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

II.—The Class War of Merchant Capital

WE have seen that it was the accumulation of wealth in the hands of the burghers of the towns which produced the overseas expansion of the 17th century. A new class had arisen —the merchant class—whose interests lay in trade, and who in order to gain profit demanded monopoly of markets. Thus arose the theoretical system called Mercantilism, which had as its object the creation of a National Monopoly, in the colonies for home products, at home for colonial products (which were not, however, allowed to compete with goods produced at home).

This Mercantilist period may be divided into four divisions :—

(I.)—1497-1625. *Beginnings—Voyages of discovery—Buccaneering and treasure-hunting—Early colonisation by merchant companies.*[1]

(II.)—1625-1689. *Class war—Struggle of merchant capital for political supremacy.*

(III)—1689-1800. *Mercantilism supreme in the State—Period of Whig predominance in Parliament—Commercial wars—State the instrument of merchant capital.*

(IV.)—1800-1832. *Decline of mercantilism—The Industrial Revolution and the rise of industrial capital—The Whigs become a reactionary influence fettering the rise of the industrial bourgeoisie—Decline of interest in the colonies.*

"I." we have already considered; a consideration of "II." lies before us.

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[1] An excellent historical novel describing this buccaneering period is Kingsley's *Westward Ho!*

Now, the critic of Marxism is apt to object to our thesis that the period when the Stuarts were on the throne saw the class struggle of merchant capital against landed property, the former gaining supremacy by the Revolution of 1689; and to pride himself on having refuted it, when he has pointed out the fact that political power during the 18th century was still in the hands of the landed aristocracy. J. L. and B. Hammond, in their *Village Labourer*, have shown how the Parliamentary franchise, even in the boroughs, was almost entirely in the hands of a few landed proprietors. And Lord Acton wrote: "For the Divine Right of Kings it [the Revolution of 1689] established the Divine Right of Freeholders, and their domination extended for 70 years under the authority of John Locke, the philosopher of government by the gentry." In the matter of Parliamentary representation there might seem to have been, with the decay of the old towns, retrogression and not progress.

But although these facts are true, our statement is nevertheless correct and for this reason:—In England there was no such clear-cut line of distinction between the various classes of property owners as there is to-day between property owners and the proletariat. Many members of the landed aristocracy had come in touch with the new ideas of the towns, and had invested their money in the new commercial enterprises of the merchant class. Thus a cleavage gradually arose among landed proprietors themselves; between those whose sole interest was in land and rent, and those who in addition had interests in commerce. For instance, the incorporators of the Virginia Company in 1612, in addition to 56 city companies and 110 merchants—included 21 peers, 96 knights 28 esquires and 58 gentlemen.

We have already seen that the Tudor monarchs were favourable to the new merchant interests of colonial expansion. Pollard tells us that "the limiting of the county franchise . . . left Parliamentary representation mainly in the hands of the landed gentry and the prosperous commercial classes. . . . A century and a half was to pass before Parliament again met so often or sat so long as it did during the latter half of Henry VIII.'s reign. . . . The interests of the King and of the lay middle classes coincided. . . . In ecclesiastical politics they as well as the King had their grievances against the Church."[1] Engels speaks of a "compromise between the rising middle class and the ex-feudal landowners" and goes on to say:—

> "Fortunately for England the old feudal barons had killed one another off during the Wars of the Roses. Their successors, though mostly scions of the old families, were so much out of the direct line of descent that they constituted quite a new body with habits and tendencies far more bourgeois than feudal. . . . Henry VIII. while squandering the Church lands created fresh bourgeois landlords wholesale. . . . Consequently ever since Henry VII. the English aristocracy, far from counteracting the development of industrial production, had on the contrary sought indirectly to profit thereby; and there had always been a section of the great landowners willing to co-operate with the leading men of the financial and industrial bourgeois."[2]

It was this cleavage in the ranks of the landowners that became the basis of the later political division between the Tory aristocracy and the Whig aristocracy; and this absence of clear-cut distinctions between classes of property owners in England is the reason why progress during the last two centuries has been gradual rather than catastrophic, by com-

[1] Pollard, *Henry VIII.*, pp. 256-257.
[2] Engels, *Historical Materialism*, pp. 12-13.

promise rather than by revolution; and not, as bourgeois writers like Dicey would have us believe, because of the beauties of the British Constitution or the "inherent good sense" of the British people.

The Stuart kings did not so much do less to aid overseas expansion than did the Tudors, but merely less relatively to what the expanding needs of merchant capital required. There were serious disputes between James I. and the Virginia Company over the taxation of Virginia tobacco.

> "The King showed an inclination to favour Spanish tobacco, which, as the Virginian tobacco paid Customs duties, was manifestly both unjust and impolitic. . . . It was in vain that the colony appealed to the English Government that measures should be taken artificially to raise the price. The policy which prevailed was that cost what it might the Royal revenue must be maintained."[1]

Under Charles I. a conflict arose between New England and the Crown; and at one time the Massachusetts Bay colony threatened revolt. Charles' taxation was too unfavourable to merchant interests and led to growing opposition to the Crown. "Unless taxes had been exorbitant Charles I. would never have been put to death; the extortions of the Exchequer under Charles II. added to the unpopularity of the Stuarts, and it was the exactions of James II. . . . that hastened the Revolution of 1688."[2] In addition it appears that "the inefficiency of the admiralty arrangements under Charles I. disgusted the trading classes and directly prepared the way for the fall of the Monarchy."[3]

On the other hand, many leaders of the Long Parliament were closely associated with colonial expansion[4]; the Parliamentary party in the Civil War drew its support largely from the towns, especially commercial London, and from the small yeomanry farmers (e.g., Cromwell's Ironsides), and we find "the victorious Parliamentary Party embarking on a spirited colonial policy."[5]

Cromwell did much for merchant capital in aiding colonial and trade expansion. Egerton calls him "a great imperial ruler, perhaps the only Englishman who has ever understood in its full sense the word Empire; the leader who made England for the first time and the last at once the greatest naval and military Power in Europe."[6] As far back as 1628 the Mercantilist writer, Thomas Mun, had shocked established ideas by pointing out that no longer the Spaniards but the Dutch were our commercial rivals, and hence in the eyes of merchant capital our national enemies. Cromwell fully realised this; and his Navigation Act of 1651 "finally ruined Dutch trade and made our growing empire a single commercial organisation."[7] It provided that goods could only be imported into Great Britain by ships of the producing country or by English ships. Likewise, colonial trade was monopolised to English ships. This hit the Dutch carrying trade. In 1655 Cromwell's fleet captured Jamaica, an event which "began that long process by which the State, following in armed strength the progress of its merchants to every corner of the globe, enlarged itself into a world-wide empire."[8]

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[1] Egerton, *Short Hist. of Brit. Colonial Policy*, p. 34.
[2] Buxton, *Finance and Politics*, p. viii.
[3] Cunningham, *Growth of Eng. Ind. and Commerce*, p. 14.
[4] Egerton, *loc. cit.*, p. 59.
[5] Egerton, *loc. cit.*, p. 59.
[6] Egerton, *loc. cit.*, p. 64.
[7] Jose, *Growth of the Empire*, p. 46.
[8] Jose, *loc. cit.*, p. 39. This was interrupted between the Restoration and the Revolution of 1689. Empire is used here rather loosely.

But Cromwell's dictatorship in the interests of merchant capital was distasteful to the landed aristocracy, even to those with interests in commerce. Charles II. profited by the lesson of his father's execution, and tried to secure his position by conciliating the interests of both forms of property. He conciliated merchant capital by renewing the Navigation Act in 1660. He conciliated the small country gentry by abolishing certain remnants of feudal restrictions which had borne heavily upon them, and by restoring to their original owners estates confiscated by Cromwell or sold under pressure of taxation.

> "Those, who had invested their money in public lands became permanently alienated from the new Government. . . . The permanent feud between the Royalists who had sold their lands and the Roundheads who had bought them embittered English politics for the next generation and underlay the later animosities of Whig and Tory."[1]

James II., however, was less wise than his brother Charles. He refused to "toe the line" to merchant interests and tried to assert his authority against that of Parliament, which merchant capital made its political instrument. He showed favour to France, who was becoming our commercial rival in the colonies. The commercial interests, therefore, intrigued with William of Orange and brought about the Whig Revolution of 1689. Engels speaks of "the compromise of 1689":—

> "The political spoils of 'pelf and place,'" he says, "were left to the great land-owning families, provided the economic interests of the financial, manufacturing and commercial middle class were sufficiently attended to. And these economic interests were at that time powerful enough to determine the general policy of the nation."[2]

Nearly the whole of the representation in Parliament was in the hands of the landed aristocracy still. But a section of the aristocracy in addition to owning land had money invested in merchant capital, and so had interests in commercial expansion as well. These formed the backbone of the Whig Party.

In France, also, we see this same class struggle going on; but there the class cleavage appears to have been rather more distinct, and it was complicated by the power of a third class—the clergy, based on Church property in land. It was largely because in England merchant capital was supreme over the State and framed national policy in its own interests, while in France it was not, that in the wars of the 18th century French colonies one after the other were lost to England, and England came out "on top."

In England for a time after 1689 there was a compromise between Whigs and Tories. But soon the Whigs gained the supremacy in Parliament, in 1714 by a conspiracy secured the royal succession to the House of Hanover in their favour, and "the accession of the House of Hanover marks the rise of commerce to power in the political world."[3] With Walpole merchant capital found its first Prime Minister. Throughout the 18th century merchant capital was in possession of political power; and we see the whole power of the State being used to further the interests of merchant capital by energetically aiding colonial and trade expansion. The 18th century shows the supremacy of Mercantilism.

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[1] *Cambridge Modern History*, Vol. V., p. 95.
[2] Engels, *Historical Materialism*, p. 13.
[3] Jose, *Growth of the Empire*, p. 70.