



Review: The Empire Strikes Back

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David Cannadine

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REVIEW ARTICLE

THE EMPIRE STRIKES BACK*

In 1921, a year which is well within the recollection of many people still alive today, the ultimate responsibility for the government of more than one quarter of the land and peoples of the globe resided in London. The British Empire was at its apogee, and on its far-flung dominions beyond the seas, the sun did not always shine, but never dared to set. It had been growing from Tudor times, and most rapidly since the loss of the thirteen American colonies after 1776. The Napoleonic Wars had seen the conquest and subjugation of large swathes of India. The mid-Victorian years witnessed substantial emigration to Canada, New Zealand, South Africa and Australia. The last quarter of the nineteenth century brought the "Scramble for Africa" among the European powers, from which the British emerged with what they thought was, appropriately, the lion's share of the spoils. And after the First World War, the breakup of the Turkish Empire meant new imperial responsibilities in the Middle East, as Iraq, Jordan and Palestine were administered by Britain on behalf of the fledgling League of Nations. The result of these successive phases of acquisitiveness was that scarcely seventy years ago, and even as late as 1945, the British were the proud possessors of the largest territorial Empire that has ever existed in human history.

I

How did it happen? For what reasons, and by what processes, did the inhabitants of a small group of islands off the coast of Europe, with a population less than that of France, and a military tradition much weaker than that of Germany, come to exercise dominion for so long over a wholly disproportionate area of the globe? According to Sir John Seeley, lecturing in 1882, before

* P. J. Cain and A. G. Hopkins, *British Imperialism*, 2 vols. (London, Longman, 1993): vol. i, *Innovation and Expansion, 1688-1914*, xv, 504 pp.; vol. ii, *Crisis and Deconstruction, 1914-1990*, xiv, 337 pp.

the last great expansionist impulses had seriously begun, the British seemed to have “conquered and peopled half [*sic*] the world” in what he called a “fit of absence of mind”.¹ They had, he implied, never consciously sought to make themselves the supreme imperial power: they just woke up one morning and found that they had sleepwalked their way to dominion over palm and pine. In noting that his fellow-countrymen were in some ways strangely indifferent to their Empire, Seeley was not entirely mistaken.² But in seeming to depict it as the product of such British characteristics as muddling through and understatement, he failed to do justice to the Empire (or, indeed, to the British). For expansion on a scale so vigorous, so ample and so unrivalled must surely have had causes that were themselves correspondingly substantial, deeply rooted, and wide-ranging.

Such has been the generally held belief, with the result that, since Seeley’s time, many more elaborate explanations of the drive to Empire have been advanced, by politicians, by contemporary commentators and by professional historians. Some have been economic: for J. A. Hobson and for Lenin (developing Marx), imperialism was the highest stage of capitalism, the inevitable by-product of late nineteenth-century developments in industry, business, trade and finance.³ Some have been sociological: for Schumpeter, overseas expansion was undertaken by those traditional, pre-modern aristocratic classes, whose status and security were threatened at home by industry, urbanization and democracy, and who sought consolation in military glory and knightly conquests on the imperial frontier.⁴ Some have been political, diplomatic and strategic: for Robinson and Gallagher, the British Empire in Africa came about principally because successive governments sought to safeguard the essential sea routes to India, one via the Cape of Good Hope, the other through

¹ J. R. Seeley, *The Expansion of England* (London, 1883), pp. 8-10.

² For a very different view, which contends that the imperial metropolis was drenched in the culture of Empire, see E. W. Said, *Culture and Imperialism* (London, 1993).

³ J. A. Hobson, *Imperialism: A Study* (London, 1902); V. I. Lenin, *Imperialism: The Highest Stage of Capitalism* (Moscow, 1947); D. K. Fieldhouse, *The Theory of Capitalist Imperialism* (London, 1967). Although Lenin was much indebted to Hobson, there were considerable differences in their arguments. See E. T. Stokes, “Late Nineteenth-Century Colonial Expansion and the Attack on the Theory of Economic Imperialism: A Case of Mistaken Identity?”, *Hist. Jl*, xii (1969).

⁴ J. A. Schumpeter, *Imperialism and Social Classes* (Oxford, 1951). The book was first published in 1919, three years after Lenin’s study first appeared.

the Suez Canal.⁵ And some have been more concerned to stress the primacy of events on the periphery rather than the expansionist impulses in the imperial metropolis: for Galbraith and Fieldhouse, Empire happened because the unexpected breakdown of indigenous régimes in Asia and Africa obliged the British to step in to restore order, and once involved, they found it extremely difficult to disengage themselves.⁶

These theories are considerably more sophisticated than those attributed to Seeley, yet they have also been much criticized in their turn. Individually, each one is monocausal: but it is difficult to believe that a phenomenon so complex and long-lasting as imperialism can have had only one single, all-encompassing explanation. Put the other way, this means that they are also mutually exclusive: Empire is depicted as having been either capitalist-modern or aristocratic-atavistic, while the forces making for expansion were located either in Europe or in the world beyond. This is plainly unsatisfactory. Moreover, each of these four interpretations explains much less than their proponents have claimed. The economic argument falls down because large parts of Africa which were annexed by the British failed to provide markets, or raw materials, or investment opportunities. The sociological argument is difficult to sustain because the British aristocracy played no more than a subordinate and subsidiary part in the creation of the British Empire.⁷ The political-diplomatic-strategic argument is inadequate because the routes to India were as much concerned with trade as they were with troops. And the peripheral argument does scant justice to the powerful drives to dominion which undoubtedly did exist in England for much of the "long" nineteenth century.

At the British end of things, there are further difficulties. To begin with, the three interpretations that are preoccupied with the imperial metropolis are severely weakened by their inadequate treatment of the expansionist impulses supposedly emanating

⁵ R. Robinson and J. Gallagher, *Africa and the Victorians: The "Official Mind" of Imperialism* (Basingstoke, 1961); W. R. Louis (ed.), *Imperialism: The Robinson and Gallagher Controversy* (New York, 1976).

⁶ J. S. Galbraith, "The 'Turbulent Frontier' as a Factor in British Expansion", *Comparative Studies in Society and History*, ii (1960); D. K. Fieldhouse, *Economics and Empire, 1830-1914* (Ithaca, 1973).

⁷ D. Cannadine, *The Decline and Fall of the British Aristocracy* (New Haven, 1990), pp. 420-45, 558-605. In fairness to Schumpeter, it should be observed that he never attempted to apply his own theories to Britain.

from Britain itself. The economic interpretation bandies about phrases such as "the industrial revolution" and "finance capitalism" without ever describing or explaining them. The sociological interpretation betrays a dismaying ignorance of the social structure and social history of nineteenth-century Britain. And the political-diplomatic-strategic interpretation sidesteps the whole problem of who the policy-makers were and what they were doing by subsuming them all under the arresting yet meaningless heading of the "official mind". It is also important to remember that, during the nineteenth century, Britain was not the only European power with imperial aspirations: France, Italy, Germany and Belgium all sought to claim their "place in the sun". But all too often, the British drive to Empire has been studied in isolation, which means that the essential connections between overseas expansion, foreign policy, international relations and great power rivalries have received less attention than they should have.

If the perspective is shifted from Britain to its Empire, the explanatory difficulties multiply still further. For it clearly will not do to characterize the whole imperial domain by the portmanteau term "periphery". Throughout its history, the British Empire was never more than "a rag-bag of territorial bits and pieces", created and governed in an appropriately disorganized and unsystematic way.⁸ There were the Crown Colonies in the Caribbean, in west and east Africa, and in south-east Asia. There were the self-governing dominions of Canada, Australia, New Zealand and South Africa. There was the Raj in India, a unique amalgam of direct and indirect rule. There was a string of naval bases, which encircled the world: Gibraltar, Malta, Cyprus, Aden, Singapore and Hong Kong. There were areas that were never officially annexed, but which were under varying degrees of "informal" British influence, especially in South America. And there were the League of Nations Mandates, not only in the Middle East, but also the former German colonies in east and south-west Africa. To suppose that an Empire so vast, so varied and so multiracial could have come into being for one single or simple reason is clearly absurd.

These were some of the contradictory and indecisive conclusions that were reached by imperial historians, as they researched,

⁸ R. Hyam, *Britain's Imperial Century, 1815-1914* (London, 1976), p. 15.

debated and disagreed during the 1950s, 1960s and 1970s. To add to the confusion, the very period when they were trying to understand how the British Empire had come into being was also the time when the Empire itself was moving rapidly towards dissolution and oblivion. In the thirty years following Indian independence in 1947, the greatest Empire the world had ever known came to an end with unprecedented speed, as one colony after another was given its freedom.⁹ Perhaps it was not altogether surprising that, during the same period, imperial history began to fragment and to disintegrate, like the very subject it had been attempting to define, describe and analyse. General explanations and global theories went out of fashion, while “area studies” and the histories of individual regions became much more popular.¹⁰ As Third World nations increasingly asserted their independence, the history of the British Empire was rewritten as a brief (and usually regrettable) intrusion into the affairs of Africa and Asia. Indeed, as the sun set, and as the Empire passed away, there were some scholars who went so far as to wonder whether it had ever really existed at all. Considering the general lack of interest shown in the British Empire by historians of Britain itself, it was not an altogether absurd question to ask.¹¹

II

It is against this background — of which the authors are both aware and appreciative — that this new account of British imperialism must be set and understood. Cain and Hopkins have been a long time at their labours, and have already stated their aims and set out their arguments in a series of important preliminary

⁹ This has been much chronicled, from both a British and an imperial standpoint: C. Barnett, *The Collapse of British Power* (London, 1972); R. Blake, *The Decline of Power, 1915-1964* (London, 1985); K. Robbins, *The Eclipse of a Great Power: Modern Britain, 1870-1975* (London, 1983); J. A. Gallagher, *The Decline, Revival and Fall of the British Empire* (Cambridge, 1982); J. Darwin, *Britain and Decolonisation: The Retreat from Empire in the Post-War World* (Basingstoke, 1988).

¹⁰ D. K. Fieldhouse, “‘Can Humpty Dumpty Be Put Together Again?': Imperial History in the 1980s”, *Jl Imperial and Commonwealth Hist.*, xii (1984); B. R. Tomlinson, “‘The Contraction of England': National Decline and the Loss of Empire”, *Jl Imperial and Commonwealth Hist.*, xi (1982); D. A. Low, “‘The Contraction of England': An Inaugural Lecture, 1984”, in his *Eclipse of Empire* (Cambridge, 1991).

¹¹ G. W. Martin, “Was There a British Empire?”, *Hist. Jl*, xv (1972).

articles, which have themselves been much discussed.¹² Those essays were inevitably schematic and speculative: but in these two massively erudite volumes they make their case with impressive and intimidating thoroughness. In terms of methodology, their concerns are to reunify a subject which has been collapsing under the weight of its own erudition; to write a history of British imperialism which gives equal attention to the metropolis and to the colonies, and establishes a systematic connection between them; and to break down the barriers which customarily exist between historians of the eighteenth, nineteenth and twentieth centuries. And in terms of interpretation, they seek to reinstate, but also to refashion, the traditional arguments that the chief impulses to Empire were more metropolitan than peripheral, and that they were economic rather than sociological or political-diplomatic-strategic.¹³

The pattern of British overseas expansion was set, they believe, during the “long” eighteenth century. The “Glorious Revolution” of 1688 ushered in a new political régime, controlled by an oligarchic landowning élite with a well-developed taste for commercial enterprise. At the same time, the Revolution opened up opportunities for a new class of merchants, financiers and businessmen, who established themselves as junior partners to the ruling aristocracy. They ran the Bank of England, invested in the national debt, financed the great overseas trading companies, and dominated the new insurance houses. Together, these patricians and plutocrats formed a new breed, to whom Cain and Hopkins give the name “gentlemanly capitalists”, and it was this alliance between land and money which sought, acquired and profited from Britain’s eighteenth-century Empire. The years from the 1780s to the 1820s may have witnessed the first, classical phase of the Industrial Revolution: but its impact was very restricted, both domestically and internationally, and provincial manufacturers were limited in wealth, lowly in status, and lacking

¹² P. J. Cain and A. G. Hopkins, “The Political Economy of British Expansion Overseas, 1750-1914”, *Econ. Hist. Rev.*, 2nd ser., xxxiii (1980); P. J. Cain and A. G. Hopkins, “Gentlemanly Capitalism and British Expansion Overseas: I, The Old Colonial System, 1688-1850”, *Econ. Hist. Rev.*, 2nd ser., xxxix (1986); P. J. Cain and A. G. Hopkins, “Gentlemanly Capitalism and British Expansion Overseas: II, The New Imperialism, 1850-1945”, *Econ. Hist. Rev.*, 2nd ser., xl (1987); A. Porter, “‘Gentlemanly Capitalism’ and Empire: The British Experience since 1750?”, *Jl Imperial and Commonwealth Hist.*, xviii (1990).

¹³ Cain and Hopkins, *British Imperialism*, I, pp. 3-52; ii, pp. 297-315.

in influence. It was the “gentlemanly capitalists” who created an Empire appropriately based on credit and commerce, who settled and governed the thirteen American colonies, who sought vainly to keep hold of them after 1776, and who then turned their attentions to acquiring new dominions in India.¹⁴

During the nineteenth century, the “gentlemanly capitalists” continued to be in charge. Industrialists remained isolated from London, inferior in social status, and ineffective politically, as evidenced by Joseph Chamberlain’s failure to carry his “Tariff Reform” campaign in the 1900s. But there were significant changes in the governing classes of Britain and its Empire. The aristocracy gradually lost its pre-eminent position, while the rapidly expanding service sector gave increased opportunities to those who worked in the City of London. At the same time, the public schools began to turn out a new-style gentry, who believed in the traditional virtues of public service and Christian duty, and who came to dominate the rapidly expanding professions. They were primarily drawn from the south of England, they shared the values and attitudes of the political and financial élite, and they moved in essentially the same social worlds. According to Cain and Hopkins, it was the export of this composite, re-modelled version of “gentlemanly capitalism” which effectively created the Empire of Kipling, Elgar and Queen Victoria. Between 1850 and 1914, British investments overseas were far greater than in domestic industry, increasing spectacularly from £200 million to £4,000 million. And where British capital led, British gentlemen were not far behind.¹⁵

By 1900, London was the financial centre of the world, and the fact that it was also the capital of the greatest Empire in the world was not at all coincidence. The settler colonies of Canada, New Zealand and Australia may have gained a certain degree of constitutional freedom with the achievement of responsible government: but their heavy borrowing on the London money market, to finance nation-building infrastructural investment, meant that enhanced political autonomy was accompanied by increasing economic subordination. In South America, and especially in Argentina, Brazil and Chile, similar loans to fund similar undertakings made these ostensibly independent nations an integral part of Britain’s “informal empire”. In India, the prime

¹⁴ *Ibid.*, i, pp. 53-104.

¹⁵ *Ibid.*, pp. 107-225.

concern of the Raj was not with promoting the sales of Manchester cotton goods, but with ensuring that there was sufficient revenue to service the country's vast foreign debts, most of which were held in London. In Africa, Britain's chief interests were again financial — government loans and the Suez Canal in Egypt, and the Rand gold-mines in the Transvaal — and the imperial impulse was strongest in these two areas. By contrast, the City was reluctant to invest as extensively in China or the Ottoman Empire, and this lower (but by no means insignificant) British profile may help explain why territorial partition did not take place before 1914.¹⁶

Thus described, the history of the British Empire during the classical era of "High Imperialism" appears in a new and provocative light. To be sure, by the late nineteenth century, Britain's industrial pre-eminence was slipping, and there was justified fear of economic competition from the United States and Germany. But Cain and Hopkins reject the view that the massive extension of both the formal and the informal Empire was an essentially defensive measure, by a "weary titan" which was losing its industrial hegemony. On the contrary, they argue that, in financial terms, Britain's supremacy was actually increasing, and that the unprecedented expansion of the Empire from the 1880s was the direct result of the unprecedented exports of metropolitan capital which bound the developing world ever more tightly and dependently to the imperial metropolis. Moreover, they suggest that it was this very British success which contributed to the intensification of Anglo-German antagonisms. After 1870, Germany was a nation with a booming economy and an invincible army, which was also determined to acquire colonies and build a navy. Sooner or later, the authors argue, conflict between these two powers was inevitable. From their perspective, the First World War was — as Lenin always insisted — primarily an imperial war.¹⁷

In their second volume, Cain and Hopkins offer an interpretation of the twentieth-century Empire which is equally striking and coherently worked out. Britain was not an imperial power "in decline" before 1914: and nor was it before 1945.¹⁸ Once Lloyd George and his wartime government of buccaneers and businessmen had been seen off, the "gentlemanly capitalists"

¹⁶ *Ibid.*, pp. 229-446.

¹⁷ *Ibid.*, pp. 449-65.

¹⁸ *Ibid.*, ii, pp. 3-7.

reasserted their control. Like their nineteenth-century predecessors, they were largely indifferent to the claims and captains of industry, and their overriding aim was to restore Britain's position as the world's greatest financial and imperial power. There were many obstacles to such a course: Britain was heavily in debt to the United States, it could no longer afford to export almost unlimited supplies of capital, and the attempt to restore the Gold Standard in 1925 had to be abandoned six years later. Nevertheless, the imperial mission was taken up with renewed vigour, commitment and determination. The mandates that the British accepted under the League of Nations suggested a continued appetite for territorial expansion, while the creation of the Sterling Area and the establishment of preferential tariffs during the 1930s bound the Empire even more tightly together.¹⁹

As in the nineteenth century, the interwar Empire was still very much dominated by the mother country, which continued to hold (and to pull) the purse-strings. The dominions may have gained recognition of their autonomy with the passing of the Statute of Westminster in 1931, but their high levels of accumulated indebtedness to the London money market meant that Britain's economic control long outlived its political control. In South America, the British were determined to retain their pre-eminent position in Argentina and Brazil, and despite challenges from the United States during the 1920s, and from Nazi Germany in the late 1930s, they generally succeeded. In India, the political reforms of 1919 and 1935 were designed to strengthen British rule, not weaken it: how else could the creditworthiness of the Raj be preserved, and the remittance payments back to the metropolis be guaranteed? In tropical Africa, authority and finance were no less closely linked, but in a different way: the City would not invest, there was insufficient capital, and the challenge to interwar imperial statecraft was to devise ways of increasing it, or of finding substitutes for it. And in China, despite the revolution of 1911, and the City's continued uneasiness, Britain remained the most significant foreign investor, successfully maintaining its influence there until the Sino-Japanese War broke out in 1937.²⁰

Accordingly, Cain and Hopkins insist that it is profoundly mistaken to see the history of the British Empire from 1914 to

¹⁹ *Ibid.*, pp. 11-105.

²⁰ *Ibid.*, pp. 109-262.

1939 as being one of slow but irreversible decline. The Second World War was fought as much to safeguard the Empire as it was to defend Britain from Nazi tyranny, and in 1945 the surviving “gentlemanly capitalists” were more concerned to develop than to dissolve their dominions. From this perspective, the end of Empire came rapidly and unexpectedly. But finance was the key to its fall no less than to its rise: for the changing patterns of Britain’s postwar overseas investments meant that the Empire was no longer needed to protect them. As a result of the Second World War, India ceased to be Britain’s debtor and became one of its creditors, which meant that there seemed little need to keep the Raj going. The huge holdings in South America were liquidated during the 1940s to help finance the fight against Hitler, while those in China were nationalized by the Communists. The United States succeeded Britain as the prime investor in Canada and Australia. Africa had never mattered all that much. When the British began to invest overseas again, they did so in the United States and in Europe, and the City of London reinvented itself as a non-imperial international financial centre. By then, the Empire had long since served its turn, and all that remained was for the latter-day “gentlemanly capitalists” to liquidate it as rapidly and as honourably as possible.²¹