued.

is that the bulk of the soil is still public property, was fast disappearing by being made "capitalistic".

It is interesting to note J.S. Mill's defense of Wakefield's scheme, in his Principles of Political Economy, Book V, Chap. xi, par. 12, 14.

(7) The claim was made in *Neue Zeit* (of which Kautsky was editor from 1883 to 1917), XXXIII, No. 2, 110; and the articles to which Kautsky referred appeared in the same journal (Vol. XVI, No. 1 (1897-98), under the title "Aektore und neuere Kolonialpolitik". Furthermore, between 1880 and 1888 Kautsky had contributed several articles on colonial questions to *Neue Zeit* which he also referred to later (*Sozialismus und Kolonialpolitik* (1907)), in order to remind fellow-socialists, following the Stuttgart Congress of the International at which he and a few followers had narrowly averted the adoption of a socialist colonial "program" favored by Bernstein, Vandervelde, and others, that the discussion of the colonial question was not as new as certain colonial enthusiasts seemed to think but had been discussed and, the implication was, settled by him much earlier. (For a history of the controversies over imperialism which stirred this and other socialist congresses before the World War, see VIII Congress *Socialiste Internationale*, Stuttgart, 1907, *compte rendu analytique* (Bruxelles, 1908), pp. 216-19, 285-323; and Brynjolf J. Howde, "Socialistic Theories of Imperialism prior to the Great War," *Journal of Political Economy*, Vol. XXXVI (1928).

(8) Not too much stress should be laid upon Kautsky's importance in the history of the socialist theory of imperialism. Although he contributed something, his importance has been magnified because he always managed to enter into every controversy which took place on imperialism in *Neue Zeit*, and because his enemies, the communists, have delighted in making him the scapegoat for all non-communist views on imperialism. See especially N. Lenin, *Imperialism, The Last Stage of Capitalism* (New York 1927), and Michel Paylovitch, *The foundations of Imperialist Policy* (London, 1922). At the close of the nineteenth and the beginning of the twentieth century *Neue Zeit* and other socialist organs contained many discussions of the new imperialism, with all of which Kautsky was conversant. He was also

Following the period of the "old colonial policy", which ended with the American war for independence and the industrial revolution, according to the explanation, there was ushered in the "new colonial policy" of Manchesterism or free trade. This was a peaceful policy which favoured philanthropy rather than exploitation of native races in colonial areas where formerly the precapitalist colonial policy had been extremely warlike and brutal. This change was regarded as having taken place because industrial capitalism, which early began to produce a surplus of consumption goods, desired to build up foreign markets, and to this end was induced to civilize and educate its prospective customers rather than to exploit and exterminate them.

But how was the still more recent colonial policy, which marked a reversion to the old colonial system, to be explained in view of the fact that industrial capital still predominated? Had some insidious change suddenly overtaken capitalism? As Kautsky saw it in 1898, and even more clearly later, the change was to be explained by the fact that under the period of free trade, prolonged peace, and unmolested capitalistic expansion, contradictions were engendered, in accordance with the principles of the Marxian dialectic, which put capitalist powers at variance with each other and at strife with the backward regions which they had helped build up. Whereas formerly capitalist products were exported, now capitalist production itself was being sent abroad in the form of the export of capital, or production goods, which greatly encouraged tying contracts between the lending and borrowing countries, and other forms of imperialistic ties (9). Thus began the scramble by capitalist powers for colonial possession, each nation hoping to build up a self-contained imperial system, which encouraged the erection of protective tariffs around the system, military and civil domination of backward regions, and the building of fleets to protect imperial trade.

If the new imperialism was characterized by the export of capital, it was only logical for someone to point out that industrial capital was being superseded in power by financial capital. Kautsky, however, never formally gave up talking in terms of the old industrial capitalism, although he did think it necessary to refer to it as "highly developed", in a definition of imperialism which he gave in 1915, when he said: "Imperialism is the product of a highly developed industrial capitalism. It consists in the tendency of every industrial capitalist nation to subject and annex ever larger agrarian regions, without regard to what nations inhabit them (10).

(8) continued.

a close student of English history and was much influenced by the ideas of English historians. His wife remarks that he was particularly influenced by Buckle (Luise Kautsky (editor), Rosa Luxemburg, Letters to Karl and Luise Kautsky from 1896 to 1918 (New York, 1925), p. 233).

(9) Kautsky's later views, in which he emphasizes the export of surplus production goods and the competition and war which follow, are found in his *The Class Struggle* (8th ed., 1907; translated by William E. Bohn, Chicago, 1910), pp. 43-44; and similarly, in *The Road to Power* (translated by A. Simon; Chicago, 1910), pp. 112-14. Pavlovitch (op. cit., p. 73) discusses Kautsky's change of emphasis from industrial to financial capitalism, and ascribes it to the influence of Hilferding (see below, p. 726).

A favourite way of dramatizing this sort of thing is to contrast the era of Manchester and the era of Birmingham - the first epitomizing liberalism, free trade, textiles, and the export of consumption goods; the second representing the age of imperialism, protection, iron and steel, and the export of producers' goods. Cobden and Bright were apostles of the first era; Joseph Chamberlain and Cecil Rhodes; of the second. See, for example, Maurice Dobb, *Capitalist Enterprise and Social Progress* (1925), pp. 344-47; and Louis Boudin, *Socialism and War* (1916).

(10) "Der Imperialismus", *Neue Zeit*, XXII, No. 2 (1914), 909 (italics Kautsky's). Quoted by Lenin, op. cit. p. 74. The same definition appeared a year later in a brochure by Kautsky, *Nationalstaat, Imperialistischer Staat und Staatenbund* (1915), p. 15.

In his famous Erfurter Program published in 1892 (translated by William E. Bohn, 1910, as *The Class Struggle*) Kautsky stated the orthodox doctrine of industrial capital as follows: "There are three sorts of capital: merchants' capital, interest bearing capital, and industrial capital. The last of these is the youngest; perhaps it is not as many hundred years old as the other

The chief cause of the qualification regarding "highly developed" industrial capitalism was the already well-known theory, to be considered presently, that imperialism is the policy not of industrial but of financial capitalism. But Kautsky not only declared, under the force of criticism from those who were swinging to the new view, that "highly developed" industrial capitalism means financial capitalism (11), he even pointed out that according to the new theory bank capital is in reality transformed into industrial capital. (12). Thus, by a resort to dialectics, Kautsky satisfied himself that his own views were not only older than, but equally as sound as, the new; but in so doing, he simply demonstrated that the attempt to distinguish between industrial and financial capital resolves itself into a mere matter of words.

A more important question than the one just noted, as far as the theory of imperialism is concerned, revolves about the concept of the regions which are in the process of being subjected to capitalist powers. Is the phrase "agrarian regions" to be understood as referring to the exploitation of backward regions in an agricultural sense only, or does it mean an exploitation as broad as capitalist activity itself? In short, is imperialism merely an extensive process, or both extensive and intensive? On these questions Kautsky wavered, as he had on the meaning of industrial capitalism, and again resorted to dialectics to square himself with his critics. His definition plainly implies that by "agrarian" he meant undeveloped regions about to become "imperialized" by capitalist powers. Lenin thus interpreted Kautsky's definition, calling it one-sided and incomplete because imperialism means reaction in general, applying to the relations between industrial powers as well as between industrial countries and non-industrial (13). In response to the criticism that his definition was too narrow because by emphasizing agrarian regions, it excluded the scramble for railway, mining, and other valuable concessions and omitted all reference to the dominating influence of the great banks and monopolies, Kautsky insisted that he never meant to imply that agrarian regions were exploited solely in an agricultural way (14). Nevertheless, he steadfastly refused to make imperialism cover all the phenomena of capitalism - cartels, trusts, protection-ism, and financial control - because he believed that such broad usage rendered the term indefinite and useless. It only identified imperialism with capitalism; and, since capitalism also depends upon such

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two are thousands. But the youngest of these brothers has grown faster, much faster, than either of his seniors, he has become a giant who has enslaved and forced them into his servitude" (translation, pp. 43-44). In his definition of imperialism, therefore, this all conquering industrial capital plays the leading part. But in the rival socialist theory of imperialism, which we shall discuss present, "interest bearing capital" has again assumed the dominant role which it had once exercised over industrial capital.

(11) *Neue Zeit* XXXIII, No. 2, III.

(12) *Ibid.*, p. 110 In "Aeltere und neuere Kolonialpolitik," loc. cit. p. 812, Kautsky had mentioned the mediating role of high finance in the new colonial process, but he had no thought of putting it above industrial capital.

(13) *Op. cit.*, p. 74. See also Pavlovitch, *op. cit.*, pp. 46, 73, 94.

(14) "Der Imperialismus," *Neue Zeit*, XXXIII, No. 2 (1915), 232.

such institutions as tariffs and monopolies for its continued existence it merely led to the tautological nonsense that capitalism cannot exist without Capitalism (15).

Rosa Luxemburg (16) was the most ardent defender of the thesis that the essence of imperial expansion consists in the penetration of capitalism into purely agrarian or non-capitalist regions for the primary purpose of disposing of its surplus products and thus reaping the "surplus value" by which alone it can continue to exist. In her study on the accumulation of capital, first published in 1912, she undertook to correct Marx in such a way as to account for modern capitalist imperialism (17). She believed in a purely territorial or extensive view of capitalist expansion, in which emphasis is put on the acquisition of "agrarian" regions, as in Kautsky's definition. She accepted Marx's doctrine that "the expansion of foreign trade, which is the basis of the capitalist mode of production in its stages of infancy, has become its own product in the further progress of capitalist development through its innate necessities, through its need of an ever-expanding market." (18)

And yet, on the other hand, it was necessary to reconcile this with Marx's belief that the expanding days of capitalism were over and that the final or monopoly stage had already been reached. As Rosa Luxemburg observed, capitalism had obviously not reached this stage, for imperial expansion was taking place on every hand. She declared, therefore, that Marx never meant that his "fiction" of a world already completely under the sway of capitalism should be taken literally. (19) Furthermore, she contended that the only permissible interpretation of an "ever expanding" market was one into which capitalism was, for the first time, penetrating.

(15) *Ibid.*, p. 908.

(16) Though more radical on most questions than Kautsky, Rosa Luxemburg was nevertheless closely associated with him and shared his general views respecting imperialism. The story of their association may be found in Luise Kautsky's *Rosa Luxemburg, Letters to Karl and Luise Kautsky from 1896 to 1918* (New York, 1925).

(17) *Die Akkumulation des Kapitals, ein Beitrag zur ökonomischen Erklärung des Imperialismus* (1922; first published in 1912). An abridged edition has recently appeared in French, edited by Lucien Lauret, under the title *L'accumulation du capital d'après Rosa Luxemburg, suivi d'un aperçu sur la discussion du problème depuis la mort de Rosa Luxemburg* (Paris 1930). This edition is more usable than the original because of the editor's comments and the addition of a chapter on the views of the author's critics expressed after her death. For these reasons I shall refer to the French edition.

(18) *Capital* (Unterman's translation, Chicago, 1909), III, 278. See, also p. 287.

(19) She spent much energy in trying to reformulate Marx's arithmetical "scheme", by which he undertook to demonstrate, the laws of surplus value, so that they would fit the facts of experience. Taken literally, Marx's formula had simply shown that capitalist production itself realizes total surplus value and again, uses it further to increase production. This implied a self-contained or "pure" capitalist society, but Rosa Luxemburg contended that neither the capitalists nor the workers can realize surplus value produced in this way (*op. cit.*, p. 53). But since production does take place, it is necessary to explain for whom it takes place, since it cannot be assumed that capitalists would keep on enlarging production simply for the sake of enlarging it (*op. cit.* pp. 77, 88-89). The answer is found in the fact that throughout history capitalist society has been dependent upon non-capitalist regions in order to continue the exploitation which is necessary for its continued existence; and when capitalist accumulation becomes a worldwide phenomenon, it has reached its final or imperialistic stage. (*op. cit.*, pp. 94-110, *passim*; and 110 ff.)

The fundamental occasion of all such attempts to "correct" Marx is the notorious fact, pointed out by Bohm-Bawerk in *Karl Marx and the Close of His System*, that in Volume III of *Capital* Marx had abandoned his pure labor-cost theory of value, laid down in rigid hypothesis in Volume I.

Thus she concluded that the existence of non-capitalist milieus is absolutely necessary for the continuation of capitalism, because it is from such regions that capitalism must draw the surplus value on which it continues to thrive. She rejected the view that capitalism is capable of creating its own market within its own framework. A society composed exclusively of capitalists and laborers can create no adequate market for the commodities produced (20). That is, under capitalism there is general and chronic overproduction; and, when capitalism finally reaches the stage where labor can receive the whole product of industry, it will no longer be capitalism, but socialism.

Being persuaded that the chronic overproduction of capitalism can find no outlet except in regions exterior to itself, Rosa Luxemburg was led to her theory of imperialism, the external manifestations of which are militarism, high protection, the preponderant role of banks and monopolies in world politics, while fundamentally it consists of the struggle of capitalist countries for colonies and spheres of influence. But as capitalism expands outwardly in this way, it finally destroys the basis of capitalist accumulation by converting non-capitalist regions into capitalist. Thus, imperialism is at once a method of prolonging the days of capitalism and of finally ending its sway (21). Rosa Luxemburg regarded imperialism, therefore, as the political expression of the process of capitalist accumulation and over production manifesting itself through the competition of capitalist states for a division of the remaining free non-capitalist territories of the world, and as the last stage in the historic development of capitalism. (22). Her chief concern was to expose the argument that capitalism can go on indefinitely expanding in isolation without the necessity of finding access to non-capitalist regions; from which point of view colonies are obviously not necessary and imperialism cannot be explained, as it rightly should be from the Marxian viewpoint, by reference to any innate necessity in capitalism. If Marx is literally and rigidly interpreted, capitalism never does anything by choice but is itself controlled by inexorable dialectic laws.

It was Otto Bauer who most strongly defended the opposite theory, that capitalism can expand indefinitely in isolation and that colonies are not absolutely but only relatively necessary. (23) He denied the thesis that non-capitalist regions are necessary for the continued existence of capitalism. Capitalism will employ both the extensive and intensive methods of expansion. But capitalism exploits the extensive regions as a matter of choice and not as a matter of necessity; from which it follows that colonial expansion, or imperialism, becomes merely a policy and not an inescapable stage through which capitalism must go.

(20) Op. cit., pp. ix, 153, 158.

(21) Op. cit., pp. 111, 120, 121.

(22) Ibid., pp. 120, 158-59.

(23) See *Neue Zeit*, XXXI, No. 1, (1913), 873-74. Hasbagen, "Marxismus und Imperialismus," *Jahrbucher für Nationalökonomie und Statistik*, CXIII (1919), 196, has a good discussion of Bauer's treatment of this problem. See also Rosa Luxemburg, op. cit., Part II, chap. iii, especially pp. 153 ff., for her criticism of Bauer.

Bauer's chief contribution appeared as *Die Nationalitätenfrage und die Sozialdemokratie* (Marx-Studien, 1907; 2d ed., 1924).

Michel Tugen-Baranowsky is credited with having popularized the theory that capitalism supplies its own market for surplus value (Luxemburg, op. cit. pp. x, 144). See his *Les crises industrielles en Angleterre* (Paris, 1913), p. v. This study first appeared in Russian (1894), then in German (1901).

The highest point in the development of neo-Marxian thought on imperialism is undoubtedly found in Rudolf Hilferding's *Finanzkapital*. (24) Hilferding claimed to build on Marx; and his purpose was to introduce new factors which Marx could not foresee, and to which no one had yet given sufficient consideration - cartels, trusts, protective tariffs, and particularly the role of the great banks. (25) Other neo-Marxians had already made contributions on the relation of financial capitalism to imperialism. Kautsky's early part in the discussion has already been noted. Heinrich Cunow, even more emphatically than Kautsky, laid claim to having been the first to point out that it is financial capitalism which today stands as the dominant element uniting capitalism and imperialism (26).

The term "financial capital", though borrowed from Marx, was given a new importance, if not a new meaning, by Hilferding. Marx saw that capital used in commerce and industry was "productive"; but he believed that other capital used in conjunction with it, which he called "financial capital", was not productive but merely aided in the circulation process, as a specialized adjunct of the marketing function. (27) "The purely technical movements performed by money in the process of circulation of industrial capital, and, as we may now add, of commercial convert a capital into financial capital" (28). The significant thing, however, was the fact that this money capital was advanced, not by the merchants, or industrialists themselves, but by the banks, (29) and it is the banks also which constitute the source of Hilferding's financial capital. He writes,

An ever-increasing part of industrial capital does not belong to the industrialists who use it. They get the disposition of it only through the banks, which represent the owners of it. On the other hand, the bank must invest an ever-increasing part of its capital in industry. Thus the bank becomes, to an ever greater extent, an industrial capitalist. This bank capital, or capital in the form of money, which in this way has in reality been transformed into industrial capital, I shall call financial capital An ever larger part of capital used in industry is financial capital - capital disposed of by the banks and used by the industrialists. (30)

(24) *Finanzkapital*, eine Studie über die jüngste Entwicklung des Kapitalismus, appeared in 1910 as the third of the series in "Marx-Studien".

(25) Joseph Schumpeter, "Zur Soziologie der Imperialismen", *Archiv für Sozialwissenschaft und Sozialpolitik*, XLVI, No. 1 (1919), 295-97, gives Hilferding much credit for working out this problem, particularly for describing the new functions of protective tariffs in their relations to cartels and trusts.

(26) Cunow, *Handelsverträge und imperialistische Expansionspolitik*, which appeared in *Neue Zeit*, XLVIII, No. 2 (1900). Cunow, who is often referred to as a "socialist-imperialist" because of his defense of a socialist colonial policy, accepted imperialism as a necessary step in capitalist evolution, or, as Bukharin remarks (*Imperialism and World Economy* (1929), pp. 131-32), because "history is always right."

(27) *Capital*, III, 318, 340.

(28) *Ibid.*, pp. 371-72.

(29) *Ibid.*, pp. 373.

(30) *Ibid.*, p. 283 (italics Hilferding's)

Despite the fact that to both Marx and Hilferding financial capital originates in the banks, it obviously performs a very different function today from what it did in the time at which Marx wrote, owing to the fact that banks themselves have become vastly different institutions, having climbed, as the new theory recognizes from their lowly position as mere adjuncts to production to the very apex of the capitalist pyramid. And financial capital, as Hilferding defines it, does not merely facilitate the circulation process, but is advanced to industrial capitalists who use it by transforming it into industrial capital. As Bukharin remarks, financial capital is not to be confused with money capital, for financial capital "is characterized by being simultaneously banking and industrial capital...." (31) Not only is this new synthesis regarded as the dominant force in capitalism today, but it is seen as the connecting link between capitalism and imperialism. (32).

Hilferding went far beyond any previous Marxist in the thoroughness with which he investigated this relation. At home, he pointed out, financial capital seeks domination by organizing industries into monopolies - cartels and trusts - and at the same time seeks to secure exclusive control of the domestic market by means of protective tariffs. Quite in contrast with industrial capital and the ideals of economic liberalism, "financial capital does not want freedom, but domination". Nor is it satisfied with domination of the home market alone, but desires as large a territory or "economic sphere" as possible in which foreign competition may be excluded by tariff walls. (33) It thus defies and overrides political boundaries. This means, of course, that colonies are sought as outlets for the export of financial capital, and not merely for the export of consumption goods, as in the old "peaceful" era when industrial capital and its corollary, economic liberalism, predominated.

(31) *Op.cit.*, p. 114. On the other hand, those who, with Rosa Luxemburg, place all the emphasis on overproduction hold that one should look back of this "mystical" thing called financial capital and the surface phenomena found in the "circulation process" to the fundamental contradictions of capitalism found in the disharmony between the productive capacity of capitalism and the absorbing power of the market. They hold that Hilferding and Lenin are simply being misled by the simultaneous appearance of monopolies and imperialism, which, if related at all, are not related as cause and effect but are both symptoms of overproduction.

(Primas, *L'imperialisme et la decadence capitaliste* (1928), pp. 16-17, 31-32, 41.

(32) Being of the younger generation of Marxists, Hilferding was more inclined to look to Continental experience to substantiate his thesis than were the older socialists like Marx and Kautsky, who usually had English political and economic experience in mind. And the fact that banking consolidation and high finance, particularly in Germany, reached a degree of power over industry on the Continent never dreamed of in Great Britain partly accounts for the difference in emphasis found in Kautsky and Hilferding, the one stressing industrial, the other financial, forces. Alfred Marshall's *Industry and Trade* (1919), pp. 566ff., has a well-considered discussion of this difference between English and German banking experience.

(33) Hilferding, *op. cit.*, p. 426.

Free-trade England is no longer regarded as the typical modern capitalist country, but Germany and the United States, where protectionism flourishes and the banks dominate industry. (34) Contrasted with the earlier period when economic purposes could be attained by economic means, financial capital is helpless without political and military reinforcement. If the state is willing to serve the purposes of capitalism by erecting tariff barriers, it can certainly be induced, since capitalist interests control politics, to extend the principle to outlying territories which may be brought under its political control. Not only this, but the state may be driven into adopting an aggressive policy in securing new territories. Thus, says Hilferding, "capital export works for an imperialistic policy." (35)

The whole causal relationship is one in which the great banks, protective tariffs, cartels, trusts, capital export, state authority, and militarism are regarded as forming an invincible fortress of capitalism. Capitalism, which to Marx was about to break down of its own inner necessity, has on the contrary secured, by its own efforts, a new lease on life. The "monopoly stage" of capitalism, which to Marx seemed so simple in conception, and so powerless to resist the social revolution, has become the Leviathan known as imperialism. But, true to the principles of Marx, this new monster of capitalist development still has within it the seeds of its own destruction. Peaceful Manchesterism and economic internationalism have given way to a might array of national powers, all more or less governed by the same ambitions, all prepared to carry out their designs by force. Imperialism, which is capitalist rivalry at its highest pitch of perfection, presages nothing less than war and the mutual destruction of capitalist powers. Thus, the old Marxian dogma that capitalism from inner necessity weaves its own winding-sheet is reinforced with this new formula, which differs from the old only in making rival capitalist systems the basis of their own self-destruction.

To Hilferding imperialism is a policy of capitalism and not a stage of capitalism itself. Kautsky also held this view, but he differed with Hilferding in regarding imperialism as a policy of industrial (albeit a "highly developed") capitalism rather than of financial capitalism. From the policy viewpoint, regardless of how it expresses itself, capitalism conceivably possesses the power to turn competitive imperialism into a co-operative economic internationalism. Kautsky, indeed, came to the conclusion during the war that imperialism is not inevitable or unalterable under capitalism but may yet attain a still higher synthesis, an "ultra-" or "super-imperialism", under which a peaceful policy may be adopted as in the days of Manchesterism, as the best means of eliminating the wastes of competitive warfare and of insuring uninterrupted profits. (36)

(34) *Ibid.*, pp. 282-83. "Primus" (*op. cit.*, p. 20), though a socialist, flatly denies that there is any significant difference as far as imperialism is concerned between the export of capital and the export of goods. In his view both are but forms of the export of commodities; and the export of capital, far from being a new factor, was carried on throughout the nineteenth century and on a much larger scale than the exponents of the new theory of imperialism seem to realize. It is fairly certain, he says, that Marx made no distinction between the export of goods and the export of capital, but regarded the latter as only a phase of the former, because capitalists have a choice of investing their capital surpluses at home to create surpluses or of sending them abroad for the same purpose. It all depends on which field offers the more profits, for the capitalist cares for nothing else. Cf. *Capital*, II, 277-81.

(35) Hilferding, *op. cit.*, p. 406.

(36) *Neue Zeit* XXXII, No. 2 (1915), 144. Kautsky maintained, however, that for socialists this is no solution, but must be as energetically opposed as imperialism itself, because international cartels and banks, through which such a condition might be brought about, would only increase the power of capital to exploit labor (*ibid.*, pp. 919-20).

Hilferding likewise thought such an eventuality possible economically but not politically, because of antagonistic interests between the powers (37).

Turning to the radical communist representatives of Marxian thought, we find very little originality, but a vast amount of polemical criticism of the theories of imperialism held by Kautsky, Hilferding, and all center and right-wing socialists. The outstanding example of this sort of criticism is found in Lenin's *Imperialism*. (38) Embittered and disillusioned, particularly by the failure of Kautsky, so long regarded as Marx's direct successor, to go the whole way with violent revolution, Lenin makes him the scape-goat for all revisionist "renegades" from true Marxism.

Lenin and the communists generally are hostile to the notion that capitalism is capable of adopting a peaceful policy, even temporarily. The fact that capitalism once went through a peaceful stage is regarded as a mere episode in its development (39). Lenin identifies imperialism with the monopoly stage of capitalism and scornfully rejects the view that it is a mere external policy. He looks upon imperialism as "a tendency to violence and reaction in general," (40) and he brands any suggestion that it is otherwise as the talk of bourgeois reformers and socialist opportunists which glosses over the "deepest internal contradictions of imperialism." (41) Granting, says Lenin, that capitalist nations should combine into such an "ultra-imperialism" or world-alliance as that visualized by Kautsky and others, it could be no more than temporary, for peaceful alliances prepare the ground for wars. (42)

Lenin's definition of imperialism, although he rejects the "opportunist" tendencies of Hilferding, is greatly influenced by the latter's views. Lenin says :

Imperialism is capitalism in that phase of its development in which the domination of monopolies and finance-capital has established itself; in which the export of capital has acquired very great importance; in which the division of the world among the big international trusts has begun; in which the partition of all the territories of the earth amongst the great capitalist powers has been completed. (43)

(37) Op. cit., p. 295.

(38) Of which Harold J. Laski says : "When Marx wrote his indictment, the potentialities of capitalism were only partly apparent. Today, we see in imperialism and war its necessary outcome. Lenin, in his *Imperialism*, has completed the outline of its history" (*Communism* (1927), p. 161).

(39) Rosa Luxemburg (op. cit., p. 121) took this view.

(40) Op. cit., p. 73-74.

(41) Ibid., pp. 101, 102.

(42) Ibid., p. 99. Kautsky and Hilferding would insist also that such alliances would only be temporary, but Lenin implies that they are absolutely unthinkable to begin with, and exist only by hypothesis. See also Bakharin, op. cit., p. 133.

(43) Op. cit., p. 72. Lenin's emphasis on the role of trusts and monopolies, an emphasis also found in Hilferding, was entirely lacking in Rosa Luxemburg's theory. She refused to treat cartels and trusts as causes of imperialism because she regarded them simply as symptomatic of general overproduction; and she reinforced this view by pointing out that the oldest imperialist country, England, had scarcely entered upon the monopoly stage thirty years after the beginning of the imperialist phase (op. cit., pp. ix, x, 128). Kautsky also neglected the monopoly element.

Lenin regards the export of capital as inevitable under capitalism (44). "In the old type of capitalism, that of free competition," he says, "the export of goods was the most typical feature. In the modern kind, the capitalism of monopolies, the export of capital becomes the typical feature" (45). Banks play the leading role in this process; and Lenin, like Hilferding, emphasizes that this role is a new one and quite different from what it was in the days when banks were "modest go-betweens". Then, he implies capitalism was merely capitalism, but in the monopoly stage it is better described as "capitalist imperialism" (46).

Lenin's definition and analysis of imperialism in turn incited criticism, particularly from within the communist group itself. Some see in his treatment only a "vulgarization" of Hilferding, with its emphasis on monopolies as a dominating factor, and regard the theories of both as quite inferior to Rosa Luxemburg's theory, in which monopolies are clearly seen to be merely symptoms of that underlying cause of imperialism - overproduction. (47) Pavlovitch, on the other hand, criticizes only the breadth of Lenin's definition and insists that it is not monopoly in general but monopoly in the iron and steel industries which constitutes the heart of the problem of imperialism (48).

Thus the followers of Marx are hopelessly divided. They cannot agree in identifying imperialism with either colonialism or with capitalism; nor can they agree as to whether imperialism is a policy or a stage of capitalism (which is another way of stating the preceding question) or as to whether it is industrial capital or financial capital which predominates as the motivating force. And to some, it may be neither of these movements, but something much more fundamental, like chronic overproduction, which is sufficient to explain imperialism. Cartels, trusts, tariffs, banks, financiers, industrialists, general monopoly, monopoly in the metallurgical industries - all are economic factors; but, to those imbued with the determination to find a single formula which will explain everything, these factors are all, save the one on which they rivet attention, but epiphenomena to a "first cause".

(44) But his theory is not identical with that of Rosa Luxemburg, who held the same view, inasmuch as the latter refused to identify imperialism with capitalism. Lenin, on the other hand, insists upon identifying them, and refuses to accept the notion that imperialism is a mere synonym for colonialism (op. cit., pp. 65, 73-74).

(45) Ibid., p. 47 (italics Lenin's).

(46) Ibid., p. 19.

(47) Opinion of Leurat, in the Preface to Rosa Luxemburg, op. cit., p. ix.

(48) Op. cit. pp. 120-21).

III. THE LIBERAL-HOBSONIAN THEORY OF ECONOMIC IMPERIALISM

The individual most often mentioned by socialists and non-socialists alike as chiefly responsible for the theory of "economic imperialism", as opposed to the more inclusive Marxian type of theory, is John A. Hobson. (49) His attitude toward capitalism and imperialism is so much a personal one that it might better be called Hobsonian than liberal. But because it professes to be in accord with the principles of economic liberalism rather than with those of socialism, and is so regarded by the Marxists, and, because it has the support of a large number of professed liberals, we are justified in calling it liberal. (50)

This approach begins with an attack upon imperialism rather than upon the economic system itself, and then proceeds to an arrangement of capitalism as the chief source of the evils found in imperialism. Whereas capitalism itself is the primary object of attack with Marxian socialists and is condemned in toto, it is secondary to imperialism in the eyes of Hobson and his followers and is condemned in part only. They are satisfied with trying to remove the roots of imperialism without destroying the entire capitalist system. It is also typical of this point of view that imperialism is regarded as having other and non-economic roots which, nevertheless, are mere feeders to the more important economic taproot.

(49) Lenin (op. cit., 3, 93) insists that Hobson anticipated Kautsky and Hilferding and socialist theoreticians generally in his theory of imperialism, but his praise of Hobson is more for the purpose of belittling the socialist "renegades" for having allowed themselves to be anticipated by an outsider, a "pacifist and free trader". The history of the anti-imperialist movement in England is most instructive as a background for the attempt to prove the fallaciousness of imperialism on economic grounds. For an excellent discussion see R.L. Schuyler, "The Rise of Anti-Imperialism in England," *Political Science Quarterly*, XXXVII, 450 ff., and "The Climax of Anti-Imperialism in England," *Political Science Quarterly*, XXXVI, 537-60. The controversy over imperialism herein related led many writers to attempt a restatement of the relationship between Great Britain and her colonies; and of such attempts that of J.R. Seeley stands foremost, as set forth in his *The Expansion of England* (London, 1893), particularly Lectures IV and VIII. Many writers were concerned during the last half of the nineteenth century with the relation between commercial expansion and war. Seeley (op. cit., p. 98) regarded colonial competition as the cause of the wars of the seventeenth and eighteenth centuries. Buckle in 1857 believed wars were doomed by the growth of commerce and industry. (*History of Civilization in England* (1857, new impression 1903), I, 193, 198, 209); and he found substantiation for this belief in J.S. Mill (*Principles of Political Economy* (1848), II, 221). Lecky also shared these views in 1865 (*History of the Rise and Influence of the Spirit of Rationalism in Europe*, pp. 353ff); but thirty years later in his *Democracy and Liberty* (pp. 307-8) he gave expression to ideas with a strong Marxian ring, when he said that the system of enormous manufacturing production and stringent tariff barriers made it necessary for a great manufacturing state to secure for itself a sufficient market by incorporating new territories in its dominions; and he regarded the trading and commercial spirit as the chief impulse toward territorial aggrandizement. Arthur Salz in a recent article, "Die Zukunft des Imperialismus," *Weltwirtschaftliches Archiv*, XXXII (1930), 317-48, emphasizes the early contributions of Buckle and Lecky to the statement of the problem of economics and war.

(50) We are unfortunate in not having a better positive expression for "non-socialist" than liberal. It is not true, of course, that all non-socialists believe in the principles of economic liberalism, but it is very nearly true. Liberalism, both as an economic attitude and as a political article of faith, is somewhere between laissez faire and socialism. It differs from the latter in that it believes in private initiative and desires to use the power of the state in order to create conditions under which individualism can work freely and yet without injustice.

Both the Marxian and the liberal schools of thought believe imperialism to spring from the surplus of goods and capital produced by our present industrial society. In other words, given the surplus, the two explanations of what follows are almost identical. From both points of view the surplus is based on the exploitation of the weaker social classes by the stronger, and imperialism is interpreted as being but an extension of this exploitation. Even the mechanism by which the surplus expands and contracts, familiarly known as the business cycle, presents the same outward appearance from both angles; but here the similarity ends. Marx emphatically rejected the underconsumption theory of cycles and crises because it implied that the fault was with the consumers and not with the capitalist mode of production itself, (51) and by the same token imperialism, if it is to be explained as an incident of the business cycle or crises, also becomes the direct product of the capitalist mode of production. Hobson's explanation of the business cycle with its accompanying crises is also a theory of exploitation; but, whereas to Marx the surplus value which gives rise to overproduction and crises issues as the exclusive product of labor, to Hobson it arises not from one class of bargains but from every class of bargains where there is superior bargaining power on one side. (52) True surplus value, Hobson holds, is derived "not from some vague, unintelligible idea of tyranny, but from the various hindrances to perfect equality of bargaining-power, in the owners of the various factors of production, and the consequent establishment of different forms and pressures of economic force". (53) Under the capitalist system of production, says Hobson, people of wealth save too much during periods of prosperity; and, because they reinvest their savings in industry, it leads to a glut of consumers' goods on the market for which there is no equivalent purchasing power. This initiates a period of business depression during which large incomes are reduced until oversaving is checked, allowing consumption to catch up with production, thus bringing the crisis to an end, which condition, Hobson holds in turn starts a new period of prosperity (54)

(51) Capital, II, 475-76. Marx had in mind the underconsumption theory of Rodbertus, which the latter is supposed to have borrowed from Sismondi. Sismondi observed that, as labor becomes separated from the ownership of the means of production, incomes are bound to become unequally distributed. The wealthy augment their own incomes at will because they control the means of production; but, their powers of consumption being limited, they turn resources to the production of luxuries. But as this leads to the slighting of industries which produce necessities, laborers are not only dismissed but are forced to curtail their consumption still further, thus leading to general underconsumption and crises. As a way out, the capitalist producers then have no alternative to seeking foreign markets. (See Gide and Rist, History of Economic Doctrines, pp. 190-91).

(52) The Economics of Distribution (1900), pp. 353-54.

(53) Ibid., p. 360. More concretely, the oversavings "consist of rents, monopoly profits, and other unearned or excessive elements of income, which, not being earned by labour of head or hand, have no legitimate *raison d'être*" (Imperialism: A Study (1902), pp. 75-76).

(54) The Economics of Distribution, pp. 351-53; and The Industrial System (1909), pp. 52-53, and chapter iii, *passim*.

Given his theory of the business cycle, Hobson could say: "Everywhere appear excessive powers of production, excessive capital in search of investment It is this economic condition of affairs that forms the taproot of Imperialism".(55) The remedy for imperialism, on the other hand, is the converse of the cause. By using the oversavings of unearned or excessive elements of income in such a way as to raise the "wholesome standard of public and private consumption", says Hobson, there would be "no excess of goods or capital clamorous to use Imperialism in order to find markets: forging trade would indeed exist but there would be no difficulty in exchanging a small surplus of our manufactures for the food and raw materials we annually absorbed, and all the savings that we made could find employment, if we chose, in home industries"(56). There would thus be no need to open up new markets since the home market is capable of indefinite expansion by the simple process of paying higher wages to the workers, and by eliminating the rents, monopoly profits, and other unearned or excessive elements of income which make up the oversavings (57).

Hobson sees the whole issue in the analogy of extensive versus intensive farming. A "rude and ignorant farmer", he says, will use land prodigally when it is plentiful and cheap, spreading his capital and labor over a large area; but a "skilled, scientific farmer" will concentrate on a small parcel of land, using his knowledge to get the most possible out of it. Applying this moral to world-economy, he says: "Everywhere the issue of quantitative versus qualitative growth comes up. This is the entire issue of empire" (58).

Hobson's analogy, like most analogies between the interests of individuals and the interests of groups, such as the mercantilist argument that nations, like individuals, become wealthy by acquiring money is fallacious. In the first place farmers act in their best interests by using land freely when it is plentiful as compared to the other factors, and by using it more sparingly when the other factors - labor and capital - increase and become relatively "plentiful and cheap". And secondly, the combination of factors tends to follow this same elementary economic law when their organization is an international matter, and the failure of the law to operate is not to be found in economic impediments, but in hindrances of a political and non-economic nature. Hobson's "entire issue of empire" is therefore based on so patent a fallacy that it should throw suspicion on his entire analysis.

(55) Imperialism, op. cit., p. 71. Hobson seems never to have pushed his theory to the logically possible extent of correlating imperialist activity with the rise and fall of the business cycle. A more recent writer on imperialism, Achille Vialatte, does not hesitate, however, to make such a correlation. Speaking of the expansion activities of the United States around 1900 he says that the "sentiments of economic imperialism . . . were fostered for a while by a period of continuous prosperity"; but prosperity came to an end with the crisis of 1907, and the United States ceased exporting capital, for she "was not yet ripe for a policy of economic imperialism" (Economic Imperialism and International Relations during the Last Fifty Years (published by the Institute of Politics, Williamstown, Massachusetts, 1923), pp. 37-38, 63).

(56) Hobson, Imperialism, p. 72. This, it will be noted, was the view set forth by Bauer and opposed by Rosa Luxemburg, Lenin, and others who were intent upon proving an ineradicable bond to exist between capitalism and imperialism. Curiously enough, many British 'imperialists' held such a bond to exist; and Hobson was interested in disposing of the "fallacy of the supposed inevitability of imperial expansion as a necessary outlet for progressive industry. . . ." He believed he had shown that it is not industrial progress which demands the opening up of new markets, but mal-distribution of consuming power which prevents the absorption of commodities and capital within the country (ibid., pp. 75-76).

(57) Ibid., pp. 76

Equally fallacious is Hobson's view that a nation gains by paring its exports down to a "small surplus". Obviously this must mean doing the same for imports; and thus are repudiated all the implications of comparative advantage arising out of industrial and territorial specialization. "Intensive cultivation" of the home market to the exclusion of others, whether it be done by discouraging imports, as the mercantilists would have it, or by discouraging exports, as Hobson would have it, implies that there is no mutuality of gain when foreign goods are imported in exchange for domestic exports.

This is not to say that forces may never exist which divert international trade to wrong ends. Empire-building or state-building, imperialism or nationalism, may well be such forces. The question is whether there exists between these forces and international trade any such causal relation as the socialists and Hobson assume. Refusal to give any consideration whatever to the possibility that imperialism and capitalism may be merely coexisting forces - the one active, the other passive, the one an end in itself, the other a means - is not the only questionable feature of the Hobsonian and socialist treatment of the problem. Their method of handling the details of the assumed relation can hardly fail to arouse wonder at the uncritical acceptance of their reasoning.

IV. THE FORMULA OF "ECONOMIC IMPERIALISM" AND THE HISTORIANS

The Hobsonian and socialist methods of explaining imperialism, accompanied by attempts to prove that it does not "pay" a nation to engage in empire building - in reality two quite distinct problems - seem to have filled a much felt want. One may almost say, in fact, that a school has been built up, particularly in the United States, which regards these concepts and formulas of imperialism as the basis for a new historical approach to international problems.

Professor P.T. Moon for example, in his *Imperialism and World Politics* (1926), refers to Hobson's *Imperialism* as "the classic indictment of imperialist doctrines and practices", (59) and he seems to have unqualifiedly accepted it. Moon himself cites as causes of imperialism "surplus manufactures", and particularly "surplus capital". (60) The latter, in fact, has replaced the former in importance, and is "the dominant force in twentieth century imperialism". (61) By surplus capital Moon means "a superfluity too great for profitable reinvestment at home"; and he adds: "That such surpluses must be created by the industrial expansion of the last century was an inevitable result of the economic laws governing capitalist production". (62) He presents a Hobsonian type of oversaving, overinvesting explanation; and as a remedy for imperialism he suggests "more wages and more spending, and less profits and less investing As it becomes more difficult to export surplus capital, the remedy is to spend the surplus" (63). According to Moon, it is already becoming increasingly difficult to export capital surpluses, since backward regions are rapidly being industrialised to a point where they will be able to supply their own demand for capital. Thus imperialism tends

(59) *Op. cit.*, p. 475

(60) *Ibid.*, pp. 28-30

(61) *Ibid.*, pp. 30-31, 535 ff.

(62) *Ibid.*,

(63) *Ibid.*, p. 540

To become more intense and more competitive. (64)

Moon sees so many types of imperialism that it leads him to adopt various and sometimes contradictory and attenuated uses of the term. It may mean the appropriation of backward regions in Asia, Africa, the Balkans, and the Pacific, and the general domination of backward races by European nations (65). This may give way to the "substitution of the more peaceful and subtle methods of economic imperialism, of investment and trade, for the aggressive military imperialism of the old regime" (66). The World illustrates still another form of imperialism - the preying of European states on the territory of each other. This may be either aggressive in the military sense, or an imperialism of financial, economic and military patronage such as that which characterizes the loans by France to members of the Little Entente, particularly Poland. But "by all odds the most striking instances of the newer imperialism in post-bellum Europe" were those which concerned Soviet Russia - the scramble for concessions in that country, the concession-hunters relying chiefly on Russia's crying need for capital, and on diplomatic pressure from their governments. It is obviously only a step from this kind of imperialism to that "rarefied" sort implied in American loans to impoverished Europe, or in the Dawes plan (67). Here the difficulties of generalisation should become obvious when the same term is applied to the British occupation of Egypt, the French conquest of Morocco, and the American occupation of Haiti on the one hand, and to the international supervision of German, Hungarian, or Austrian finances on the other. (68) As one of Moon's reviewers points out, "it is certainly misleading to describe by the same word, 'imperialist', both the European statesman who plans cold-bloodedly to seize 1,000 square miles of territory in Africa and the university instructor who invests 1,000 dollars in a French government bond" (69).

A recent study by one of Moon's students, dealing with a special phase of European imperialism, the "economic penetration" of Turkey, employs the same apparatus of ideas for handling such problems (70). The author begins his story of European economic penetration into the Ottoman empire by calling the Council of the Ottoman Debt an outpost of European capitalism and an

(64) *Ibid.*, p. 539. These same ideas appear in Hayes and Moon, *Modern History* (1923), where the economic is regarded as the strongest motive in imperialism (p. 692), and many wars are traced to this source (p. 694). Likewise Professor Hayes, in his *Essays on Nationalism* (1926), asserts that modern imperialism has been largely made possible by the Industrial Revolution, through the creation of surplus capital, although nationalism, on which imperialism depends for its idealism, and militarism have played a leading role (pp. 176-77, 181-82, 183).

(65) Moon *op. cit.*, pp. vii, 33.

(66) *Ibid.*, p. 364.

(67) *Ibid.*, pp. 465-66.

(68) *Ibid.*, pp. 471-72.

(69) George H. Blakeslee, *American Historical Review*, XXXII, No. 3 (April, 1927) 597-99.

(70) Donald C. Blaisdell, *European Financial Control in the Ottoman Empire; A Study of the Establishment, Activities, and Significance of the Administration of the Ottoman Public Debt* (Columbia University Press, 1929). Cf. Professor Edward Mead Earle's "Study in Imperialism", entitled *Turkey, The Great Powers, and the Bagdad Railway* (1923).

instrument of imperialism. The closing chapter, which deals with the "technique of financial imperialism", presents an analysis entirely in accord with what has come to be the conventional treatment of "capitalist expansion". A reviewer of this book, this time an economist, takes strong exception to the use of so elusive and elastic a concept as imperialism, as if it were some mystic formula for solving all the riddles of the past fifty years, and declares that the term has become a downright nuisance. (71)

Professor H.E. Barnes, writing on the same general theme of world-politics as Moon, presents very much the same sort of analysis. (72) He is chiefly interested, as the subtitle of his book suggests, in discussing "The Contributions of Nationalism, Capitalism, Imperialism and Militarism to Human Culture and International Anarchy", and particularly how they "conspired to make the World War possible" (73). The revival of colonialism and imperialism after 1870 he associated directly with the increased productivity growing out of the Industrial Revolution. (74) Although he thinks it best to abandon old single-track dogmas and study the actual facts he conventionally assumes that the imperialistic process is essentially the following: (1) Merchants and bankers recognize the opportunities for pecuniary gain in certain relatively backward political and economic areas. (2) Their penetration is followed by appeals to the foreign offices of their respective states. (3) These requests lead immediately to military intervention and the political administration of such areas (75). Despite this concatenation of events, which "while not unknown, is by no means inevitable," Barnes says that it is a mistake to conceive of modern imperialism in purely economic terms. Nevertheless, that part of it which is economic is due to the accumulation of a large surplus of capital "which will inevitably seek an outlet beyond our national boundaries." (76) But neither in his statement as to causes nor in his statements as to remedies is Barnes as certain of the validity of the Hobsonian formula as is Moon. (77)

(71) Jacob Viner, *Journal of Political Economy*, December, 1929.

(72) *World Politics in Modern Civilization* (1930-

(73) *Ibid.*, p. 4 Professor Sydney B. Fay in his *Origins of the World War* (1928), apparently accepts Moon's analysis of the causes of economic imperialism (p. 44 n. 73; and p. 45), and he calls railway construction and protective tariffs "forms of economic imperialism" (pp. 45-46). He is less certain, however, that economic imperialism was an underlying cause of the war - at least it is "usually exaggerated"; and he specially rejects the notion that economic jealousy between England and Germany made war inevitable. Diplomatic correspondence before the war is chiefly concerned with problems of "prestige, boundaries, armies and navies, the Balance of Power, the possible shifting in the system of Alliances . . ." (p. 46). Contrast this, for example, with Edward R. Turner's *Europe, 1789-1920* (1920), pp. 490-92, where imperialism is treated with equal brevity, but is regarded as not only inevitable but chiefly economic; and Germany's desire to acquire more territory or colonies is regarded as "probably one of the major causes of the Great War". Colonial competition and jealousy of course are not the same as economic jealousy.

(74) Barnes, *op. cit.*, p. 104.

(75) *Ibid.*, p. 188.

(76) *Ibid.*, pp. 189, 190.

(77) Hobson himself seems not to be as 'Hobsonian' on the causes and remedies of imperialism as he was thirty years ago. In his *An Economic Interpretation of Investment* (1911), pp. 116-17, Hobson thought imperialism was changing its character, particularly in South America and the Far East, where he regarded the distinctively political and nationalist aspect to be giving way to an economic internationalism exercised with a minimum of political control. In another book, *Towards International Government* (1915), pp. 127-28, 137-39, while not abandoning the notion that international trade and borrowings are causes of friction, Hobson has nothing to say about "raising the consuming power of the public", but seems to place all his faith in some sort of League of Nations as a remedy for imperialism. Still more recently, however, in a book on *Rationalization and Unemployment* (1930), p. 115, Hobson speaks of the dangers of "inter-imperialism", or international capitalist co-operation for the exploitation of labour.

Speaking of the future of imperialism, Barnes declares that since it seems to be the creation of capitalism and Macht-politik and is not likely to decline so long as these forces and principles remain operative - and their abatement does not appear imminent - it will have to be carried on primarily by economic rather than political means, since most of the earth's area is already appropriated by strong powers. (78) The League of Nations, he thinks, has failed to check the progress of "capitalistic imperialism", which was so potent a cause of the World War; and the "same struggle for raw materials, markets, and capital investment goes merrily on". (79)

In a series of case studies on imperialism under the editorial supervision of Professor Barnes, of which three have already been published, the editor sets forth the three-stage process reproduced above. (80) In addition to economic penetration of this sort, backed up by political protection, Barnes refers to a less overt kind which is "more subtle and may be more dangerous," namely, that proceeding from accumulated surpluses which inevitably seek an outlet beyond our national boundaries. And he believes that imperialism is not likely to disappear until our "acquisitive society" has been replaced by one based on social service.

Margaret A. Marsh, in her study on The Bankers in Bolivia, gives good proof that she went to Bolivia looking for evidences of economic imperialism and found them, for the "stuff of which spheres of influence, protectorates, economic imperialism is short", are made in on every hand. (81) It is an "inevitable" economic relationship. She regards governmental interference in the affairs of the debtor country as a "necessary feature of genuine imperialism" and leaves little doubt that in her estimation such an eventuality is likely to be brought about in due time. (82) In closing she quotes approvingly from Holson and Moon. (83)

Professors Jenks and Knight, in their studies of American relations with Cuba and Santa Domingo, show a tendency to be more or less out of accord with the views set forth in the editor's introduction. Jenks remarks on the naivete of charting the course of the imperialistic process in a series of well-defined stages, (84) although he believes that if we have wrought imperialistically at all it is manifest in the empire of American business, with its metropolitan capital at New York, for in the hopes and fears entertained by the credit system there are sanctions which do not require cruelties for their enforcement. (85)

Knight is even more wary of using the term "imperialism": He believes that it is too often used without being defined, and has been borrowed from

(78) Barnes, op. cit., p. 287.

(79) Ibid., p. 525. In a book of which Barnes was joint author (Economic History of Europe (1930), by Knight, Barnes and Flugel), 'imperialism' is briefly considered as follows: "Where the flow of people toward the resources, and vice versa, is artificially interfered with by political means, the process is often called 'economic imperialism'. Economics is only the aim and the tool, however. Imperialism is really political, and is always associated with the citizenship of the people who move, the nationality of the capital invested, and the political frontiers crossed by the goods involved" (p. 10).

(80) The Americans in Santo Domingo, by M.M. Knight; Our Cuban Colony, I. in Sugar, by Leland Hamilton Jenks; and The Bankers in Bolivia, A Study of American Foreign Investment, by Margaret A. Marsh, all published by the Vanguard Press, 1928.

(81) The Bankers in Bolivia, p. 3.

(82) Ibid., pp. 127, 129 ff.

(83) Ibid., pp. 132-36, and notes

(84) Op. cit., p. 4.

(85) Ibid., p. 6.

Old World experience with Africa and Asia, which does not correspond with American practice. (86) This does not mean, however, that the trouble in Santo Domingo and elsewhere is not economic, for there is an "economic cancer" in the alien control of huge tracts of land. (87) He would not object to calling this "economic imperialism", especially when consciously backed by the force of the state; (88) although it is none the less dangerous when supported by the "unpremeditated effects of our commercial efficiency backed by highly organized and generally well-intentioned government services, which are nevertheless often blind to the consequences of what they promote" (89).

One valuable result arising from these studies is found in the demonstration that there are more points of difference between American and European "imperialisms" than points of fundamental likeness. As Knight points out, a "protectorate" under European tutelage is a much closer and lasting relation than is to be found in America. American relations with backward regions are at least meant to be temporary, while in Europe they frankly are not. Another fundamental distinction is that the United States has never used the soldiery of protected States to fight her own battles. Again, there exist in America no discoverable governmental plots against the independence of Latin-American countries - another vital difference as compared with well-known European cases. Actual contact with the realities of such situations seems to have induced in Knight impatience with practically everything of a theoretical nature to be had on the subject. (90)

A more general study, *Dollar Diplomacy*, by Nearing and Freeman, purporting to embrace the entire broad field of American imperialism, frankly aims to verify certain theories which the authors at the outset ascribe to others (91). "Economic necessity", the authors believe, dictates that every modern industrial society must develop foreign markets for its surplus products, and in this process the masters of investment are not wholly free to make decisions but are themselves of necessity agents. (92) Nearing and Freeman regard imperialism as a necessary phase through which capitalist society must pass at a certain stage in its development; and they call upon Hilferding, Veblen, Hobson, Lenin, Culbertson and Leonard Woolf to supply many of the facts and most of the theoretical explanation of this necessity. (93) Typical of this general view point is the belief that "there is no boundary line between economic penetration and political interference. (94)

(86) Knight, op. cit., pp. 161-62

(87) Ibid., pp. xvi, 143

(88) Ibid., pp. 156, 167

(89) Ibid., p. 165

(90) In another study dealing wholly with a European situation, Knight emphasizes the material improvements which the imperial tutelage of France has brought to North Africa, although he lays equal stress upon the evils involved. "Once we outgrow the delusion," he remarks, "that 'economic imperialism' is a simple or uniform process, susceptible of dramatization by the use of a few stage monsters stuffed with imaginary virtues and vices as though they were persons, we perceive that very little is known about the subject" (*Water and the Course of Empire in North Africa*, *Quarterly Journal of Economics*, Vol. XLIII (November, 1928).

(91) Scott Nearing and Joseph Freeman, *Dollar Diplomacy, A Study in American Imperialism* (1925), pp. v and xiii.

(92) Ibid., p. xiii

(93) Ibid., pp. xiv, xv, 6, 30, 74, 244, 266-67.

(94) Ibid., p. 34.

A view similar to that of Hering and Freeman, and much like Lenin's tone and content, was expressed in 1917 by Frederic C. Howe. "Financial Imperialism", he says, "had its origin in all countries in surplus wealth seeking foreign investment". (95) The British and French penetration of Egypt and Morocco, according to Howe, was the beginning of financial imperialism on a large scale "and the division of the earth among the great creditor nations". (96) Even prior to the entrance of the United States into the World War, "economic forces were driving us into the imperialism of finance which has proved disastrous to all the greater powers of Europe". (97) He distinguishes between "dollar diplomacy", or financial imperialism, and international trade, or international banking. Foreign trade, he says, is a function of the commercial rather than of the banking classes; it differs from domestic trade in no respect, except that it is carried on across national boundaries. International banking, being but an agency of international trade, is guiltless of association with imperialism, which Howe regards as an activity of finance rather than of trade. "Only incidentally does trade or commerce enter into the programme of imperialistic finance" (98). He traces the practice of political interference with foreign investments back to Lord Palmerston's dictum that the flag of the investor nation follows the investor. Thus "the doctrine of extraterritorial rights became identified with international law". (99)

No American economist has been more assiduous than W.S. Culbertson in interpreting international relations in such terms as have just been described. The modern world, he maintains, cannot be understood unless we see behind the personal and political factors, and recognize that war follows as a necessary consequence upon causes arising out of the processes of production, trade and finance. (100) Viewed internationally, this clearly means economic imperialism. Culbertson believes that the political side of international competition has been unduly emphasized. (101) The roots of imperialism are rather to be found in the nature of capitalism itself, in the tendency of the capitalistic organization of machine production to produce more goods than can be produced at a profit. The capitalists themselves, being motivated by the search for profits, seek new markets in which to dispose of goods and new opportunities for the investment of surplus capital. Culbertson hastens to add, however, that he is not condemning capitalism as such, but is only pointing out certain maladjustments and conflicts so that they can be better avoided. (102) Nor does he wholly condemn imperialism. It "represents a stage in the world's economic development," (103) and has served in many ways to develop the world economically. (104) He even believes that at this stage of the world's progress "probably no better methods are possible". There is no choice between standing still and continuing to employ them, because "forces are operating which inevitably bring about the economic expansion of those nations which have adopted the capitalistic methods of production and distribution." (105) Nevertheless, Culbertson talks of remedies and economic disarmament, or "the abandonment by nations of all aggressive economic measures, such as monopolies of essential raw materials and economic penetration of foreign countries by loans or investments." (106)

(95) "Dollar Diplomacy and Imperialism", Proceedings of the Academy of Political Science, VII, No. 3 (July, 1917), 598.

(96) Ibid., pp. 598-99

(97) Ibid., p. 597

(98) Ibid., p. 598

(99) Ibid., p. 600

(100) "Raw materials and Foodstuffs in the Commercial Policies of Nations" Annals of the American Academy of Political and Social Science, CXII (March, 1924), 5.

(101) Ibid., p. 86.

(102) Ibid.

(103) Ibid., p. 125.

(104) Ibid., p. 124

(105) Ibid.

(106) International Economic Policies (1925), p. 426.

A recent British writer on European economic history quotes Culbertson with approval and finds his explanation of the economic causes of international rivalry and war incontrovertible. (107) For both the periods 1600-1750 and 1880-1930, this writer holds, economic imperialism best describes what went on between civilized powers and backward peoples. Modern economic imperialism he regards as less crude than its older counterpart, mercantilism, and more deliberate and conscious of the ends to be pursued. (108) He associates it with la haute finance and regards financial penetration as one of the surest methods of imperialist expansion. His list of steps through which the process works is much like that given by Barnes.

H.U. Faulkner, in a textbook on American economic history, distinguishes between the old and the new imperialism, the former being influenced by mercantilism and characterized by acquisition of land which is actually settled by those who acquire it. (109). This was the chief form of American imperialism up to 1848. The new imperialism he regards as the direct result of the Industrial Revolution, for its causes are principally economic. His whole treatment runs in the conventional terms of surplus capital seeking investment made popular by Hobson.

Hobson's theory of imperialism has never enjoyed the following in Great Britain that it has in the United States. Indeed, as has already been indicated, Hobson himself appears less fearful of imperialism than he did thirty years ago. Others with similar convictions and a theory essentially like that originated by Hobson seem to have a substantial following, but again it is more numerous in America than in England. (110) The more conservative elements in all the three leading political parties in Great Britain defend the imperial idea in some form or other as far as concerns the British Empire. "Little Englanders" can scarcely be said to exist. A new concept of empire, at least of the British Empire, has arisen in the idea of a Commonwealth of Nations.

Attempts to prove that imperialism has never paid and is still a useless burden find very little response in Great Britain. Apologists for empire are inclined to put their defense on other than economic grounds and to argue that empire, like the state itself, must be viewed as worth the cost. (111) To some, the empire represents the highest type of development in human co-operation, (112) and they are inclined to forgive it its earlier sins. Seeley made it clear that it was not necessary either to accept the bombastic view that colonies are mere property or the pessimistic view that they are sons

(107) Arthur Birnie, *An Economic History of Europe, 1760-1930* (1930), p. 265

(108) *Ibid.*, p. 261.

(109) H.U. Faulkner, *American Economic History* (1925), p. 618. Books apparently dealing with so-called "American imperialism", can be found in the 1890's and early 1900's, as, for example, Sarah E. Emery's *Imperialism in America: Its Rise and Progress* (1892), referred to by Scott Nearing in an extensive bibliography on imperialism in the *Twilight of Empire* (1930).

(110) A new and vigorous exponent of the view that capitalism causes imperialism and one who has exercised much influence on recent writers, is Leonard Woolf, *Economic Imperialism* (1920); *Imperialism and Civilization* (1928), etc. Herbert F. Fraser, in *Foreign Trade and World Politics* (1926), p. 105 declares that "Mr. Woolf is the foremost British student of the subject and I have been greatly influenced by his writings". Moon, *op. cit.*, and in his *Syllabus on International Relations* (1925) rates Woolf very high.

(111) See, for example, J.A. Cramb, *Origins and Destiny of Imperial Britain* (London, 1915), pp. 3ff. Like many others, Cramb insists that the British type of imperialism is unique, all other forms, at least to the eighteenth century, being molded on the Roman pattern. The modern form, originating in Great Britain, unites the concepts of Empire and Freedom - a union wholly alien to Rome (pp. 12-15).

(112) To outsiders, however, the prospect of such a combination of English-speaking peoples is likely to appear as a distinct menace to the world. See, for example, Victor Berard, *British Imperialism and Commercial Supremacy* (1916), chap. ii.

and daughters, destined to sever their ties with the mother country. Rather, he held, that, while the son-and-daughter analogy was tenable in the eighteenth century, it no longer holds good because of modern improvements in transportation and communication. (113) From the time when Seeley's celebrated book was published, dates the new concept of empire in English thought. The defense of empire as a reality has come to replace the earlier attempts to justify it as a process. (114) Occasionally, however, we are reminded that, after all, the white man does have a civilizing mission, which must be shouldered if world chaos is to be avoided; and from this view it is only to be lamented that the words "empire" and "imperialism" are capable of raising so much prejudice. (115)

Some British writers, with Ramsay Muir, regret that it is necessary to use the words "empire" and "imperialism" at all, because they suggest "purely military dominion" and because their habitual use has led to some unhappy results; (116) but the terms are nevertheless retained because it is felt that no others describe the influence of European civilization on the world. Still other writers find it quite easy to dispense with the terms, at least with the term "imperialism". B.F. Gooch talks only in terms of personalities and diplomatic wranglings even when dealing with "The Scramble for Africa" (117) - a topic which usually excites all manner of interpretative speculation. J. Holland Rose similarly remarks that the expansion of British influence was due to individuals like Cecil Rhodes rather than to a combination of the state and leading personalities, as in France and Germany. (118)

A few writers emphasize the element of imitation as a factor in empire-building - the deliberate copying of the British colonial empire by France, Belgium, Germany and Italy, not to mention imitation by non-European countries like Japan and the United States. (119) But on the other hand, it is equally justifiable to regard the revival of interest in things imperial in Great Britain as due to the alarming appearance of these rival empires. (120) At any rate, the result of this revived interest was England's "constructive imperialism", or her new policy toward the self-governing dominions beginning late in the nineteenth century, which stood in contrast with her older view of them as mere colonies. Significant of how far this change has gone is the statement now sometimes made that, after all, "one of the most important parts of the British Empire is Great Britain itself". (121)

(113) The Expansion of England, Lectures IV and VIII. Bernard (op. cit., pp. 48-49), sees the bombastic or jingoistic idea of British imperialism as of Toru origin; while the newer imperialism is regarded as being Radical in origin, and, above all, utilitarian. Joseph Chamberlain, he says, was for England, but first of all he was for profits for the Midlands.

(114) Even in America, where an analogous territorial expansion took place, albeit across fresh water and not across salt - no one regrets the present continental territorial possessions of the United States, no matter how such "manifest destiny" and "westward the course of Empire" may arouse his historical sensibilities. Present-day criticism is directed wholly toward such relations as exist with the Philippines and certain Central American republics - to what is regarded as imperialism as a process. There are, of course, notable differences between these cases and the earlier expansion movement, which the critics are right in pointing out.

(115) As expressed by H.E. Egerton, British Colonial Policy in the Twentieth Century (1922), pp. vii and ix. An American historian likewise adjures anti-imperialists, before excoriating economic imperialism, to consider what the condition of the black people would have been had European governments refrained from entering upon the rush for African possessions. Walter Phelps Hall, Empire to Commonwealth (1929) pp. 18, 449.

(116) Expansion of Europe (1926), p. 1.

(117) History of Modern Europe, 1878-1919 (1923), chap. iii.

(118) The Development of the European Nations, 1870-1921 (1923), p. 541

(119) Francis Delaisi, Political Myths and Economic Realities (1927), p. 271.

(120) Howard Robinson, The Development of the British Empire (1923), pp. 288 ff.

(121) L.C.A. Knowles, The Economic Development of the British Overseas Empire (1924) pp. xi, 24.

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TREASON TRIAL, 1956 1961

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