

# COLONIAL *and* IMPERIALIST EXPANSION: *A Marxist Analysis*

*This is the first of a short series of articles on a chapter of modern history of special interest and importance to proletarian students. Next month's instalment will deal with "The Class War of Merchant Capital."*

## I.—THE BEGINNINGS OF MERCANTILISM

**I**MPERIALISM is one of the complicated facts of to-day which the bourgeois theorist views with blurred vision, and which his theories consequently merely scratch on the surface. The proletariat, if it is to destroy capitalist Imperialism, must be wiser ; it must understand its root causes and real nature. . As an approach to the problem let us examine the nature of the earlier colonial expansion of the 16th and 17th centuries and single out its essential features.

The Renaissance in Europe in the 15th century was the result of accumulation of wealth in the hands of the burghers of the new towns ; it was the mental expression of the rise of the money-lending and merchant, in a word, trading class of the towns, struggling against feudal restrictions. The original source of this accumulation was serf labour on the land ; but this wealth had been drawn into the towns. The system of Primogeniture (inheritance of land by eldest son) sent the younger sons of the nobility to seek their fortunes in the towns. Money-lenders had grown rich in lending at high interest to feudal lords to finance wars and crusades. The capture of Constantinople by the Turks in 1453 finally flooded the towns of Europe with refugees bringing treasure, which enriched the towns and provided additional material means of accumulation. "Town-rents" accruing to original burghers and "usury" are given by J. A. Hobson as the two chief means by which "feudal wealth was converted into burgher wealth."<sup>1</sup> There was in the towns in the latter half of the 15th century much burgher wealth seeking profitable usage.

For this reason ocean voyage and discovery followed close on the heels of the Renaissance. Frequently the former is spoken of as the result of the latter, instead of both as the result of a common economic cause.

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<sup>1</sup> *Evolution of Modern Capitalism*, Chap. I.

Hitherto Europe's trade had been with the East—by the Mediterranean to the Levant, and by caravan-routes to the Far East. Consequently it was the towns of the South and of the Mediterranean—Venice, Genoa, and the rest—which mainly prospered.

The towns of the West and the Atlantic seaboard were at a disadvantage, and they looked to the discovery of new sources of treasure and for a new route to the East. It was Vasco da Gama from Portugal who explored the African coast and rounding the Cape of Good Hope in 1498 discovered the sea-route to India. It was Columbus, with the blessing of Spanish merchants but the hostility of the nobility, who in 1493 stumbled upon the West Indies in mistake for India. It was between Portugal and Spain that the Pope in 1494 divided the New World. It was John and Sebastian Cabot from Bristol who in 1497 discovered the mainland of North America. The main achievement of the Cabots was the opening up of the valuable Newfoundland fisheries, so valuable that by the middle of the 17th century "the Newfoundland trade was by far the greatest English enterprise in America; . . . there were said to be employed in it 270 sail of ships and 20,000 seamen."<sup>1</sup> Later the French adventurers Verazzano and Cartier followed in 1524 and 1534.

The Tudor monarchs in England, relying on the support of the burgher class against the feudal nobility and the Church, lent much support to this overseas expansion. John Cabot received "great honours"—and £100—from Henry VII.; Henry VIII. developed on its modern basis the beginnings of a national navy; and Elizabeth carried on this work and zealously encouraged the piratical voyages of Drake, Raleigh and Hawkins. She lent the royal ship *Jesus* to Hawkins to assist the slave trade; and her whole policy was distinctly favourable to merchant interests. But these "great captains of the age . . . were buccaneers and pirates on the look-out, not for opportunities of trade or for the foundation of colonies, but for plunder"<sup>2</sup>; and a pirate-captain like Drake was the ideal patriot of the time, rather than the colonist or trader. They captured Spanish treasure ships and raided Spanish towns in the West Indies, this rivalry being the cause of "the first of England's great commercial wars"<sup>3</sup> in 1587. They were the aggressive pioneers of Mercantilism. But "by the time of William III. English trade had become important enough to turn buccaneering from an heroic virtue into a crime which had to be suppressed."<sup>4</sup>

The period of systematic colonisation and trading began about 1600, after the close of the war with Spain. After 1600 numerous joint-stock companies were formed for trade and colonisation. In 1606 the large Virginia Company was formed, and gained a charter from King James I. allowing it to colonise the coastline of North America from Cape Fear to the Bay of Fundy; and in 1620 it obtained wider powers of monopoly of trade and power to sub-let its land. It was from the Virginia Company that the Puritan middle-class emigrants of the *Mayflower*, forming themselves into a small joint-stock company, purchased the right of colonisation in what they named New England. Other merchant companies of this sort were the Massachusetts Bay Company (1629), and the Hudson Bay Com-

<sup>1</sup> Egerton, *Short History of British Colonial Policy*, p. 13.

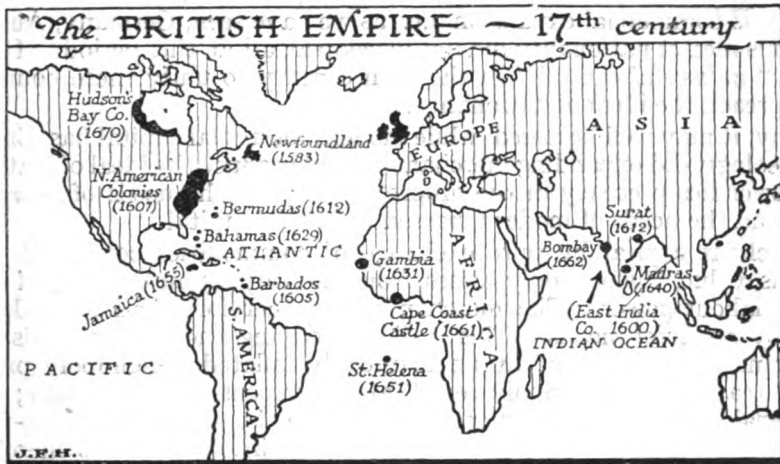
<sup>2</sup> Thorold Rogers, *Economic Interpretation of History*, p. 321.

<sup>3</sup> Jose, *The Growth of the Empire*, p. 20.

<sup>4</sup> Thorold Rogers, *loc. cit.*

pany, mainly interested in the fur trade of the North-west. The East India Company was founded in 1601 and set up "factories" (trading depots) at Surat on the West coast and later at Madras and Calcutta; the Muscovy Company was formed to trade with then scarcely civilised Russia; and four West African trading companies were chartered between 1588 and 1631. The Dutch and the French also had their East India Companies, the Dutch especially aiming at a monopoly of the spice trade in the Far East.

For eighty years the Indian Ocean was a private lake of Portugal's owning. Then dynastic troubles betrayed the little kingdom into the power of Spain, and the whole structure of her Empire collapsed. Spain wanted gold not trade. . . . So what had been Portugal's became Holland's, and hard on the heels of the Dutch came the roving English.<sup>1</sup>



After 1600 the power of Spain declined too. The power of feudal and ecclesiastical property with no interest in commerce was supreme in Spain (witness the Inquisition), and though it was willing to assist the acquisition of treasure which found its way into its coffers, it had little use for spending national wealth in furthering permanent schemes of trade benefiting merely the merchants. "It was because of the decay of Spanish greatness that England was allowed to develop in peace its colonial settlements."<sup>2</sup> Likewise Venice, Genoa, Florence and the Hanse Towns of North Germany declined, for "the great maritime discoveries . . . transferred the centres of commercial activity as well from the Baltic as from the Mediterranean ports to the harbours on the Atlantic seaboard."<sup>3</sup>

Now, bourgeois historians are wont to treat the political, legal, moral, philosophical ideas of any period as separate from the economic, and as evolving in separate watertight compartments. Proletarian Marxism, on the other hand, sees social evolution as a unitary process, and shows how all these ideas are shaped and determined by economic conditions. It does not deny these ideas influence within limits, nor does it assert that man is influenced only by consciously selfish motives, as critics like Bertrand Russell and Graham Wallas would seem to suppose. Marxists merely indicate the fact that man's political, philosophical and moral ideas are

<sup>1</sup> Jose, *Growth of the Empire*, p. 49.

<sup>2</sup> Egerton, *Short History of British Colonial Policy*, p. 16.

<sup>3</sup> Myers, *General History*, pp. 433-434.

products of his thinking, conscious and sub-conscious, and that it is his material environment, together with prevalent social ideas, which mould his thinking.

In the period we are considering, the rise of the idea of "Nationality" did not just "happen" as by some supernatural agency. Just as the ideal of "Empire" arose in the 'eighties of last century, so the ideal of the Nation arose to dominate man's political thinking in the 16th and 17th centuries as the product of the specific psychology of the rising merchant class, giving political expression to the interests of "merchant capital." But in the countries which, owing to their geographical position (in this case the underlying geographical factor to some extent shaped the economic) and to other reasons such as the slow break-up of Feudalism, did not take part in this commercial expansion (i.e., as we have seen, Germany, Austria, Italy) this idea of nationality did not develop at all at this period. It was left for "*industrial capital*" in the 19th century to unify these countries and to preach the ideal of nationality.

Why, it may well be asked, while modern industrial capital has Empire as its ideology, did expanding merchant capital produce the ideal of Nation? The answer lies precisely in the difference between the needs of *merchant capital* and the needs of modern massed *industrial capital*.

Merchant capital by pure exchange of commodities could not reap "surplus value," which only arises from the buying and selling of proletarian labour-power. The merchant class, therefore, had to make its profits by *artificial* means. This it did by buying and selling goods, not at their natural value but at an artificially inflated "monopoly price," thereby reaping a "monopoly rent" at the expense of consumers; just as imperialistic Trusts to-day seek to increase the share of surplus-value accruing to them by means of monopoly. The interests of the merchant class, therefore, lay in securing a monopoly of certain markets—at home for colonial products, in the colonies for home products. And since "during the 15th century . . . the country was becoming one economic whole, instead of, as hitherto, a mere collection of almost isolated municipalities,"<sup>1</sup> and since it was nationally that trading charters were given and the various spheres portioned out among separate companies, it was *National Monopoly* that became the watchword. The predominating cause of wars during the 17th and 18th centuries—and European wars were frequent as compared with the preceding two centuries—was "interference" with this National Monopoly. The colonies were looked on merely as convenient means of enriching the merchants of the home country. Monopoly was secured by Prohibitive Duties on imports at home, and by numerous restrictions on colonial trade and later on colonial domestic industries. This general system of politico-economic theory is known as Mercantilism, a system of national monopoly, which the Bourgeois Economists, spokesmen of industrial capital, starting with Adam Smith, attacked so vehemently between 1750 and 1830.

Thorold Rogers, writing in 1888, and viewing with hostile eye the first appearing of modern Imperialism in the shape of "raids" on Tonquin and Zanzibar and the partitioning of Madagascar, comments on the likeness between it and the early 17th and 18th century Mercantilism. This exceed-

<sup>1</sup> W. McLaine, *Evolution of Industry*, p. 7.

ingly cute observation has been amply justified during the thirty years since it was made. But whereas the need of merchant capital, invested in trading companies and shipping, was monopoly of trade, and its ideology consequently nationalism, the need of modern industrial capital, invested in iron and steel, is surplus-value and monopoly of labour-power. Hence the latter demands the industrialisation of backward countries and the proletarianisation of native peoples, whereas early colonial expansion did not. That is the distinctive essence of Imperialism.

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