

# THE EMPIRE PROJECT

The Rise and Fall of the  
British World-System, 1830–1970

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# CONTENTS

*List of maps* page ix

*Preface and acknowledgments* xi

Introduction: the project of an Empire 1

**Part I** Towards ‘The Sceptre of the World’: the elements of Empire in the long nineteenth century

**1** Victorian origins 23

**2** The octopus power 64

**3** The commercial republic 112

**4** The Britannic experiment 144

**5** ‘Un-British rule’ in ‘Anglo-India’ 180

**6** The weakest link: Britain in South Africa 217

**7** The Edwardian transition 255

**Part II** ‘The great liner is sinking’: the British world-system in the age of war

**8** The war for Empire, 1914–1919 305

**9** Making imperial peace, 1919–1926 359

**10** Holding the centre, 1927–1937 418

**11** The strategic abyss, 1937–1942 476

**12** The price of survival, 1943–1951 514

**13** The third world power, 1951–1959 566

**14** Reluctant retreat, 1959–1968 610

Conclusion 649

*Notes* 656

*Select bibliography* 789

*Index* 795

## INTRODUCTION: THE PROJECT OF AN EMPIRE

For more than a century after c.1840, the British Empire formed the core of a larger British ‘world-system’ managed from London. This book is a study of the rise, fortunes and fall of that system.

The British world-system was not a structure of global hegemony, holding in thrall the non-Western world. Except in particular places and at particular times, such hegemonic authority eluded all British leaders from Lord Palmerston to Churchill. But the British ‘system’ (a term that contemporaries sometimes made use of) was much more than a ‘formal’ territorial empire, and certainly global in span. It embraced an extraordinary range of constitutional, diplomatic, political, commercial and cultural relationships. It contained colonies of rule (including the huge ‘sub-empire’ of India), settlement colonies (mostly self-governing by the late nineteenth century), protectorates, condominiums (like the Sudan), mandates (after 1920), naval and military fortresses (like Gibraltar and Malta), ‘occupations’ (like Egypt and Cyprus), treaty-ports and ‘concessions’ (Shanghai was the most famous), ‘informal’ colonies of commercial pre-eminence (like Argentina), ‘spheres of interference’ (a useful term coined by Sellars and Yeatman) like Iran, Afghanistan and the Persian Gulf, and (not least) a rebellious province at home. There was no agreed term for this far-flung conglomerate. This may have been why contemporaries sometimes found it convenient to fall back on that protean phrase ‘the *Pax Britannica*’ once it came into use after 1880,<sup>1</sup> as if the ‘British Peace’ formed a geographical zone.

But, if they found it hard to label this web of British connections with any precision, contemporaries grasped nonetheless that it

formed the real source of British world power. In retrospect, we can see that, by the 1840s at latest, the British system was becoming global in three different senses. First, it exerted its presence, commercial or military, in every world region from treaty-port China and the maritime East Indies, through Burma, South Asia, the Persian Gulf, Zanzibar and West Africa, to the Mediterranean, the Caribbean, the River Plate republics, and as far as the Pacific coast of North America, the future 'British' Columbia. Secondly, however clumsy its methods, the point of the system was to promote the integration of these widely separated places: commercially, strategically, politically and – by diffusing British beliefs and ideas – culturally as well. Shared political values, recognisably similar institutions and laws, mutual economic dependence, and common protection against external attack by European rivals or predatory locals, were meant to achieve this for regions and states whether outside or inside the British domain in the constitutional sense. Thirdly, although this aspect was hard to see at the time, the success and survival of British connections depended on something far vaster than the tactics and stratagems of British agents and interests. Economic and political change in Asia, the Qing crisis in China, the geopolitical shape of post-Bonaparte Europe, the unexpected success of the settler republic on the American continent, patterns of consumption, religious renewals and the movements of peoples in migrations and diasporas: all these (and more) opened the way for British expansion, and widened the scope of British connections – but prescribed both their limits and their duration in time. If the British system was global, its fate was a function of the global economy and of shifts in world politics which it might hope to influence but could hardly control.

But was it really a 'system'? There are good grounds for thinking that the British empire of rule, let alone its self-governing or 'informal' outriders, had no logic at all. It looked like the booty of an obsessive collector whose passions had come with a rush and then gone with the wind, to be replaced in their turn by still more transient interests. The result was a pile of possessions whose purpose or meaning was long since forgotten, half-opened packets of quickly waning appeal, and new acquisitions made on the spur of the moment. It was certainly true that by the mid-nineteenth century the West Indian colonies, once the jewel in their crown, seemed to most British observers a troublesome burden, tainted by slavery, ill-governed and impoverished. The small enclaves of rule on the coast of West Africa had an even worse reputation.

London regretted the effort to rule the Southern African interior, and had handed it over to the Boer republics by the mid-1850s. It was also the case that British expansion had no master-plan. It had almost always been true that colonial schemes or their commercial equivalents were devised not by governments but by private enthusiasts in search of wealth, virtue or religious redemption. Sometimes they dragged Whitehall in their wake, to get its protection, secure a monopoly or obtain a licence to rule through a charter or patent. By ‘insider-dealing’ in the political world, they might conscript Whitehall’s resources for their colony-building. Sometimes Whitehall insisted on an imperial claim on its soldiers’ or sailors’ advice, or to appease a popular outcry. But, once entrenched at their beachhead, the ‘men on the spot’ were hard to restrain, awkward to manage and impossible to abandon. The result could be seen from the map. The huge swathes of territory scattered all over the globe, whose defence, so it seemed to some late Victorians, was little short of a nightmare.

This is a useful corrective to paying too much attention to the mood of the ‘policy-makers’, to invoking too often the cool rationality (or constant viewpoint) of the ‘official mind’, or to being over-impressed by the so-called ‘reluctance’ of British imperialism. British expansion was driven not by official designs but by the chaotic pluralism of British interests at home and of their agents and allies abroad. The result (by the mid-nineteenth century) was an empire of beachheads and bridgeheads, half-conquered tracts, half-settled interiors, mission-stations and whaling-stations, barracks and cantonments, treaty-ports on the up (Shanghai was the best) and treaty-ports with no future. Its mid-Victorian critics were appalled by its moral and physical cost, and convinced of its commercial and political futility. However, the argument of this book is that, while imposing a system on this chaotic expansion was beyond the power of the imperial government in London, a system emerged nonetheless.

The characteristic of a system is the inter-dependence of its parts, on each other or with the centre of the system, and, as the system develops, the assumption by each of a specific function or role. In the British case, the most obvious forms of such inter-dependence were naval and military. This was not simply a matter of depending on Britain for strategic defence or for military aid in a localised struggle. British ability to provide naval protection or to send reinforcements to the scene of a conflict would have been very limited without the resources

the imperial system supplied. It was strategic control of the Cape Colony (whose economic value was derisory before 1870) that secured the naval gateway to Asia from European waters. The prime function of Egypt, occupied by the British in 1882, was to preserve British use of the Suez Canal and protect the 'Clapham Junction' of imperial communications. Malta, Aden, Ceylon, Singapore, Hong Kong, Esquimalt (on Vancouver Island), the Falklands and Halifax, Nova Scotia, formed the network of bases from which the Royal Navy patrolled the world's sea-lanes. India played several roles in the British world-system, but perhaps its critical function was to be the main base from which British interests in Asia could be advanced and defended. Indian soldiers and a British garrison paid for by Indian revenues were the 'strategic reserve' of the British system in Asia. Because India played this role, other British possessions and spheres east and south of Suez were largely exempted from the costs of defence – a fact of crucial importance to their economic viability.

Commercially, too, this systemic inter-dependence became more and more striking. Both colonial territories and 'informal' colonies had to compete for investment and credits from London to expand their economies. They had to find and meet an external demand to earn the overseas income to fund their borrowing needs. They had to produce the specialised exports (staples) that would command the best price in London's commodity markets. In return, with the grand exception of the United States (which had received one-fifth of British foreign investment by 1913), British capital was shuttled by the City of London between the various sectors of its commercial empire (a vast global realm among whose key provinces were Canada, Argentina, India, Australia, Southern Africa, China and the Middle East), employing a calculus of prospective return and speculative gain.<sup>2</sup>

Demographically, also, there were strong systemic influences at work. Britain was the reservoir. Although two-thirds of British migrants went to the United States up until 1900, almost all the rest were distributed between the four main settlement zones of Canada, Australia, New Zealand and South Africa. Indeed, their economic development was usually seen as being closely dependent upon drawing labour and skills from the British supply (South Africa was a partial exception to this rule). In British opinion, the value of migration in creating overseas markets, relieving domestic distress and creating 'Arcadias' free from industrialism, turned the emigrant flow into a form of social renewal and the settlement colonies into prospective 'new Britains'. Nor was

‘old’ Britain the only well-spring of migration. Between 1834 and 1937, India exported some 30 million people to other British possessions as indentured labour, and perhaps one-fifth remained as permanent settlers. In the tropical empire (which British migrants avoided) they supplied much of the labour and business expertise to promote commercial expansion.

Lastly, the spheres of British expansion were progressively linked by a complex system of communication. From the 1840s onwards, this was provided by subsidised mail services, telegraph wires, undersea cables, an expanding rail network, fast passenger steamers and (in the twentieth century) imperial air routes. They catered for, and stimulated, the growing volume and frequency of the traffic in news, information, private correspondence, personnel and ideas that flowed between Britain and other parts of the system, as well as between those constituent parts. By the late nineteenth century, it has been persuasively argued, an ‘imperial press system’ had come into being.<sup>3</sup> It supplied London with news as well as buying it back from London-based agencies (a perfect feedback loop), a process accompanied by the circulation of journalists and the diffusion of newspaper practice. The supply of magazines, newspapers and books from Britain was supplemented by a small outward phalanx of teachers, academics and scientific experts. ‘Imperial’ associations sprang up to pool the experience of businessmen, doctors, surveyors, engineers, foresters, agronomists, teachers and journalists. To an extent we are gradually beginning to notice, the return flows of experience, scientific information and academic talent exerted a powerful influence upon elite culture in Britain.

None of this is to argue that the British world-system was closed or exclusive, let alone self-sufficient. The reverse was the case. Its geopolitical equilibrium required quite specific conditions: a ‘passive’ East Asia, a European balance, and a strong but unaggressive United States. If those conditions broke down, the imperial archipelago, strung across the world, would soon start to look fragile. British elites – in Canada, Australasia and India as well as in Britain itself – were well aware of this frailty, and more and more so after 1900. Secondly, the British system was also highly exposed to the global economy that took shape with astonishing speed between 1870 and 1914. Britain’s overseas earnings derived partly at least from carrying and financing the trade of third parties, brokered through London. The circuit of payments that allowed the huge growth of trade within the British world-system was



multilateral in scope.<sup>4</sup> India's deficit with Britain was met by the proceeds of its exports to Europe and the United States. Canada paid its American deficit from its surplus with Britain. One-third of British trade was with European markets and suppliers. Although there was room for debate about what level of protection (if any) would secure the best terms of trade for Britain and its system against the rest of the world, an open global economy not a set of 'mercantilist' blocs seemed the economic corollary of the British system's survival for most of the century after 1840. Thirdly, while the British system promoted certain cultural affinities (most strongly between its English-speaking communities) and proclaimed a liberal ideology (in practice applied by authoritarian means in India and elsewhere in the tropical empire), it was not a closed cultural world. Its external borders were easily permeable, and open to influences from America, Europe and Russia (after 1917), from the intellectual heartlands of the Islamic world, and even from China and Japan (whose revolt against the West was much admired by Gandhi). Internally, too, 'British' culture coexisted uneasily with indigenous cultures and those of non-British settlers. By the late nineteenth century, it faced strong cultural movements in India, forms of cultural nationalism in French Canada, Ireland and among the Cape Afrikaners, and was feebly equipped to attempt a cultural 'mission' among its new African subjects. The angry assertiveness of some British cultural 'messengers' and their periodic fits of despondency reflected not their calm superiority (as is sometimes assumed) but a mood often closer to a siege mentality.

A history of the British world-system must take account of these facts. First, British *possessions* (coloured red on the map) may loom large in the story, but only as parts of the larger conglomerate. Secondly, while the political, economic and cultural history of different colonial (and semi-colonial) territories can be studied up to a point as a local affair, the links between them and other parts of the system exerted a critical if variable influence on their politics, economics and culture. The limits of British concession to Indian nationalism would be inexplicable without the fact of India's contribution to 'imperial defence', just as the goals of the pre-1914 Congress make little sense except as a claim to be treated on terms of equality with the 'white dominions' of the 'British world'. Canada's extraordinary commitment of men in two world wars – the greatest traumas of its twentieth-century history – derived fundamentally from a sense of its shared identity as

a 'British nation'. The survival of Afrikanerdom in South Africa – the central fact of *its* twentieth-century history – was the prize for success in fighting the British to a virtual stalemate in 1899–1902, exploiting their fear (as Smuts had foreseen) that keeping their army too long on the veld would endanger too many vital interests elsewhere. Only the parochialism of most British historians has veiled the pervasive effects of Britain's external connections on its institutions and outlook: the huge migrant flows, the vast overseas wealth, the 'imperial' monarchy, the cultural confidence bred by the sense of enduring 'centrality' in a globalised world. Thirdly, 'British connections' were dynamic not static. Their strength and solidity at any particular time were powerfully (perhaps decisively) shaped by the play of economic and geopolitical forces at the global not just imperial level.

But how to write such a history? It plainly cannot be done as a series of parallel histories of regions and colonies, whose distinctive development and ultimate separation form the *Leitmotif* of their story. This is the 'nationalist' historiography in which 'British connection' is an alien force, and a barrier to nationhood with all that it promised. In 'national' histories, links forged by migrations and the flows of goods and ideas retreat to the margins, or form the static backdrop to the national 'project'. But nor can it be done as a grandiose study in 'imperial policy', as if decisions taken in Whitehall, and the thinking behind them, were the dominant force in the fate of the system. Quite apart from the limits to imperial authority imposed by local conditions and external pressures, the 'policy-makers' rarely had a free rein to decide what British (or imperial) interests were, let alone how to preserve them. Least of all will it help to fall back upon a crude stereotyping of conflicting 'imaginaries', in which 'British' conceptions of mastery are contrasted with the values of their indigenous subjects. Although their widely different assumptions about race, gender and class shaped the British connection with almost every part of the world, there was no single pattern of 'hegemonic' assertion and local response. British opinions were not monolithic (since Britain was a complex and pluralistic society) and changed over time. The same could be said of almost every society into which British influence was inserted. Most important of all, discerning the impact of 'imaginings', 'representations' or 'colonial knowledge' requires something more than a sampling of texts: the careful reconstruction of economic and political contexts must be the starting point of enquiry.

Even a book as lengthy as this one could not hope to do justice to the multiple threads that bound different places to Britain and to other parts of its system. Instead, its main focus is upon what might be called ‘imperial politics’: the almost continual debate over the terms of association by which the various member states (including Britain itself) were bound to the British system. This was not simply the question of whether some form of independence was preferable – for most of the time, this was hardly practical politics. It was more often a matter of the limits of local autonomy; of how far British values (especially representative government) were being respected in practice (a key issue in India); of what place in the system colonial states should aspire to; how much influence they should wield over the general direction of policy (especially in matters of external defence); and whether the benefits and burdens of empire were being shared fairly between them. Politicians in states like Argentina or Egypt, without formal ties to the Empire, but with no means of escape from the British embrace, faced much the same issues. So in their own way did political leaders in Britain, which, together with India, met the main costs of imperial defence. Of course, this debate was not only conducted between organs of colonial and British opinion, or between colonial spokesmen and imperial officialdom. It divided parties and factions in each member territory where religion, ethnicity and regional interests, as well as private ambition, helped determine the outcome.

The theme of this book, then, is the continuous interplay of two sorts of tensions. The first was internal: the chronic disagreements over how the British system should work, usually expressed as political conflict over the connection with Britain or ‘British connection’. The second was external. The meaning of ‘British connection’ – its prestige and appeal, its perceived costs and benefits – was pulled this way and that by the ‘exogenous’ forces of the global environment. The unpredictable shifts in the shape of world politics; geopolitical change and the rise of new powers; boom, bubble and bust in the global economy; the unforeseen impact of ideological movements and their contagious appeal: their collective effect was to create an ‘external’ arena of extraordinary turbulence before 1900, and of volcano-like chaos in the twentieth century. On their rollercoaster ride through modern world history, the most powerful units of the British world system were at times flung together by centripetal attraction, at times sucked apart as if about to spin off into separate trajectories. We know of course that,

in the great crisis of empire in 1940–2, the system all but broke up and never fully recovered. But, up until then, it had seemed axiomatic that, in one form or another, with more local freedom or less, the bond of empire would hold and the system endure.

What then were the system's most powerful components whose adhesion mattered most to its chance of survival? The most important by far was the imperial centre: the British Isles, yoked together for most of the period in a British 'Union' or by the 'dominion' relationship with Southern Ireland between 1921 and 1948. This composite 'Britain' (more often called 'England' after its dominant element) supplied much of the energy that the system demanded. Its huge financial resources, vast manufacturing output and enormous coal reserves (its so-called 'Black Indies' of a thousand coalfields)<sup>5</sup> made Britain a commercial and industrial titan, whose principal rivals, the United States and Germany, engaged much less in trade or traded mainly with Europe. Even by the late 1880s, Britain disposed of more (steam) horsepower per head than any other state, including the United States.<sup>6</sup> Its large surplus of manpower (the product of birth-rate and prevailing social conditions) fuelled Britain's 'demographic imperialism', the human capacity to stock the settlement colonies and maintain their British complexion, despite a much larger migrant stream to the United States. Britain was also at all times a great power in Europe, and able to use its leverage there as part of the general defence of its interests worldwide. The great strategic bonus of this European role, until the inter-war years, was that the main source of its power in European politics, the world's largest deep-sea navy, could also be used to uphold the oceanic supremacy first grasped at Trafalgar in 1805. Britain also possessed a set of cultural assets whose value is harder to quantify but is of crucial importance. In their institutional form, these were the clubs and societies, associations and leagues, patrons, sponsors and churches (as well as government agencies) through whom information and knowledge of the world beyond Europe was collected, collated, digested and diffused to the public at large or to a more privileged few. Not the least of the attributes that Britain contributed to the overall strength of its system was as a great cultural entrepot.

In the world east of Suez, the indispensable element in British world power was India. Imperial India was more than the countries of modern 'South Asia'. It was 'Greater India': a 'sub-empire' ruled from Calcutta (and Simla), extending from Aden to Burma, and with its own

sphere of influence in the Persian Gulf, Southwest Iran, Afghanistan and (for some of the time) Tibet. 'Greater India' might even include coastal East Africa, whose metropole was Bombay until the late nineteenth century, and the 'Straits Settlements' of the Malayan peninsula, ruled from Calcutta into the late 1860s. The agrarian revenues of the Indian 'heartland' paid for a British-officered Indian army and after 1860 for a large British garrison, between a third and a half of Britain's regular army. Of the peace-time strength of the British and Indian armies – together almost the whole regular land force of the British world-system – the Indian taxpayer paid for nearly two-thirds. India's internal market, pegged open by rule, and its return on investment, underwritten by government, was a major contributor to British employment (India was the largest market for Britain's principal export) and to Britain's balance of payments. India's ports and railways (the largest network outside the West), its merchants, migrants and labourers, its British-owned banks and agency-houses, and its strategic position on the marine trunk road to East Asia, made up the engine of Anglo-Indian expansion, an enterprise under both British and Indian management. By the late nineteenth century, it was hard to imagine how this intricate fusion of British and Indian interests could be prised apart without disaster for both.

The third great component of the British world-system was not territorial. It might almost be thought of as a 'virtual India': a vast abstract realm of assets and interests. This was the hinterland of the City of London, a 'commercial republic' bound together by self-interest not rule, but containing within it a fast-growing 'empire' of British-owned property. The jewel in the crown of this empire of commerce was the deep-sea merchant marine, much of it serving non-British customers, but earning a huge income remitted to its owners at home. It was closely paralleled by British-owned railways: like the Great Indian Peninsular and the East Indian Railway, the Canadian Pacific Railway, the Great Southern Railway in Argentina, or the humbler 'Simon Bolivar' in Northern Venezuela. Banks and insurance companies, shipping agents and packers, and a mass of installations including utilities, harbour-works, telegraph companies (like the globe-spanning 'Great Eastern'), plantations, mines, and concessions for oil, also helped to ensure that the profits Britain drew from the growth of world trade were second to none. By the 1890s, the income that was drawn from these overseas assets and the invisible income from shipping and services was

equivalent to between 70 and 80 per cent of the earnings from Britain's domestic (merchandise) exports (in 1960, by contrast, Britain's net invisible income was much less than one-twentieth of the earnings from exports). They more than covered the payment gap between British exports and imports (the remotest of dreams in 1960) protected the value of sterling, and built up the 'war-chest' of overseas assets on which British governments drew deeply in both world wars.

The fourth component was the 'awkward squad' of self-governing settlement colonies, called 'dominions' after 1907, or, colloquially, 'the white dominions'. It was a disparate group that comprised Canada, Australia, New Zealand and South Africa (after union in 1910), Newfoundland (whose bankruptcy brought rule by a British commission from 1933 until 1949, when it became a province of Canada), the Irish Free State (from 1921 until 1948 when it became a republic and left the Commonwealth) and Southern Rhodesia (which, after 1923, enjoyed dominion-like status, but without full self-government). To the French Canadian minority, the Afrikaner majority among South African whites, and, in the Irish Free State, loyalty to the 'British connection', was at best conditional, at worst non-existent. But, among the ethnic British majorities in Canada, Australia, New Zealand and Newfoundland, and the large 'English' minority among South African whites, a sense of shared British identity (to be sharply distinguished from any subservience to Britain) was deeply ingrained. Dominion politicians declared over and over again that Canada, Australia, New Zealand and Newfoundland were 'British countries', or 'British nations'. To them and their constituents (since this was a popular not an elite point of view), the 'Empire' was not an alien overlord, but a joint enterprise in which they were, or claimed to be, partners. It was not so much England as the Empire for which they were fighting, said Milner in 1917.<sup>7</sup> Its interests were – or ought to be – theirs. The Whitehall officials who dealt with these 'colonial' leaders found them prickly and unyielding, and took their revenge in disparaging minutes. In fact, the dominions were a critical element in British world power. The remarkable loyalty of the 'overseas British' and their economic efficiency made them the most reliable overseas part of the whole British world-system, contributing a million men for military service in the First World War (as many as India), and more in the Second, as well as (from Canada especially) vital industrial and financial resources.

British world power, to put the matter more starkly, required the cooperation of each of these elements and the resources they offered – material and psychological. When they fell away, collapsed or seceded (as largely happened between 1940 and 1947), that world power soon ended. Three further points, however, need to be made. The first is that those long-favoured categories of ‘imperialism’ and ‘nationalism’ as the binary opposites of imperial history are of limited value in making sense of this story. In much of their overseas system, the British could make little use (even if they wanted to) of coercive methods or authoritarian rule. Among those British ‘imperialists’ for whom ‘closer union’ with the settlement colonies was the greatest priority, sharing London’s command of foreign affairs and defence through a federal system was the favoured solution. Secondly, although ‘nationalist’ histories make much of resistance, and eagerly trace the genealogy of independence movements back to the earliest phases of colonial rule, most of those who were politically active in colonial societies were far more ambivalent. For some, foreign rule had been a political and cultural bonanza, displacing the power of groups they disliked more. Thus many Bengali Hindus felt liberated from the Muslim regime that Clive had defeated. For others, nationalist activity was primarily ‘tactical’ – to obtain specific concessions – not ‘strategic’ – to forge a separate sovereign state. Nor is this surprising. For the third point to make is that, until very late in the day (the early 1940s is the likeliest time), it seemed wisest to assume that British world power would remain exceptionally formidable, that escape from its orbit would be exceptionally difficult, and that, in a world of predatory powers, the imperial frying-pan was not the worst place to be. It was much more realistic to seek the widest autonomy that the British system had to offer than to strive for the grail of an unimaginable sovereignty. With the exception of Jawaharlal Nehru, who dreamt of a Marxist millennium, and of Subhas Chandra Bose, the Indian nationalist leadership of the 1920s and 1930s showed an indifference to the international scene that seems amazing in retrospect.



What difference does it make to the history of British imperialism if we approach it in the way that has just been sketched out? The argument

here is that we can take a more realistic view of Britain's imperial power if we keep its main elements in a single field of action. That might also lead us towards somewhat different conclusions on at least five aspects of the imperial past.

First, it might allow us to see more clearly than before that Britain's place in the world was not simply a consequence of Britain's 'own' power and its ability to impose it wholesale on the rest of the globe. Instead, the key to British power lay in combining the strength of its overseas components with that of the imperial centre, and managing them – not commanding them – through the various linkages of 'imperial politics': some persuasive, some coercive, some official, some unofficial. Stripped of those assets that lay outside the direct control of the administrators in Whitehall, British power in the world would have been feeble indeed. The rest depended upon the willingness of political and business elites in different parts of the world to acknowledge the benefits that membership of the British system conferred, and concede – sometimes grudgingly – that its various costs were worthwhile. Of course, that willingness was bound to depend upon the general equilibrium of the whole British system, and Britain's ability to meet its large share of the overall burden.

Secondly, adopting this view allows us to form a clearer impression of the actual trajectory of British world power, both its rise and its decline. In one school of thought, British world power performed a long diminuendo from its brief mid-Victorian triumph.<sup>8</sup> In another, the Edwardian era saw the last fading chance to stave off decline, but one thrown away by the weakness or blindness of the 'weary Titan's' own political leaders.<sup>9</sup> A third proclaims that British power reached its apogee in the inter-war years.<sup>10</sup> A fourth was that the gradual decline of those years was briefly reversed in the Second World War before a final sudden descent.<sup>11</sup> A fifth was that the British clung on by hook or by crook until the final surrender of their 'role' east of Suez in the late 1960s. Each case has its merits. But, if we ask when each part of the British system could contribute the most to its overall power, it seems clear that neither the 'white dominions' nor the mercantile and property empire over which the City presided counted for much before the later nineteenth century, and that the contribution of India, in economic and military terms, also rose in that period. By the inter-war years, in a much harsher environment, there were clear signs of strain, alleviated in part by the weakness of Britain's main rivals until very late in the



day. But the real turning point came with the strategic catastrophe of 1940–2. Britain's drastic defeat as a European power, the forced liquidation of the most valuable parts of its property empire, the lapse of its claim to the (more or less) unconditional loyalty of the overseas dominions, and the irrecoverable offer of independence to India to meet the desperate emergency of 1942, marked the practical end of the British system created in the mid-nineteenth century. That empire that hung on after 1945 was built from different (and much more fragile) materials. It relied far more than before upon the efforts of Britain itself, not least the diverting of so much of its manpower into a conscript army and the arduous struggle to earn more from merchandise exports than ever before. It also imposed new burdens on the least-developed parts of the pre-war system. Above all, it depended upon the goodwill and assistance of a far stronger world power, less and less willing to concede even the shadow of parity to its debilitated partner.

Thirdly, a 'systemic' view of British imperialism places Britain itself in a different perspective. It serves to remind us that Britain's attachment to empire should not be taken for granted, and that taking part in the system had variable costs and benefits for different sections of British society. It points up the fact that the overseas elements of British world power were quite different in kind and required quite different types of 'British connection'. To assume that the British at home treated their property empire, the settler societies of the white dominions, and their 'Indian empire', as a single set of possessions, or applied in each case a uniform imperial ideology, would be a basic (but all too common) mistake. For one thing, these different components had built up informal alliances inside British society whose outlook and influence varied considerably. For another, the British interests at play were themselves markedly different. For example, the large fragment of British society with friends or relations in the great emigrant flow to Canada after 1900 had little in common with the narrow elite that championed the interests of the 'Civilian Raj', or with the shareholders and bondholders who had tied up their fortunes with Argentine railways or funds in Peru.

Viewed in this light, it is hard to see how the sometimes furious debate about whether (and how far) Britain itself was 'imperialised' can be settled one way or the other. On the part of some writers, huge claims have been made about the implanting at home of racial, social and sexual values derived from imperial domination abroad. The speculative

(not to say intuitive) basis for a good deal of this writing,<sup>12</sup> its flimsy dependence upon a handful of texts, and the methodological error of abstracting fragments of evidence from their broader cultural context, have rightly been criticised – recently and trenchantly in Bernard Porter’s *The Absent-Minded Imperialists*,<sup>13</sup> which insisted that enthusiasm for imperial *rule* was confined to a limited section of the upper classes. But it is equally true that, if we define empire more broadly (to include self-governing colonies and zones of economic preponderance), a much wider constituency saw Britain’s fate as tied up with its overseas interests and assumed, for example, the unchallengeable right of British migrants abroad to seize and fill up the lands of indigenous peoples. How far these different conceptions and connections of empire helped to ‘constitute’ British society is indeed a moot point. It can hardly be doubted that the sense of being part of a larger political world extending far beyond Britain was very widely diffused. Only the most obtuse of newspaper readers (perhaps three million adults by 1830)<sup>14</sup> could have failed to notice that external events often intruded upon their domestic activities. Entrenched vested interests, often commanding a loud public voice, could play upon this awareness of a ‘greater’ Britain on whose power and prestige ‘little’ England depended. But they could not assume a broad public sympathy for all types of empire and on every occasion. Nor of course did the ‘imperial interest’ speak with one voice or express a single concern. If Britain was ‘constituted’ by its empire we should have to consider how far its ‘constitution’ was shaped by flows of migration (and their return), a sense of pan-British identity, the appeal of free trade (as a source of cheap overseas food), and the claims of evangelical Christianity on the conscience and purse of domestic society, as well as by the vicarious pleasures of lording over ‘lesser breeds without the law’. On those grounds alone, the fashionable notion that the least attractive aspects of modern British culture can be traced directly to its unsavoury imperial past, should only appeal to those who like their history kept simple.

Fourthly, while the importance of India and of the ‘empire of commerce’ are a familiar theme in almost all modern accounts of British world power, the place of the white dominions has been all but ignored by two generations of imperial historiography.<sup>15</sup> At best, the overseas British have appeared in the guise of ‘pre-fabricated collaborators’, copying the habits and consuming the products of the industrial Britain in whose mould they were formed.<sup>16</sup> In a characteristically witty aside,

the most brilliant historian of modern British imperialism dismissed Anglo-dominion relations as a question of ‘treaties about halibut’.<sup>17</sup> Revision is long overdue. The dominions cannot be fitted into the Procrustean bed of ‘imperial collaboration’. Nor can their contribution to British world power be treated as less important than India’s. In four dominions out of five (including Newfoundland), commitment to the British cause in 1914 was a matter not of elite calculation but of popular will. And, unlike the rest of the empire, the dominions were willing and able to sustain a large-scale war effort in manpower and materiel during the system’s great crisis, and to do so moreover at their own expense. It was the will and the means to identify their interests with those of Britain, and at huge physical cost, that made the dominions so special. It was only once Britain could no longer make good its claim on their loyalty, or had signalled a new orientation towards Europe,<sup>18</sup> that their attachment began to corrode.

Finally, by thinking in terms of a British system of world power, not of a bundle of territories superintended from London, we can make some better sense of the final strange phase of British imperialism: the zigzags and u-turns after the Second World War. As we have seen, with the loss of so many overseas assets, the independence of India, the dominions’ strategic dependence upon the United States, the eclipse of Britain itself as a great naval power, and its renewed vulnerability to external attack, the pre-war British system had almost completely collapsed. Yet there was also the need, and (as it seemed) the scope, to construct a new one, to restore British security and British prosperity. This was why the British pressed into service colonial regions that had previously been of only marginal value in tropical Africa, tropical Asia and the Middle East. The Middle East was a special case. The British had been drawn deeper and deeper into this crossroads sub-continent with its layer upon layer of cultures, religions and peoples. They had rushed in to protect their short sea route to India through the Suez Canal and occupied Egypt in 1882. They fought an arduous war after 1914 to protect the approaches to Egypt and the Persian Gulf against Germany’s Ottoman ally. In the year of imperial crisis in 1918 – a 1940 that might have been – they extended their reach as far north as the Caspian to pre-empt a German advance from the broken empire of Russia. In the inter-war years, they clung to much of their takings. After 1945, in far gloomier conditions, they had a powerful motive to hang on regardless. Now the Middle East was a base from which to defend

Britain itself against the daunting threat from the east. But the costs and risks of it all, like the costs and risks of ruling the tropical colonies much more intensely, fell entirely on Britain. The balance of safety became agonisingly narrow. A forward move by a rival great power (hostile or friendly), a show of resistance by local nationalist leaders, an open quarrel with an indispensable ally, a spasm of weakness in an overstrained economy: each was enough to produce symptoms of crisis. Fifteen years after the Second World War, the effort to build a new British world-system had come to little or nothing. By 1960, it was only a question of how to preserve as much influence as possible in a superpower world.



But why begin the history of Britain's world-system in the 1830s and 1840s? After all, Adam Smith, from whose sceptical phrase this book takes its main title, saw the discovery of America and the rounding of the Cape as decisive moments in the history of the world. By the 1770s, when *The Wealth of Nations* was published, the British had won a great North American empire, and were in the process of seizing a second vast empire on the Indian sub-continent. If they had lost much of the first by the mid-1780s, they had certainly gained a good deal of the second. Between 1783 and 1815, they added much more to this haul: Eastern Australia (annexed in 1788); the Cape Colony (taken for good in 1806); Trinidad and Mauritius; Penang (in modern Malaysia); and Malta and the Ionian islands in the Mediterranean. They ejected the French from Syria and Egypt; sent their (Indian) navy into the Persian Gulf; and made an abortive attempt to 'liberate' Buenos Aires from Spanish imperial rule. By 1818, with the final defeat of the Maratha confederacy, their East India Company was the dominant power in South Asia. If the exertion of military power all over the globe is the test of world power, a strong case can be made for this earlier period.<sup>19</sup>

Nor was Britain itself without obvious signs of embracing this imperial and global role. The attempt to reassert British authority over the American colonies had evoked very mixed feelings in opinion at home, while the 'oriental' corruption of the 'nabobs' in India aroused the resentment on which Burke sought to play in the impeachment of Hastings. Adam Smith's famous tract denounced the 'mercantilist'

equation between political empire and commercial expansion. But, with the onset of world war in the 1790s, the huge mobilisation of manpower and money for the struggle with France, the vast scope of the conflict – in every continent – swept away any doubt that Britain's survival required a military effort over much of the globe. The old empire of settlement (of which only a rump remained) paled in comparison with the new empire of conquest. What was taken by military force would have to be kept by arbitrary power. The untrammelled authority of British officials, not local self-government by elected politicians, became the constitutional rule.

Of course, this 'empire of authority' of which the great symbol was India remained a key element in British world power almost until its demise. But it would be wrong to see it as the dominant or even representative element. In a longer view, the militarist ethos of 1790–1815 was a transient phase: it soon came under domestic attack once peace and depression set in. The following decades saw the steady restriction of governors' powers except in the poorest or most vulnerable outposts. The 1790s to the 1820s was an age of crisis and strain. It was less the classical era of British world power than its turbulent pre-history, when prevailing conditions remained very uncertain. In the 1830s and 1840s, by contrast, most of the favourable conditions had begun to converge for the growth of the loose decentralised construct that sustained British world power into the 1940s.

The first and most fundamental was the new balance of power and wealth across Eurasia. China's defeat in the first opium war (1839–42), however partial, signalled that East Asia would be a passive actor in world politics for the foreseeable future. The implications were massive. Peking had lost by default the chance to invoke great power diplomacy to restrain its unwelcome new sea-borne neighbour. British interests could press forward in maritime East Asia against only local resistance. The value of India as the base from which to project British power in the East had been strikingly vindicated. At almost the same time, the prolonged 'Eastern crisis' of 1830–41 confirmed the fragility of the Ottoman and Iranian empires, and the wide new scope for British trade and diplomacy in Egypt and the Middle East. The Eastern crisis was also a critical test of the post-Napoleonic order in Europe. What it revealed was not the existence of British hegemony (that luxuriant myth of current historiography) but a pattern of European politics which, while not free from conflict, disfavoured both a grand coalition against Britain

(a constant threat between 1778 and 1814) and recourse to a general war. Although their European diplomacy was intermittently stressful, the British were able to distribute their military power across the globe (and lock up much of their army in India after 1860) on the cheerful assumption that domestic invasion was at worst a remote possibility. In the Americas, too, the geopolitical climate after 1830 was much more propitious. The new Latin American states were now fully detached from their old masters in Europe, and thrown open (in theory at least) to British influence and trade. With the anglo-settler republic in North America, relations were more fractious. But the headlong expansion of the 'slave south' (the main source of Lancashire cotton) and the commercial Northeast (with its close ties to London and Liverpool) had created a sufficient degree of mutual dependence to avert renewal of the frontier and maritime warfare of 1812–14, despite the prolonged crisis in Canada and the territorial disputes in Maine and Oregon. An American war, as the British well knew, would have been a strategic catastrophe with global effects.

The other conditions can be listed more briefly. The scale of Britain's industrialisation after 1830 was critical (a simple index of this is the production of pig iron: 1796: 125,000 tons; 1830: 677,000 tons; 1860: 3.8 million tons<sup>20</sup>). Pre-industrial empires required an abundance of coercive force to suppress rebellion and repel external attack. Even close commercial and cultural ties were no guarantee of colonial loyalty, as the Thirteen Colonies had shown. Industrialism changed the context and equation of imperial power. It increased the dependence of 'colonial' economies, and encouraged their development in every world region. It facilitated the global projection of military power far beyond the old limits of wind-powered warships, and greatly cheapened its use once telegraph, steamship and railway could shuttle information and manpower swiftly across vast distances. It turned the demographic imperialism of settler societies from a slow laborious advance into a *Blitzkrieg* invasion, swamping local resistance and transforming faraway natural environments into 'neo-Europes' and 'new Britains'. It hugely reinforced the cultural prestige of the imperial rulers, and (through the new technologies of communication) increased the volume and intensity of their cultural impact. Industrialisation was also closely connected with two other pre-conditions for the growth of Britain's world-system: the great British out-migration and the export of capital. Not until the 1830s and 1840s did the annual trickle of migrants begin

to swell into the flood that helped build a 'British world'. Not till the 1850s and 1860s were the funds coming to hand to build the City's great property empire abroad. In short, without the geopolitical and 'geo-economic' conditions which Britain was peculiarly well placed to exploit, but which had scarcely developed before 1830, British expansion would indeed have remained 'not an empire, but the project of an empire; not a gold mine, but the project of a gold mine'. Without them, the only safe course for Britain would have been, in Adam Smith's words, 'to accommodate her future views and designs to the real mediocrity of her circumstances'.<sup>21</sup>



In the story that follows, Part I attempts to describe how a British system emerged in the long 'Victorian peace' (a relative term to Zulus, Ashanti, Sudanese, Ethiopians, Egyptians, Aborigines, Maori, Indians, Burmese, Chinese and others) up to 1914. Part II traces its fate in the 'age of iron' that followed.