

EDITED BY DAVID THACKERAY,
ANDREW THOMPSON, AND RICHARD TOYE

IMAGINING BRITAIN'S ECONOMIC FUTURE, C.1800–1975

TRADE, CONSUMERISM,
AND GLOBAL MARKETS



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David Thackeray • Andrew Thompson
Richard Toye
Editors

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Imagining Britain's Economic Future, c.1800–1975: Trade, Consumerism, and Global Markets

David Thackeray, Andrew Thompson, and Richard Toye

This book considers how Britain has imagined its economic role in the wider world and how British ideas have influenced global debates about market relationships between the start of the nineteenth century and the UK's first European referendum. In doing so, the authors explore the interplay between the high political thought of theorists, the activities of officials and businessmen, and the everyday experience of the wider public.¹ As the social scientist Craig Calhoun notes: 'Markets do not precisely coalesce into a single global totality. They link imperfectly and incompletely. We need to see global markets as relationships among people, places and institutions'.² Whereas studies of Britain's relations with its key 'imagined markets' usually focus on discrete regions such as Europe or the Empire/Commonwealth, we consider how these relationships have intersected historically, paying attention to the role of foreign actors as well as British ones in shaping debates about the UK's economic future.

Britain is recognised as a key player in the establishment of the global market system in the nineteenth and twentieth centuries.³ London's

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pre-eminence as the world's financial centre was not seriously challenged until the First World War.⁴ Moreover, Britain played a key role in establishing global communications networks through the activities of railway builders, news agencies, cable companies, and steamboat combines.⁵ As Gary Magee and Andrew Thompson argue, the development of the British Empire stimulated 'the first wave of modern globalisation' from the mid-nineteenth century up to 1914. The circulation of information about markets encouraged people to see the British settler colonies as especially attractive countries to invest in and migrate to, given they were perceived to share cultural norms and values with the UK. As this work demonstrates, culturally based ideas of 'trust' and knowledge underpinned these trade decisions.⁶ And yet, as Peter Cain has recently noted, much still needs to be done to understand the 'economic imagination' of those who promoted British trade networks.⁷

The economist Joseph Schumpeter put the concept of imagination at the heart of the entrepreneurial process. It was this quality which, above all, businesspeople required if they were to succeed: 'the capacity of seeing things in a way which proves afterwards to be true, even though it cannot be established [as such] at the time'.⁸ Of course, Schumpeter was writing long before Benedict Anderson conceptualised nations as 'imagined communities'.⁹ Yet he saw that economies are, in a sense, imaginative constructs—making calculations about and placing faith in the future and its possibilities are key qualities of investors and entrepreneurs. Although somewhat neglected in mainstream economics literature, Schumpeter's insight has found a strong echo in the modern discipline of marketing.¹⁰

Schumpeter's work on the entrepreneurial imagination was also an important influence in the development of Ronald Robinson and John Gallagher's concept of the 'official mind', which they saw as the key driving force behind British imperial expansion in the nineteenth century.¹¹ As they noted in the seminal *Africa and the Victorians*, London policy-makers 'were usually dealing with countries they had never seen, with questions apprehended intellectually from reports and recommendations on paper ... it was the idea and analysis of African situations in Whitehall, and not the realities in Africa as such which moved Victorian statesmen to act or not to act'.¹² The availability of information played a key role in shaping economic policy-makers' understanding of the opportunities provided by different markets. As Andrew Dilley observes, for much of the nineteenth and early twentieth centuries, 'understandings of political economy in the Square Mile were not based on any general economic model. There was a

prevailing distrust of abstraction'.¹³ Writing in 1913, a young J.M. Keynes complained that some London financiers would 'not admit the feasibility of anything until it has been demonstrated by practical experience'.¹⁴

The question of how changing levels of information available to economic actors has affected the role of imagination in decision making in the modern world is an important one. Quinn Slobodian argues that the concept of an interconnected 'world economy' was poorly developed before c.1900 (at least in the English-speaking world) and the ways in which it was imagined at this time was informed through modern cultural phenomena such as the telegraph, panoramas and cinematography.¹⁵ The growing role of the Board of Trade in collecting economic data in the early twentieth century shaped the popular debate about free trade in Edwardian Britain, and Joseph Chamberlain sought to further bolster his case for reform in economic policy by establishing a Tariff Commission, which conducted several surveys of industrial producers.¹⁶ The development of world economic surveys firstly by the League of Nations, and then the United Nations, further created new understandings of market relationships and potential economic futures after 1918.¹⁷

As international business scholars have acknowledged, economic imagination is ultimately shaped by the interpretation of past experience, access to information about markets (which can sometimes be faulty) and hopes placed in the future. Perceptions of distance between markets are ultimately culturally constructed. The 'physic distance' between markets perceived by businesspeople, policy-makers and consumers may not correspond to actual measurable differences in institutions, preferences and values as economic actors may exaggerate or underestimate the cultural distance between two countries involved in a transaction.¹⁸ So, for example, in the early twentieth century many British multinationals premised their operations in Australia and New Zealand on the assumption that these were fundamentally 'British' nations or effectively extensions of the British market.¹⁹

The 2016 European Union (EU) referendum provides a good example of how public debates about an imagined economic future can radically reshape public policy. The referendum hinged to a substantial degree on competing visions of how the UK should engage with foreign markets. It was not, however, a simple choice between free trade and protectionism nor between globalisation and anti-globalisation. Whereas Remain campaigners urged voters not to cast aside the opportunities presented by access to the European Single Market, those on the Leave side held out

the lure of a more globally oriented trading future which would, in part, reanimate Britain's historic Commonwealth ties.²⁰

The result of the 2016 campaign provides a stark contrast with the European referendum of 1975. When Britons went to the polls then to decide whether to remain a member of the European Economic Community (EEC), the EU's forerunner, access to the European Common Market was presented by the victorious Yes campaign as key to Britain's future economic prosperity, and indeed as a means to combat the nation's supposed economic 'decline'. It would also compensate for Commonwealth markets, whose importance to British trade had declined sharply during the 1950s and 1960s.²¹

The triumph of the Leave campaign in 2016 resulted from their ability to overhaul this earlier perception that European Community membership was vital to Britain's economic future, and to revitalise earlier narratives which presented the UK's global trade role as key to its economic prosperity. Leave depicted the Euro-enthusiasts as having been blinded by their obsession with the EU to the detriment of other, better trading opportunities around the world.²² Historical parallels can be made here. For instance, Edwardian free traders argued that Joseph Chamberlain's attempts to reorient the British economy towards trade with the Empire's settler colonies through a system of tariff preferences were foolhardy given that Britain's key role as an international financier, supplier of shipping and producer of manufactured goods meant that it was a global, rather than purely imperial, economic power.²³

Whereas the Commonwealth was commonly seen as a declining market in 1975, the significance of this grouping has grown substantially in recent years, with a doubling of its combined gross domestic product (GDP) over the last twenty years.²⁴ Lord Howell has gone so far as to describe the Commonwealth market as 'the soft power network of the future' given that it contains two of the key emerging BRICS (Brazil, Russia, India, China, South Africa) economies (India and South Africa) and countries which proved amongst the most resilient during the global economic downturn after 2008 (Australia and Canada).²⁵ Others have argued that the Commonwealth provides a trade advantage, which can be harnessed after Brexit.²⁶ However, such views are contested, with some seeing the emphasis of anti-EU trade campaigners on the Commonwealth's trade potential as a delusional form of imperial throwback, which neglects the repivoting of economies such as Australia and New Zealand towards East Asian markets.²⁷ In any case, the 2016 Leave campaign's ability to present

Europe as a region of economic stagnation and a security threat on account of its porous borders would have seemed remarkable to audiences in 1975 (when the issue of the free movement of labour barely featured and Britain was far from the healthiest of the EEC's economies).

The 2016 referendum campaign was also notable for controversies surrounding the role of expertise in debates about the economy, culminating in Michael Gove's infamous off-the-cuff remark that 'people in this country have had enough of experts'.²⁸ Gove's exasperation may have resulted from the overwhelming support of business and academics for the Remain campaign. The result of the referendum is a useful reminder that we need to pay attention to the 'cultural throw' of economic theories, how they were articulated in debate and received by the public. In short, why do some forms of expertise have a greater appeal at certain times than others? Returning to the Edwardian fiscal debate, it is worth remembering that both sides contested the other's use of Board of Trade statistics and attempts to conduct surveys of foreign labour conditions. Tariff Reform League tours of Germany were dismissed as 'Toffs Roving League' propaganda exercises by free traders.²⁹ The nature of the public debate was hardly more rarefied in 1910 than 2016.

We are now faced with a curious situation where Theresa May's government appears likely to encourage aspects of globalisation in ways that can be presented as economically liberal (revivifying links with established and emerging markets through trade treaties, and encouraging investment through a low corporation tax) yet at the same time promoting a populist agenda, which plays into anti-globalisation sentiment (curbing the free movement of labour and leaving the Single Market). Britain now faces a period of profound uncertainty as we wait to see whether the promises of Brexit campaigners can be made real; or rather, which of their conflicting promises will take priority. In the face of the anxieties that this situation has provoked, this volume provides a much-needed long-term contextualisation for ongoing debates about Britain's global trade role.

Imagining Britain's Economic Future, c.1800–1975 provides a major contribution to an emerging literature considering the ways in which access to, and the privileging of, forms of economic information has historically affected perceptions of trade and markets.³⁰ This literature has emerged at a time when the approaches of behavioural economics are growing in influence, not least as a result of the global economic downturn after 2008. Scholars are increasingly focusing on the role of human psychology, emotion and environment in affecting the operation of

current-day markets, an approach which has even made it to Hollywood in the form of the movie *The Big Short* (2015).³¹ Within British universities too, established forms of researching and teaching economic history have come under question, particularly the centrality of econometric approaches which emphasise the importance of statistical data and applied mathematics.³²

Historians are increasingly being attracted to using the study of networks to explore the ‘performativity’ of market relationships, building on the sociological work of Michel Callon. Such work focuses on how networks connect businesspeople, politicians and consumers, and encourage the distribution (and privileging) of certain forms of economic information, thereby shaping attitudes to trade.³³ Perhaps the most ambitious example of this approach to date is Magee and Thompson’s *Empire and Globalisation* (2010), which explores how a variety of ‘British World’ networks established during the nineteenth century encouraged the development of cultural and economic connections between Britain and the settler colonies. Often it was non-state actors who encouraged such links. For example, with the growth of cable telegraphy and Reuters’ role as an ‘imperial press service’, newspapers of record such as *The Times* devoted increasing space to events in the settler colonies in the late nineteenth century, giving British investors a clearer understanding of the economic potential of these markets.³⁴

Frank Trentmann’s *Free Trade Nation* (2008) demonstrates the value of this approach for a narrower, more nationally focused study. Trentmann convincingly makes the case that support for the competing causes of free trade and tariff reform in Edwardian Britain did not straightforwardly correlate with the interests of the dominant industries of particular regions. Rather, we need to pay attention to how the fiscal debate was ‘performed’ by the competing armies of activists mobilised by the opposing sides across the country.³⁵ By connecting the study of consumer activism, high political thought and free traders’ relations with wider international cultures of trade activism, Trentmann demonstrates that free trade was supported by a vibrant popular culture in Edwardian Britain.³⁶

Despite the growth of ambitious studies such as these, where scholars have touched on the question of how overseas markets have been imagined in the UK over the last two centuries they tend to focus on discrete time periods and have paid little attention to how understandings of the UK’s key ‘imagined markets’ interconnected historically.³⁷ For example,

studies of the economics of ‘British World’ networks have been criticised for privileging the UK’s cultural and economic relationship with the settler colonies over its involvement in wider forms of imperial and global exchange, exaggerating the agency of London-based political and economic elites, and underplaying the role of Anglo-American connections in promoting globalisation.³⁸

The development of ‘British World’ networks was never cut off from wider processes of globalisation. James Belich’s *Replenishing the Earth* (2009) traces how the massive expansion of migration in the nineteenth century fostered trade connections across the English-speaking world, with the Eastern USA, as well as Britain, playing a central role in these processes. Importantly, Belich’s work considers how the development of ‘British World’ networks interacted with a wider settler revolution, fostered by the expansion of the American frontier and broader migratory movements in East Asia, Siberia and the Atlantic World.³⁹

We should be wary of taking Board of Trade returns as prima facie evidence of growing cultural connections between Britain and its overseas markets. Trentmann has recently cautioned against assuming that a shared ‘British taste’ emerged as a result of expanding trade links between Britain and the Empire/Commonwealth, which need to be understood in the context of wider global processes. Consumers outside imperial networks drove much of the growth in demand for tropical products such as coffee and chocolate, which were often advertised in a ‘deterritorialised’ fashion overlooking their production in imperial territories. Moreover, many imperial goods imported into the UK were then re-exported to continental Europe.⁴⁰

Understandings of ‘British World’ economic identities were always plural and shaped by the varied relations between peoples overseas and in Britain.⁴¹ ‘Britishness’ was an ‘imagined identity’ which could be employed by colonial subjects for a variety of reasons: to challenge discrimination, to plead their legal rights to imperial authorities, or to attempt to improve their status.⁴² As such, languages of British ‘loyalism’ were always layered, diffuse and shaped by national considerations. This was particularly the case in early twentieth-century South Africa. Saul Dubow demonstrates that supporters of connections to Britain did not necessarily express loyalty to the crown or British institutions; Afrikaners could connect the upholding of ‘British’ values with the privileging of white interests, while black South Africans could celebrate ‘British’ values to express their hostility to Afrikaners.⁴³

Imagining Britain's Economic Future, c.1800–1975 uses a series of case studies to consider how various audiences, both in the UK and overseas, understood the role of Britain in global trade. In doing so, seven of the following twelve chapters focus chiefly or wholly on the post-1945 period. Historians have devoted a great deal of attention to the development of the economic ‘British World system’ in the age of high imperialism but less to its decline after the Second World War and questions of how the UK’s trade identity was reshaped in the era of decolonisation. For example, Cain and Hopkins’ magisterial economic study, *British Imperialism*, is indicative of this imbalance. In its original 1993 publication, *British Imperialism* ran to two volumes, with 361 pages devoted to 1850–1914 and 253 pages given over to 1914–1949, whereas the post-1950 period received a brisk 33-page treatment.⁴⁴ Similarly, John Darwin’s *The Empire Project: The Rise and Fall of the British World-System 1830–1970* (2009) devotes only 82 of its 655 pages to the post-1950 period.⁴⁵

Across the contributions to this book there is a consideration of the competing factors which affected market decisions and the processes of ‘economic imagination’. We reflect on the role of the state in creating or restricting market opportunities, through factors such as tariff barriers and quotas, or the provision of financial support for firms. It is worth asking how useful the concept of the ‘official mind’ is for explaining the development of market relationships? Secondly, the chapters explore the relationship between communications and the development of trade relationships, considering how changing practices of advertising, marketing and the selling of goods have shaped public understandings of markets. More broadly, it may be asked how far can insights from behavioural economics be applied to historical issues of market selection? For example, what effect did the ‘availability heuristic’—i.e. the tendency to focus on examples that easily came to mind—have on entrepreneurs and on government efforts to help them?⁴⁶ Furthermore, do conceptions of markets drive economic reality or do economic interests create the conceptions of markets? That is to say, is economic ideology simply an epiphenomenon or does it actually shape economic behaviour?⁴⁷ To put it another way, how can we distinguish between economic ideas (expressed in relatively formal ways, even if simplified in political contexts) and economic imagination (which includes images and perhaps broader structures of thought)? And what role is played by international organisations, trade associations such as Chambers of Commerce, commercial lobbyists, non-governmental organisations (NGOs) and civil society campaigners at the intersection between behaviours and beliefs?

In the first section, ‘Markets of the Future’, the contributors discuss how particular regions have been imagined as emerging trade partners and how different groups presented visions of the economic future to suit their own interests. Frequently, these visions were used to further violent conflict, often in the name of ‘prestige’. Hao Gao explores how competition in image building was crucial to shaping British public opinion and policy towards China in the era leading up to the First Opium War. During this period various views of the China trade were presented, often based on limited engagement with the everyday practices of British trade in China at the time. Given that there were a variety of competing views of the China market, we need to think in terms of competing Orientalisms rather than a monolithic Orientalism.

Stephen Tuffnell explores the politics of ‘inter-imperialism’, considering how southern Africa acted as an attractive ‘borderland’ for American traders in the late nineteenth century. The United States took a prominent role in the development of mining on the Rand and quickly gained a prominent place in Transvaal business networks during the gold boom years. This is an important reminder that ‘British World’ networks were not the preserve of imperial subjects; rather they could provide attractive economic opportunities for workers and investors from various countries.⁴⁸ American traders could take advantage of the competing sovereignties of southern Africa, evading imperial tariffs through trading via Portuguese East Africa or re-exporting goods via the UK. The concept of ‘borderlands’ can be profitably employed to understand the complexity of economic cultures more broadly. For example, Hong Kong was both culturally Chinese and a key trading port of the British Empire. As David Clayton notes in this volume, it could be imagined in various guises by British audiences, firstly as a ‘free trade colony’ and then later, in a Cold War context, as the ‘Berlin of the East’.

Glen O’Hara considers how New Zealand was imagined as an egalitarian ‘land of practical progress’ in the mid-twentieth century and an incubator for progressive reform, which provided an example for Britain to follow. Throughout this period there was a constant traffic of ideas between Britain and New Zealand, fuelled by trade delegations. In emphasising the importance of a transnational exchange of ideas about the economic future, O’Hara complements recent work which explores how a trans-Tasman ‘community of interests’ survived after Australian federation and, if anything, grew in intensity with the growth of Keynesian economic policies in the mid-twentieth century.⁴⁹

The second section, 'Imagining Global Trade', explores changing understandings of British involvement in the global trade system. Paul Young explores how the world economy was imagined in board games in nineteenth-century Britain. As Young notes, such cultural outputs dramatised the global trade system for consumers and helped generate expansionist confidence in Britain's position as a global trade power. While historians have devoted a great deal of attention to how the empire was 'brought home' to Britons, we also need to consider how the public understood the UK's wider role as the leading player in an increasingly interconnected world economy.⁵⁰

Marc Palen discusses the connections between free trade and international feminist peace activism in the early twentieth century. British thinkers, particularly Norman Angell, played a vital role in the ideology of the peace movement and their ideas were promoted globally through civil society networks such as the YWCA. While Britain was no longer a secure 'free trade nation' after the First World War, the creation of the League of Nations and its affiliated organisations provided new opportunities for the promotion of free trade policies on an international level.

David Thackeray and Richard Toye use the evidence of social surveys and patriotic trade campaigns to consider how British consumers responded to upheavals in the global economic system during the mid-twentieth century. Whereas there had been significant enthusiasm for the cause of 'empire shopping' during the 1930s, consumer activism in Britain became increasingly insular and national in focus after 1945. Geopolitical changes and shifts in the culture of British politics from the 1940s onwards led to a change in the discourse of virtuous consumption away from its earlier association with imperial development. During the 1960s, when the British Government made two attempts to join the EEC, anti-Europeanism, as much as pro-Europeanism, tended to be cast in moral/strategic language rather than that of consumer or producer utility.

Lawrence Black and Thomas Spain use the development of self-service to consider how market practices were reshaped in Britain more broadly during the mid-twentieth century. Before 1942, self-service did not exist in the UK but it subsequently came to be viewed as the heartbeat of a liberal, free economy and consumer society. Black and Spain contribute to a growing literature which challenges claims that marketing and consumer practices were 'Americanised' in Britain after 1945.⁵¹ Their chapter challenges assumptions that self-service was simply an American import and model.

In the final section, 'Rethinking Decolonisation', we provide new perspectives on the involvement of Britain in global trade at the end of empire and its aftermath. An emerging literature is focusing on processes of inter-imperialism, exploring how particular environments became spaces for imperial co-operation and competition.⁵² As Stephanie Decker and Andrew Smith's chapters demonstrate, multinational co-operation and competition persisted in the decolonising world. Decker outlines the different structures of investments and practices employed by British, German and American companies in West Africa at the end of empire, highlighting the importance of institutional structures in shaping economic imagination. Government support for business abroad and practices of export credits and political risk guarantees played an important role in shaping the conduct of business in the region. Andrew Smith similarly discusses the role of state intervention to promote British business at the end of empire. His chapter explores the politics of British external representation in West Africa between 1957 and 1967 (through the BBC and British Council) and how it competed with the rival efforts of other nations (particularly France). British attempts to encourage foreign opinion formers to 'think British' were shaped by wider concerns with reimagining the UK's economic position in decolonising Africa and countering Francophone opposition to Britain's efforts to join the EEC.

David Clayton explores how Hong Kong business bodies engaged in extensive public relations exercises in Britain to defend their activities and respond to the growth of protectionism by organisations such as the EEC. From the 1950s onwards Hong Kong was understood as a bastion of 'Chinese capitalism' and also attracted the interest of prominent neoliberals such as Keith Joseph. Clayton's chapter reminds us that we need to be attentive to the importance of non-Western forms of knowledge and information in the construction of Western world views of the economy.⁵³

As Anthony Hopkins has recently argued, we need to see the decolonisation of the 1950s and 1960s as not solely a process which reshaped sub-Saharan Africa but as a wider global phenomenon which undermined the cultural connections between the descendants of imperial settlers and their homelands.⁵⁴ Andrew Dille explores the politics of the Federation of the Chambers of Commerce of the Commonwealth. Throughout the first half of the twentieth century, this had been a key organisation connecting businessmen from Britain and the Dominions. However, it struggled to adapt to the emergence of the 'New Commonwealth' after 1947. Along with the contributions by O'Hara and by Thackeray and Toye, Dille is

interested in how the Commonwealth was unimagined as a viable market of the future in the 1950s and 1960s. As O'Hara demonstrates, New Zealand's demands for preference for its agricultural products in British markets were increasingly seen as an incubus on the UK's efforts to join the EEC. Whereas New Zealand had previously been seen as a prosperous, modern economy it had fallen into the 'staples trap' and failed to adapt to an international economy increasingly focused on trade in manufactured goods between industrialised nations. In exploring the demise of the Federation of the Chambers of Commerce of the Commonwealth, Dilley demonstrates that it became increasingly difficult for businesspeople to imagine the Commonwealth as a coherent market with significant potential by the 1960s and 1970s.

Piers Ludlow finishes the volume by discussing the role of economics in shaping Britain's evolving relationship with Western Europe in the 1950s and 1960s, and offers reflections on how economic factors have shaped the UK's difficult relations with the EEC/EU since 1973. As Ludlow demonstrates, perceptions of British economic superiority relative to Western Europe shaped UK policy making in the early post-war years. However, by the late 1950s these gave way to a sense that the British economy was in relative 'decline' compared with the fast-growing economies of the EEC. Enthusiasts for UK entry into the EEC argued that access to the Common Market was vital for the British economy to catch up. However, the West European economic miracle ground firmly to a halt in 1973, the same year as Britain joined the EEC. The subsequent association between EEC/EU membership and economic stagnation has proved a powerful weapon in the arsenal of British Euroscepticism as we saw with the 2016 referendum campaign.

In summary, the chapters provide a range of fresh perspectives on the vital issue of how individual and collective psychologies and prejudices influence, and are influenced by, material conditions. In a variety of ways, they also cast light on the badlands and borderlands that lie between economic imagination and economic delusion.

NOTES

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14. John Maynard Keynes, *Indian currency and finance* (London, 1913), p. 35.
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PART I

Markets of the Future



Imagining the Opium Trade: Britain's Justification for the First Anglo-Chinese War

Hao Gao

Although the notion that the First Anglo-Chinese War (or the 'Opium War', 1840–1842) was the dividing line between modern and pre-modern Chinese history has come under challenge, the war is still widely recognised as a fateful conflict that had profound consequences for the history of Sino-western relations. The causes of this war have been much commented upon. A former prevailing theory emphasised the irreconcilable conflict between Britain's economic expansion and China's containment policy. Historians of this school maintained that a war was inevitable because opium was but an instrument of British commercial expansion: 'Had there been an effective alternative to opium, say molasses or rice, the conflict might have been called the Molasses War or the Rice War'.¹ In the 1960s, John K. Fairbank advanced a revisionist theory. He believed that the fundamental reason for the Opium War was a cultural conflict between the conservative East and the progressive West.² In 1978, Tan Chung, a Chinese historian based in India, challenged these two views. By carefully studying the triangular trade between Britain, India and China, Tan claimed that the vital importance of opium had been underestimated by

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previous researchers whereas the Sino-British cultural differences had been exaggerated. He concluded that the clash of socio-economic interests around the opium question should be regarded as the sole cause of the First Anglo-Chinese War.³ In addition to this war-due-to-opium theory, historians have recently advanced some specific explanations which proved complementary to Tan's analysis. Glenn Melancon pointed out that Britain's concern for its national honour was important to the decision to go to war with China.⁴ Song-Chuan Chen has added that a group of British merchants in Canton, known as the 'warlike party', should be held responsible for the hostilities between the two nations.⁵

These studies have offered wide-ranging interpretations of the origins of the Opium War. Nevertheless, a common limitation is that these researchers were all keen to provide a principal cause of the war—either trade, culture, honour or the 'warlike party'—but they did not pay close attention to some highly relevant questions: how was the opium trade imagined and the opium question disputed, and how was the war against China justified? A war in defence of a contraband trade was difficult to justify. How then did the decision-makers in nineteenth-century Britain become convinced that this war ought to be fought? Based on a range of pamphlets, newspapers published in China, as well as the official correspondence and parliamentary debates that eventually approved the motion for war, this chapter addresses these questions. By focusing on the various views presented in relation to the opium question, rather than trying to determine which party should be blamed for provoking the war, this chapter attempts to reconstruct how exactly the opium trade and related affairs were presented and discussed before the outbreak of the war.

I

For most of the eighteenth century, opium, recognised as a form of medicine, was admitted into China on the payment of an import duty. The Jiaqing Emperor banned the trade in 1796, but the prohibition turned out to be ineffectual. The supply of opium, mostly by British merchants, increased forty-fold in four decades. Opium smoking spread rapidly in China, causing a series of problems for the Qing Government. Not only was the physical and moral welfare of the Chinese people threatened, but a vast amount of silver was flowing out of China. In this context, the Daoguang Emperor decided to adopt stringent measures, appointing Lin Zexu as imperial commissioner to eliminate the opium trade.

In fact, well before Lin was sent to Canton to adopt a hard-line approach, a controversy over the nature of opium and its trade took place among the concerned parties in both China and Britain. In 1835, the first anti-opium pamphlet was published in London.⁶ About a year later, *The Chinese Repository* in Canton began to present diverse views on the opium question. It was not until 1839, however, that this trade was brought to the forefront of public consciousness by A.S. Thelwall's *The Iniquities of the Opium Trade*, which drew the nation's attention to the deplorable effects of opium smoking. Subsequently, an Anti-Opium Society was formed. A number of pamphlets and articles followed and a debate on opium began almost simultaneously in Canton and Britain.

The nature of opium was the first subject of dispute. The principal impression introduced by the anti-opium campaigners was that opium was 'a certain poison',⁷ whose injurious effects threatened the health, morals and lives of the Chinese. Although there was a claim that opium was a valuable medicine when properly used, anti-opium activists pointed out that the drug sold by the British traders was actually 'deficient in the sedative principle for which opium is chiefly valued'.⁸ Moreover, as Sir Stephen Lushington argued in the House of Commons, 'not a thousandth part of the quantity of opium exported from India, and introduced into China, was used for medical purposes'.⁹ In the opinion of anti-opium campaigners, the destructive effects of this drug were beyond all doubt. They asserted that, unlike the consumption of alcohol, moderation in opium smoking was almost impossible, because once a person was induced to smoke it, 'the habit fasten[s] itself on him so rapidly, and so forcibly, that he ... becomes in a short time inveterately addicted to it'.¹⁰ In order to stress that opium was unwelcome in China, local knowledge was referred to. For instance, an author in *The Chinese Repository* wrote that, 'So far as we know—and we have read and heard the sentiments of thousands of the Chinese—no one ever regards the use of the drug in any other light than as a physical and moral evil. ... "It is a noxious thing," they say, ... This is truth.'¹¹

Based on assertions about opium's harmful nature, the anti-opium campaigners condemned the opium trade from different perspectives. First, since the opium trade was contrary to Chinese laws, it was highly injurious to the legitimate commerce that was conducted by British merchants. According to some of these observers, the contraband nature of the opium trade justified the Chinese Government's policy of exclusion. In consequence, not only had Britain's export of woollens and cottons

declined, but the extension of Britain's legal trade to other Chinese ports was justly debarred. Second, the opium traffic was 'dishonourable to the British name'¹² because, so long as such a trade was carried out, 'it renders us [the British] contemptible in the eyes of the Chinese'.¹³ Moreover, the opium trade was a major obstacle to the introduction of Christianity into China. To account for this view, anti-opium campaigners alleged that, 'every individual who is once enslaved by the use of Opium, is *morally and physically* incapacitated from giving any attention to the voice of Christian instruction'¹⁴ and, also, the Chinese were not able to distinguish the hands which were stretched out to rescue them with the Bible from those that offered them the opium pipe. This led the Chinese to form their view of Christians from the conduct of opium merchants. Because of this nefarious traffic, Thelwall lamented, 'how should they be able to imagine that any real good or true kindness can come from a nation and people whom they look upon as smugglers and dealers in poison, for their ruin and destruction?'¹⁵

Since the opium trade was regarded as dishonourable to the British name and harmful to British interests, the anti-opium campaign created unfavourable images of those merchants who conducted this trade. They were denounced, for example, as 'lawless smugglers',¹⁶ 'greedy and pestilent corrupters and poisoners of the Chinese nation'¹⁷ and 'the most deceitful, dishonest, grasping, criminal party'.¹⁸ Since none of the opium traders had been known to have smoked this drug, it was concluded that nothing but the lust for economic gain induced them to violate every obligation of justice, truth and humanity. Comparisons were drawn between the iniquities of the opium traders and those who had conducted the slave trade, which had been condemned as 'equally hateful, and equally productive of human misery'.¹⁹

The strength of this anti-opium campaign did not prevent contrasting images of opium, the trade and its participants being put forward. The defenders of the opium trade declared that the destructive effects of opium were grossly exaggerated. Some argued that, instead of being a pernicious poison, opium was 'one of the most beneficial medicines at present in use'.²⁰ As 'a perfect substitute for quinine',²¹ it was a 'balm' that heaven 'bestowed upon us ... to our suffering bodies and our troubled minds'.²² Some supporters of opium did not go so far, but they still believed that 'if used in moderation, opium was not injurious to morals or health'.²³ Hence, it was not the use, but the abuse, of opium that caused the problems. As 'a resident in China' wrote, 'the smoking of opium, if not less,

was not more deleterious than the use of ardent spirits at home; both depending upon the quantity taken'.²⁴ In other words, any damage was caused by the self-indulgence of the Chinese, rather than the nature of opium. Moreover, in contrast to the fearful picture of opium causing general depravity in China, supporters of the opium trade maintained that opium to the Chinese was 'as great a national luxury as tea with us'.²⁵ Local knowledge was also utilised to support this view. The natives along the Chinese coast were described as 'flocking on board the opium ships, bringing bags of dollars to purchase it'.²⁶ In this way, what its critics regarded as an unwanted poisonous drug was represented by defenders of the trade as a largely innocuous article greatly desired by the Chinese.

Similarly, the character of the opium trade was explained in ways that conflicted with the assertions of the anti-opium campaigners. To start with, supporters of the opium trade alleged that the foreign merchants had 'never themselves introduced the opium into the country';²⁷ instead, opium was delivered to the natives beyond the jurisdiction of China. Since 1820, in order to obtain opium, the Chinese had to take their own risks in collecting the cargoes from British ships anchored in the outer waters. This fact vindicated the opium traders from the charge that their actions contravened Chinese laws. It was the Chinese themselves who bribed the customs officers and introduced the drug into China. Thus, instead of blaming the British opium merchants, 'the open and undisguised connivance of the local authorities'²⁸ was highlighted as the very reason why the trade had persisted over decades. Defenders of the opium trade repeatedly reinforced the notion that, due to the venality of the Chinese officers and the widespread corruption within their system, 'opium enjoyed the clandestine patronage of the court'.²⁹ The local officials in Canton hence became 'the most blame-worthy parties'.³⁰ The responsibility was once again shifted from the British to the Chinese.

Furthermore, the opium trade defenders challenged the legitimacy of Chinese law, blurring the boundary between justice and unlawfulness in the case of the opium trade. They contended that, since there were no diplomatic relations between China and Britain, the opium merchants had to subject themselves to the local authorities in Canton, unable to discover whether the edicts presented to them actually emanated from the Emperor in Beijing. They also maintained that the laws of China were implemented differently in practice, to such an extent that 'it is a net no one can escape if the mandarin throws it; for a fee, anything is declared legal, and everything is illegal to extract a fine, especially ... trade duties

are ... almost always matter of bargain, not regular established charges'.³¹ Local knowledge was again used to demonstrate that in the past local officers had issued 'so many absurd, frivolous, vexatious, inconsistent, and contradictory regulations'³² that the British merchants had no other option but to disregard them. For these reasons, they were confident to argue that 'there are no laws in China demanding conscientious obedience—beyond the universal law of truth, justice, and mercy—and that all questions there regarding legality or illegality, are questions of prudence, not of principle'.³³

By such means, defenders of the opium merchants presented the images of the opium trade in a totally different way. This trade was neither inconsistent with the desires of the Chinese people nor was it conducted contrary to morality or justice. The term 'smuggler' was hence regarded as 'a stigma on our characters'.³⁴ Since opium was introduced into China because of the demands of the natives and the business was transacted with the tacit and almost open consent of the local authorities, the supporters of the trade declared that an opium dealer could best be described as 'the *importer* of opium' or 'the disposer of his *own property*'.³⁵ According to this view, these traders even commanded much respect, because they 'thought it their duty ... to submit to inconvenience and seeming degradation'³⁶ in China to enrich 'their country far more than themselves'.³⁷ These merchants were also depicted as the 'most intelligent, and useful, and charitable persons',³⁸ who not only acquired extensive knowledge of China, but also 'dispensed the most magnificent charities among the poor Chinese'.³⁹ No resemblance could be drawn between the opium traders and those engaged in the slave trade.⁴⁰ Accusations against the character of these merchants were hence unfounded.

In sum, conflicting images were presented by the anti-opium campaigners and their opponents with regard to the nature of opium, the opium trade and its participants. Supporters of the trade, at this stage, were largely forced onto the defensive. While the views of the anti-opium campaigners did not entirely prevail in this controversy, their opinions were not in the slightest degree inferior to those on the other side in terms of their strength. On opium-related issues, the general verdict did not lean towards the opium trade campaigners, nor were any of their arguments sufficiently strong to justify open hostilities against China. This state of affairs, however, was greatly altered when the ensuing crisis is taken into consideration.

II

Commissioner Lin reached Canton in March 1839. He issued an edict requiring all opium, including that in the outer waters, to be surrendered. In order to enforce obedience to this demand, Lin suspended all trade and detained the entire foreign community within their factories in Canton. He also demanded that all foreigners sign a bond, the breaking of which was punishable by death. Learning of these events, the British superintendent of trade, Charles Elliot, yielded to circumstances. Believing that 'the safety of a great mass of human life hung upon'⁴¹ his decision, Elliot ordered British merchants to give up their opium stock. The confinement in Canton came to an end and the British retreated to Macao. Shortly afterwards, another conflict took place in a village near Hong Kong. Several British seamen and a few Americans were involved in the death of a Chinese native named Lin Weixi. Commissioner Lin, on this occasion, demanded the surrender of the murderer to Chinese justice, but Elliot's investigation failed to identify this individual and no one was delivered. In response, Lin cut off supplies for Macao and moved 2000 troops to an adjacent town.⁴² All British subjects, including women and children, were compelled to abandon their dwellings. They had to seek refuge on board the merchant fleet off Hong Kong, in urgent need of the British Government's intervention. In April 1840, the Whig Government narrowly won a motion in support of war. Three months later, the First Anglo-Chinese War began.

As with the opium controversy, the crisis in 1839 touched off a heated debate both within the foreign community in China and between concerned parties in Britain. The most radical wing of these commentators, who were mainly solid supporters of the opium trade, maintained that China was entirely in the wrong. They argued that the principle of free trade had been severely violated by the Chinese. Since every article was 'in itself good, and ... may be cultivated, manufactured, bought, sold, and distributed all over the world',⁴³ opium was 'no exception as an article, nor China as a country'.⁴⁴ No political system, therefore, had the right to keep out 'those luxuries which the people enjoyed, or were able to purchase, or to prevent the efflux of precious metals, when it was demanded by the course of trade'.⁴⁵ Even though the Chinese Government had declared opium to be an illicit article, foreign merchants were still justified in carrying on the trade. Moreover, it was alleged that a serious insult had been committed 'not only against British subjects and property, but also against

the dignity of the British crown'.⁴⁶ For one thing, Commissioner Lin's decision to put Elliot under house arrest was a direct affront to the British sovereign, because Elliot was the Queen's representative in China. For another, the detainment and expulsion of the British community, as well as the confiscation of their property without a judicial hearing, were unlawful proceedings. Some commentators claimed that these merchants came to China 'under the full protection of the British flag, and under the sanction of British authority ... in pursuit of the objects of national commerce',⁴⁷ but they had been treated by the Chinese 'like a parcel of wild animals, and, without ... an opportunity of pleading the cause'.⁴⁸ By seeking to propagate such images, British commentators could be described as being justifiably outraged by these attacks on the persons and property of their fellow countrymen.

In order to justify the necessity of taking retaliatory measures, China was characterised as a presumptuous and arbitrary power that had acted in opposition to the common interests of the rest of the world. Those who held this view asserted that, even though China seemed to have the right to regulate its own affairs, according to the principle that the majority should give law to the minority, the Chinese were not entitled to ignore any international law with impunity. Since they were numerically only one-third of the human race, 'China, as one, cannot be allowed to oppose the rest of the world, who are two'.⁴⁹ Based on such arguments, any challenge to China's authority was justified in the service of protecting international law. In response to the opium crisis, Foreign Secretary Palmerston seemed to agree with these interpretations. He condemned Lin Zexu's conduct as 'totally at variance with international law, a course of the most arbitrary kind, and liable to every possible objection'.⁵⁰ Probably for this reason, many observers at the time, including Palmerston himself, were convinced that Britain was legitimately 'entitled to demand satisfaction, reparation, and redress'⁵¹ from the Chinese authorities.

In opposition to these views, a number of contrary arguments were raised, mostly by the anti-opium campaigners. They averred that many of the aforesaid remarks were contrary to the truth, while 'right and justice are entirely on the side of China'.⁵² First, it was incorrect to regard Elliot as the representative of the Queen, because the Chinese authorities had never recognised the existence of any official personage at Canton. The fact that Elliot had to communicate with the local government through Chinese merchants clearly indicated that he had no political authority to represent Britain. Therefore, as William Gladstone claimed in Parliament,

since 'by the Chinese he had only been received as a commercial officer ... it was unjust to contend that the Chinese were responsible as if they had known him in the character of a regularly-accredited diplomatic agent'.⁵³ Moreover, it was argued that although Lin Zexu's decisions to suspend all trade and to act against the whole foreign community sounded cruel, it was not entirely unreasonable in the circumstances. This was because, in Canton, it was neither necessary nor possible to fix the guilt on individuals, since 'the entire British community, at Canton, was directly or indirectly implicated in this odious traffic'.⁵⁴ In this regard, even Elliot himself admitted that 'the Chinese Government had a just ground for hard measures towards the lawful trade, upon the plea that there was no distinguishing between the right and the wrong'.⁵⁵ As to the Lin Weixi incident, because the murderer could not be identified, China certainly had a right to refuse all those who were suspected of being concerned with this incident the right to remain on Chinese territory. In addition, against the charge of China's unwillingness to abide by international law, many observers suggested that every nation was entitled to choose for itself what contributed most to its own well-being. Any interference with this right should be considered as an infringement of its liberty. Since the Chinese Government never formally recognised what the West called international law, its principles were by no means applicable to China. Therefore, these commentators affirmed that 'the Chinese Government had the "unquestionable right" ... to prohibit the importation of Opium ... to enforce it by penalties',⁵⁶ while 'every foreigner was bound to pay absolute, implicit, unconditional, obedience'⁵⁷ to these laws.

In spite of these conflicting opinions, the most popular view at the time to justify a war against China was to concentrate on the insults offered to Britain by the Chinese authorities. Supporters of this attitude generated an influential case, which to some extent produced Britain's decision to intervene forcibly in the dispute with China. Against the assertion that justice was entirely on China's side, these observers maintained that those who upheld that view 'very foolishly, mix up the insult and violence with the illicit trade'.⁵⁸ Graham, for example, stressed that '*a legitimate end is no justification of illegitimate means*'.⁵⁹ Although China had an undeniable right to stamp out a contraband trade, it was claimed in the British Parliament that 'the circumstances of severity under which it took place'⁶⁰ were a serious insult to British subjects and their property, as well as to the honour of the British nation. In particular, the coerced surrender of opium beyond its jurisdictional limits, and before they had actually been smuggled

into China, was considered a great offence that deserved punishment. Sir George Staunton, the China expert who translated *Ta Tsing Lu Lee* [*The Penal Code of China*], proclaimed in his speech before Parliament:

there was absolutely no law authorizing the confiscation of goods, under any circumstances, outside the port. The opium lying in the receiving ships at Lintin, was no more liable to confiscation by any existing fiscal law of the Chinese, than if it had been lying in the river Thames.⁶¹

As Staunton was never a friend of the opium trade and ‘yielded to no Member of the House in his anxiety to put it down altogether’,⁶² his view was very well received. Since Lin Zexu never attempted to distinguish the opium traders from those conducted the legal trade, observers in China were able to argue that ‘the innocent and the guilty have both had to suffer—and in some cases it may be the former have sustained greater losses than the latter’.⁶³ British men in Canton, for example, were indiscriminately taken hostage during the opium crisis.⁶⁴ Over seven weeks, they were threatened with capital punishment, as well as deprivation of supplies. A few months later, when Elliot was unable to identify the murderer of Lin Weixi, not only British men but also women and children, who certainly had no involvement in any illegal activities, were treated with equal severity. These circumstances allowed commentators in Canton and Britain to claim that the lives and property of a number of innocent British subjects were being placed in jeopardy at the hands of Chinese authorities.

In view of this conduct by the Chinese, some observers believed that, although China had a right to seize any contraband goods smuggled into its dominions, Lin Zexu’s measures to mix the innocent with the guilty had crossed the line of acceptable conduct. Even though China was not bound by international law, its recent actions were contrary to ‘every principle of justice and eternal truth ... which must exist so long as man and man had the power of conversation and intercourse with one another’.⁶⁵ On such grounds, some members of Parliament maintained that, ‘from the moment British subjects at Canton were placed in prison to the danger of their lives, the Chinese became the aggressors’.⁶⁶ Since the British Government had an obligation to protect ‘the sacredness of British life, liberty, and property, from sudden and most unjustifiable aggression’,⁶⁷ it was absolutely just and necessary to take vigorous measures against the crimes committed by the Chinese.

To legitimise further the actions of the British Government, supporters of this view paid much attention to identifying the evil of the opium trade and the injustice of Lin Zexu's measures as two separate issues. Staunton maintained that 'the question between us and the Chinese, in a national point of view, has nothing to do with the immorality or the impolicy of the trade'.⁶⁸ The British Government had never had any intention of protecting whoever violated the Chinese law, but, at the same time, it could not disregard the insult and injuries that the Chinese had unjustly inflicted upon the honour and interests of the British nation. As to the opium crisis, despite the fact that China had formerly been on the right side when it commenced its campaign to drive out opium, 'the Chinese had now put themselves in the wrong'.⁶⁹ It was these latter outrages, rather than the earlier trade whose justice was doubtful, to which Britain responded. T.B. Macaulay, in his celebrated speech, made it clear that:

that government had a right to keep out opium, to keep in silver, and to enforce their prohibitory laws, by whatever means which they might possess, consistently with the principles of public morality, and of international law; ... but when the government ... resorted to measures unjust and unlawful, confined our innocent countrymen, and insulted the Sovereign in the person of her representative, then ... the time had arrived when it was fit that we should interfere.⁷⁰

It can be seen, therefore, that after the opium crisis of 1839, a remarkable change had occurred in the debates on Chinese affairs. Contrary to the previous debate, which was based solely on the opium question, the focus had now digressed from the character of the opium trade to the nature of the Chinese Government's actions. To focus on what the Chinese authorities did to British subjects, rather than what the British merchants did to Chinese subjects, became the main concern of all parties. Consequently, those who formerly had to defend the legitimacy of the opium trade gained much ground, because their demand for a forcible response by the British Government coincided with the views of a more disinterested group, which had less connection with or sympathy for the opium merchants but saw this crisis as distinct from the immorality of the opium trade. They jointly produced an impression that the lives and property of British subjects had been subjected to gross insults offered by an arbitrary and presumptuous Chinese Government. This view eventually overwhelmed the voices raised on the other side, which

now adopted a defensive position and were unable to convince the public that all of Lin Zexu's proceedings had been based on just grounds. As a result, a prompt British response was regarded as legitimate. A significant change in perceptions had occurred and a vigorous response was finally going to happen.

III

Historians have recognised the general importance of Britain's interest and honour in the decision to wage a war against China, but they have not sufficiently investigated what specific considerations of the nation's interests and honour led Britain to interfere so violently in the dispute with China. Nor have they discussed the various ways advanced in the late 1830s as the best means to carry out this interventionist policy. Discussion on these subjects, however, was such an essential part of the pre-Opium War debates that they deserve more attention than they have so far received.

One of the most important factors that accounts for Britain's determination to take military action against China was the anxiety felt about the need to preserve the empire in India. In this respect, some commentators maintained that the crisis in China was chiefly a financial problem, because approximately 'one-sixth of the whole united revenue of Great Britain and India depended on our commercial relations with that country'.⁷¹ Others pointed out that the China question had become a security matter. They alleged that if Britain submitted to the recent insults with no attempt to defend its interests and honour, it would not only be 'degrading in the eyes of the world generally, but especially destructive of that respect and confidence among our Indian fellow-subjects, which maintains our empire of opinion in the East'.⁷² In particular, given the vicinity of China to the Burmese empire, 'the peace of India greatly depended on our vindicating British supremacy before China'.⁷³ Otherwise, as Staunton believed, 'the day is not far distant when the consequences will be visited on our great empire in India, and our political ascendancy there will be fatally undermined'.⁷⁴ From this perspective, the China question was now associated with important matters about the preservation of the British Empire.

Meanwhile, in this debate leading up to the Opium War, some previously favourable images of the Chinese Emperor and his people were overthrown, so that nothing else seemed reliable to the British but their own actions. Previously, no matter how hard the British had censured the local

authorities of Canton, they had more or less entertained a relatively positive image of the Chinese monarch. The Emperor had long been imagined to be a merciful sovereign who was kept in ignorance of the evils committed in Canton. Even shortly before the British community was driven out from Macao, Elliot still pinned his hopes on establishing 'peace and honourable trade on a permanent footing' by making 'known to the Emperor the falsehood, violence, and venality of the Mandarins'.⁷⁵ This impression of the situation, however, changed dramatically after the opium crisis. For one thing, it had become well-known that, keen to eradicate the opium trade, the Jiaqing Emperor had appointed Lin Zexu to an imperial commissionership, an office of extreme significance that had been conferred only four times before in the Qing dynasty. Unlike the local officers of Canton, therefore, Lin could be seen as 'the interpreter of the Imperial wishes and of the principles that actuate the administration'.⁷⁶ Moreover, intelligence also suggested that the Emperor had quite hostile attitudes towards the British. In particular, a rumour was circulated that, during the crisis, the Emperor had forwarded to Lin Zexu a memorial, presented by another mandarin, that proposed to 'call out the best swimmers and divers ... cause them at night to divide into groups, to go diving straight on board the foreign ships, and taking the said foreigners unawares, *massacre every individual among them*'.⁷⁷ When such information, as well as the actions that did occur during the crisis, reached the British, it was no wonder that 'a resident in China' lamented that 'how can any of us continue of our former opinions? ... how greatly should we appreciate the Emperor's tender mercies towards us, past, present, and future'.⁷⁸ Clearly, the previously favourable image of the Chinese monarch was now contested. It allowed the British commentators to doubt if the Emperor would be, or indeed had ever been, a reliable protector of Britain's interests and honour in China.

Similarly, the character of the ordinary Chinese people was also challenged. In the past, British visitors to China had tended to regard the Chinese middle and lower classes as being friendly and hospitable. As more intercourse with them occurred, some British observers such as Warren began to claim that they had been deluded by the Chinese people's outward forms, because, on a nearer inspection, 'nothing is visible but fraud, hypocrisy, and falsehood'.⁷⁹ According to these new attitudes, 'a disregard for veracity'⁸⁰ was seen as a common character of ordinary Chinese people. While 'personal profit and convenience is all they look to; and so long as we contribute anything to pamper that selfish feeling,

they will profess themselves to be our friends. But hollow are their promises, and fragile the ties that bind them to us.⁸¹ For these reasons, even though it was still believed that the Chinese were passionate about international trade, it had to be remembered that their professed friendship was by no means genuine or trustworthy. Since neither the Emperor nor his subjects were now considered as reliable when it came to establishing or sustaining good relations, the British both in Canton and at home had more reasons to believe that ‘there is no security for us in future but the strong hand of power, such as we can wield for our own protection’.⁸²

Thus, the pressing need for the British Government to intervene was justified from a variety of perspectives. Although in April 1840 the idea of war was supported in the British Parliament by only a small majority, previous scholarship has failed to show that the disparity of views over the propriety of ‘intervention’ was actually not as great as has been commonly presumed. A closer analysis of primary sources reveals that the inclination to take action against China was in fact much stronger than the voting in Parliament appears to indicate. What divided opinions, on this crisis, was not whether it was legitimate for Britain to involve itself in Chinese affairs for the sake of the opium trade, but the disagreement in and outside Parliament on whether an immediate large-scale war against China was Britain’s best option. In this respect, various viewpoints were put forward on what specific means should be adopted.

First, in the late-1830s, open violence against China was favoured much more than ever before. After the opium crisis, quite a number of observers insisted that the response to the injuries inflicted on Britain’s honour and interests, as well as the desire to extend peaceful commerce, ‘must be enforced at the cannon’s mouth’.⁸³ They suggested that ‘a powerful armament’⁸⁴ should be sent to China, first of all, to blow up ‘every fort at the mouth of the Canton river’,⁸⁵ and then to ‘demand, in the highest tone, defined treaties, both political and commercial, or the alternative to China of an aggression on her territory, or the occupation of an island, to secure the due protection of our subjects and their property’.⁸⁶ To those who held this view, this course of conduct was fully justified because history had shown that it was useless to attempt to conciliate the Chinese authorities. Only a firm military response would check their insolence and compel their submission. Under such circumstances, these commentators believed that the use of arms would help to create such a sensation that the Chinese Government would be forced to make concessions. Otherwise, ‘as long as

the forts are allowed to remain in the hands of the Chinese, all negotiation will be useless'.⁸⁷

Aligned with this opinion, these commentators also maintained that the opium crisis had provided 'a golden opportunity'⁸⁸ to teach the Chinese a lesson. Since Commissioner Lin had adopted force to compel compliance with his demands, the British, with greater justice, were entitled to adopt a similarly vigorous policy. Elliot, probably in consideration of such views, declared that 'a more just, necessary, or favorable conjunction for action never presented itself'.⁸⁹ Given an awareness of these arguments, the prevalence of pro-war sentiments becomes increasingly comprehensible. Since justice was clearly on the British side, and force was the most effective means, the present opportunity must not be lost if Britain's relations with China were to be placed on a satisfactory footing.

Contrary to those who were vehemently calling for a large-scale war, some other observers pointed out that, although Britain had just grounds to intervene, and the success of open warfare was almost certain, military action against China might not be the best option. These observers argued that a war was a threat to the safety of the Chinese people, as well as to Britain's long-term interests in Asia. Hence, even if the most extreme measures had to be adopted eventually, the scale of Britain's initial operations should be limited. The purpose of Britain's response, according to this view, was to demand reparation for the insults and injuries inflicted on British interests, rather than to seek aggrandisement in China. Otherwise, 'if we once planted our flag and built a fort within the Chinese dominions, circumstances would compel us to extend our limits, and our career of British India would be repeated in China'.⁹⁰ Since China was much bigger in size and population than India, any attempt to obtain territorial acquisitions might impose an incredible burden for Britain and might weaken its empire in the East.

Furthermore, it was pointed out that, as the ultimate aim of this action was to improve trade between the two nations, every care should be taken to preserve amicable relations with the Chinese people. Any hostile measures, therefore, should be designed to involve ordinary citizens as little as possible. Even though a war against China might be inevitable, it should not be 'a war of blood and of reprisals'.⁹¹ In order to 'protect, cherish, and refrain from injuring, the Chinese *people*',⁹² military action must be limited to 'the mandarins and military who would come to interfere with our works'.⁹³ Also, the means applied to obtain justice should not exceed what was necessary to achieve Britain's limited objectives. For these reasons, Sir Robert Peel strongly urged Parliament:

do not enter into this war without a becoming spirit ... Do not forget the peculiar character of the people with whom you have to deal, and so temper your measures that as little evil as possible may remain. ... It is your duty to vindicate the honour of England where vindication is necessary, and to demand reparation wherever reparation is due. But God grant that all this may lead to the restoration of amicable relations with China.⁹⁴

Compared to the number of observers who believed that a war was not unacceptable but any military action should proceed with the utmost caution, those who completely disagreed with the idea of going to war against China were in a small minority. As in the crisis debate, the main argument advanced by these commentators remained the sheer iniquity of the opium trade. They contended that the best method of intervention was to ‘prohibit the growth of the poppy and manufacture of opium in British India’.⁹⁵ Meanwhile, Britain should cooperate with the Chinese Government to ‘seize all smugglers from henceforth, and deal with them as with pirates’.⁹⁶ The idea of a Sino-British war was condemned upon the principles of justice and humanity. These observers argued that, although violence had been employed by the Chinese, the Chinese authorities should not be blamed because what they had done ‘was only a reciprocation of outrage and violence. ... the crime does not originate in secondary, but in primary causes ... these reciprocal injuries are but symptoms of that evil disease our people have carried into the land of others’.⁹⁷ For this reason, if a war was to be waged against China, it would not only be ‘a most unjust and unfair attack upon the Chinese, who had done nothing more than we had compelled them to do’,⁹⁸ but would ‘add another gross insult to humanity, and to the laws of nations’.⁹⁹ In spite of the existence of these anti-war arguments, they were expressed by only a small minority of commentators in the pre-war discussions on how to react to China’s actions. It can be observed that the main ground on which these arguments were based—the immorality of the opium trade—did not vary greatly from that employed in the earlier debates. By this time, however, a war against China was substantially justified to defend Britain’s interests and honour. Although there was not entire agreement on the scale and specific means of military intervention, a general agreement was reached on the justice and viability of taking a reasonably strong stance against China to respond to Lin Zexu’s strong-arm policy during the opium crisis. This change of attitude perhaps determined that the arguments against going to war were so much in the minority that George Palmer even openly stated that, in

Parliament, 'no member was willing to declare himself *directly* opposed to a war with China'.¹⁰⁰

In conclusion, it can now be clearly seen that, in the complex pre-Opium War controversies, although the debates on the subjects of opium, crisis and war were interwoven with each other, they can also be viewed separately in their own right. In each of these discussions, the impact and relative strength of different viewpoints varied greatly. Initially, the arguments against the opium trade were not at all weak, but, after the opium crisis, the case for British intervention gradually gained the upper hand. Although in April 1840 the Whig Government won the vote on its motion for war by only a small majority, there was in fact more common ground among the concerned observers in support of Britain adopting a policy of vigorous intervention. War against China, at any rate, became an acceptable prospect, even though in the opinion of many observers it was still not Britain's best option. In contrast, those who insisted that justice was entirely on the Chinese side and who maintained that a war was by no means advisable were reduced to a small minority. General support for government intervention was not justified, as has previously been believed, for the sake of protecting the lucrative opium trade. In fact, very few British attempted to demonstrate the legitimacy of war based on the sheer economic importance of the trade. Instead, the immorality of the opium trade was often viewed quite separately from the injustice of the actions taken by the Chinese against the British. It was on the latter grounds, rather than the former, that different interpretations of justice and legality were disputed. Eventually, notwithstanding the notoriety of the opium trade, the necessity and timeliness of dispatching a military expedition to China was justified because of the desire to protect the lives and property of British subjects from an allegedly arbitrary Chinese Emperor and his unreliable people, and because of various concerns over the long-term and short-term interests and honour of Britain and her empire.

NOTES

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55. Elliot to Palmerston, 30 Jan 1839, in *Correspondence relating to China*, p. 343.
56. T.H. Bullock, *The Chinese vindicated, or another view of the opium question* (London, 1840), p. 101.

57. 54.H.L. Deb., 3s., 12 May 1840, col. 2.
58. Jardine to Matheson, 25–27 Sep 1839, in Alain le Pichon, ed., *China trade and empire: Jardine, Matheson & Co. and the origins of British rule in Hong Kong 1827–1843* (Oxford, 2006), p. 387. James Matheson (1796–1878) was a leading opium trader.
59. Graham, *The right, obligation, and interest*, p. 16. Italics in the original.
60. 55.H.C. Deb., 3s., 27 Jul 1840, col. 1039.
61. *Corrected report of the speech of Sir George Staunton, on Sir James Graham's motion on the China trade, in the House of Commons, April 7, 1840* (London, 1840), p. 13.
62. 53.H.C., 3s., 7 Apr 1840, col. 740.
63. 'The new year; posture of public affairs; prospects and probable consequences of war between the governments of China and Great Britain', *The Chinese Repository*, Jan 1839, 8 (9), p. 443.
64. Foreign women were not allowed to enter Canton. They normally resided in Macao and were separated from their husbands during the trading season.
65. 53.H.C., 3s., 9 Apr 1840, col. 864.
66. 55.H.C., 3s., 27 Jul 1840, cols. 1051–1052.
67. Elliot to Palmerston, 13 Apr 1839, in *Correspondence relating to China*, p. 388.
68. *Corrected report of the speech of Sir George Staunton*, p. 11.
69. 54.H.L., 12 May 1840, col. 43.
70. 53.H.C., 7 Apr 1840, col. 717.
71. *Ibid.*, col. 670.
72. Anon., *Some pros and cons*, pp. 39–40.
73. 55.H.C., 27 July 1840, col. 1052.
74. *Corrected report of the speech of Sir George Staunton*, pp. 14–15.
75. Elliot to Palmerston, 18 May 1839, in *Correspondence relating to China*, p. 410.
76. *The Canton Press*, 23 Nov 1839, 5 (8).
77. A resident in China, *Remarks on occurrences in China, since the opium seizure in March 1839 to the latest date* (London, 1840), p. 28. Italics in the original. It should be noted that no record from the Chinese side could confirm that the Daoguang Emperor indeed received and forwarded such a document.
78. *Ibid.*, pp. 27, 29.
79. Warren, *The opium question*, p. 76, although no record has shown that Warren himself has ever been to China.
80. *Review of the management*, p. 39.
81. A resident in China, *Remarks on occurrences*, p. 32.
82. *Ibid.*

83. *Chinese commerce and disputes, from 1640 to 1840* (London, 1840), p. 31.
84. Matheson to Jardine, 1 May 1839, in *China trade and empire*, p. 359.
85. Lindsay, *Is the war with China a just one?* p. 37.
86. One long resident in China, 'The Opium Trade, to John Harsley Palmer, ESQ', *The Canton Press*, 18 Jan 1840, 5(16).
87. *The Canton Press*, 5 Dec 1840, 6 (10).
88. 'China', *The Canton Press*, 10 Aug 1839, 4 (45).
89. Elliot to Palmerston, 22 Apr 1839, in *Correspondence relating to China*, p. 391.
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91. 53.H.C. Deb. 3s., 9 Apr 1840, col. 866.
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93. 'Ramrod: to the editor of the Canton Press', *The Canton Press*, 14 Dec 1839, 5 (11).
94. 53.H.C. Deb. 3s., 9 Apr 1840, col. 924.
95. Fry, *Facts and evidence*, p. 61.
96. Montagu, *A voice for China*, p. 55.
97. John Fisher Murray, *The Chinese and the ministry. An inquiry into the origin and progress of our present difficulties with China, and into the expediency, justice, and necessity of the war* (London, 1840), p. 51.
98. 53.H.C. Deb. 3s., 8 Apr 1840, col. 836.
99. Montagu, *A voice for China*, p. 55.
100. 53.H.C. Deb. 3s., 8 Apr 1840, col. 836. Italics added.



Business in the Borderlands: American Trade in the South African Marketplace, 1871–1902

Stephen Tuffnell

Between the Kimberley diamond rush of 1871 and the end of the Second Anglo-Boer War, thousands of US engineers, missionaries and adventurers flooded Britain's South African colonies hoping to capitalise on their new-found mineral wealth. For many, the British Empire's most troublesome settler dominion was a new west. 'Here can be found all the natural conditions that made the U.S. what it is today' enthused Frederick Russell Burnham after joining the rush of American migrants.¹ Burnham had spent his career in the violent borderlands of the Arizona-Sonora copper-belt where he fought Apache raiders and prospected for minerals. In South Africa, he enlisted in the British South Africa Company's forces and in 1893 crossed the Crocodile River to colonise Matabeleland. His imagination fired by the prospect of commercial opportunities and his heartrate quickened by the region's fabled mineral wealth, Burnham wrote home that he would 'like to see the Stars and Stripes float over this fair land'.²

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American migrants were central actors in the drama of industrialisation, imperial consolidation and fierce Anglo-Boer contestation that transformed the Southern African borderlands. While American engineers spurred the development of the South African mineral industries, the industrialising borderlands created huge demands for products not serviced by the British imperial economy and a space into which American firms expanded with the help of US consuls.³ American communities in Cape Town, Kimberley and Johannesburg anchored US commercial expansion. From their offices and social clubs, migrant Americans directed the economic energies of Americans back home and carefully managed the mechanisms of long-distance connection through which market information and commodities travelled. Taking a tour of the Cape in 1899, one American diplomat noted with pride that Americans had their ‘hand on the throttle valve of this great engine’.⁴ Cape Town was ‘under control of the Americans’ proclaimed the *Los Angeles Herald*.⁵

The economic imagination of American migrants and merchants was translated into action with the help of the US consular system which provided the intelligence and generated the trust necessary to connect domestic producers with overseas consumers. Trade did not simply follow the anonymous pull of ‘market forces’, but, as this volume demonstrates, was shaped by cultural assumptions and the availability of information. This is especially true of the late-nineteenth century when there was no single world market, but many, segmented marketplaces. ‘Small as the world is becoming’, wrote the American diplomat Truxtum Beale in 1897, ‘buyers and sellers in it are still groping for each other in the dark’.⁶ To overcome this, the American consular service operated, one expert on American trade wrote, as ‘an auxiliary to the commercial activity of the nation’.⁷ To translate ‘imagined’ markets into economic realities required constant vigilance and energy from American consuls. But, in a global economy in which far-flung commodity chains stretched across multiple markets and in a region in which war regularly redrew the pattern of business, American consuls often struggled to keep track of ‘American’ trade with Southern Africa.

Overseas market expansion in the US’s Gilded Age and Progressive Era has hardly been overlooked by historians of US imperialism. It was in this period, the influential New Left historians argued, that the market-oriented character of American Empire lay. In New Left scholarship, the universal pursuit of overseas markets became the driving force of US foreign policy both as an ideology and as a structural necessity of American capitalism, which was cursed with over-production.⁸ The purpose of this chapter is not to fire another volley in the long-running controversy

generated by this work, but it does aim to reflect on one of its unintended consequences.⁹ Because of the New Left's insistence that we take seriously US exporters' arguments that trade with China was the most effective route away from domestic over-production towards global power, their interpretive framework has determined which markets have been illuminated by historical inquiry—and which have disappeared from sight.

In other words, New Left scholarship let the vocabulary of their actors define, and in this case delimit, the geographic horizons of the US Empire. At stake is not simply an issue of recovering a lost venue of American trade, but the spatial imaginary of American imperial historians. By stepping outside of the traditional geographic boundaries of US imperial scholarship, new questions can be asked about the intersections and entanglements of US imperialism with the labour regimes and productive sites of European empires and how its overseas market expansion was conditioned by the opportunities these offered.¹⁰

It may surprise readers from other fields that the US's economic interconnections with the British Empire have been overlooked. Yet, it is a symptom of most historical writing on Empire in this period that transimperial connections are ignored.¹¹ During these decades the US's industrial and agricultural sectors grew into powerful engines of economic growth and that they did so in the context of the 'great acceleration' of global social and economic exchange is no coincidence.¹² Historians are well-aware of the international imperial competitiveness this produced, but historical actors were as attuned to the profound role of the British Empire in shaping US commercial expansion. 'The expansion of the British empire and the opening of new markets tend to promote American industrial interests', wrote one analyst in January 1901.¹³ Everywhere British colonial 'markets are flooded with all descriptions of American manufactures', wrote the *London Chamber of Commerce Journal*, which were endeavouring to drive out British goods with 'an alarming promise of success'.¹⁴ But how did US commercial expansion occur within British colonial spaces, and how was it shaped by local dynamics of imperial extraction, state-building and war-making? This chapter hopes to deepen our understanding of these processes.

I

Diamonds and gold lured more than 10,000 Americans to Southern Africa.¹⁵ Whether expatriates, sojourners, or part of a transnational professional diaspora, together they remade the borderlands. Some carved

breathtaking open-pit mines in the landscape, others dammed rivers, dug reservoirs or sank gold-seeking shafts deep below the Highveld out of which rose huge tailings of quartz and rubble. Still others attempted to bring order to the borderlands' tumult of people: in attempting to direct the migration patterns of black African labourers toward the mines they razed pastoral economies and households and collaborated in the introduction of new, rigid structures of racial hierarchy.¹⁶ Americans could be found all over Southern Africa, managing, shaping, and re-ordering the borderlands, but they concentrated overwhelmingly in Kimberley and Johannesburg (Fig. 1).

The first Americans came for diamonds. In Kimberley, there were close to 1000 Americans engaged in diamond mining and opening new markets for American goods. American farming implements were imported, as

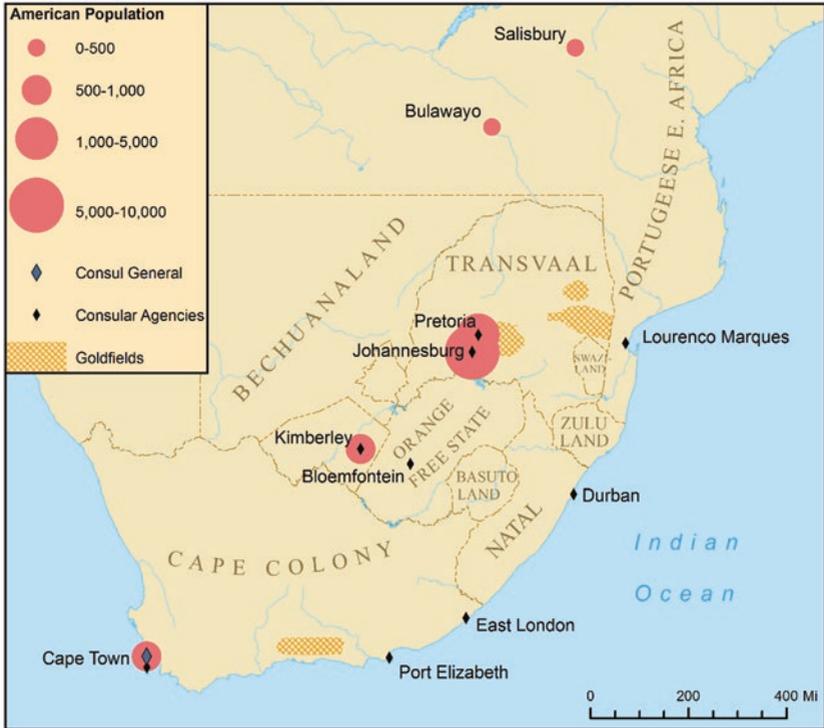


Fig. 1 Americans in Southern Africa, c.1890s. Source: created by the author

were omnibuses, wagons, carriages and buggies to support this hub of industrialisation.¹⁷ George Hendrie, an American working as a claim overseer for the diamond mines of the London and South African Exploration Company in Dutoitspan and Bultfontein, wrote home to Albany that the diggings were ‘far from being the “Wilderness” you all think it is’.¹⁸ ‘The country is said by some to be the “California” of S. Africa’, Hendrie wrote in 1882, ‘Without doubt I believe there is a great future before South Africa. It is abounding in all kinds of minerals, and the farther north you go, the soil will grow everything under the sun’.¹⁹ While he could get peaches from Delaware, apples from New York, and sardines, salmon and tomatoes from California—all canned—fresh potatoes were ‘luxuries ... and bring fancy prices’.²⁰ ‘Unless you frequent the saloons [sic] or billiard rooms, there is nothing to do but work and sleep’, he noted.²¹ The leading American engineers and capitalists in the city organised themselves into the American Association of Kimberley, sometimes known as the American Association of Diamondopolis, and like their counterparts around the world celebrated national holidays such as the Fourth of July and Washington’s Birthday.²² Kimberley created some opportunities for American expansion to flourish, but in the free-wheeling borderlands of the Boer states more was to come.

In 1886 Johannesburg was a mere mining camp but it already felt the cravings of an enormous industrial thirst. Soon it was ‘all rush’.²³ Transformed by gold and railroads, by 1914 its population had reached 100,000.²⁴ The boom pushed the city’s footprint from 5 square miles in 1898, to 82 square miles in 1903.²⁵ In 1895 alone an astonishing 2538 buildings were constructed in the city.²⁶ John Hays Hammond, a self-promotional Californian in the employ of Cecil Rhodes, was impressed with the ‘cosmopolitan atmosphere’ of the city, where ‘salaries were high and markets were plentiful’.²⁷ For one well-heeled resident it was a ‘great, fiendish, hell of a city which for glitter and gold, and wickedness, carriages and palaces and brothels and gambling halls, beat creation’.²⁸ To Earnest Wiltsee, an American chemist employed by Barney Barnato, it was ‘the greatest camp in the world’.²⁹

Johannesburg’s Americans were at the centre of the industrialisation of the Witwatersrand (Rand) and controlled ‘nearly 90 percent of the technical management of the mining industry’.³⁰ The engineers were joined by artisanal birds of passage who migrated between mineral booms to take on specialist roles as pitmen, dynamiters and engine drivers.³¹ By the mid-1890s, between 2500 and 3000 American hands worked amongst the *Uitlanders* of the

Witwatersrand.³² By contrast, in the Cape Colony there were just 249 US residents in 1890, which had doubled by the time of the outbreak of the Second Anglo-Boer War and continued to grow as more Americans landed in the Cape with the scores of transports that brought mules and horses from New Orleans—more on which later in this chapter.³³

This number continued to grow as the first wave of miners to the Rand was followed by merchants and agents from American firms seeking tenders from the Boer Government or hoping to expand into Southern African markets.³⁴ Individual agents established branch houses in Cape Town, Johannesburg or Port Elizabeth, such as the American Trading Co., which imported foodstuffs, California redwood and Oregon pine through Cape Town and Port Natal.³⁵ Others travelled between the industrial centres of production demonstrating goods and machinery, taking orders, organising delivery and addressing faults. Those not actively engaged in trading were employed in the sectors that surrounded it, including the insurance industry.

In the early years of mining on the Rand, the majority of the American diggers and skilled engineers resided in the Rand's boarding houses, which were either located on the mining property itself or in one of two working-class suburbs—Jeppe in the east and Fordsburg in the west. These areas were little more than an overgrown mining camp, renowned for their drunkenness, gambling and prostitution. Early migrants established an American Society of South Africa to acclimatise new arrivals to life on the gold fields, and American travellers and prospectors might seek the comforts of home in the American Hotel or the California House, and might also join the local American baseball club.³⁶ Though an overwhelmingly male city, the wives of Americans in Johannesburg founded the Martha Washington Club in the early twentieth century.³⁷ For the diggers, foremen and their families, this world of American institutions maintained connections with US national culture and celebrations, and provided a familiar waypoint in an alien land. Or, as William Hammond Hall, a San Franciscan irrigation expert, put it to his wife, it helped overcome the 'deuced far-off-ed-ness and danged long-time-ed-ness-of the-I-no-see-you-ed-ness of the situation'.³⁸

Later, the wealthier consulting engineers built homes in the city's grandest suburbs of Old Doornfontein, Belgravia, Hospital Hill or Park Town out of sight of the mining headgear. Away from the clamour of the booming mines, American engineers rubbed shoulders with their British employers at the Rand Club or in afterhours trading outside the Stock

Exchange. Here, boosters and investors hatched schemes to transform the city itself. William Keller induced a group of Californians to invest in new street railways; William B. Hall convinced a coterie of leading capitalists to sink cash into an ‘American’ steam laundry and other projects to impose order in this borderland city.³⁹ They could also be found in the rooms of the Transvaal Chamber of Mines, or in one of the many associations they founded to facilitate their professional life, including the Cyanide Club and the Mine Managers Association. ‘Johannesburg ... is like an American city’, marvelled one mining expert in 1887—just a year after the gold rush began.⁴⁰ ‘You shall all come and we will end our days in the new Utopia in the heart of Africa’, wrote another Californian to her family in Pasadena.⁴¹

II

By 1899, the Transvaal was the world’s leading producer of gold, attracting more than £75,000,000 in foreign investment and stimulating enormous population growth across the subcontinent.⁴² Expanded markets for US goods grew alongside major injections of capital to develop the transport and communication infrastructure connecting ports to the mineral fields and the booming cities that sprang alongside them. Railways arrived on the Rand from Cape Town in 1892 and from Durban in 1895. Supplying commodities to settlers and equipment to the mines, and to the railways themselves, stimulated American enterprise. ‘With such population as South Africa contains, and with such a country as will be developed by the extension of English control’, wrote one author in the Bostonian literary magazine *The Arena*, ‘it can safely be asserted that a market will be opened to the manufacturers of the United States that is almost limitless’.⁴³

The imaginative construction of the South African market in the USA ranged from the specific to the highly speculative. But through the American print media an image emerged of a region whose future prospects were closely aligned with the American economy. US newspapers and journals provided carefully compiled accounts of the colony’s opportunities and its congruence with American interests, while specialist journals such as the *Engineering Magazine* detailed South African geography and geology, and ore composition and extraction techniques most applicable to the diamond pipes and gold reefs.⁴⁴ Broader audiences of middle-class readers were reached through popular journals in which the commercial opportunities of the region were expressed through travel

accounts.⁴⁵ *Scribner's Magazine*, for instance, depicted the region as 'a veritable El Dorado for enterprising spirits from Europe and America'.⁴⁶ Essential factors in capturing the imagination of American investors and entrepreneurs were the gold and diamonds themselves, which fired the imaginations of those hoping to capitalise on an imagined 'Elysium' for American goods in Southern Africa.⁴⁷

American exports to the Cape Colony rose from less than US\$2,000,000 in 1890 to an average of US\$14,000,000 for the period 1896–1898, rising to US\$16,000,000 in 1899, and peaked in 1903 at more than US\$30,000,000.⁴⁸ Imports for the Boer states also came through the port of Lourenço Marques in Portuguese East Africa after the completion of the Delagoa Bay railway in 1894. Wheat, maize, lumber and munitions all entered the Transvaal from the USA via the British-owned Atlantic and South African Steamship Company's route between Pensacola and Lourenço Marques.⁴⁹ Americans may have imagined a 'limitless' market for their goods, but caution was warranted. US trade in the region was dwarfed by imports from Britain and never amounted to more than 15% of the goods landing in the Cape. Nevertheless, this proportion compared favourably with Britain and the US's chief rival in the region, Germany, which surpassed the US share of trade in 1908 and 1909 only as a result of the Panic of 1907 (Fig. 2).

US trade with China, long depicted as the great white whale of American exporters, compared favourably to South African trade, multiplying at a similar rate between 1895 and 1899 from US\$3,200,000 to US\$13,100,000.⁵⁰ US commentators correctly pinpointed the importance of British imperial markets—by 1900, trade with the British Empire amounted to £193,398,322, making it the Empire's largest trading partner.⁵¹ 'The development of the Tropics and of the Southern Hemisphere has been essentially the work of Britain', observed one American periodical, 'and how necessities caused by that development have made markets for American natural products, the wealth drawn from which has enabled the United States to become, in turn, a great industrial nation'.⁵² Henry Birchenough, special commissioner for the Board of Trade, was more succinct: 'America is undoubtedly our most formidable rival present and future'.⁵³

The expansion of American commerce played to existing US strengths or to those of firms producing new products such as industrial mining equipment. Here the connection with the American diaspora was clearcut: American engineers and mine managers preferred to import US-made

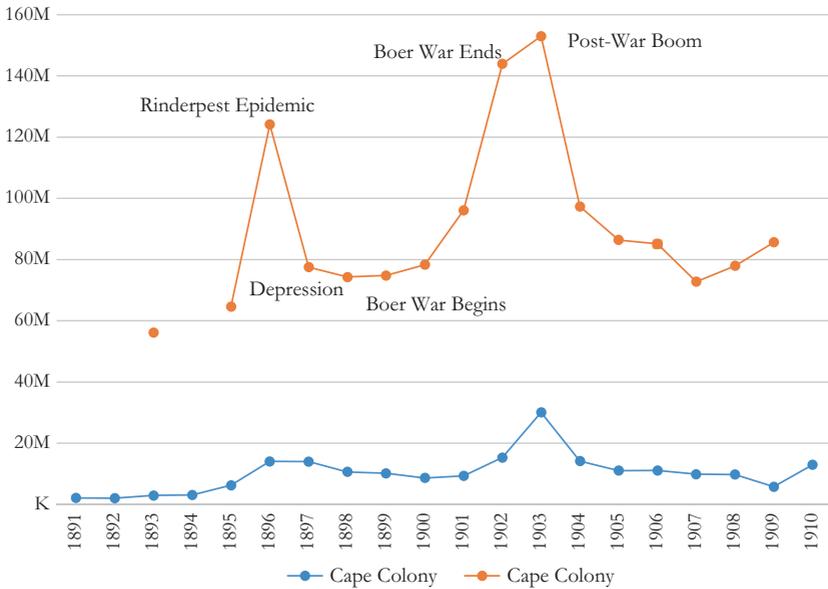


Fig. 2 US imports into the Cape Colony, 1891–1909 (US\$ million). Source: compiled by the author from *Commercial Statistics of the United States*

equipment. ‘American trade has already a strong foothold in South Africa, owing in part to the numerous Americans occupying responsible positions in the mines’, opined *Dun’s Review*.⁵⁴ As a result, American-engineered heavy mining machinery from the Ingersoll-Sergeant Drill Company, Milwaukee’s Edward P. Allis Company and Chicago’s Fraser and Chalmers (taken over in 1897 by Rand Mines and Wernher, Beit & Co.) were at the forefront of the empire of American goods in Southern Africa.⁵⁵ By 1903, the inspector of machinery in Johannesburg estimated that the USA supplied 55% of the air compressors, 76% of the air drills and 59% of the crushers used in the mines.⁵⁶ As can be seen from Table 1, the USA soundly beat its nearest competitor in the field, but was still far behind Britain. British companies continued to dominate the supply of boilers, winding engines and headgear, however, leading American trade journals to exhort manufacturers to compete by sending stock directly to South African wholesalers.⁵⁷

American manufacturers who succeeded in South African markets were often those profiting from the managerial revolution taking place in the

Table 1 Principal importers of mining machinery into the Cape Colony, 1890–1903 (£)

	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903
UK	277,629	114,779	188,073	503,596	521,567	903,825	1,026,745	891,895	529,604	477,919	189,844	199,523	352,929	394,151
Belgium				243	5764	996	5220	17,907	23,420	24,880	2553	859	4898	7043
Germany		14	1721	5386	22,520	2971	88,242	26,050	10,168	10,710	12,695		14,500	15,849
Holland				2029	2407	372	2354	7351	233	177	227		128	55
USA	98	24,434	63	70,190	93,307	238,393	356,882	271,562	269,645	283,457	86,844	76,608	158,150	290,597
Other	2100		367	1967	3677	5005	827	1200	886	652	58	343	1189	694
Total	279,827	139,227	190,224	583,411	649,326	1,174,562	1,480,270	1,216,280	833,956	797,795	291,821	288,112	531,794	709,514

Source: compiled by the author from *Statistical Register of the Colony of the Cape of Good Hope* (Cape Town, 1890–1903)

USA. Backwards integration of firms along the supply chain and the rationalisation of production enabled many US corporations to produce in larger quantities, at greater speed and at lower prices than their British counterparts.⁵⁸ By 1900, thanks to the standardisation of products and large batch production, it took the Baldwin Locomotive Works just sixty days to build a 65-ton locomotive, while British railway companies manufactured a proliferation of equipment in small batches and struggled to clear their orderbooks.⁵⁹ With the rapid expansion of South African railroad mileage, the Cape Government Railways (CGR) began importing American locomotives from Baldwin and the smaller Philadelphia firm Dickson & Co. to pull freight.⁶⁰ Yet, as Table 2 shows, American rolling stock and rails were often imported when British firms couldn't keep up with demand and fluctuated greatly as a result. In 1899, as British industry recovered from the engineers' lockout of 1897 and 1898, CGR imported 40,691 tons of steel rails from the Carnegie Steel Co. of Pittsburgh—at 20% below English quotations.⁶¹ Two years later, Sir Charles Elliott, special railway commissioner for the CGR, travelled to Pennsylvania where he placed orders for twenty-nine locomotives, and a further US\$5,000,000 of steel rails and rolling stock.⁶²

American produce also fed the booming cities. The USA was the dominant exporter of wheat, rye, sump and flour to Southern Africa, eclipsing Britain (a net importer of grains) and its closest rivals (although in the case of fodder, bran and maize the Argentine Republic was the leading nation). American farmers and producers enjoyed a boom both during and after the Boer War, when foodstuffs were especially in demand to feed industrial armies, alleviate sieges, and care for prisoners and civilians alike.⁶³ For the farming that did take place, American machinery enjoyed a strong position in the South African market (Table 3). Reapers, binders and harvesters from the McCormick Harvester Company and the Deering Harvester Company tilled South African farmland.⁶⁴

In 1902, McCormick, Deering and three other firms emerged from the so-called 'harvester war' in the USA as International Harvester (IH). The new conglomerate controlled 85% of the total production of harvesting machines in the USA.⁶⁵ The firm quickly established a network of sales agents overseas. Three were sent to South Africa and eight to the British Empire in total (to provide some sense of scale, that figure amounted to just half of the number who were sent to Mexico, but was roughly the same as the number sent to Europe). By 1910, foreign sales made up one-third of IH's total sales.⁶⁶ As Mona Domosh has highlighted, IH viewed

Table 2 Principal importers of railway material into the Cape Colony, 1890–1903 (£)

	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903
<i>Rails</i>														
UK	27,691	1080	4833	12,764	5289	33,504	107,673	199,886	80,043	13,282	103,022	129,615	38,046	297,211
Belgium	181		291	501	85	10,438	101,418	3126	2962	2053	16,748	4483	13,813	14,505
Germany	1578		23	647	2566	7484	1253	262	706	239		800		
Holland	3748		12,345	24,820	19,520	1739	655					93	326	606
Other	420									299	93	570	216	565
USA	147							6851	16,667	86,402	11,769	77,106	18,384	45
Total	33,765	1080	17,492	38,732	27,460	53,165	210,999	210,125	100,378	102,275	231,632	212,667	70,785	312,932
<i>Rolling stock</i>														
UK	39,419	22,665	47,139	52,206	34,553	30,180	61,611	41,900	20,221	26,381	135,407	115,493	31,831	487,854
Belgium			63		390	555	108	21	138	1958		341	580	3419
Germany					214	271	571	2162	54					571
Holland	8489	10	37,391	25,819	54,533	4855	1048		336				315	
Other	14				1						142	40	84	687
USA	242	9	726	481	535	136	10,542	11,305	29,027	3710	3369	19,955	881	7488
Total	48,164	22,684	85,321	28,506	90,226	35,997	73,880	55,398	49,776	32,049	139,918	135,829	33,961	500,010

Source: compiled by the author from *Statistical Register of the Colony of the Cape of Good Hope* (Cape Town, 1890–1903)

Table 3 Principal importers of agricultural machinery into the Cape Colony, 1890–1903 (£)

	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903
<i>Agricultural</i>														
UK	16,921	20,329	28,117	37,102	43,501	29,427	36,228	37,100	40,057	26,613	22,833	10,911	25,184	53,016
Germany	22		128	539	2117	1003	1465	1101	581	984	425	641	415	2189
Belgium			38	33			106	38	297	221	216	348	237	313
USA	4043	8631	14,510	22,034	23,464	14,812	15,113	15,285	19,757	26,647	22,253	10,570	18,033	48,380
Other	114	285	127	211	523	352	293	240	692	270	2712	243	679	3457 ^a
Total	4043	29,245	42,920	59,919	69,605	45,594	53,205	54,033	70,384	54,672	45,998	22,713	44,946	109,575

Source: compiled by the author from *Statistical Register of the Colony of the Cape of Good Hope (Cape Town, 1890–1903)*

^aCanada was added to the statistics in this year

the spread of their products overseas as missionary work, extending modernisation and civilisation to colonised landscapes.⁶⁷ But the commercial landscape they sought to reshape required constant maintenance and management, relying not only on private energy and enterprise but the support of the state's consular apparatus.

III

In all these areas, US commerce relied upon a vast web of information. The penetration of South African markets required careful management and constant maintenance. This task fell to US consular agents, who kept a ceaseless vigil for commercial opportunities. The American consular service operated, in the words of one leading review of international relations, as 'a sort of bureau of information at the expense of the state' for American exporters and the consul existed to 'invent and find new markets'.⁶⁸ As George F. Hollis, Consul General at Lourenço Marques, put it, the consuls 'may be considered commercial missionaries'.⁶⁹

The US consular service underwent a significant transformation in this period. Procedural and institutional changes to the consular system were one part of the creation of what Emily Rosenberg has labelled the 'promotional state' that aimed to promote the expansion of US corporations overseas, which were then enlisted as instruments of US foreign policy.⁷⁰ Beginning in 1880, the US State Department published consular reports on a monthly basis, in addition to the Bureau of Statistics' annual volume *Commercial Relations of the United States*. Under the direction of Frederick Emory, the Bureau of Statistics gradually expanded the scope of publications to include 'Advance Sheets' three or four times a month and Special Consular Reports detailing customs regulations, packing requirements and local consumer habits. In 1894, the Bureau's mailing list included 1200 newspapers and journals, all members of Congress, 600 libraries, 150 boards of trade, and 3000 individuals and firms.⁷¹ Local chambers of commerce in turn circulated government publications to their members. In 1897, Secretary of State John Sherman created the Bureau of Foreign Commerce, which began publishing daily reports and issuing circular instructions to US consuls aimed at stimulating their attention to American manufactures in foreign markets. For the public, these were vital guides to consumer demand.

Markets, then, were not imagined wholesale. The economic imagination may have been stimulated by lush advertising and appeals to

exceptional economic futures, but conducting economic activity depended on reliable market information. American merchants, who did not rely simply on luck and foresight, depended on the information provided by consuls as hard evidence of the credibility and security of foreign markets. Consulates could therefore shape and direct economic behaviour. As the career diplomat Eugene Schuyler expressed it, consular information was the tonic to the ‘inertia of obstinacy’ among many American firms reluctant to enter overseas markets.⁷² It was for this reason that the consular system in the USA became a target for civil service reformers seeking to remove the hold of party bosses over these plum posts.⁷³ If the consul or consular agent was not a man of standing, how could American manufacturers send stock overseas with confidence? For Americans trading with European empires, confidence was underwritten by the consular system and its close connection to the American diaspora. Migration underwrote the supply of market information and, through their close connections with the US consular system, facilitated the smooth operation of overseas trade.

Some American observers argued that the consulates were the ‘advance guard of ... commercial interests’ and ‘a pioneer in the opening of new markets’, but they were wide of the mark.⁷⁴ In South Africa, at least, commerce preceded consular agencies. The US Consul General at Cape Town was the centre of American trade and diplomacy and managed a network of consular agents throughout the subcontinent. These agents were appointed directly from the American communities where they resided (although some were British subjects). Since the Consul General was appointed by Washington he could not engage directly in business, but the consular agents under his direction were embedded in the American trade, which facilitated the collection of reliable market information. Cape Town’s vice consul, Clifford Hume Knight, was senior partner in the ship-broker, merchant and coal importers Thomas, Watson & Co. J.C. Manion, US consular agent in Johannesburg between 1895 and 1904, settled in the city after completing a round-the-world tour for the Ingersoll-Sergeant Drill Company. In Johannesburg, Manion founded Chapin & Manion Ltd., an agency for Ingersoll, with Robert W. Chapin as partner—who served as consular agent in Manion’s absence. In Kimberley, Gardner Williams and later his son, Alpheus C. Williams, were both leading diamond engineers at De Beers.

As the economies of the Cape and Transvaal boomed, so American commerce increased—and with it the US’s consular presence. Between

1898 and 1901, James G. Stowe, a wealthy exporter of agricultural tools and machinery from Kansas City, acted as US Consul General in Cape Town. Throughout that time, Stowe maintained a steady flow of information with the State Department and American companies on prices, investment opportunities and contracts being tendered by the public works departments in Pretoria and Cape Town.⁷⁵ ‘Contracts for the building of railroads, supplies for the army, jails, prisons, public and private institutions, railroad materials, oils ... are open for bids’, Stowe wrote to McKinley’s Assistant Secretary of State in 1899.⁷⁶ Among his regular correspondents were export representatives such as the influential National Association of Manufacturers (NAM), which was founded to promote collective, private action to expand American business. By 1900, NAM had a membership of 1000 and a revenue of more than US\$1,000,000. Its publication *American Trade* (1897–1902), which later became *American Industries* (1902–1914), reprinted consuls’ reports of foreign opportunities.⁷⁷

Recognising the growing importance of trade with the Transvaal, the State Department appointed Charles E. Macrum to a new consular post at Pretoria in 1898. Appointed shortly after a small depression in the region in 1897, Macrum moved quickly to shore up the confidence of American exporters. ‘There is a great field open here for our American manufacturers’, he wrote to one company in Illinois, ‘if only our exporters had the same confidence in the dealer here that he has in the dealer at home’.⁷⁸ ‘The sooner our American manufacturer goes DIRECTLY after the foreign trade with the characteristic vim and push and energy he displays in seeking out the trade at home, the quicker will be his progress’, he told the Exporters’ Association of America.⁷⁹ As this volume makes clear, trade expansion was often mediated through perceived national characteristics, which portrayed the mundane processes of establishing market presence in culturally favourable terms. Echoing both the settler-frontier narrative discussed previously, the *San Francisco Examiner* claimed that the ‘reason the American has been in such demand in South Africa, is because of his adaptability. He can pioneer as none of the Europeans can’.⁸⁰

The importance of this knowledge dissemination is hard to quantify. Undoubtedly, the greater supply of information about South African markets increased the range of options open to American producers and manufacturers for overseas expansion.⁸¹ But the caution of contemporary observers was surely warranted. ‘There seems to be current an exaggerated notion of what consuls can do for trade’, wrote Schuyler. ‘In reality

they can do little more than furnish information, or be in a condition to procure it, give advice, and see that the merchant in foreign lands stands in no worse position than those of other countries.⁸² American successes hid startling dependencies. US commerce hitched a free ride on British imperial infrastructure: British ships carried 58% of American foreign trade worldwide—US ships carried only 8% of the nation's foreign tonnage (although its domestic shipping amounted to one-quarter of the world's total).⁸³ 'The only disagreeable feature about the American invasion', wrote Ray Stannard Baker, 'is that it is being made largely in foreign ships'.⁸⁴ 'If Great Britain has increased her trade by having ships, the banking facilities, and the great merchants located in foreign countries, *is it not an object lesson for the United States*, and should not the United States ... go and do likewise [?]', an exasperated Stowe asked in one despatch home.⁸⁵

The freight infrastructure through which American goods travelled indicates that the USA was often only one element of a far larger commodity chain. This point has been made forcefully by Steven Topik and Allen Wells, who caution that 'there was not one world market, but myriad, often segmented, and ever-evolving markets'.⁸⁶ This was especially evident in the Second Anglo-Boer War (1899–1902). Colonial wars were not only fought to open new markets, but amplified the consumer activities of industrialised armies. The Boer War dramatically redrew patterns of US–South African trade, producing a boom in American exports. Between 1901 and 1902, American trade rose by more than US\$100 million over pre-war levels and reached its peak in 1903.⁸⁷ Where the trade in mining equipment dropped, animal products and foodstuffs boomed. To feed and equip its Army of 447,000 troops and their black African allies, the British imported tons of US products, including Quaker Oats, boots, munition belts, hay, saddles and Studebaker wagons.⁸⁸ British Army and Naval purchasing agents touring the USA in search of supplies were aided by a favourable diplomatic context in which the neutral US Government allowed all but the most obviously military goods to be exported.⁸⁹

To pull wagons, haul artillery and maintain the manoeuvrability of the Army, mules and horses were a necessity. The USA supplied both in large quantities. The export of American horses and mules grew steadily following price collapses during the Panic of 1893 and increased demands from the US Army in the Philippines. But it was the Boer War that transformed the export trade. As the US Department of Agriculture noted, the war created 'extraordinary demand' for remounts for the British Army, which

lost 1000 horses a week to combat and sickness.⁹⁰ To coordinate this transoceanic trade, the Foreign Office despatched a remount commission to the USA, consisting of thirteen officers, including veterinary surgeons. Once there, the officers established a central headquarters at Kansas City, Missouri, from where purchasing agents were sent to Oregon, Kansas, Texas and New Orleans.⁹¹ In all, some 109,839 horses (one-quarter of all horses imported by the remount department) and 81,524 mules (close to half of all the mules used by the British Army) were shipped into Durban before transportation to the front at a cost of £3,084,006.⁹²

US animal products boomed as a result of the war. American preserved meat exports to South Africa tripled between 1899 and 1902 from close to 4 million pounds (£99,026) to almost 11.5 million pounds (£342,326).⁹³ The Armour Packing Company of Chicago was the chief American beneficiary in this trade, having already supplied the British Army in Sudan, where the firm's owner, Philip Armour, boasted that British troops had eaten 2 million pounds of Armour canned meat.⁹⁴ This was hardly an unqualified story of American success, however. Army quartermasters estimated that some 30% of Armour's product was rancid (it was typically preserved with boric acid and nitrate of potash) and 20,000 cases were dumped in the sea.⁹⁵

We might pause a moment here to consider the precise relationship between the cultural identity of goods and the trade data historians use to track their movement.⁹⁶ 'American' articles could be easily transformed into 'British' ones. In 1900, 4,000,000 pounds of American-produced frozen meat was landed in London and transported to Smithfield where it was cured and relabelled as British produce.⁹⁷ Meat packing in the American Midwest—primarily in Chicago and Cincinnati—was a lucrative business for British investors who participated in the industry 'on a formidable scale'.⁹⁸ In the early 1890s, British investments in US cattle ranches, slaughtering, hog packing and stockyards exceeded US\$80 million.⁹⁹ Such patterns are a reminder to historians to trace carefully, where possible, the channels of investment that underpinned multinational industries and the circuitous travel of goods along international commodity chains.

By the turn of the century, US Consuls struggled to come to terms with the sheer breadth of these commodity chains and were confounded by the mutability of 'American' goods in the global marketplace. 'What the shipments of United States products from England amounts to we shall never know', Stowe wrote the State Department.¹⁰⁰ 'Admitting that much that is made and produced in the United States is sold through

other countries to this colony and country’, wrote another agent, ‘the question arises, is the United States getting credit for exports to South Africa?’¹⁰¹

IV

The American professional and merchant diaspora anchored the US’s growing entanglement with the wider world in the late nineteenth century. Through them we can see what creating and managing markets meant in practice. By participating in the transformation of Southern Africa, the American diaspora shaped economic behaviour and managed the US’s commercial expansion into this rapidly developing region. Information was central to this process, as was the vigilance of merchants and consuls who connected producers and consumers, responded to new opportunities and coordinated the mechanisms of global trade.¹⁰²

In 1902, the American businessman Ulysses Eddy wrote that the blossoming of US trade with the British Empire ‘amounted to a Declaration of Independence of England commercially by the colonies of England’.¹⁰³ Yet, this was arguably the sign of an over-active economic imagination. For all the hyperbole that surrounded the supposed ‘Americanisation’ of Britain and the colonies, the British Empire remained a highly competitive market.¹⁰⁴ American merchants did not have it all their own way in the Cape—far from it—but they did, however, exploit the British World’s openness to the world economy. ‘The maintenance of [the British] empire excites no jealousy in us, and presents no inconvenience’, wrote one State Department strategist. ‘On the contrary’, he continued, ‘we should prefer to see the colonial markets of the world controlled by a state ready to throw them open to all comers’.¹⁰⁵ US policy-makers viewed the knots of entanglement described in this chapter as opportunities for competitive expansion, and by tracing them more carefully US imperial historians can expand the spatial imaginary of the US’s market expansion in the late-nineteenth century.

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Imagining New Zealand's Economy in the Mid-Twentieth Century

Glen O'Hara

Few countries have been as closely studied, and fewer still so admired, as New Zealand. Americans in the Progressive era at the turn of nineteenth and twentieth centuries saw its ordered economy and concerted labour market as part of an inevitable future: as the radical academic Frank Parsons and his publisher C.F. Taylor put it in 1904, 'what is now history in New Zealand is prophesy for the rest of the world'. Parsons made himself an expert on the country's system of compulsory industrial arbitration; other experts, such as Richard T. Ely of the University of Wisconsin, worked on state ownership of infrastructure.¹ The journalist and activist Henry Demarest Lloyd, writing at the same time, was thought to aim at 'New Zealandising the rest of the world': most such schemes were not in the end transplanted to the USA, as most debates fastened on the idea of compulsion rather than the idea of economic reform which such controls aimed at, but debate often centred around the New Zealand 'model'.² In many other countries, for instance Japan, early socialists and reformers looked to that tiny South Pacific country as an example of how to adjust to rapid industrialisation and labour unrest. The socialist thinker Abe Isō,

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no less than Parsons or Lloyd, thought that state ownership of the transport and energy sectors, and compulsory labour arbitration, boosted productivity and eliminated waste.³

New Zealand's image in the nineteenth century—as an integral part of a wider imperial whole, alternately a 'young' country that required guidance and a land whose settler-citizens might one day return to look upon Britain's own decline, and in booster literature such as *A Land of Promise* and *An Earthly Paradise*—has been relatively well-covered.⁴ Other stories are also familiar from the academic literature. New Zealand's image as a white settler community was successfully reformed by the end of the twentieth century to that of a multiracial and multilingual society whose history of European treaty-making with Maori peoples—rather than outright expropriation—allowed indigenous peoples to reassert their rights and voice.⁵ The mid-twentieth century, however, has been less well covered, especially as it is a period during which New Zealand began to evolve its own particular identity as a 'better' Britain shorn of the many class inequities and tensions many emigrants had rejected at 'home'. This chapter explores the privileged place and exact location of New Zealand within the intellectual landscape of mid-twentieth-century British policy-makers, while not neglecting the key insight from recent transnational histories—that ideas travelled both to and from the metropole, rather than just outwards from the UK, as well as independently around the Empire and Commonwealth.⁶

Just as it has become clear that economic links between the two countries were much more complex than the mere transfer of capital from London and the return of food from New Zealand, so the diffusion of ideas throughout the imperial system was more multifarious than might at first appear.⁷ British views of New Zealand were a type of 'invented tradition' that belonged to concepts of Britishness at the height of its 'declinist' era, when anxieties about British economic performance multiplied and imperial links seemed to be dissolving: in Eric Hobsbawm's words, such concepts were 'a legitimator of action and cement of group cohesion', imperial and racial in terms of the experiences of British settlers in the Pacific, but also specifically national in that what was admirable about New Zealand was in some ways a mirror image in what was 'wrong' with Britain.⁸ It was another Other against which the British saw and judged their own nationhood, all the more useful, if unsettling, because New Zealanders were so similar to Britons.⁹ This essay does not claim that New Zealand was unique in this respect. It was rather part of a com-

plex web of imagined communities, each aiding human understanding of economic and social change via a collage of different images from different policy spaces.¹⁰ International relations theorists have long understood the importance of ‘decision-makers’ beliefs about the world and their images of others’, but this sensitivity to constant re-assemblages of meaning and understanding are not so advanced in our analysis of domestic or economic policy.¹¹

I

New Zealand had been held up as an example of economic and social progress since the later nineteenth century. In his 1898 travel book *Life and Progress in Australasia*, the Irish Nationalist MP Michael Davitt argued that the 1894 Industrial Conciliation and Arbitration Act—passed by William Pember Reeves as Minister of Labour—helped to make it ‘the most progressive country in the world today’. British unions preferred to rely on long-established collective bargaining agreements, and on the bipartite conciliation boards which were often part of that machinery.¹² This Act was one of the most oft-cited examples of New Zealand’s forward-thinking, but balanced and sober, policy making: Reeves thought of himself as a practical socialist who was trying to reach ‘a kindly solution of the natural warfare between classes’. He denied neither the inevitability of that conflict nor the desirability of ultimately arriving at socialism itself.¹³ Lloyd, who visited the Arbitration Courts in 1899, saw them as the inevitable democratic outgrowth of a ‘developed’ society that wanted to reach agreement, and now sought redress at law to give voice to that desire. ‘In the last five years in Europe and America’, he wrote, ‘there have been riots, arson and even dynamite in consequence of decisions forced on labour by capital, but nowhere has there been a breath of disturbance in New Zealand on account of any decision forced on labour by arbitration’.¹⁴

Beatrice and Sidney Webb, on their 1898 visit, ‘paid special attention to the working of the Arbitration Act’, finding that workers were ‘thoroughly satisfied with the working of the Act as they know it’—though they found employers objected to the involvement of national union figures when they might have preferred more local deals with their own employees.¹⁵ Seamen, for instance, had been able to uphold their overtime claims when the employers backed out of a prior voluntary agreement. Reeves, now taking up post as New Zealand’s Agent-General in London, told a British Liberal Party audience in 1896 that the system would strengthen the trade

unions and keep them within the realm of the law and responsible policy-making alike.¹⁶ This was clearly not a perfect solution. The Webbs indeed predicted that the slow and not always closely predictable nature of going to law 'will sooner or later bring about a revolt of one side or the other'.¹⁷ Sure enough, farm labourers and domestic servants took important test cases to the Arbitration Court, where they were rebuffed. The Great Strike of 1913, faced down by the Government with some harshness, was a demonstration of how class consciousness had not been lessened as much as perhaps many observers imagined it had.¹⁸

Despite this, New Zealand's relative and widely spread prosperity remained a matter of live commentary. Even by the late 1930s, and following a Depression that had ravaged New Zealand's staple industries, one of the country's Professors of Economics reckoned that New Zealand's natural endowments were so rich that the country's population (then standing at about 1.5 million) could continue to grow very rapidly. Contemporary estimates of her 'optimal' population ran at between three and ten million.¹⁹ British migration to New Zealand was certainly very high throughout most of the twentieth century, especially for such a small country. This great movement of peoples had a long and extensive history. Assisted migration schemes stretched back to the nineteenth century, with additional free passage schemes for soldiers after the First World War.²⁰ New Zealand's population of European extraction increased from only 2000 in 1840 to nearly 2.5 million by 1967; in every census between 1861 and 1901, more than 80% of new arrivals had arrived from Britain and Ireland, a figure that fell only to 70% between 1911 and 1951 and still stood at 87% in 1961 despite increased return migration to the UK. The dominion's own birth rate and swelling population meant that the numbers of the actually British-born shrank as a share of the population, from 16% in 1921 to only 9% in 1961.²¹ But the country was still populated mainly with those descended from people of British origin, while the absolute numbers attracted were still impressive. In 1921, out of a population of 1.27 million, 203,577 had been born in England, Scotland or Wales.²²

Britons never, in fact, quite conceptualised New Zealand as a utopian haven from reality. Life in the country could be hard, and settlements beyond whaling and trading stations took a long time to take root. The first Europeans settled in the 1790s; by the late 1830s there were still only 2000 of them permanently living in the country. The country's only relatively benign climate was still a shock to those who had been encouraged to believe in an earthly paradise, mostly due to its windy exposure and

variability.²³ But it still had a long history as an imagined site of both well-managed participatory government and egalitarian prosperity. The long Liberal administration of John Seddon, Prime Minister between 1893 and 1906, had entrenched New Zealand's status as a reformist exemplar: such was its appeal that American reformers even spoke of a 'New Zealand fever' at this time. The author William Dean Howells thought of it as 'a dream of heaven', and the Progressive social commentator Frank Parsons called the country 'the birth place of the twentieth century', declaring in his *The Story of New Zealand* (1904) that 'what is now history [there] is prophesy for the rest of the world'.²⁴ The country's generous welfare provision also helped to make it a famous exemplar. To Henry Demarest Lloyd, who visited New Zealand in 1899, the country was 'the political brain of the modern world'—an "experimental station" of advanced legislation'.²⁵

II

In the post-Second World War era New Zealand both was, and was known to be, a richer country than the UK. Its economy grew rapidly—more rapidly than the UK's, if not quite as quickly as the average for the whole developed capitalist world. Its standard of living was very high, with a Gross Domestic Product (GDP) per capita always remaining within the world's top ten.²⁶ It is true that the country's population explosion (it grew from 1.9 million in 1950 to 2.7 million in 1966) meant that levels of GDP per capita went up slightly more slowly than the UK's—by 35% between 1950 and 1966, rather than the 43% growth experienced in Britain; however, even that period of Britain's relative catch-up still left New Zealanders 15% richer than Britons at the end of that period.²⁷ Their purchase of consumer goods, and their consumption of electricity, grew rapidly.²⁸ Economic publicity and journalism extolled exactly this situation. As the National Westminster Bank happily informed clients in 1963, personal consumption per head in New Zealand during 1961 was £373, whereas it was only £328 back in Britain.²⁹ The attraction to British emigrants was obvious. The country also offered gentler class distinctions, just as it had during the nineteenth century: better-off emigrants found they could work for more returns than their investments at home might garner, while humbler Britons might 'get on' in a country with labour shortages and opportunities for self-reinvention.³⁰ These trends continued, and indeed sped up, after 1945, in part assisted by the creation in 1947 of a free and assisted

passage scheme for British citizens. For instance, 17,636 Britons moved to New Zealand in 1964 as the country's economy boomed. That number meant that 49% of all New Zealand's immigrants in that year (a similar figure to Australia's, but a much larger one than Canada's) were from Britain—this accounted for nearly 9% of all British emigrants.³¹

British migration to New Zealand, though small by UK standards, was very large when measured against New Zealand's own population. 11,921 moved there from Britain in 1961, 14,254 in 1962 and 15,134 in 1963 before a 1964 peak of nearly 18,000 was reached: the numbers abated a little (to 15,140) in 1965.³² Between 1965 and 1970, 80,000 Britons arrived, so the high rate of 1964 was, on average, nearly maintained despite New Zealand's difficulties after the wool price crash of 1967: in 1970 the figure was down only a little, at 11,000.³³ Numbers then surged once more to a net peak of around 20,000 in 1974, as New Zealand's economic problems of the late 1960s abated for a while, before slumping again in the late 1970s and early 1980s. The cessation of the country's assisted passage schemes in 1975, and renewed economic difficulties, once again seemed to reduce New Zealand's attractiveness.³⁴ Overall, between 1945 and 1976 about 416,000 people had come from the British Isles to settle in New Zealand, 44% of total immigration into that country (there was a smaller move of about 125,000 people going back 'home'). In 1945, 10.6% of New Zealand's population had been born in the British Isles; that figure was down only a little, to 9.54%, by 1976.³⁵

Migrants' hopes and reports revealed much about New Zealand's popular image. Stories came back to mid-twentieth-century Britain—especially via family and friends who had already made the move—of plentiful jobs and the wool boom that was making New Zealand more and more prosperous: large pluralities, or overall majorities, of respondents to questionnaires named the lure of better economic opportunities when they were asked about their motives for moving to their new Pacific home. One 1950s immigrant interviewed about this choice for an oral history published in the 1990s thought that New Zealand 'seemed to be a land flowing with milk and honey', while another woman arriving in the 1960s thought that she would have 'more chance to have a house and a bit of land' in this new country.³⁶ Other emigrants found greater social mobility and less sense of social hierarchy and segregation, an enormously welcome change from the highly class-conscious life they had known in the country of their birth.³⁷

III

New Zealand's concerted approach to industrial bargaining meant that the central Court of Arbitration so praised by Davitt in the late nineteenth century came to cover nearly half of New Zealand's wage and salary earners, with other national structures covering many of the rest. From the 1890s onwards, these structures gradually brought most wages in the country under central direction, related to prices rather than profitability and the exigencies of the market. Employers and trade unions were drawn into close relation; by the post-Second World War era, strike numbers were relatively low.³⁸ At the same time, a plethora of economic controls helped to prevent a post-war boom and crash on the lines of that which developed after the First World War, and which all developed countries' policy-makers feared throughout the early years of reconversion. The American-born but New Zealand-based political scientist Leslie Lipson praised New Zealand's efforts in a 1947 article that focused on just this problem. The state's efforts at widespread house building, subsidised and mobilised by the Reserve Bank, a wartime Land Sales Act which regulated the price of sales, exchange controls and selective import quotas all, in Lipson's view, helped shelter the New Zealand economy from the inevitable instability—including rapid increases in civil employment and inflation—of the onset of peace.³⁹

A long paper produced for the Cabinet's Economic Policy Committee in 1951 by the then Commonwealth Secretary, Patrick Gordon Walker, commended the New Zealand Labour Party's much better record on inflation than their Australian neighbours, a success down, in his view, to 'thoroughgoing stabilisation schemes' during the war, 'which prevented excessive increases in the purchasing power of producers of meat and dairy produce, and which contained adequate provisions for controlling prices, rents, credit, investment and imports'. Not only was New Zealand's economy a relatively good example of economic and social planning, Gordon Walker believed, but also of the benign effects of political consensus: it enjoyed 'an almost complete identity of view between the two political parties over the very wide field of policies relating to full employment, nationalization, social security, protection, defence and building'. He made sure to point out, in connection with both control over inflation and the general atmosphere of political agreement, that basic wage rates were tied to a cost of living index and governed via an Arbitration Court. This was supposed to allow wage policy to take into account the general social and economic

position (for instance, allowing wages to rise when the new National Government reduced price subsidies and controls in 1949–1950).⁴⁰

Narratives about New Zealand's economic conditions were also provided by such high-level visits as those of Sir Norman Kipping, Director-General of the Federation of British Industry, late in 1959. On this mission Kipping conducted a round of media interviews, social events with UK exporters and New Zealand importers, and meetings with politicians including the Prime Minister, Walter Nash. The impression he came away with is revealing, and far less flattering than some of the views formed by social democrats and reformers interested in New Zealand's labour market policies. At this point the country's economy was on an upswing due to recovery from the commodities deflation of 1958, but it still seemed very dependent on the promise of new manufactures and export markets that had not yet transpired, as well as on foreign borrowing necessitated by its imbalance of imports over exports.⁴¹ Kipping was very doubtful that this was even possible:

New Zealand is a small market of only 2 ½ million people. Demand is therefore too small for production costs to be reasonably low, except in a few consumer industries. Consequently, the protection given is in many cases extraordinarily high. New Zealand's cost of living accordingly suffers, and this in turn affects the cost of production of her staple exports and therefore her earning power.⁴²

Kipping travelled to New Zealand again in 1964, during which visit he again met ministers and industrialists alike: the general task of negotiating specific trade links seemed relatively unchanged.⁴³ Such high-level links—followed up by John Whitehorn of the Federation of British Industries (FBI) the following year—exposed British employers on the one hand to New Zealand's desperate need to take all measures to protect her balance of payments (at this point a Withholding Tax on overseas investment was proposed), and on the other the two countries' very close links (given the direct and very detailed representations that businessmen continuously made).⁴⁴ The FBI could be very sceptical about investment in this ex-British colony, believing that government guarantees there might be questionable. The 'hot-house conditions' of extreme protection between 1939 and 1953 seemed unlikely to be repeated, the FBI believed, now that the public had to some extent turned against monopoly producers and that New Zealand had joined the General Agreement on Tariffs and Trade: the

implication was clearly that trade conditions might change very quickly and to investors' disadvantage.⁴⁵

IV

New Zealand's example always contained a sense of the country's fragility, its exclusive and particular nature, and its peculiarity. The obverse of the country's cheap land and successful agricultural production for export was that New Zealand always remained what Donald Denoon has characterised as a 'settler society': a land of large-scale capitalist production and free labour that, although traditions of state intervention at the frontier were strong, depended for its survival and expansion on imperial markets in the Northern Hemisphere.⁴⁶ Its social model had emerged at a time when the country was a small and easily ordered British outpost in the South Pacific: not all of its economic and social policies were thought to be transplantable. The Organisation for Economic Co-Operation and Development (OECD) very much approved of New Zealand's system of national arbitration, as it allowed the Government to state its own view and permitted a 'co-ordinated policy'. However, the OECD also thought that, since arbitration had 'evolved within a specific framework of collective bargaining institutions' and required longstanding and widely accepted legal support in the courts, 'it is unlikely that the systems themselves could be transplanted'.⁴⁷

The post-war upsurge of the 1950s seemed to come—even more than elsewhere—from the consumption of manufactured imports rather than home production. Some left-wing critics of New Zealand's post-war economic policies indeed argued that such the country's reliance on outside powers (particularly Australia) deepened over the twentieth century, as she fell further and further behind their level of industrialisation. The British-born economist and civil servant William Ball Sutch, who had served as the deputy director of the United Nations Relief and Rehabilitation Administration at the end of the Second World War before becoming head of New Zealand's delegation to the United Nations, was very much of this mind. In the second edition of his 1942 book *The Quest for Security in New Zealand*, published in 1966, he opined that the National Government of 1949–1957 had weakened 'the economy to meet the political needs of the National Party' as the representatives of the farmers, by supporting too high a level of consumption not balanced by economic planning to keep it high, too high a level of demand, too high a flow of imports, too

many balance of payments deficits, and far too little economic development'.⁴⁸ New Zealand's economic overheating, which the world commodity price falls of 1967–1968 helped to bring to an end, helped to make his case. Rapid growth and strong construction industries helped to cause a deterioration in the balance of payments and large increases in foreign borrowing, including a loan from the International Monetary Fund (IMF): with fixed exchange rates, that situation obviously could not go on forever.⁴⁹

New Zealand's precarious position as a primary producer—and the likely fluctuation of her currency reserves in a necessarily unstable growth phase—was definitely understood in Whitehall. Indeed, when civil servants considered the future of the Commonwealth as part of their post-Suez 'Future Policy Study', they were clear that the country had 'a less certain economic future, but many past prophecies of an impending decline in world demand for ... primary products and of a consequential slowing down in their rate of economic growth have proved false. [Even so] New Zealand's future, without heavy industries, is less bright than that of an industrializing Australia'.⁵⁰ New Zealand's economy, in particular, rode high on booming commodity prices—pastoral products made up 89% of her exports in the late 1960s—rather than relatively impressive labour productivity or technological progress. The second edition of Condliffe's classic 1936 book *New Zealand in the Making*, published in 1959 after his 1957 visit, noted that the rising prices checked by the crises of the early 1920s and 1930s had stalled the country's move into industrial service industries and away from farming, dissuaded innovators, and prevented the development of home markets. The quasi-rents earned by agriculturalists, and the inflow of capital from outside, had slowed any moves towards economic maturity. Only in the 1930s did the correction of 'an untoward trend of prices [lay] ... bare the fact that the productive organization of the Dominion had slackened considerably in the days of easy prosperity'.⁵¹

British opinion formers also often expressed disapproval at the highly protected nature of the New Zealand market. When FBI leaders met Prime Minister Sydney Holland in February 1952, they told him that a projected International Exhibition in New Zealand would be of little use 'if they suspected that New Zealand might reintroduce the extensive barriers against imports which were typical of the first 4 to 5 post war years'. He was reduced to noting that his National Government had reduced the number of controlled items from 900 to 100.⁵² But until the 1970s,

New Zealand could shelter behind tariff walls (under the so-called 'Ottawa Agreements' of 1932 governing imperial trade) that only strengthened her connections with the UK and the rest of the Commonwealth.⁵³ Comprehensive import licensing was one of the reasons why the National Westminster Bank recommended its clients to maintain an office in the country or close links with local importers, so as to keep up with developments there.⁵⁴ Two-thirds of her exports went directly to the UK during the 1950s. Import regulations and barter deals remained in place until the late 1950s.⁵⁵ Negotiations were, in this period, inevitably necessary to set tariffs between the two countries: eventually the FBI and the UK Manufacturers' Association sent representatives to Wellington in 1957 to conduct just such talks when New Zealand mounted a general review of her situation. They sent back (among other papers) a particularly sceptical report on New Zealand's economic prospects: even its established population growth the writer of the report thought would 'present ... a problem which may be difficult to solve, as out of the overall total increase, roughly 400,000 will have to be added to the existing labour force of 800,000. It is most unlikely that this number will be absorbed into New Zealand's primary industry, as the existing labour force is adequate'. Without extensive secondary development, he foresaw the need for whole new industries not so dependent on the inevitably high commodity imports involved in a protectionist regime. Selective tariff preferences would also be inevitable, along exactly the same lines the Kipping visit would stimulate thought on two years later—especially as nearby Australia was experiencing 'industrial expansion going ahead by leaps and bounds'.⁵⁶

This situation continued even after preferential treatment's reduction in 1958, and became a key problem in Britain's negotiations to join the European Economic Community (EEC).⁵⁷ However, the assistance was not only a matter of preferential tariffs. In order to govern demand for its agricultural produce, especially butter, New Zealand relied on informal bilateral understandings with the UK—as well as managed variations in British bulk purchasing—to support demand, supply and price levels.⁵⁸ British Ministers well understood this fact; for instance, Secretary of State for the Colonies Duncan Sandys referred during the ongoing 1962 negotiations to New Zealand's 'extreme economic vulnerability' due to the fact that she was 'almost wholly dependent on her trade with Britain'. As actual membership approached, New Zealand trade unionists sought assurances from their British colleagues regarding access to the UK's dairy markets,

while worrying along with British Trades Union Congress members about higher food prices for British consumers in the EEC.⁵⁹ Discussions with Commonwealth Heads of Government revealed that reactions to Britain's EEC entry application had been received with more hostility than London had expected: 'some special arrangements would have to be made covering, at least, butter and cheese'. The New Zealanders, for their part, initially insisted on a fixed quantity of goods purchase being guaranteed, but settled for Britain's negotiating position ensuring them a share of her home market instead.⁶⁰

The country's dependence on the UK was obvious from its trade figures, particularly in the exports sector. Although some diversification was underway in the 1960s, 79.6% of all New Zealand exports even by 1971/1972 were of agricultural produce (a figure that had come down from 92.5% in 1960/61). 30.9% of her exports still went to the UK, though that number had declined from 52.9% in 1960/1961 and as much as 80.5% on the eve of the Second World War; trade with Japan, Australia, the Philippines, Canada and the South Pacific was helping to at least mitigate the reliance on the old imperial metropole.⁶¹ These facts vitiated Britain's negotiations to enter the EEC. At the time of her first application to join, the High Commission in Wellington noted that 'the National Party leaders recognize', despite their heavy dependence on a farming lobby that was unhappy at the prospect of potentially being shut out of their main British market, 'that association of the United Kingdom with the Six on suitable conditions might well be in New Zealand's interests ... the future expansion of New Zealand's exports probably depends as much on expansion of the United Kingdom economy as anything else'. The New Zealand Government pressed, with little effect, for assurances on market access once the British announced that they would try to join the EEC. The country's economic base just could not stand up to any competition from the developed world.⁶² As one official put it:

The main difficulty seems that ... very much the greatest part of New Zealand's natural wealth derives from climatic and geographic factors favourable to agriculture, [and] she cannot occupy her population purely on agriculture and ancillary services ... Owing to her small domestic market and her distance from any other markets, the general lack of non-agricultural resources, and the high cost of labour, it is scarcely possible for secondary industry to exist without protection. In these circumstances it is difficult to see how New Zealand could at all easily accept an association which involved dismantling such protection, even over a very long period of years.⁶³

The country was desperately short of the internal capital resources required to pay for modern infrastructure, causing New Zealand's dependence on borrowing in London.⁶⁴ Capital poured in, to such an extent that the country's recurrent trade deficits on current account were usually covered—the reverse situation to that pertaining in the UK.⁶⁵ But the country's ratio of financial institutions' assets to Gross National Product (GNP) fell precipitously as GNP surged upwards in the post-war boom years of the 1950s, and only stabilised at a much lower level than the UK's in the 1960s—a situation not helped by the state-owned Central Bank itself managing about 40% of New Zealand's trading bank activities, including the accounts of the country's powerful Marketing Organisations.⁶⁶ When New Zealand applied to join the IMF in 1960–1961, the Bank of England and the Foreign Office both recommended that she be allowed a larger drawing quota on just this basis—of US\$100 million rather than the US\$75 million that the size of her economy alone might justify. The UK even acquiesced in New Zealand's eventual US\$125 million quota, despite its dislike of 'special' increases from their Bretton Woods baselines.⁶⁷

There was also widespread disapproval of the restraints on incentives and personal autonomy that this welfare state necessitated. Lipson, for instance, was always very sceptical about the effects of high wages and compulsory arbitration, whatever the country's success at restraining inflation in the emergency situation of the 1940s: 'New Zealand is extremely ungenerous to talent. In its anxiety to raise minima, the country has deemed it necessary to lower maxima. Salaries and wages are scaled that the gap between highest and lowest shall be as small as possible ... There is not enough encouragement for each to do his best and for the ablest to display their full capacity'.⁶⁸ The FBI thought in the 1950s that in general executive pay in New Zealand lagged some way behind that in the UK.⁶⁹ Rules were everywhere, as Condliffe found on another visit to his home country in 1968–1969: via capital controls, import licensing and limits on bank advances as well as capital issues. 'Economic activity in New Zealand proceeds within a system of regulation and control so comprehensive and pervasive', he wrote in 1969's *The Economic Outlook for New Zealand*, 'that it cannot be described accurately in brief compass ... it is little wonder that many trained and enterprising New Zealanders go, or remain, abroad in countries where greater opportunities are more freely available to work out their ideas and ambitions'.⁷⁰ The New Zealand economist J.W. Rowe for the most part concurred, writing in 1972 that controls over credit—particularly in the form of bank advances—did not restrain

inflation, leading instead to greater velocity of financial circulation encouraged by sub-market-level interest rates.⁷¹

New Zealand's exposed position gradually became apparent during the later 1960s and the 1970s. The 1960s was for most a time of real prosperity, but a cyclical pattern emerged that helps explain the volatility of the country's net migration figures: GNP per head increased by more than 4% in three years during that decade but the same indicator actually declined in three other years: though her real growth rate of GDP during these years was respectable, at 4.1% between 1959/1960 and 1969/1970 (2.3% on a per capita basis), this figure was not vastly ahead of the British.⁷² That said, unemployment was extraordinarily low—much lower than in Britain—and fewer than 1000 people were unemployed throughout the mid-1960s. Those outstanding labour shortages were, of course, one main incentive for British migration to New Zealand, easily traceable and understandable in semi-popular publications such as those produced by the Economist Intelligence Unit.⁷³

V

New Zealand is a case study in how markets are imagined, intellectually formed as they usually are of an inconsistent, shifting, unstable and often contradictory set of impressions, inherited ideas and even clichés about 'other' countries that have their roots in evidence, but also reflect onlookers' pride in, or fears about, their own economy. This process continues today. New Zealand was one of the first countries singled out for new work on a potential trade deal by Theresa May's Conservative Government after the UK's decision to withdraw from the European Union (EU): a January 2017 visit to London by New Zealand Prime Minister Bill English signalled the start of informal and exploratory talks towards such an agreement.⁷⁴ Some commentators focused on free-market and trading-nation solutions to post-Brexit problems posed by leaving the EU's Single Market and Customs Union have promoted New Zealand's example—not only as a key trading partner, but also as an ally in forging a new market-orientated world trading system.⁷⁵ Yet New Zealand's economic size remains tiny, even for Britain as one of its major allies: British exports to that country amounted to only £1 billion in 2014, far below the UK's top ten export partners headed by the USA (at £88 billion) and with Spain (£15 billion) in tenth place.⁷⁶ Yet again, the constant gaps between economic *perception* and statistical *reality*—inevitable when nation-states are imaginatively

constructed out of inherited impressions and prejudices—are the most noticeable element in the picture.

Closer examination often leads to rather more scepticism, just as it did during the economic ‘golden age’ that followed the Second World War. New Zealand’s planned economy, regulated wages and generous welfare state, initially widely praised in Britain, came to represent concerns about initiative, incentives and competitiveness back in the UK. The relatively interventionist New Zealand state was increasingly thought to be insufficiently concerned about domestic productivity. The Liberal Party organiser and candidate David Goldblatt, who visited New Zealand in the 1950s, wrote in 1957 about compulsory arbitration and wage rates with mixed feelings, since arbitration and concertation meant that ‘wage rates are related to the cost of living first, with productivity a lame second’.⁷⁷ As one guide to the country put it in 1969, towards the end of its long boom, ‘With a five-day week, massive close-downs at holiday periods and a general lack of shift work or similar practices there is a failure to utilize expensive machinery fully ... The emphasis throughout the economy is placed squarely on the benefit of the individual and the importance of family life, and a large trade-union movement helps to keep it there’.⁷⁸ New Zealand’s small size, lack of capital, insecure position in world markets and over-reliance on primary commodity exports all informed an ambivalence about Britain’s South Pacific partner that was born of very close ties, a shared language, and a common legal and political inheritance. Familiarity, in this example of international perception and understanding, bred concern as well as admiration. Empirical research, scholarly caution, and a sense of statistical scale and scope were vital, then, in understanding New Zealand’s unique path towards modernity. These same factors should remain critical in understanding trade, payments, economic growth and well-being today.

NOTES

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3. Masako Gavin, ‘Abe Iso and New Zealand as a model for a “new” Japan’, *Japan Forum* 16 (2004), pp. 393–397.
4. Duncan Bell, *The idea of greater Britain: empire and the future of world order, 1860–1900* (Princeton, NJ, 2007), pp. 34, 107–108; James Belich,

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PART II

Imagining Global Trade



Racing Round the World: Geographical Board Games and Britain's Global Expansion, 1780–1850

Paul Young

I

The ‘dream of the globe constituted as a single, integrated market’ that grips within contemporary culture, Paul Smith argues, finds its provenance in the late eighteenth century, with Adam Smith’s ‘fantasies about how navigation systems, sea routes, and canals would carve out a world-wide system of Enlightened capitalist dominance’. ‘The whole thrust of Smith’s economic theory in *The Wealth of Nations*’, he elaborates, ‘is predicated upon the possibility of expanding markets by way of improved communications, carriage, and navigation’.¹ Certainly in principle Adam Smith was convinced by the idea that rapidly networked, transnational relations of comparative advantage and competitive exchange provided the basis for an ever more dynamic world order. Yet in practice he signalled that a commodity merchant was typically reluctant to engage in overseas trade, where it was more likely he would fall foul of unfamiliar markets, deceptive trading practices and strange modes of legal redress. He noted too that even a

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merchant in the carrying trade sought to avoid the various dangers of those extended commercial situations where his capital remained longer 'out of his sight', beyond his 'immediate view and command'. So although the geopolitical thrust of *The Wealth of Nations* maintained that misguided protectionist tenets impeded the emergence of organic market relations throughout the world, Smith was keen to stress the attraction of the local over the global:

Home is in this manner the centre, if I may say so, round which the capitals of the inhabitants of every country are continually circulating, and towards which they are always tending, though by particular causes they may sometimes be driven off and repelled from it towards more distant employments.²

To mobilise capital internationally could be both necessary and appealing, Smith's work made clear, but it also suggested it required a certain kind of circular confidence in the idea that one would see a profitable return on one's investment.

This chapter argues that geographical race games emerged in late-eighteenth- and early nineteenth-century Britain as a cultural form that scaled and dramatised global circulation in a way that helped generate just such expansionist confidence. In the seventy or so years following the publication of *The Wealth of Nations*, as Britain established itself at the centre of an increasingly economically interdependent world, these board games consistently advanced the idea of moving business beyond the confines of British markets at the same time as they played out a drive to cover vast swathes of distance as quickly as possible. And their relative expense meant that race games plotted this kind of globalised logic within those upper- and middle-class households that would become progressively more interested in and dependent upon the array of far-reaching commercial, financial and imperial activities that characterised Britain's leading role in developing the nineteenth-century global economy. Leonore Davidoff and Catherine Hall have suggested middle-class life in Britain between 1780 and 1850 was marked by a distinct 'separation between market and family'.³ In contrast, this chapter proposes that within this same historical period geographical race games drew market forces and family life together, encouraging generations of British men, women and children to think globally as they considered how individual and national economic interests might be best pursued. Although they have received scant scholarly

attention to date, geographical race games are therefore examined here as significant, substantive artefacts with which to extend the rather narrow economic orthodoxy that holds international markets develop as a result of informed actors responding rationally to profitable opportunities for overseas trade and investment; this is a powerful thesis, undoubtedly, but my argument concerning the expansionist significance of these games responds to recent calls from economic historians for work to be done on the cultural forms as well as social formations that influenced Britain's expansionist activity.⁴

In advancing this line of argument, this chapter draws on the systemic account of British expansion set out by John Darwin in *The Empire Project: The Rise and Fall of the British World-System, 1830–1970*. Here Darwin focuses particular attention on the growth in the nineteenth century of 'a vast commercial republic' that was developed by British merchant houses; centred around the ports of London, Liverpool and Glasgow; included shipping, insurance and banking business as well as commodity trading and infrastructure development; embraced 'British *possessions* (coloured red on the map) ... but only as parts of a larger conglomerate'; and took shape as an untidy 'mass of contradictions, aspirations and anomalies', 'driven not by official designs but by the chaotic pluralism of British interests at home and of their agents and allies abroad'.⁵ By tracking the wide-ranging and variously constituted kinds of global connections and economic opportunities plotted by geographical race games, the present study contends that the games opened up the idea of just such a 'vast commercial republic' to their players. As a consequence, it ties these games to Darwin's claim that nineteenth-century Britain's expansionist enterprise was underwritten by 'cultural confidence bred by a sense of enduring "centrality" in a globalised world'.⁶ However, so too it heeds Darwin's caution against overplaying the extent to which such confidence was derived from the smoothly functioning, state-sponsored and all-conquering exertion of imperial power. Though many of the games considered in what follows can be understood to have promoted an officially backed, formal British drive to exploit global markets by way of military might, colonial conquest and sovereign rule, therefore, it is also significant to examine how these games moved beyond the idea of profiteering based on territorial expansion and imperial hegemony. Particularly given the globalised 'dream' with which this chapter began, it is equally significant that games played out obdurately frictional as opposed to free-flowing forms of global circulation, at times turning on precisely the kinds of difficulties

and dangers that Adam Smith himself highlighted when he set capital's centripetal imperative in tension with its centrifugal energy. Centrally, then, this chapter contends that geographical race games oriented players towards a future wherein a strong, dynamic British economy developed as a result of processes, patterns and profits associated with a resource-rich and productive world, heightened global connectivity, increased market integration and the continued exertion of imperial force. Yet as they did so, it asserts, so too these board games brought home to their players the concomitant pressures and pitfalls of such globalised expansion, as well as inviting an ethical engagement with the rights and wrongs of a world system that was shaped by, but by no means in thrall to, British power.

II

Race games are games of chance played by two or more players, typically featuring a numerically ordered board along or around which participants move as quickly as they can, deploying markers in order to represent their progress. The European origins of race games lie in the sixteenth-century Italian *Game of Goose*, a version of which was first registered in London in 1597. But it was the growth of pedagogically oriented race games aimed at children, both boys and girls, in the latter period of the eighteenth century that marked the more widespread emergence of the form in Britain. Early game boards featured hand-coloured engravings mounted on linen, with hand-coloured lithographs becoming increasingly popular as the technology developed. While the skilled and labour-intensive processes involved in their production rendered them relatively expensive, however, race games were a significant cultural phenomenon. The historian of games Caroline Goodfellow notes that the increasing size of the middle-income group, alongside an increasing interest in educational recreation, afforded games a growing and important market.⁷ J.H. Plumb concurs, including the games among a burgeoning business in educational toys that meant 'by 1820 the trade in toys, as in children's literature, had become very large indeed'.⁸

The games themselves dealt with a variety of subjects, ranging from astronomy to bible studies, geography, history, mathematics or moral development. Ludmilla Jordanova writes that they 'beautifully portray late-eighteenth and nineteenth century attempts to moralise children, to teach them about the marvels of nature, to learn geography or their station in life'. But she also cautions that board games themselves do not

indicate how they ‘were used, whether children enjoyed them, or what impact they had on those that used them’. Notwithstanding the difficulty of establishing precisely the way in which these games were played, or exactly the effect they had upon their players, however, Jordanova calls for cultural historical work that attempts to contextualise and interpret these ‘texts’ and the impact they had.⁹ Melanie Keene has recently responded to this demand, identifying racing board games as ‘a relatively recent’ yet ‘extremely fruitful site of academic analysis’, and thus arguing against their historical ‘muteness’. Insisting their study can ‘add a crucial new dimension to our understanding of how late eighteenth and early nineteenth-century children played and learned’, then, Keene proposes we consider these games as domestically inclusive, familial phenomena, drawing attention to the fact that ‘publishing houses promoted, as well as responded to, the idea of communal recreations in the family circle of parents, children and even servants’. Keene focuses on an early nineteenth-century astronomical game in order to set out how its interplanetary race circuit worked via a combination of illustrated starscape, written text and haptic movement to situate ‘astronomy as an appealingly competitive communal endeavour; an engagement of body and mind; and an instructive and moral pastime’.¹⁰ Therefore, both in terms of her suggestion that games served as ‘communal recreations’ rather than distinct juvenile pastimes, and with regard to her emphasis upon the visually, textually and bodily dynamic way in which games combined education and entertainment, Keene sets out a methodological approach that this chapter builds upon.

The move from astronomical to geographical gaming is significant, not least because it was far more likely that participants in late-eighteenth- and early nineteenth-century board games found themselves racing round the world than they did playing among the stars. Indeed, geography was key to the emergence of board games in Britain, with the first race game to be used for teaching purposes thought to have been John Jeffrey’s *Journey Through Europe, or the Play of Geography*, which appeared in 1759.¹¹ This geographical theme developed apace: in part because of the rising status of the science of geography throughout the period; and in part because many games publishers were map-makers, interested in commercial spin-offs from their core business, and thus keen to utilise maps as templates for both race games and jigsaws—or ‘dissected maps’, as the latter were termed until the 1870s. Especially early on in their development, therefore, geographical race games featured journeys marked out across already existing maps. Since dice were associated with gambling, players spun a

tetotum in order to determine the speed at which they traversed their route, with progress helped or hindered by the fact that particular sites required participants to move forwards, backwards or miss turns. Educational information concerning each of the numbered sites it was possible for a player—often called a ‘traveller’—to land upon was printed either on the borders of the map or in a separate booklet. Goodfellow highlights *Wallis’s Tour Through England and Wales: A New Geographical Pastime* and *Wallis’s Tour of Europe: A New Geographical Pastime*, two games published in 1794 by ‘probably the most prolific of the British producers of games between 1775 and 1847’, as typical early examples. Commenting that such games gave ‘an insight into what was currently regarded as historically and commercially important’ about the locations included, she adds that ‘these games were published at the height of the Grand Tour of Europe, and all that was thought to be best was included’.¹² Notably, however, the games operated around a logic that ran counter to that of the Grand Tour; for where the Tour revolved around the desire to see as many sights as possible, extending one’s stay where one saw fit, games rewarded the player who traversed the board as quickly as possible, penalising those travellers who landed on numerous locations and who were obliged to interrupt their journeys. Notably too, almost right from the outset, these games were genuinely global as well as European and national in scope.

In 1796, only two years after he had published the two games Goodfellow highlights, John Wallis produced the first edition of *Wallis’s Complete Voyage Round the World: A New Geographical Pastime* (Fig. 1)¹³. The game consisted of a twin hemispherical map of the world, coloured and marked up longitudinally and latitudinally, with a numerically coordinated route that tracked eastwards across Europe, Africa, Asia, Australasia, and North and South America. Beneath the map’s hemispheres were printed descriptions of the game’s locations. Players began in Portsmouth, where they found ‘the finest dock yards and magazines of naval stores in Europe’, and ended in London, the game’s hundredth location, which was described only as ‘GAME’. In between they negotiated their way around locations including Rome, capital of the Pope’s dominions and scene of ‘famous antiquities’; the Madeiras, where travellers observed ‘the abundance of grapes which produce the Madeira wine made here’; Senegal, where players were called upon to ‘lament the great traffic which is carried on by European vessels in the Negro trade’; the Cape of Good Hope, a ‘fine settlement belonging to the English’; Aleppo, where ‘a great trade’ was to be found ‘in silk, camblets, and Turkey leather’; Calcutta, ‘the principal settlement of the East

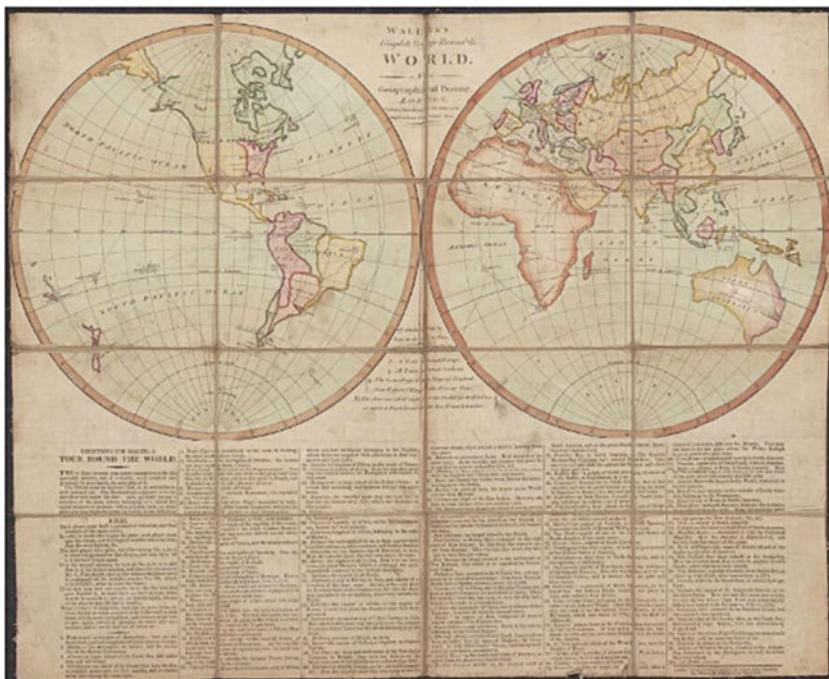


Fig. 1 *Wallis's Complete Voyage Round the world: A New Geographical Pastime* (London, 1796). <http://nla.gov.au/nla.obj-231169848/view>

India Company in Bengal', where players stayed one turn 'to see the black hole, where 123 persons were suffocated in 1757'; Madras, with its diamond mines; Malacca, from where travellers were invited to move forward thirty places to Jamaica; Botany Bay, where two turns were missed as players took in this new colony and its convicts; Canton, 'the only Chinese seaport in which Europeans are permitted to trade'; Hudson's Bay, where the Hudson-Bay Company had 'several forts' and where travellers spent one turn bartering 'with the natives for beaver and other rich skins and furs'; Quito, in Peru, where a turn was spent prospecting for 'some of the gold which this country abounds with'; the Friendly Islands, so called by Captain Cook 'on account of the courteous behaviour of the natives'; and Owhyee, 'the largest of the Sandwich Islands', where one turn was spent viewing 'the bay where Capt. Cook was unfortunately killed in a contest with the natives, Feb. 14, 1779'. As they circled the earth, then, players were led to consider how other global communities lived, worked and interacted, in a way that

made manifest cultural and ethnic diversity at the same time as it revealed the world to be a materially abundant, industrially productive and commercially vibrant place. And from a more specifically metropolitan perspective, Wallis's game not only led its travellers to trace the nature, extent and history of Britain's existing imperial and extra-imperial links, but its emphasis on international travel, resource-rich terrains and the cross-cultural logic of market relations meant that it did so in ways that opened up the possibility of future forms of expansionist enterprise (Fig. 1).

Wallis released further editions of his game into the early nineteenth century. And up until the mid-nineteenth century—when geographical race games moved away from simply charting global space and became oriented towards particular kinds of journeys, expeditions or events—other games publishers turned out variations on the same round-world theme. In an 1834 edition of *Walker's Geographical Pastime Exhibiting a Complete Voyage Round the World in Two Hemispheres*, William Darton, another major name in nineteenth-century games publication, reproduced the 'Old World' and the 'New World' on two separate playing arenas, with each of the maps comprising around 150 distinct locations.¹⁴ The explanatory glosses that accompanied this more detailed scope allowed Darton to build upon the way Wallis had tied international economics to world geography and history. Thus, players learned that 'Spanish wool is the finest in Europe, and great quantities are brought into England and France, the Spaniards being too lazy or too unskilful to manufacture it themselves'; they discovered that Abo, capital of Swedish Finland, 'has a university, and a good export trade in linen, corn, timber, flax and iron'; in Persia they found 'silk, velvet, carpets, corn, wine, cotton, fruits, camels and horses in abundance'; and as they continued their journeys they learned of non-European locations in particular—from within and without the British Empire—that likewise abounded in commodities, primarily raw materials. As had Wallis, Darton also charted an array of natural and human geographical phenomena—from safe bays to large harbours, lighthouses, transcontinental river systems, shipping, anchorage points, international trading hubs and naval yards—that enabled the mobilisation of such goods within a growing world economy. Boston, which was 'most advantageously situated for trade', and which was fitted with 'warehouses for the merchants' alongside a 'pier nearly 2000 feet long to which ships of the greatest burden may come close', stood out as an example of the way in which the game brought commercial imperatives to the fore as it inscribed the local in global terms.

Where both Darton and Wallis used maps drawn to Mercatorial scale, the global journeys depicted by other board games were realised across different kinds of playing surfaces, often in the illustrated form of tableaux depicting the games' various locations. Thus, John Harris's *Geographical Recreations or a Voyage Round the Habitable Globe*, published in 1809, rendered the world as a spiral of 116 hand-coloured prints or 'medallions'; a seated Britannia, surrounded by figures representing Africa, Asia and the Americas, furnished a striking imperial centrepiece.¹⁵ *A Tour Through the British Colonies and Foreign Possessions*, published by John Betts around the mid-nineteenth century, also adopted a circular sequence of geographical scenes and again—as befitted its focus—imperial iconography was prominent, most notably in a series of images celebrating Britain's naval power. Players journeyed anti-clockwise around thirty-seven lavishly illustrated squares, beginning at Heligoland and ending in London, 'the metropolis of the British Empire', situated at the centre of the expansionist phenomenon to which the game gave shape. With an accompanying booklet providing a wealth of information concerning its historical evolution and present day significance, the game painted the British Empire as a largely productive and harmonious system: one which worked at once to develop commercial enterprise, capitalise upon planetary resources and improve foreign peoples. Sierra Leone was thus acclaimed as a settlement of freed slaves, 'formed by the British, with the philanthropic object of promoting African civilisation', and 'now happily increasing both in prosperity and population'; Aden, 'formerly an insignificant place', had seen its commerce and population 'greatly improved' 'since falling into the hands of the British'; Calcutta, with its Government Offices and 'extensive quay', was 'a great place of trade' where 'many merchants, both European and native, are wealthy'; Sydney, its population comprising British convicts as well as migrants, was now distinguished for its sheep farming, cattle rearing and gold mining; while at Jamaica players were invited to spin again to commemorate the Abolition Act, the happy event that meant freed slaves were now producing 'vast quantities of sugar, also cotton, indigo, coffee, ginger & c'.¹⁶ However, the game also found space to criticise aspects of Britain's imperial project, directing attention at Sarawak to the 'wholesale slaughter' of between 1000 and 1500 'half-naked blacks' by a British war steamer, and condemning the Hudson Bay Company for trading gunpowder and alcohol with the 'tribes of Indians' that inhabited Canada.¹⁷ If Betts' players were encouraged to consider the way in which the British-led development of globally extensive market relations rendered the world

a wealthier, healthier, happier place, therefore, they were also invited to reflect upon the fact that such empowered, profit-oriented enterprise could do harm as well as good.

The Crystal Palace Game: A Voyage Round the World, another game from the mid-nineteenth century, likewise played up the economics of imperialism, with a table of figures at the bottom of the game's board impressing upon players the commercial, demographic and territorial magnitude and value of 'British Possessions' (Fig. 2).¹⁸ Immediately above the table a picture of a sailing ship on top of the globe was bordered with the inscription 'Britain upon whose empire the sun never sets'. Unlike Betts's *Tour Through the British Colonies and Foreign Possessions*, though, the game took place upon a map of the entire world, featuring eighty-two distinct locations alongside a complex network of international shipping routes, so that this imperial emphasis emerged not in isolation but rather as part of a much larger global picture. In an essay on late eighteenth- and

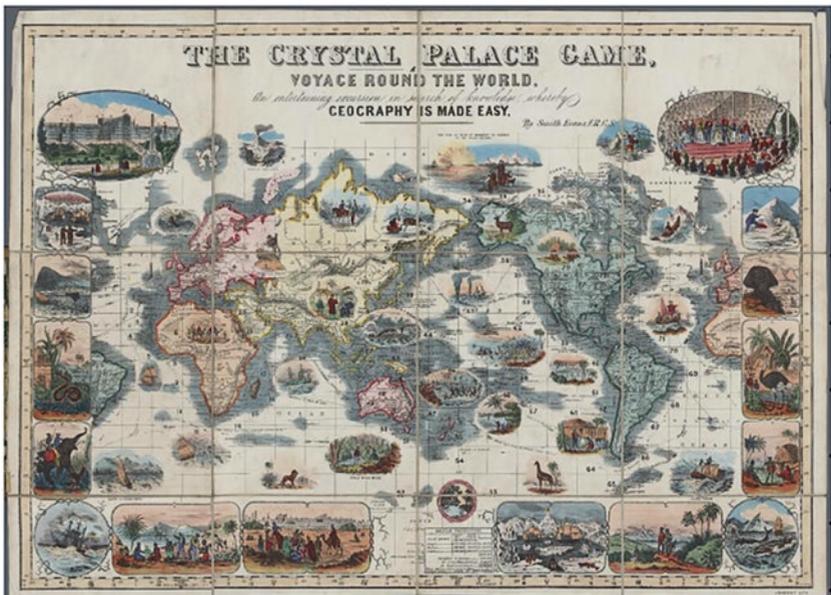


Fig. 2 *The Crystal Palace Game: voyage round the world. An entertaining excursion in search of knowledge, whereby geography is made easy* (London, 1854). <http://nla.gov.au/nla.obj-230670288/view>

early nineteenth-century geographical jigsaw puzzles that has a clear bearing upon this study, Megan A. Norcia proposes that puzzles placed their British ‘users in a powerful relation to the world, fostering what Roderick McGillis has called a “colonial mentality” ‘amongst’ members of the same privileged class that would organize, place, and piece together the empire as they grew up to occupy positions of power and influence’.¹⁹ Where Norcia relates the global scope of puzzles to the imperial acquisition and administration of lands and peoples, the focus here on games and globalised expansion leads to an extended although interlinked emphasis. In this respect, therefore, *The Crystal Palace Game* encapsulates a salient aspect of round-the-world race games more generally: the games naturalised and energised Britain’s formal imperial mandate, but at the same time they plotted and promoted global connections and commercial opportunities that went well beyond a territorialised drive to secure economic advantage. The next section develops this argument with relation to geographical games that were not global in scope. The subsequent section moves to qualify somewhat the extent to which, following Norcia, race games placed their ‘users in powerful relation to the world’.

III

Although round-the-world race games were a popular branch of the geographical games market, a greater number of games produced in late-eighteenth- and early nineteenth-century Britain featured races around larger-scale national and European maps. Key to these games was the way in which the routes they charted worked to distinguish the particular territorial units around which they revolved. In addition to the specific towns and cities the games highlighted, this process of geographical distinction was achieved via the precise and restricted use of topographic details, colour schemes and illustrative tableaux. On British boards, then, England and Wales were prominent, but Scotland and Ireland often receded from view. On European boards care was typically taken to segregate European Russia from Siberian Russia, or Turkey in Europe from Turkey in Asia. Discriminatory prose added weight to such visual modes of demarcation. *Walker’s New Geographical Game Exhibiting a Tour Through Europe*, from 1810, depicted Europe with the tip of Africa at the bottom left-hand corner of its playing surface.²⁰ Topographically, the latter continent was blank,

but inscribed over it was a paragraph informing players that in Africa ‘the human mind seems degraded below its natural state’, meaning it afforded ‘little instruction’ and rendering it ‘disgusting to every lover of mankind’. Advancing a likewise parochial albeit less hostile thesis concerning human development, the rule book to William Spooner’s *The Travellers: Or, a Tour Through Europe*, published in 1849, set out that the continent around which players journeyed constituted ‘the smallest but the most civilized of the four quarters of the world’.²¹

The manner in which British and European race games drew these kinds of national, geopolitical and civilisational distinctions is usefully elaborated with regard to Benedict Anderson’s work on print capitalism and the development of nationalist imaginaries. Here Anderson argues that nineteenth-century maps helped shape the idea of ‘specific, tightly bounded territorial units’, a phenomenon he associates in particular with a cartographic tendency to set parts of the world apart from the whole, so that a map of a certain territory or region could function ‘like a detachable piece of a jigsaw puzzle’:

As this ‘jigsaw’ effect became normal, each ‘piece’ could be wholly detached from its geographic context. In its final form all explanatory glosses could be summarily removed: lines of longitude and latitude, place names, signs for rivers, seas, and mountains, *neighbours*. Pure sign, no longer compass to the world.²²

As indicated, something of this ‘jigsaw effect’ can be discerned in the way that national and continental race games plotted bounded, territorialised geographies that stood out from the wider world. But while in this sense such games can be understood to have countered or at least complicated the aforementioned Smithian ‘dream of the globe constituted as a single, integrated market’, this section considers how they can also be understood to have worked with, not against, the globalised logic that the preceding section associated with round-the-world race games.

Part of the reason localised race games remained connected to the world at large was the fact that differently scaled games were published and, in all probability, played alongside one another. Neatly illustrating the interconnected geographical range that resulted, an inscription beneath the title of *Wallis’s Tour of Europe* instructed players that the same publisher produced ‘upon the same plan *A Tour through England and round the World*’. Even when they were not racing around the world,

therefore, players were aware that the particular topographical ‘plan’ on which they found themselves remained enmeshed within a global context. But so too this sense of global connectivity was substantively heightened by the fact that the larger-scale games themselves charted the outward-facing activities and relations with which Britain’s economic prosperity was intimately bound, as well as the mercantile and military marine power upon which these activities and relations depended. Players of *Wallis’s Tour Through England and Wales* thus visited Portsmouth, where they stayed one turn ‘to view one of the most secure and capacious harbours for shipping in England’, alongside ‘its noble docks, yards, and magazines of naval stores’; Falmouth, where ‘the Packets to Spain, Portugal, and America are stationed’; Bristol, reckoned second only to London for ‘wealth, trade, and population’; Liverpool, ‘the second Port in the kingdom with respect to the extent of commerce’; and Manchester, with its internationally dependent and extensive ‘manufactories of linen, silk, and cotton’.

Other games followed and elaborated the outward-facing lead of this early example. *Wallis’s Picturesque Round Game of the Produce and Manufactures of the Counties of England and Wales* was developed by John Wallis’s son Edward and published in several different editions during the second quarter of the nineteenth century. The game was played upon a map of British counties, with each county featuring vignettes illustrating its associated agricultural and industrial activities alongside representative landmarks. An explanatory booklet expanded on these illustrations in a manner that made clear how different English and Welsh regions worked in distinctive but complementary terms. As a result, the game realised its geography as a territorialised division of labour, with trading relationships binding the nation together in a rich, dynamic and mutually beneficial manner. Where such a structure of relations might have generated an enclosed, self-sufficient vision of national life, however, the game was marked by an emphasis on international as well as inter-regional connectivity and commerce. Of the major towns and cities included in a mid-nineteenth-century edition of the game, then, the below entries are notable for their explicitly global contextualisation, particularly given that steam power was recognised for its transportational as well as its productive power:

28. Sheffield (Yorkshire). This town makes cutlery and plated goods for all the world.

57. Manchester (Lancashire). The largest manufacturing town in the world ... *Stop while the others draw once*; examine the vast magazines of goods produced by the woollen, silk, and cotton factories, and admire the powers of steam, from which this place derives its importance.

58. Liverpool (Lancashire). The second town in the kingdom for wealth and commerce. Its extensive range of docks is unrivalled, and its railways connect it with the Metropolis and every part of England. Its ships trade all over the world, and its steam boats are constantly visiting all parts of the adjoining coast.

80. Birmingham (Warwickshire). The toy shop and gun market for the whole world.

107. Bristol (Gloucestershire). A very ancient city, once the second in the kingdom for trade, but owing to the exorbitant charges on shipping, now greatly surpassed by Liverpool ... Its foreign trade is considerable, particularly with America, by means of that splendid steam vessel, the Great Western. ... *Go on by railroad to Exeter*, No. 114.²³

The textual prominence afforded to transportation technologies, and especially the sudden steam-powered leap from Bristol to Exeter, was enhanced in visual terms by images of sailing and steam ships dotted around Britain's coastline, alongside a speeding locomotive leaving a tunnel that was pictured as part of the game's illustrated title. While it was not openly articulated, therefore, a particularly striking aspect of *Wallis's Picturesque Round Game* was the earlier remarked upon coincidence between the ludic drive to traverse distance rapidly and industrial capitalism's world-historical drive towards spatio-temporal compression.

Like many other race games, both of the aforementioned games concluded in London, with the capital city described only as 'The Game' in each instance. Elsewhere, however, London's meaning was elaborated at different scalar levels and in distinctly triumphant economic terms. Players of Edward Wallis's *The Panorama of Europe: A New Game*, from 1815, were instructed by the game's rules booklet that London, their final destination, stood preeminent among the array of internationally important continental cities and ports they had visited; it had been since Roman times 'a place of considerable trade' and now constituted 'the most extensive and opulent city in the world'.²⁴ Players of the aforementioned *Walker's New Geographical Game* began in London, where they were likewise informed that the present-day prosperity of the city could be traced back 'even before the time of Caesar', when it had been 'the emporium, or mart, for receiving the productions of foreign countries'.²⁵ *A Tour*

Through the British Colonies and Foreign Possessions acclaimed London as ‘the largest, the richest, and perhaps the most populous city in the world’, before raising the comparative stakes:

Its commerce is not only greater than that of any other city, but, with the exception of the United States of America, and two or three of the larger European states, it is greater than that of any other country; and the number of vessels from all parts of the world, that annually enter its port is without parallel.

Anxious that London’s worth was extended beyond the material realm, the game added that ‘if London exceeds all cities in magnitude and wealth, she is not behind them in mental culture, philanthropy, and benevolence’.²⁶

While games such as these played up the value of international trade to the metropolis, board games focusing on journeys around the capital city itself provided more detailed information concerning the interconnected character and scope of London’s commercial operations. One such example was *The Panorama of London: Or, a Day’s Journey Round the Metropolis*, a game from 1809 featuring an anti-clockwise spiral of hand-painted scenes from the city, with a particular emphasis falling upon the Thames and a variety of river-based transport. A sequence towards the beginning of the game allowed players to view this traffic with relation to the architecture and mechanisms through which London was opened up to national and international trade:

2. The London Docks.—Stop one turn to see the shipping.
4. The Custom House.—Pay Duty, two Counters.
5. The Coal Exchange.—Stop and inquire the Price.
6. The Trinity House.—Pay one for a Pilot.²⁷

A slightly later game from 1820, *A Survey of London, by a Party of Tarry-at-Home Travellers*, also incorporated aspects of London’s economic institutions and infrastructure, visiting the Custom House, the Royal Exchange, East-India House and the Mint. Within the lengthy descriptive booklet that accompanied the game, players were informed that the ‘vast business transacted with the Custom-House, is a proof of our great commercial wealth, and a source of proud reflection to the country’. Of course it was also proof that tariffs continued to be levied on foreign goods, a policy that the game advised ‘produces a handsome sum to Government’.²⁸ If on the one hand this cast protectionist duties in a

positive light, on the other it brought to the fore precisely the kind of state interference with internationally oriented market enterprise that Adam Smith and, by this stage, David Ricardo had argued against. In common with other games, though, *A Survey of London* avoided explicit political comment on the specifics of trade regulation, while continuing to endorse the economics of an internationally networked metropolis. When it turned to the Royal Exchange, then, the game advised that ‘here, methinks, the young traveller would be a little surprised, if not stunned, by all the noise and bustle of the scene: traders of all nations, speaking different languages, yet all bent on one purpose,—the furtherance of trade’.²⁹ This echoed Voltaire, who in the 1730s had sardonically described the Exchange as a place ‘where representatives of all nations meet for the benefit of mankind’.³⁰ Elsewhere, however, the game reflected pointedly on the fact that expansive economic interaction was not necessarily distinguished by mutual benefit. While the East-India House, ‘a building belonging to a company of rich individuals’, contained ‘many luxuries and curiosities’, players were encouraged to think beyond such wealth to ponder ‘the thousands of eastern natives who have suffered from our false ambition and unjust claims on their property and landed possessions’.³¹ And if the game thus cautioned against imperial rapacity, it was also concerned more generally to downplay the appeal of material rewards, whether they were won by fair means or foul. Its entry on ‘The Mint’ advised players that ‘riches may create wonder; but it should be remembered, that wealth has its cares, and it is not possession of money which can procure real content’.³² *Scenes in London: A New Game*, published by Edmund Wallis around 1825, seemed less circumspect with regard to monetary appeal; this game took in a variety of the capital’s sites of popular entertainment and historic interest before concluding, on tableau eighteen, at the ‘Bank of England—Game!’³³

Notwithstanding the emphatically economic conclusion of *Scenes in London*, and in common with round-the-world race games, the national and European race games examined in this section were not determined by an overarching economic rationale. Indeed, the fact that several of these games insisted the real worth of a good life was to be measured in non-pecuniary terms bears out Davidoff and Hall’s contention that for middle-class British families in the first half of the nineteenth century the ‘cold-blooded pursuit of profit’ was ‘deeply suspect on moral grounds’.³⁴ But while the games were not explicitly directed towards an economic end, the commercial, institutional, infrastructural and transportational

information they included, alongside the mobile dynamism they promoted, made manifest the logic and value of market relations. And the logic and value of these market relations were shown to extend beyond the metropolitan, national or continental borders the games plotted. What stands out about these larger-scale race games, therefore, is that they enfolded the global within their delimited geographical scope, in a way that endorsed economic expansion as a historically deep, ongoing and technologically enhanced aspect of Britain's proper, profitable position in the world.

IV

'Images and ideas of the globe as an integrated totality, developed over the course of European expansion, have both shaped and been shaped by the actuality of a globalized world', proposes Denis Cosgrove in *Apollo's Eye: A Cartographic Genealogy of the Earth in the Western Imagination*. He frames this contention by highlighting 'the arresting concept of the earth as a single space made up of interconnected life systems and a surface over which modern technological, communications and financial systems increasingly overcome the frictions of distance and time'.³⁵ Particularly since the mid-nineteenth century, Cosgrove writes, this 'arresting concept', and the imperial imaginary he associates with it, has served to mobilise capital internationally, thereby driving the expansive processes that characterise an increasingly interconnected, interdependent world economy. Although the geographical race games considered by the present chapter pre-date the 1850s, and although he does not make mention of them, Cosgrove's emphasis on the empowered, pervasive cultural resonance of the earth as a single, integrated space speaks clearly to my argument that these games can be understood as ludic pursuits that promoted as well as reflected British-led globalisation. It does not follow, however, that they generated the masterful worldview with which Cosgrove is concerned. Indeed, as this section explores, what is so salient about race games is that they worked at once to excite and frustrate an Apollonian imaginary, furnishing as they did vibrant, forceful form to the 'frictions of distance and time' even as they held out the prospect of a world in which such frictions might be overcome.

Here it is particularly significant to note the way in which these games invoked only to disrupt the transcendent power of the Apollonian perspective. 'To achieve the global view', Cosgrove remarks, 'is to loose the

bonds of the earth, to escape the shackles of time, and to dissolve the contingencies of daily life for a universal moment of reverie and harmony'.³⁶ Perhaps on commencing geographical board games players were tempted by the panoramic vistas that opened up before them to indulge such a reverie, and the possibilities of swift and smooth global circulation it brought with it. However, they quickly found themselves dragged down into a stop–start world of unpredictable advance, chance encounter and all manner of obstacles to progress. As indicated, in large part this was a world that penalised players by demanding they halt and acquaint themselves with local cultural and historical phenomena, including architecture, customs and past events. Even maritime traditions intruded upon progress, so that participants in *Walker's Geographical Pastime* missed two turns at the Equator to be shaved. But as has also been established, race games could cast their pedagogic penalties in explicitly economic terms, with players obliged to wait in order to barter for goods, locate raw materials or prospect for minerals. On occasion such economic friction took on more elaborate form. Thus, the abovementioned sequential move round the London docks, the Custom House, the Coal Exchange and Trinity House, from the *Panorama of London*, impressed upon players a matrix of public and private institutions and infrastructures that worked in order to sustain the capital city's extensive business activity. The point is, however, that it did so by delaying their journeys, allowing players to experience in a roundabout way how logistical requirements, transactional processes and regulatory restrictions—inquiry, payment, duties—hindered the flow of commercial intercourse.

While in this respect race games gave the lie to overly fluid conceptualisations of global circulation, and thus to friction-free visions of market relations, these kinds of delays slowed rather than stopped progress, in a manner that made manifest impediments that were necessary to stable, ordered economic activity. Elsewhere, though, race games threatened global circulation in a decidedly more menacing yet exciting fashion, in a way that threw into doubt the wisdom of economically oriented expansionism altogether. That many games turned on transportation disasters is especially noteworthy, therefore, particularly given the remarked and prominent way in which they simultaneously celebrated the distance-annihilating capacities of the very same technologies. Travellers arriving at the Magellan Straights in *Wallis's Complete Voyage* or the Isle of Man in *Wallis's Tour Through England and Wales*, were thus shipwrecked and compelled to leave the action, notwithstanding the emphasis both games

placed upon Britain's tremendous naval strength. Here, as in other pursuits, vignettes depicting various nautical dangers—typically storms and rocks—added to the drama. And races published later in the nineteenth century incorporated steam-driven incidents and accidents into their hazardous gameplay. Progress in *Wallis's Locomotive Game of Railroad Adventure* was accordingly held up or halted by a graphically illustrated sequence of engineering problems, blockages to the line and train derailments; these incidents stood in pointed contrast with the dynamic depiction of steam ships and railways elsewhere in the game, as well as in the abovementioned and contemporaneous *Wallis's Picturesque Round Game*.³⁷ *European Travellers, an Instructive Game*, another mid-nineteenth-century title from Edward Wallis, afforded participants the opportunity to advance nine places by Atlantic Steamer. But steam power was no help as these same ocean-going travellers were beset by gales, engulfed within maelstroms, waylaid by mermaids and haunted—albeit not halted—by stories of sea monsters.³⁸

Though many games threatened players with treacherous weather conditions, *European Travellers* stands out for the inclusion of mermaids and monsters within a geography that worked at once to engage and refute contemporary idealisations of an empowered, technologically networked modern-world system. More commonly, and alongside the transportation failures they charted, games endangered player progress with real rather than mythological life, in the form of non-human as well as human animals. Thus, in *European Travellers* Neapolitan brigands and Spanish bandits forced players to retreat back round the board, even though fortuitous escape from wild boars and Greek pirates saw them advance several places. In *The Pirate and the Traders of the West Indies*, published by William Spooner in 1847, it was a player her- or himself who became the pirate, and whose role it was to prevent four game-playing traders from successfully shipping their colonial cargoes of sugar, coffee and tobacco to European market.

Elsewhere, games drew attention to the putatively primitive condition of entire global communities rather than the criminal character of particular types, in ways that opened up a contest as well as a contrast between European civilisation and non-European savagery. While *Walker's New Geographical Game* highlighted the 'degraded state' of Africans, then, *Walker's Geographical Pastime* informed players that the 'natives of New South Wales' represented 'the most miserable and savage race of men in the world'. The same game advised that the Mongols of Chinese Tartary

and Greenlanders were at least open to rude forms of trade, though it implied their lowly savage status rendered things difficult. Several global games called upon players to miss turns in the Pacific to mark the ‘native’ killing of Captain Cook, in a manner that made more explicit how such primitivism could jeopardise expansionist endeavour. *The Crystal Palace Game* included two vignettes detailing antagonistic confrontations between white voyagers and non-white indigenes, apparently in order to commemorate Cook’s demise. Given that these eye-catching images of black on white violence featured on a board that also depicted white adventurers battling against exotic wild animals, however, they can be understood more broadly to set an under-developed and hostile non-European world against the circulatory momentum and world-historical energy of its European counterpart. Even as games promoted the idea that primitive peoples might be straightforwardly engaged in productive, mutually beneficial market relations, therefore, an equally significant aspect of gameplay was the suggestion that such progressive relations might be hard if not impossible to cultivate.

The full subtitle of the *Crystal Palace Game* promised its players ‘an entertaining excursion in search of knowledge, whereby geography is made easy’. The purported ease that participants in race games such as this learned about geography, however, was a direct consequence of the fact that travelling round their boards was a difficult, drawn-out affair. Although the games placed a premium on express passage, therefore, they retarded as well as facilitated progress, in a way that charted precisely the kind of earthly bonds, temporal shackles and daily—although on occasion extraordinarily dramatic—contingencies that Cosgrove proposes are effaced from the Apollonian imaginary. So while aspects of their gameplay can certainly be understood with relation to a Smithian dream ‘of a world where time and space are no barrier to the flow of capital’, the games themselves refuted such a dream, bringing it up short against a world in which all forms of circulation, not least economic, were possible only under particular, uncertain and often extremely arduous and dangerous circumstances.³⁹ Far from a dream, then, at times geographical race games realised a Smithian nightmare of a world where transportation problems impeded global mobility; where property and commercial rights fell afoul of outlaws, both on land and sea; and where ethnically determined developmental differences clouded the prospect of free and fair economic interaction between different peoples of the world. These games thus worked forcefully against the idea that, as Paul Smith had it, ‘a world-wide system

of Enlightened capitalist dominance' might ever take shape. Yet the fact this force registers in such strong oppositional terms bears testament to the globalising imperatives around which the games cohered. Race games frustrated free-flowing capitalist logic, then, but in so doing they should be understood to have furnished ludic form to the point with which this chapter began: Smith's recognition in *The Wealth of Nations* that although expansive capitalist activity was a risky business, it was also an integral and rewarding aspect of fully functioning market enterprise.

V

'The first of all the English games is making money.' Taken from John Ruskin's 1865 essay 'Work', this statement furnishes the epigraph to P.J. Cain and A.G. Hopkins's classic account of 'gentlemanly capitalism', the dynamic socio-economic force that they tie to Britain's overseas expansion, and that they define in relation to a class of investor with 'a clear understanding of the market economy' combined with a desire to keep 'his distance from the everyday and demeaning world of work'.⁴⁰ Unlike later board games, most notably the early twentieth-century property game *Monopoly*, the geographical race games considered by this chapter did not aim towards a clear money-making goal. Indeed, of all the games examined here *The Pirate and the Traders* stands alone for its manifestly commercial orientation, although progress in the game depended upon passage not payment. While the moral compass that guided these games steered them clear of the cash nexus, however, the pedagogic geographies they plotted worked on different scales and in different ways to impress upon players how Britain's past, present and future prosperity was tied to an expansionist, globalising economic programme: they charted resource-rich, industrially productive regions of the earth; they highlighted existing international commercial activity, as well as the institutions, infrastructures and transportation technologies that enabled such activity to take shape; they set in motion a dynamic, if drawn-out, frictional drive towards spatio-temporal compression; they located Britain, and particularly London, as empowered hubs at the heart of the interconnected topographies they inscribed; and they made clear that an imperial project to colour parts of the world map red was a vital but by no means all-consuming nor all-conquering aspect of British economic expansion. Even as they worked against idealised visions of worlds that were made to trade, then, race games consistently opened up

to their players the profitable potential as well as the profitable reality of international markets relations. And without framing money-making as a moral endeavour, and while on occasion warning that Britain's imperial power did not necessarily make the world a better place, they did so in a manner that broadly sanctioned such outward-facing economic enterprise as a right and proper state of affairs.

Accordingly, this chapter has argued that geographical race games played their own part in inspiring the 'cultural confidence' that Darwin associates with nineteenth-century Britons' 'sense of enduring "centrality" in a globalised world'. Where the expansionist spirit associated with 'gentlemanly capitalism' has typically been understood with regard to the detached, individuated rationality of *Homo economicus*, then, this line of argument proposes race games furnished well-to-do families in Britain between 1780 and 1850 with a cultural form that drew market forces and home life together, in a way that refused clear-cut distinctions between genders and generations, as well as between the public and the private spheres. Games are thus understood to have fostered a collective kind of economically engaged expansionism, in a way that allowed 'gentlewomanly capitalism' to develop alongside its male counterpart.⁴¹ And, as outlined, the contention that race games helped mould such market-oriented mindsets is one that ties their multi-accultural, wide-ranging globalised logic to Darwin's emphasis on the fast, furious yet contingent, chaotic character of nineteenth-century British expansion, in a way that is alert to his insistence that 'much nonsense is talked of Victorian "hegemony"'.⁴² In this respect, games are significant because they make clear that cultural historical and post-colonial work on expansionism should not restrict its purview to triumphant, friction-free visions of circulation, conquest and rule associated with Apollonian imaginaries and colonial mentalities. But Darwin is equally insistent that the widening diffusion of a 'competitive and commercial ethos' within nineteenth-century Britain was tied up with the way in which the nation 'projected its influence all over the world and with particular force into those regions where it met less resistance from an organised state, an existing "high culture" or a developed economy'.⁴³ And so it is equally significant to emphasise that race games accustomed players to the idea that the exertion of force might be a necessary if unfortunate feature of worldwide market enterprise, while consistently inscribing attitudes and ideologies typically associated with the exploitation and violence that characterised such expansionist activity.

NOTES

1. Paul Smith, *Millennial dreams: contemporary culture and capital in the north* (London, 1997), pp. 10–11.
2. Adam Smith, *The wealth of nations* (2 vols., London, 1999, originally published, 1776), II, pp. 30–31.
3. Leonore Davidoff and Catherine Hall, *Family fortunes: men and women of the English middle class, 1780-1850* (London, 1987), p. 20.
4. See James Belich, *Replenishing the earth: the settler revolution and the rise of the anglo-world, 1783–1939* (Oxford, 2009), p. 96; P.J. Cain and A.G. Hopkins, *British imperialism, 1688–2000* (Harlow, 2001), p. 666; Gary B. Magee and Andrew S. Thompson, *Empire and globalisation: networks of people, goods and capital in the British world, c. 1850–1914* (Cambridge, 2010), p. 14.
5. John Darwin, *The empire project: the rise and fall of the British world-system, 1830–1970* (Cambridge, 2009), pp. xi, 3, 6, 36.
6. *Ibid.*, p. 7.
7. Caroline Goodfellow, *A collector's guide to games and puzzles* (London, 1991), pp. 6, 12.
8. J.H. Plumb, 'The new world of children in eighteenth-century England', in Neil McKendrick, John Brewer and J.H. Plumb eds., *The birth of a consumer society: the commercialization of eighteenth-century England* (London, 1983) pp. 286–315 at p. 310.
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British Free Trade and the International Feminist Vision for Peace, c.1846–1946

Marc-William Palen

I

The economic dimensions of peace internationalism were central to the wider struggle against imperialism and militarism from the mid-nineteenth century to the mid-twentieth century. And yet the economic ideas behind women's peace internationalism are noticeable for their near absence within the historiography.¹ This despite the fact that the ideological conflict between economic cosmopolitanism and economic nationalism was central to debates over imperialism and war throughout this period. This economic ideological conflict intermingled with turn-of-the-century cultural debates over gender, race, politics and empire, but only rarely makes an appearance within these studies.²

One possibility for this neglect is perhaps because advocacy for free trade nowadays is commonly viewed as right-wing in origin, although recent work on socialist globalisation is beginning to push back against this.³ To put it mildly, one would be hard pressed indeed to fit today's right-wing narrative of free trade within the radical story of feminist peace

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activism of a century ago.⁴ Rather, as Anthony Howe, Richard Toye and Frank Trentmann have rediscovered within the history of late-nineteenth- and early-twentieth-century Britain, for example, free-trade activism was quite often one of liberal radicalism, labour socialism and peace internationalism.⁵ Free trade accordingly became the economic bedrock for radical feminist peace activists and organisations throughout this period.⁶ Free-trade-and-peace activism transcended Free Trade England, evolving into a transnational phenomenon that became entwined with the cosmopolitan demand for supranational institutions to help govern a more peaceful world.⁷

Another potential reason for the neglect of free-trade feminism probably stems from the common *laissez-faire* portrayal of the global economic order during the late nineteenth and early twentieth centuries. With Free Trade England and robber barons in mind, the global order during this period is often portrayed as one dominated by *laissez-faire*, free trade and free markets, when, in reality, most of the industrialising world subscribed to economic nationalist policies at home and abroad, most noticeably through high protective tariffs, in the decades leading up to and immediately following the First World War.⁸

No country practiced protectionism at home and abroad with more zeal than the USA. And yet here, in particular, we all too easily find a *laissez-faire* portrayal of the turn-of-the-century American political economy and imperialism.⁹ This *laissez-faire* depiction might be accurate with respect to labour regulations (or the lack thereof), but in most other respects it is a decidedly inaccurate descriptor. Rather, this was an era in which the American executive was dominated by the party of protectionism, the Republican Party, which oversaw the enactment of massive economic nationalist legislation, from homestead laws to high protective tariffs, subsidies and bounties for US infant industries. The titans of American industry made their fortunes in no small part due to such active government interventionism in the national and international marketplace on their behalf. We find a similar *laissez-faire* portrayal within much of the late-nineteenth and early-twentieth-century American foreign relations historiography.¹⁰ Nor was the USA alone in its protectionist practices. Economic nationalist ideas and policies swept the globe, becoming a key counterpart to nationalism and a key component of industrialisation and imperial expansion for developing states like Japan, Russia, France and Germany.

Correcting this common free trade and *laissez-faire* portrayal of the late-nineteenth- and early-twentieth-century global economic order is critical

to understanding the economic cosmopolitan vision of feminist peace internationalists during this same period. The transnational spread of British free-trade ideas played a prominent part in the development of feminist peace activism, wherein the freeing of world trade was seen as essential for the emancipation and democratisation of mankind, for ending world hunger and poverty, and for obtaining world peace. The Victorian-born ideological connection between free trade, social justice, prosperity and peace thus played a key role in shaping the economic vision of twentieth-century feminist peace internationalists.

II

Beginning in the mid-nineteenth century the radical free-trade ideology of transatlantic abolitionist reformers became famously known as the Manchester School or Cobdenism, as espoused by Richard Cobden, Victorian Britain's now nearly forgotten apostle of free trade.¹¹ Cobden believed that a universal policy of free trade would not only bring domestic prosperity, but it would also make the world's markets so interconnected and interdependent that war would become obsolete. As a result of this liberal radical tying together of free trade, social justice, prosperity and peace, Cobden and his transatlantic disciples would number among the nineteenth-century leaders of the transatlantic abolitionist and peace movements, both of which fast became associated with women's suffrage. Cobden himself was a vocal supporter of women's rights, as was Kate Cobden, his wife, along with prominent American Cobdenite abolitionists such as William Lloyd Garrison.¹²

The connection between free trade, peace and women's suffrage only grew stronger by the time of the First World War with the next, even more progressive generation of Cobdenite radicals. Victorian British free-trade ideas played a central role within early-twentieth-century feminist peace internationalism. The feminist fight for free trade, peace and social justice at this time was, from this economic ideological perspective, part of a larger grassroots struggle to overthrow the global economic nationalist order: an order that they and other peace activists blamed for so many of the world's social injustices, for causing imperial rivalry, for exacerbating geopolitical tensions and, by the time of the First World War, for laying the economic foundations for global military conflict. Leading international women's suffragists from the USA, Britain and continental Europe would accordingly found and become the leaders of a variety of progressive international free-trade-and-peace organisations.

The women's peace movement that grew in the USA and Europe in the decade surrounding the First World War had strong Victorian Cobdenite roots. Richard Cobden's daughter, Jane Cobden, played an important part in opposing the Boer War, for example, and in supporting British free trade and women's suffrage in opposition to the tariff reform movement of the Edwardian years.¹³ Her publications, particularly *The Hungry Forties: Life Under the Bread Tax* (London, 1904) and *The Land Hunger: Life Under Monopoly* (London, 1913), were in keeping with her father's radical vision. By the time of the First World War, Britain alone was a hotbed of feminist free-trade-and-peace activists, including, among others, Emily M. Leaf, Catherine Marshall, Eva Macnaghten, Emmeline Pethick-Lawrence, W. Gladys Rinder, Ethil Snowden, Mary Sheepshanks, Helena M. Swanwick and the leaders of the Women's Co-operative Guild (1883–1921).¹⁴ In the USA, Cobdenite abolitionist William Lloyd Garrison's daughter, Fanny Garrison Villard, along with fellow women's suffragist Elinor Byrns, would help create a variety of peace organisations, including the New York City Woman's Peace Party in 1914, followed a year later by the national Woman's Peace Party, which was to become what Harriet Alonso has described as 'the suffragist wing of the World War I peace movement' due to the party's contention that equal participation of women in politics was necessary to guarantee world peace.¹⁵

The feminist free-trade-and-peace movement expanded rapidly during and immediately after the First World War. The first International Congress of Women convened at The Hague in Spring 1915, where it urged 'in all countries that there shall be liberty of commerce', freedom of the seas and an open door.¹⁶ The 1918 congressional programme of the Woman's Peace Party of New York State thereafter made the case for 'why a League of Nations must be based on free markets and free seas'. Not finding the New York peace organisation's endorsement of free trade radical enough, in 1919 Byrns and Garrison Villard took the lead in forming the Women's Peace Society; its motto was 'Immediate and Universal Disarmament, Abolition of Mob Violence, *Free trade, the world over.*'¹⁷ That same year also saw the creation of the Women's International League for Peace and Freedom (aka WILPF or the Women's International League), whereupon the Woman's Peace Party became the US section of WILPF. WILPF endorsed the call for 'liberty of commerce' as first enunciated at the 1915 Hague conference, making free trade an explicit programme for the international organisation and its national sections. As the British Section's Eva Macnaghten reminded the international attendees of the 1924 WILPF

meeting held in Washington, ‘remember that in the Women’s International League we are believers in free trade’.¹⁸ Social justice activist Jane Addams of Chicago was elected WILPF’s first international president, with another American, the economist Emily Green Balch, becoming its first international secretary at its headquarters in Geneva.

In keeping with much of the radical peace activism of the era, all of these feminist peace organisations had a clear economic plank of universal free trade. They did so because they believed free trade would help bring equality and empowerment to women across the globe. In contrast, they believed that protectionist policies made basic necessities unnecessarily expensive; that protectionism created the economic foundations for war by exacerbating geopolitical tension; because women and children suffered most in war; and because the consequent starvation, domestic turmoil and unnecessarily high costs of living only stunted efforts toward obtaining democracy, and thus toward obtaining universal suffrage and social justice.¹⁹ Advocacy for universal free trade was therefore a key cosmopolitan dimension underpinning the international peace movement during this period because it promised world peace, domestic prosperity, and cheap, plentiful food to feed the starving women and children of the world.

III

About half a dozen ideological variants of Cobdenism permeated the international feminist peace movement by the time of the First World War. Among the most influential was the ideology then famously called ‘Norman Angellism’, named after British journalist Norman Angell (1872–1967). Angell himself was one of the era’s most prominent free-trade-and-peace activists. His fame in large part followed the publication of the international best-selling book *The Great Illusion* (1910), which argued that businessmen should be inherently predisposed toward peace and opposed to war because the world’s markets were so interconnected and interdependent that war would create nothing but economic loss to the world. It was a pragmatic appeal to the businessman’s pocketbook, and a pacific endorsement of international trade liberalisation. It was also a pessimistic appeal, as Angell bore witness to the turn-of-the-century global turn toward economic nationalism, imperial rivalry and militarism.²⁰

Angell’s Cobdenite argument on behalf of economic interdependence and peace rapidly gained international adherents, including within the fast-growing international women’s peace movement. What quickly

became known as Norman Angellism after 1910 took Europe and the USA by storm. Within a matter of months groups banded together at meeting halls and schools in England, France, Germany, and the USA with *The Great Illusion* as the basis for discussion and affiliation. Angell's ideas reached high into the transatlantic middle and upper classes. Within a few years, the book was translated into twenty-five languages and sold two million copies. As late as 1937, it remained an influential part of international peace culture, inspiring Jean Renoir to write and direct the now-classic French pacifist film *La Grande Illusion*. Hundreds of Norman Angell societies were formed, stretching from England to the European continent to California.

In the USA, Angell soon found himself as a spokesperson for the Boston-based World Peace Foundation (now the Fletcher School at Tufts) and the New York-based Carnegie Endowment for International Peace, created, respectively, in 1909 and 1910. Multiple feminist leaders of the women's peace movement, often in co-ordination with these two well-financed US-based peace organisations, were also influenced by Norman Angellism. Poet and psychologist Anna Sturges Duryea, for example, lectured on Norman Angellism on behalf of the World Peace Foundation, and headed its women's department in order to influence women's suffragists.²¹

The strong connection between Norman Angellism and the women's peace movement was far from accidental. Peace activist Julius Moritzen, in his 1911 treatise on the American peace movement, made the case that women, as the 'peaceful sex', could be a powerful force within the burgeoning peace movement. 'But as a force for international peace they are negative unless they have specific instruction. They must be set to ... reading Norman Angell's *Great illusion*.' Once so instructed, he argued, 'they can be of very great service in informing their own busy husbands and brothers who may not have time to discuss international ethics, history, and politics.'²²

Norman Angellism manifested itself directly and indirectly within the international feminist peace movement. Budapest's Rosika Schwimmer best illustrated the transatlantic influence of Norman Angell's Manchester liberal ideas within the burgeoning feminist peace movement.²³ Schwimmer was a leading light of the European feminist movement, having founded the Hungarian Feminist Association in the late 1890s. In 1913 she became an officer of the International Woman Suffrage Alliance, after which she then played a key role in the creation of the Woman's Peace Party in

1915 in the USA, as well as in the subsequent creation of WILPF in 1919. Upon the publication of *The Great Illusion* in 1910, Schwimmer began to study what she referred to as the ‘Norman Angell theory’. She thereafter attended a Norman Angell Summer School in England in 1914, whereupon she charged herself ‘to do as much as possible to spread the idea, in writing and speaking’ during her upcoming tour of the USA on behalf of international women’s rights and world peace.²⁴ In Angellite fashion, she thereafter made sure to meet with the automobile manufacturer Henry Ford in Detroit in November 1915. Ford apparently found Schwimmer’s Angellite argument—that war was bad for business—persuasive and agreed to fund what became known as the Ford Peace Ship Expedition of December 1915, followed by the Neutral Mediation Conference in Stockholm in February 1916. Schwimmer’s actions provided a direct link between Manchester School ideas leading to mobilisation and action within the broadening international feminist peace movement.

Nor was Schwimmer alone in her Angellite efforts. As mentioned earlier, William Lloyd Garrison, the famous nineteenth-century abolitionist firebrand and women’s suffragist, was a prominent American Cobdenite abolitionist. Among his children and children’s children, the apple did not fall far from the tree when it came to these reform movements.²⁵ Garrison’s sons Frank and William Lloyd Garrison II and his grandson Billy Garrison became the heads of various free-trade-and-peace organisations throughout the early decades of the twentieth century. And, like their father, they would become quite active in the fight for women’s suffrage.²⁶ For them, these various facets—abolitionism, free trade, women’s suffrage, world peace—were entwined.

Garrison’s daughter, Fanny Garrison Villard, was similarly instilled with her father’s passionate defence of free trade, peace, abolitionism and women’s suffrage. And, more than her brothers, Garrison Villard took to the free-trade ideas of Norman Angell. Angell was himself a supporter of women’s suffrage and a co-worker of British feminist peace activists through his work with the Union for Democratic Control. At the instigation of Garrison Villard, he became a speaker at Woman’s Peace Party and Women’s Peace Society engagements during his frequent visits to the USA; his letters to the Woman’s Peace Party leadership were reprinted in their propaganda materials; his articles similarly appeared in *Jus Suffragii*, the publication of the International Women’s Suffrage Alliance; and the Woman’s Peace Party leadership recommended his work to educate its members on issues of international political economy, along

with the writings of other radical free-trade-and-peace activists such as turn-of-the-century Cobdenite J.A. Hobson.²⁷

Chicago's Jane Addams, another key figure in the international feminist peace movement, also found inspiration from Norman Angellism. Addams became the president of the Woman's Peace Party and, subsequently, the international president of WILPF for the first decades of the organisation's existence. She and Angell corresponded with one another, and it was partly due to Addams's support that Angell would eventually be awarded the Nobel Peace Prize. This is not to suggest that Addams's economic vision for world peace arose solely after reading Angell—she had been developing her own views on this subject for some time, as illustrated in her provocative 1906 work, *Newer Ideals of Peace*. However, Addams's subsequent writings and interviews illuminate the influence of Norman Angellism on her changing *international* economic outlook. For example, in her 1913 article, 'Peace on Earth', for the *Ladies Home Journal*, Addams weighed in on the international aspects of commerce and peace:

Of course these various efforts to settle international difficulties without warfare are but the results of a steady growth of international sentiment which manifests itself in many ways. Perhaps the most striking manifestation among our own contemporaries is the international outlook resulting from 'a world market' and the ever-increasing interdependence of commercial relations. Quite recently a leading citizen in Chicago told me that his business interests in Russia had never recovered from the profound disturbance caused by the war with Japan, and that conservative business men could no longer stand for such stupendous folly; although nothing would have astounded this man more than to have been told that he was reflecting the attitude of the Pacivists [sic], *his very words suggested the theme of Norman Angell's recent book, with its powerful presentation of the folly and illusion of war.*²⁸

Angellite Addams, in her long-held role as international president of WILPF, would continue to argue for free trade as a prerequisite for world peace. During an NBC radio interview in 1932, for example, Addams was asked to elaborate on the feminist peace movement's advocacy for free trade. The interviewer observed that their argument for free trade was 'not speaking from a solely economic point of view. You seemed to believe that a lowering of tariff walls would conduce to peace. You seemed to believe that altitudinous tariffs are in some degree dangerous to peace'. She replied that 'we believe ... that unrestricted intercourse between

nations must in the long run make for better understanding and good will ... and the freedom of trade intercourse is essential to national prosperity'.²⁹ Her use of 'we' is also telling, presumably speaking on behalf of the WILPF, and perhaps the women's peace movement more broadly.

IV

Around the time Addams was giving her NBC radio interview, the international feminist free-trade-and-peace movement would receive quite a bolstering from the American branch of what today claims to be the largest feminist organisation in the world, the Young Women's Christian Association (YWCA). In existence since the mid-nineteenth century, the YWCA of the USA became an outright peace organisation in 1922 when it included within its charter a demand for the outlawry of war.³⁰ Then, in 1936, after years of studying the tariff issue, the YWCA also came out in support of free trade.

The timing of the American YWCA's 1936 call for free trade occurred just as Franklin D. Roosevelt's State Department was beginning to overhaul American foreign trade policy. Under decades of Republican domination, the country's trade policy had been one of extreme economic nationalism since the Civil War. Under the auspices of Roosevelt's Cobdenite secretary of state, Cordell Hull (Hull's nickname was in fact the 'Tennessee Cobden'), the USA thereafter began instituting liberal trade reforms beginning in the 1930s with the Reciprocal Trade Agreements Act (RTAA) of 1934—what trade historian Alfred Eckes calls Hull's 'Tariff Revolution'.³¹ Against predictable Republican opposition, the 1934 act granted the President the power to lower tariff rates by up to 50 percent and included the application of the unconditional most-favoured-nation principle. The YWCA threw its support behind Hull's free-trade initiative.

When and how this remarkable relationship between the YWCA and Hull's State Department developed is a remarkable one—and it was straight out of Norman Angell's playbook. The move was initiated between 1935 and 1936 by Swiss-born Clara Guthrie d'Arcis, treasurer of the YWCA's Disarmament Committee and representative of the World Union of Women for International Concord. She and Henrietta Roelofs, the vice chairman of the National Committee on the Cause and Cure for War, developed the aptly titled 'Plan for Bringing Economic Forces into Co-operation with the Women's Peace Movement'. The plan was to persuade export-oriented organisations such as the American Manufacturers'

Export Association that it was in their financial interests to support the international women's peace movement. Having received a copy of the YWCA's new plan, the vice president of General Motors wrote back to Clara d'Arcis, letting her know that he was going to bring their initiative to the attention of Cordell Hull:

I am going to tell Secretary of State Cordell Hull the whole story the next time I see him, and see if I cannot interest him in giving you a personal endorsement. I think I can do this, for I know him very well, and I know he is literally consumed with a desire for continued peace, both morally and as the only possible restorative to world trade and our own domestic prosperity ... I don't know whether you realize it or not, but Secretary Hull is surely the best ally you have in the world today. He is an idealist who believes in peace for its own sake, but he is also a realist who is striving earnestly to make peace possible by breaking down the barriers to world trade—the vicious implements of economic warfare—by a program of direct political action which is sound philosophically and feasible in practice. This program ... offers the only practical hope, in my opinion, that exists in the world today for the removal of the economic causes of war ... if I can get Secretary Hull to endorse the laudable work you are doing in your field to educate the public to the utter hopelessness of war, I would say that you ought, for your own part, to stand for the principles Mr Hull stands for.³²

And so it came to be. The YWCA maintained a decades-long lobbying campaign on behalf of international trade liberalisation and supranational institutions such as the General Agreement on Tariffs and Trade (GATT) that facilitated it. For example, Kendall Emerson, chairman of the Public Affairs Committee, wrote to Robert Doughton, chairman of the House Ways and Means Committee, in 1937:

The National Board of the Young Women's Christian Association ... wishes at this time to urge action by Congress extending the Trade Agreements Act of 1934 in line with the request of President Roosevelt and Secretary Hull. ... It is therefore deeply interested in any action by our government which helps to lower the barriers to international trade and to promote better feeling among the peoples of the earth. We believe that Secretary Hull's program already carried out under the Act of 1934 is of such inestimable value to our domestic welfare as well as to world peace that any change or limitation put upon it now would be most unfortunate.³³

That same year, the YWCA also helped launch the New York-based National Peace Conference's Campaign for World Economic Cooperation,

which called for continued support for the RTAA and further reductions of trade barriers as a way towards world peace and prosperity for American farmers, labourers and businesses.³⁴

These various Democratic and feminist attempts to free American and world trade were not without their opponents. In particular, many within the Republican ranks remained reticent about the USA taking the lead role in liberalising the international economic system. American feminist free-trade-and-peace activists were still outnumbered, especially when the Republicans recaptured Congress in 1946.

Because of the Angellite relationship between the YWCA, the American business community and the State Department, the YWCA, along with other feminist organisations, lent Cordell Hull and his successors their continued support on behalf of freeing American trade. In the late 1940s, for example, the YWCA published 'Filling the World's Market Basket' in *Public Affairs*, emphasising the peace and prosperity wrought from international trade liberalisation. The YWCA also co-founded the lobbying group Citizen's Committee for Reciprocal World Trade, with Cordell Hull as honorary chairman.³⁵ With such continued support of feminist peace organisations, Hull's reform efforts would claim more success after 1947, when the first negotiation round of the GATT ended with the twenty-three participating countries slashing import tariff rates. The USA led the way, lowering its tariffs on average by 35 percent. The GATT held several rounds of trade negotiations over the years, and it was during its eighth round—the Uruguay Round of 1994—that the World Trade Organization (WTO) would be created. The YWCA also gave its support to unsuccessful supranational free-trade initiatives, such as the attempted creation of the International Trade Organization (ITO) in the mid to late 1940s, and the Organization for Trade Cooperation, proposed, again unsuccessfully, in 1955.

V

Thus, through their private correspondence, public writings, speeches, interviews, and organisational publications, charters and meetings, we can begin to reconstruct the predominant economic vision of leading feminist peace actors and organisations from the Victorian era to the Cold War. The dominant economic vision of feminist peace internationalism was, for much of the twentieth century, driven by the belief that universal free trade was crucial to obtaining world peace, domestic prosperity and social justice: a free-trade vision that, at least on its surface, strikes a remarkable

contrast to the position of feminist peace internationalists today. This contrast makes the long first wave of free-trade feminism all the more important. For one thing, it provides an illuminating window into understanding how an earlier era of feminist peace internationalists envisaged their ideal global economic order—one of universal free trade and market interconnectivity, facilitated in part through supranational institutions such as the GATT and the ITO, the forerunners of the WTO. For another, it provides a new and important transnational story that connects the history of British free trade and the international feminist vision of peace from the mid-nineteenth to the mid-twentieth century.

NOTES

1. Only a handful of studies include an economic dimension to feminist peace reform. For example, Kristen E. Gwinn's recent biography *Emily Greene Balch: the long road to internationalism* (Urbana, IL, 2010) delves into Balch's economic ideology; and Rhodri Jeffreys-Jones touches upon 1920s political economy and peace reform in *Changing differences: women and the shaping of American foreign policy, 1917–1995* (New Brunswick, NJ, 1997), Chap. 3; for a brief mention, see Corinna Oesch, 'Economics and peace: Yella Hertzka (1873–1948)', in Bruna Bianchi and Geraldine Ludbrook eds., *Living war, thinking peace (1914–1924): women's experiences, feminist thought, and international relations* (Newcastle, 2016), pp. 153–167 at p. 164.
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What Was a British Buy? Empire, Europe and the Politics of Patriotic Trade in Britain, c.1945–1963

David Thackeray and Richard Toye

In February 1968 *The Times* ran a feature on the ‘I’m Backing Britain’ campaign, which had recently been launched following the well-publicised decision of five Surbiton secretaries to work for an extra half hour each day without pay to boost productivity. The movement was endorsed by all three main political parties and initially welcomed by the Government. From mid-January the newspaper tycoon Robert Maxwell joined the fray, calling on shoppers to ‘Think British—Buy British’. However, Maxwell’s call to have more labelling of ‘British foods’ to guide the consumer’s purchases was criticised due to the problems of defining a ‘British’ product. As *The Times* noted in an article entitled ‘What is a British Buy?’, Heinz baked beans were classified by the Board of Trade as a British manufacture despite the beans coming from North America, the tomatoes from continental Europe and the sugar originating from the West Indies or Australia.¹ Reports published in *The Times* suggested that Maxwell’s campaign had little effect on buying patterns and it petered away during the spring.²

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This debacle was a far cry from earlier efforts to promote patriotic consumption. For example, over 400 organisations participated in an autumn 1931 offensive to encourage shoppers to ‘Buy British’ (a term which was then used to refer to goods from both the UK and the wider Empire). Participants ranged from business groups such as the Federation of British Industries to civic organisations such as the British Legion and Women’s Institutes.³ And yet, the figure of the ‘patriotic’ consumer is under-represented in major histories of consumerism in mid-twentieth-century Britain. Instead, leading accounts focus chiefly on the shift from liberal free-trade views of the ‘citizen-consumer’ to social democratic, co-operative forms of consumer activism during the First World War and its aftermath, and then the development of modern, ‘professional’ visions of consumer activism linked to the emergence of an affluent Britain after 1945.⁴ Matthew Hilton has explored the development of Conservative politics of the consumer, sympathetic to protectionism and linked to the activities of organised housewives and businessmen after the Second World War. However, he does not provide a sense of this movement’s wider attitudes towards trade with Britain’s key markets.⁵ Thus, while the connections between consumerism and the development of British imperialism in the nineteenth and early twentieth centuries have been studied extensively, the existing scholarship gives only a limited sense of how British consumers responded to decolonisation, the declining influence of Empire in UK trade, and Government attempts to reorient the economy through applying to join the European Economic Community (EEC).⁶ As the Heinz baked beans example reminds us, the increasingly globalised nature of production further complicated ideas of whether and how the consumer could intervene in the economy to promote patriotic trade after 1945.

Leading studies of European integration between 1945 and 1963 have generally neglected popular debates about Britain’s future in the global trade system. For example, Benjamin Grob-Fitzgibbon’s recent *Continental Drift* (2016), which purports to offer a history of how the British public’s turn to Euroscepticism was connected to the growth of post-imperial nostalgia, offers some discussion of opinion surveys, newspaper opinion and consumer activism. However, his chief focus is on high political debate.⁷ By contrast, it is our contention that the competing ways in which Britain’s global trade role was rationalised by civic society and business groups at the end of empire is worthy of detailed discussion. As Andrew Dilley argues elsewhere in this volume, by the 1960s businessmen were losing faith in the idea of the Commonwealth

as a coherent market with significant future potential. Likewise, in Glen O' Hara's chapter "Imagining New Zealand's Economy in the Mid-Twentieth Century" demonstrates that at this time New Zealand was commonly viewed in Britain as a fragile economy, over-reliant on exporting a small range of primary products. After 1945, concepts of 'Buying British' lost their earlier imperial dimension and consumer activism played a limited role in discussions about the UK's role in international trade. By the early 1960s, Europe was commonly seen as the key market of the future for Britain. However, it was still widely assumed that membership of the EEC was compatible with Britain's wider commitments to the Commonwealth.

I

In inter-war Britain the cause of empire shopping, meaning the exercise of a voluntary preference for goods of British or imperial origin, was championed by the Government-sponsored Empire Marketing Board (EMB). The goods marketed included Irish ones: the Free State agreed to this on condition that the slogan 'Buy Empire Goods—Ask, is it British?' would not be used.⁸ Empire shopping also received the endorsement of influential newspapers. The *Daily Mail* and *Daily Express* ran a joint campaign calling for 'empire free trade' through the establishment of a system of tariffs.⁹ Furthermore, the *Daily Mail* encouraged the British housewife to exercise her consuming power in a patriotic fashion:

There is no actual tariff yet. But at all costs she must, wherever possible, buy British, thus setting up an imaginary tariff wall for herself Every woman should spend as much as she can afford, always remembering, however, that every pound expended on foreign scents, cosmetics and clothes is contributing to a trade balance that is already weighted against her country.¹⁰

'Foreign' in this context meant 'outside the Empire'. There was an interesting tension in the argument, which played up the role of the citizen-consumer while at the same time promoting government action. For one might ask: if patriotic citizens really could build 'an imaginary tariff wall' through their collective choices, where was the need for a real tariff? Arguably, though, this type of discourse was less concerned with achieving immediate changes in behaviour than with drumming up protectionist sentiment, with the strict demands of logic taking a back seat.

Empire shopping was intertwined with the cause of imperial preference and was presented as mutually strengthening ties between 'British' people in the UK and Dominions—a renewal of prosperity in the Dominions would of course aid British industry.¹¹ The same message was apparent in *Empire Trade*, a 1934 film produced by the Conservative party's film unit. In the film the UK was presented as being too small to be self-supporting and the Dominions were portrayed as major customers for British manufactures. A concluding monologue invokes kinship rhetoric, describing the Empire as a 'great family linked together in a blood brotherhood of loyalty and service ... by helping our Dominions, we are benefitting ourselves'.¹²

Seeking to tap into popular enthusiasm for patriotic consumerism, commercial advertisers made use of the 'Buy British' slogan. It was quite possible to do so without invoking the Empire, which was, however, often present. The rival petrol companies Shell and Anglo-Persian both claimed to be the more 'British' company in their advertising (with the latter adopting the trade name BP, short for British Petroleum).¹³ The irony here was that both were multinationals, with Shell being an Anglo-Dutch company and Anglo-Persian relying heavily on foreign labour and resources; in other words, they had to be imagined as British for the message to be effective.

While advertisers may have bought into the vogue for promoting the 'Britishness' of their products, evidence compiled by the EMB in the early 1930s suggests that its efforts to promote imperial goods had little discernible long-term effect on spending patterns. Empire shopping was a habit that mainly appealed to the better off. It was reported that the 1931 Buy British offensive had been highly successful in Waitrose stores in west London, where affluent customers were often willing to pay higher prices to buy patriotically (although abandoning French cognac as an after-dinner tittle proved a bridge too far for the retailer's discerning clientele!).¹⁴ Another retailer surveyed by the EMB claimed that while there was significant enthusiasm for buying British and Empire goods amongst the 'better classes', most customers 'consider price first'.¹⁵ It should also be remembered that the appeal of the EMB germinated from its efforts to promote both home and imperial goods. Indeed, it was careful to highlight its support for UK producers in response to complaints from British farmers and the Ministry of Agriculture who were concerned that the EMB's activities would otherwise increase Dominion agriculturalists' competition with their British counterparts.¹⁶

The introduction of tariffs meant that organised support for the 'Buy British' cause waned. One EMB correspondent noted that by March 1932 'the consuming public were under the impression that with the imposition of tariffs, there was no further need to ask for British goods'.¹⁷ In March 1933 Sir Edward Crowe, the Comptroller of the Department of Overseas Trade and an executive member of the EMB, told an audience of British and American businessmen that 'probably the 'Buy British' campaign has "now gone far enough"', as it hampered trade relations with non-imperial countries and efforts to lower tariff barriers with trade partners such as the Scandinavian countries and the USA.¹⁸ The EMB was wound up a few months later. While promoting 'Buy British' may have been a useful exercise in sustaining morale during the nadir of the Great Depression and encouraging the Government to introduce imperial preference, contemporaries realised that efforts to encourage a voluntary preference for British and Empire goods did not significantly alter consumer spending habits.

It is worth emphasising that British protectionism (in the form of imperial preference) was constrained by a range of international agreements with non-Empire countries, as well as by political pressures.¹⁹ In 1934, moreover, the US Congress passed the Reciprocal Trade Agreements Act (RTAA), which was intended to promote freer trade through bilateral pacts. Three years later, Owen Chalkley, Britain's Commercial Counsellor in Washington, told State Department representatives that Prime Minister Neville Chamberlain 'had become an important convert to the thesis of removing an important portion of the imperial preferences in order to make possible a comprehensive agreement with the United States. Mr. Chalkley added parenthetically that for the son of Joseph Chamberlain to take such a position was "nothing short of a miracle."²⁰ Chalkley may well have exaggerated Chamberlain's enthusiasm, but, nevertheless, an Anglo-American Trade Agreement was signed in 1938 in the wake of the Munich Agreement.²¹ This agreement, made within the framework of the RTAA, set the stage for Britain's participation in the wartime negotiations that resulted in the post-war General Agreement on Tariffs and Trade (GATT).²² At the same time, the British fought a rear-guard action in defence of imperial preference, and it is clear that they did not see the new international institutional arrangements as a substitute or replacement for older Empire machinery and loyalties.

Indeed, the British Government remained eager to promote imperial sentiment. In the late summer of 1940 an analysis by Government censors of mail sent abroad found that:

References to 'our own Island' are startlingly frequent. The value of slogans as an aid to morale appears to be considerable: 'Digging for Victory' and 'There'll always be an England' are constantly quoted, but the phrase 'Our Island Fortress' is used more often and with more gusto than any other. Writers, for the most part, completely ignore the British Empire as a composite unit, and there are only bare references to the presence of colonial troops in this country, or to the help given by Dominions and Colonies. This would suggest that another and more imperial slogan would be of value, provided that it caught on.²³

But it seems that efforts to promote an empire consciousness did not catch on. David Edgerton has argued that popular conceptions of British economic identity were reconceptualised during the Second World War and its aftermath. Ideas of Britain as an 'island nation' were voiced by politicians during the 1945 election and economic nationalism was fuelled thereafter by the Attlee Government, which encouraged increased domestic food production and supported manufacturing through the purchasing power of nationalised industries.²⁴ Of course, this reconceptualisation of Britain as an island nation was a rhetorical device which overlooked the vital role of empire resources in Britain's war effort and its post-war recovery.²⁵

Nonetheless, research surveys conducted in the 1940s demonstrated an uncertainty amongst the British public about the future of the Commonwealth trade relationship. (Such surveys should be treated with some caution given the lack of comparable opinion poll data for previous decades and the biases thrown up as a result of polling agencies being poorly financed and under commercial pressures.)²⁶ In a 1943 BBC Listener Research Department survey 86% of respondents replied that most of their contacts regarded the empire as an economic asset. Yet, the report claimed that there was 'an abundant sense of uneasiness, at any rate among that section of the public which has a sense of social responsibility, about the present state of [the] economic and social development of the Colonial Empire. It is clear that nothing has done more to bring this about the fall of Malaya, which caused widespread questioning of our Colonial policy'.²⁷ There is little evidence, though, to suggest that this questioning was particularly profound or long-lasting.

II

Whereas 'Buying British' had been imbued with ideas about Empire co-operation before the war, more immediate issues of national food production and state control over access to consumer goods dominated the

politics of consumption during the 1940s. For example, the Women's Institutes, which had been keen supporters of empire shopping in the 1930s, turned their attention to 'Operation Produce' after 1945, an attempt to encourage the growing of food on allotments and small-holdings to cut down the dollar bill, increase exports and supplement home supplies.²⁸ Such efforts meant that by 1952 British agricultural production was 50% higher than in 1939.²⁹ Of course, there was nothing incompatible between this produce drive and Empire loyalism. Expanding British food production would enable farmers in the Dominions to sell more to foreign markets, thus bolstering the Sterling Area's dollar assets.

Nonetheless, there does seem to have been popular support for the idea that British agricultural products were to be favoured, even if they cost more. This view was likely influenced by the fact that a strong farming sector could be seen as a security measure in case of future war (agriculture was effectively excluded from GATT).³⁰ In a 1947 report, Mass-Observation, a UK social research organisation, found that workers in the agricultural sector resented the Government's management of fruit purchases from abroad, which seemed to contradict its messages about the importance of domestic production. The following comment was cited as typical:

Naturally we want to raise more food at home, that's what we're in the farming line for—the Government doesn't have to tell us that and then stab us in the back by glutting the country with pineapples and peaches when the orchards are heavy with fruit. This year's been an exceptional fruit year, and yet we read of the Government buying apples from abroad. Just look at these boxes of apples, they're Worcesters, and they're being sent to Brentford and we're being paid a very low price for a bushel because the market's flooded with foreign fruit instead of giving home grocers the opportunity.³¹

At a time of hard currency shortage, importing in general tended to be seen as inherently suspect.³² Although buying UK goods in preference to others was thus implicitly desirable, the great patriotic activity was participation in the export drive. Indeed, Thermos even produced adverts explaining why it could not keep up with home demand for its vacuum flasks: it was exporting to the Dominions, India and Pakistan, seeing off American and Japanese competition, and establishing a long-term market. It was suggested that this was in British consumers' own best interests, although it meant putting up with scarcity in the meantime.³³

The politics of patriotic consumerism was reshaped after the Second World War. After 1945 the British consumer was radically disempowered by shortages, rationing and controls. One might attempt to demonstrate one's citizenship through cheerful economy, but there were limits to how far it was possible to do so through the patriotic exercise of consumer choice when the Government played such an important role in determining what was available to buy. The British Housewives' League, founded in 1945, influenced the Conservative party's consumer politics, focusing on the alleged need to abolish controls to revive living standards.³⁴ Whereas Conservative party magazines had called on consumers to sustain the Empire through preferential buying during the 1920s and 1930s, a more insular vision of the Conservative consumer emerged after 1945. For example, the party magazine for women, *Home Truths*, focused on the plight of British housewives hampered by austerity and rationing.³⁵

Post-war shifts in economic discourse help explain why debates around the negotiation of the GATT in 1947 generated little of the controversy that surrounded trade in the first decades of the twentieth century, even though signing the GATT was a major departure in British trade policy and involved the scaling back of imperial preference. The GATT marked an important stage in the shift between two contrasting types of trade liberalism. Late-nineteenth-century free-trade arguments were strongly influenced by *moral internationalism*, the assumption that global economic well-being was best secured by governments reducing trade barriers unilaterally out of enlightened self-interest. Attempts at regulation—though there were some—were contested, even if they sought to tackle anti-competitive behaviour. The 1902 Brussels Sugar Convention was an agreement by ten countries, including Britain, to work together to tackle export bounties that destabilised the international market. The effort was a success, but it was opposed by Liberals who, prizing cheap sugar for British consumers above all else, portrayed involvement in an international commission as an attack on British sovereignty. In 1912 the Liberal Government denounced the convention. After 1945, by contrast, arguments for freer trade were almost always based on *institutional internationalism*, which assumed that successful liberalisation required an international regulatory framework in order to avoid free riding and enforce good behaviour.³⁶ The Conservatives accused Labour of having done too little to safeguard imperial preference during the GATT negotiations but, in spite of some Labour and Tory internal divisions, there was sufficient common ground (if not

actual ‘consensus’) between the three main parties to ensure that international trade did not become a zone of major political strife.³⁷

Part of the reason for that relative consensus was that the emerging international economic settlement flowed to a considerable degree from commitments made, to the Americans in particular, during the period of the wartime coalition. A commitment to some form of international trade organisation that would work towards a reduction in barriers had also been a condition of the post-war US loan, for which Churchill as Leader of the Opposition had given crucial backing, albeit behind the scenes.³⁸ It is also notable that there is surprisingly little evidence of co-ordinated industry lobbying, or of civil society engagement with the negotiations. The veteran tariff reformer Leo Amery continued to hope that the Labour Government would be driven by events ‘straight on to the Empire path’.³⁹ Although a substantial part of the Conservative Party remained sympathetic to Amery’s brand of constructive imperialism, few were prepared to give imperial preference the priority he did. The fact that the Government managed—against heavy American pressure—to ensure the continuation of imperial preference, whilst reducing its scope and committing against its further expansion, helped neutralise it as a political issue.⁴⁰

If active support for Empire trade links was somewhat lacking, it was also the case that advocates of freer trade did little to invoke the language of the citizen-consumer. The Government’s justifications for the Geneva process did not depend on the benefits that liberalising trade would bring to individuals. It was not inherently desirable for Britain to cut its trade barriers; doing so was simply the necessary *quid pro quo* to get other countries to reduce theirs, thus boosting British exports so that the country could pay its way.⁴¹ There was, nonetheless, an element of Cobdenite language in Sir Stafford Cripps’ claim that ‘a new economic international organisation was absolutely vital for the future peace of the world.’⁴² This claim reflected a recognition of the ideological proclivities of the US negotiators, not a faith in the power of free enterprise to heal political rifts, a suggestion which was at any rate fast losing credibility as the Cold War began in earnest. The Attlee Government did believe in the virtues of international exchange, but also in the power of governments to manage it. Hence its continued enthusiasm for bilateral deals and governmental bulk purchase, even as it put its signature to the (cautiously) liberalising GATT.

Opinion surveys of the time indicate a limited public understanding of the politics of imperial preference and the Sterling Area amongst the wider

public. In 1948, 84% of respondents to a Mass-Observation survey felt that Britain would be worse off without the Empire, which was seen as vital for food supplies, raw materials and military bases.⁴³ And yet, the previous year a Mass-Observation survey observed that: 'Commonwealth Preference is ... strongly approved. In this case, however, there is a very high proportion of people who give no answer and it seems probable that agreement is, to some extent, due to vagueness as to what Commonwealth Preference really is.'⁴⁴ Moreover, while the development of the Sterling Area was the key factor in the development of intra-imperial trade during the 1940s, a Colonial Office survey conducted in 1948 claimed that only 21% of participants knew that the colonies helped to earn US dollars for Britain.⁴⁵

III

In the 1950s, the political economy of deferred gratification gave way to a culture that was at ease with consumerism. This also involved a revival and a reconfiguration of the figure of the citizen-consumer. The rise of 'affluence' was accompanied by considerable questioning of consumerism, as well as celebration of it. The 1957 launch of the Consumers' Association (CA) and its magazine *Which?* was representative of this societal ambivalence. As Lawrence Black has argued, the CA's leadership sought to promote 'a citizenship critically aware of the risks and possibilities of the market and with international and radical leanings.' Furthermore, 'CA was all for aiding the British economy, but by improving quality and value not through patriotic purchasing.'⁴⁶

There was a post-imperial dimension to citizenship/consumption issues at this time. The concept of 'economic underdevelopment' had emerged by the mid-1940s, and played a significant part in the international trade negotiations surrounding the GATT.⁴⁷ The representatives of the developing countries were concerned to retain the right to employ quantitative import restrictions and the like; they were not demanding that Western consumers change their individual purchasing decisions to favour their goods (which would hardly have been appropriate in inter-governmental talks). The idea of a pro-welfare trade policy had existed prior to the Great War. In 1903, Ramsay MacDonald defined Labour's policy as that of 'buying in the best market, and the idea of the best must include some consideration of the circumstances under which the product on the market has been made.' This could justify government discrimination

against imports produced under ‘sweated’ conditions.⁴⁸ It was not until the 1960s that the fair trade movement as we now understand it—based on positive decisions to buy ‘ethically produced’ goods—began to take off in Britain. But before this there was an important attempt to use negative consumer power for the purposes of good. In 1959, anti-apartheid activists launched a campaign to boycott South African products.⁴⁹ This was a continuation of the older idea of the trade boycott, a tool used against slave-produced sugar at the end of the eighteenth century and, less effectively, against Germany in the 1930s.

So the concept of the citizen-consumer did have an international dimension at this time—but the context was being continually reshaped as the British Empire entered its death throes. Unsurprisingly, the term ‘Commonwealth’ progressively crowded out ‘Empire’ and related terms from British political discourse during the post-war period. This can be seen from an analysis of the manifestos of the main parties. For this purpose, the following words were designated the ‘Empire word-group’: Empire, imperial(ism), colony, colonies, colonial(ism). The word ‘Commonwealth’ was counted separately.⁵⁰ Figure 1 shows the usage of words in the whole Empire–Commonwealth group in Conservative, Labour and Liberal manifestos between 1945 and 1970.

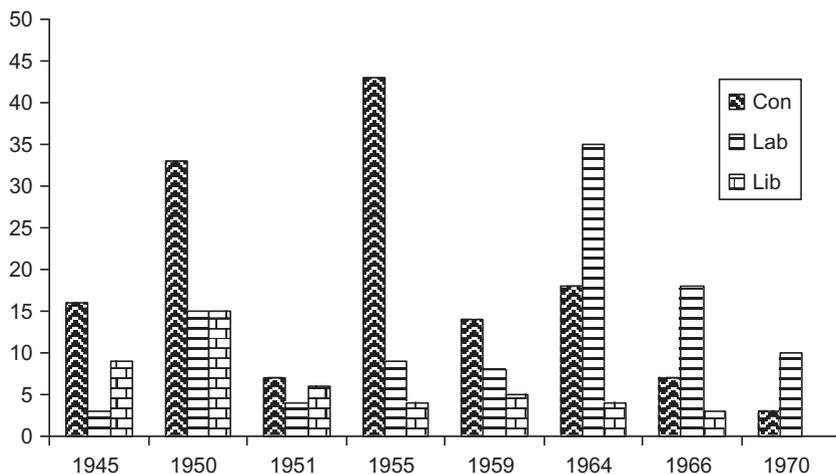


Fig. 1 Word count of ‘Empire–Commonwealth group’ words in party manifestos, 1945–1970

Predictably, Conservative use of these words significantly outstripped that of the other parties up until the end of the 1950s. More surprising is the fact that the position changed dramatically in the 1960s. In the 1964 manifesto, Labour's usage of Empire–Commonwealth group language dramatically increased over previous elections and, furthermore, was now significantly greater than that of the Conservatives. Although its usage then fell back in 1966 and 1970, Labour still maintained a clear lead over the Tories. When the analysis is broken down further, and the parties' use of the term 'Commonwealth' is considered alongside their use of Empire-group words, another clear pattern emerges. As Fig. 2 shows, the Conservatives continued to use Empire-group words fairly generously up to 1955, and those words collectively were always used more than 'Commonwealth' was until that point. However, in 1959—post-Suez—there was a sudden change. Although 'Commonwealth' continued to be used, Empire-group words went into near total abeyance. (The position for the Labour Party can be seen in Fig. 3.)⁵¹ Meanwhile, Labour sought to present itself as the true party of Commonwealth, and to challenge the Conservatives' credentials on this score, as was seen in the debates about immigration that unfolded in the early 1960s.⁵²

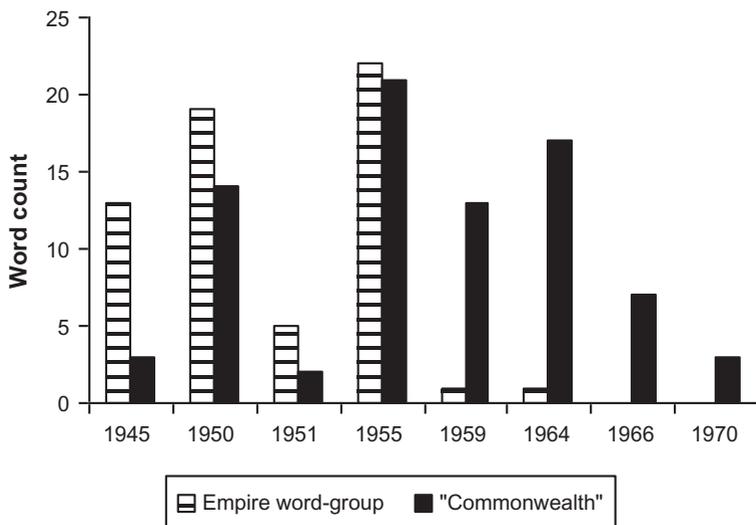


Fig. 2 Words used in Conservative manifestos, 1945–1970

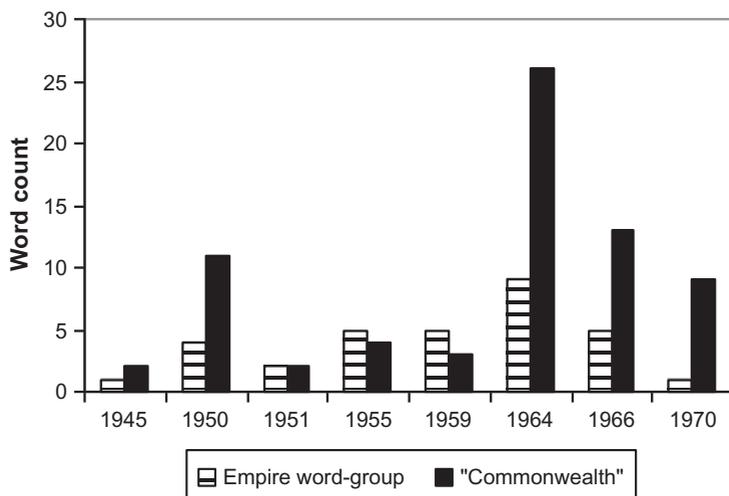


Fig. 3 Words used in Labour manifestos, 1945–1970

Simultaneously, the slogan of ‘Buy British’ was being reinvented in a more insular way than had prevailed before the war. If the *Daily Mail*, the *Illustrated London News* and the Women’s Institutes’ journal *Home and Country* were in any way typical, the phrase all but disappeared from British advertising in the 1940s. In the next decade it saw a revival, but the inter-war concern to promote the sale of Empire–Commonwealth goods had gone. David Clayton has examined the Cotton Board’s use of ‘Buy British’ rhetoric, which emerged following the failure of its efforts to shift Government policy towards quota and tariff protection. As he notes, the Board’s ‘strategy aimed for informal protectionism. It was hoped that the collective marketing campaign would reduce the price elasticity of demand for cotton textiles made in Britain by differentiating them from cotton textiles imported from abroad’.⁵³ The campaign appears to have been a failure. What is interesting is that India, Pakistan and Hong Kong—although within the Commonwealth—were now seen as dangerous overseas rivals. (It should be emphasised, though, that this was not a complete novelty, insofar as Indian cotton duties had been perceived as a threat to the Lancashire industry as far back as the 1890s.)⁵⁴ It was not coincidental that in 1961 British ministers and civil servants took the formal decision that the term ‘British’ should henceforth apply exclusively to the UK rather than to the wider ‘British world’.⁵⁵

Similar anxieties about the threat posed by cheaply produced goods from Commonwealth countries hampered the British Industries Fair, run annually in London and Birmingham, which folded in the mid-1950s. Since its inception in 1915, participation in the fair was confined to manufacturers from Britain and the Empire–Commonwealth. In 1954 the exhibition organisers noted that the most demand for involvement in the exhibition in the Empire–Commonwealth came from manufacturers based in South Africa, India, Pakistan and Hong Kong. However, it was also noted that: ‘Imports of cheap consumer goods, e.g. textiles from India, sports goods and cutlery from Pakistan, and gloves, toys and fancy goods from Hong Kong are the subject of considerable agitation by the United Kingdom manufacturers of these goods’. As such, the organisers were reluctant to give more room to these products.⁵⁶ Attempts were made to rebrand as ‘B.I.F. International’ in 1956, opening the fair up to foreign exhibitors and seeking to emulate trade fairs in continental Europe, but the British Government proved reluctant to continue to provide a grant-in-aid and the last fair was held in 1957.⁵⁷

Many UK industrialists came to see Europe as the key market of the future during the 1950s, at the same time the concurrent dismantling of import controls and the declining influence of the Sterling Area weakened the appeal of Commonwealth trade.⁵⁸ Whereas the Commonwealth had accounted for 48.3% of exports in 1953, this had fallen to 29.8% by 1963. During the same period, Western Europe’s share of British exports rose from 27.5% to 37.3%.⁵⁹ The late 1950s and early 1960s saw a flurry of works discuss Britain’s apparent economic ‘decline’ in comparison with the fast-developing EEC economies including Michael Shanks’s *The Stagnant Society* (1961) and Anthony Sampson’s *Anatomy of Britain* (1962). This was a theme which also featured in Labour party broadcasting during the 1959 election.⁶⁰

IV

There is a tendency in the literature to stress the public’s ignorance of European institutions at the time of Britain’s first (failed) bid to join the EEC in 1961–1963.⁶¹ Lack of basic knowledge, however, did not necessarily preclude benign feelings towards the EEC; the same was true in fact of attitudes towards the Empire–Commonwealth. We are comparatively well-served with information about attitudes to the EEC during the period in question, in the form of Gallup polls. Approval of the idea of Britain

joining the EEC outstripped disapproval by a clear margin throughout the lifetime of the application, although there was an overall increase in disapproval rates too. Importantly, the Gallup polls on attitudes to Europe included some questions about the Commonwealth. However, the same questions were not asked consistently across the 1961–1963 period, and most were put in the single month of September 1961. The evidence that we do have suggests the following: (1) voters felt that the Commonwealth was more important to Britain than either Europe or the USA; (2) they tended to prioritise the Commonwealth over the interests of British agriculture or the European Free Trade Association (EFTA) as a point of importance in the EEC negotiations; and (3) nonetheless, relatively few of them felt *either* that accession would cause the Commonwealth to collapse *or* that it would strengthen the Commonwealth in the long-term (Fig. 4).

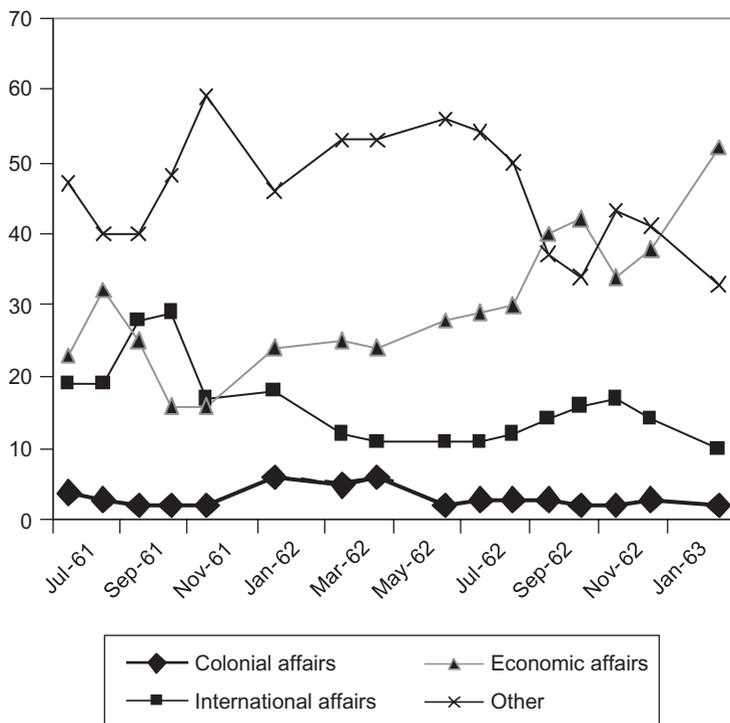


Fig. 4 'Which of these is the most important question facing the country today?' Adapted by authors from Gallup poll data, 1961–63

This evidence must also be read in the light of the low priority voters gave to ‘colonial affairs’ in the scale of their concerns, although, as no specific question was asked about the Commonwealth, it may be that they subsumed Commonwealth issues within ‘international affairs’, which sometimes scored quite highly.⁶²

Where, though, was the citizen-consumer? The political parties had a strong tendency to use geo-political terms when discussing Europe and struggled to relate the Common Market debate to everyday concerns. ‘Up till now we have used “statesmen’s language”; talked about “economic divisions”, “political advantages”, “changing patterns of trade”’, noted one member of the Conservative Research Department in 1962. ‘Such phrases mean very little to the average man and as we enter the final phase of the period leading up to the ratification debate we must stop using them whenever possible.’⁶³ Anti-Europeanism, as much as pro-Europeanism, tended to be cast in moral/strategic language rather than that of consumer or producer utility. This can be seen in Harold Wilson’s famous observation that ‘we are not entitled to sell our friends and kinsmen down the river for a problematical and marginal advantage in selling washing machines in Dusseldorf.’⁶⁴ Those opposed to the EEC did raise the cry of ‘dear food’, but they did not put it at the forefront of their campaign.⁶⁵ This was perhaps partly because Conservative anti-marketeers tended to come from the imperial preference wing of the party, which of course implied a tolerance of dearer food in the interests of Empire unity. It was also slightly awkward for Labour anti-Europeans to complain about EEC ‘food import levies’ whilst at the same time defending Commonwealth preference, although some of them did try it.⁶⁶

More broadly, as Matthias Haeussler demonstrates, the press debate on Britain’s first application to join the EEC paid limited attention to voters’ interests as consumers. The pro-EEC *Daily Mirror* claimed that Common Market membership would mean cheaper goods. However, the EEC was more broadly presented as a liberal, modernising project, which suited the culture of affluent Britain. While the *Daily Express* opposed Common Market membership, it focused its argument in terms of cultural (rather than economic) attachment to the Dominions; after all, it was increasingly difficult to present the Commonwealth as a key market of the future.⁶⁷

The failure of the Government’s application was followed by a brief but fruitless turn towards the Commonwealth under the Douglas-Home Government. Harold Wilson was elected in 1964 on the back of a rhetoric of technocratic modernisation, but the Wilsonian project quickly ran into

difficulties in the face of balance of payments problems and industrial unrest. Devaluation in 1967 was quickly followed by De Gaulle's second veto of British EEC membership, and by the announcement that British forces would withdraw from their post-imperial role east of Suez.⁶⁸ Thus, an air of desperation and gimmickry hung about the next major excursion into 'Buying British' in early 1968. The campaign received Government support as, initially at least, it appeared to offer Britain a way to ease its balance of trade problem without introducing protectionist measures which might lead to retaliatory measures in Britain's export markets. In 1966, Wilson had rejected the publisher and Labour MP Robert Maxwell's suggestions that import controls should be introduced, citing the need to fulfil Britain's commitments under GATT and EFTA.⁶⁹ Concerns with the direction that the Buying British campaign was taking mounted after Robert Maxwell launched his parallel 'Think British—Buy British' movement in mid-January 1968. It was claimed that if shoppers chose to 'buy the home product or service first' then this would result in a saving of about £200 million on imports. However, both the Government-sponsored British National Export Council (BNEC) and the Confederation of British Industry were quick to express concerns over how the campaign might damage trade relations with Asia and America.⁷⁰

The Women's Institutes had been keen supporters of campaigns such as 'Buy British' in the early 1930s and 'Operation Produce' in the late 1940s; however, its executive took a lukewarm attitude to Maxwell's campaign. Following discussions with BNEC in early 1968, it was decided to limit official Women's Institutes involvement in the 'Buy British' drive to support for a national savings drive. Significantly, the emphasis was on voluntary restraint in spending, thereby aiding the balance in trade, rather than promoting any specific form of patriotic purchasing.⁷¹ Protectionist sentiment appeared to risk further weakening Britain's economy. The BNEC's director-general advised Lady Anglesey, the Women's Institutes' chairperson, that 'we could not, as a trading nation, risk mounting Buy British campaigns which would inevitably have countervailing effects in the markets in which we would sell our exports'.⁷²

Perhaps it is fitting that the first episode of *Dad's Army*, filmed in April 1968, began with Alderman Mainwaring addressing his elderly colleagues at the launch of the Walmington-on-Sea 'I'm Backing Britain' campaign; patriotic buying now seemed like the cause of a bygone generation. Ultimately, the failure of 'I'm Backing Britain' in 1968 demonstrates how the idea of 'Buying British' had lost cultural purchase in a world where

protectionism was under challenge and the UK's economic orientation was becoming increasingly global. But it did live on. In 1978, Bernard Donoughue of the Downing Street Policy Unit noted in his diary that Prime Minister James Callaghan had expressed interest in establishing a Buy British Unit. Donoughue believed the idea was correct; however: 'The problem is to achieve something without slipping into protection. And how to get people to buy British goods—e.g. cars—which are shoddy and less reliable than foreign products.'⁷³

V

Andrew Thompson observed that 'the terms "empire" and "imperialism" were like empty boxes that were continuously being filled up and emptied of their meanings.'⁷⁴ So too it was with 'Buy British'. The slogan never had a fixed meaning, but in the 1920s and 1930s it had a strong imperial dimension. Dormant for a long time as a consequence of wartime and post-war developments, which encouraged thrift and a nationalistic approach to consumption, it re-emerged in the 1950s stripped of its Empire connotations. Yet it is also striking that, even in the 1960s era of 'techno-nationalist' government procurement, Maxwell's Buy British campaign succeeded in uniting a considerable number of business leaders against it.⁷⁵ (It did, however, have some business support.) But how was 'Britishness' actually sold? Patriotism was rarely enough: it was generally acknowledged that consumers needed some other incentive to buy British goods, be it economy or (more usually) quality. In the 1920s and 1930s the Empire/Commonwealth was regularly presented by the supporters of Imperial Preference as a unit which had vast potential for economic growth through the application of modern forms of scientific research and marketing.⁷⁶ Moreover, in the context of economic depression, British consumers were helping themselves by buying imperially, as greater prosperity in the Empire would foster greater demand for British manufactures in the Dominions and colonies.

Nonetheless, geopolitical changes and shifts in the culture of British politics from the 1940s onwards led to a change in the discourse of virtuous consumption. Preferential trade with the empire had played an integral role in the Conservative party's consumer politics for much of the Edwardian and inter-war periods, and was a central policy of the party's original women's organisation.⁷⁷ However, the austerity of the Attlee years

meant that the importance of Empire trade was superseded by the more pressing issue of attacking Government controls on food supply and encouraging choice for housewives. Furthermore, international trade agreements such as GATT placed limits on the Government's ability to promote Commonwealth trade, at a time when the Commonwealth countries themselves were becoming ever less satisfied with their traditional role as exporters of primary products to the metropole in exchange for manufactures.

The citizen-consumer, whose support was regularly invoked by supporters of 'Buying British' in the inter-war period, played little role in debates about international trade after the Second World War. 'Buying British' was superseded by a variety of different languages of the citizen-consumer such as the Consumer Association's drive for improved standards and testing of household commodities and the emergence of ethical buying through the fair trade movement. Moreover, by the end of the 1950s it was Europe rather than the Commonwealth which was seen as the key market of the future (and indeed cheap industrial goods from the Commonwealth were now viewed as an unwelcome competitor in the British market).⁷⁸ The bungled 'I'm Backing Britain' campaign demonstrates the problems which the concept of patriotic consumption faced within the context of Britain's geopolitical position in the 1960s. Indeed, the question of what constituted a 'British' product was consistently problematic in an era of globalisation—as problematic, in fact, as British national and imperial identity as a whole.

Acknowledgement We would like to thank David Higgins and Stuart Ward for their helpful comments on earlier versions of this chapter.

NOTES

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How Self-Service Happened: The Vision and Reality of Changing Market Practices in Britain

Lawrence Black and Thomas Spain

The causes and consequences of self-service offer historians multiple sources for interrogating how markets work, are understood and change. It offers insights at the micro or shopfloor level of individual consumer interactions as well as the macro level of corporate, national and international commerce. Self-service was a lynchpin of the Cold War—its values of choice and freedom were the essence of Western liberal democracies’ ideological battle with state communism.

As much as later market ideologues celebrated individual consumerism, the earlier New Right readily saw shopping as a microcosm, model or metaphor for popular choice exercised as marketplace democracy. In 1966, Arthur Seldon, one of the founders of the free market Institute of Economic Affairs, saw self-service and choice as the essence of ‘freedom in consumption’ that could transform the expert-knows-best welfare state ethos in the UK. This would come less ‘as voters in the ballot box, but as consumers in the marketplace’. ‘The common man and his wife from

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Leeds and Preston ... are treated like Lords and Ladies at the grocer's, the hairdresser's ... For twenty years they have had increasing freedom of choice for their food and drinks, their clothes, their furniture', so Seldon speculated they were not going to put up with 'being treated as servile, cap-in-hand supplicants' by state authorities. For Seldon, this ethos would undermine what he saw as the related state paternalism of the Soviet Union. The equation was, in Seldon's mind, clear: the people under Soviet dictatorship 'will not be denied cultural expression. They are demanding economic choice. In time they will expect political freedom.' By the 1980s many shared this belief. As one Tory peer put it, in support of relaxing Sunday trading laws in 1986 (the Thatcher Government's only parliamentary defeat): 'every shop is a polling booth. Every penny laid down ... a vote for various candidates that are produced for the favour of the shopper. That is day-to-day immediate democracy'.¹

So did those who saw the potential for consumer power in the marketplace to alter established social hierarchies, moralities, sensibilities; a popular response to commercial power, offering freedom, creativity and diversity. This was true of liberal-social democratic thinkers such as Michael Young (founder of the Consumers' Association in 1957) and, more recently, the guru of Blue Labour, Maurice Glasman, acknowledging the 'liberating force' that 'over-the-counter culture exerted'. Asa Briggs—Young's biographer—closed his history of Lewis's department stores in 1956 by noting, 'choice and service ... have made the department store a social institution. Diversity is one of the elements in retailing which makes shopping a pleasure ... taste and preference are vital constituents of a free society.'²

Choice—the essence, the unique selling point, of self-service—was ideologically charged. The everyday practice of market values was of global import—self-service was lived and influential beyond just the marketplace. Just as Trentmann presents free trade to be, self-service was both an international regime, involving its commercial application as a popular shopfloor activity, and an understanding of markets. It was not as divisive as free trade, but not uncontested either.³ Self-service embodied popular capitalism, even neo-liberal culture as everyday practice, and has spilled into the marketisation of society. There were no self-service stores in the UK before 1942, but it has become normative, a sort of inescapable, natural, organic development. This chapter de-centres and disturbs that idea, exploring self-service's advent rather than assuming it—assessing the constraints it faced, and the claims of Americanisation that more singular narratives attach to it.

Much has been written on self-service, especially in food retail, but little attention has been paid to its reception amongst shoppers or to the role that changes in distribution played.⁴ Despite the abundance of consumer histories in recent decades, distribution has largely been taken for granted.⁵ As de Grazia noted in 1998, ‘the evolution of modern systems of distribution is astonishingly under-studied’.⁶ A sociological and cultural historiography predominates—any significance in the structures of markets is implicit, with the focus on the meaning of goods, acts of consumption and its performativity. Nor do the visits by UK retailers to observe American self-service in action feature much in the literature.⁷

This partial coverage is surprising given that historians have also adjudged self-service to be ‘the most significant change in sales methods since medieval times’.⁸ Its novelty was not absolute. In 1967 Mathias argued that self-service and the supermarket constituted a ‘second revolution’, of the developments started by the multiple chain retailers (‘multiples’) and nineteenth-century department stores—refining the efficiencies of rapid and high turnover of cash, not credit, sales, with labour savings too.⁹ Stores such as Woolworth’s and Marks and Spencer’s had encouraged mass audiences to browse by ending price negotiation. Nevertheless, it seemed novel. For Bowlby, self-service, in cahoots with the supermarket, was ‘the shopping revolution of the century ... the least remarked but most ubiquitous American cultural export of the twentieth century.’¹⁰

To plug these historiographical gaps, we describe a more contested, local and contingent process. This chapter also unpacks the (assumed) linkage of supermarkets and self-service, which was neither automatic nor simultaneous at either’s outset. It sees markets as relational and this entails not only a history of economic relationships and the shifting power between manufacturers, retailers and consumers, but of social and emotional transactions too. What did self-service feel like? How was it experienced on the shopfloor? What was lost or resisted?—or the inconvenience of ‘convenience’ from the customer’s point-of-view at its invention, even as self-service prevailed.

I

Self-service emerged in Britain, as in the USA, as a response to straitened economic times, not abundance. The precise point of origin of self-service is debatable, but most accounts of its modern form point to the Piggly-Wiggly (so-named as customers negotiated the aisles) stores from 1916

and the discount warehouses, most famously Michael Cullen's 'Price Wrecker' 'super' market in 1930. Britain's first self-service shop opened in 1942 and wartime labour shortages were the spur. Whilst low demand and plentiful goods bred price competition in the USA, the UK's experience was of a shortage of goods, not demand. Rationing and resale price maintenance (RPM) constrained price elasticity, which gave self-service's labour-saving attributes an impetus amongst retailers (if less so for shoppers). Other checks on the development of UK self-service were the limitations of urban space, land and capital. Building materials were in short supply and when the Ministry of Food and Works offered 100 licences for up to £3000 conversions in 1949, just sixty-eight were taken up. Early self-service stores tended to be small-scale, quickfire re-fits.¹¹

In both the USA and UK, the main multiple chain retailers were slower to innovate, copying the first wave of discounters and entrepreneurs. In the USA, Atlantic and Pacific (A&P) and Kroger (Cullen's two previous employers) closed their smaller corner stores to emulate the price-slashers; in the UK, the initial process involved chains converting smaller stores.¹² Parallels and differences with the USA were numerous. Car and refrigerator ownership was much higher in the USA, which accounted for self-service's slower, later development in the UK. This also accounts for differences in the minutiae of self-service, such as the persistence of packers in the USA—less a remnant of counter service than a necessity to carry goods to the car. Cars (and parking) were less common in the UK, and packers too—in a sense, a purer form of transferring labour to the shopper. The US comparison is not without its uses, but it too should be interrogated not assumed.

Many structural constraints fell away by the mid-1960s. Others persisted—such as space, eventually prompting larger out-of-town developments. Cultural constraints also curbed the pace, if not direction, of change. That these constraints were overcome suggests the agency here was commercial choice more than popular demand. de Grazia's *Irresistible Empire* has detailed the complexities of American cultural and commercial conquest of Europe, and how new-world norms—supermarkets, self-service, service, the standard of living—contested and were confronted by embedded class and national norms from a bourgeois realm. Max Zimmerman, an assiduous documenter of retail developments, proponent of the American retail way and a regular visitor to post-war Europe (he helped found the International Association of Food Distribution in Paris in 1950), was also struck by 'the force of deep-rooted traditions ...

prevalent in Europe'. By contrast, the USA was 'a new country ... hence we accept new ways more readily'. However, relentlessly upbeat, Zimmerman asserted there was 'little or no difference' between 'Europe's Housewife' and 'her American sister'—'shoppers are the same the world over'.¹³

Much time was expended on surveys into self-service; since it left the customer to their own devices, it also left the retailer uncertain what the customer might want. The two became more remote, less well-known to each other, much as the mass market and self-service promised to fulfil and liberate. This loss of direct contact concerned both the customer and retailer, in part because the British market was not as well-investigated and categorised as that in the USA.¹⁴ Surveys of shoppers flourished and were undertaken by Alfred Bird in 1957 and 1960 (Bird's was owned by US General Foods); British Market Research Bureau (BMRB; UK research wing of the US advertisers J. Walter Thompson) in 1950 and 1963; Mass Observation in 1962; Robert Millar (commissioned by the Consumers' Association) in 1960; and Ralph Towsey in 1962.¹⁵ Besides the evidence such surveys supply, they themselves evince market uncertainties. The shopper as an unknown quantity; the 'invisible customer' as *Buyer's Market* put it, accounted for the need to surveil them. Usherwood contends that open baskets were one way of doing this, rendering individual private choice more public—a form of control, not just to prevent pilfering.¹⁶

II

The key point about self-service's implementation was that whilst retailers looked to the USA and many visited it to observe self-service, they did not view it uncritically or apply it uniformly. If this was Americanisation, it was mediated by not only the structural differences of the UK context but also by experience and knowledge of the specifics of UK market conditions and perceptions of shoppers.

Judging by how many retailers visited the USA, it was an imagined model for innovation in retailers' minds. But it was not always judged positively. Jack Cohen, the founder of Tesco, was invited to the USA by US suppliers as early as 1935. He visited again in 1939 to view warehouse discounters, again after the war seeking to cut labour costs, and again in the early 1950s, confessing himself 'flabbergasted' by shops that seemed like 'gleaming palaces'. He noted how the discounters had forced self-service (or 'help yourself') shopping upon the more established chains such as A&P.¹⁷

The Co-operative movement (Co-op) visited under the auspices of the National Productivity Council in 1947. Harold Wicker, who had set up the Co-op's experimental semi-self-service store (the UK's first) in Romford in 1942, became general food trades manager of the London Co-op Society and together with John Corina, deputy chair of the Co-op Union, toured stores and a Hausmann refrigeration factory in New York, Chicago and St Louis. Enthusing about how brightly lit and lively the US shopping experience was, they reported: 'There was an air of pleasantness and freedom ... in short, self-service made food shopping almost as entertaining as the departmental store'. Many stores retained some counter service and there were concerns about shoplifting, but a lot of stores were converting in response to consumer demand as much as to enhance productivity. Wicker and Corina reckoned that self-service enhanced service quality in signage, variety and pricing. But whilst they concluded its application was advantageous, they recognised the resistance to it from entrenched management culture, shoppers' tradition, staff fearful of job cuts and the widespread perception, misplaced they held, that 'the personal touch between proprietor, staff and the customer is lost'.¹⁸

Others were slower to visit the USA and wary of a rote application of its methods. Alan Sainsbury and Sainsbury's Director Fred Salisbury visited in 1949, ostensibly to view refrigeration methods and marketing, but were impressed more by self-service and the scale of US supermarkets. But Salisbury knew that scale would not easily translate to the UK and that self-service required careful attention. The USA, Salisbury argued, had only overtaken British retailers since the war, and he put great store by Sainsbury's own nous.¹⁹ Representatives from John Lewis were less impressed with the USA—Bloomingdales' 'restful spaciousness' and 'feminine atmosphere' aside. They declared that a New Orleans supermarket was scruffy, the warnings for shoplifters off-putting and the service poor on a 1954 trip. Regular trips to Scandinavia, sponsored by the Self-Service Development Association (SSDA) and Sweda cash registers, impressed little either.²⁰

The main chains tended to set up small, experimental self-service stores, usually converted over a weekend in which they closed whilst re-fitters installed gondolas, new shelving, signage and checkouts. Marks and Spencer's converted Wood Green in 1948. John Lewis converted the John Barnes Food Hall in 1952 and its first Waitrose self-service store in Wimbledon a year later.²¹ Tesco trialled self-service at its St Albans store in 1947, but despite increased turnover reverted to counter-service in 1948—believing mobile stores were the future—and back to self-service

in 1949. Sainsbury's converted its small (4500 square foot) London Road, Croydon branch in 1950 (its first outside London and from 1969 its trial store for decimal coinage).²²

Where in the US brash entrepreneurs led the way, in Britain it was the Co-op. Why? Partly because they ran most stores—rationing helped tie in a large secure customer base (on average Co-op stores had six times as many registered customers as independent stores); rationing and RPM meant labour savings were hard to pass on to regular customers but the Co-op dividend ('the divi') did enable this—and partly because they were innovators. As in the USA, more established UK retailers such as Sainsbury's and Allied Suppliers were slower to innovate than the more consciously market trader-style, value discounters: Tesco, Victor Value and Fine Fare. Allied started closing small counter-service Lipton's and Home & Colonial stores only in 1958—shuttering 1000 stores by 1965, but doubling the average turnover.²³ Sainsbury's had only converted three stores by 1954; however, in 1955 it seemed to embrace modernisation, ending the provision of credit and home delivery. When it re-designed its 7500 square foot Lewisham branch, it was operating Western Europe's largest 'q-less' (as the handbills explaining how to self-service shop and the function of baskets and check-outs termed it) store. But, again, the story was of faltering change. The original Drury Lane Sainsbury's converted to self-service in November 1958 but it maintained stores of both types in Eastbourne and counter-service survived until 1982 in its Peckham branch.²⁴ Subtly symptomatic of the uneven traction self-service obtained was that the London office of advertisers J. Walter Thompson only set up an in-house self-service store, partly to trial marketing campaigns, Forty-Fare—emulating its parent office in New York, and London's smallest self-service outlet—in 1964.²⁵

The Co-op had been the first to experiment with self-service. It ran 90% of the UK's self-service stores by 1950 and still more than half of the total in 1958, but the multiples were converting more rapidly (half of Tesco's smaller number of stores were self-service by 1951) and building newly designed, larger stores. Co-operators continued to visit the USA, in 1952 under the auspices of the Anglo-American Council on Productivity, but this did not translate into a ready transition to self-service. By the end of the 1950s the Co-op was perceived to be trailing behind the multiples, although it led in terms of mobile stores (3% of the national market in the late 1950s)—running half of these in the UK, some self-service. Resistance from smaller local societies, unease with modern marketing techniques and lifestyles, and a sense that the Co-op knew what was best for its cus-

tomers all dragged on modernisation. The potential of vertically integrating its manufacturing, distribution, wholesaling and retail activities was impeded by the politics of its federal structure. As early as 1951, the Co-op warned that its pioneering role in self-service was flagging. And it is important to recognise that the Romford store was less tribute to America than wartime expediency. Symptomatic of this was that Wicker left to form the SSDA in 1950 to work outside of the Co-op.²⁶

III

Other constraints included transport. Transport and distribution have been ‘unimagined’ in the history of retail, an unsatisfactory situation given its integral role in the development of self-service. There are historiographical reasons for focusing on consumption rather than production or distribution, but it also echoes one of the effects of self-service, which was to make the origin of goods and the logistics of how they made it to the shelf nebulous to shoppers. Self-service saw the balance of power in the supply chain re-configured as retailers gained ascendancy (by claiming to speak for consumer demands rather than just sell manufacturers’ goods). Rather than manufacturers controlling price and operating their own distribution systems, the larger multiple chains in particular began using their own fleets and regional warehouses or, like Marks & Spencer, outsourced this to professional hauliers. The use of the contractor ‘de-personalised’ the transport operation in a related way to self-service ‘de-personalising’ the shopping experience.²⁷ However, the horse remained fundamental to urban distribution well into the post-war period as motor transport carried riskier start-up costs. So retail was not always driving change. Furthermore, smaller retailers often depended on the same wholesale-based supply chains.²⁸

Retailers had long been interested in road transport. Mobile stores were not uncommon after the First World War and home delivery (and credit) was one of the ways they sought competitive advantage, particularly in the 1930s whilst RPM restricted price competition. Delivery as non-price, service-based competition was a marketing tool for retailers, a means to expand the customer base for independent grocers.²⁹ The Co-op was an early innovator, but as with self-service, did not press this advantage home.³⁰ Home delivery was discouraged in wartime, stimulating the idea of self-service as another way to gain competitive advantage. With the end of rationing and the de-nationalisation of road haulage in 1953–1954, progress in vehicle technology and transport infrastructure, and developments in wholesaling (particularly food) were all pre-conditions for self-service.³¹

They did not create self-service, but it could not have emerged without them. And the choices made by the multiples in this new landscape were decisive in fixing the path to self-service.

The shift to road and motor distribution, as well as by the shopper, might sound like another instance of Americanisation.³² However, there is more compelling evidence that self-service was as much a product of intensifying intra-retail competition as American influence, as multiple retailers recognised that size and cost efficiencies provided by self-service operations could support ‘loss-leaders’ to entice custom, which generated the commercial pressure to undermine and a political desire to eliminate RPM in 1964.³³ The tipping point was the mid-1950s, when retail gained momentum in the battle for a dominant position in the supply chain.³⁴ This secured retailer ascendancy in product price-setting. Retailers (not shoppers and not producers) were driving changes in the supply chain. However, logistical constraints persisted, impeding the growth of self-service.³⁵ Packaging and direct co-ordination with manufacturers remained an issue until RPM was ended in 1964³⁶ and the motorway network only developed after 1959. Furthermore, the 1970s was the era of post-Fordist systems of electronic stock control and ‘just in time’ delivery; retailer victory in the battle for position was consequently neither total nor inevitable.

Furthermore, self-service’s reception from shoppers and retailers was a mixed bag. When the BMRB surveyed 200 shoppers (94% women) in 1950, 18% preferred counter service to ‘American methods’ because it was less likely to induce impulse spending (52% had fallen foul of this). Cleanliness and overcoming the ‘shortcomings of assistants’, not just time saving, were reasons in favour of self-service. This might read as a positive take on self-service as early as 1950, but this was a survey only of the small minority of shoppers who had used the new system. By 1963, when the majority of shoppers had experienced self-service, BMRB found that the ‘freedom from embarrassment’ for the shopper to look at goods ‘without displaying her ignorance and ... under no pressure to buy’ was an appeal. But ‘the homeliness and security of smaller shops is missing: the feeling of personal friendliness is often absent’ and self-service could be ‘exhausting ... physically ... psychologically because so much variety is confusing.’ Self-service stores ‘mean *learning*’ how to decipher labels. So while 28% found it ‘fun’, 22% felt ‘lost in the supermarket’. While 80% were relieved that ‘you don’t have to bother with assistants’, 15% were anxious that ‘nobody knows who you are’. Of those surveyed, 52% found them ‘not very friendly places’ where ‘nobody talks to you’ and 56% complained that you had to queue to get out, but 80% were impressed by their hygiene. To some

shoppers they offered economy, to others temptation. Self-service shopping was both ‘an art which must be learned’ and ‘a threat to the housewife who is certain of her judgment’.³⁷

This sense of a de-personalised experience, lost familiarity with shopkeepers and changes to routine discloses the extent to which shopping was a social and cultural, not just economic, activity. So too the evidence from those who relished the diminished presence of overbearing or ill-informed clerks or half-trusted grocers. Self-service could relieve the chore and time pressures of shopping, much as it could speed the process. Tesco’s Cohen noted the importance of a neighbourly chat and the provision of seating in Durbin’s of Ealing. If shopping entailed a measure of social capital, then shopping alone—the self-service way—was not necessarily corrosive, but the perception was that it might be. The BMRB found decreased loyalty particular to butchers, bakers or tailors, and greater willingness to shop around were cause and effect of self-service. But with more women in the labour market, time pressure on shopping (manifest in demand for longer opening hours) was decreasing the frequency of shopping trips, and restrained shopping around and cemented the appeal of larger one-stop stores.³⁸

The customer response was uncertain at first, if effusive when judged by sales. There was internal unease when the self-service conversion of the Food Hall in the basement of the John Barnes department store on Finchley Road was touted. ‘The average British housewife mistrusted “new” ideas’ the *John Barnes Chronicle* warned, with the prospect of ‘goods lying about in purposely disarranged piles which, although tempting, frequently gives one the feeling that there is something cheap and nasty about them ... coupled with hundreds of wire baskets and trolleys all fighting for places in narrow aisles between ... undecided feet.’ The manager, C.W. Hennessey, had been tentative in 1950: ‘I have always felt a certain type of customer will always want personal service ... I still felt dubious about the permanency of this innovation.’ But it turned out to have ‘beautifully organized rows and well labelled’ goods and was ‘clinically clean’. The re-fit took place over Easter weekend in 1952. Customers were informed of the ending of phone ordering and delivery service and ration books were returned to those who had deposited them. There were teething troubles, such as delays at the checkout, but by May Hennessey reported: ‘The customer can browse ... and not feel she has got to order quickly because there is another customer queuing behind her waiting for the assistant.’ Indeed, by June he contended that ‘we appear to have over-

come the usual complaint that self-service is liable to become impersonal. I think that if, if anything, we have improved our relations with our customers.’ One US customer described the new layout as ‘real homey’. There was a 25% dip in trade in the first week, as phone accounts and credit ceased and delivery customers were lost. ‘I have never carried a parcel out of a shop in my life’ one regular complained, ‘and I’m not beginning now’. But turnover trebled in the next decade and Hennessey concluded ‘self-service has become second nature to all of us who live busy lives’.³⁹

In John Lewis conversions, such as Waitrose in Wimbledon, the line was very much that ‘self-service simplifies shopping’ and enhanced older qualities rather than replaced them, anxious to reassure those unhappy about change. As a pamphlet issued by Jessop’s in Nottingham put it, its conversion to self-service would ‘in no way affect the services that will continue to be given by our personal sales assistants. It will, however, enable the waiting customer to handle much of the merchandise.’ But resistance remained. When the Southend Waitrose converted to self-service in 1955, the manager reported ‘all the local traders scoffed at us, said the customers would pinch everything’, but ‘in no time we’d halved the staff numbers and trade absolutely took off’.⁴⁰ ‘Exciting times’, the first Sainsbury’s self-service checkout assistant in Croydon in 1950 recalled. But some shoppers were more uneasy. In what has become a piece of Sainsbury’s lore, one threw a wire basket at Chairman Alan Sainsbury at the Croydon opening, resenting having to take on the labour of shopping.⁴¹

‘Not all women’, Mass Observation’s 1962 survey reported with barely contained surprise, ‘like shopping’. In self-service shops, checkout queuing was a recurrent bugbear (‘checkouts are a problem on both sides of the Atlantic’, the BRMB noted in 1963 and the ‘checkout snarl’ was a concern of the *Progressive Grocer*).⁴² The self-service checkout was technologically several years away. Also off-putting (for middle-class shoppers) were poor service and carting a basket around. Given self-service covered just 17% of grocery trade volume in 1958, Towsey felt it was as if ‘the public ... still hankers after something not provided by them’. In Wicker’s case for self-service, Philip Hoffman, a pioneer of the Shop Assistants Union, asked why it was that most UK sales were in independent stores: ‘small businesses persisted because they gave the public what it wanted: that was *service*’. In Mass Observation’s survey, ‘personal touch, friendly assistants’ ranked at 35% for reasons given for enjoying a particular grocery store, well above choice, price or convenient location.⁴³

IV

Indifference, more than opposition, was common, and there was much complaint about the conservatism of shoppers' behaviour and tastes. In 1957 *The Times* reported on how the retailer found that 'the demands of most of his customers are strictly limited ... not so much by income as by a kind of general disinterest in and apathy about food.' 'Bewildered by the amount of choice that faces them ... huge numbers of Englishwomen still plod on in a rut, buying "the usual"'. Partly this was—amongst the better-off—a Victorian legacy of women avoiding daily chores (a comparison was drawn with French culinary engagement) and 'the habit of telephoning orders for food'. The persistence of such attitudes, and of domestic service and its ethos, accounted (in part) for the slow take-up of technologies such as refrigerators. 'Unenterprising Shoppers' concerned self-service's advocates. Since most shoppers, a 1958 survey found, stuck with the same greengrocer or fishmonger, the potential for cost savings at the multiples was missed. Most shoppers agreed with RPM and felt 'individual attention is missed' in self-service. This 'docile majority' were urged that without consumer pressure, price cuts were unlikely: 'if we want the fruits of competition we must pick them'. The point was that for many shoppers, price was not the only quality they valued.⁴⁴ Even shop assistants reported that they missed a chat with customers, a perk of the job, as much as it being something shoppers craved.⁴⁵

This sense of loss was about a change imposed, a sacrifice of skill or conviviality whose logic many could see but still resented—just as women reputedly did the technologies of baking powder and dishwashers in the USA and refrigeration in the UK.⁴⁶ Domestic and retail use of refrigeration in the UK lagged behind countries such as West Germany and Sweden as well as the USA by the later 1950s, having been second only to the USA in 1954. Besides cultural drag, small stores made it costlier to introduce. Domestic and retail use went hand-in-hand so, like limited car ownership, this was a restraint on the expansion of scale of self-service retail. But not intrinsically—Bentall's in Kingston had an extensive range of frozen produce, but not self-service.⁴⁷+

Millar's 1960 survey (a 'Kinsey Report on the Shopping Habits of the British') took shoppers and retailers to task. Shoppers were 'slaves to tradition, rooted in shopping habits handed down to them by their parents'. Many were 'confused and bewildered' by new goods, technologies and shopping methods and exhibited a 'stubborn preference' for the status

quo. Their attitude to self-service was one of ‘sober receptiveness’. Since there was not ‘immovable opposition’ but ‘no great enthusiasm for self-service’, it developed with shoppers following in its wake—‘affluent sheep’, as Millar’s study was titled. He was no less critical of retailers and their staff. ‘The most Victorian trade in Britain’ of conservative, small-scale, family-based ‘obsequious’ shopkeepers was damned by the fact that the first Alfred Bird Survey (1957) reported ‘cleanliness’ as shopper’s chief concern. The growth of self-service, but also of vending machines and mail-order catalogue sales, alas spoke volumes about the lack of knowledgeable, courteous, friendly shop assistants.⁴⁸ A paradox of shopper interactions with self-service was that they often liked the new (e.g. cleanliness) and simultaneously craved the old (friendliness). The perception of and anxiety about change notwithstanding, historians have to acknowledge the evidence that the old was not always communal or good (often a battle of wills), and the new not always alienating.

Richard Hoggart’s ethnography of the English working class in the later 1950s, *The Uses of Literacy*, lamented the displacement of local, oral cultures by mass Americanised ones. The loss of chat and gossip involved in self-service was precisely because the uses of literacy were on the rise, one study of shopping concluded, with shoppers reading labels and assessing goods silently, not necessarily duped by the new marketing. By the 1990s, Hoggart was trawling the chain stores of Farnham High Street and reflecting on the ongoing communal networks of shopping.⁴⁹ What had seemed threatening, disruptive and corrosive of social capital and the skills of housewifery remained an asset of community capital.

A related conservatism was evident among managers and staff—counter-culture lingered in the impulse to engage customers, rather than leave them free in the aisles. *The Times* also noted ‘the lethargy or indifference of shoppers is ... matched by similar traits in salesman’.⁵⁰ Like the Co-op’s conservatism, Mathias’s history of Allied Suppliers noted ‘commercial traditions created an inertia of their own’. Allied managers advised ‘that shopping customs were not yet ready ... their local public was more resistant to changes in shopping habits than the North American.’ This meant that any ‘centralisation of buying could prejudice custom in the shops’—regional tastes, cuts of bacon, butter flavours—‘if these demands were ignored’. Centralised buying, which denuded the autonomy of local and regional managers and accompanied the economies of scale and distribution of the range of products self-service demanded, tended to replace local tastes with national brands—another conservatism.⁵¹

V

The legacy of wartime rationing, which lasted until Summer 1954, was another complicating factor as self-service promised to supplant a more austere shopping experience. The two co-existed in the earliest days of self-service, with rationed goods located at the back of store, corralling shoppers to peruse un-rationed goods. Rationing had tightened, through the process of registering with a store, relations between shoppers and shops. But in other ways it uncoupled such loyalties—shortages encouraged shoppers to shop around, home delivery was ended and competition between stores on price was further suppressed. There was a wartime stand-off between shoppers and shops. George Orwell wrote in 1944 of the ‘sadistic pleasure’ that shopkeepers took in telling shoppers they did not stock a good, and their exasperation at being unable to meet demand and at rationing bureaucracy. Equally, he noted frantic lunchtime shoppers used to a ‘tune of the customer is always right’ encountering such ‘rudeness’. Both were frustrated, but the point about the mutual mistrust, a relationship that preceded and survived the war, is important. A 1958 Gallup survey noted shoppers’ unease with butchers: ‘The prejudice goes back to the days of meat rationing and the “take it or leave it” attitude’. Although shoppers invariably returned to the same butcher, Gallup described shoppers in an ‘uneasy truce’ with them.⁵² So counter-service could be mistrusted, fraught or resented well after rationing queues and bureaucracy had passed, and this was a driver for supermarket and self-service expansion.

Shopper–shopkeeper relations were complex. In France, complicity with Vichy, whilst politically and commercially delicate for the retailer, also meant small shopkeepers were vectors of popular sentiment in opposing fears of an overbearing state or creeping Americanisation. Local stores persisted in the UK—and smaller independent stores whose costs of converting to self-service were proportionally higher started to group together (e.g. Spar)⁵³—but were not as charged as Poujadism with invasion rhetoric.⁵⁴

Self-service induced a mini-moral panic, fanned by the press, about increased shoplifting in the later 1950s. Chiefly this concerned the alleged and gendered appeal of self-service’s open shelving—‘are these shops too tempting to women?’ as the *Daily Sketch* put it in 1958. There were numerous tales of shoppers who ‘from a lifetime of habit—popped the things she picked up into her bag instead of the wire basket’. In 1958 the Magistrates Association and Retail Distributors’ Association surveyed the

problem. The Chairman of John Lewis, O.B. Miller, welcomed this—‘self-service is here to stay ... and the country has therefore to find some way of fitting it in to the reasonable requirements of a law-abiding society.’ The dilemma for most stores was clamping down on pilfering without generating ‘adverse publicity’ that it was either rife, that the method of trading was to blame or that in employing store detectives they were policing it harshly or detrimentally to prices. Miller was adamant the message to customers should be that ‘some people say that these shops put temptation in people’s way ... but it is your duty to resist temptation.’ The approach John Lewis ultimately settled on was of ‘quietly’ resisting any spread of shoplifting prosecutions to keep ‘our good name’ with the local bench, media and Chambers of Commerce. The risk of impugning customers as ‘dishonest persons’ was offset by the prospect that Britain ‘becomes accustomed to this method of trading’.⁵⁵

Shoppers were problematic—their unpredictability slowed self-service’s adoption and effective application. Their contradictory wants and behaviour were a spur to behavioural analysis and the surveying business. Thus, the process was not seamless for shoppers or retailers. The slow spread of self-service indicates this—not only that many had not tried self-service stores (20% as late as 1963), but that only just over 10% of grocery stores were self-service in 1962; the USA crossed the 50% threshold in 1956.⁵⁶ Equally, this pace underlines how self-service was not notably controversial or rupturing. Were consumers demanding self-service? Not really—this was choice, whether they chose it or not.

That the inevitability of self-service had been long been predicted eased its introduction—*The Economist* in 1955 saw it as the UK’s destiny, despite just 2000 of the UK’s 530,000 stores (0.4%) then being self-service; the 1962 centenary edition of *The Grocer* painted a characteristically US vision of ‘The Grocery Shop of the Future?’ with automated displays of commodities presenting themselves to shoppers.⁵⁷ Still, it was instigated and promoted by certain actors: retailer reformers, encouraged by the state and lobbied for by the Self-Service Development Association (which arranged trips, put on displays and published a journal); and the Domestic Refrigeration Development Corporation (a manufacturer’s combine, led by Hausmann refrigerators). Zimmerman noted the role played by private companies such as the National Cash Register Company’s overseas division and self-service advisory bureau (who, along with the US-based Super Market Institute, helped BMRB’s 1950 survey), who he described as a ‘merchant missionary’. Zimmerman himself qualifies for such a title.⁵⁸

For Towsey, self-service was “‘inflicted” on the purchasing public’; BMRB’s 1963 survey saw it as ‘superimposed’, noting how the likes of W.H. Smith felt peer-pressured by food retailers to adopt ‘simplified shopping’ techniques. And yet, Towsey continued, ‘to present a form of retailing contrary to the accepted traditional forms, with opposition from the majority of traditional retailers and yet gain the willing acceptance of a large proportion of housewives, must be considered a successful achievement.’⁵⁹

VI

Self-service re-configured the relationships between manufacturers, retailers, consumers and commodities. Ostensibly, it empowered the shopper, but they were not actively demanding self-service. Some retailers were also resistant. The commodity’s profile was raised through packaging and advertising to communicate with the shopper. RPM’s abolition suggested retailers had gained at manufacturers’ expense, though distribution was also a factor here. Choice and range were extended, but, above all, relationships between the retailer and shopper, and shopper and manufacturer, were more distant and atomised. There was an analogy here with mass democracy—as mass enfranchisement and media politics made voters and politicians more remote, so mass consumerism and free choice produced the same paradox for shoppers and retailers.⁶⁰

As intermediaries, the silent sales of packaging and advertising did not always promote trust, much less replace it in shopkeepers or counter staff. Labels too required knowledge and skill on the part of the shopper, as not only self-service but the range of goods to choose between widened. Into this knowledge gap emerged consumer testing such as the introduction of the Consumers’ Association and its magazine, *Which?*, in 1957. Again, modelled in part on the US *Consumer Reports*, they saw consumer democracy and empowerment in a different way from the more individualised (and later neo-liberal) paradigm. Choice and consumer power could help make markets more transparent and fairer.⁶¹ Just as shopping malls, now icons of neo-liberal culture, were conceived as radical solutions to urban access, so a self-service system—removing the awkward or untrustworthy as well as inefficient presence of counter-service—had long been a socialist fantasy, as Edward Bellamy’s utopian vision of a technologically advanced distribution system in industrial society, *Looking Backward*, expounded in the 1890s.⁶²

Other consequences of self-service included trading stamps—a chiefly US import which became popular in the dog-days of RPM as a means for retailers to encourage loyalty (offsetting self-service's values of shopping around) and a proxy price cut. Chains' own brands also subverted RPM, undercutting the way name brands passed their marketing costs onto the customer. RPM was under pressure as multiples looked to translate self-service into competition on price. Stamps and RPM were sharply and politically contested in the mid-1960s—not just between manufacturers and retailers, but between large and small stores and different market sectors.⁶³ One might add a variety of other appurtenances of mass consumerism that self-service bequeathed: plastic wrapping technology, muzak (filling the silence), central buying, trolleys, vending machines (pilfer-free), freezers and security cameras.

The politics and meaning of self-service were not singularly a narrative of individualisation. Nor is this history all one-way travel towards the end-point of hegemonic self-service and supermarkets. Its achievement did not equate to rational shopping, with the shopper–retailer–commodity struggle resolved. And 1960s Britain was the heyday of mail-order catalogues (whose sales quintupled, Millar estimates), networked by working-class community agents, offering generous credit and, as Harris, Hyde and Smith contend, 'a reaction to the rise of impersonalized shopping', and of small, specialist boutiques, both pushing back against the anomie of retail trends such as self-service.⁶⁴

VII

What then does the advent of self-service tell us about markets? Firstly, this was not a consumer-driven development. Self-service was pressed for by certain economic risk-takers or those seeking to press home a market opportunity. But it was not popular and won more consent than enthusiasm. It became embedded as a norm of everyday practice slowly and unevenly. In the absence of a reproduction of American models or of avid popular support for self-service, it is evident that retailer's initiative was the decisive agency. Secondly, markets are fluid and stability is short-lived—markets are relationships as much as structures. There is no end game or ideal balance, and each process and development shifts the balance of forces. For instance, the home delivery service, which was largely superseded by self-service, has now come back in tandem with online shopping.

Thirdly, this was not unalloyed Americanisation. de Grazia's case was not that US models shifted how markets were measured, described, understood and functioned. This was a complex, variegated process; a triumph of market contestation through values and practices—soft power as much as sheer economic power. So, too, the advent of self-service. Britain appears to be a sort of mid-Atlantic outlier in how it mediated American methods⁶⁵—its class service ethos lingered amongst resolutely traditional shoppers, its distribution networks were comparatively developed (rail more than road, which raises a question of compatibility with self-service), and its own multiples had developed such that it was not as targeted by US chains. Self-service (and the supermarket) were more of a culture shock on the continent. If Britain was less American than France, it was not thoroughly American. But put in such stark terms, this raises queries about how useful the American model is.

Local market conditions, fashioned by national specifics (structural and cultural) still mattered. Our case is not an insular one—UK retail was already very (colonial and) international—but is useful for looking at intra-market competition and evidence as well. In terms of *imagining markets*, self-service provides evidence of a market which did 'not precisely coalesce into a global totality'. We have underlined the need to analyse the domestic retail market before or as well as, but not instead of, assessing its relationship with world markets. We have also stressed looking at the market technologies and support networks behind the public face of retail. But we also show how that public face was contested; it was more than simply an economic market and as much a social realm. Practices such as self-service were less the result of popular demand than of the power of retailers in the market.

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PART III

Rethinking Decolonisation



Less Than an Empire and More Than British: Foreign Investor Competition in Ghana and Nigeria in the 1960s

Stephanie Decker

Kwame Nkrumah raised the spectre of neo-colonialism with his book, alleging joint diplomatic and corporate efforts to keep African countries subject to an informal empire.¹ While imperial historians overwhelmingly agreed that empire went beyond the boundaries of those areas covered in red, after decolonization this concept of informal empire became even more difficult:

It should be a commonplace, therefore, that the post-war Empire was more than British and less than an *imperium*. As it survived, so it was nationalized and internationalized as part of the Anglo-American coalition.²

It became less than an empire because the traditional forms of informal empire were hard to maintain as a result of Cold War competition and the relative decline of Britain as an economic and political force in the post-war world. Research into the relationship of British business and the Government during decolonisation has shown a conspicuous absence of

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official interest in the multinational agents of informal empire.³ At the same time, the informal empire was internationalised as an Anglo-American, or broadly Western, sphere of influence. Like the informal empire in the nineteenth century, economic and commercial interests interlinked with political and diplomatic ones in ways that were neither clearly defined nor consistent over time. As Britain decolonised its empire in Africa, other Western interests, such as the USA, West Germany and France sought to gain influence and economic opportunity.

This has often been discussed in terms of Cold War competition. For investors such as the USA and West Germany, competition with the Soviet Union and East Germany was undoubtedly important.⁴ But competition in terms of foreign investment among the Western powers was also very common, as was taking recourse to ambassadors and home governments for investment support. How Britain imagined its former colonial markets became increasingly shaped by how other significant foreign investor nations viewed them, most notably the USA and West Germany.

As a result of post-war economic growth and the competition between investors formerly excluded from colonial dependencies, newly independent countries experienced a surge in investment in the 1960s, and Ghana and Nigeria were no exception to this. These countries were of little direct geo-political importance in terms of resource security (this obviously changed after Nigeria began exporting oil in the late 1960s) or ideologically based proxy wars (despite Nkrumah's rhetoric and visibility in international affairs), something they had in common with the majority of former colonial territories. This new investment mostly came from Western Europe (West Germany, the Netherlands, France) and North America.

Extensive research in British, Ghanaian, German and US archives highlights a number of interconnected issues that shaped West African economies: the diplomatic efforts of private foreign investors in gaining support from their home governments; the nature of the investment, specifically contractors and supplier credit, and the subsequent increase in indebtedness of new states; the role of export credit guarantees and other forms of government support for foreign investors; and, finally, corruption and bribery linked to opportunistic business practices and the emergence of post-colonial, neo-patrimonial states. All of these combined created economic 'bubbles', driven by easy access to finance, often partially guaranteed by investors' home governments; imaginary economic opportunities for which the bill would have to be paid later.

I

After political independence, economic decolonisation was considered the next step.⁵ The Gold Coast was the first sub-Saharan African colony to gain independence as Ghana in 1957, with Nigeria following suit in 1960. Both countries emerged into independence with their commercial sector dominated by British firms. African firms were largely marginalised, and other foreign investors had been restrained through a variety of informal measures, with some French, Swiss and German trading companies present. Nigeria and Ghana chose different avenues to address these imbalances: Nigeria was larger and less developed than Ghana and remained generally pro-Western in its economic policies. Ghana was significantly smaller in physical size and population, considered to be one of the more developed countries in sub-Saharan Africa, experimented with Afro-socialism under Kwame Nkrumah and subsequently continued to control foreign exchange rates.

Both countries, however, subscribed to the view that economic development required industrialisation, and that their backward economies needed modernisation. Modernisation and economic decolonisation required that international investments were diversified while creating more domestic industry. The latter was often addressed through creating state-owned enterprises (SOEs) or development agencies, as the capital requirements appeared to be beyond private industry. However, there was also a sense, in some cases, that private industry could potentially challenge the government if it became too influential, so the support for domestic industry was often ambiguous and at times non-existent. Development agencies and SOEs were supposed to deliver the twin objectives of modernisation and diversification with the help of new foreign investors from Europe and North America who provided supplier's credit, turnkey factories and contracting services.

Incumbent firms such as the United Africa Company (UAC), a Unilever subsidiary, controlled a large percentage of the import and export trade in West Africa and expanded into manufacturing and department stores in the 1950s and 1960s. Strongly identified as an 'imperial business', the company became the target of the general dissatisfaction with existing foreign business.⁶ African politicians were understandably cynical about the political strategies of former imperial companies, as were other foreign investors, particularly the Americans.⁷ During the negotiations for the

Ghanaian investment bill in 1963, American business felt that the British business community alienated the committee under Minister Aye-Kumi by seeking to include provisions which the committee felt were “not justified, ... too greedy and reminiscent of past colonial exploitation.”⁸ It is difficult to disentangle whether it was the result of anti-imperial sentiment that much of the politically driven investments in industrialisation projects went to new investors from the USA, Israel and West Germany, or whether it was the result of national competitive advantage in machinery and engineering exports that these countries held over Britain.

Yet after the heady days of early independence, criticism of turnkey factories and other industrialisation projects was ripe, as by the late 1960s these showed clear signs of having been inappropriate, overpriced and in some cases connected to overt bribery. Although African countries should have benefitted from the increased competition and rivalry between different investors and investor countries, the opposite was in fact the case. Nigeria and Ghana are important case studies for these issues precisely because contemporary observers were of the opinion that these issues first manifested themselves in Anglophone West Africa, mostly because this was where African leaders first assumed executive control.⁹ Ghana, moreover, was highlighted as one of the main recipients on suppliers’ credit, partly because most of it went to public-sector institutions and thus data were more readily available than in other cases. Around 60–80% of the country’s foreign exchange liabilities between 1964 and 1969 were based on suppliers’ credit, compared to 5–20% in the same time period for Uganda (see Table 1).¹⁰

Table 1 Ghana’s foreign exchange liabilities (in thousand N¢)

<i>End of year</i>	<i>Total liabilities</i>	<i>Liabilities of suppliers’ credits</i>	<i>Percentage of total</i>
1963	38,372	NA	
1964	346,486	286,276	82.4
1965	378,363	301,010	79.5
1966	395,337	283,583	71.9
1967	483,985	341,173	70.5
1968	494,254	324,827	67.1
1969	496,187	301,940	60.9

Source: D.L. Cohen and M.A. Tribe, ‘Suppliers’ credits in Ghana and Uganda: an aspect of the imperialist system’, *Journal of Modern African Studies*, 10 (1972), pp. 530–531

NA not applicable

It was the new cedi 1972

As Peter Kilby pointed out in his study of industrialisation in Nigeria, the late 1950s saw significant changes in the structure of West African colonies, and his description also fits Ghana, which was as economically vibrant at the time.

The rapid post-war growth in imports (from £20m in 1946 to £166m in 1958) had a profound effect on the structure of competition. The general enrichment of the market attracted many new sellers and, at the same time, by permitting geographic specialization reduced the capital requirements for entry. The new sellers may be divided into three groups: merchant firms, manufacturers' sales agencies and Nigerian traders.¹¹

These new entrants threatened the dominance of the established merchant companies, even though this type of investment mostly targeted manufacturing, as this was an area that merchant companies increasingly ventured into. As a result of Government policies and clearly stated preference that retail should be reserved for Africans, the merchant companies withdrew from some traditional activities (including produce buying), and refocused their activities onto wholesale trading and distribution as well as some manufacturing consumer goods, sometimes in joint ventures with technical partners.¹²

Significant new investments that challenged the status quo in formerly British territories came not only from the USA, but also from mainland Europe, especially West Germany, the Netherlands and France. While the ideological competition from the Eastern bloc countries may have been considered fierce, its economic competition appeared decidedly less significant. In fact, US and German investors seemed to refer to it more as a rhetorical device to ask for government support, while any reference to direct commercial competition normally identified other Western companies.

There was a general sense that in the first years after independence, the British Government did not support investors in the same way other Western countries did, and appeared willing to sacrifice economic influence for good political relations with newly independent countries. As Sarah Stockwell, Nicholas White and Larry Butler have shown in their studies of the political strategies of business during decolonisation, British business was not very close to the UK Government during this phase, and had neither great influence on official policy nor experienced much support from its home government.¹³ However, the British commercial

presence (and remaining administrative presence) in formerly colonial countries was so strong that other investor countries, for example the Rockefeller Foundation representative in Nigeria, felt that British investment was unduly favoured anyway without any overt corporate political activity.¹⁴

It is clear from business archives that company representatives had a close eye on diplomatic relations after independence. One of Barclays Bank senior managers, Brian Macdona, reported back on his experience when attending the opening of Broadcasting House ('all notables of Ghana, black and white and party-coloured') in Ghana's capital Accra in 1958: 'Really, nobody could have cared about him [Lord Listowel, Governor-General] less and I was most concerned, if not a little horrified.' He went on to describe that only few speakers refer to the Governor-General as his excellency, when taken round for small talk, and that the new Prime Minister, Kwame Nkrumah, would go off and talk to people and leave him on his own to talk to whoever floated by. 'I think they have got a lot to learn as to their relations with a Governor-General but I doubt very much whether the present incumbent of the office is the sort of fellow to teach them the respect which is due to his seat.' He discussed his impressions with Professor W. Arthur Lewis, at the time still one of Nkrumah's economic advisors: 'He thinks that Lord Listowel is doing well and is showing a proper appreciation of the change in status of Governor-General of Ghana from that of a governor of the Gold Coast. He thinks that Listowel is deliberately "playing it softly" and allowing himself rather to be ignored on occasions and playing very much second fiddle to Nkrumah and the senior Ministers.'¹⁵

The way diplomatic representatives from investors' home countries presented themselves to the elites of the new African countries was also closely observed by West German investors. The local representative for Otto Wolff OHG, a major West German, family-owned steel and machinery manufacturing and trading company, similarly reported back on what diplomatic changes were afoot in Nigeria. In this case the news was that the West German ambassador, Dr Graf von Posadowsky-Wehner, was to be replaced due to his over-indulging the Nigerians and 'failing to show sufficient interest for German concerns'.¹⁶ This was seen as regrettable, as he was apparently beginning to change to a more acceptable position, according to the representative. Large US corporations, such as Kaiser Industries, similarly maintained relatively close relationships with the US administration and its diplomatic representatives.¹⁷

Ghana's new political elite was also interested in diplomatic machinations and quite suspicious of potential British manoeuvres that could have prevented them from strengthening relations with other European powers. Ghana's ambassador to West Germany, Theodore O. Asare, kept Nkrumah informed of potential conspiracies:

There is now a triangular gentleman agreement relating to the economic and political spheres of influence in Africa in which Ghana is a party. This appears to be between German, British and French Governments. The British are demanding that Germany should go slow in granting aids to Ghana towards our Industrial Development Plan, also in matters of education and culture; Germany should let Britain dominate. Strict instruction have been given to the German ambassador on this matter as a means of pleasing Britain and France although within their hearts the Germans are opposed to it. They would prefer the initiative to be taken by Ghana to release them out of this Dilemma [sic] ... The provisions of this agreement are not known by industrial Germany and has not been brought and cannot be brought officially to the attention of industrial Germany.¹⁸

Only a few months later, when the financing for the Volta River Project was still not settled in early 1960, the Ghanaian Government requested finance from the Federal Republic of Germany. The internal correspondence of the West German Foreign Office showed little evidence of such a 'gentlemen's agreement', but lamented its inability to afford the 700 million Deutsche Mark (DM) for the facilities because of the attendant danger of Ghana being 'lost for the West'. Similar to the USA, West German foreign politics was heavily influenced by Cold War considerations, and the Soviet threat was judged to be severe enough to merit that Germany should take the initiative to work with other states and the World Bank to find the necessary finance;¹⁹ this finance never materialised from the German side. Yet the Volta River Project was considered of such central importance that nearly everyone seemed willing to try just because of the geo-political relevance they attributed to it. The retiring UK High Commissioner to Ghana, Sir Arthur Snelling, hoped that if the Americans would refuse to finance the Volta River Dam project, finance would be forthcoming from either the British Government or the UAC 'in view of importance of this scheme to President Nkrumah'.²⁰ Eventually, US investors (Kaiser Aluminum & Chemicals Corporation and Reynolds Corporation) and the US Government (Eximbank), together with the World Bank, raised the funding, precisely because they viewed it as crucial for keeping Ghana allied with the West.²¹

US investment in West Africa remained relatively insignificant in the early 1960s, and support for it appeared quite ideologically driven. For Ghana, an economic report in *The Economist* in 1966 identified the British UAC and the US Volta Aluminium Company (VALCO)—the company at the centre of the Volta River Project—as the two largest foreign investors in the country, accounting for about half of the estimated £150 million foreign investment in the country.²² VALCO's existence was the result of significant private business diplomacy.²³ No similarly dominant US investor existed in Nigeria. In a lengthy and emphatic letter to the US ambassador to Nigeria by the local representative of the Rockefeller Brothers Fund in Lagos, US foreign investment appears replete with manifest destiny:

In any judgment, these years immediately following Independence constitute a 'watershed' period during which those firms, hopeful of playing a major role in Nigeria future, must establish their footholds. ... This is the time when the 'seeding industries' are being established, those on which other industrial developments depend: iron and steel, textiles, salt and chemicals, cement, flour, petroleum refining, etc. Inevitably, those nations which win control of these industries enjoy a great advantage in the struggle to dominate the many ancillary developments which follow. ... Whoever dominated industry will enjoy great commercial advantages as well, so there is much to be gained by concerted action now, and commensurately, much to be lost if we fail. ... This is another reason for haste in the establishment of American beach-heads.²⁴

The language of war and colonising territory (beach-heads, seeding, struggle, dominate, footholds, watershed) seems outdated now, but what is more interesting is that this letter from 1962 did not use this language in the context of Cold War ideology. On the contrary, where concerns about other investors were expressed, these were directed at other Western companies. The anti-competitive practices of monopolistic British trading companies such as the UAC were sharply criticised, as was the unconscious pro-British bias of the remaining expatriates in the administration, while at the same time the suspicion of colonial motives by foreign investors on the part of the Nigerian elites were acknowledged. In his response, the US ambassador curiously referred to a speech he gave on which he received very positive feedback, however 'one always wonders whether there is not simply a tendency—however well intentioned—for people to tell you what they think want to hear. It would be most helpful to me, in connection

with future speeches, to receive from you any other reactions which you might hear through that year which you so able keep close to the ground.’²⁵ This odd request suggests that the ambassador was concerned with the opinion of US investors in Nigeria, and may have been subject to similar suspicions or criticisms as his British and German counterparts.

II

By the late 1960s, dissatisfaction across Africa with the slow pace of industrialisation and the behaviour of foreign investors was growing. Nigeria and Ghana witnessed the overthrow of the post-independence Government early in 1966, and the successors were highly critical of the types of investment, its performance and the contracts associated with it. Academics such as Esseks and Schatz similarly criticised what they perceived at the time as an emerging pattern of economic decolonisation subverted by corporate neo-imperialism—the latter particularly associated with non-traditional investors. Schatz mentions four ‘new’ types of business that had gained particular notoriety: equipment sales, supplier credits, contractor finance and feasibility surveys.²⁶ In the industrial sector and construction industry, these four were frequently closely connected.

Schatz criticised that home governments often backed these questionable business deals, either intentionally or unintentionally, through export credit and political risk guarantees. Most Western governments provided some form of protection backed by public funds to promote exports and foreign investment, primarily to politically risky destinations, but at least in the case of the German Hermes Insurance, coverage was also extended to ‘secure’ states, and to some types of commercial risk.²⁷ The organisation of these guarantees differed among Western states, the key organisations dealt with here are the US Eximbank, the UK Export Credit Guarantee Department (ECGD) and the German Hermes Insurance (see Table 2).

A lot of US investment was politically motivated, such as the involvement of Kaiser Engineers, Kaiser Aluminum & Chemicals Company and Reynolds Corporation in the Volta River Project. The political rationale behind most West German investment was driven by a desire to re-establish the international commercial position lost during World War II. German foreign investment focused mostly on developed countries, and amongst the developing economies, where business was more likely to require Hermes cover, India, United Arab Emirates, Argentina and Iran were

Table 2 Types of export credit and political risk coverage

	<i>Country</i>		
	<i>USA</i>	<i>UK</i>	<i>FRG</i>
Organisation	Eximbank	ECGD	Hermes
Type of cover provided	Government-backed credit at normal commercial conditions through Eximbank, US Government effectively assumes risk	Finance and insurance for UK exports	Insurance for deals with government and private entities
Excess	0%	5%	20%
Cost	At commercial rates	More expensive	Cheaper
Coverage	Narrower	Narrower	Broader
Percentage of exports covered	Not known	15–20% ^a	Not known

ECGD Export Credit Guarantee Department, *FRG* Federal Republic of Germany

^aE.B. Bennet, Memo: export credits, 21 Jul 1960, London, Bank of England Archives (BoE) OV172/4

Table 3 Hermes obligations in 1959 (in million DM)

<i>Country</i>	<i>Current</i>	<i>Accepted</i>	<i>Special obligations</i>
India ^a	1590	423	
United Arab Emirates ^a	599	255	2 × 200, one for Aswan dam construction
Argentina ^a	768	214	200 special fund for petroleum industry
Iran ^a	386	605	
British West Africa ^b	2.54	33	
Ghana ^b	3.76	7.89	

Source: Memo—concentration of Hermes obligations, 13 May 1959; List of [Hermes] obligations, 9 June 1959, Politisches Archiv des Auswaertigen Amtes [Political Archive of the Foreign Office] (PAAA) B55.2-287

Hermes obligations in 1963 showed a slightly different spread, with Argentina, Brazil, Egypt, Iran, Turkey and South Korea showing the greatest concentration of Hermes obligations. Memo 13.3.63, PAAA B55.2-287

^aAs of 28 April 1959

^bAs of 26 May 1959

foremost (see Table 3 for a comparison with West Africa). The newly emerging African states were also of interest, although not of the same strategic importance as Asian, Middle Eastern and Latin American countries.

Businessmen in these countries tended to compare their own provisions unfavourably to other countries. American businessmen argued that the coverage available to them was insufficient compared to Western Germany's Hermes insurance:

From the Business International report, the Germans are far out in front and the United States really has a big 'Guarantee Gap'.²⁸

On the basis of this analysis, the US multinational Kaiser sought additional risk guarantees for its proposed aluminium smelter in Ghana in addition to the Eximbank funding that they would receive for the Volta River Project. The company argued that the standard type of political risk guarantee was not adequate as it did not cover political risks such as revolution, riots and civil strife, nor any US trade restrictions. The guarantee could not cover more than twenty years, when Kaiser was to sign a contract for thirty. Also, the coverage of expropriation risks was vague, and described as 'an invitation to a law suit'.²⁹ The aluminium consortium preferred a Development Loan Fund guaranty for 90% of their equity investment, assuming that 10% would be normal business risk. This was not entirely accurate, because Valco was a tolling company (processing raw materials from and delivering finished aluminium to its owners) and it had no normal business-type risk (other than theft, accidents, etc.). The Government basically accepted this, with backing from Kennedy directly, and Kaiser were satisfied that the coverage was very near comprehensive.³⁰

In West Germany, the *Arbeitsgemeinschaft Aussenhandel der deutschen Wirtschaft* (AG Aussenhandel, Consortium of External Trade of the German Economy) requested that the excess of Hermes coverage be lowered from 20% percent to 10% in order to allow German firms to compete more effectively in developing countries overseas with companies from Great Britain, Italy, Switzerland and the Netherlands, amongst others, where excess on guarantees was much lower. German firms claimed they were losing contracts because they required expensive bank loans (in addition to being exposed to capital transfer and currency risk).³¹ The Ministry's response was negative, and sceptical of the latter claim. They pointed out that the overall levels as well as the consistent increases in export surpluses in 1959 made any criticisms of Hermes's shortcomings unconvincing.³²

In the UK, criticism of the ECGD focused on the strict limitation to a maximum of five years for loans covered, the high cost of the insurance, the low levels of cover provided for risky markets and the danger of credit limits being revoked in certain countries. More importantly, British exporters and investors were dismayed by the competition from other European countries that disregarded Berne rules, especially the previously mentioned five-year maximum for commercial credit. This applied particularly to France, Italy and West Germany, although Hermes was consid-

ered to be generally above board. But German business could get finance with the Kreditanstalt fuer Wiederaufbau (Bank for Reconstruction; KfW). KfW was in effect a development bank that was originally created to support West Germany's post-war reconstruction, but subsequently shifted towards a model similar to the US Eximbank, providing a mix of export promoting private sector development finance.³³ In the case of France, it was the practice of providing so-called *credite-mixtes*, which overlapped with private development finance. These credits did not require the common 15–20% down payment. The US Eximbank was an associate member of the Berne Union and generally conformed to its practice on suppliers' credit, but not in terms of development loans.³⁴ The Bank of England noted that the Berne Union five-year rule was being broken mainly by government intervention in Germany and France, and that KfW, for example, could offer semi-official facilities beyond five years.³⁵ The only thing political risk guarantees seemed to have in common was that every country's companies were complaining about better treatment of their international competitors by their home governments.³⁶

The German Foreign Office was aware of some of the criticisms of export credit guarantees. In response to the complaint from the AG Aussenhandel about the comparatively high level of excess on Hermes coverage, Dr Henkel of the Federal Ministry of the Economy justified the ministerial decision to only consider lower levels in exceptional circumstances in these terms:

The level of excess is an indispensable measure to induce the exporter to make a careful selection of business deals for which federal coverage is claimed. This contributes to reducing the risk of failed investments. It furthermore reinforces the interest and personal responsibility of the exporter for the correct execution of export deals. The degree and composition by country of the claims with which the federal budget has been charged as a result of actual losses, or in order to avoid the threat of political risk-induced outstanding losses, reveals that if excess is too low, it essentially serves as an inducement to enter into business deals with such countries that are in no position to meet their commitments, particularly considering that profit margins in such deals are frequently especially high.³⁷

Although the standard 20% excess was in some cases higher than in other European countries (generally 10%, but only 5% with ECGD), but this was seen to be more than matched by the lower cost of Hermes and the more comprehensive coverage of risks.³⁸

Both large as well as small West German exporters disagreed with the high levels of excess of Hermes insurance. The association of smaller exporters specifically criticised that the majority of losses due to political risk in overseas developing countries were the result of large-scale projects driven by political concerns. Hence, they particularly criticised that the Minister of the Economy, Dr Ludwig Erhardt, had justified a higher excess because of these losses, which in effect made small- to medium-sized exporters shoulder part of a burden that was caused by large-scale politically induced projects.³⁹ This composition of Hermes cover was in stark contrast to the ECGD, which was ‘over weighted’ with smaller firms, since companies with long-established connections deemed cover unnecessary.⁴⁰

As early as 1959, the German ministries were clearly aware of the trade distortions that export credit and political risk guarantees caused, as well as the frequently questionable nature of how some of these deals were negotiated and discharged. There had been a large number of deals covered by Hermes that broke the law of either the country extending or the country receiving the guarantee, especially in Argentina, Brazil, Chile, Columbia, Ecuador, Iran, Paraguay, Spain and Turkey. These practices included invoicing too low, too high or twice, refunds of payments and payments in a foreign currency into a third country either without permission or entirely illegally.⁴¹ These practices pointed towards the payment of bribes and transfer pricing.

III

The combination of political motivations to invest and the availability of finance and political risk guarantees drove the rise in a new type of foreign investor. West German archives are quite revealing in terms of the issues this raised. Cold War rhetoric featured heavily in the foreign investment policy of business and public policy circles, mostly because West Germany enforced the Hallstein doctrine in its external affairs. The Hallstein doctrine stated that the West German Government would sever all diplomatic ties, including development aid, and not extend any export guarantee to a country that recognised the East German state. West German big business carried over this doctrine into decision-making to some extent as well, although there were some notable exceptions such as Otto Wolff OHG, which was, together with Krupp and Thyssen, amongst the pioneers in West Germany to begin trading with Soviet bloc countries in the 1950s—according to internal sources this trade amounted to 12% of group turnover in the 1970.⁴²

By 1961, Nkrumah's pro-Soviet statements on Cold War issues, especially in the Congo conflict and on the recognition of two Germanies, alienated public opinion in the USA and West Germany further, and the press remained highly critical of Nkrumah's autocratic style in subsequent years.⁴³ In the early 1960s, Hermes cover was granted to many West German companies, some of them quite questionable such as the Drevicis (see later in this section), as a result of competition from East Germany, which was referred to as SBZ (Soviet Occupied Zone) rather than its official name. Nevertheless, the Foreign Office also requested information on comparable terms from the UK's ECGD at times. Even though Ghana's position on the non-recognition of East Germany was considered 'extremely unsatisfactory', this was not seen as a sufficient reason to change existing agreements on the Hermes cover, especially as the country was considered as creditworthy at the time.⁴⁴

The other factor influencing political backing for German investment was old-fashioned nationalism. For example, the West German Foreign Office intervened in the bankruptcy of the trading company G.L. Gaiser in Nigeria, which represented ten German industrial corporations and had an agreement with the Dutch trading company Borsumij as well. Borsumij (N.V. Borneo Sumatra Maatschappij; Den Haag, the Netherlands) apparently sought to enter the Nigerian automobile business as they had been 'kicked out of Indonesia'.⁴⁵ Despite ample evidence of mismanagement, bad debts, and dubious political and financial contacts with the African Continental Bank (which had significant links to one of Nigeria's political parties), West German authorities clearly leaned on the Foreign Office to 'not lose Gaiser for German export'.⁴⁶ The aim was to keep Borsumij and Unilever out. In the case of Unilever, through the dominant position of its fully owned subsidiary UAC, this appears to be a somewhat unrealistic or perhaps ill-informed goal, which nevertheless illustrates the ongoing rivalry between European neighbours in international commerce.

West Germany's comparative advantage was, however, not in trade, but rather in export-driven investment, especially in terms of machinery and construction services, often in the form of turnkey factories. These factories were sometimes bought by private companies, but mostly purchased by Nigerian Government development boards or Ghanaian SOEs and became the target of significant criticisms in the late 1960s. The majority of German turnkey factories and other types of contracted construction in West Africa apparently came from the Hamburg-based company Coutinho, Caro & Co. (CCC). Peter Kilby listed a number of CCC projects in

Nigeria, which amounted to £18 million worth of turnkey factories alone, an impressive amount considering the overall size of the sector:

Yet the promotional activities of German, Italian and Israeli machinery merchants have resulted in over £30m in public investment since 1962, and most of it in uneconomic projects.⁴⁷

Otto Wolff joined into a public–private consortium with the Nigerian investment and development organisations for the Midwest Textile Mill at Asaba.⁴⁸ Their experience with CCC was not positive, and internal memos noted that every suggestion from CCC should be triple-checked before entering any agreements, because their negotiators found that during seven hours' worth of meetings CCC continuously attempted to down-play certain issues or deal with them nonchalantly. Otto Wolff's impression was that CCC's *modus operandi* was to only develop a project in detail after the contracts were signed, and then search for (Hermes) cover for deliveries. This was furthermore perceived as an interesting fact about their current options in terms of gaining finance.⁴⁹ By 1972, CCC was on a list of undesirable foreigners in Nigeria.⁵⁰

The key issue with these types of investment were that the opportunities for bribery and corruption were significantly larger than for traditional private foreign investment into subsidiaries or joint ventures. Contemporary observers were frequently disappointed with the performance of the newly independent African governments, especially the problematic standards of governance regarding economic and commercial matters:

The atmosphere of easy money rampant in the fifties was the undoing of public thrift. After 1960–61 when cocoa prices tumbled and the reserves began to shrink, the old habits stubbornly persisted. ... After 1951 Ghana had become a happy hunting ground for business entrepreneurs from many countries ... They quickly discovered that Ghana's politicians spoke out against 'capitalism' with one side of their mouths whilst they sucked its sweets with the other.⁵¹

This formed part of a wider discourse of corruption that emerged during the decolonisation in the British territories. The outgoing colonial administration became highly critical of the standards of governance of the new African political elite, frequently in order to remove someone too radical and unsympathetic to colonial officials. As Robert Tignor showed for Nigeria, this discourse of corruption was accepted by African public opinion, and in the

years after independence there was evidence that African governments now began to employ these arguments against foreign business.⁵²

This particularly applied to some of the new turnkey investments. One case caught the attention of governments and investors alike: a cocoa processing plant in Ghana that was associated with a Mr Noe Drevici, and his wife, Dr Drevici. The US multinational Kaiser showed concern over the implications of Drevici's behaviour for the reputation of free enterprise, which they interpreted as either using too much of Ghana's 'rapidly depleting' foreign exchange, or extracting exorbitant or unconscionable profit from the country:

It is arrangements such as this may be and many of the others under the "Suppliers' Credit" deals that could easily bring discredit upon the West and the capitalist system.⁵³

Kaiser received reports from the US ambassador Mahoney and Arthur Smith of the UAC Board about a 'West German outfit' (possibly Drevici) that paid substantial kickbacks, which were reportedly put into a Swiss bank on an even four-way split between Nkrumah, Ayeh-Kumi (a Ghanaian minister), the Convention People's Party (CPP; Ghana's governing party) and a party organisation called Freedom Fighters.⁵⁴ *The Economist* explained the exact nature of the fraud as follows: Drevici received promissory notes to be cashed as the work proceeded, receiving 4% per annum on the credit he supposedly extended by building on deferred payments; it was, however, alleged that he convinced Nkrumah to leave the notes undated and discounted them so that he was paid in advance, while still benefiting from the interest.⁵⁵

This cocoa processing plant had received Hermes cover, but in 1972 the German Government, while still supporting the demands of German firms with bad debts, excluded the 'Drevici case' from its diplomatic efforts to support the recovery of Hermes-guaranteed loans, as they had been involved in bribery.⁵⁶ Drevici, sometimes referred to as being Polish (*The Economist* reported that Drevici was Rumanian), was of unspecified Eastern European origins, and probably of German nationality, and also appeared to have been Jewish.⁵⁷

It is likely that bribery and corruption played a significant role in the awarding of contracts to new, and old, investors in this phase, notwithstanding the fact that the discourse of corruption was now deployed as a political weapon by Western and African governments and investors

alike.⁵⁸ The key political contact of Otto Wolff's subsidiary in Nigeria, Wasco, was the Federal Minister of Finance, Chief Festus Okotie-Eboh, often referred to as one of Nigeria's 'ten percenters'. Wasco's business model was perhaps more sustainable than that of West German contractors such as CCC, but its political contacts indicate that this was not just an issue of a small number or rogue companies.

It would be too simplistic to just assume that this pattern only pertained to new investors in the region. The predominance of UK suppliers' credit, representing perhaps more new investors than traditional imperial businesses which had other sources of finance, suggests a similar pattern for the UK. The case of Drevisci was unusual because, even though corruption is usually a hidden practice, it was so blatant that the West German Government did not even object to the repudiation of debt, making this an exceptionally clear-cut case. But it was not an unusual case in terms of the practices that it represented, or one that only affected certain foreign investors. In Lindsay Anderson's 1973 film *Oh Lucky Man*, conceived as an allegory of life in a capitalist society, the main protagonist starts off as a salesman for 'Imperial Coffee' and ends up as the assistant to a wealthy London businessman who makes a corrupt business deal with the fictional African dictator of the equally fictional Zingara, facilitated by a member of the House of Lords. During the business meeting, with multiple screenings of short information clips aimed at investors, they discuss standard investment issues such as repatriation of profits and safety of investment. Anderson depicts Britain's retreat from empire as accompanied by attempts to maintain some influence through private business deals, politically facilitated corruption and provision of military supplies that helped keep foreign dictators in power. African corruption after the end of empire was in many ways driven by foreign finance.

IV

West African countries such as Nigeria and Ghana may not have been politically and economically important enough to feature significantly in the economic imagination of Western investors such as Britain, West Germany or the USA, but the post-war boom and the desire of West Germany and the USA to establish themselves as significant international investors, coupled with Britain's attempts to retain some imperial and economic influence in the world, meant that even relatively minor investment locations were subject to significant intra-Western competition.

More attention has been paid to the competition between the East and the West during the Cold War, without focusing on the deleterious effects of Western investors in developing countries competing (with the support of their home governments) for access to new African markets in the 1960s. Critics of neo-colonialism and economic imperialism believed in a more internally consistent foreign cabal, whereas proponents of neo-liberalism disavowed the existence of this type of politically motivated investment and associated financial support entirely. According to neo-liberal economic theory, greater competition should have led to better outcomes for African economies, but the opposite was the case.

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‘Information After Imperialism’: British Overseas Representation and Francophone Africa (1957–1967)

Andrew WM Smith

Overseas representation was a vital task for the British Government in the 1950s and 1960s, signifying a means of conveying ‘British values’ abroad and influencing opinion formers to ‘think British’. Projecting a British view of the world was one of the primary means of exercising ‘soft power’, and engaging a level of cultural diplomacy below the state.¹ At the end of the Second World War the BBC was addressing the world in 43 languages: ‘25 of these were to Europe, 14 to Asia and 2 to Latin America’.² This made it ‘the largest and most comprehensive broadcasting station in the world’.³ The contemporaneous ‘transistor revolution’ (which meant cheap receivers became available that didn’t need a mains connection) increased global audiences, and also saw the BBC External Services focus their resources on direct listeners in Africa and Asia, seeking to ‘perpetuate some influence over areas that had once been part of Britain’s formal and informal empire’.⁴ Britain might, by these means, cultivate loyalties and effect influence in newly independent African countries. Yet it did so beyond its former colonies, using the expertise and experts of its Empire

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in new ways to address new territories.⁵ By looking at the broadcasting of vernacular services (such as French and Hausa, which were spoken beyond state borders), this chapter explores what Britain's post-colonial engagement said about her aims and her perceived role in West Africa, and how that illuminated different conceptions of value and market.

The end of empire, the Cold War and nascent European integration all challenged the traditional parameters of the British national *imaginary*. In this turbulent period, projecting an image of Britain to the wider world saw, as Appadurai describes, 'the imagination as a social practice'.⁶ BBC External Service broadcasts conjured up a world beyond the experience of many of its listeners, and it did so in their own language, and often in their own home. In addition, the BBC External Services believed that they took clear advantage of the fact that:

Britain retain[ed] a very substantial capital of goodwill and regard in many parts of the world and is widely seen not as the confused, disputatious, disorientated, selfish society which many of us imagine it to be, but as a country in which there reigns to a rare degree tolerance, justice, sanity, moderation and democracy.⁷

Yet it did so at a time when funding constraints meant BBC officials had to weigh up the relative importance of where they were heard. Funders attempted to reduce broadcasting to the 'inner circle' of European countries, reasoning that they were well-served with an image of contemporary Britain, and moved to increase broadcasting further afield. This relied on the anticipation of emerging markets and the expected value of established influence, investing in a forecast of how former colonies would develop.⁸ All in all, it recognised that this positive image of Britain 'constitute[d] a capital of great worth which should not be allowed to depreciate'.⁹ In an era of entangled colonial relationships, however, this meant speaking alongside those same European neighbours and competing with them as well. This external representation represented the 'software of empire' at a time when the very concept of formal empire was being called into question.¹⁰

This chapter first looks at the ways in which external representation constituted an attempt to cultivate new markets and foster long-term reciprocal relationships that could survive Empire. The time period spans from the establishment of a Hausa language service in 1957 to the Beeley Report funding review in 1967, when a wave of budget cuts put an

increasing strain on external representation.¹¹ This interim decade witnessed development broadcasting which operated as 'a form of soft power public diplomacy that play[ed] a critical, yet stealthy role in supporting processes of development, political change and democratisation.'¹² Yet, given the editorial independence of the BBC, it is argued that this concept of development was not explicitly tied to national political interests, but rather in service of a more broadly understood British imaginary and a sense of cultural value.¹³ The chapter then moves on to examine the competition that Britain faced in this imagined marketplace, from traditional imperial rivals and Cold War powers to emergent non-aligned competitors. The BBC World Service (and its vernacular stations) 'operate according to market principles and seek competitive advantage, while adhering to long-standing public service principles', meaning that the concept of an imagined market is especially important to those strategic priorities.¹⁴ By analysing Franco-British broadcasting traditions, in particular, we can see how the influence of development broadcasting moved beyond a general listenership and was inculcated in the training of broadcasters, which ensured a much longer-lasting if more diffuse engagement with the aims of external representation.¹⁵ By considering these within the framework of an imagined market, in which cultural value fluctuated and was actively cultivated, we can see how Britain both sought to ensure that 'Information after Imperialism' remained a profitable enterprise and to explore new ways to protect these 'immensely precious intangible assets'.¹⁶

I

The title of this chapter is taken from a speech by Edward Tangye-Lean, given to the Royal Commonwealth Society in February 1967. This was intended to combat a recent review commissioned by the British Government (the Beeley Report) that sought to rationalise expenditure on overseas representation (and had arrived on the back of a series of other such reviews). In the speech, Lean outlines what he sees as the purpose of the BBC External Service: describing its ability to convey British values, promote development and inform. Tangye-Lean had been the Director of European Services from 1948. Even here, he had resisted the outcomes of reviews that challenged broadcasting strategy to the Communist world, defending the impartiality of programming.¹⁷ By 1956, he had become the Assistant Director of External Broadcasting, and was embroiled in both the Hungarian Uprising and the Suez crisis. These moments sped up

calls from the Foreign Office to implement the proposals of the Drogheda Committee (a previous review to Beeley, which had recommended reducing broadcasting hours by almost a fifth and slashing budgets), and also attempts by the Foreign Office to gain some control of editorial output. Instead, Tangye-Lean's predecessor Ian Jacob stated the value of having defended the appearance and reality of the External Service's editorial independence:

The BBC's standing abroad is a national asset comparable with the country's reputation for parliamentary institutions, a free press and a stable system of justice ... unlike other foreign broadcasting systems which have followed the tactical needs of the moment and earned a corresponding notoriety and lack of trust.¹⁸

These diplomatic pretensions revealed the reality of Britain renegotiating its role, and also the sense that it imagined in external broadcasting a new form of market, and one in which it had important assets to trade upon. As Britain's role as a 'great power' waned in the decades after the Second World War and its economic significance, in relative terms, declined, 'national status was increasingly defined in cultural terms'.¹⁹ Not only did this foreground the services and working practices of overseas representation, but it also magnified the perceived dividend to be extracted by the Government from its support of these activities. The point was made in 1967 by the Foreign Office that 'effective presentation of information is now, and will become to a much greater extent, as vital an element of foreign and defence policy as, say, infantry battalions or naval escort vehicles'.²⁰

In his speech, Lean posited that there had been two dominant strands of thought which contributed to the construction of the Commonwealth and had inflected broadcasting. The first 'made the Empire and administered it', relying on a 'sense of mission' that sought to help 'the unfortunate masses'.²¹ However, Lean cautions that 'There was something inert about the white man's burden, and I don't think he expected it to get up and walk'.²² The second strand of thought was altogether less tangible, although ever lauded as a fundamental facet—'it is the idea that a people has the right to govern itself'.²³ These two strands, he contends, relate directly to the thinking that had governed overseas representation. Broadcasting, Tangye-Lean contended, was for the social good, not government policy or imperial aims. Instead, there is a stubborn (and, it

seems, laudable) impression that the 'mission' of broadcasters must not be subsumed by political or economic concerns. Broadcasting here is designed to achieve some intangible boon for Britain as a world power, not as a result of immediate political gains but wrought from a long-standing friendly engagement with tomorrow's leaders. In building up future markets, and softening up future customers, this was a sort of development broadcasting. As the executive of the External Service stated:

The main value of the External Services is not that they may help to sell tractors or nuclear reactors, nor even that they may influence people in other countries, nobles or mobs, as to be more amenable to British diplomacy or foreign policy. Their main value is that ... they effectively represent and communicate this British propensity for truthfulness or the adherence to the individual right to the perception of reality.²⁴

This assessment of the Service's mission fits neatly into the 'field of trust' which Thomas and Thompson describe as underpinning the broader imperial imaginary.²⁵ External broadcasting did not need to fit an immediate or obvious commercial benefit to strengthen the economic imagination of Britain more broadly. Indeed, the cultivation of this 'national asset' was a form of speculation, calculating that the cultural value accrued by external representation would facilitate future reciprocal benefits.

The idea of development broadcasting had longer imperial roots. Engagement in this sort of overseas broadcasting 'should be seen in the context of the new approach to Africa' being driven by Arthur Creech Jones' period as Secretary of State, which prioritised development and progressive engagement.²⁶ In trying to realise this new form of engagement with the colonies, the Colonial Office drew on the assistance of the BBC and funds from the Colonial Development and Welfare reserve. From 1948, this co-operation between the Colonial Office and the BBC saw the establishment of public service broadcasters in the colonies (rather than commercial interests) to supplement the BBC External Service, and led to a survey to develop broadcasting in West Africa (in the Gold Coast, Nigeria, Sierra Leone and the Gambia).²⁷ This prioritised the importance of editorial independence and ensured that the BBC could be strongly involved in shaping the development of public service broadcasters (if not directly responsible); the BBC 'generally focused on kick-starting projects in the colonies; the precise details could then be worked out by colonial administrators to fit their exact specifications.'²⁸ This meant there was a lot

of transference between Bush House and the new broadcasters overseas, and their aims were broadly informed by British broadcasting traditions, as we shall see.

In addition, development broadcasting crossed national borders, as documented by the Director of External Broadcasting, Sir John Beresford Clark, in an address to Chatham House in 1958:

The general 'broadcast threat' to Africa prompted the Government to ask us to start broadcasts in Hausa for West Africa, Swahili for East Africa, and, for special reasons, in Somali. Those have in the course of the past year—principally since April—gradually been built up to half an hour a day in each of those three languages. They are being re-broadcast in each of the three territories most concerned, and we have welcomed to Bush House some new colleagues from Africa, who have already settled in happily as members of the External Services team.²⁹

Here we can see the exchanges between External services and the new broadcasters developed in the colonies. The Hausa service grew out of the establishment of a Nigerian radio service in 1950 (in which Tom Chalmers played a crucial part as Director of the Nigerian Broadcasting Corporation [NBC]), which principally broadcast in English but would also rebroadcast Hausa programming produced by External Services.³⁰ Chalmers saw his task as 'to create a Nigerian broadcasting service run by Nigerians for Nigerians' and despite initially seconding BBC staff to establish the service, undertook the 'Nigerianization of all departments as rapidly as possible'.³¹ This proceeded well, and by 1960 NBC had a staff of nearly 2000, which constituted an important asset and the foundation of Nigerian broadcasting after decolonisation.³²

Developing out of Chalmers' and the NBC's success, the Hausa service began broadcasting in March 1957, with the first broadcast made by Aminu Abdullahi Malumfashi. He spoke for fifteen minutes, followed by an English-language programme entitled 'West Africa in the News' that was translated and read by Abubakar Tunau.³³ The other figure to broadcast was Zakari Mohammed. All three were students in London at the time, and added to the 'cosmopolitan "united nations"'³⁴ of Bush House, with its increasing number of language services and its increasingly diverse staff. Yet the Hausa service addressed an area beyond Nigeria to the north and west, crossing colonial boundaries, and speaking beyond national borders. The Hausa service concentrated on 'world news bulletins, international and

African current affairs and ... programmes of an education nature.'³⁵ Broadcasting developed throughout 1958, introducing daily bulletins in June of that year. From thereon, the Hausa service continued to develop (see Table 1).

From the very start, the Hausa service was 'intended for audiences not only in Northern Nigeria but for the whole Hausa-speaking belt. It was conceived and has been developed as a service for the whole of West Africa operating in parallel with the BBC's English and French service.'³⁶ This area provided a huge listener base for the 'Western cultural goods' offered on their airwaves.³⁷

In June 1960, the BBC introduced a new French service broadcasting specifically to Africa.³⁸ Audience surveys in Dakar and Abidjan showed the most popular programmes were news transmissions (on African and international programming) and music including African music.³⁹ A typical schedule is shown in Table 2.

The audience figures were difficult to obtain, and listeners difficult to survey, so the BBC built observations from letters received and reciprocal

Table 1 Hours broadcast externally in Hausa (1965)

<i>Stations</i>	<i>Hours broadcast</i>
Radio Ghana	21 hours per week
USSR	14 hours per week
West Germany	14 hours per week
Egypt	10½ hours per week
BBC	7 hours per week
China	7 hours per week
Voice of America	3½ hours per week

Table 2 Schedule for BBC French African Service, c.1960

<i>Time (GMT)</i>	<i>Programme</i>
05.15–05.30	Early morning music
05.30–05.45	News and review of British Press
06.30–06.45	News and review of British Press
06.45–07.00	English by Radio
12.00–12.15	Listeners' requests discs
12.15–13.30	News (two bulletins), political comments, magazine programme (Aux Quatre Coins du Monde)
18.30–19.30	News, Journal Parlé, programmes (political discussion, Commonwealth, listeners' questions, industrial technique, background to the news), English by Radio

visits between the UK and Hausa-speaking territories. BBC estimates in 1963 gave the total population of the twenty-three African territories where French was principally spoken as approximately 82.5 million individuals to which the BBC might speak directly in French or African languages. The relative radio ownership for Francophone African nations was about 2.5 million sets, with around 1 million in sub-Saharan Africa.⁴⁰ Over nine-tenths of respondents to audience surveys were men, and about half of those who gave an age were between 20 and 29 years of age (one in seven were under 20 years, with the vast majority of the remainder 30–39 years). By 1967, it was estimated that there was an audience of nearly 2 million listeners to the Hausa service, based on West African and BBC estimates (and viewable as a trend in the increase of letters received from listeners).⁴¹

This broad listenership indicated the strength of the material broadcast and the perceived value of the activity in the crowded radio marketplace. The value of development broadcasting can be seen during moments of crisis, and this chronology needs to make mention of the Civil War that ends this period, during which BBC External Services played an important stabilising influence. By 1966, there was a ‘substantial and influential audience in Nigeria. At times of domestic crisis the Nigerian press and broadcasting services have contained very little balanced presentation of views and little reliable comment. The BBC has been widely accepted as the main source of reliable news in such circumstances.’⁴² The ability of the packaged service (English, Hausa, French) allowed the BBC to speak across the contours of the conflict owing to its history of dependable operation and reputation for honesty. It played a part in ‘discrediting rumours and the more inflammatory broadcasts ... which seek to disrupt’, emanating largely from Moscow. By ‘deliberately playing down tribal differences’ the Hausa service and others supported moderation. Continued engagement after independence was seen to demonstrate ‘interest in the multi-racial Commonwealth ideal’ as well as supporting continuing British influence.⁴³ This concept of balance was important, and it demonstrated that the aims of this broadcasting were not directly aligned with British political interests. Rather, given the fiercely guarded editorial independence of the BBC, the issue of constitutional arrangements was important. To that end ‘the Government of the day decides which languages shall be used in the External Services and the amount of time which shall be devoted to them; there-after, it is left to the B.B.C. to conduct the services, in the terms of

that quotation, "in the national interest". The Corporation has complete responsibility for the content.⁴⁴ The maintenance of vernacular broadcasting is therefore important, representing both an organisational and institutional commitment to continued participation in the area covered by the language.

As such, development broadcasting can be better understood in the language of international development, in which external broadcasting allied public diplomacy with imperial engagement in the period between the late colonial state and first decades of post-colonial independence.⁴⁵ In this instance 'the outputs and outcomes of specific aid interventions' cannot be particularly untied from 'the power and influence of donors', as this type of broadcasting recognised the increasing porosity of colonial borders in West Africa.⁴⁶ As noted by John Beresford Clark in 1958, the motivations behind this broadcasting are thus better understood in terms of their relationship to other broadcasters, and in comparison to other foreign powers broadcasting in vernacular languages into Francophone Africa.

II

Development is never itself a neutral concept. Within the context of a post-imperial settlement, British institutions were forced to re-examine their modes of operation. This appreciation of empire's end, however, did not devalue the work of the BBC vernacular services, or the importance of their role in creating a positive impression of Britain.

The English language is, it is true enough, spread throughout the world, as are our great traditions ... but if we do not keep our image, our presence, in the minds of ordinary people, the memory of Britain is bound to fade. The empire of the future is an empire of men's minds.⁴⁷

This future perspective dominated the thinking of funders, and conjured up fears of competition in this imagined marketplace. Evidently, this competition was no longer for an image of imperial grandeur, and resultantly the means of cultivating it had to alter. Alban Webb describes a 'Cold War radio arms race' taking place in the 1950s and beyond, where 'considerable energy and resources' were expended to ensure broadcasts were heard.⁴⁸ Further, Graham Mytton, a former studio manager at the BBC World Service, noted that:

The Cold War permeated the thoughts of many of the managers and heads of service. For others it was winning hearts and minds in Africa and Asia with respect to something not far removed—the battle for influence in the newly emerging countries in Africa and Asia. The adversaries were Nasser in Egypt or others in the non-aligned movement who were seen as dangerous to western or at least British interests.⁴⁹

This was evidently not an impression confined to Bush House, nor even to the Foreign Office. Reports also started to creep back to London of the work being done to promote the British image in West Africa, as shown in one exchange in the House of Lords in 1960:

I understand that reports from West Africa show that listeners there can hear both the B.B.C. and Moscow quite well. ... Broadcasts from Moscow, as one would expect, give a distorted picture of world affairs, in particular of Western actions in Africa. The B.B.C.'s output—the General Overseas Service, Hausa, and special broadcasts in English—is available for a considerably longer period each day than are Moscow's English and French broadcasts to West Africa, though on fewer wave-lengths. The B.B.C. have just begun a service in French especially for West Africa.⁵⁰

Clearly, the most apparent competitor in Africa was the Soviet Union, whose broadcasts sought to undermine colonial rule in the 1950s and lingering imperial influence after decolonisation. There was, within the BBC External Service, a certain jealousy of the funding available to the Soviets, as well as the long-term thinking that had ensured that 'The Russians started broadcasting in foreign languages in 1917'.⁵¹

Chinese interests had also been present in Africa for some time, especially through their relationships with Sekou Toure's Guinea. With an increasing divergence from the Soviet Union after 1956, 'The Chinese leadership did not take long to realize that their dispute with the Soviet Union made an active foreign policy necessary if China was not to be isolated and her theories on the construction of a world communist system frustrated.'⁵² The first African office of the Xinhua Press Agency opened in Cairo in 1958, and then another in Conakry in 1959. They continued expanding, opening sixteen new offices over the next five years.⁵³ Likewise, Chinese radio was represented by Radio Peking from 1958, again using Guinea as a base. Initially only broadcasting in French, it then began putting out programmes in English, before expanding into Arabic, Portuguese, Swahili and Hausa broadcasts by 1960.⁵⁴

Egypt was another major competitor. After the revolution that had overthrown King Farouk, Nasser became increasingly active in attempts to construct a pan-Arab community and to foster engagement with other nations in the immediate vicinity. Radio Cairo began broadcasting in 1954, with Swahili broadcasts aimed at speaking to its neighbours in East Africa. By 1956, the Foreign Office was demanding that the BBC counter the addition of Somali to the Radio Cairo repertoire. Indeed, this expansion continued with the addition of Amharic, Sesotho, Lingala, Nyanja and Hausa by 1962.⁵⁵ This was clearly problematic as it communicated directly to areas of British interest. It represented an adoption of the Soviet model, and echoed the simultaneous development of Chinese broadcasting. This challenged the ability of a country like Britain (and an organisation like the BBC) to hold the line against competitors, as 'the three together Cairo, Moscow and Peking now actually go out in thirty-eight languages in which no reply is made by the BBC or the Voice of America. These thirty-eight languages are spoken by three hundred million people, most of them within the Commonwealth.'⁵⁶ This was a crowded marketplace, filled with competitors who were ideologically opposed to the 'British values' that the External Services sought to promote.

Of course, not all broadcasting originated outside Africa. As shown in the Hausa broadcasting statistics in Table 1, Ghana's radio stations broadcast a strongly nationalist message, promoting ideas of independence and encouraging West Africans to cast off any suggestion of imperial influence. It was the leading African station in 1963, broadcasting '126 hours per week in English, French, Portuguese, Arabic, Hausa and Swahili'.⁵⁷ Guinea broadcast the *Voix de la Révolution*, the party-controlled radio station that was accountable to Touré and operated under a 'sword of Damocles' at perpetual risk of Touré's disfavour.⁵⁸ For the Information Research Department, these broadcasts presented little threat to British interests except where they specifically coincided with British investment. The far greater threat was Soviet and Chinese investment into African stations through the provision of technicians and equipment. So too the placement of news stories from Soviet news agencies (or Xinhua) presented the threat of Communist infiltration that could gain a higher listenership than the Soviet stations themselves.⁵⁹

Part of what we see here is the concentration of development that took place in the late 1950s, during the process of decolonisation. As the process of political transfer was under discussion, nations from all over the world were talking to more and more Africans than they had ever done before.

They were doing so in African languages and they were doing so to curry favour with increasingly important emerging constituencies. Fuelled by the availability of receivers after the ‘Transistor Revolution’, Africa’s airwaves came alive during the decolonisation process with a profusion of African language broadcasting. Yet the emergence of this ‘radio arms race’ demonstrates that development was not neutral. Instead, other broadcasters were viewed as competitors in this marketplace, and the profusion of other radio stations altered the value of Britain’s ‘national asset’. In a period in which Britain is seen as trying to ‘find itself a role’, it was able to draw upon the reality that in many ways it already had one that existed below the level of the state in the experts and expertise that had been cultivated during Empire. Indeed, this development broadcasting accentuated existing entanglements through new technologies, and much of the competition in this marketplace reflected the changing geo-political realities of the era. Information after imperialism did not begin afresh, but rather continued to work with a national asset long cultivated in the vernacular of empire.⁶⁰

III

Looking more closely at the competition between different broadcasters thus reveals the extent to which there was continuity with the vernacular of empire, and also the extent to which this competition built on established relationships below the level of the state. State actors shaped and engaged with the media, yet also trained the next generation of African broadcasters. Much is made in the various reviews of external representation in the late 1960s of its importance in encouraging listeners to ‘think British’, and it is useful to look behind the connotations of this phrase. Indeed, for both France and Britain, it remained symbolically important, beyond markets, diplomacy and trade, to maintain some cultural link with their formal imperial territories, whether through the Commonwealth or the cultivation of Francophonie. Yet these relationships invoked something of the ‘colonial common sense’ decried by Anne Laura Stoler, reflecting certain unspoken assumptions of national association which perpetuated colonial influence.⁶¹

‘Thinking British’ was as much about the replication of norms in behaviour as language, and the ability to speak to listeners in their own language demonstrated how these values could be translated. In this sense, the asymmetric relationships of empire were echoed in the structures of broadcast training, as external representation shifted from an imperial footing to a postcolonial reality. Indeed:

By the 1960s, the winds of change that had blown through the corridors of Whitehall were also effecting changes in Bush House with a set of strategic reviews that resulted, in 1965, with the transformation of the English-language General Overseas Service into a World Service indicative of the post-colonial settlement.⁶²

This shift can be traced meaningfully by looking at how vernacular broadcasters speaking to Africans, whether trained in London or Paris, disseminated their practice back into the African locales to which they subsequently relocated.

Building on his radio development experience in Nigeria, Tom Chalmers was involved in the establishment of the Tanganyika Broadcasting Corporation (TBC) in 1956, and served as its First Director General (broadcasting itself had begun there in 1951, when it was known as the Tanganyika Broadcasting Service).⁶³ In this capacity, he held considerable independence and executive authority, and began to 'Africanise' the Board of the TBC from 1959 by sending staff to London for training. One example was David Wakati, who was seconded to the BBC for two years.⁶⁴ This built on the succession of 25 senior members of the NBC who were seconded to work as full members of BBC staff for six months (with attendant programme-producing responsibilities). This was important for the culture of the BBC Africa Service, and as its Director J.F. Wilkinson stressed, 'I must emphasize that we gain as much from having them with us as I hope they gain from working with my colleagues in the Service.'⁶⁵ The profusion of 'diasporic staff' at Bush House and these reciprocal contacts underpinned the transmission of British broadcasting traditions through training and interaction. This relied on the 'cosmopolitan contact zones' which grew up around Bush House (and, indeed, in Paris), as described by Gillespie and Webb.⁶⁶ At times, these contact zones were dominated by migrants from the 'white dominions' of Canada, New Zealand, Australia and South Africa, though this was principally for English-language services; when it came to vernacular broadcasting, the picture was far more diverse, as demonstrated in the students who contributed to the Hausa service.⁶⁷ This was clearly important when the BBC made the 'transition from colonial to postcolonial broadcaster', retaining the emotional investment of its listeners and broadcasters even as sovereignty and authority were redefined.⁶⁸ This was further described by Mytton:

Ways of organising production in the foreign language sections were much influenced by these colonial experiences and practices. News values were distorted in many ways by a view of Britain as a leading power with a global role that was still powerful and important. This lasted until long after the end of Empire.⁶⁹

One clear example of this is Tom Chalmers' efforts to maintain the editorial independence of the TBC after Independence. Historian Lawrence Mbogoni has detailed how Chalmers was able to use his influence to convince the newly appointed African head of the TBC, John Keto, to limit the Board's executive powers and ensure that they did not control the day-to-day running of the Corporation and its broadcasting content.⁷⁰ In this, the TBC essentially reflected the aims of the 1936 Plymouth Committee recommendations, as Chalmers had pursued in Nigeria, stating that it should be run 'as a public service corporation on the BBC pattern'.⁷¹ Chalmers' prominent role ensured that the language and culture of the TBC reflected the embodied habits of British 'broadcasting traditions', building on his successful development broadcasting in Nigeria and, indeed, the recommendations of Arthur Creech Jones.⁷² The connections Chalmers built between both corporations and Bush house, with training and secondments, ensured that the staff of both held strong ties to the British model.

French policy was functionally different from the British approach. Unlike in Britain, where vernacular broadcasting was actively engaged with, French broadcasters focused on Francophone transmissions and remained centrally coordinated under the Societe de Radio-diffusion de la France d'Outre-Mer (SORAFOM). The larger difficulty was that, given the early and successful actions of the BBC, French language broadcasting 'was about 10 to 12 years behind the English language'.⁷³ The electric music pioneer, Pierre Schaeffer was the director of SORAFOM from 1954 to 1962, and saw this rapid broadcasting development in Africa as an opportunity for renewal that France itself had missed:

We could successfully create in Africa what we had been unable to create in France at the Liberation, a genuine public service adapted to the needs of the people, open to communication and participation.⁷⁴

Up until 1953, Radio Dakar was the only sizeable network in Francophone sub-Saharan Africa, yet after the *Loi Cadre* in 1956, SORAFOM undertook

three main activities: increasing the number of radios in Africa, producing magazine shows for Africa and training Francophone Africans. In this sense, 'there was a parallel between the political emancipation of Africa and the development of radio'.⁷⁵ Andre Tudesq posits that as listenership grew, broadcasting tapped into a broader oral tradition, and that it became increasingly 'culturally africanized' as an authentic mass media with further reach than the printed press or television.⁷⁶ Enhancing the capacity to reach this audience was, then, crucial, and by the end of SORAFOM's most active period between 1955 and 1959, eleven countries possessed substantial 1 kw transmitters (as Radio Dakar had in 1953).⁷⁷ These were networks financed by France, which centralised the responsibilities for broadcasting, technical competencies and training specialists, but nonetheless developed a life beyond the state.

SORAFOM trained African broadcasters in France at the highly competitive 'Studio-Ecole' in Maisons-Laffitte near Paris, established in 1955.⁷⁸ This created a bond consistent with ideas of technocratic development. Graduates of the Studio-Ecole were encouraged to broadcast in the vernacular for African audiences, and to work towards the foundation of African stations. One graduate was Guy Robert, who led Radio-Tchad and created 'radio-clubs' in Niger. The intention was to create 'emancipation through education', and train a generation of journalists and broadcasters who internalised and practiced 'French values'. After Independence, independent radio stations sprang up in former French possessions. Mali, Senegal, Niger, Chad, Gabon and the Ivory Coast all developed their own services. Broadcasters were 'civil servants—if not always in name, certainly in their relationships to the rest of the state apparatus'.⁷⁹ Interestingly, this hints at another reason for the continued association of 'la Francophonie', with journalists and broadcasters trained by the Studio-Ecole shaping the media climate of newly independent African nations in 1960 and beyond.

After Independence, the priorities of broadcasters remained broadly similar, though the concerns of governments certainly shifted away from political control towards subtler influence and concepts of 'soft power'. Individual liberty, political equality and impartial justice remained the buzzwords of Britain's African representation, yet their continuing policies in South Africa and Rhodesia raised the spectre of hypocrisy: 'the Congolese are all too inclined to claim that we say one thing but do another'.⁸⁰ Writing in 1964, the British Embassy in Dakar related its experiences in trying to remind Senegalese people about the UK's activities, aims and values:

In such countries [Senegal and Mauritania] it is harder than in most to separate information activities from general diplomatic and representational work and to separate information policy from the broad question of Anglo/French relations in Africa. Information policy is thus more than ever the handmaid of British political, commercial, economic and cultural objectives in Anglophone Africa and indeed in Africa as a whole.⁸¹

The report pointed out that not all were aware of the UK, and even the ‘average educated African adult’ bore some mark of a ‘French education’: namely, a misapprehension of the role of the monarch and a tendency to view the UK as ‘old fashioned’.⁸² Reviews from Brazzaville in 1963 praised the fact that information efforts had reduced the ‘tendency to lump all white men together as French or Belgian’.⁸³ Interestingly, those Senegalese that engaged with British attempts to promote their image overseas showed greater interest in the UK as a link to other Anglophone African nations, rather than as a partner in and of itself. This in turn highlighted the potential for vernacular broadcasting across former imperial boundaries. Overall, reports hopefully submitted that there was a lingering ‘respect for Britain’, and that the Commonwealth remained an attractive partner.⁸⁴ This gives us some sense of the tussling with France that emerged after Empire, yet also the ways in which networks and connections created under colonial control persisted. The post-colonial influence of French and British external representation in Francophone Africa drew upon the vernacular of empire even as it reflected difference between the two powers.

The post-colonial character of this competition can be seen in the relative experience of British broadcasting in French to Europe, as opposed to Africa. During this period British information expenditure in France was built back up from 1960 to 1965, after having been eroded significantly during the 1950s. Indeed, in 1957, *Le Monde* had reacted to British proposals to dial down its broadcasting to Western Europe as symptomatic of

the illusion, very prevalent in Great Britain, that European countries are ‘necessarily’ friends and that it would be superfluous to give these countries a clearer idea of the attitude of the British government.⁸⁵

This illusion was perhaps shattered by the French veto of British entry into the European Community in 1963, highlighting that there was an important need to build a case for British candidacy. From 1965, British efforts

to promote the country for European candidacy began to alter what was a rather lowly valuation of British culture in France itself. A.M. Palliser, of the British Council, lamented that:

French knowledge of modern Britain is sadly incomplete. It is coloured by the teaching of French history in the schools and the erstwhile popularity of Dickens, and is limited by an excessive preoccupation with things French. The image of 'la vieille Angleterre' dies hard. It was fostered under de Gaulle.⁸⁶

In the early 1960s, it seemed the Commonwealth and emerging African nations were greater priorities for external representation in vernacular languages, while Europe remained surprisingly marginal. The timing of these concerns about external representation in France (and Europe) highlighted the process through which Britain found itself a role in the late 1960s, turning away from Empire towards European integration as a new means to 'assert an independent role on the international stage'.⁸⁷

External representation during this period had a dual effect on this imagined market. On the one hand, it maintained the value of this 'national asset' by ensuring that it was not undercut by close competitors. Yet it also showed that the vernacular of empire echoed through connections beneath the level of the state in the experts and expertise cultivated during Empire. During the era of the Late Colonial State, blurred lines of sovereignty, the involvement of outside actors, and trans-imperial connections all meant that transnational broadcasting (such as the Hausa service) represented an innovative investment in a rapidly changing marketplace. The result of this prominence during turbulent times was the cultivation of tangible legacies beneath the level of the state. As Carla Heath noted: 'public or state broadcasters in Africa have typically associated themselves with the public service traditions of their former colonial masters'.⁸⁸ This arose from the developmental influence of vernacular broadcasting, and the direct training of broadcasters by the BBC or by SORAFOM, as shown in the example of Tom Chalmers in Tanganyika, or in the graduates of the Studio-Ecole such as Guy Robert. British and French 'public service traditions' survived both through this embodied heritage and also the maintenance of an active broadcasting presence.

IV

Interestingly, this narrative of Britain's engagement with Francophone Africa after decolonisation can be used to challenge traditional narratives of decline, and contribute to the conversation surrounding 'declinism' as

a pervading rhetoric of British political vocabulary. Here we have Britain presenting itself as an innovative nation using an established network of tools that had previously been utilised in service of Empire. In the renewed context of decolonisation, BBC External Services gave an interesting outlet for Britain's overseas representation, yet crucially an independent voice as demonstrated in the defiant language of Tangye-Lean. Echoing the conclusions of English and Kenny, this reflects the plurality of British culture that undermines 'the broad stroke declinist style of analysis'.⁸⁹

John Darwin described one vision of Empire as 'a hotch-potch of independent, semi-independent and dependent countries, held together not by formal allegiance to a mother country but by economic, strategic, political or cultural links that varied greatly in strength and character.'⁹⁰ Replace 'countries' with 'journalists' and he might well have been talking about the BBC. Essentially, in Tangye-Lean's speech, we have the BBC External Services offering a counter to the 'Conservative policy of deterrence and limitation evident between 1952 and 1964' and echoed in the broadcasting reviews of this era.⁹¹ The long-standing editorial independence of the External Services gained a cumulative effect, accentuating the ability of the BBC to present 'British values' overseas, and folding into a broader 'field of trust'.⁹² This relied on the defence of that editorial independence at home and abroad, but also the defence of these vernacular services by people such as Tangye-Lean. By fighting against attempts to reshuffle the deck every couple of years during broadcasting reviews, this overseas representation work was able to foster a lingering entanglement with new African nations, and to protect the value of its assets in these marketplaces. This is reflected in comments from the Overseas Development Institute, who railed against Government attempts to constrain BBC World Service in the Beeley Report and its predecessors:

We believe that the Report underestimates Britain's responsibilities to those two-thirds of the world's population living in poverty, and hence the contribution we could be making to an outward looking Europe and North America. In a world which is becoming increasingly inter-dependent and in which the discrepancy between wealth and poverty is causing great tensions, this is no time to cut down the capacity of our international effort in a critical and sensitive area. Nor will such a role elicit the best sense of service from this country; Britain is not and never has been a nation of shopkeepers.⁹³

This reaction went on to stress firstly the explicit aims of the organisation but also an understanding that value was measured in more meaningful

metrics than money. In particular, it supported the concept that expanding Britain's short-term engagement in overseas development would serve Britain's long-term interests by cultivating an emergent market.

The intention of this chapter has been to accentuate that overseas representation was an important facet of British activities, that it extended beyond the 'Anglo world', and that it relied on an interesting plurality of ideas and services often conceived of in the language of the market. It did so not only in monetary terms but in a broader language relating to an understanding and maximisation of cultural value. Britain's engagement with Francophone Africa (both in French and Hausa broadcasts) showed an awareness of the language of development and focused on innovative and nuanced attempts to cultivate economic and cultural influence overseas. The emergence of this Francophone and vernacular broadcasting in Africa in the late 1950s and 1960s was not an attempt to fight decolonisation or to prevent the end of empire. Rather, it was an ongoing attempt to develop relationships and imagine new markets for a national asset.⁹⁴ When this marketplace became crowded, the BBC needed to see off the competition and provide innovative offerings which built on the accrued cultural value of development broadcasting. This was ensured a long after-life by the training of broadcasters, as seen both with the BBC and SORAFOM. By inculcating broadcasting traditions amongst those who worked alongside BBC staff, receiving training and exercising a reciprocal impact at Bush House, the ongoing value of that national asset was bolstered by maintaining its prestige and inspiring emulation in newly independent states. This vital task, according to Gerard Mansell was 'one of Britain's relatively unnoticed invisible exports'.⁹⁵

NOTES

1. J. Nye, 'Public diplomacy and soft power', *Annals of the American Academy of Political and Social Science*, 616 (2008), pp. 94–109.
2. G. Mytton, '40 years of broadcasting in African languages from London', *Africa Bibliography*, vol. 1996 (1997), p. viii.
3. A. Webb, *London calling* (London, 2014), p. 92.
4. S. Potter, *Broadcasting empire* (Oxford 2012), p. 224.
5. J.F. Wilkinson, 'The BBC and Africa', *African Affairs* 71 (1972), pp. 176–185 at p. 176.
6. A. Appadurai, *Modernity at large: cultural dimensions of globalization* (Minneapolis, MN, 1996), p. 31

7. 'Britain's role in the world: a BBC external services view', 7 Apr 1976, p. 2, Caversham, BBC Written Archive Centre (BBCWAC), E40/378/1.
8. M. Daunton, 'The future direction of British history: thinking about economic cultures', *History Workshop Journal*, 72 (2011), pp. 222–239 at pp. 230–232.
9. 'Britain's role in the world', p. 2.
10. Quoted in M. Thomas and A. Thompson, 'Empire and globalisation: from 'high imperialism' to decolonisation', *International History Review*, 36 (2014), pp. 142–170 at p. 146.
11. For a discussion of the Hill review (1957), see G. Mansell, *Let truth be told* (London, 1982), pp. 233–240.
12. A Skuse, 'Communication for development and public diplomacy', in Marie Gillespie and Alban Webb eds., *Diasporas and diplomacy: cosmopolitan contact zones at the BBC World Service (1932–2012)* (London, 2013), p. 207.
13. The BBC External Services worked alongside the British Council and the Board of Trade in Britain's External Representation. The three together comprised the scope of Britain's efforts, though this chapter focuses particularly on the BBC. The concept of 'cultural value' is informed by the 'Cultural Value Project' led by the Open University. See, M. Gillespie, S. Bell et al., 'Understanding the changing cultural value of the BBC World Service and the British Council' (Swindon, 2014). On the relationship between the BBC External Services and British governmental authority, see A. Webb, 'Constitutional niceties: three crucial dates in Cold War relations between the BBC External Services and the Foreign Office', *Historical Journal of Film, Radio and Television*, 28 (2008), pp. 557–567.
14. Gillespie, Bell et al., 'Understanding the changing cultural value of the BBC World Service and the British Council', p. 2.
15. Radio played an important part in fostering the 'afterlife' of Empire in personal connections. Bailikin describes how the lives and experiences of overseas students in London were related back to their home countries throughout the 1940s and 1950s, citing in particular the BBC's *Calling Nigeria* programme. J. Bailikin, *The afterlife of empire* (Berkeley, CA, 2013), pp. 103–106; Matera also discusses the importance of BBC broadcasts to Africa and the Caribbean during wartime to 'maintain loyalty and support', and stresses how the expansion of African services allowed the BBC to broadcast a connection to the 'movements and triumphs' of black culture in London. M. Matera, *Black London* (Oakland, CA, 2015), pp. 138, 158.
16. 'Britain's role in the world', p. 4.
17. Webb, *London calling*, pp. 42–44.
18. *Ibid.*, p. 181.

19. L. Tickner, "Export Britain": pop art, mass culture and the export drive', *Art History*, 35 (2012), pp. 394–419 at pp. 400–401.
20. George Wigg, 'Memo on Beeley Report', 3 Jan 1967, London, The National Archives (TNA), FCO164/720.
21. For a discussion of 'duty' as it faced up to changing times at the end of empire, see C. Jeppesen, "Sanders of the River, still the best job for a British boy": recruitment to the Colonial Administrative Service at the end of empire', *Historical Journal*, 59 (2016), pp. 469–508.
22. E. Tangye-Lean, 'Information after imperialism', pp. 6–7, BBCWAC E2/655/1.
23. *Ibid.*, p. 7.
24. Quoted in A. Briggs, *The history of broadcasting in the United Kingdom*, Vol. 5 (Oxford, 1995), pp. 711–712.
25. Thomas and Thompson, 'Empire and globalisation', p. 146.
26. C. Armour, 'The BBC and the development of broadcasting in British Colonial Africa, 1946–1956', *African Affairs*, 83 (1984), pp. 359–402 at p. 359.
27. *Ibid.*, pp. 369–376.
28. C. Riley, 'Monstrous predatory vampires and beneficent fairy-godmothers: British post-war colonial development in Africa' (unpublished PhD thesis, University College London, 2013), p. 197.
29. J. Beresford Clark, 'The B.B.C.'s external services', *International Affairs*, 35 (1959), pp. 170–180 at p. 180.
30. Wilkinson, 'The BBC and Africa', p. 179. Chalmers also produced a pamphlet outlining the aims and experiences of establishing the NBC, see Tom Chalmers, *Our broadcasting service* (Lagos, 1952).
31. Wilkinson, 'The BBC and Africa', p. 179.
32. Likewise, key to maintaining the audibility of the BBC after independence in Africa was investment in infrastructure and transmitters, as the BBC correctly estimated that fewer African networks would retransmit BBC signals after independence. See Mansell, *Let truth be told*, pp. 243–236.
33. Mytton, '40 years of broadcasting in African languages from London', p. x.
34. Webb, *London calling*, p. 92.
35. Wilkinson, 'The BBC and Africa', p. 182.
36. 'BBC Hausa Service Report', 31 Mar 1967, BBCWAC E2/656/1.
37. A. Abubakar, 'British public diplomacy: a case study of the BBC Hausa Service' in R. Mirchandani and A. Abubakar eds., *Britain's international broadcasting. CPD perspectives on public diplomacy* (Los Angeles, CA, 2014), pp. 31–49.
38. 'Competitive Broadcasting in French to Africa', May 1964, BBCWAC E68/17/1.

39. 'Francophone Africa', May 1964, BBCWAC E68/17/1.
40. 'BBC External Broadcasting Audience Research Report: French Language Service Survey for 1963', BBCWAC E68/17/1.
41. 'BBC Hausa Service Report', 31 Mar 1967, BBCWAC E2/656/1.
42. Ibid. This likewise built on the success of the BBC in 'correcting false impressions and rumours in times of civil disturbance' (with the active support of the Colonial Office) following riots in Accra in February 1948. Quoted in Armour, 'The BBC and the development of broadcasting in British Colonial Africa', p. 363.
43. 'BBC Hausa Service report', 31 Mar 1967, BBCWAC E2/656/1.
44. Clark, 'The B.B.C.'s external services', p. 174.
45. For a discussion of British aid and development policy during this period see Riley, 'Monstrous predatory vampires and beneficent fairy-godmothers'; C. Riley, 'Winds of change are blowing economically: the Labour party and British overseas development, 1940s–1960s', in A. Smith and C. Jeppesen eds., *Britain, France, and the decolonization of Africa: future imperfect?* (London, 2017), pp. 43–61; P. Kelemen, 'Modernising colonialism: the British Labour movement and Africa', *Journal of Imperial and Commonwealth History*, 34 (2006), pp. 223–244; M. Lynn ed., *The British empire in the 1950s: retreat or revival?* (Basingstoke, 2006); W. R. Louis and R. Robinson, 'The imperialism of decolonization', *Journal of Imperial and Commonwealth History*, 22 (1994), pp. 462–511.
46. A. Skuse, 'Communication for development and public diplomacy', p. 194. On the porosity of borders between Francophone and Anglophone Africa see J. Warson, 'Protecting empire from without: Francophone African migrant workers, British West Africa and French efforts to maintain power in Africa, 1945–1960', in Smith and Jeppesen eds., *Britain, France, and the decolonization of Africa*, pp. 156–171.
47. 'The overseas information services', 248.H.L., 5s., 26 Mar 1963, cols. 69–79.
48. Webb, *London calling*, p. 75.
49. Graham Mytton, 'The BBC and its cultural, social and political framework', *Historical Journal of Film, Radio and Television*, 28 (2008), pp. 569–581 at p. 572.
50. 224.H.L., 5s., 21 Jun 1960, cols. 399–402.
51. Tangye-Lean, 'Information after imperialism', p. 4.
52. Jan S. Prybyla, 'Communist China's economic relations with Africa 1960–1964', *Asian Survey*, 4 (1964), pp. 1135–1143.
53. R. Morin-Allory, 'La Chine parle aux Africains: L'appareil médiatique de Pékin', *Outre-Terre*, 4 (2011), pp. 43–71 at p. 54.
54. Ibid., p. 60.

55. Mytton, '40 years of broadcasting in African languages from London', p. ix.
56. Tangye-Lean, 'Information after imperialism', p. 5.
57. 'Hostile radio propaganda to Africa south of the Sahara', Jul 1963, BBCWAC E68/17/1.
58. Camara, *His master's voice*, p. 104.
59. 'Hostile radio propaganda to Africa south of the Sahara'.
60. See H. Parr, 'Britain, America, east of Suez and the EEC: finding a role in British foreign policy, 1964–1967', *Contemporary British History*, 20 (2006), pp. 403–421; Ashley Jackson, 'Empire and beyond: the pursuit of overseas national interests in the late twentieth century', *English Historical Review*, 123 (2007), pp. 1350–1366; J. Darwin, *Unfinished empire: the global expansion of Britain* (London, 2012); R. Irwin, 'Decolonization and the Cold War', in A. M. Kalinovsky and C. Daigle eds., *The Routledge handbook of the Cold War* (London, 2014), pp. 91–104.
61. Stoler describes the 'blindness' in colonial accounts which elides what might today seem jarring or unjust. Billig's notion of 'banal nationalism' is perhaps useful here as a means of understanding how the 'broadcasting traditions' of the BBC or SORAFOM constituted a sort of 'flagging' of the nation. This sort of flagging is further explored by Edensor, who (after Goffman) described this everyday performance of national identity as resulting from the embodied habits reflected from national communities. See Ann Laura Stoler, *Along the archival grain: epistemic anxieties and colonial common sense* (Princeton, NJ, 2010), p. 3; Michael Billig, *Banal nationalism* (London, 2004), pp. 93–127; T. Edensor, *National identity, popular culture and everyday life* (Oxford, 2002), pp. 88–98.
62. M. Gillespie, A. Webb and G. Baumann, 'Broadcasting Britishness: strategic challenges and the ecology of overseas broadcasting by the BBC', *Historical Journal of Film, Radio and Television*, 28 (2008), pp. 453–458 at p. 455.
63. L. Mbogoni, *Aspects of colonial Tanzania history* (Dar es Salaam, 2013), p. 112.
64. *Ibid.*, pp. 113–114.
65. Wilkinson, 'The BBC and Africa', pp. 176–185.
66. M Gillespie and A. Webb, 'Corporate cosmopolitanism', in Gillespie and Webb eds., *Diasporas and diplomacy*, pp. 1–20 at p. 9.
67. S. Potter, 'The colonisation of the BBC: diasporic Britons at the BBC external services, c.1932–1956' in Gillespie and Webb eds., *Diasporas and diplomacy*, pp. 40–56 at p. 40.
68. A. Pinkerton, 'The BBC in South Asia: from the end of empire to the Cold War' in Gillespie and Webb eds., *Diasporas and diplomacy*, pp. 140–155 at p. 140.

69. Mytton, 'The BBC and its cultural, social and political framework', p. 572.
70. Mbogoni, *Aspects of colonial Tanzania history*, p. 113–114.
71. Wilkinson, 'The BBC and Africa', p. 180.
72. Mansell, *Let truth be told*, p. 247.
73. B. Sternberg-Sarel, 'La radio en Afrique noire d'expression française', *Communications*, 1 (1961), pp. 108–126 at p. 112.
74. J. Landau, 'Le Passé de l'Afrique à la radio', (unpublished thesis, Université Panthéon-Sorbonne, 2012), p. 29.
75. Sternberg-Sarel, 'La radio en Afrique noire d'expression française', p. 109.
76. Tudesq particularly noted the difference between 'class media' and 'mass media' in gaining a wide audience and having a notable cultural influence. A. Tudesq, *La radio en Afrique Noire* (Paris, 1983).
77. Sternberg-Sarel, 'La radio en Afrique noire d'expression française', p. 110.
78. In 1957, there were only seventeen students admitted out of 400 applicants. Landau, 'Le Passé de l'Afrique à la radio', p. 28; Sternberg-Sarel, 'La radio en Afrique noire d'expression française', p. 110.
79. C. Stirling ed., *Encyclopedia of radio*, vol. 1 (London, 2003), p. 29.
80. Annual Information Report from British Embassy in Leopoldville. 27 May 1964, BBCWAC E68/17/1.
81. Annual Information Report from British Embassy in Dakar. 3 Jun 1964, BBCWAC E68/17/1.
82. Ibid.
83. 'Information policy report for the Congo (Brazzaville)', BBCWAC E68/17/1.
84. Annual information report from British Embassy in Leopoldville. 27 May 1964, BBCWAC E68/17/1.
85. Quoted in Mansell, *Let truth be told*, p. 235.
86. Letter from A.M. Palliser (British Embassy) to John Peck (Information Research Department), 28 Jan 1970, TNA, FCO26/583.
87. H. Parr, 'Britain, America, east of Suez and the EEC', p. 405.
88. C. Heath, 'Regional radio: a response by the Ghana Broadcasting Corporation to democratization and competition', *Canadian Journal of Communication*, 26 (2001), pp. 89–106 at p. 91.
89. R. English and M. Kenny, 'Decline or declinism?', in English and Kenny eds., *Rethinking British decline* (London, 1999), pp. 279–298 at p. 291.
90. J. Darwin, *The end of the British Empire: the historical debate* (Oxford, 1991), pp. 3–4.
91. R. Owendale, 'The end of empire' in English and Kenny eds., *Rethinking British decline*, p. 259.
92. Thomas and Thompson, 'Empire and globalisation', p. 146.

93. ODI press statement, 5 Aug 1969. Retrieved from: <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6532.pdf>. Accessed 12/02/14.
94. Smith and Jeppesen, *Britain France and the decolonization of Africa*, pp. 12–14.
95. Mansell, *Let truth be told*, p. 247.



Constructing Colonial Capitalism: The Public Relations Campaigns of Hong Kong Business Groups, 1959–1966

David Clayton

From the mid-1970s, neo-liberals used Hong Kong to showcase the benefits of free markets, a world system for allocating scarce resources and for delivering growth with equity. Before such a view became pervasive, the dominant image of this British colony was of a crass and corrupt form of capitalism. Hampton attributes these ways of imagining markets to particular actors such as journalists and novelists.¹ This chapter takes a different approach. It shows how imagery can be traced to social groups deploying rhetoric in their struggles over the rules regulating exchange. The chapter describes two groups: producer interests in Britain, who constructed Hong Kong as a crass and corrupt version of Chinese capitalism; and business groups in Hong Kong, who countered negative imagery by presenting Hong Kong as a developing economy that deserved preferential trading rights, most notably tariff-free access into consumer markets in the UK.²

The starting point for analysis is the signing in 1959 of an inter-industry deal to restrict the growth of exports of cotton textiles to the UK. The

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chapter ends in 1966, when the Hong Kong Government put public relations on a permanent footing with the establishment of a trade development council. As in depression-era America, where modern public relations took root in opposition to the New Deal, business groups in Hong Kong engaged in collective marketing in response to a crisis: the rise of protectionism overseas.³ Aided by an expanding public relations sector in the UK, they built new imperial social and political networks.⁴ The chapter is divided into five sections. The first traces the rise of protectionism in Britain, the source of negative portrayals of Hong Kong. The second details how Hong Kong business groups mobilised to wage propaganda wars against protectionists. The third considers how investment in public relations led to debates amongst Hong Kong elites regarding who was entitled to represent the colony overseas—Chinese or Western merchants. The fourth argues that investment in public relations was wasteful, unable to affect commercial policy formation. The final section provides a summary.

I

In the mid-nineteenth century, Hong Kong became an entrepôt for the China trade. Merchants from China and from around the world located to the city to transact, supported by British commercial and criminal law. Foreign exports of manufactures to China increased, but from the early twentieth century Chinese firms competed against imported goods, a process of import substitution industrialisation that led to Shanghai, Tianjin and Hong Kong becoming major centres of modern industrial production. Hong Kong's place in this new Chinese industrial order changed in the early 1930s when China regained autonomy over commercial policy and imposed tariffs on imports from Hong Kong.⁵ From this point, the industrial development of Hong Kong relied on world markets, where Hong Kong exports competed with those from Japan, the first modern Asian industrial nation. In this struggle, Hong Kong firms benefitted from imperial preference. In the early 1930s, in response to Britain's abandonment of global free trade, British and Commonwealth governments entered into a series of treaties to create a protectionist bloc. From the late 1940s, once wartime import controls in Britain were removed, this system of imperial preference enabled Hong Kong exporters to penetrate UK markets for low-cost manufactures, gaining an advantage over other Asian producers. In the period of study, Hong Kong was dependent on a select

range of markets, most notably the USA and the UK. This foreign trade, which provided a livelihood for millions of Hong Kong residents, concentrated on a narrow range of lines: the UK bought low-cost cotton cloth and garments, cheap footwear, such as rubber trainers, throwaway plastic toys, and entry-level electronic goods such as torches and transistor radios.

British export merchants based in Hong Kong were important cogs in the international supply chains bringing such low-cost products to the UK. These firms co-ordinated production and distribution with small-scale Chinese-owned factories, making sure that products catered to the tastes of consumers overseas. Merchants sold these goods on to wholesalers and retailers nurturing 'long standing relationships' up and down the supply chain.⁶ Merchants such as Jardine Matheson, Butterfield and Swire, Gilmans and Dodwells co-ordinated Hong Kong–UK trade. In the face of a protectionist backlash, it was these companies operating via the Hong Kong general chamber of commerce (henceforth the chamber) that first pooled resources to invest in commercial public relations. This protectionist backlash began in Lancashire because Hong Kong's industrial dynamism was based primarily on the export of low-cost cotton textiles and clothing.

From the mid-1950s, the British cotton textile industry, a large employer based primarily in Lancashire, was facing competition from industries in Hong Kong, India and Pakistan, all of which enjoyed tariff-free entry into the UK. The industry persistently argued that it was disadvantaged relative to its competitors in Europe and North America, which enjoyed tariff and/or quota protection on imports from the Asian Commonwealth. The UK had the most liberal regime with respect to imports from Hong Kong, followed by the USA. France, by contrast, was protectionist, using import quotas to contain the competitive threat from Hong Kong: this probably explains why the Federal Republic of Germany imported fifteen times more Hong Kong goods by value than France, an economy of comparable size.⁷

In the late 1950s and early 1960s, Conservative governments provided financial support to the British cotton textile industry, most notably via a generous package of subsidies to scrap excessive capacity, and they encouraged industrialists in Lancashire to negotiate intra-industry agreements to control the growth of exports, providing diplomatic backing for the 1959 Lancashire Agreement which ended free trade between the UK and Hong Kong in cotton textiles.⁸ In the late 1950s and early 1960s, the British Government could not unilaterally impose tariffs or quotas on imports

from Hong Kong because this would have threatened the viability of imperial preference. This system of rules governing trade with the colonies provided Britain with cheap foodstuffs and raw materials and many British sectors still depended on colonial and Commonwealth markets. Imperial preference also had symbolic value, indicating that Britain was an independent global power. Imperial preference was nonetheless a diminishing asset for Britain, and, from the mid-1950s, British Conservative governments attempted to broker free-trade pacts with fast-growing European countries; they also sought to enter the European Economic Community (EEC), a customs union. Entry into Europe, however, required Britain to modify special trading relationships with its colonial dependencies and members of the Commonwealth.

The most important shift in British post-war commercial policy occurred in 1961, when the Conservative Government entered into negotiations to join the EEC. From Hong Kong's perspective, EEC enlargement endangered tariff-free entry of Hong Kong goods in the UK.⁹ Britain could in theory have secured for Hong Kong associate membership of the EEC, guaranteeing Hong Kong exports tariff-free entry into European markets, but textile industrialists vehemently opposed this settlement. A more likely scenario was that, on Britain's entry into Europe, Hong Kong's free trade with the UK would end, cushioned by a transitional arrangement. Hong Kong did not have the productive capacity to seriously damage the cotton textile and clothing industries of Europe. Hong Kong was a small city state with limited supplies of labour, land and fresh water. This colony was, however, perceived as a gateway to China and Japan, and a gap in a new system of controls preventing these large-scale producers de-industrialising the West.

In the 1960s, governments in Europe and North America anticipating strong market and non-market competition from Asia used a variety of instruments to keep import penetration under control. Voluntary export restraint agreements and import quotas were deployed to stop Japanese exports from disrupting markets in Europe and North America.¹⁰ Governments also used embargoes and import quotas to restrict trade with Communist China, as the Chinese Peoples' Government had the capacity and the incentive (a chronic shortage of foreign currency) to dump products on world markets.¹¹ This global system of discriminatory controls was important because it built up support for a US-led project of managed re-globalisation; in effect, these bureaucratic controls spread the social costs of de-industrialisation through time.

Hong Kong was problematic for this system of regulatory capitalism because this colony was a free port, allowing capital, people and goods to move unfettered. Consequently, Hong Kong was a gap in the system of international controls. Industrialists worldwide believed that by locating in the colony unscrupulous merchants could exploit Hong Kong's special trading rights in overseas markets by trans-shipping goods made elsewhere in Asia. This thinking was intuitive. Hong Kong had been an important entrepôt for trade between China and the West since the mid-nineteenth century. Moreover, since the 1940s, Hong Kong had developed black and grey markets in gold and foreign currency.¹² This belief that Hong Kong merchants were unethical persisted despite the creation of effective regulations to govern the trans-shipment of exports via Hong Kong.

To gain duty-free entry into the UK (and other Empire and Commonwealth markets), Hong Kong-based merchants had to submit certificates issued by the colonial state or by authorised trade associations, declarations regarding the proportion of the product made in countries that had signed the Ottawa agreement.¹³ In the early to mid-1950s, these systems were not watertight—goods from Communist China and Japan were trans-shipped to Britain—but by the end of the decade these systems of accreditation were credible. Nevertheless throughout the early to mid-1960s, foreign producers distrusted these systems, believing that the colony was being used as 'a channel for entry of goods from other sources, such as China'.¹⁴ This misrepresentation was *the* spur for public relations, the first misconception that Hong Kong merchants had to address.¹⁵ In 1958, the Department of Commerce and Industry noted that one of its main aims with respect to trade promotion was to remove 'doubts' about the 'veracity' of its certification system.¹⁶ By 1962 this was crucial because any transitional system for prolonging free or low-tariff entry into the UK, emerging out of UK-EEC enlargement talks, was dependent on overseas industrialists and trade negotiators trusting that Hong Kong did not have the capacity to divert exports from China and Japan into world markets.

Demonstrating that Hong Kong was trading ethically was difficult because Hong Kong was simultaneously being tarnished by accusations of endemic bureaucratic corruption. In the UK, Ernest Thornton, a Member of Parliament (Labour: Farnworth, Lancashire), was a key source making this claim. In the late 1950s, Thornton demanded an independent commission to investigate bribery and corruption in the colony.¹⁷ Thornton's ace card was the case of Mountain Lead Mines Limited, a company owned

by Wheelock Marden, a prominent agency house. According to Thornton, William Keay, the superintendent of mines, had been convicted of receiving a bribe in return for issuing a mining licence, which was subsequently transferred to Mountain Lead.¹⁸ Thornton argued that this episode was symptomatic of a widespread problem. He noted that due to a ‘mad scramble for wealth’, corruption was endemic and had reached a ‘critical stage’ that threatened the ‘very stability of the colony’. Thornton tabled nineteen of the twenty-nine parliamentary questions on Hong Kong during the 1959–1960 session. Covering a wide variety of subjects, including utility prices and triad activities, his questions highlighted poor corporate and colonial governance in Hong Kong.¹⁹

Thornton had a political agenda: to protect the interests of his constituents who were dependent on the cotton textile trade. Thornton was the Secretary of the Rochdale Weavers and Winders Association and Vice-Chairman of the Amalgamated Weavers Association. He visited Hong Kong in 1958 as part of seven-week tour to study the textile industries of Pakistan, India, Hong Kong and Japan, organised by the International Confederation of Free Trade Unions and the International Federation of Textile Workers Association.²⁰ By 1964, he was the Labour Party’s chief spokesman on cotton textiles, and argued for the imposition of import controls to protect the industry from Commonwealth producers selling goods at ‘ridiculously low prices’.²¹ He claimed that Hong Kong was a ‘sweat shop’, ‘guilty of the most scandalous exploitation of labour’.²²

Thornton projected an image of a crass and corrupt form of Chinese capitalism in Hong Kong—an economic system that was not being guided by British values and rules. He demanded social reform and the imposition of labour laws to prevent the exploitation of Chinese workers; and he wanted tariff reform for Lancashire. The Trade Union Congress (TUC) backed this campaign. It had good intelligence on working conditions in Hong Kong, receiving reports from the Colonial Office. By the late 1950s, the organised labour movement in Britain was convinced that the hours worked in Hong Kong were the longest in Asia, and that social conditions were akin to those in nineteenth-century Britain. Trade unionists blamed poor working conditions on weak unions and a neglectful colonial state.²³ British workers, aided by progressive governments and trade unions, had gradually gained improved pay and conditions, including the eight-hour day and paid sick and holiday leave. Unionists sought to secure these benefits for Hong Kong workers, a regulatory form of colonial capitalism that would enable Hong Kong to converge with the West.

This discourse about crass and corrupt Chinese capitalism had deep roots. In the pre-war period Adelaide Anderson, Britain's first woman inspector of factories, retired to China, from where she wrote damningly of working conditions in Shanghai.²⁴ By the late 1950s, however, this image of crass and corrupt Chinese capitalism was much more powerful because producer interest groups propagated it. From the mid to late 1950s, the Cotton Board, an industry-wide lobby organisation for the British cotton textile industry, ran a marketing campaign that discouraged consumers from buying foreign goods.²⁵ In 1962, a splinter organisation, the Textile Action Group, disseminated propaganda posters, held demonstrations using slogans such as 'Three shifts in Hong Kong, no shifts here', created a 'white list' of firms that dealt exclusively in Lancashire-produced goods, raided stores in Oldham that were selling imported jeans and marched on London to petition Parliament.²⁶ These marketing campaigns had weak effects on consumer preferences. Hong Kong exports to the UK continued to grow, and most British consumers probably did not care about the geographic origins of their products, and even if they did (as was certainly the case in Lancashire), it is not clear that they could distinguish which ones were made in Hong Kong. Nonetheless, as the next section shows, this propaganda offensive stimulated demand within Hong Kong for a tit-for-tat response, for commercial public relations that conveyed positive images of the Hong Kong mode of capitalism.

II

As individual enterprises in Hong Kong undertook the 'hard sell', getting import merchants and retailers to place orders for goods made in the territory, business groups focused on the 'soft sell', dispelling misrepresentations of, or 'general ignorance' about, Hong Kong.²⁷ In 1959, the Chairman of the Hong Kong General Chamber of Commerce argued that his organisation had to present 'an accurate and favorable picture of Hong Kong in our most important markets'.²⁸ These merchants feared that misrepresentations would discourage import merchants based abroad from buying goods sourced in Asia. Merchants adjudged that 'buying habits' were not always 'dictated by purely commercial considerations'; they were also affected by ethical concerns, informed by hearsay about the origins of products. Business groups had to challenge the persistent view that Hong Kong was 'part of China' and that the colony was 'one large

textile mill' employing 'sweated labour'.²⁹ From the perspective of Hong Kong merchants, negative images had to be countered; they risked losing orders otherwise.

From 1958 Hong Kong business groups used their subscription income and special levies to engage public relations consultations overseas.³⁰ This allowed business representatives to meet with politicians and business leaders, and it paid for such people to visit Hong Kong.³¹ The Chamber initiated this investment in collective marketing, and it commissioned Campbell-Johnson, a leading London-based public relations agency. This agency was experienced in handling colonial affairs. Its head, Alan Campbell-Johnson, had acted as Lord Mountbatten's press attaché in India during 1947–1948, and was a leading figure in the public relations industry, serving as President of the Institute of Public Relations from 1956 to 1957.³² To counter negative publicity, Campbell-Johnson gathered intelligence on the activities of the Cotton Board and the Textile Action Group, and the Chamber set up a public relations sub-committee to co-ordinate its propaganda campaign, drawing on the expertise of its members in Hong Kong.³³ The Chamber primarily represented British mercantile capital, but from 1960 Chinese industrial interests joined the campaign. In 1960, the colonial administration set up the Federation of Hong Kong Industries (henceforth the Federation), an umbrella organisation representing a myriad of trade associations. Led by Sik-nin Chau, whose role is described later, the Federation ran a joint public relations campaign with the Chamber. The Federation significantly increased investment in commercial public relations. It had an income from subscriptions of 425,000 Hong Kong dollars (HK\$), which was supplemented by special levies for public relations campaigns overseas, totalling an estimated HK\$725,000.³⁴ Although its Chairman, Chau, supported waging propaganda wars overseas, members were sceptical.³⁵ Selling Hong Kong, they noted, was 'vague' and 'controversial', the effects of which were difficult to 'evaluate'.³⁶ By the 1960s, the Federation proposed waging propaganda wars on three fronts—in the UK, the USA and Europe; it was planning to spend HK\$265,000 commissioning legal advisers to run a public relations campaign in the USA, and HK\$150,000 on similar activities in Europe.³⁷ These campaigns were approved because business elites received intelligence that governments and businesses in the EEC believed that Hong Kong was 'more than capable of taking care of itself' and thus undeserving of a UK–EEC settlement that would prolong Hong Kong's special trading rights as a British colonial dependency.³⁸

Although by 1962 the Chamber and the Federation had determined that Europe was the priority for investment in public relations, North America was Hong Kong's largest market and the Democratic-run administration, which had a close relationship with textile employers and unionists, most notably in New England, sought to establish an international rules-based system via the General Agreement on Trade and Tariffs (GATT) that would discriminate against low-cost exporters of textiles based in less developed countries by allowing the use of quotas to limit (but not completely curtail) the growth of international trade.³⁹ The political and economic significance of the USA to Hong Kong's position as an export-orientated newly industrialising economy led to debates within Hong Kong about how to improve the colony's information services in the USA. As a colony, Hong Kong relied on the British Government to represent its interests stateside. The rise of protectionism in the UK compromised this relationship. Hong Kong business elites were adamant that the British Government could no longer effectively represent Hong Kong trading interests. They therefore wanted the Hong Kong Government to expand its presence in the USA significantly. The Hong Kong Government refused. Its Department of Information Services argued that current activities, channelled through British Government information officers, were effective, and that expending resources on lobbying in the USA would be a 'waste of money'.⁴⁰ This decision frustrated business groups, and in 1962 the Federation and the Chamber joined forces to argue that Hong Kong needed a permanent representative in the USA.⁴¹ They requested a Hong Kong Government office in the USA, and public funding to pay for private missions to the USA and to recruit legal advisers to affect commercial policy formation in Washington.⁴²

By the early 1960s, Hong Kong business groups could not meet the rising demand for public relations in Europe and the USA from their own budgets. Consequently, they lobbied for additional resources from the colonial administration.⁴³ In 1962, the colonial administration agreed to raise the stamp duty on exports from 1% to 2%, a tax paid by all exporters, matched dollar for dollar with revenue from general taxation. The Government estimated that this fiscal settlement doubled investment in 'commercial' (i.e. non-government) public relations.⁴⁴ Surviving financial data show that business groups expended these resources in the UK and the EEC (not, as planned, in the USA). Their core aim was to ensure that Hong Kong was given 'favourable treatment' in UK-EEC talks.⁴⁵ In 1963-1964, three-quarters of the budget was spent in Europe. Business

groups paid for consultants (40% of the total budget), commercial representatives in Europe, Hong Kong businessmen to travel to Europe, and for journalists, politicians and business leaders to witness life in the colony.⁴⁶

Colonial bureaucrats were sceptical about this financial settlement, a de facto rent paid by all exporters enjoying the locational advantages of being based in Hong Kong. John Cowperthwaite, the Financial Secretary, perceived commercial public relations largely as a 'waste of money': his instinct was to reject the request for support.⁴⁷ Jock Murray, the director of information services, also had serious concerns about the effectiveness of business lobbying.⁴⁸ The Government needed a device to provide some oversight over privately organised propaganda wars paid for in part by the state. It therefore created a commercial public relations co-ordinating committee, an advisory board that brought together state agencies, such as the departments of commerce and industry and information services, the Chamber, the Federation and the Hong Kong tourist association, a statutory body that place marketed Hong Kong. Even so, this was an odd settlement. The best strategy for Hong Kong businesses was to diversify their product ranges and mix of markets, not to expend resources defending existing ones.⁴⁹ So why did Cowperthwaite support state funding of public relations? The simple explanation is that he had limited choice. The colonial administration depended on its relationship with business elites. The Executive and Legislative Councils comprised state bureaucrats and co-opted business and professional elites, and so did the Finance Committee, a sub-committee of the Legislative Council that approved government budgets.⁵⁰ Government records reveal that 'vigorous personalities', including William Knowles, a member of the Executive Council, and the manager of Butterfield & Swire, put pressure on the Financial Secretary.⁵¹ To ensure that an oligarchic political system continued to function, the Government granted private business groups considerable freedom to spend public money on overseas lobbying and place promotion.

Underpinning this temporary settlement was a hubristic belief held by elite businessmen that they could lobby overseas more effectively than the colonial state.⁵² Chau, the chair of the Federation, was particularly 'obstinate', highly critical of the Hong Kong Government's efforts to stop the erosion of Hong Kong's special trading rights overseas.⁵³ He demanded 'public' resources 'without strings' attached; the right to 'operate in any field of activity' he 'thought fit'.⁵⁴ The Chamber shared his distrust: it

believed that if the Government gave them ‘the money’, the private sector would do a ‘better job’.⁵⁵ Hugh Barton, a member of the Executive Council and the head of Jardine Matheson, agreed, arguing that a ‘businessman ... could make more of an impression and could secure entry through more important doors than could a civil servant’.⁵⁶ Business interests were unified against a common enemy, parsimonious and perfunctory colonial bureaucrats. A generous fiscal settlement for commercial public relations, however, soon led to divisions between business elites over who was to represent Hong Kong overseas.

III

Investment in public relations overseas created a problem for Hong Kong business groups: how would they choose leaders from within a business community to represent Hong Kong overseas? These spokespeople had to be ‘good speakers’ and ‘well acquainted’ with trade matters.⁵⁷ Men such as Barton were unsuitable. Hong Kong ideally had to portray an image of Chinese capitalism, and disassociate the territory from the stigma of colonialism. Barton, a British merchant, was the embodiment of colonial capitalism. The Hong Kong Association in London (henceforth the Association), a lobby organisation for Hong Kong-based firms, acknowledged that it was ‘highly important’ to include a ‘senior member of the Chinese community of Hong Kong’ in delegations to visit trade negotiators in Europe.⁵⁸ Commercial public relations needed Chinese leaders to promote Hong Kong as a base for émigrés who had escaped Communist persecution and entrepreneurs who had embraced the free market. As this section shows, there were two ideal candidates to present a positive image of Chinese capitalism: S.N. Chau and P.T. Tang. Neither, however, could commit sufficiently to the project of promoting Hong Kong overseas, and so British merchants led public relations campaigns, entrenching by default the image of a colonial form of capitalism.

Knighted in 1960, Chau, the Chairman of the Federation during 1961–1966, was the perfect figurehead. He had the requisite temperament; this ‘suave’, ‘astute’ man, blessed by an ‘effervescent smile’, had ‘vast energy’.⁵⁹ His credentials were excellent. He was a man of science, originally a medical practitioner, a graduate from the universities of Hong Kong and Vienna.⁶⁰ He had a deep concern for ordinary Hong Kong people, playing an active role in local charities, such as the Hong Kong Society for the Protection of Children, and hospitals such as the Ruttonjee

Sanatorium. He was credible, one of the ‘most successful’ Cantonese businessmen, with interests in cotton textiles and rubber footwear, real estate, banking and insurance.⁶¹ He propagated the benefits of free trade. In 1965, the Federation managed to secure a full-page feature article in *The Guardian*; authored by Chau, and entitled ‘Economic Miracle’, it sketched the history of Hong Kong’s industrialisation and noted how its industries were now diversifying out of textiles (good news for Lancashire) and how Hong Kong’s labour-intensive industries were allowing Britain to diversify its economy (good news for British consumers). His piece put across the case for undistorted prices allocating resources efficiently (free trade):

With the increasing recognition in the world of the need to accept an international division of labour, and with the current labour shortages felt in most industrialised countries, Hong Kong, at a point between the technologically advanced and the newly industrialising countries, had a bright future. Industrialists in the West who are losing their markets to lower-cost countries are turning increasingly to Hong Kong for the manufacture of those labour-intensive components which they are finding more and more difficult to produce in their own countries on account of cost or shortage of labour, they are thus enabled to bring down the overall cost of their products and remain competitive in world markets.⁶²

Chau was a Hong Kong stalwart. Born in the colony, he was, like his father who had been a close friend of the powerful Sir Robert Ho Tung, an extremely wealthy and well-connected man. In the 1960s he was the steward of the Hong Kong Jockey Club, and an unofficial member of the Executive and Legislative Councils. He had excellent international connections. His strengths, however, were also his weaknesses. At a time when industrial politics in Hong Kong were fraught due to the rise of protectionism overseas, he was a vital intermediary between the many Chinese business communities and the colonial state. He was needed in Hong Kong; and, in any case, his health was not robust enough for him to travel regularly.⁶³ During the early 1960s, Chau visited Europe only occasionally. He could not orchestrate a public relations campaign from overseas.

Tang was another ideal representative. He was the embodiment of the successful Chinese refugee entrepreneur; an escapee from communist China, he was heir to a successful textile business, the Ching Fong mill, in Wuxi. When Japanese troops captured the family business he moved to Shanghai, and in 1948 to Hong Kong. He owned South Sea Textile

Manufacturing, and he was a prominent member of the Hong Kong Spinners Association, a group of paternalistic employers offering fringe benefits and secure employment.

Tang was extremely active in commercial public relations, and it is highly likely that he was instrumental in the decision to commission 'Labour and Conditions of Work in Hong Kong', a report written and researched by Jack Chow. This was a faux social science survey based on interviews with twenty-eight workers at ten Hong Kong factories (a 0.3% sample!). This was a classic piece of counter-propaganda. According to labour officers, who knew the actual state of working conditions in Hong Kong, this 45-page report was 'uninformed and anything but impartial'. It covered in detail wage rates, trade unions, overtime, housing, apprenticeships, transportation and industrial safety, and presented plausible numbers that journalists could quote in their copy on labour conditions in Hong Kong. Crucially, Chow's language legitimised free labour markets, and thus challenged the view articulated by commentators such as Thornton that Hong Kong needed new and properly enforced labour laws. Chow observed that Hong Kong's industrial dynamism was based on 'enterprising industrialists from Shanghai' and 'freedom-loving and industrious common people', 'a gay and cheerful lot' who, because they had been 'scarcely influenced by [a] Western way of life', had maintained their 'traditional customs and creeds—and their own philosophy of life'.⁶⁴ This image of the contented Hong Kong worker was one that Tang, a paternalist employer, would have instinctively supported.

Such imagery, of the passive Hong Kong worker, was not restricted to pro-business propaganda. Janet Lacy, the Director of the Inter-Church Aid and Refugee Service, part of the British Council of Churches, who took part in a two-week mission to Hong Kong, reported on the 'cheerful way the people bear their extreme adversity', and how 'workers accept low wages and a very low standard of living with more or less equanimity'.⁶⁵ Lacy's report, sent to the TUC, probably reinforced an entrenched belief within the organisation that social relations of production in Hong Kong were exploitative. Chow's account, by contrast, sought to convey an image of a harmonious self-regulating form of capitalism.

Tang was the perfect person to propagate this benign view of labour markets in Hong Kong: he was a paternalistic employer, an MIT-educated cosmopolitan.⁶⁶ He also had a temperament for public relations, described by British board of trade officials as 'ruthless in business' but 'charming'.⁶⁷ Just like Chau, however, he could not commit to public relations full-time;

his talents were spread thinly.⁶⁸ Moreover, unlike British merchants, he did not have dense networks in Europe; his social capital was in the Americas, including Brazil where his family had business interests.⁶⁹

Without a Chinese figurehead overseas, business organisations sought to co-ordinate public relations via existing institutions. This proved problematic, however, because these were skewed towards British merchants. The Hong Kong Association, set up in 1958, represented British enterprises based in or trading with China. It sought to diversify its membership, to become an effective ‘force’ overseas, a vehicle ‘through which the Chinese in Hong Kong’ made ‘their voice known’: a chorus of ‘responsible industrial and commercial interests in the Colony’. Its Hong Kong branch was active, seeking to recruit local Chinese members. However, this attempt to indigenise this bridging organisation soon floundered. By 1966, of its 104 corporate members only four were Chinese. Instead of healing ethnic divides, the association opened them up. As John Kite, the secretary of the Chamber, acknowledged, this ‘racial’ divide was ‘the rock’ on which the association might ‘founder’; he feared wider repercussions if Chinese industrialists scapegoated ‘white faced General Committee’ men for having failed to protect Hong Kong’s trading interests.⁷⁰ These ‘white faced General Committee’ men were, of course, British merchants, operating through the Association. Although well-connected, these colonial capitalists were not the ideal figureheads to present a Hong Kong untainted by colonialism. Tang proclaimed: ‘I am a Hong Kong businessman and my future rests in this place’.⁷¹ Chau labelled his organisation Chinese.⁷² Tang and Chau embodied Chinese capitalism; British merchants did not—they were stigmatised by colonialism.

UK–EEC negotiations were discontinuous, and, after the French President Charles de Gaulle vetoed British entry in 1963, they were in effect suspended until the British Labour Government tried to secure entry into the EEC. This breathing space was useful for Hong Kong business interests. It gave Hong Kong industrialists the opportunity to diversify away from their reliance on UK demand, and Hong Kong business groups time to resolve inter-ethnic tensions over commercial public relations and to reconsider who would represent Hong Kong overseas. As Kite noted, Hong Kong could not be presented as a refuge for British merchants who once traded with the whole of China.⁷³ As Hugh Collar, the secretary of the Association, noted, Hong Kong’s key public relations strategy was to deliver ‘quiet reminders’ to ensure that the ‘position of Hong Kong’ was given ‘special consideration’ as commercial policy

formed.⁷⁴ The problem with this strategy was that it was British merchants that nudged trade negotiators. In October 1962, for example, a delegation from the Association, including Knowles, Kite and J.D. Clague, a director of the Wheelock Marden Group, met with M. Maurice Schumann, a French politician and confidant of de Gaulle, economist M. Pierre Uri, a former assistant to Jean Monnet, Comte de Campeaux, the former head of Banque de l'Indochina, and Pierre de Calan, the head of the French version of the Cotton Board.⁷⁵ No Chinese business representatives were present at these high-level exchanges. In 1964, this ethnic bias was institutionalised when Hugh Barton, rather than Chau or Tang, was sent to Brussels as Hong Kong's unofficial envoy.⁷⁶

Chau did not want white elites to represent Hong Kong overseas and so he secured the services of Chen Yih to represent Hong Kong's commercial interests in Europe.⁷⁷ Chen was a controversial appointment because he had held a number of semi-official posts in Taiwan. Hong Kong was neutral in the Chinese civil war, and the Hong Kong Government's policy was to avoid all contact with the Taiwanese regime. Moreover, Chen, unlike Tang and Chau, was not 'Hong Kong Chinese'. As Portuguese executive council member Dr A.M. Rodrigues noted, it was vital for those representing Hong Kong to 'feel and act "Hong Kong" no matter what nationality and culture'.⁷⁸ Chen did not fit this bill. His replacement, an adopted Hong Kong man, did. John Leckie, the appointee, had been born in Dalian, North China, spent his formative early years in Shanghai before being educated at Rutland, an English public school.⁷⁹ At the age of fifty, and employed by the union insurance society of Canton, Leckie was an ideal public relations man for Hong Kong. He had the energy to travel across Europe, which he knew well; he was a multilingualist and a paternalistic businessman, interested in the 'social problems' of Hong Kong. Unlike Chau and Tang, however, he was not ethnically Chinese (although he had been born in China). Along with Barton, Knowles, Kite and Clague he embodied, and thus entrenched, colonialism.

IV

The mobilisation of private and public resources for commercial public relations allowed prominent business leaders to travel overseas to represent Hong Kong interests; it also allowed journalists and politicians to be courted in Hong Kong. Public relations campaigns led to a sharp growth

in print and broadcast copy on Hong Kong.⁸⁰ These pamphlets and documentary films deployed standard tropes. Hong Kong became a place where ‘East meets West’ and where ‘laissez-faire’—that is, free markets supported by paternalistic employment practices—delivered growth with equity. Such images infused propaganda. As the last section noted, Chau’s *Guardian* article and Chow’s report were clever propagandist pieces that used these dogmas, and sought to turn carefully selected facts into truisms that challenged the notion that capitalism in Hong Kong was crass and corrupt. The primary purpose of commercial public relations was, however, to affect commercial policy. Is there any evidence that it worked? This section argues not.

As noted in previous sections, by the 1960s Hong Kong had acquired a reputation for corruption, in part due to the efforts of protectionists such as Thornton. This had serious implications on Hong Kong’s prospects for securing improved access rights to world markets. Although commercial public relations propagated first and foremost an image of Hong Kong as an ethical trader, its effects were weak. Despite years of defending Hong Kong’s accreditation system for exports, even in 1965 Hong Kong was still ‘accused by countries anxious to restrict our export of having no identity of its own: we merely exploited capital and labour and materials from other places to produce our exports’.⁸¹ Campbell-Johnson, the public relations firm appointed by the Chamber, lost its commission in part because it could not persuade Europeans of the veracity of Hong Kong’s system for controlling re-exports.⁸² Refuting claims of corruption and commercial immorality were a major focus for public relations campaigns, and yet the persistent view that Hong Kong business people were cheating on an international rules-based system to regulate trade in low-cost manufactures remained entrenched.

This was a major problem because this perception made it less likely that trade negotiations between the UK and EEC would maintain Hong Kong’s special trading preferences in overseas markets. Hong Kong eventually gained a reputation for incorruptibility, and this is one of the few positive legacies of British rule, but this new image stemmed from heavy investment in anti-corruption control measures, most notably the establishment of an independent commission against corruption. These changes did not begin until the mid-1970s. This failure of public relations to alter business and bureaucratic sentiments overseas may have had an unintended but beneficial effect for Hong Kong. It is possible that it made

European trade negotiators disinclined to include Hong Kong in any settlement with the UK concerning imperial trading relations post the UK's entry into the EEC. This may, at the margins, have delayed Britain's entry, and thus prolonged imperial preference. For Hong Kong this was a marginal gain, giving its industries slightly longer to adjust to life without free trade. To retain permanent preferential trading rights, Hong Kong needed to win over hearts and minds in the British Parliament, where MPs had the power to modify or vote down commercial treaties. In the 1960s, the impact of commercial public relations on British politics was, however, slight.

By the mid-1960s, due to heavy investment in wining and dining parliamentarians, there was an all-party committee to represent the interests of Hong Kong in parliamentary debates. The Association fed intelligence to this grouping of MPs in order to remind the Government that Britain had a legal and moral 'responsibility' to improve the livelihoods of Hong Kong people.⁸³ This lobby balanced parliamentary debates, which by the mid-1960s pitched the protectionist interests of Lancashire against free traders representing Hong Kong. It was, however, fundamentally weak. Despite financial backing from Hong Kong business groups, the lobby comprised a few Conservative and Labour MPs of minor status. Nigel Fisher (Conservative: Surbiton), for example, had only been a junior minister with responsibility for colonial matters in the Conservative Government (1962–1964). Working alongside Anthony Royle (Richmond, Surrey), these pro-Empire Tory politicians spoke on behalf of Hong Kong, complaining about British commercial policy towards Hong Kong and demanding that the British Government apply pressure on France and the USA to open up their markets to Hong Kong exports to aid two million refugees 'wholly dependent on the United Kingdom'.⁸⁴ In the 1960s, these were minority views. Although both political parties were divided over the merits of joining the European customs union, and thus changing Britain's economic relationships with its colonies and ex-colonies, mainstream opinion backed a retreat from empire and integration with Europe.⁸⁵ There was no emergent consensus that viewed Hong Kong as a newly developing country deserving of permanent special trading rights in the UK and European markets. In this situation, investment in commercial public relations was particularly wasteful, a transfer of income from Hong Kong to wine and dine MPs and journalists in the UK.

V

In the early to mid-1960s, Hong Kong business groups turned private lobbying into a public good, securing state sponsorship for commercial public relations. This ambitious scheme of collective marketing was wasteful. Despite having a large war chest, exploiting strong networks, recruiting leading public relations consultants and the commitment of prominent Chinese as well as British businessmen to promote Hong Kong, there is no strong evidence that private advocacy had strong effects on the behaviour of consumers or policy-makers overseas. Commercial public relations were also divisive, recruiting white men to embody Hong Kong, and in so doing entrenching a belief that capitalism in Hong Kong benefitted a select few colonialists.

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Un-Imagining Markets: Chambers of Commerce, Globalisation and the Political Economy of the Commonwealth of Nations, 1945–1975

Andrew Dilley

Markets do not exist in and of themselves. The key theme of this collection is that they are, rather, human creations¹. But in what sense are they imagined, and what specifically gives content to the imagination of markets? Is the analogy to the late great Benedict Anderson’s argument that nations are imagined communities apposite?² The forces combining to make a market are arguably laid bare when a market ceases to be imagined. This chapter draws on evidence from business associations and particularly chambers of commerce to chart the ‘un-imagining’ of the Commonwealth of Nations as a market in the late 1960s and early 1970s. It argues that this

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process of ‘un-imagining’ was inextricably linked to the erosion of any notion of the Commonwealth as a distinctive supra-national entity believed capable of some measure of economic governance against the backdrop of shifting patterns of economic globalisation. Thus, it seeks to emphasise the role of the state (broadly conceived) in the imagining and un-imagining of markets.

Much turns on how one defines a market, and in practice two meanings are frequently deployed. The first is the notion of a market as a body of consumers with broadly similar characteristics. Such a market may be defined through a combination of class, gender, ethnicity, culture, age, occupation and so on; in other words, through what Frederick Cooper has described as forms of ‘identification’ and ‘groupness’.³ A second, distinctive, usage is of the market as a site of exchange within which buying and selling takes place between producers and consumers: market *qua anqua agora*. This is a fundamentally different conception of a market as a field of exchange delineated by a distinctive set of institutions (a term defined by Douglass North as ‘humanly devised constraints that structure political, economic and social interaction’). Following North, we might suggest that such markets (*qua agora*) are constituted through the combination of ‘both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights)’.⁴

This chapter focuses on the second definition of market as a forum of exchange. Can these markets be conceived of as being ‘imagined’? Anderson was interested in the construction of the nation, yet for this meaning of market the actions of the state may be more significant. Such markets are the product of acts of economic governance as much as culture. This is not to say that that markets of this kind are not the result of acts of imagination, but that they are as much as anything founded upon acts of *political* imagination grounded in practices of governance and political culture. Up to but not beyond the 1960s, the Commonwealth was widely conceived of as a market in this second sense, as a site of exchange, *because* it was imagined to possess a distinctive political economy.⁵

The idea of that any form of Commonwealth political economy *ever* existed requires careful qualification.⁶ The inter-war British Commonwealth of Nations devolved autonomy and ultimately sovereignty to its constituent parts (movements embodied in the 1926 Balfour Declaration and the 1931 Statute of Westminster).⁷ Nonetheless, there remained the possibil-

ity of co-ordinated action on an economic level, symbolised for contemporaries in the 1932 Ottawa Economic Conference.⁸ Practices of shared policy-making existed, albeit on a piecemeal basis through the fragmented diffusion of similar legislation and loosely co-ordinated action through imperial conferences; along with continued expenditure by the British state on defence and communications.⁹ However, the central argument of this chapter depends not only on the admittedly sporadic levels of actual policy co-ordination, but also on the conception that the British Empire/Commonwealth of Nations was a meaningful level at which action might, and perhaps ought, to be taken. It was an idea that depended on two basic factors: a belief in a possibility of governance, that the Commonwealth was a level at which economic actions could be taken; and the existence of sizeable and/or growing intra-Commonwealth exchanges which made such action worth pursuing in the interests of facilitating, expanding or preserving significant volumes of trade and investment.

This chapter charts the demise of this idea of a meaningful Commonwealth political economy and hence the un-imagining of the Commonwealth as a market. Business elites provide a useful bellwether to map these changes. As Frank Trentmann has observed, businessmen operate daily at the intersection of economic transactions and state action. Their activism therefore offers a valuable (and often neglected) window into the constitution of political economy and the interplay between economic forces and interests and political culture.¹⁰ With this in mind, the chambers of commerce movement forms the focus of this chapter. Those engaged in commerce—acts of buying and selling—were closely concerned with the creation and modification of market institutions to facilitate trade, perhaps more directly than associations of manufacturers or producers. Moreover, the movement generated the longest lived and most widely pan-Empire–Commonwealth business association, the Federation of Commonwealth Chambers of Commerce (as it was eventually known). The association drew together from chambers of commerce across the Empire, but heavily concentrated in Britain and the old Dominions. Framed by the political culture of the old Commonwealth, the Federation sought to shape economic governance to facilitate trade. Through extensive and inclusive discussions it produced and sought to project a distinctive vision of Commonwealth political economy—it imagined the old inter-war Commonwealth to be a unit of governance and persisted in this through to the early 1960s. The imagining of the Commonwealth market

as demonstrated by the Federation's very existence rested on an idea of a Commonwealth political economy and of the Commonwealth as a political entity.

The Federation ceased activity in 1974. This chapter uses that change to highlight how changes in the global economy and in the politics of the Commonwealth undermined this attempt to imagine the Commonwealth as a market. First, the Federation's pre-1945 antecedents are outlined and a post-war revival is examined, showing how it was underpinned by the conception of the Commonwealth as a 'political entity'. Next, the advent of the 'new' expanded multi-racial Commonwealth which emerged during the 1950s and 1960s is considered, showing how the Federation adapted (at times reluctantly) in an attempt to maintain relevance and influence. We then consider the impact on the Federation of the project of European integration before finally locating the Federation's demise from the mid-1960s against a backdrop of shifting patterns of global trade which increasingly cut against a Commonwealth-level economic agenda necessarily increasingly focused on development.

I

Chambers of commerce emerged in the Atlantic and British worlds from the late-eighteenth century to bring together businessmen in particular localities to articulate shared interests and provide shared services. In contrast to their continental European counterparts, they are voluntary organisations. Each chamber represents a unique constellation of local interests. That said, prior to the mid-twentieth century they generally drew particular strength from merchants: from those engaged primarily in the import-export trades.¹¹ From the second half of the nineteenth century they began forming national and eventually supra-national umbrella bodies.¹² The Federation originated in a series of Congresses of Chambers of Commerce of the Empire which began in 1886. In 1911 a permanent executive, the British Imperial Council of Commerce, was formed to act on and pursue the resolutions of the triennial Congresses, and in 1926 the Council was re-named the Federation of Chambers of Commerce of the British Empire.¹³ Until 1939 the Federation drew together chambers of commerce in Britain, the 'old' dominions (including Ireland) and British expatriate chambers in the dependent Empire. The main task of Congress was to formulate resolutions on everything from imperial preference through to the desirability of adopting the metric system. The Federation's

permanent institutions pursued Congress resolutions, communicating with governments and politicians across the Empire–Commonwealth as well as with their constituent members and the press. A governing council composed of representatives of leading chambers oversaw these activities, which were taken forward by an executive committee that constituted the federation’s inner core. The Federation’s President was usually a member of the House of Lords. The Council’s Chair and Secretary (later Director) were drawn from the upper echelons of the London Chamber of Commerce, which provided the Federation with free office space and other financial subsidies (Fig. 1).¹⁴

The aftermath of war imparted an unprecedented coherence to the political economy of Empire. The system of imperial preferences agreed in Ottawa in 1932 persisted in part as an economic reality but also as a symbol of the possibilities of pan-imperial co-operation, notwithstanding

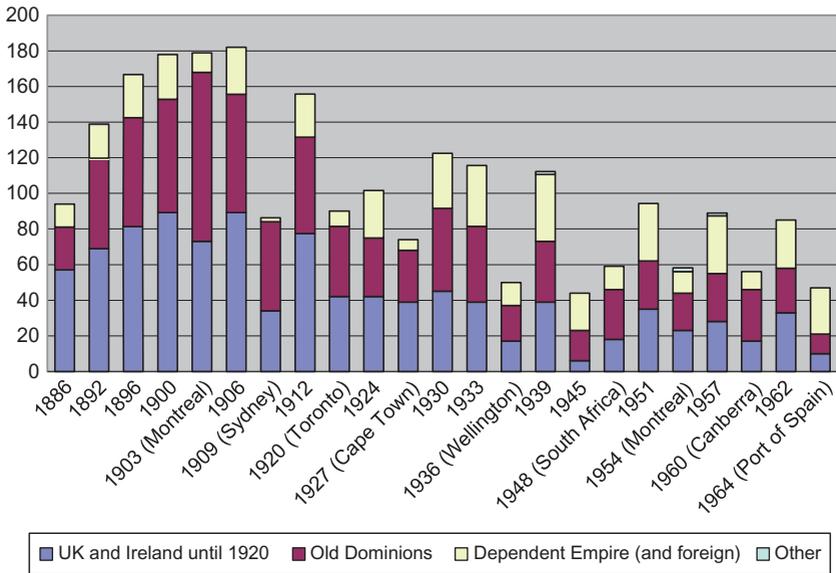


Fig. 1 Numbers of chambers represented at congresses of the Federation, 1886–1964. Source: compiled from *Chamber of Commerce Journal*, August 1886, July 1892, July 1896, and London Metropolitan Archive, Federation of Commonwealth Chambers of Commerce Papers, CLC/B/082/MS18287: *Reports of Congress Proceedings*, 1900–1972

American pressure on the system which was effectively frozen by the 1947 General Agreement on Tariffs and Trade (GATT).¹⁵ The Sterling Area (through which the currency earnings of sterling countries were pooled in London) also gave a coherence to Commonwealth trade (although the area excluded Canada). The area's dollar deficit generated incentives to boost sterling trade, substitute dollar imports and develop new dollar-earning exports.¹⁶

These forces gave renewed impetus to the Federation's pre-war project of imagining and shaping the Commonwealth political economy. While the Second World War had placed the Federation's activities in virtual abeyance, post-war conditions provided strong incentives to resume in order to consider the 'problems of post-war reconstruction from an Empire standpoint'.¹⁷ The Federation invited five delegates each from the UK, the Dominions, India and Southern Rhodesia to London to attend a conference in October 1945.¹⁸ Triennial Congresses resumed in Johannesburg in 1948.¹⁹ The categories under which Commonwealth political economy was conceived can be seen from the committees within the 1945 London conference: 'Imperial Commercial Relations', 'International Payments', 'Primary Production and Secondary Industry', 'Communications' and the 'Economic Development of the Colonial Empire'. These persisted essentially unchanged at subsequent Congresses until 1954 (see Table 1). Under each heading a plethora of resolutions were discussed and agreed, most requiring governmental action. Unsurprisingly, discussions of 'Imperial Commercial Relations' consistently reaffirmed 'emphatic' support for imperial preference.²⁰ From 1947 the GATT forbade (at the insistence of the USA) new preferential trading arrangements. Up to 1957 Congresses called for these constraints to be eased to allow a revision of the preferential trading system. The problems of international payments, the dollar deficit and sterling's convertibility were consistent themes. Development in the 'colonial empire' also attained a greater prominence than in the inter-war years. Finally, a plethora of fine-grained and practical recommendations emerged such as shipping delays, packaging, improved air communications, trade films and commercial education.²¹

An expectation that the Empire-Commonwealth constituted a meaningful unit of economic governance explicitly underlay these deliberations. The 1945 London Conference report stated that although the 'British Commonwealth of Nations' was 'divided by the sea' and composed of

‘States which are themselves each and severally sovereign’, this did ‘not deprive them of the right to lower the inter-State tariff walls which divide them’ since ‘the right to this is claimed by every political entity’.²² In 1948 the Congress compared ‘The trading system of the widespread British Commonwealth and Colonial Empire ... to that of the great domestic market of the United States’.²³ Evolving practices of intra-Commonwealth governmental consultation strengthened this perception that the Commonwealth was a ‘political entity’. Pre-war imperial conferences were being replaced by more frequent meetings between Commonwealth prime ministers and finance ministers, the latter not least to co-ordinate trade policy within the Sterling Area.²⁴

The Federation sought to inform policy-making within this ‘political entity’. From 1945 it resumed the pre-war practice of forwarding Congress resolutions to the relevant governments. Thus, it sent copies of the 1945 report to the UK Prime Minister, the Dominion and Colonial secretaries, President of the Board of Trade, Chancellor of the Exchequer, the press, MPs, peers, member chambers overseas (to send on to their own governments) and to the president of the United States.²⁵ As the London Chamber of Commerce’s journal explained, recommendations from the Congresses would not ‘always, or indeed usually, [lead] to immediate legislation, or directly cause major changes’, rather ‘they have helped to create the background of informed opinion’ within which policy was formulated.²⁶ The aspiration—however modest—to shape policy discussion made it important for the Federation to plausibly claim to provide a voice for Commonwealth business interests. In opening the 1951 Congress, Princess Elizabeth outlined the bases of that legitimacy when she praised two characteristics of the Federation: its ‘truly democratic structure’ and the fact that the federation was ‘a force which works towards unity in the Commonwealth’.²⁷ Yet as the political composition of the Commonwealth changed through the 1950s, and with it the focus of Commonwealth political economy, the Federation’s claim to legitimacy came under strain.

II

The inter-war British Commonwealth of Nations had been composed of Britain, the old Dominions, and India, all of which sent representatives to imperial conferences. The first wave of decolonisation in Asia expanded

the Commonwealth. The term 'British' was dropped in official communications, while in 1949 the Declaration of London allowed India to become a republic in the Commonwealth and based the monarch's status as head of the Commonwealth purely on the crown symbolising 'free association'.²⁸ Subsequently, the concession of independence increased the numbers of states attending Commonwealth meetings from eight (plus Southern Rhodesian observers) prior to the Second World War to eleven on the eve of South Africa's departure in 1961. The admission of Cyprus in the same year paved the way for a further dramatic expansion. By 1970 there were thirty-two members. The growing size alone combined with a far more politically and culturally diverse membership altered the politics of this 'new' Commonwealth. The possibilities of economic or geo-political co-ordination were eroded. By the 1970s the Commonwealth had become what Margaret Ball called an 'Open Commonwealth' reconceived to complement the regional and global affiliations of its expanded membership.²⁹

The ending of formal Empire and emergence of the new Commonwealth created pressure on the Federation to change if it was to reflect the transforming 'political entity'. At the 1951 Congress, the president, Lord Llewellyn, observed 'the Commonwealth has come to mean the self-governing parts of the Empire, and the Empire has come more and more to designate the Colonial Empire alone'.³⁰ The Federation adopted the revised title 'Federation of Commonwealth and British Empire Chambers of Commerce' in 1954 to allow for that then growing distinction and the 'susceptibilities' of newly independent Commonwealth members.³¹

Ireland's departure from the Commonwealth in 1949 tightened the Federation's connection to the Commonwealth as a constitutional entity.³² The Federation's council initially wished to find a means to retain the membership for the Association of Irish Chambers of Commerce. However, there were worries that if other Commonwealth countries later became 'foreign' while remaining within the Federation, its efforts to 'further the social and economic interests of the Commonwealth and Empire' would be 'rendered void by pressure from members who did not share the same ideals'.³³ In 1951 the Irish Association rejected a compromise allowing the Federation's council the right to admit members 'being British or being within territory formally associated with the British Empire'.³⁴ When the Irish Chambers failed to take up this compromise, a precedent was set that the Federation would include only Commonwealth members. In 1961 South Africa and in 1965 Rhodesia left without debate.

At the same time, the composition of the Commonwealth changed with South Asian independence. The emergence of a 'multi-racial' Commonwealth caused difficulties for the Federation which remained a European club until the end of the 1950s. The problem was compounded by the fact that the chambers of commerce movement in the dependent Empire was often divided along ethnic lines, meaning that even those chambers involved in the Federation located outside of the white settler Empire–Commonwealth tended chiefly to represent white expatriates. In British India, the exclusiveness of European chambers had led to the foundation of separate non-European chambers by South Asians. By the 1940s, each had a separate umbrella organisation: the Association of Indian Chambers of Commerce (AICC) for the European-dominated chambers and the Federation of Indian Chambers of Commerce and Industry (FICCI) for South Asian chambers.³⁵ The AICC represented India at the 1945 London conference. When Sir George Morton, president of the AICC, issued a statement on the basis of that conference's report, the president of the FICCI, Sir Badridas Goenka (a Calcutta-based Marwari banker and industrialist) denounced Morton for creating the 'the wrong impression of the attitude of the Indian business community' since no 'accredited representative of the Indian business community' attended.³⁶ As the concept of a 'multi-racial' Commonwealth gained currency, the almost entirely white composition of the Federation's membership became an increasing threat to its legitimacy.

Intensifying intra-Commonwealth economic co-operation meant that the admission of non-European chambers was increasingly pressed on the Federation through the 1950s. Coupled with the division of the chambers of commerce movement in India, how best to tackle the admission of chambers in East Africa remained an ongoing problem. In 1959 an internal report observed that the establishment a Commonwealth Consultative Committee 'provides a new opportunity for the federation to play a significant part in Commonwealth affairs'.³⁷ In this context, in 1959, the Federation's leadership concluded that 'some fundamental rethinking of the structure and functions of the federation was essential if the federation was to become truly representative of the Commonwealth and able to express views on its behalf on economic problems'.³⁸

From 1959 the Federation's new President, Lord Lloyd, oversaw a series of reforms to address the growing disjuncture between the Federation and the Commonwealth it supposedly represented. Under Lloyd's presidency, the governing council designed a wholesale overhaul

of the Federation's constitution, arguing that it was 'not realistic to continue to restrict membership of this federation to British Chambers of Commerce'. As one member of the Federation's council argued, 'if the federation ... tried to continue a policy whereby all representation would continue to be British, it would collapse under its own weakness'. Regional committees would be formed to raise funds, adjudicate on the problematic issue of membership, draw in non-European chambers, and help formulate policy between Congresses.³⁹ The Federation's budget would rise from just under £500 to £5000, levied in proportion to a region's share of world trade. 'British Empire' would be deleted from the title because (as Lloyd put it) "'Commonwealth" ... now had an all-embracing meaning' and to take account of 'the susceptibilities of some of the newer members'.⁴⁰ The changes were approved at the Federation's 1960 Congress in Canberra with the caveat—under pressure from New Zealand and Canadian members—that the Federation be renamed 'the Federation of Commonwealth and British Chambers of Commerce'.⁴¹ The compromise lasted a little over three years before, in deference to opinion in the new Commonwealth, the Federation became simply the Federation of Commonwealth Chambers of Commerce.⁴² Meanwhile, by the mid-1960s the vast majority of Commonwealth Chambers of Commerce had become members.⁴³ In short, the Federation was re-constituted to reflect a transformed Commonwealth.

The re-invented Federation enjoyed some early success in getting its legitimacy recognised. Soon after the Canberra Conference, Lloyd and Balfour met with Iain Macleod, Secretary of State for Colonies, who assured them that there was 'a big job lying ahead for the federation'.⁴⁴ Queen Elizabeth, opening the 1962 Congress in London, discussed the changing Commonwealth and congratulated 'the vitality which your federation has shown in adapting itself willingly to these changes'.⁴⁵ At the same Congress, Lloyd was able to present the Nigerian businessman and politician Chief S.L. Edu to the Queen in a moment symbolising the Federation's recognition of the 'Winds of Change'.⁴⁶

By the mid-1960s African decolonisation along with South Africa's departure shifted the centre of gravity within the Commonwealth decisively towards the developing world. The UK too became less central, a move symbolised in the foundation of the Commonwealth Secretariat in 1965 with its independently minded Secretary-General Arnold Smith.⁴⁷ Political change at the Commonwealth level also pushed economic development to

the centre of discussions of political economy. The reconstituted Federation responded to this trend, as can be seen from the Congress report subject headings listed in the Tables 12.1. In 1964 the first congress to be held outside of Britain or the old dominions took place in Port of Spain in Trinidad and Tobago. In his opening speech the islands' Governor, Sir Solomon Hochoy, lingered on the significance of the first meeting in the 'developing' Commonwealth, and bemoaned the increasing gap between rich and poor countries, and the way in which world trade bypassed those countries. He noted that the deliberations would have especial significance in the context of the recent United Nations Conference on Trade and Development held in Geneva. Themes discussed included the need for outlets for trade for developing countries, the value of Commonwealth preference for development, and warnings that political instability would intimidate capital.⁴⁸

By the mid-1960s the Federation had reconfigured itself to match the altered political context of the Commonwealth emerging with the transfers of power. The rationale for the change had lain in a continued belief that the Commonwealth was a meaningful economic unit, hence the Federation had to change in order to bring itself in line with political changes within the Commonwealth, in the process taking an increasing interest in development. Yet, shifting patterns of world trade and the emergence of regional groupings eroded the economic and political rationale on which the Federation rested. Nowhere was this more pronounced than in Britain's evolving relationship with Europe

III

The relationship of the Commonwealth, and particularly Britain, with the germinating process of European integration became a dominant theme in the last years of the Federation. Against the backdrop of the formation of the European Coal and Steel Community, a member of the London Chamber of Commerce, Colonel James Hutchinson, placed a paper before the 1951 Congress which argued that 'if a choice has to be made between tariff preferences in Western Europe and Tariff Preferences within the Empire, we must decide in favour of the Empire', since 'The Commonwealth trading bloc would be a more viable trading unit than a European one. The Empire produces the raw materials and we the capital and consumer goods. The trade is mainly complementary whereas European trade is

mainly competitive'.⁴⁹ The Federation did not endorse Hutchison's paper, which was judged to hark back to nineteenth century ideas and to underestimate the spread of industrialisation across the Empire and Commonwealth. Consistently in discussions of Europe, the Federation's position—influenced by the strong British membership—tended not to oppose Britain's overtures towards the continent but merely to remind the British Government of Commonwealth interests.

Britain's relations with Europe became a more immediate issue with the formation of the European Economic Community (EEC) and the European Free Trade Area (EFTA) in the mid-1950s (EFTA was composed of the seven European states not party to the 1956 Treaty of Rome). In 1957, Britain's leading role in the formation of EFTA occupied a prominent place in discussions at that year's Congress.⁵⁰ The President of the Board of Trade, David Eccles, addressed the Congress and pointed out that if entry into EFTA boosted British trade that would, in turn, expand Britain's capacity to generate 'much larger supply of capital for investment outside of Europe'.⁵¹ Thus, the 1957 Congress report supported UK participation in EFTA but added that with the formation of 'the Six'⁵² and of EFTA it was necessary to ensure as 'little encroachment as possible on preferences which are of value to the Commonwealth'.⁵³

Membership of EFTA, which aimed to free up trade in industrial goods, was not incompatible with preferential trading relationships in the Commonwealth. Primary products continued to dominate British imports from the Commonwealth.⁵⁴ Entry into the EEC was a different matter, with far greater potential disruptions to Commonwealth trading relationships due to the Common Market's tariffs on agricultural products. Britain's pursuit of EEC entry from 1961 to 1963 certainly had powerful political repercussions across the Commonwealth. Stuart Ward has gone so far as to argue that it initiated the final rupture in Anglo-Australian relations, irrevocably violating an imagined 'community of interest' and hence undermining an equally imagined 'community of culture'.⁵⁵ Beyond Australia and New Zealand, the threat to existing preferential trading relationships caused disquiet. During their application, bilateral relations and Commonwealth Heads of Government meetings certainly became publicly strained.⁵⁶

The 1962 Congress discussed British entry into the EEC against this inauspicious backdrop. The presence of a large British contingent in the Federation would never have allowed the Congress to oppose Britain's

entry. By the early 1960s, as Neil Rollings has shown, British business had largely swung behind entry into the EEC.⁵⁷ Moreover, chambers of commerce across the Commonwealth were divided both on the EEC and on the merits of British membership. A submission to the Congress from the Associated Chamber of Commerce of Australia highlighted that British entry ‘could have a profound effect on patterns of Commonwealth trade’, but acknowledged, however, that ‘outright opposition ... would not be realistic’, and called instead for ‘safeguards’ for ‘all the commodities of importance to the trade of Commonwealth countries’.⁵⁸ However, some observers in the Australian Chambers of Commerce movement had already noted that wool—still Australia’s principal export—entered the Common Market, as then constituted, duty free and was expected to gain not lose from its creation.⁵⁹ Many Canadian Boards of Trade also proved sanguine, more so than their Anglophile Prime Minister John Diefenbaker.⁶⁰ The eventual 1962 report noted Congress’s ‘concern’ with the possibility of ‘irrevocable commitments and a rigid timetable ... for any transitional arrangements’, and emphasised the need to consult Commonwealth countries.⁶¹

Congresses became a means to assert the British Government’s line case that entry into the EEC and the interests of the Commonwealth were complementary before an audience of British and Commonwealth businessmen. Thus, they were a perfect place to effect that rhetorical re-imagination of the Commonwealth, highlighted by Richard Toye, and to counter the impression of uniform Commonwealth hostility drawn on by opponents of entry on the Conservative Right and in the Labour Party who framed the debate as a choice between the Commonwealth and the Common Market.⁶² Edward Heath (chief negotiator with the Six), Duncan Sandys (Secretary for Commonwealth Relations), Frederick Erroll (President of the Board of Trade) and Reginald Maudling (Secretary for the Colonies) all addressed the 1962 Congress to outline the compatibility of the Commonwealth and EEC connections, not least because EEC membership would stimulate a revival of the British economy, and hence enhance Britain as a market and a source of capital.⁶³

The renewal of Britain’s attempts to enter the EEC in the late 1960s, and the eventual success of the final application in 1972, occupied a good deal of attention at the last three Federation Congresses. These Congresses consistently emphasised the need for Britain to take full account of its duty (as the 1968 report put it) to ‘Commonwealth countries whose

trading patterns had developed on the basis of Commonwealth preference and whose total trade or individual products were particularly vulnerable'.⁶⁴ The impact of EEC membership on the developing Commonwealth dominated the last Congress in 1972, including addresses by Michael Noble, Minister for Trade, and Georges Berthoin, EEC ambassador.⁶⁵

The issue of Europe dominated the last years of the Federation, along with development. The Federation as a whole never opposed British entry into the EEC—notwithstanding the impact that would have on the totemic imperial preferences. Moreover, an interest in the effects of Britain's entry into Europe—while under negotiation—was actually one of few interests common across the old and new Commonwealths.⁶⁶ In the early 1970s the Federation even published a newsletter entitled 'Commonwealth and European Focus'.⁶⁷ By then the organisation had entered a period of protracted crisis which had begun half a decade earlier and even as Harold Wilson's Government sought one final attempt to boost Commonwealth trade connections.⁶⁸ It would be easy, but wrong, to link the decline of the Federation, and with it the project of businessmen to imagine a Commonwealth political economy, simply to Britain's courtship of the EEC. Deeper forces were already at work.

IV

Britain's shift of attention to Europe was only the most prominent and controversial outworking of dramatic shifts in the world economy since 1945.⁶⁹ These, together with the changing political nature of the Commonwealth, eroded the possibility of imagining the Commonwealth as a market. Since the Second World War and the establishment of the GATT framework, there had been a widespread trend towards regional and inter-regional trade which gathered pace significantly from the late 1950s.⁷⁰ As John Pinder (of the London-based Economic Research Unit and a leading pro-European) explained in a report for the Federation's 1968 Congress, patterns of trade were irrevocably shifting from a 'Britain-centred Commonwealth to a poly-centred world' centred around the USA, the EEC, Britain, the Soviet bloc and Japan.⁷¹ By 1968, only New Zealand traded predominantly with the Commonwealth (and largely with Britain); in the mid-1960s Japan became Australia's leading export market.⁷²

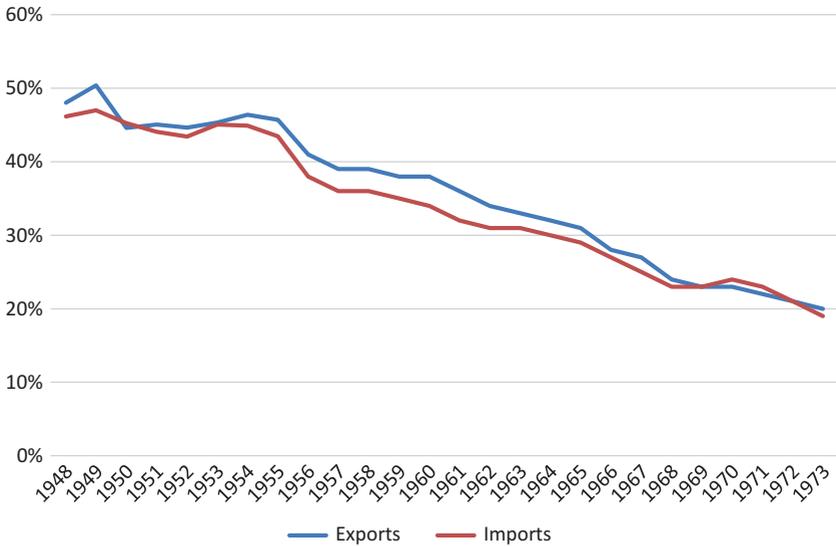


Fig. 2 Intra-Commonwealth trade as a proportion of total Commonwealth trade, 1948–1973. Source: *Commonwealth Trade*, various issues

Initiatives to boost intra-Commonwealth trade, such as that of Canadian Prime Minister John Diefenbaker in the late 1950s, had little impact.⁷³ Intra-Commonwealth trade as a proportion of the total trade of Commonwealth members declined steadily but relentlessly (see Fig. 2). These broader economic shifts eroded the economic relevance of imagining a Commonwealth market.

At the same time, the Commonwealth became harder to imagine as a unit of economic governance. While the Sterling Area persisted on paper until 1972, the liberalisation of sterling from the late 1950s made the governance of the area from London less and less of a live economic consideration.⁷⁴ Similarly, while imperial preferences persisted to the mid-1970s, their freezing in the late 1940s under the GATT slowly eroded their significance and, crucially, the obstruction of any revision other than withdrawal made them less and less relevant. While their proposed abolition with British entry to the EEC was controversial, other developed Commonwealth countries also diluted preferences through the 1960s.⁷⁵

Meanwhile, the expanded and often fractious Commonwealth of the 1960s seemed less and less likely to replicate the old informal co-ordination of the inter-war period. Other than loose co-operation on aid, the possibility of pan-Commonwealth economic governance became eclipsed even as trade shifted elsewhere.

As Commonwealth trade and governance waned, the Federation entered a period of decline from the mid-1960s. An initial crisis was generated by the disjuncture between the Commonwealth development agenda and changing patterns of global trade and occurred in the hiatus between Britain's first and second applications to join the EEC. In 1966 two 'major countries'—Australia was one—threatened to withdraw from the Federation.⁷⁶ As F.H. Tate (of the London chamber) explained at a council meeting, the distribution of fees on the basis of Commonwealth trade meant that 'the larger contributing countries paid a disproportionately high contribution in relation to the services it was possible to render them'.⁷⁷ Meanwhile, the Federation of Commonwealth Chambers of Commerce's proposed Congress in Lagos attracted little interest. By early 1966, only 34 non-Nigerian delegates had agreed to attend, and none from Australia, New Zealand, the Caribbean, Hong Kong and Singapore or from any other African countries.⁷⁸ The Federation cancelled the Congress.⁷⁹

A shift of attention to the Asia-Pacific region underlay increasing Australian scepticism towards the Federation and Commonwealth. From the late-1950s Australian businesses as well as governments recognised the growing importance of Asia and the Pacific Basin markets for future trade growth, and New Zealanders followed suit in the early 1960s.⁸⁰ In this period the Association of Australian Chambers of Commerce (ACCA) and Association of New Zealand Chambers of Commerce cultivated connections with Japan, while individual chambers welcomed Japanese trading missions just as readily as those from Britain.⁸¹ In 1966, the Association of Australian Chambers of Commerce (ACCA) president observed, 'The importance of Asian Countries to our trade needs no stressing. Australia's exports to Asia over the past ten years have increased by over 300 per cent'.⁸² In that year, ACCA joined and became a leading member of the Confederation of Asian Chambers of Commerce and Industry, which drew members from the antipodes as well as East, South-East and South Asia.⁸³ In 1967, New Zealand with Australia and Canada became founding members of the Pacific Basin Economic Council, formed to promote trans-Pacific trade and development.⁸⁴

Against the backdrop of threatened withdrawals and the cancelled Lagos Congress, an internal report delivered a devastating deconstruction of the assumptions which had underpinned the Federation. It observed that ‘trading patterns within the Commonwealth had changed radically in the last six years’ and that ‘most countries were concerned primarily with their individual trading relationship with the United Kingdom and not with Commonwealth trade’ (hence the failure in Lagos). ‘There were few topics of general Commonwealth concern’ and only ‘the vaguest generalities could be expressed’. It continued:

The Commonwealth was not a trading entity. Few if any businessmen thought in terms of “trading with the Commonwealth”. So far as they were concerned, trade was either home or foreign trade. There was no distinction made nowadays between trading with a Commonwealth country and trading with a foreign country.⁸⁵

Thus, the report described not just a declining relative volume of transactions but also the decline of the relevance of the Commonwealth as an economic spatial category. A small inner core of the Federation’s council considered the implications. Some concluded that ‘an opportunity for a new lease of life for the federation did not really exist’. Others thought that the Federation could carve out a modest role, that Congresses had value ‘for the contacts made’, and worried that ‘announcing the funeral of the federation’ might have ‘unnecessarily wide repercussions on Commonwealth institutions’. Inertia and noblesse oblige won. The Federation persisted, but in a state of ‘near dormancy’ between Congresses; the budget was slashed from £5000 to £1000.⁸⁶

The late 1960s and early 1970s saw half-hearted attempts to revive the Federation. The Commonwealth Secretariat (itself seeking a role in the post-colonial world) proved a benign ally. The first Commonwealth Secretary General Arnold Smith agreed to address the 1968 Congress, and the Secretariat offered hospitality. Indeed, the Federation found congenial support from Smith; its director W.F. Luxton commented to Smith that the Commonwealth Secretariat was ‘the most useful thing that had happened to the FCCC [Federation of Commonwealth Chambers of Commerce] since the war’.⁸⁷ In 1970 a Congress in Hong Kong proved a success, but in large part because Asian and antipodean delegates could attend en route to the Confederation of Asian Chambers of Commerce and Industry congress in Osaka.⁸⁸

These initiatives took place on borrowed time. In the late 1960s the Federation placed little financial strain on members and did little between Congresses. This became unsustainable when the London Chamber of Commerce decided to cease subsidising it.⁸⁹ To remain active, the Federation's council drew up an ambitious plan and concluded that it needed contributions from members to rise (still in proportion to their trade) in order to provide a total budget of £24,400, as opposed to £1000. Neither Australia nor New Zealand approved. The representative of New Zealand on the governing council pointed out that firms there paid four-figure sums to the Pacific Basin Economic Council.⁹⁰ A pared back budget of £15,000 was also rejected. Reviewing these grim tidings, the Federation's council then learnt that only eighteen delegates had firmly agreed to attend the next Congress, which was to be held in Nairobi in line with the development agenda. The Congress was cancelled, prompting the Federation's Chairman to comment cryptically that 'Britain's membership of the EEC had probably not received a favourable reception from a number of members'. In July 1974, the Commonwealth Secretariat received a final desperate plea for financial assistance. The Federation was informed that assistance to the tune of £100,000 over three years could be provided if the Federation made a concrete proposal to the Commonwealth Development Foundation. No proposal was submitted.⁹¹ With British entry to the EEC, aid had finally entirely replaced trade as the sole element of Commonwealth political economy. This was an agenda of limited appeal to businessmen. With political change, eroding governance and declining trade the Commonwealth had ceased to be imagined as a relevant market.

V

Markets may be imagined in many ways. They are not inevitably conceived in relation to actions by states, and they are not inevitably the products of political economy. However, while international trades may be imagined on many bases—culture, region or through cross-cutting categories such as gender or class—the role of institutions, and particularly the 'hard' institutional framework provided by states and supra-national polities, cannot be underestimated. States and associations of states make markets, not just in the minds of policy-makers but also of businessmen. The imagining of

markets cannot always be disaggregated from political economy or political culture.

In the case of the British Empire, and more particularly the Commonwealth of Nations, the imagining of these units as a distinctive market by chambers of commerce and businessmen rested in large part on their possession of attributes of governance combined with significant concentrations of trade. In 1945, imperial preference, the Sterling Area and the various controls such as bulk purchasing associated with the war all made the Commonwealth both a unit of governance and a market—a market either through common regulations and institutions or through the possibility of co-ordinated action by governments to facilitate trade. Businessmen mobilising through the chambers of commerce movement spoke of the Empire and Commonwealth as a ‘political entity’—a concept recognised, however hazily, by their forebears since the 1880s.

By the mid-1970s it became impossible to imagine the Commonwealth as a unit of economic governance. The UK’s entry in 1973 (confirmed in 1975) into the EEC, with its common external tariff and own nascent project of a more integrated political economy, created an obvious point of disjuncture. However, in reality, the possibility of economic governance in the Commonwealth had long been on the wane. The shifting tectonics of the global economy meant that intra-Commonwealth economic relations waned in importance for individual members. Moreover, political change undermined the levers of governance which characterised the inter-war British Commonwealth of Nations. In short, from the late-1950s not only was Commonwealth trade and investment less and less significant, it also became less and less plausible to distinguish a distinctive Commonwealth element to these activities. As a result, by the mid-1960s the Commonwealth had ceased to be an economic entity, precisely because of the declining possibility of economic governance and shifting patterns of economic exchange. The Federation of Commonwealth Chambers of Commerce, and with it the project of project in a pan-Commonwealth business voice, in the end ceased functioning precisely in response to these changes. The Commonwealth was unimagined as a market as it became both unnecessary (due to shifting patterns of trade) and untenable (due to weakening practices of co-operation in the realm of economic governance beyond aid) to imagine it as a unit of economic governance. By the mid-1970s, while trade between Commonwealth countries continued in declining volume, Commonwealth trade had ceased to exist.

Table 12.1 Subject headings in selected Congress reports

1945	Imperial Commercial Relations	Primary Production and Secondary Industries	International Payments	Communications	Economic Development of the Colonial Empire
1954	Industry and Commerce	Constitutional and Social Questions	International Payments	Economic Development of the Commonwealth and Empire (including communications)	
1957	Industry and Commerce	Constitutional and Social Questions	Future Economic Policy with Special Reference to Imperial Preference and the European Free Trade Area	Economic Development of The Commonwealth and Empire (including communications)	
1960	Industry and Commerce including Future Economic Policy (GATT and imperial preference)	Constitutional and Social Questions	Problems Arising from Closer Economic Co-Operation in Europe and Elsewhere	Development of Commonwealth and Empire Including Communications and Investment	
1962	Promotion of Intra-Commonwealth Trade	Economic Policy (with special reference to the European Common Market and other economic groupings, East/West trade and international payments)	Development of the Commonwealth (including investment, communications and technical assistance)	Constitutional, Educational, and Social Questions	
1964	Trade Promotion in the Commonwealth (preferential arrangements and regional groupings)	Development and Investment in the Commonwealth	Constitutional, Educational and Social Matters		
1968	Theme: 'The Commonwealth in the Context of possible world economic groupings'				
1970	Theme: 'FCCC—Focus on Constructive Commonwealth Co-operation'				
1972	Theme: 'Commonwealth Development through Business Enterprise'				

FCCC Federation of Commonwealth Chambers of Commerce, GATT General Agreement on Tariffs and Trade

NOTES

1. I would like to thank participants at the 2013 Decolonisation Seminar at the National History Center in Washington, in the 2015 Imagining Markets Workshops in London and Exeter, and seminar audiences in London, Leeds and Canberra for feedback on earlier versions of this chapter.
2. B. Anderson, *Imagined communities: reflections on the origin and spread of nationalism* (London, 1991).
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4. D.C. North, 'Institutions', *The Journal of Economic Perspectives*, 5 (1991), pp. 97–112 at p. 97.
5. For the usage of the term, see M.J. Daunton and F. Trentmann, 'Worlds of political economy: knowledge, practices and contestation', in M.J. Daunton and F. Trentmann eds., *Worlds of political economy: knowledge and power in the nineteenth and twentieth centuries* (Basingstoke, 2004), pp. 1–23.
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 17. LMA, CLC/B/082/MS18283/003, 'Council meeting', June 1942, FCCC minutes, vol. 3, p. 42.
 18. De Leigh to delegates, 20 Sep 1945, inset in 'Council Meeting', 15 Oct 1945, FCCC minutes, vol. 3, pp. 59–60.
 19. CLC/B/082/MS18287, *Congress Proceedings*, 1948 (Congress proceedings hereafter).
 20. *Ibid.*, 1945, p. 9.
 21. *Ibid.*, 1948, 1951, 1954, 1957, *passim*.
 22. *Ibid.*, 1945, p. 9.
 23. *Ibid.*, 1948, p. 36; 1951, p. 29.
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 25. CLC/B/082/MS18283/003, Council Meeting, 21 Nov. 1945, FCCC minutes, vol. 3, p. 67.
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 27. CLC/B/082/MS18287, Congress proceedings, 1951, p. 15.
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36. CLC/B/082/MS18283/003, Council Meeting, 27 Feb 1946, FCCC minutes, vol. 3, pp. 73–74.
37. ‘Re-Organisation of the Federation’, 3 Jun 1959, FCCC minutes, vol. 5, pp. 71–72.
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40. Annual meeting, 26 Nov 1959, *ibid.*, p. 5.
41. CLC/B/082/MS18296, ‘Verbatim report’, Apr 1960, p. 11.
42. CLC/B/082/MS18283/006, ‘Conference of Chamber of Commerce officials’, 29 May 1962; Council meeting, 29 Nov. 1962; Executive committee, 19 Feb 1963 in FCCC minutes, vol. 6, pp. 52–53, 72.
43. LMA, CLC/B/082/MS18285: [*Commonwealth Chambers of Commerce*] *Directory*, 1965.
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51. *Ibid.*, p. 18.
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64. CLC/B/082/MS18287/018, Congress proceedings, 1968, p. 8.
65. CLC/B/082/MS18287/020, Congress proceedings, 1972, pp. 10–11, 31–40.
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74. Schenk, *Britain and the Sterling Area*; Miller, *Survey of Commonwealth affairs*, p. 296.
75. Miller, *Survey of Commonwealth affairs*, p. 289.
76. 'Future of the Federation', 6 Jul 1966, p. 1. On Australian scepticism see Canberra, National Archives of Australia, Roy Rowe papers, M1595-8, 'Federation of Commonwealth Chambers of Commerce, 1960–1972'.
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78. 'Future of the Federation', p. 5.
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91. *Ibid.*, pp. 73–80.



Commercial Preferences: Economics and Britain's European Choices, 1945–2016

N. Piers Ludlow

This chapter's focus on economic calculations is not meant to imply that Britain's European decision-making—or indeed that of any other European country—was shaped purely by economic factors. On the contrary, questions of identity, status and those about the country's role, place and standing in the world formed a vital part of the British debate.¹ The historiography of European integration was at one stage bitterly divided between those who sought to explain the movement towards European unity exclusively in economic terms and those, by contrast, who attributed it all to political and geo-political calculation.² This chapter, though, places itself firmly within a more recent historiographical tradition that has rejected this binary choice, and instead suggests that it is much more plausible to acknowledge the co-existence and interplay of *both* political and economic factors when explaining so broad a process as European integration rather than seeking to identify any single, one-size-fits-all explanation.³ That economics factors alone are covered in the pages that follow is thus purely a reflection of the theme of the volume and not an attempt to advance a single, dominant explanation of why Britain initially chose to stand aside from the integration process and then, gradually and painfully, changed its mind.

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What this chapter does do is to look at economic factors during three different periods: first, economics as a determinant in Britain's initial 'no' to integration, i.e. during the 1945–1955 period; then, economics as a determinant of Britain's hesitant volte-face on this issue from 1956 to 1973. And, finally, it briefly discusses economics as a causal factor in Britain's problematic early experiences of membership, i.e. 1973 up into the mid-1980s, with the occasional reflection beyond.

I

There are at least four important connections between economic factors and calculations and Britain's decision in the immediate post-war period to eschew the integration path chosen by several of its European neighbours. The first of these is the way in which Britain's wealth and prosperity, relative to its continental neighbours, reinforced its initial tendency to view itself as a power in a totally different league from France, Germany or Italy. In 1949, regardless of its own serious economic woes, the British economy was much larger than any of its continental rivals (Table 1).

This had two crucial results: first it considerably bolstered Britain's sense of superiority, which was likely to have occurred anyway given the UK's more comfortable *political* position as a wartime victor—despite the fact that on any rational economic forecast, Britain's lead over France and Germany in particular was likely to diminish over time, if not disappear altogether (the emergence of a strong Italian economic surge was perhaps rather harder to predict). Such confident superiority was well-illustrated by Foreign Secretary Ernest Bevin's complaint to US Under Secretary of

Table 1 Comparative gross domestic product figures for 1949 (various countries)

<i>Country</i>	<i>1990 GKUS\$</i>	
	<i>GDP</i>	<i>GDP per capita</i>
UK	349,955	6956
France	205,174	4946
West Germany	223,178	3282
Italy	152,563	3265

Source: http://www.ggd.net/maddison/historical_statistics/horizontal-file_02-2010.xls
GDP gross domestic product

State, Will Clayton, upon hearing that the USA intended to treat the UK in exactly the same way as the rest of Western Europe in the allocation and distribution of Marshall Aid. Britain, Bevin protested, could not be considered 'just another European country'.⁴ It instead clearly regarded itself, economically as well as politically, as on a par with the two emerging superpowers rather than its closest geographical neighbours. And, secondly, Britain's recovery strategy was more directed towards those countries that in the short-term represented the better market for British exports, and better sources for UK imports. In practice this meant the USA and the Commonwealth, not Western Europe, were seen as the key trading partners as far as Britain's immediate commercial interests were concerned.⁵

Once this initial choice had been made—or, to put it more accurately, once Britain's inter-war trade preferences had been confirmed in the post-war period since the initial post-war pattern of trade prioritising Commonwealth trade over that with Europe was remarkably similar to the post-1932 character of Britain's external trade policy—it was always likely that change would be both slow and painful. The onus of proof was definitely on those who favoured closer economic ties with Europe rather than those who remained sceptical.

The second argument, following on logically from the first, was that these initial economic choices kept Britain partially detached from the economic forces that swept the Six forward into far-reaching economic integration. To fully appreciate this argument it is necessary to take a brief detour into the debate about European integration amongst the Six. In simplified form, the economic explanation of continental integration (an argument most closely associated with the name of Alan Milward) runs as follows: in the post-war period, the national economic recovery of most Western European countries was founded on booming trade with each other. Of particular importance was the role of the West German economy, which not only acted as Europe's greatest industrial producer, and hence source of imports for most West European countries, but also as one of Europe's principal markets, sucking in vast quantities of imports from its continental neighbours. As a result, European economies became caught up in a virtuous economic cycle, pulled along by the dynamic German economy, and largely shielded from the rather less reliable growth rates and import levels of the USA.⁶

This boom, and therefore also the political fortunes of European governments, which had staked their credibility on economic modernisation

and the delivery of welfare benefits to their citizens that only continued economic growth could pay for, was, however, largely dependent upon access to each other's markets, and in particular access to the German market, remaining relatively unimpeded by protectionist barriers. This was in no way guaranteed. The post-war Federal Republic had initially chosen to practice a fairly liberal trade policy, and it had been encouraged to do so, both by the USA directly and by multilateral economic entities such as the General Agreement on Tariffs and Trade (GATT) and the Organisation for European Economic Cooperation (OEEC). But neither US pressure nor the injunctions of relatively toothless international bodies such as GATT and the OEEC offered an absolute guarantee against a relapse into protectionism. It was hence in the interest of Europe's political leaders to secure some sort of legal mechanism which would ensure that relatively free trade across Europe would at the very least continue, if not become still less impeded. It was to this end that a European common market was proposed (by the Dutch initially), and it was for this reason that the European Economic Community (EEC) project was largely accepted. It was a means, in other words, of making certain that the economic access to the German market upon which the whole of Europe's trade boom depended (and, hence, upon which the fortunes of many of Europe's governments would stand or fall) would be made totally *irreversible*, with no chance of relapse into economic nationalism if and when the economic cycle took a turn for the worse. Dependence on trade with Germany was thus central to the economic case for integration.⁷

Britain, however, was not caught up in this virtuous cycle of European trade to nearly the same extent as its neighbours. It was not totally uninvolved, of course: between 1951 and 1959 British exports to West Germany nearly tripled in value, moving from £50.24 million to £137.8 million—a significant increase by any standards.⁸ There were, however, two crucial differences between the British experience and that of most continental economies. First, the British rate of increase was less quick than that experienced by, say, Italy, whose exports rose from LIT 80,246 million Italian lira (L) in 1951 to L293,868 million in 1959—an increase of more than 260%.⁹ And, second, the importance of this increase in the total volume of British trade was much less great than was the case for a country such as Italy as the British £137.8 million constituted just over 4% of Britain's total exports—a useful figure certainly, but not one which was likely to determine Britain's commercial policy. It was dwarfed, for instance, by the £363 million of exports which went to the USA; the £223

million bound for Australia; the £207 million sales to Canada; the £171 million which went to India; or even the £150 million which went to South Africa. For the Italians, by contrast, West Germany had overtaken France in 1952 to become consistently their number one export market, taking 16% of their total exports by 1959.¹⁰ The UK, while far from totally insensitive to the attractions of greater trade in Europe during the 1950s, was thus not in a position where its external commercial policy could be determined by the needs of Western European trade—especially when the structures being considered for European trade were likely to seriously harm Britain's trade with the Commonwealth.

This introduces neatly the third economic argument used to explain Britain's detachment from Europe, namely the incompatibility of European integration and close Commonwealth co-operation. A great deal could be said on this subject, but clearly there is no need for significant amounts of detail here. To summarise briefly, Britain's overseas Empire/Commonwealth was more incompatible with European integration than was the Empire of France, which did after all decide to involve itself in European co-operation because, while the French Empire produced mainly tropical agricultural products and raw materials which could not be produced in Europe such as cocoa, bananas or rubber, the British Commonwealth produced a wide range of goods, particularly agricultural products, which were directly analogous to European output. Commonwealth exports to Britain included wheat, cheese, lamb or beef—all products that European exporters, particularly the French and the Dutch, would want to sell to the UK also. Whereas French colonial production was thus complementary to European production, a substantial portion of that of the Commonwealth was in direct competition with European output. Any move to increase British trade with the one was thus likely to be directly harmful to the other. This was all the more true, as it was clear from the 1950s onwards that the schemes for European integration under consideration by the Six all included some type of agricultural policy designed to protect European farmers and provide them with a market advantage over exports from beyond Europe.¹¹

This fundamental clash of interests between Europe and the Commonwealth led some, notably again Alan Milward, to argue that it was totally impossible for the British to involve themselves in the process of economic integration underway on the continent unless and until they had rid themselves of the economic ties which bound them to what he

calls neo-Europe, in other words those countries of the Commonwealth which specialised in the production and export of European-type products. The 1961 application was thus, according to Milward, foredoomed since the UK had not yet gone far enough down the road of dismantling its economic ties to the Commonwealth; the success of the membership negotiations conducted under Edward Heath as Prime Minister, by contrast, reflects the fact that by the early 1970s this process of economically de-coupling from the former Empire was all but complete.¹²

Regardless of whether or not one goes quite this far—and I have strong misgivings about the Milward argument in its entirety—it is certainly the case that the difficulties of reconciling Europe and Empire was a major factor in British decision-making. In the 1940s it partially explains the rejection by the economic ministries—the Treasury and the Board of Trade—of any talk of a European customs union.¹³ Their views on the subject were bolstered by the academic studies which they commissioned that purported to show that a customs union between countries that produced similar products to one another—as would be the case with any European scheme—would be much less economically advantageous than one between countries producing complementary outputs.¹⁴ The perceived incompatibility between preferential ties with its former Empire and with its European neighbours was even more vital in 1955 in explaining Britain's decision to leave the deliberations of the Spaak Committee—the meetings that would eventually lead to the signing of the Treaty of Rome in 1957 and establishment of the EEC.¹⁵ Commonwealth considerations also loomed large in the ill-fated free trade area proposal of 1956–1958, the conditions posed by Harold Macmillan for the first membership bid, and in the initial rejection of the European option by Labour after the party's 1964 general election victory.¹⁶ The Commonwealth factor was thus clearly a major contributory factor to British hesitation about closer involvement with Europe.

The fourth and final way in which economic considerations contributed towards Britain's initial decision to remain uninvolved with European economic integration centres not so much on Britain's *actual* economic state as in the way in which its economic aspirations diverged from those of the continent. The best example of this was in the late 1940s and 1950s when the Treasury in particular became strong advocates of sweeping global liberalisation—of both monetary flows and trade—and strong critics of any form of regionalisation, which was perceived as running contrary to

their global approach. Schemes for European co-operation were thus rejected on the grounds that they would impede worldwide co-operation. In the monetary sphere, for instance, the British made no secret of their impatience to see the disappearance of the European Payments Union (EPU) despite the centrality which this had assumed in Europe's economic recovery, and at one point the Treasury even hatched a plan—dubbed operation ROBOT—which, if implemented, would have unilaterally destroyed the EPU, thereby seriously endangering the European trade boom.¹⁷ In the trade policy sphere, regional customs unions were frowned upon as being but a poor substitute for global liberalisation through GATT. Important elements within the British political and administrative elite thus did not just reject European integration as a policy option for the UK itself; they also disapproved of the very notion of a push for regional integration within Western Europe. For most of the early 1950s, admittedly, such negative sentiments were kept in check by a strong awareness by the British Government of the political consequences of any attempt to disrupt the Six. To impede the integration process would be counterproductive in Cold War terms, fostering Western disharmony rather than unity, and would likely earn a stinging rebuke from the USA, Britain's closest ally but also a strong external sponsor of the integration process.¹⁸ This explains why British policy during this period is often dubbed that of 'benevolent neutrality' towards the efforts of the Six.¹⁹ But London's brief flirtation with actual attempted sabotage in late 1955—to say nothing of plans such as operation ROBOT or later the Free Trade Area which could have 'unintentionally' killed the integration process in the name of progress towards other objectives—make much more sense when the existence of a strong doctrinal dislike of integration within Whitehall especially is acknowledged.²⁰

All of this means that there was a substantial economic component in Britain's initial rejection of integration, even if any complete explanation would also have to accord equal space to a series of more geo-political factors. The two dovetailed neatly, however, which means that, like most recent integration historians, I have no difficulty in highlighting *both* an economic and a political case for why Britain and the Six initially diverged.²¹ Economic and political calculations reinforced each other; indeed, when explaining a consensus as widespread as Britain's early 'no' to European integration it is a major positive rather than a negative to have complementary economic and political explanations.

II

It should perhaps not come as a surprise that most of the economic factors which help explain Britain's move towards Europe from 1956 onwards are the mirror images of those already touched upon. For it was as Britain and Europe's respective economic positions altered, as trade flows evolved, and as ideas of economic doctrine developed over time that a European choice which had once been deemed impossible by most British observers came to be regarded, with comparable consensus, as largely inescapable. Here too, though, there was a parallel set of political and geo-political factors that also pushed Britain in a similar direction.

The first big alteration in the economic pressures affecting British calculations was the shift in the relative levels of prosperity between the UK and the continent. In the 1940s and early 1950s, awareness of what was happening economically on the other side of the Channel seemed only to reinforce Britain's sense of superiority and aloofness. By the later 1950s and 1960s, by contrast, the comparison added to Britain's sense that it had to come to terms with Europe. For whatever measure one used, whether absolute gross national product (GNP) levels, growth rates, total industrial output, investment rates or the output of individual industrial sectors, the conclusion was painfully similar, namely that the UK was being outperformed by most of its continental neighbours. Between 1950 and 1973, the West German economy grew at an average of 5% a year, as did that of Italy. France during the same period grew at 4% per annum. The British figure by contrast was 2.5%.²² As a result, that clear British lead in terms of the total size of its economy and in the wealth of its individual citizens that had been evident from the 1949 gross domestic product (GDP) figures cited in Table 1 had disappeared by the end of the 1960s (Table 2).

That this was the case with the Germans was perhaps more or less easy to accept. There was something phenomenal about the German economic miracle—the *Wirtschaftswunder*—something almost freakish, which would be extremely hard for a normal economy to emulate.²³ Furthermore, Germany's impressive growth did little more than restore it to the position of European economic pre-eminence that it had all but obtained by 1914. In a sense, therefore, one could explain away the post-1949 economic rise of West Germany as no more than the realisation of a latent potential kept from earlier realisation by the foreign policy errors of Germany's political masters.

Table 2 Comparative gross domestic product figures for 1969 (various countries)

	1990 GKUS\$	
	GDP	GDP per capita
UK	585,207	10,552
France	560,280	10,886
West Germany	805,410	10,440
Italy	510,051	9566

Source: <http://www.worldeconomics.com/Data/MadisonHistoricalGDP/Madison%20Historical%20GDP%20Data.efp>

GDP gross domestic product

What made matters particularly galling for the British, however, was that it was not just Germany that was outperforming the UK, but also some of Europe's other powers, notably the French and, perhaps still more alarmingly, the Italians. This hurt much more; to be overtaken by the Germans was hard to swallow—to see one's lead over Italy fast eroding was all but impossible to ignore. That British sense of arrogance which underpinned the initial aloofness faded as a result, while the sense grew that European integration might just be the magic recipe which would enable the UK too to enjoy the levels of growth attained by its continental neighbours. By 1960, the civil service committee chaired by Sir Frank Lee and commissioned by Harold Macmillan to assess the pros and cons of Community membership was blunt about the economic merits of joining (and hence also the economic disadvantages of staying out):

In joining the Six we should be participating in a vigorous and rapidly expanding market, and there would be good grounds for hoping that our commerce and industry would benefit. We should gain a great deal from larger scale production, specialisation, higher efficiency resulting from keener competition and the more rapid spread of technical skills and new developments. All this we should miss—to the detriment of our industry—if we remained outside. If we joined the inflow of new investment to the United Kingdom would be greater, and the outflow of capital to the Six might be less than if we remained outside.²⁴

Equally significant in terms of Britain's long-term movement towards involvement in European integration was the way in which the British economy—despite its institutional exclusion from the EEC—did find

itself, to a limited extent, getting involved in the Western European virtuous economic cycle referred to earlier. Admittedly it was still the case that trade with Western Europe remained much less important for Britain than it did for countries such as Italy, Belgium or even France. In 1959, Italy and France both sold over 27% of their exports to their partners amongst the Six, Belgium a staggering 46%.²⁵ But, equally, by the late 1950s British trade with the fledgling EEC was beginning to reach levels where it could not very easily be ignored by government policy-makers. By 1959 £462 million worth of British exports were sold to the Six, i.e. a far from negligible 13.8% of the total. This was still much less than the £1.4 billion—i.e. 42% of British exports—which went to the Commonwealth, but it was already substantially higher than sales to the USA. And even this underestimated Western Europe's commercial importance to Britain, since the British exported as much to Scandinavia, Ireland and Switzerland, as it did to the Six.²⁶ Once trade with the non-EEC members was added in, Western Europe was clearly Britain's second most important market.

By the early 1960s the position was even clearer. In 1962 £828 million (20% of the total) went to the Six and a further £534 million (13%) went to Britain's partners in the newly formed European Free Trade Association (EFTA), the collective grouping bringing together those Western European countries that had stayed outside of the EEC. This compared with £1.2 billion which went to the Commonwealth (29%).²⁷ Exports to an enlarged European Community (EC)—for it was assumed that if Britain entered the EEC, Ireland and several of its EFTA partners would follow suit—could thus be expected to exceed that with the Commonwealth for the first time. And as the 1960s progressed, this trend grew still stronger. To make matters still more alluring for the British, their trade with Europe was concentrated in the most dynamic and vibrant sectors of the economy—and hence constituted a spur to Britain's technological development—while a stubbornly high percentage of imperial trade was centred on rather out-dated and uncompetitive products; Commonwealth trade was thus less likely to act as a spur to further innovation or investment, and might indeed function as a brake. (Although of course the political fuss that weak and declining industries could still make about the prospect of losing markets which had become central to their survival was in no way diminished.)

This evolution might still not have been enough to tilt the balance had the picture been a static one in which tariff levels were likely to remain unchanged, allowing the British to continue getting the best of both

worlds, selling to both the Commonwealth and Europe. But the British could not afford to be complacent and sit back and enjoy the status quo because their trade levels with Europe could not be taken for granted. Instead the 1960s were a period during which the Six were under treaty obligation to construct amongst themselves a Common External Tariff, in other words a unified tariff wall towards all countries that did not belong to the EEC. This tariff wall was likely, admittedly, to be rather lower than traditional French or Italian tariff levels—and hence the British could hope to make some gains in those markets. But it was also likely to be substantially higher than the existing German, Belgian and Dutch tariff levels. Access to these markets—from Britain's point of view the more important markets amongst the Six—would hence become more difficult than was currently the case. And to make matters worse, these tariffs would not affect Britain's competitors amongst the Six. A German firm competing for a contract with a British one in Italy, for instance, would have a distinct competitive edge through not being subject to the same tariff barriers as that from Britain. As Duncan Sandys, the Commonwealth Secretary, explained when wrapping up the August 1961 debate about the Macmillan Government's decision to apply for EEC membership:

Our exports are already meeting keen competition from Europe, not only on the Continent but in third markets all over the world, including the Commonwealth. This will become more intense when the Common Market develops its potential. If by staying out of the Common Market we deny ourselves the advantages which our rivals will enjoy we shall merely be putting British industry in the position of having to compete with them on unequal terms.²⁸

Again, the incentive to do something was strongly increased as a result. A third economic force for policy change was the way in which the more that British ministers and officials thought about the problems posed by European integration and the more that they came to the conclusion that they had to do something about the issue, the more they also realised that it might be possible to square some of Britain's Commonwealth and European goals. The Free Trade Area scheme of 1956–1958 indeed marks an important step along this road, not because it represented a successful ploy—it would ultimately prove a failure—but because it showed for the first time Whitehall trying to devise ideas which would reconcile Europe and the Commonwealth rather than simply assuming that the two were

totally incompatible. Had the scheme worked out, Britain would have kept the Imperial Preference system going, but at the same time become a member of an industrial free trade area spanning virtually all of Western Europe.²⁹

The 1961–1963 membership bid took this effort to reconcile the two that much further—the whole notion of conditionality indeed reflected Britain’s conviction that some sort of deal which would satisfy both the Six and the Commonwealth could be struck.³⁰ Neither British politicians nor British civil servants, in other words, accepted the iron logic of economic incompatibility as set out by Milward. As Edward Heath, Lord Privy Seal and Britain’s lead negotiator during the 1961–1963 membership talks, put it when opening Britain’s membership bid in Paris in October 1961:

Some people in the United Kingdom have been inclined to wonder whether membership of the Community could in fact be reconciled with membership of the Commonwealth. The task of reconciliation is complex, but we are confident that solutions can be found to Commonwealth problems fully compatible with the substance and the spirit of the Treaty of Rome.³¹

The evidence of the negotiations, moreover, would also suggest that while finding an adequate solution was indeed hard, it was not impossible. By 1962 a deal on most of the Commonwealth issues had after all been done.³² It was over arrangements for Britain’s domestic agriculture, not the fate of Commonwealth exporters, that Britain and the Six were arguing when General de Gaulle issued his veto and the talks ground to a halt.³³

Clearly the fact that in between 1961 and 1970—in other words, between the Macmillan and Heath negotiations—the Commonwealth dream faded still further did of course make things considerably easier than they had been.³⁴ In the course of the 1960s, all of the major Commonwealth countries took advantage of the stay of execution provided by General de Gaulle’s veto to diversify their exports and scale down their dependency on exports to Britain. As a result, by the second round of membership negotiations in 1970–1971, of the huge array of Commonwealth issues aired during the 1961–1963 membership bid only the difficulties of New Zealand and the West Indian producers of sugar remained as serious obstacles to be overcome.³⁵ But even before the virtual evaporation of the Commonwealth problem, the conviction was widespread in London, in Brussels, and, resignedly in Canberra, Ottawa

and Wellington that some sort of accommodation could be and had to be reached. It is thus economic determinism of an unduly rigid type to assert that no solution to this problem could have been found in 1963.

Finally, the period between 1947 and 1973 also saw a degree of what might, to borrow a later term, be described as 'convergence' between Britain and the Six, at least in terms of economic doctrine. Part of the change was that the Treasury's doctrinaire rejection of regionalism faded—at least in part because of the Six's all too evident success. Another factor may have been the way in which the Treasury became progressively marginalised in the making of British European policy.³⁶ The somewhat jaundiced Treasury attitudes towards European co-operation—to the extent that they persisted—thus mattered less in the 1960s than they had in the previous decade.

Still more important than either of these two changes, however, was the way in which those charting Britain's economic course in Whitehall came to realise that the crucial division about the future evolution of global economic policy was not between the US and Britain on one side and the continental Europeans on the other, but instead between some in Europe, America and Britain ranged against other Europeans, other Americans and other Britons. As a result, if the views of the British Government were to have an effect on the way in which the world economy was organised, they would stand a far greater chance if the UK was within the EC and able to make common cause with liberal Germany and against more protectionist France than if the British remained outside. Quite how much this was so was brought home to London by the climatic phase of the Kennedy Round of GATT negotiations in 1966 and 1967, where London had found itself marginalised in a negotiation dominated by a Brussels–Washington debate.³⁷

Furthermore, the greater prosperity of Western Europe contributed to the sense in London that Britain was no longer unique in its concerns about welfare and the planning of a mixed economy, but instead very much part of the Western European mainstream. Indeed, strong pro-Europeans such as Roy Jenkins were already noting as early as 1961 that Britain was providing less for its population than were its closest neighbours:

We have the most rapid rise in national incomes shown by France, Germany and Italy; the fullest of full employment shown by France and Germany; a model system of economic planning in France; highly successful nationalised industries in France; a very developed system of retirement benefits, which

makes anything that we have in this country look a disgrace, in Germany, and excellent family allowances in France. In many respects the Europe of the Six has far more to offer the people, and has shown a greater achievement in the last ten years, than anything we have been able to get in this country.³⁸

As the decade wore on, this conviction that European involvement would help rather than hinder UK prosperity and welfare had become almost axiomatic amongst those in favour of EEC membership. By 1971 when the final Parliamentary ‘Great Debate’ was held on the principle of joining the EEC, the claims by the ‘anti-Marketeers’ that being part of ‘Europe’ would push up the cost of living in general, and food prices in particular, were countered by a succession of rose-tinted visions of future economic prosperity, and by a strong emphasis on the communality of purpose between Britain and its future European partners. Only the most committed of Tory anti-Marketeers and the left of the Labour Party, with its very different vision of what economic policy should involve, seemed to still doubt that co-operation in Europe would entail working with like-minded politicians and officials, committed to promoting both prosperity and welfare.³⁹

By the end of the 1960s the economic pressures on Britain had thus come full circle, pushing the UK towards greater European commitment rather than away from it. Joining Europe was portrayed by its advocates as a step that would help the British economy, bring to the UK some of that dynamism demonstrated over the previous decades by Britain’s European neighbours, and increase the capacity of the British Government to respond to the needs and hopes of their electorate. In economic terms as well as in geo-political ones, the British Government now seemed to share the belief that EEC membership would ‘rescue’ their nation-state, in much the same way that the original six founder members had done two decades earlier.⁴⁰ Britain had in other words joined the European mainstream in the manner in which it discussed European integration well before 1973 when the country actually entered the EEC.

III

It is also important to highlight the way in which economic factors helped colour (in a largely negative fashion) Britain’s early experiences of European integration. This is a topic about which a huge amount could be written—indeed, the author is in the process of planning an overview of

Britain's whole trajectory as an EC/European Union (EU) member state, within which an assessment of the economic costs and benefits will be a central component. But this chapter limits itself to three points.

The first is that 1973 turned out to be an unfortunate year to join the EEC, since it marked the decisive end of the post-war boom. Britain's economic trials and tribulations during the 1970s were not primarily because the UK had joined the EEC; indeed, direct causal links are few and far between.⁴¹ But what matters is that Britain's early years in the EEC coincided with a prolonged period of economic underperformance, thereby shaping UK opinion about European integration in a way which contrasted strongly with what had happened for the founding Six whose own first fifteen years of integration had coincided with near constant economic boom.⁴² The British were thus affected by a negative correlation between integration and economic performance, just as the Six had been helped by a positive correlation. The impact on public and political attitudes would continue to be felt for decades to come. The damaging belief, for instance, that there was a strong link between EEC membership and inflation was an almost purely British phenomenon, reflecting the way in which entry had been followed by the inflationary surge of the 1970s. The latter would almost certainly have happened irrespective of Community membership—inflation was, after all, a global scourge in the aftermath of the first oil shock. But because opponents of EEC membership had used the threat of higher food prices as one of their prime weapons during the debates of the preceding decade, the fact that food (and other) prices did rise sharply came to be seen as a vindication of their warnings and an easily discernible effect of joining 'Europe'.⁴³ None of the Six were to experience a comparable phenomenon or association until the much more recent suggestion that prices rose sharply following the introduction of the single currency at the very start of the twenty-first century.

Even more fundamentally, EC membership, which had been largely sold to the British public during the 1960s and early 1970s as the cure to Britain's relative underperformance since the Second World War, did not produce the hoped for acceleration of the UK's growth rate. Instead the opposite occurred and growth stagnated for nearly a decade. Public faith in the integration process—and in their political leaders' predictions about what it could do for the country—was seriously damaged as a result.

Second, Britain failed to secure quickly that leadership position within the EEC that all advocates of British membership—both in the UK and on the Continent—had taken for granted.⁴⁴ Why this did not happen is too

complex issue to explore here. The spectacularly bad economic performance mentioned already was certainly one factor, as were the ongoing doubts about the integration process afflicting both the British public and the British political elite. The manner in which Britain's newly acquired status as an EEC member was almost immediately subjected to renegotiation and then a referendum did not help either, despite the seemingly conclusive outcome of this last event.⁴⁵ And it is probably also of importance that neither Harold Wilson nor James Callaghan seem to have aspired to become significant figures on the EC stage in the manner that Heath had done.⁴⁶ Wilson, for instance, never seemed at home in the new collective forum of European leaders, the European Council, with the result that the impetus for progress and development came primarily from Helmut Schmidt, the German Chancellor, and Valéry Giscard d'Estaing, the President of France, not the British Prime Minister.⁴⁷ What it meant, though, was that as Europe went on evolving it did not automatically move in the direction of Britain's economic aspirations in the way, once more, that most British pro-Europeans and continental Anglophiles had assumed. The British did not turn out to be able to do much about the Common Agricultural Policy or the Common Fisheries Policy despite constant grumbling.⁴⁸ They were left bystanders by the big advance of the 1970s, namely the start, at the end of the decade, of monetary integration with the launch of the European Monetary System (EMS).⁴⁹ They were very slow to secure a better budgetary deal despite the fact that their basic case for one was exceedingly strong—and acknowledged to be so by many of their partners.⁵⁰ The long battle over the British budgetary question (BBQ) further soured British public opinion and dented the reputation of the British amongst the Nine or Ten. It would thus only be with the launch of the Single Market in the mid-1980s that 'Europe' would adopt an economic agenda with which Britain was fully comfortable, and even then Thatcher would soon find that, whereas for her the Single Market was an important end in itself, for many of her continental counterparts, including crucially Helmut Kohl, the German Chancellor, François Mitterrand, the French President, and Jacques Delors, the Commission President, it was instead a means to further integration—including yet more monetary integration and greater political unity.⁵¹

The end result was that integration went on feeling like someone else's story. This meant that when it went well, the British could take comparatively little pleasure from someone else's achievements, whereas when it went less well, the British were all too quick to complain loudly about how

others were all to blame. Needless to say this in turn neither endeared Britain's leaders to their continental counterparts, nor integration to the British public.⁵²

Finally, when it at length arrived in the mid-1980s, Britain's economic recovery was not the type of recovery to which British leaders, from Macmillan onwards, had looked, i.e. a recovery based on what had been Britain's traditional economic strength, namely the manufacturing industry, allowing the UK to rival the Germans as the main supplier of the emerging European Single Market. That this had been the starting assumption is perhaps best illustrated by Harold Wilson's colourful denunciation of the consequences for the Commonwealth of Macmillan's application, telling the Commons on 3 August 1961 that 'we are not entitled to sell our friends and kinsmen down the river for a problematical and marginal advantage in selling washing machines in Dusseldorf'.⁵³ From a twenty-first-century perspective, though, the mere thought that Britain should be seeking to sell washing machines to the country that supplies us with Miele or Bosch electrical appliances sounds mildly quaint.

Instead, what Britain's Thatcherite boom was built upon was the City of London and the financial sector—and their horizons were global much more than they were European. They were not necessarily Eurosceptic; indeed, many remained interested in consolidating London's place as Europe's premier financial centre—or now, in the aftermath of the 2016 referendum, clinging onto at least some of this leading role. But they did not look at Europe in the same way that British manufacturers might once have done as their key market, access to which was of vital importance.

Furthermore, their new pre-eminence gave Britain a rather different viewpoint on the big move towards greater monetary integration that characterised the integration process in the later 1980s and 1990s.⁵⁴ Again, the City was not necessarily uniformly hostile. But their views coloured British attitudes towards European 'regulation'—viewing it as something that threatened to erode the global competitiveness of British financial service providers, rather than something that opened up a European Single Market previously semi-protected by the proliferation of non-tariff barriers—and lessened the resonance of the orthodox view elsewhere in Europe which regarded exchange rate fluctuation as a major impediment to both trade and the easy movement of European citizens across borders. This in turn helped produce the increasing divergence between Britain and its EC/EU partners during the 1990s and early years of this century over the push for a single currency, the steady proliferation

of British opt-outs that had turned the UK into a semi-detached member state long before the Brexit vote, and, perhaps most important of all, the constant stream of denigration about the Euro which formed an inescapable backdrop to the fateful decision to hold a second in/out referendum and to the outcome of this vote.⁵⁵ Economics alone do not explain either the uncomfortable nature of Britain's forty plus years as an EC/EU member state, any more than they determined by themselves Britain's earlier trajectory towards EEC membership. A whole range of political and geo-strategic factors also played a crucial role. But there was a substantial economic component to Britain's early woes as an EC member, to some of the longer-term trends that have complicated its life within the EC/EU, and to its recent decision to turn its back on the integration process.

All told, therefore, I think a good case can be made that economic factors have played an important role in shaping Britain's initial abstention from the integration process and the reversal of that decision in the 1960s and early 1970s, and also play their part in the rather troubled marriage that has followed the wedding bells of 1973. What part they will play in the next few twists and turns of the Britain and Europe soap opera is something that is probably unwise to speculate about here. But such has been the degree of economic interaction between Britain and its closest geographical neighbours that I find it difficult to believe that our national future lies purely in selling to and buying from countries far removed from the European sphere. The gravitational pull of our nearest neighbours is thus likely to continue to influence British economic choices in the decades after Brexit, as much as it has throughout the post-Second World War period. How this can be reconciled with the preferences of the British people and the beliefs of a large number of their political leaders will be fascinating to behold.

NOTES

1. For an attempt to explore some of the less tangible aspects of the British debate, see N. Piers Ludlow, 'Us or them? The meanings of 'Europe' in British political discourse', in Mikael af Malmberg and Bo Strath eds., *The meaning of Europe: variety and contention within and among nations* (Oxford, 2002), pp. 101–124.
2. Typical of the tone of the debate was Milward's provocative claim that 'the true origins of the European Economic Community are economic and social', Alan S. Milward and George Brennan, *The European rescue of the nation-state* (London, 1994), p. xi.

3. For the wider historiographical context, see Wolfram Kaiser and Antonio Varsori eds., *European Union history: themes and debates* (Basingstoke, 2010).
4. *Foreign relations of the United States 1947*, vol. 3 (Washington, DC, 1972), p. 271.
5. Alan S. Milward, *The rise and fall of a national strategy, 1945–1963*, The UK and the European Community, vol. 1 (London, 2002), pp. 40–41.
6. Milward and Brennan, *The European rescue of the nation-state*.
7. *Ibid.*
8. *Yearbook of International Trade Statistics*, published by the UN (New York, various years).
9. Author's calculations on the basis of *Yearbook of International Trade Statistics*, published by the UN various years.
10. *Ibid.*
11. Gilbert Noël, *France, Allemagne et "Europe Verte,"* (Berne, 1995); Ann-Christina L. Knudsen, *Farmers on welfare: the making of Europe's Common Agricultural Policy* (Ithaca, NY, 2009).
12. This thesis is still present in Milward, *The rise and fall of a national strategy*. It was, however, expressed even more trenchantly in lectures and talks that Milward gave prior to the publication of the volume—and it was in one of these (delivered in Oxford in 1997 or 1998) that the term 'neo-Europe' was used.
13. John W. Young, *Britain, France, and the unity of Europe, 1945–1951* (Leicester, 1984), pp. 67–69.
14. Milward, *The European Rescue of the Nation State*, pp. 25–26.
15. Simon Burgess and Geoffrey Edwards, 'The six plus one: British policy-making and the question of European economic integration, 1955', *International Affairs* 64 (1988), pp. 393–413.
16. For the first, James Ellison, *Threatening Europe: Britain and the creation of the European Community, 1955–1958* (London, 2000); for the second, N. Piers Ludlow, *Dealing with Britain: the Six and the first UK application to the EEC* (Cambridge, 1997), esp. pp. 80–99; and for the third, Helen Parr, *Britain's policy towards the European Community: Harold Wilson and Britain's world role, 1964–1967* (London, 2006).
17. For operation ROBOT see John Fforde, *The Bank of England and public policy, 1941–1958* (Cambridge, 2012), pp. 452–473. For the wider context, see Catherine R Schenk, *The decline of sterling: managing the retreat of an international currency, 1945–1992* (Cambridge, 2013).
18. The Cold War argument is clear from Eden's remarks in Roger Bullen and M.E. Pelly, *The Schuman Plan, the Council of Europe and Western European integration May 1950–December 1952* (London, 1986), pp. 846–847.
19. Wolfram Kaiser, *Using Europe, abusing the Europeans: Britain and European integration, 1945–1963* (Basingstoke, 1996), p. 53.

20. John W. Young, *Britain and European unity, 1945–1999* (Basingstoke, 2000), pp. 43–45.
21. For a much more political explanation, see Kaiser, *Using Europe, abusing the Europeans*.
22. Barry Eichengreen, *The European economy since 1945: coordinated capitalism and beyond* (Princeton, 2009), p. 17.
23. James C. Van Hook, *Rebuilding Germany: the creation of the social market economy, 1945–1957* (Cambridge and New York, 2004).
24. The National Archives (TNA), London, CAB 134/1853, Economic Steering (Europe) Committee, ES(E) (60) 17, 6 Jul 1960, Covering note to the answers to the Prime Minister’s list of questions.
25. Author’s calculations on the basis of *Yearbook of International Trade Statistics*, published by the UN various years.
26. Ibid.
27. Ibid.
28. 645H.C. Deb. 5s., 3 Aug 1961, col. 1771.
29. Ellison, *Threatening Europe*.
30. N. Piers Ludlow, ‘A mismanaged application: Britain and the EEC, 1961–1963’, in Anne Deighton and Alan S. Milward eds., *Widening, deepening and acceleration: the European Economic Community 1957–1963* (Baden-Baden, 1999), pp. 271–85.
31. *The United Kingdom and the European Economic Community*, White Paper, Command 1565 (London, Nov 1961), p. 4.
32. Ludlow, *Dealing with Britain*, pp. 138–68. Milward’s official history makes great play of the fact that the agreement on ‘comparable outlets’ had not been officially accepted by the British, Milward, *The rise and fall of a national strategy*, pp. 415–20.
33. Ludlow, *Dealing with Britain*, pp. 200–30.
34. Alex May, ‘The Commonwealth and Britain’s turn to Europe, 1945–73’, *The Round Table*, 102 (2013), pp. 29–39.
35. Stephen Wall, *The official history of Britain and the European Community. Volume II: from rejection to referendum, 1963–1975* (Abingdon, 2012), pp. 332–404.
36. N. Piers Ludlow, ‘A waning force: the Treasury and British European policy, 1955–63’, *Contemporary British History* 17 (2003), pp. 87–104.
37. Lucia Coppolaro, *The making of a world trading power: the European Economic Community (EEC) in the GATT Kennedy Round negotiations (1963–67)* (Farnham, 2013), p. 177ff.
38. 645.H.C. Deb. 5s., 2 Aug 1961, cols.1480–1606.
39. N. Piers Ludlow, ‘Safeguarding British identity or betraying it? The role of British ‘tradition’ in the parliamentary great debate on EC membership, October 1971’, *JCMS: Journal of Common Market studies* 53 (2015), pp. 18–34.

40. Milward and Brennan, *European rescue of the nation state*, pp. 42–5.
41. Dominic Sandbrook, *Seasons in the sun: the battle for Britain, 1974–1979* (London, 2012); Kathleen Burk, *“Goodbye, Great Britain”: the 1976 IMF Crisis* (New Haven, CT, 1992).
42. A. J. Nicholls, ‘Britain and the EC: the historical background’, in Simon Bulmer, Stephen George and Andrew Scott eds., *The United Kingdom and EC membership evaluated* (London, 1992), pp. 3–9.
43. For the way in which food prices had become a central concern of those opposed to British EEC membership from 1961 onwards, see Robert Frank Dewey, *British national identity and opposition to membership of Europe, 1961–1963: the anti-Marketisers* (Manchester, 2009), pp. 74–77.
44. This sentiment was epitomised by George Brown’s reputed comment to Brandt in 1967, ‘Willy, you must get us in, so we can take the lead’. Cited in Spencer Mawby, *Containing Germany: Britain and the arming of the Federal Republic* (Basingstoke, 1999), p. 188.
45. Wall, *Official history of Britain and the European Community. Volume II*, pp. 511–590.
46. For Heath’s ambitions see Daniel Möckli, *European foreign policy during the Cold War: Heath, Brandt, Pompidou and the dream of political unity* (London, 2008), pp. 47–55.
47. Michèle Weinachter, *Valéry Giscard d’Estaing et l’Allemagne: le double rêve inachevé* (Paris, 2004).
48. Edmund Neville-Rolfe, *The politics of agriculture in the European Community* (London, 1984).
49. Emmanuel Mourlon-Druol, *A Europe made of money: the emergence of the European Monetary System* (Ithaca, NY, 2012).
50. N. Piers Ludlow, *Roy Jenkins and the European Commission presidency 1976–1980: at the heart of Europe* (Basingstoke, 2016), pp. 207–216.
51. For the British role in the Single Market’s genesis see Stephen Wall, *A stranger in Europe: Britain and the EU from Thatcher to Blair* (Oxford, 2008), pp. 41–61.
52. Stephen George, *An awkward partner: Britain in the European Community* (Oxford, 1990), p. 71ff.
53. 645.H.C. Deb. 5s., 3 Aug 1961, col.1665.
54. For the wider European context see Kenneth H.F. Dyson and Kevin Featherstone, *The road to Maastricht: negotiating economic and monetary union* (Oxford, 1999); Harold James, *Making the European Monetary Union: the role of the Committee of Central Bank Governors and the origins of the European Central Bank* (Cambridge, MA, 2012).
55. The earlier phases of this sorry tale are covered by Wall, *A stranger in Europe*, p. 87ff. The later period will be central to the author’s planned book.

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