



## Were Economic Factors Primarily Responsible for Nineteenth-Century British Imperialism?

**YES:** Lance E. Davis and Robert A. Huttenback, from *Mammon and the Pursuit of Empire: The Economics of British Imperialism*, abridged ed. (Cambridge University Press, 1988)

**NO:** John M. MacKenzie, from *The Partition of Africa, 1880-1900: And European Imperialism in the Nineteenth Century* (Methuen & Co., 1983)

### ISSUE SUMMARY

**YES:** Lance E. Davis and Robert A. Huttenback state that, although statistics prove that British imperialism was not a profitable venture, it was supported by an economic elite that was able to promote and derive profits from it.

**NO:** John M. MacKenzie argues that the motivation for British imperialism was multicausal and that most of the causes can be found in the general anxiety crisis permeating British society in the late nineteenth century.

From the earliest stages of history, civilizations have extended beyond their boundaries to conquer neighboring peoples. Historians use the term *empire* to describe this process of domination and what results from it. It is easy to chronicle human history as a series of eras in which one or more civilizations display dominance and maintain it until they are conquered by a more powerful force. With the development of nation-states in the early modern period, the nation replaced the civilization. But the process of conquest and dominance continued; perhaps there were more players in the game, but things didn't change very much.

The term *imperial* is used to characterize this empire building. Derived from the Latin *imperium* (command), it denotes the process by which a group of people extend their control over a larger area. For example, when the small

Roman republic extended its control over vast territories, it assumed the title *Imperium Romanum*.

The last half of the nineteenth century is considered to be imperialism's apex. During that era European nations (and ultimately the United States) began to extend their influence over the non-Western world. The results were swift and decisive; within a generation there were few areas in Asia and Africa that were free from European intrusion. The mad scramble for colonies had begun.

Why did Western nations begin this process of domination? Historians have offered many reasons, among them the development of global capitalism, nationalistic imperialism, religious missionary zeal, reflections and demands of popular culture, strategic protection for national interests, and new technology. Despite the fact that modern imperialism is little more than a century old, it has received much attention from historians due to its far-reaching consequences.

Because nineteenth-century imperialism accompanied the rapid rise and development of capitalism, historians first saw the two as symbiotic. The West expanded to procure raw materials, establish foreign markets for domestically produced goods, and provide additional sources for investment capital. In 1902, Englishman John A. Hobson was the first to state this viewpoint. Russian Vladimir Lenin took the argument one step further. Borrowing Karl Marx's idea that capitalism must expand to survive, Lenin saw imperialism as capitalism's last spasm before the Communist revolution would bring it to an end.

This economic interpretation of imperialism held sway for many years until newer examinations began to uncover other possibilities. The national rivalries that led to World War I caused some historians to see imperialism as an example of nationalism gone mad, with Western nations using the acquisition of colonies as manifestations of national pride. Other historians saw strategic territories as an excuse for the acquisition of overseas territories. Once some were acquired, others were needed to protect and defend them. Heaven forbid that a rival nation be in a position to endanger one's colonial possessions!

In recent years, historians have developed several new theses for the growth of nineteenth-century imperialism. Some point out the effect of the masses on its development, offering countless examples from popular culture as proof. Others show how the cultural images of non-Western peoples in Western literature and music (which are usually untrue and condescending) have created a "white man's burden" mentality that has both promoted and justified imperialism. Finally, there are those who stress the role of the military and diplomatic corps that led businesspeople, missionaries, and others down the primrose path of imperial conquest.

In the first section, Lance E. Davis and Robert A. Huttenback investigate the profitability of nineteenth-century imperialism. They contend that, while on the whole the system did not pay for itself, an elite group did profit immeasurably and used its influence to promote it. Therefore, the authors propose an up-to-date use of economics as a factor in imperialist development. While not disagreeing with them, John M. MacKenzie finds all of the many causes of nineteenth-century imperialism rooted in a Europe strongly influenced by a crisis/anxiety mentality.

wrong. He merely felt that other considerations were of greater importance than cost effectiveness. Even in the Crystal Palace Speech, he admitted that: "... It has been proved to us that we have lost money on our colonies. It has been shown with precise, with mathematical demonstration, that there never was a jewel in the Crown of England that was so costly as the possession of India." ...

No one can sanely argue that there were not British politicians dedicated to maintaining and expanding the Empire, nor that there were not businessmen who recognized that such policies might redound to their profit. It may well have been that both groups increased in size after the mid-1880s as increasing political and economic competition from the continental powers and the United States exacerbated the rising protectionist sentiment both in the newly competitive nations and in the Dominions. [Joseph] Chamberlain, himself, bought Canadian Pacific Railroad bonds and lost £50,000 in an ill-fated attempt to grow sisal in the Bahamas. Nevertheless, Lenin went too far when he concluded that, "leading British bourgeois politicians fully appreciated the connection between what might be called purely economic and the political-social roots of imperialism."

Few of the nineteenth-century proponents and critics of Empire thought that the enterprise was without expense. Adderley had rallied against the colonies' refusal to pay their just share of expenses; and Marx doubted that the Empire would ever carry its own financial weight. Disraeli, even as he proposed further imperial expansions, acknowledged that the Empire was costly and that India was a particularly expensive undertaking. Chamberlain, although he looked at imperial expenditures as potentially profitable investments, admitted that they required money; and Hicks-Beach at the Treasury had threatened his resignation when presented with the estimated expenses of one of the Colonial Secretary's development schemes. For those, like Chamberlain, who argued that the Empire was good business for the British, imperial costs had still to be offset against private profits in any calculation of social gain: a point Marx had recognized as early as 1858. Even if the claim was only that the Empire was good for a few but not for the many, the question still remains: How much did it cost the many to enrich the few?

Both Marx and Adderley emphasized the major, but not the only, element in the British subsidy to the imperial investor. The former, in reference to India, had pointed to "the military and naval expenses made by the people of England on Indian account," and the latter, speaking of a British colony, to the exemption "in purse and person from the cost of its own defense." Despite the widespread recognition of the absurdity of the situation—an appreciation that had already in 1861 led to the creation of a Parliamentary select committee—there is no evidence that circumstances were significantly better in 1914 than they had been in that earlier year...

The failure of a long succession of governments to distribute the defense burden between home and Empire in some more equitable fashion lay rooted in history, in the law, in the bureaucratic mire, and in the pressing nature of defense requirements. The colonies with responsible government argued that they did not have to contribute, the dependent Empire said that it could not



Lance E. Davis and  
Robert A. Huttenback

## Imperium Economicum: In Retrospect

M. K. Gandhi, an unlikely imperialist, once wrote, "Though Empires have gone and fallen, this Empire perhaps may be an exception." That opinion was based on the conviction that the British Empire was "not founded on material but on spiritual foundations." The future Mahatma was no more correct than the rhetoricians who saw the Empire as the expression of Britannia's divine mission. "Wherever her [Britain's] sovereignty has gone," one writer averred, "two blades of grass have grown where one grew before. Her flag wherever it has advanced has benefited the country over which it floats; and has carried with it civilization, the Christian religion, order, justice and prosperity." Other observers were not so certain. In response to Betsy Prig's comment, "... ain't it lovely to see 'ow Britannia improved her position, since Benjy picked up the dropt threads of England's imperial tradition." Clio, less sure, in an 1878 issue of *Punch* replied: "Fine phrases and flatulent figures (sez she) are the charlatan's tools."

This book is essentially about the "flatulent figures" and the often eloquent message they carried. However difficult it may be to disentangle figures and messages, it is possible to measure one aspect of the Empire: its costs and its revenue. Even [Benjamin] Disraeli, the great avatar of Britain's conquering might, in a brief incarnation as Chancellor of the Exchequer, referred to "Those wretched colonies..." as "a mill stone around our neck." A few years later, Karl Marx, an observer of a different political stripe, filed a supportive brief in the *New York Daily Tribune* in which he wondered whether "this dominion [India] does not threaten to cost quite as much as it can ever be expected to come to."

For whatever reason, Empire to many Britons seemed not only politically desirable but hypnotically alluring. Disraeli, despite his earlier reservations, thundered: "... no Minister in this country will do his duty who neglects the opportunity of reconstructing as much as possible of our colonial empire...." So potent was the message that the ordinarily archliberal [William] Gladstone was forced to dissemble and to protest: "... Gentlemen, while we are opposed to imperialism we are devoted to empire." While he proclaimed that "nothing will induce me to submit to these colonial annexations," he nevertheless ordered the bombardment of Alexandria and the virtual annexation of Egypt. To conclude that Disraeli had suddenly discovered that Empire was costless is

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afford to pay, and hence who but the British taxpayer was left to redress the balance?...

Nor was the peculiar inequity in the distribution of the burden a figment in the minds of British politicians. The expenditure figures suggest that, if anything, the magnitude of the problem was understated. On average, in the late nineteenth and early twentieth centuries, the cost of British defense was about two and a half times as great as that borne by the citizens of a typical developed country and almost twice that of the French and Germans. The denizens of the colonies with responsible government meanwhile assumed a fiscal responsibility only a quarter that of the resident of a foreign developed country; and in the dependent colonies, the impost was less than one-quarter of that demanded from inhabitants of underdeveloped nations....

Although defense was the largest single component in the total imperial subsidy, it was by no means the only one. *De facto* and *de jure* guarantees made it possible for Empire governments to borrow at rates much below those available to non-Empire nations. The gains were not spread evenly over the Empire but, given the actual level of borrowing, the differentials meant that the residents of the colonies with responsible government saved about 10 percent of their tax bill and those of the dependent Empire about one-half that amount.

The British government also provided regular administrative subsidies to the dependent colonies and a substantial additional amount of direct support on an irregular basis. At times, those latter awards were relatively small. (Newfoundland, for example, received a grant of £260 in 1906 to help offset the effects of a severe depression in the fishing industry.) At other times, however, they were not. The Gold Coast received more than £400,000 in 1900, and the Ugandan railroad cost the British taxpayer almost £9 million between 1896 and 1914.

The fact that the sun never set on the Empire may well have provided vicarious pleasure to many inhabitants of the home islands; however, the global dispersion of Dominions and colonies did present serious problems of administration and control. To help provide the links necessary to hold the Empire together, the government found it necessary to subsidize both telegraphs and steamship lines. The British, for example, paid a quarter of a million pounds to help finance a cable connection between Australia and Canada; and, even in the 1860s, Empire shipping subsidies were running over a million pounds a year.

Finally, the British government founded and underwrote the operations of the Crown Agents. This organization acted as the marketing agency for the sale of colonial securities and as the purchasing agent for colonial supplies. Acting as an effective monopolist in the market for colonial issues and as a monopolist in the market for the supplies bought by those colonial governments, the Agents obtained very fortuitous marketing arrangements for bond issues and equally favorable prices for the goods and services destined for their colonial customers.

It is difficult to measure precisely the total cost to the British of the non-defense component of the imperial subsidy, but it appears unlikely to have been less than one-fifth of the defense subsidy and it may have been twice that. Although the actual amount of Empire investment is unknown, the best estimates indicate that it amounted on average to about £17-8 per capita in prices

of 1913. As has been noted, the defense subsidy alone amounted to at least 10 shillings and 10 pence per year for every British man, woman, and child and it could have been as high as 12 shillings and 10 pence, more than 20 percent of national savings. The minimum figure suggests that private Empire returns would have to have been reduced by more than 3 percent to provide a true estimate of the social returns, even if the nondefense components of the subsidy were zero. At the other extreme, assuming the larger defense figure and a very generous £.20 for the nondefense component, the adjustment would be almost 5 percent. Even the lower charge is sufficient to reduce Empire returns below levels that could have been earned at home or in the foreign sector after the mid-1880s.

The British as a whole certainly did not benefit economically from the Empire. On the other hand, individual investors did. In the Empire itself, the level of benefits depended upon whom one asked and how one calculated. For the colonies of white settlement the answer is unambiguous: They paid for little and received a great deal. In the dependent Empire the white settlers, such as there were, almost certainly gained as well. As far as the indigenous population was concerned, while they received a market basket of government commodities at truly wholesale prices, there is no evidence to suggest that, had they been given a free choice, they would have bought the particular commodities offered, even at the bargain-basement rates.

It is clear that imperial exactions placed on the British taxpayer enabled the colonists and residents of the Dominions and the dependent Empire to pay fewer taxes and to devote a substantial proportion of the taxes they did pay to a variety of projects that did not include defense. The Empire was a political system, and it should have been possible to align the pattern of colonial expenditures so as to increase the level of support for business and to guarantee that the revenues required to command those resources were charged not to those businesses but to the taxpayers at large.

The potential for government subsidization is vast, and such subsidies can take as many forms as Joseph's coat had colors. Some, involving nothing but the manipulation of political decisions, are difficult to discover even at the time and probably impossible to uncover a century later. Many subsidies, however, involve government expenditures, and for those, the government budget provides a paper trail that can be followed. It is possible to measure the impact of government policy on expenditures on law and justice (costs incurred in part at least to maintain property rights and enforce contracts), public works (the real capital component of social overhead investment), science and human capital (the nontraditional component), and direct business support.

Whether it is the total package or its individual components that is analyzed, the pattern is the same. Great Britain spent somewhat more than other developed countries, but hardly more than that nation's advanced state of development would suggest. The same is not true for the colonies whether dependent or blessed with responsible government. On average the latter group of colonies spent at levels about twice those prevailing in Britain. The former spent at rates not much different from those at home; but that figure is remarkable given the fraction of a colony's total expenditures that were involved, the rel-

ative state of development of the colonies in question, and the amounts spent by countries in the underdeveloped world....

In general, the colonial Empire provides strong evidence for the belief that government was attuned to the interest of business and willing to divert resources to ends that the business community would have found profitable. That behavior is, however, not necessarily evidence that the British used the political process to distort the allocation of governmental resources. Expenditures that benefited business were greatest in the colonies with responsible government, where even the British government, let alone British businessmen, had almost no influence. They were next highest in the dependent colonies, where the British did have a very substantial voice in policy making but not a total monopoly. Moreover, within that set, expenditures tended to be larger in those colonies with some local participation in political decision making and smaller in those with little or no consultation. Finally, expenditures were lowest in India, where British influence was strongest and where there were no representative institutions at the national level.

Perhaps the explanation for this ordering lies not with the British but with the local business community. Those merchants and manufacturers may have been quite willing and able to bend the structure of government expenditures to their own benefit. If that is correct, except in India, where financial crisis and the threat of famine overrode all other considerations, they appear to have been successful. It cannot be denied, however, that the policies adopted, perhaps under local business pressure, served the interest of the British investor as well as his colonial cousin.

In the late nineteenth century the London capital market acted as a conduit for the greatest international movement of private capital in the history of the world. Nevertheless, most of the flow of funds that passed through the stock exchange was not destined for the Empire. Of the almost £5-billion total, less than 70 percent passed out of Britain and almost two-thirds of that amount went to Europe and other parts of the world not pledging fealty to the House of Hanover. The largest single recipient was the United States, but a not-insubstantial portion (more than a quarter) was directed to the underdeveloped but politically independent countries of South America. In fact these Latin countries received substantially more than all the funds destined for the dependent Empire. Although the Empire as a whole absorbed nearly a quarter of the total, two-thirds of that amount went to the colonies of white settlement; and those colonies were, at least in matters economic, not likely objects for British exploitation. They were colonies that, since the middle of the nineteenth century, had begun pursuing a strongly protectionist policy—one aimed explicitly at British manufacturers and traders.

If Britain itself absorbed 30 percent of the total, if the nations over which the British exercised no political control drew an additional 45, and if the colonies over which its control was, at best, limited took an additional 16. Less than £1 in 10 remained for all of India and for colonies such as St. Kitts, the Bahamas, the Falklands, the Gold Coast, Malta, and Hong Kong, which had few representative institutions. Certainly, the amount of finance that was directed to the dependent Empire was substantial enough (it averaged more than £8

million per year) to ensure that some Englishmen could have become rich, but it appears doubtful (unless the "exploitative" profit rate was higher than even Lenin dreamed) that the total was sufficient—even if there were no offsetting social costs—to make the "average" British subject substantially better off.

Perhaps profits were very high, or possibly the dependent Empire was good business for the few but not for the many. In either case, financial flows were not evenly distributed across the world or across the industrial map. Of the £415 million received by India and the colonies of the dependent Empire, Asia received 65 percent (India alone, 56) and Africa an additional 19 percent. In India that investment was largely associated with railroads and, to a lesser extent, government finance. In the dependent colonies the relative concentrations of British investment were in the agriculture and extractive industries, in finance (the financial, land, and development companies) and in government. Just how profitable were these investments?

Although the measure of "the" rate of return is only approximate, the general outlines confirm the individual industry comparisons. Questions of timing and level are still open, but it would take a massive reversal of the evidence to alter the general conclusions. If the standard is domestic earnings, it appears that in the years before 1885 Empire returns were substantially higher. While some of the observed differences may reflect the small size of the sample and the mix of firms included in the study, it would be very difficult to argue that colonial profits were any less than domestic, and they were almost certainly substantially higher. In the case of the returns on manufacturing and commercial investments, for example, Empire returns through 1880 were one and one-quarter of domestic—and that measure is the most favorable for the home economy. Over time, the advantage eroded, and for the last half of the period Empire returns were substantially below those available at home. There was, however, some recovery in Empire earnings after the turn of the century, and in the last decade before the War they may well have equaled domestic.

As Marx had predicted, profits were falling; however, they were declining more rapidly in the Empire than in the foreign sector and faster there than in the domestic. It is, of course, not the trend but the home-Empire differential that is important for the Hobson-Lenin argument. [This argument, created by John A. Hobson and Vladimir Lenin, states that capitalism by nature must expand to survive. Imperialism is necessary to ensure this expansion.] In the same way that it is difficult to deny that the Empire was *relatively* very profitable in the earlier years, it is even more difficult to conclude that profits in the colonies were substantially above those at home in the later ones.

The explanation of the trends in relative returns can in large measure be traced to two phenomena. First, early entrants into new markets and regions had distinct advantages. To the extent that property rights were well defined and enforced they may have been able to acquire the potentially most profitable lands at bargain prices. Secondly, they frequently had an initial monopoly position that allowed them to exploit those new opportunities until, in [Joseph] Schumpeter's terms, the "herd like movement" of the imitative entrepreneurs undercut their profits....

While some stockholders clearly benefited from the imperial connection, the evidence indicates that probably at no time, and certainly not after the 1870s, were Empire profits sufficient to underwrite *British* prosperity. However, for the shareholders in the agricultural and extractive and the public utility sectors (and perhaps others as well), where competition was blunted or enforced property rights pushed potential competitors onto inferior lands, the Empire was important, and it was profitable. One can readily conclude that there should have been some economic imperialists. How many and who they were is a different matter...

A separation of investors into businessmen and elites (peers, gentlemen, financiers, and the like) indicates that, place of residence aside, businessmen were less likely to invest in foreign securities than were their elite counterparts. Moreover, they were *far* less inclined to invest in Empire than foreign enterprise; and among all businessmen, only merchants displayed any significant willingness to invest beyond the seas. In the Empire the elites were most willing to invest in commercial banks; in financial, land, and development companies; in iron, coal, and steel firms; and in the public utilities. To the extent that they entrusted their resources to the Empire at all, businessmen tended to put their funds to work in the private sector—competitive and less in need of government charters or licenses—industries, in short, much less dependent on political control.

The geographic distribution of shareholder "tastes" indicates that there were two very different groups of investors: those who lived in London, and others, who made their homes in the provinces. A typical Londoner's portfolio was composed of about one-quarter domestic, one-third foreign, and two-fifths Empire shares. Outside the metropolis, the portfolio was more than one-half domestic and contained less than one-quarter each of foreign and Empire shares. Within London, those who gave the City as their address preferred Empire to domestic securities, but much preferred foreign to Empire. Beyond the Wall, however, London investors appeared largely indifferent between home and foreign issues, but displayed a very strong preference for Empire over both. The London connection was particularly well illustrated in the case of South African gold mines, and even [Cecil] Rhodes turned to metropolitan investors when he needed further capital.

Further exploration of the "two-England" hypothesis indicates that Empire investors in London were drawn from a different socioeconomic background than were the Empire investors who lived outside the capital. While London elites do not appear to have behaved substantially differently than their provincial counterparts, London businessmen acted very differently than their conferees residing elsewhere. London merchants, manufacturers, professionals, and managers all invested far less frequently in home and far more frequently in Empire activities. On average, London businessmen were only one-fifth as likely to invest in domestic securities as those businessmen who lived in places like Sheffield or Manchester, but they were half again as inclined to put their resources to work in the Empire.

Overall, Empire investors tended to be drawn from two groups: elites, wherever they lived, and businessmen (particularly, in terms of numbers, merchants) who resided in London. The attractiveness of the Empire seemed to

decline almost exponentially the farther one traveled north from the City. In terms of the socioeconomic background of its participants, the British capital market was clearly two markets, and it is from one of those segments, the segment populated by elites and London businessmen, that the most strident Empire support could have been expected to come.

Finally, to the extent that the Empire investments were less profitable than home and foreign alternatives, it would have been expected that the elites, while continuing to rally political support for the Empire, would gradually have attempted to divest themselves of those securities and to reinvest their assets in other more viable enterprises. Although the data do not permit an exact test of this hypothesis, they do allow a less precise examination. If the firm sample is split at 1890 and the two parts compared, the ratio of elite to business investors is substantially lower in the second period. The decline, however, is not related to a rise in business holdings (in fact, they fell as well), but to an increase in the Other owners—including women, children, and retirees....

If the residents of the dependent Empire spent little on taxes, the British, as we have already seen, spent a great deal. Even the citizens of the colonies with responsible government, who chose to tax themselves more heavily than they might have, were largely freed of defense costs and thus able to devote the vast bulk of their resources to more directly productive ends. In the United Kingdom, however, the real tax level increased by about two-thirds over the half-century in question, and as a fraction of per capita national income it rose by about one-sixth. In England the tax structure historically had depended very heavily on consumption taxes, and it was certainly regressive. As the second half of the century wore on, however, regressivity declined as customs and excises were replaced by increases in the income and inheritance taxes. The latter sources together had produced only about one-quarter of the total when Disraeli first became prime minister but had risen to account for more than £2 in 5 by the election of 1911. Over the same period, consumption taxes had declined from more than three-fifths to less than one-half of all the imposts. Over Gladstone's protests, the income tax had "lost its terrifying character" and by the mid-1890s, again despite Gladstone's reservations, death duties had begun to bite.

Even with the very regressive tax structure of the 1860s, between three-fifths and two-thirds of British taxes were paid by the middle and upper classes. Given the increasing reliance on income and inheritance taxes, it seems reasonable to conclude that this proportion did not decline and may have risen as the century wore on. Of more direct interest, the fraction that fell on the middle class was probably close to two and a half times the amount paid by the upper class. It is hardly surprising that the Gladstonian Liberals opposed higher taxes while the upper classes found that, if the resources gained by tax increases could be used for "productive purposes," they would not only countenance but support such levies. The middle class bore far more than its share of the imperial subsidy and, as is so apparent in an enumeration of their investments, they did not share equally in its benefits. The profits of Empire accrued largely to the upper class.

When it came to the formulation and execution of official policy toward the Empire, the responsibility, of course, rested fundamentally with Parliament and particularly the House of Commons. It was a quintessentially patrician legislative body, dominated by the elite classes, business, and the professions. The members had attended the ancient universities and the major public schools and they were "club men" with a vengeance. It is this homogeneity that makes it difficult to explain individual political behavior. In general, on imperial issues Liberals deviated more from established party positions than Conservatives and university-educated Liberals were particularly anti-imperial. The safeness of a member's seat, his club memberships, his profession, his level of education, and the district from which he was elected seem to provide very little help in explaining his voting behavior. On the fundamental question of the degree to which economic self-interest affected a House member's voting behavior on imperial issues, no intimate connection appears to exist between the two, although further research may prove otherwise.

Parliament, much as any other democratic legislative body, was subject to considerable outside pressure. Individual companies, the chambers of commerce, the trade associations, and a fluctuating array of usually short-lived commercial coalitions all tried to influence the course of events. Although not usually successful in the foreign arena, in the colonies with responsible government, and in the dependent colonies, because of long-established British disinclination to interfere on behalf of private businessmen, they were more effective in the case of India—the cotton tariffs being a case in point. Tariffs in the self-governing colonies attracted considerable attention from the various pressure groups, but constitutional inhibitions and lack of Parliamentary sympathy precluded the implementation of the desired policy. Even in the dependent colonies, the Crown Agents actively sought foreign bids when they felt domestic ones were excessive.

Much, no doubt, remains to be said concerning the relationship between Empire and economics. But perhaps, when all is said and done, Cecil Rhodes came closest to summing the whole thing up when he said, not totally in jest, that imperialism was nothing more than philanthropy plus 5 percent! But philanthropy for whom? It appears that imperialism can best be viewed as a mechanism for transferring income from the middle to the upper classes. Because of the technology of the imperial machine, the process involved some transfer of those resources to the colonies; however, it is not obvious that either India or the dependent colonies would have chosen to accept that imperial subsidy had they been given the opportunity to object. The Elites and the colonies with responsible government were clear winners; the middle class, certainly, and the dependent Empire, probably, were losers. A strange kind of philanthropy—socialism for the rich, capitalism for the poor.



John M. MacKenzie

## The Partition of Africa: 1880–1900

*We have been witnesses of one of the most remarkable episodes in the history of the world.*

So wrote Sir John Scott Keltie in the opening sentence of his book *The Partition of Africa*, published in 1893. Keltie and his contemporaries were enthralled by the statistics of that 'most remarkable episode'. More than 10 million square miles of African territory and over 100 million African people had fallen to European rule in the space of little more than a decade. The concluding acts of the Partition were yet to come in the late 1890s and in the years immediately preceding the first world war, but in Keltie's time the map of Africa was already beginning to look like its modern counterpart. In the middle of the century the European cartographer saw Africa as a continent of blank spaces where the principal physical features—rivers, lakes, mountains—were gradually being filled in by European exploration. In the late 1880s and early 1890s maps of Africa in school atlases were revised every year, for political boundaries and various colourings for the different empires were now the rage.

Since the publication of Keltie's book, writers and historians have conducted an energetic debate on the causes of the Partition of Africa, culminating in a veritable flood of books and articles in the last twenty years. This enduring interest is perhaps not surprising. The Scramble for Africa (as the Partition is sometimes more luridly known) was the most dramatic instance of the partition of the world by Europe and America in the late nineteenth century. It inaugurated a great revolution in the relationship between European and African peoples, and it sent out political, economic and social shock-waves, which continue to be felt in Africa to this day. Africans naturally find the Partition a distasteful event, yet they are prepared to defend the artificial boundaries established by it to the point of war if necessary. The modern challenge to Africa remains the struggle to consolidate and develop the national and economic units carved out by Europeans in the Partition period, and so knowledge of the Partition is fundamental to an understanding of contemporary Africa.

This [selection] is concerned, however, with one great problem. What were the causes of the Partition of Africa and why did it occur when it did? Why was

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it that, after several centuries of nibbling at the edges of Africa, Europeans suddenly rushed in to establish direct military and political control over almost the entire continent? Why did European politicians who had traditionally resisted the extension of empire in Africa become caught up in a hectic demarcation of territory? ...

## Interpretation

... [T]he Partition was not a sudden and wholly unpremeditated affair. 'Creeping partition' had been going on in Africa for some time. The French had already conceived grand designs in the 1870s, and commercial pressures had been exerted on the British from the same period. Nevertheless, the speed with which the Partition was finally accomplished, after more than 300 years of European coastal activity, and the comprehensiveness of the land grab do suggest that this was a new and dramatic phase. Historians have elaborated and debated many different theories to explain the events of the 1880s and 1890s.

These interpretations have overlaid each other, and it is perhaps helpful to divide them into categories to bring some order to a very complex process of theorizing. It has become customary to divide explanations into metropolitan and peripheral, economic and non-economic. Metropolitan interpretations are those which seek to explain the Scramble in terms of developments in Europe, while peripheral ones look to events in Africa itself. The economic-non-economic categories cut across the metropolitan-peripheral ones, so that there are some metropolitan and some peripheral explanations which are also economic and some which are not.

## Metropolitan

### *Capitalist imperialism*

The first explanation offered for the Partition in the early years of this century saw the European grab for Africa as arising from an inherent problem in capitalism. To maintain their capacity for growth capitalist economies had repeatedly to find new outlets for investment. In the late nineteenth century, the capitalist economies entered upon a particularly difficult period. Rates of return on capital invested at home were falling, and so capitalists believed that surplus capital had to be exported. Further, this interpretation suggests that the power to dispose of capital was falling into fewer hands, particularly large banking interests. Those who disposed of such capital desired that it should be protected, and imperialism was therefore the policy of a small, highly influential capitalist group.

Certainly this was a period of considerable capital exports from Europe, and such exports played an important role in the development of Europe's relationship with the world as a whole, but this explanation seems to offer little help for the Partition of Africa. Significant amounts of capital were exported to South Africa, but Africa generally remained the continent receiving less investment than any other right up to the first world war. Moreover, the development

of great capitalist combines and concentrated banking interests did not occur until after the Partition had been accomplished.

### *Markets*

The second metropolitan explanation is also economic. This suggests that European capitalist economies had encountered not so much a crisis of excess capital as a crisis of excess competition and production. Germany and the United States were industrializing rapidly, and France and Italy were also attempting to produce their industrial response. The British experience showed that industrialism necessarily involved global specialization. The industrial state had to maintain itself through an exchange of foodstuffs and raw materials for industrial goods. No industrial state could be self-sufficient, and to survive it had to export. New industrial states had to find new markets or encroach on those of existing exporters. Colonies could offer assured markets, particularly if the European state's relationship with them was protected by tariffs which would keep competitors out.

In addition, the capitalist economies seemed to have moved into a period of depression between the 1870s and 1890s. There were downturns in trading activity in the decade preceding the Scramble and again in the 1880s and 1890s when the Scramble was at its height. These difficulties caused alarm to industrialists and merchants throughout Europe. Italy, Germany and France responded with new tariffs in 1878, 1879 and 1881 respectively, and that compounded alarm in Britain, where the Government was still wedded to free trade. It is true that protectionist policies did not come fully to fruition until the 1890s, but the anxiety was there at the earlier period. Some indication of the alarm in Britain can be secured from the Royal Commission appointed to enquire into the Depression of Trade and Industry in 1885-6. Chambers of Commerce and Trades Societies, representing both employers and labour, were circularized as to the reasons for the depression, and their suggestions for the measures that could be taken to alleviate it. Many commented on foreign competition and tariffs, and several urged the opening of new markets, for example in Africa, and the consolidation of trading relations with colonies.

Again this market explanation, though much used at the time as an argument that colonial expansion should be undertaken, is limited in the African case. Africa's population was small, and the opportunities for marketing industrial goods were slight. But hopes are invariably more potent than reality.

### *Raw materials*

If markets are one end of the industrial chain, raw materials are the other. The early phase of the industrial revolution depended on iron and coal which were available in Europe, and on cotton which had to be supplied by the United States and later by India and Egypt. But by the late nineteenth century other raw materials were beginning to be important. Vegetable oils were used in the manufacture of soaps and industrial lubricants. The large firm of Lever Brothers on Merseyside built its power mainly on west African palm oil, and Liverpool was the port most closely connected with the west African trade. Rubber had become important for insulation of the new electrical and telegraph wires and

for tyres. Until the rubber plantations were developed in Malaya at the beginning of this century, rubber was only collected in the wild in South America and in Africa....

It was recognized too that the new industrial age would emphasize base metals like copper. Copper deposits were well known in Africa, for Africans had exploited them for hundreds of years, and in many places had used copper as a currency. If base metals were to become more important, gold retained the fascination it had held for Europeans for many centuries. All industrial states had placed their currencies on the gold standard in the nineteenth century in order to stabilize them, and were building up reserves of gold to underpin these currencies. Gold had therefore become, even more than before, a source of power and stability for the western economic system. Some of the older sources of gold were beginning to decline in significance, so no state could allow a vital source of gold like the Transvaal to fall into the hands of a protectionist rival.

There was, therefore, much discussion of Africa as a source of raw materials, and the continent was likely to be more significant as a supplier than as a market. But raw materials had been extracted from Africa for many years without the need for political controls. The mere existence of raw materials does not fully explain why Europe felt it necessary to partition the continent, although there can be no doubt that the pace was quickening, and the fears and hopes were intensifying at this period.

#### *Statesmen's imperialism*

This political and diplomatic explanation sees the Partition as part of European statesmen's power-play. Statesmen used overseas territories as bargaining counters in a global game of diplomacy, as a safety valve for European nationalist tensions. This idea has always been suggested most forcibly with reference to Bismarck, who has been seen by some as actually precipitating the Scramble in order to secure his diplomatic ends in Europe, namely the isolation of France. It is a view which is no longer fashionable, for it smacks too much of the influence of 'great men' upon history, and the forces at work in Africa were much too powerful and complex to be controlled or manipulated by single political figures. Even before Leopold and Bismarck took a hand, some form of Partition was gathering momentum.

However, the last acts of the Partition in north Africa do seem to have rather more diplomatic content. Britain had the most considerable economic interests in Morocco, but she allowed France to have a free run there. Even so France did not declare a protectorate over Morocco (partitioning it with Spain) until threatened by Germany in the Moroccan crises of 1905 and 1911.

#### *Imperialism and nationalism*

This is the argument that the Partition of Africa occurred as a by-product of the friction created by new aggressive nationalisms in Europe rubbing against old-established centralized states and imperial powers. Both Germany and Italy were newly united states in this period. Both had to satisfy strongly nationalist demands within them; both sought to use colonial policies to reconcile internal tensions. Italy was already dreaming of recreating the Roman empire in the

1870s and turned her attention to Tunis, the historic Carthage. Both Germany and Italy made grabs for territory in 1884 and 1885. Neither seemed to base its claim on strong existing commercial rights. In both countries there were powerful colonial propaganda groups at work looking to empire as a means whereby the new nation states could come of age. Moreover in Germany, with its liberal franchise, a colonial policy seemed to be a popular one. It has even been said that Bismarck staged his colonial advances on several fronts in 1884 as an electioneering stunt for the election that took place in Germany late that year.

If Germany and Italy represented the aggressive force of new nationalisms, Britain and France represented the defensiveness of the old. For France after all, the German empire had been proclaimed in the aftermath of the humiliation of the Franco-Prussian War of 1870-1, in which France lost Alsace-Lorraine. A forward French policy dated from the 1870s. Defeat forced France to look outwards. Colonies, it has been suggested, were a balm for French wounded pride. The British on the other hand had been accustomed to secure their commercial ends without competition from other powers. Sometimes they had been forced to annex territory in the mid-nineteenth century, but generally they had avoided it. The British had preferred to work through informal empire, and British politicians were reluctant to translate that into formal control unless some very important national interest demanded it. From 1880 the British were forced to do so repeatedly to protect their interests from the new aggressive nationalisms and the revived imperial vision of France.

#### *Popular imperialism*

It has also been argued that the new nationalisms were not just a matter for statesmen and colonial pressure groups; they also satisfied popular psychological needs. European peoples (and no state was immune from this) developed an aggressive xenophobia in order to define sharply their national identity and national ambition. In Britain this came to be known as jingoism, a term significantly coined from a music-hall song at the time of the Congress of Berlin of 1878, an international conference which had an important bearing on the Partition. Popular culture, as expressed in the theatre and popular songs, took on a strongly nationalist and patriotic tone, and this inevitably became bound up with at least the protection, if not the extension of empire. Indeed, it became a great age of propaganda. The expansion of education led to a considerable increase in literacy, and this was exploited by colonial pressure groups, the army, the navy and above all the missions.

The missions were very important in propagating imperial ideas. Mission societies, which had appeared in all denominations and in all European countries in the nineteenth century, became convinced of their divine mission to convert the world, to save other people from what they saw to be 'barbarism' and 'savagery'. To achieve this, they required both money and recruits, and they set about opening people's pockets and minds through every publicity technique available to them. Notable missionaries became heroes, and books by them or about them became best-sellers. These and other popular works prop-



agated racial ideas which seemed at one and the same time both to explain and to justify European technical and military superiority in the world.

It has sometimes been objected that 'popular imperialism' was a result of the Partition and other imperial advances of the age, not a cause. But popular imperialism does seem to have its roots in the 1870s and imperial events did raise popular outcries.... Thus popular opinion certainly seems to have been significant by the 1890s when politicians were confirming the more tentative moves (the chartering of companies, for example) of the 1880s. These are all British examples, but 'jingoism' was just as evident in the rest of Europe.

Electoral behaviour is of course the best index of popular opinion. We have already seen that Bismarck may well have been responding to electoral pressures in 1884. In Britain, there can be no doubt that colonial discontents contributed to the fall of Gladstone in 1885, and when he formed his fourth ministry in 1892 the Liberal Party had developed a strongly imperialist complexion. His successor, Rosebery, was almost indistinguishable from any Conservative imperialist. Even the Labour movement had imperial elements within it: some Labour leaders accepted the idea that the possession of empire was important to the interests of the working classes, or that it was an inevitable obligation which had to be fulfilled in as ethical a manner as was possible. To attack the possession of colonies seemed to be unpatriotic, and therefore electorally dangerous.

#### *Feudal atavism*

Another social explanation is one that sees imperialism as the policy of the surviving feudal elements of European society, military castes which sought new employment and the continuation of their influence. In France, imperial attitudes were largely forged in the military establishments of Algeria. Both the German and Italian empires had a strongly military flavour, administration being usually military men rather than civilians. Empire provided them with a source of power removed from domestic politics. Even in the British empire, where the principle of civilian rule was firmly established, the army found an opportunity for employment, and an excuse for growth. In all the empires, colonial revenues could be used to pay for a proportion of the army, a technique long used by the British in India.

#### *Technology*

Another explanation, at least for the timing of the Partition, is one which highlights the importance of technology. This suggests that railways, steamships, the telegraph, and medical advances were crucial to the Partition, which could not have been achieved without them....

Clearly, such technical advances did not create imperialism in Africa, but they did produce the vital conditions that rendered its extension more readily possible. Moreover, such technical achievements seemed to emphasize the cultural gap between Europe and Africa which was important in the popular thinking of the period.

## Peripheral

### *Strategic and Egyptocentric*

Perhaps the first and most influential peripheral explanation is that which relates the entire Partition to the crisis in Egypt and the two routes to India.... The British invaded Egypt in 1882. The French, having apparently lost their former influence in Egypt, now looked for compensation elsewhere and this provoked Anglo-French rivalries in west Africa.

The vital point about this interpretation is that the British went into Egypt not to protect the bondholders, but for strategic reasons, to protect the Suez Canal and the crucial route to India. Similarly, British interest in the Cape was strategic, to protect the Cape route to the East and the important Royal Navy base at Simon's Bay. The British could not permit any other power to achieve an interior preponderance which might threaten the Cape, and it was this that drew them into the interior. The Partition in east Africa was bound up with the strategic concern with the Nile. The British believed that their position in Egypt was only secure if they commanded the entire Nile system. To keep the French from the upper Nile they needed a convenient route from the east coast. It was this consideration that lay behind the retention of Uganda and the decision to build the east African railway. According to this view, the Partition of Africa is no more than a giant footnote to the British Indian empire. This interpretation had great influence for some time, but it can now be discounted. French advances were not necessarily related to Egypt. The complex interaction of peripheral and metropolitan forces, for example in south Africa, renders such a single-cause interpretation untenable....

### *The general crisis*

Finally, there is an interpretation which we can perhaps describe as 'global'. It seems to combine aspects of several of the interpretations.... This suggests that there was a 'general crisis' in the relations between European and non-European peoples at this time, a general crisis induced by the European efforts to create a fully integrated world economy. Industrial Europe required a highly specialized world, in which some areas would produce food for its industrial proletariat, others would produce raw materials for the industrial process, and the entire world would constitute a market for industrial goods. But to achieve this Europe needed to recast the world in its own image, to create the same infrastructures and similar institutions that would permit resources to be exploited and trade to be conducted. By the end of the nineteenth century it was apparent that Europe required a greater degree of coercion to press forward this process, coercion that could only be effected by direct imperial rule. In some areas people were resisting the new dispensation, and in consequence new military and political techniques were required to supplement the purely economic relationship.

This explanation is attractive because it appears to subsume metropolitan and peripheral elements, social and military strains, the widening of the technological gap, and the heightened tensions of the period under one umbrella thesis associated with a particular stage of economic development in the world.

But there are some problems with it too. There were crises in some areas of the world, notably China, Siam, Persia and the Gulf, which did not lead to the imposition of direct political controls. But even more significantly from our point of view, there were large areas of Africa, on the face of it much less important economically than the Asian regions just mentioned, where no immediate crisis seemed to have occurred, and yet where political controls were established.

### Conclusion

We must now attempt to draw from this complex set of explanations some answers to the question posed at the beginning of the [selection]. Why did the European powers cease their long-standing process of nibbling at Africa and suddenly seize huge chunks of the continent?

There are a number of theses that we can reject straightaway. It seems to have had little to do with the export of capital. The 'great man' explanation simply will not do, for statesmen were largely reacting to the growing pressures and a climate of opinion which they found difficult to oppose. Napoleon III may have had ambitions in the 1850s; Leopold II had personal pretensions by the 1870s; individual Germans like Nachtigal and Peters hoped that Germany would institute an imperial policy; Mackinnon, Goldie and Rhodes all developed, to varying degrees, a passionate interest in the extension of British rule. But none of these was able to achieve his ambitions until the necessary forces came together. Finally, the Egyptocentric and strategic thesis is no longer convincing except as a powerful expression of one motivation of one European country. French decisions to advance in west Africa were made ahead of the British invasion of Egypt. French and Italian rivalries in north Africa, for example over Tunisia, and new German ambitions cannot be related to it. And in southern Africa developments were much too complex to be linked solely to the route to India.

Other 'explanations' are not really explanations at all. Public opinion, technology and African initiatives cannot explain the Partition, but they can demonstrate that the convergence of forces was now such that a partition was more likely to take place. Indeed, one of the remarkable things about the 1870s and 1880s was that so many developments in the realm of ideas, in missionary activity, in propaganda, in the technical and military gap between Europe and the rest of the world did seem to converge. A set of background conditions made the partition much easier to accomplish.

Why then were the crucial decisions made against the background of these conditions? One thing does now seem to be clear, and that is that we cannot be satisfied with an explanation which is wholly European or solely peripheral. Very important lines of force were developed from the periphery, but the thinking of people in Europe was also vital. Despite the creeping imperialism of the British and the French in west Africa, or the creeping partition of southern Africa by Dutch and English settlers, wholesale extensions of territory were resisted for a time. Both Goldie and Mackinnon had their pleas for a recognition of their concessions and the provision of charters rejected at first. Yet a few years later they were accepted. This is not to say that they simply went into

cold storage until statesmen decided to use them. It is to say that the tensions, anxieties and pressures had not yet reached the necessary pitch. If there was a convergence of background conditions, there also had to be a conjunction of economic, social and political tensions between metropolis and periphery.

The Scramble for Africa seems to have emerged from a combination of exaggerated hope and over-heated anxiety. The economic conditions of the day, the trough between the first industrial revolution of coal, cotton and iron, and the second of electricity, copper, steel; the appearance of new industrial states protecting themselves with tariffs; the decline in some commodity prices; and the heightened commercial competition everywhere produced all the alarms associated with the transition from one economic system to another. At the same time there were many publicists concerned to argue that Africa was a tropical treasure house, capable of producing plantation crops, base and precious metals, as well as other valuable commodities like rubber and ivory. Verney Lovett Cameron, who had been sent to find Livingstone, published just such an ecstatic account in his *Across Africa* in 1877. Many others wrote in similar vein. The growth in the palm oil trade, the buoyant prices of rubber and ivory, the discovery of diamonds and then of gold, all seemed to confirm this view. Africa could solve some of the problems of the age. A state which missed out on these opportunities might be imperilled in the future. These hopes and anxieties took some time to foment fully, but by the mid-1880s they were ready to blow the lid off the politicians' restraint. Politicians do not so much act as react to the forces round about them.

An influential generation was seized by this combination of exaggerated fear and overpowering ambition. Although it is difficult to see a small group of finance capitalists influencing governments to do their bidding, there was nevertheless a rather more extensive and powerful élite at work. In London, Paris and Berlin, commercial, shipping, geographical, intellectual and official figures did come together to press for imperial advance. Although politicians, particularly in Britain, liked to claim that no official actions were taken to further the interests of individual investors and economic concerns, in fact they were. The London élite was closely connected by ties of education, social life and marriage. Some officials in the Foreign and Colonial Offices developed close connections with the capitalist concerns and furthered their ends from a growing conviction of the need for British expansion. Ex-ministers joined the boards of companies, and colonial administrators were often rewarded with directorships of companies whose ends they had furthered when in office. This was not a conspiracy; it was merely the normal operations of such an élite group converted to a dominant idea.

There was, moreover, something irrational about the Partition—as reflected in the grandiose ambitions of figures like Leopold, Rhodes, Peters, even Mackinnon—which deeply disturbed the rational minds of politicians like Salisbury and Bismarck. In many respects the Scramble was not so much a reaction to events that had already taken place as to events it was feared might take place. It was less the result of a 'general crisis' than a symptom of the anxieties that a general crisis was on the way.

There was much that was chimerical about the Partition, and in many parts of Africa it produced disappointing results. South Africa remained the world's most important source of gold, yet by 1910 the British had abdicated political control there. Central Africa was to be one of the western world's most important sources of copper, but this was not fully exploited until the years before the second world war. In some places European coercion upon Africans to produce agricultural raw materials or to go out to work produced large-scale revolts. Railway lines often failed to pay, and administrations invariably required subsidies from the mother countries. Some of the resources of Africa, such as the oil of Nigeria, were scarcely even discovered during the imperial period.

In retrospect, Keltie's opening sentence takes on a new significance. Not only was the speed of Europe's grab for Africa a most remarkable episode, so was the speed of Europe's withdrawal. Many Africans were born before the Partition occurred, and were still alive when Europe departed in the early 1960s. By that time Africa had perhaps been recast in Europe's image, with recognizable national boundaries, an infrastructure of sorts, and relatively similar institutions. But was that what the original Scramblers really intended?

## POSTSCRIPT

### Were Economic Factors Primarily Responsible for Nineteenth-Century British Imperialism?

No historian who has researched nineteenth century British imperialism will discount any of the factors—economic, political, social, strategic, religious, cultural—that influenced its development. Rather, their work concentrates on discovering which ingredients were either more or less important than others. History seldom provides monocausal explanations for events and movements.

Works related to modern imperialism are numerous and significant. Two important studies of economic factors and imperialism are John A. Hobson's *Imperialism: A Study* (1902) and Vladimir Lenin's *Imperialism: The Highest Stage of Capitalism* (1916).

A seminal study is Ronald Robinson, John Gallagher, and Alice Denny's, *Africa and The Victorians: The Climax of Imperialism* (Doubleday, 1968), which argues that British imperialism's main impetus came from national security and sources of diplomatic rivalry. A work of ancillary value is Daniel R. Headrick's *Tools of Empire: Technology and European Imperialism* (Oxford University Press, 1981), which relates technology to the entire process of imperialism.

Exploring the relationship between culture and imperialism has been a hot topic, and the work in this field has been dominated by Edward Said. His *Culture and Imperialism* (Alfred A. Knopf, 1993) shows how nineteenth-century Western misperceptions of non-Westerners in cultural venues such as literature and grand opera played a role in imperialism's development. On a lighter side (culturally speaking), Mackenzie's edited volume *Imperialism and Popular Culture* (St. Martin's Press, 1989) relates the fascination of the masses with exotic people and places and sees it as a motivating factor in imperialism's maturation.

Because many of the world's contemporary problems can be traced to the effects of imperialism on indigenous peoples, it would be remiss not to include sources that deal with this subject. Eric Wolf's *Europe and the People Without History* (University of California Press, 1997) explores the topic as does David S. Landes's *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor* (W.W. Norton, 1998), which has provoked interesting responses from its reviewers.