ASPECTS OF JAMAICAN ECONOMIC DEVELOPMENT, 1830 - 1930

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ABSTRACT

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By

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Students of West Indian economy and society have traditionally failed to provide concepts for the study of three important phenomena: 1) British capitalist development and its relationship to imperialism, 2) West Indian economic development, and 3) West Indian stratification. The reasons for these inadequacies can be traced to political and corresponding epistemological biases. The Caribbean structuralists, presently dominant in Caribbean studies, have not challenged Third World capitalism. Nor have they moved beyond the static analytical concept, the "system," expressed in terms of the "plantation society" and "plantation economy."

Recent Marxian theories and research on imperialism and dependency, hitherto ignored in West Indian studies, are particularly strong in the three areas outlined above and suggest a promising path in the reconceptualization of West Indian economy and society. Marxian thought, of course, represents varying epistemological and political viewpoints as well. Marxian methodology, as elaborated by Ollman, Hobsbawm, and others, is relational, and differs from structuralist and other Marxian approaches in its emphasis on the variability of social phenomena and the changing nature of social relations. Yet, common forms of social relations are recognized, although as historical relations and not systemic laws.

Following this interpretation of Marxian theory, the study of West Indian economy and society begins with an analysis of bourgeois capitalist development and the British case. It is argued that Britain's economic history, elaborated in relational terms, provides a set of limiting, conditioning factors within which West Indian economy and society has evolved. For the period in question, 1830-1930, several key relations in the development of British capitalism influenced West Indian history.

Britain seized the West Indies during the mercantile period of her capitalist growth, subjecting the region to the consequences of large-scale commodity export agricultural production, and monopolistic and preferential trade policies. During the first half of the nineteenth century, European mercantilism gave way to competitive capitalism resulting in changes in the dynamic of capitalist growth and related modifications in modes of imperialism and in trade policies. Britain, the premier metropole, adopted free-trade practices which embodied the primary means of imperialist expansion.

As a consequence of this movement, the West Indies experienced changes in fundamental aspects of society and economy. The dominant system of production, the plantation, declined. Class relations were altered, as a national bourgeiosie displaced many planters and merchants, and assumed a major role in landowning, petty manufacturing and trade. The developmental process underwent transition; petty production of agricultural crops and manufactures, much for the internal market, increased. The British state withdrew its formerly rigid control over its colonies, allowing colonial legislatures to assume increased political power in many areas. Similar changes occurred in other metropolitan-satellite relationships.

At the turn of the century, metropolitan capitalism began the transition to its present phase of development--monopoly capitalism. British industry and that of other bourgeois nations became centralized and concentrated; concentration of capital grew. Bourgeois metropoles returned to protectionist trade policies. Capital investment became the predominant mode of imperialism. The metropolitan countries challenged one another and countered international economic crisis by joining a new round of colonial expansion into the economically backward world.

British colonies and those of other metropoles experienced a series of social and economic transformations; the prevailing system of production, class relations, dependent development, and the state changed. In the West Indies, the dominance of the plantation was reestablished. The national bourgeoisie faced competition for land, labor and capital from monopoly capitalist corporate owners of plantations. Economic growth was again concentrated in the export sector. The British state reasserted its authority in colonial affairs, reducing local political power.

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By

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The nations of the former British West Indies have been among the most frequently studied in the world. Eighteenth century accounts of these tropical islands are still available, in which they are described as lush and beautiful, but suffering from economic distress. Even in the bright days of eighteenth and nineteenth century Caribbean sugar production, wealth was dramatically uneven in and among the islands; and where sugar production was extensive, prosperity was tragically short-lived. The principal cause of West Indian poverty has been widely and accurately determined, colonially imposed monoculture. The solutions are not as easily discernible.

Economic development of the West Indies is sure to be difficult and to mean economic hardship for many. But the paucity of ideas about how to relieve the extreme economic backwardness and imbalances of the area may be related to the particular theoretical paradigm adapted by Caribbean intellectuals,[1] a more radical version of the current view of world economic relations in terms of the historically enduring conflict between developed and so-called underdeveloped societies. This conflict is quite real; its centrality in world economy and politics may be doubted, however, given the reluctance of many Third World countries to alter internal class relations that support

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Introduction

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The emphasis on an international conflict between rich and poor reflects three major problems in the current radical thinking of West Indian nationalists. First, the study of the West Indies has traditionally lacked a coherent and consistent analysis of social class. Race has been an important subject of academic research, and racial differentiation of West Indian societies approximates class divisions. But racial categories are sufficiently different in composition and origins than those of social class that closer examination of class and the relationship of race to class is warranted. Further, class is central to an understanding of international linkages, as the West Indian national bourgeoisie is closely allied to foreign investment and financial interests.

Second, the theory of international inequality shared by Caribbean structuralists and many other Third World nationalists lacks a precise theoretical explanation of the origins of Western dominance. The mercantile expansion of North Atlantic capitalism is an insufficient cause of imperialism, if it is not grounded in an historical theory of bourgeois capitalist development, its typical stages, and the likely constraints and opportunities of each stage. Moreover, West Indian structuralists have not considered the history of capitalism within particular metropolitan countries, or the extent to which this history is conditioned by international rivalry for hegemony among metropoles. Modern capitalism has been a constant battle for markets, for capital and for goods within nations and among advanced capitalist neighbors. It is only in understanding metropolitan capitalist growth in general and specific national terms, and how it

creates and experiences international capitalist rivalries that we can understand the history of West Indian societies.

Third, West Indian structuralists have not fully explained the origins of dependent development in the extraction of economic surplus by imperialist powers and resulting erection of new economic structures. That is, these scholars have stressed the importance of inter and intra-firm linkages in explaining dependent development, while ignoring broader and more fundamental issues. Dependent development is best understood in terms of the disruption of indigenous patterns of economic growth, and the superimposition of new institutional and class forms advantageous to metropolitan capital and inhibitory of national development. Implied in such a conceptualization is a theory of national economic growth and the proposition that imperialism affects Third World development primarily by depriving it of capital, not merely through multinational vertical integration, but through numerous means that are historically changing and form an entire complex of domination and exploitation.

I will propose an alternative conceptualization of world political economy for the discussion of the West Indies.[3] This approach involves a more complete look at West Indian dependent development and class relationships and the growth and eventual stagnation of British capitalism during the twentieth century. The issue of central concern is the role of the West Indies as colonial dependencies in the British international economy from the beginning of "free-trade imperialism" in the mid-nineteenth century to the present period of British subordination to American economic strength. I will use Jamaica as a case study of the British West Indies; it is the only one of these nations which supplies full and seemingly dependable economic data to international agencies.

The period under consideration spans 1830 to the present. During this era, British industrial capitalism broke the bonds of mercantilism and emerged as the major economic and political power of the world. This industrial triumph undermined mercantile relationships dominant during the preceding era of capitalist development; a pivotal relation in the mercantile empire was that between West Indian sugar producers and the refiners, shippers and traders of sugar and sugar products in Britain. The coming of free-trade by 1850 opened a world of possibilities to British industrialists and reduced West Indian planters to poverty in the "free" international competition for sugar markets. Britain bought much of the sugar her citizens and refining industries consumed, more cheaply, elsewhere. The West Indies lost their usefulness to Britain. But why, then, over 150 years later are the West Indies still linked to Britain, formally, or by means of the sterling club? West Indian nationalists and historians in general have argued that export crops of the West Indies were once again profitably exploited by large, vertically integrated companies beginning in the early years of the twentieth century, and thus the area regained importance to British capital (Beckford,1972; McDonald, 1971; Mandle, 1973a). Continued political and monetary ties can be explained in terms of the British state's long held commitment to private capital, particularly to financial interests linked to international trade and investment. In my opinion, this reasoning, by itself, is insufficient. In their extreme economic backwardness, the West Indies cost the British state precious capital during the years when competing needs and problems--the world wars, the decline of Britain's international economic position, the erection of the welfare state--pressed. And, the increasingly enlightened attitude of the British state towards peoples of the dependencies, coupled with the refusal of the sugar and fruit companies to contribute financially to the welfare of the workers, meant that West Indian agriculture was not a cheap form of exploitation. Students of the West Indies are mute on the provocative question: why were the West Indies of continuing importance to Britain, even as she was forced to borrow heavily from other metropoles and international agencies to honor her commitments to the remaining colonies and members of the sterling area?

I would contend that the West Indian-British relationship, since 1830, is explicable only in terms of a broad view of British capitalist rise and decline. Imperialism,as an enduring and powerful means of British economic growth and stability, reflects first the mercantile accumulation of "primitive" capital through plunder, trade and colonial raw material production. British industry then yielded to the opportunity of the premier metropole to sell relatively advanced and low priced manufacturers all over the world. This was achieved only after a struggle of many decades between the industrial forces of free-trade and mercantile traders and raw material producers. Industrialists broke loose of mercantile restrictions of monopoly and protection. But British trading interests, broad and powerful,adapted to industrial needs for ships, intermediaries, insurance, etc. Thus, the final stage of the British bourgeois revolution resulted in an alliance of merchants and manufacturers which necessitated the abandonment of uncompetitive raw material producers, e.g., the West Indian planters.

By the late 1900's Britain's manufactures were losing their competitive edge; the early and revolutionary developments of British industry could not challenge the superiority of German and Amercian oligarchical organization. And the efficiency of American and German industry stemmed, in part, from their reorganization and concentration in the disastrous depression of the late nineteenth century. The British met these downward turns, as well as the challenge of rival metropoles, by searching for new markets. Eventually the only viable outlets for manufactured exports were areas of British political control, the Dominions--buyers of British capital goods, and the dependencies--markets for light manufactures. With increased political and economic autonomy of the Dominions, colonies of economic backwardness, like the West Indies, remained the last reserves of British industrial power. At the same time, British overseas industry, like German and American, became more concentrated. Companies engaged in raw material producing and trade were compelled by their size and capital bases to secure raw materials, and they found new uses for abandoned dependencies, e.g., the West Indies, with capital intensive production of raw materials.

Dependent, unevenly developed, the dependencies have lacked capital, manufacturing capacity, food production--all prerequisites of the classic bourgeois capitalist growth they have sought to emulate. Furthermore, as holders of sterling they have contributed to the value of the currency, and thus to the power of British traders, investors and export industries, while strapped themselves to money that has lost strength with passing years.

From the mid-nineteenth century to the early twentieth, a national bourgeoisie, made up of farmers, merchants and petty craftsmen, slowly emerged from the remnants of the planting class. Many elements of this group lacked the progressive thrust of European bourgeoisies, as they oriented production and trade to the export market for cash crops. The economic misfortunes of early planters allowed the rise of some progressive bourgeois elements, but merchants,and some capitalist farmers and manufacturers shared an interest in raw material production for export, particularly if it did not monopolize land, labor, trade and ancillary production, as mercantile plantations had done. Multinational corporate investors in sugar and other export crops were welcomed in the early years of the twentieth century.

From Emancipation to the present, peasants and workers have sought land because they have been victimized by ever decreasing labor needs on plantations, and later in mines and manufacturing. Peasants producing export crops have occupied a significant proportion of the cultivated land for over a century. Following World War II, multinational corporations and a burgeoning dependent state apparatus created middle sector employment. But the twentieth century has brought steep unemployment rates to the West Indies, especially for blacks and Indians.

Reflecting these events and trends, I will examine the following periods in the history of British-West Indian relations: 1) 1840-1930, the rise and decline of British "free-trade imperialism" and continuing stagnation of the West Indian sugar industry in the face of international competition; 2) 1930-45, the emergence of British monopoly capitalism and re-establishment of sugar plantations by British corporations in the West Indies, against the backdrop of rising German and American economic power; 3) 1945-present, the establishment of the British welfare state and its effects on the course of British decolonization of the West Indies and other dependencies, as American political and economic interests emerge in the former British empire, particularly in the Caribbean.

The issues described above will require much time to investigate and explicate fully. This dissertation will be an analysis of only the first of these historical eras, 1830 to 1930. My task is to review three major aspects of Jamaican history for the one hundred year period during which British economy developed from mercantilism to the beginnings of monopoly capitalism. These three areas are: 1) the development of British capitalism--the internal contradictions of the bourgeois capitalist mode of production and the peculiarly British form; 2) the shifting class conflicts and alliances within Jamaican society, arising out of changes in British capitalist development, and British capitalist and state activities in the Caribbean region; 3) the dynamic of development that characterizes economic growth in the dependent West Indies. The formulation of a framework for the discussion of these phenomena has depended upon the completion of research on their twentieth century forms. However, the analysis of this complex and lengthy period of West Indian history--1930 to the present--will not be presented in this dissertation. I will complete that part of this project at a later time.

Before stating in detail the content of each of these areas of inquiry of this dissertation, I will indicate my criticisms of past methods of study of the West Indies and explain the theoretical framework and methodology I will use.

A Review of Theory

The study of West Indian economies and societies has been criticized from a number of viewpoints, and in accordance with changing epistemological and ideological perspectives. The most often discussed and refuted conceptualizations are those arising from the paradigms of liberal Western sociology, anthropology and economics, and their more conservative application to dependent, non-white societies (Greene, 1974; Best, 1971; Brown and Brewster, 1974). This trend mirrors a similar critical development in Latin American social thought which occurred in the 1960's (Frank, 1969b, Bodenheimer, 1970). These critiques have conditioned the development of new theoretical frameworks in both Latin American and Caribbean studies. As Girvan explains, contemporary scholars of these regions have adopted a "structural/historical/institutional" methodology to study the roots of economic underdevelopment and to explain its social and political consequences. Broadly called "structural theory," its proponents have held two critical assumptions: 1) economic growth in the developed world has historically been related to economic dependency of the Third World; industrialized countries profit from non-industrialized ones by means of superior terms of trade for manufactured goods, foreign economic investment, the terms of multilateral and bilateral economic aid, etc.; 2) the dependence of Third World countries on Western capital, technology and productive organization contributes to a social-psychological dependency manifested in the adoption of Western styles of consumption, political behavior and culture.

The evolution of dependency economics from its neo-classical origins has spanned the post-War period. As Levitt and Wyeth (1974) suggest, progress slowly followed the rejection (by Arthur Lewis, Raul Prebisch, Gunnar Myrdal and others) of the assumption that the international division of labor--Third World production of raw materials, industrial countries' production of manufactured goods--was natural, if not always equitable. The recognition of the long run deterioration of terms of trade for agricultural and raw mineral products and rejection of this form of inequality between nations by the United Nations and many Third World governments, encouraged a closer examination of other means of metropolitan surplus accumulation--overseas investment, international monetary exchange, tied and high interest aid, etc.

The ways in which the economic and cultural mechanisms intersect to form the "structure" of dependency have been studied both historically, principally by Third World nationalists, and cross-sectionally, largely by United Nations economists. The latter have generated a massive amount of data, leading to major policy efforts on the part of the U.N. and other international agencies to redistribute international wealth.[4] The principal "market intervention" has been in the area of commodity price supports, but U.N. agencies have encouraged increased Third World national control of foreign investment and argued for more liberal terms for Third World countries in bilateral and multilateral aid agreements. This diplomatic thrust has moved sectors of the developed world to accept lowered tariffs for agricultural goods, commodity quota agreements and price supports of other kinds and the result has been an international redefinition of trading relations, permitting, for the first time in history, massive "market distortions" in favor of the "developing" world.[5] As later analysis will indicate, however, international welfare economics has been useful only to those countries willing to use redistribution of wealth as a tool in the total transformation of their modes of production.

The institutional analysis of metropolitan dominance has provided historical and sociological explications of the economic relationships examined by policy-makers. The "structuralists" have joined conventional economic and materialist methodologies to study social relationships within succeeding historical periods of metropolitan penetration. These periods are characterized by varying forms of metropolitan influence; for example "Furtado distinguishes three broad historical periods in Latin America: (i) the colonial period, (ii) the period of 'externally-oriented development' and (iii) the period of substitute industrialization or 'internally' oriented development. Each period has characteristic economic institutions, and a characteristic economic process" (Girvan, 1973, p. 13). The resulting schema is a compelling framework of analysis of post-eighteenth century Latin America, which finds the primary explanation for present underdevelopment in North Atlantic imperialism.

Thus, dependency theorists of the structuralist school contend that the necessary conditions for economic development of Third World societies will not be present until foreign economic interest and influence are eradicated. In this sense, they go beyond their ideological brethren at the United Nations and in liberal metropolitan circles in advocating almost complete withdrawal of Third World societies from the international economy. However, on the question of how these socieites are to achieve development following economic isolation, the structuralists are vague. Beckford (1972), Girvan (1973), and Best (1967) of the West Indian New World Group favor a socialist alternative to underdeveloped capitalism. The ambiguity remains, however, as these structuralists have noted both their hostility to Marxism, an imported ideology, and questioned the efficacy of socialist transformations dependent upon extensive financial support from Soviet bloc countries (Girvan, 1973; Best, 1971). These political concerns are valid ones; while Cuba, the prototypical plantation economy, has greatly equalized and improved the quality of life of its citizens since the revolution, it has been at the price of dependence upon Soviet aid and continued economic reliance on export agriculture.[6] With the benefit of seventeen years of quite deliberate observation of Cuban economics, West Indians and other Third World nationalists may legitimately fear the exigencies of export dependent socialism. However, in keeping their development options undetermined, the structuralists seem to reluctantly fall back on the capitalist alternative; they are doomed by geography (limited market size) and climate (uncertain prospects for non-export agriculture) to retain the structure imposed by invading foreign interests, and to nurture those interests, as the structure may be untenable without their capital and expertise. Yet, the refusal of Caribbean structuralists to risk socialism in these small islands, seemingly unsuitable for agricultural diversification, does not fully explain their inability to consider autonomous, indigenous socialism. Rather, the acceptance of climatic and physical prohibitions against socialism interacts with the reluctance of structuralists to transcend conventional economic and sociological concepts to reach a full understanding of the consequences of international capitalist development.[7]

As I stated earlier, the structuralists define their task as explicating the dominant economic relationships which characterize successive stages of economic imperialism. The proposition of stages may itself be tautological, as they are defined by the primary, foreign generated economic relationship of the era. But, more trenchant criticisms are these: 1) that the stages or differentiation among dominant economic dynamics are arbitrarily chosen, indicative of superficial changes in the working of multinational corporations rather than major alterations in dependent economic relationships; 2) they are not related to structural changes in British capitalist development or shifts in international metropolitan relationships; 3) the structuralists have failed to propose a viable scheme for understanding stratification within West Indian societies or the national participation in forms of metropolitan dominance.

For example, Levitt and Best have proposed an historical schema for the study of the West Indies based on changes in the internal organization of the sugar industry. The authors offer three stages in the evolution of the Caribbean plantation economy: (i) Pure Plantation (1600-1838); (ii) Plantation Economy Modified (1838-1939); and (iii) Plantation Economy Further Modified (since 1939). The principal difference between the first and second periods is that by the second period slavery had been abolished and British mercantilism ended.

Levitt and Best argue that this resulted in a free peasant population, but one still dependent upon the export sale of sugar and other "tropical" crops, and linked to the plantation by the need for services such as transportation, simple processing, etc. After 1938, a number of other industries developed branches in the West Indies. However, like the sugar and banana industries, bauxite, oil and tourism are not vertically integrated at the West Indies sites of production. The benefits of the total productive process accrue to the transnational corporation operating in the metropoles, much as the profits from low cost West Indian slave and bonded labor were absorbed by mercantile houses of England during the glorious days of eighteenth and nineteenth century sugar production. In fact, the central organizational principle of metropolitan based industries in sugar, fruits, mineral extraction and processing, and tourism--a high degree of "international" functional integration--has remained salient during several hundred years of foreign economic dominance. And, as Beckford (1972) suggests, modifications in the plantation system, e.g., the development of a peasantry after Emancipation, have not deterred resources away from production for export. (Beckford conceptualizes the "plantation system" as a totality--the "plantation society," forms of which have changed only superficially during the last three centuries.)

However, the periods differentiated in the analysis of Levitt and Best do mark changes in international capitalist relationships of both historical and theoretical significance, although their effects on West Indian dependency and development are not of primary importance. The mid-1800's were a time of definitive change in British trade policy, away from the protectionist ideology of mercantilism to "free trade"; the successful emergence of industrial capitalism has everywhere required industrial emancipation from mercantile hegemony, or the industrial-mercantile-agricultural alliance (Moore, 1966). The ending of British preference for West Indian producers was a dramatic step in the freeing of British industry to buy and sell where prices were most advantageous. The economics of free-trade were now beneficial to Britain, the country of such advanced communication and industry to exercise a natural supremacy against other nations. While traders and refiners resisted the government capitulation to the forces of industry that was indicated in the shift to free-trade policies, many were sufficiently powerful in economic terms to easily adapt to the purchase of raw materials from a cheaper source. Throughout the early twentieth century, the Dominions and industries threatened by the rise of foreign competition clamored for a return to protectionist policies. The Depression exacerbated the distress of industry in Britain and the Dominions, and crippled raw material producers in the dependencies. The British state responded by erecting protective barriers at home, establishing quotas and price supports for raw materials, and initiating mutually beneficial preferences between herself and Dominions and among the countries of the Empire. In this way, the decade of the 1930's was an important period in the metropole, and indirectly, for the West Indies, as Levitt and Best and Beckford all agree. However, the meaning for the West Indies does not lie in an arbitrary set of historical events or business decisions; nor are these changes peculiar to Britain's relationship to the West Indies. Rather, Britain, the premier metropole experienced a series of changes in internal and international economic relationships, based on developments typical in some ways of Western bourgeois capitalist growth, and resulting in alterations in the metropole-satellite relationships. The dependent development of the West Indies and other dependencies changed during these stages, but only in form; dependency implies a set of constraints against balanced economic growth which has not generally broken down in the course of international capitalist development, which has included depressions, wars, and corporate reorganizations. Rather, dependent development has taken shifting and highly variable institutional forms. And, dependency has generally grown, as the ratio of imported to domestically produced food, manufactured goods and capital has increased throughout most of the Third World during the last two centuries.[8]

Beckford, in his excellent work, Persistent Poverty, begins to move the discussion of the plantation economy to the metropolitan stage, stressing the extent to which multinationals and their mercantile and smaller corporate precursors have branched out to many sectors of the developed and developing worlds, applying similar principles of organization to raw material and manufacturing plants wherever they are located. And Beckford is sensitive to the expansionary, exploitive character of capitalism, linking the European domination of the West Indies to the mercantile accumulation of primitive capital. But Beckford fails to relate West Indian poverty and uneven development to internal class relations or shifting forms of maturing British capitalism. His focus remains that proposed by Levitt and Best, the structure of the firm (the plantation), its international integration and detachment from the national satellite economy.

We can trace the Caribbean structuralist interest in the plantation economy to two academic sources. The first is the work of anthropologists of the cultural materialist school, including Mintz, Wolf, and others. They have studied the plantation as one unit in the model linking techno-environmental variables with cultural ones (Whitten and Szwed, 1970). The Mintz and Wolf comparison of the hacienda and plantation (1957) is a classic in the field and clear forerunner of "structuralist" plantation theory in its recognition of foreign, corporate sources of plantation capital, production of commodities consumed in developed countries, its monopolistic structure, and access to cheap and plentiful supplies of labor. Thus, the "plantation," as a conceptual unit, was established in the 1950's and has received considerable attention from non-economists (Mandle, 1972, 1976; Wolf, 1957; Wagley, 1960).

A second source of this concept is in neo-classical economics. During the 1960's, Caribbean economists indicated their dissatisfaction with the theoretical foundations of metropolitan economics, but their principal criticism was the inappropriate nature of some neo-classical tenets to conditions of Third World development. The rejection of trade theories, in particular, comparative advantage, was noted earlier. With the nationalist commitment to industrialize Third World countries came the recognition of the irrelevancy of other principles as well. The application of conventional economic prescriptions for development through capital formation, particularly by foreign investors, was unsuccessful, leading to foreign exchange problems, followed by a renewed emphasis on exports--a response counter to the original intentions of the planners.[9] The adoption of dependency theory was a major intellectual challenge to developmental economics

and resulted in the abandonment of key "macro-economic" assumptions based on the European development experience. However, many "micro" processes could be studied within a new framework of Third World dependence on the developed world for capital and technology and the consequent inhibition of economic growth. For example, the study of the "firm" survived, albeit in a form which stressed the failure of intra-firm and inter-industry linkages to develop in the satellites. As Brewster and Brown (1974) note, (writing from a perspective of frustration with, but not rejection of neo-classical economics):

> At the descriptive/accounting level, Caribbean economic structures have been dissected by means of the Leontief-type transactions matrix, and a 'plantation economy' matrix, itself a modified Leontief matrix.... The intertransactions matrix, though highlighting structural deficiencies and thereby the possibilities and priorities of inter-linked production, has suffered from the limitations placed on disaggregation by unavailability and unreliability of data.... The plantation economy matrix, identical as it is in construction to the earlier Seers modified input-output matrix, focuses on the location and identification of the flows in the economic system and thereby highlights its institutional and dependent characteristics. To the extent that these matrices represent Caribbean history and economic reality more accurately, their dynamic potential is diminished. But both the modified and plantation input-output matrices are intended to serve as a framework for economic description and as such provide no guidance to the rectification of structural distortion or to policy--priorities in the dynamics of economic development (p. 52).

The study of industries active in the region and inter-industry distortions and linkages has become the main interest of Caribbean structuralists. Beckford has written extensively about the banana industry (1967, 1966); Best and Levitt, the sugar industry; Girvan has broken new ground in depicting the fragmentation of the West Indian bauxite industry. In so doing, the structuralists contend that economic methods and conceptualizations are neutral and adaptable to any framework. The reliance on this methodology makes the development of an historical view difficult and precludes an explication of metropolitan capitalist development, satellite class relations, and dependent development within the satellite. The stress on narrow units of analysis, e.g., the firm, and the clearly unsuitable nature of the closed system approach inherent to this perspective inhibits the construction of a more internally consistent and instructive economics. However, there is a sense among the structuralists and their sympathizers that scholarship of a different kind is now needed:

> Yet it is notable that the discussion of dependence has remained essentially conservative. No alternative visions of society have been put forward. There is as yet no understanding of the dependence of the political structure itself on dependence and the dynamics of its self-perpetuation. Moreover, many of the principles of orthodox development theory have remained unquestioned, for example, population control, factor-proportioned technology, disequilibrium wage rates, exports, foreign aid and so on (Brewster and Brown, 53).

The solution to this intellectual dilemma may be a "complete theoretical framework in which [these] hypotheses might be related to each other and to the whole." Girvan (1973) alludes to the same concern, suggesting that the reform of dependency economics cannot be effective until metropolitan economics is transformed. He applauds the work of Latin American structuralists, Furtado and Sunkel, both of whom have attempted to delineate the internal dynamics and conflicts of groups and classes within the nation and the extent to which <u>particular</u> classes form alliances with foreign economic interests. This treatment of internal stratification and its links to international capital is completely absent from New World writings.[10] It is indeed a major failing of this school, and with the use of conventional economics, mitigates against the correction of other deficiencies noted earlier. The lack of categories for discussing intra-society conflicts

and the methodology of neo-classical economics are highly related. Neo-classical economics treats the economic "system" as a closed one, and a "given" or natural phenomenon; structuralist economics extends the system from the metropolitan country to include the satellite. The basic conceptualization of a closed system remains, and, like structural-functionalism, offers world view devoid of human intentionality or group interest. The structuralists accept a liberal version of these frameworks, advocating reform of the system; they go as far as suggesting the break-up of the larger world metropole-satellite system into two independent ones. Unfortunately, once national sovereignty in the satellite is achieved, the door is left open for the re-adoption of neo-classical, metropolitan theories of economics and their practice.

The study of stratification in the West Indies has traditionally reflected the strong correlation between racial and class division and the political and epistemological background of sociological and anthropological studies. The latter factor has reinforced the conservative influences of neo-classical economics on the development of New World thinking. Historically, the racial cleavages of West Indian society have been extreme; white Europeans have formed the dominant, comprador classes, lighter skinned Afro-Europeans have constituted the middle sectors and are now employed largely in the state sector, and the masses of blacks and East Indians have formed the lowest strata of workers and peasants. In recent years, there has been greater mobility among classes with the rise to political power of blacks, Indians and Afro-Europeans. Nevertheless, these shifts involve small numbers (Lowenthal, 1972; Lewis, 1968; James, 1973).

While granting the strong parallel of race and class in the West Indies, I would argue that the origins of racial stratification have not been fully explained. Caribbean studies are replete with descriptions of racial prejudice, and the differing economic and social conditions of people in each racial group. But the source of racial divisions is obscure except in those few historical materialist attempts to conceptually separate race and class (Williams, 1966a, 1966b; Mintz, 1969b; Hall, 1959).[11] Why is it that dark-skinned people are the most severely exploited? The predominant schools of sociological and anthropological thought in the region have not offered a response to this question. Neither structural-functionalism nor cultural materialism provides a framework for the analysis of the origins of West Indian racism. It is not on the agenda of the structural-functionalists to explain the foundations of the social system. Cultural materialists have proposed a techno-environmental source of the economic system--the plantation--but have not offered categories for the consideration of social stratification (Morrissey, 1976).

The apparent conversion of influential New World scholars to an intellectual position favoring the study of power within Third World nations is significant, but it must be remembered that this decision is conditioned by a resistence to class analysis, particularly of a Marxian variety. Structualists instead examine elites, and in an unsystematic way that reflects their preoccupation with international conflict (Girvan, 1973; Thomas, 1974); or, like Beckford, they study inequality within the firm, and follow the traditional West Indian scholarly treatment of classes or economic strata as one with racial differentiation. I would argue that without a class analysis which provides a category for the comprador tendencies of the West Indian national bourgeoisie, the structuralists miss a critical explanatory factor of dependency. It is simply against the interests of the comprador bourgeosie to rid the country of foreign capital. They are involved, directly or indirectly, in overseas investment, aid, trade, and finance. The realization of immediate and sizeable profits by collaboration with foreign capital is more rational to the enterprising West Indian captialist than the uncertainties and risks of indigenous entrepreneurship. Caribbean intellectuals are nationalists; the dominant sector of the capitalist class is not. For similar reasons, no country in the world has achieved full and total decolonization and turned to capitalism. It is clear that only a decisively socialist rationale for economic isolation has brought about autonomous development.

Moreover, the lack of a tradition within West Indian social science for the study of class conflict underlies a fundamental inadequacy in West Indian studies, and that is the failures of most scholars to propose a dynamic that propels historical change. Without such a basic, defining category, one is left to a random selection of causal relations to explain particular historical developments. Structural-functionalism and ideographic historical studies share a proclivity for the explanation of change by "empirical methods" which prove to be not only subjective, but "petty" and unsystematic (Mills, 1959). They do not rest on a theoretical organizing principle, such as the Marxian category "class conflict" (Hobsbawm, 1973). From a Marxian point of view, this weakness informs historical and cultural materialist perspectives as well, for the cause of change is not economic in nature, but rather a political, economic or social phenomenon that has its origins in what is a social relationship, that between classes of owners and producers (see, for example, Mandle, 1976; Sheridan, 1963, 1969).

Given these inadequacies of structuralist dependency theory, let us turn to a review of the recent literature on dependency in the Marxian tradition. These writings are the work of Frank, Dos Santos, Cardosa, and others, many of whom are Latin American nationals. They have tried to reform orthodox Marxist thinking on the Third World, which fostered alliances between the bourgeoisie and proletariat in the interest of industrialization before social revolution, sometimes with the aid of foreign capital (Frank, 1974). Nor do these theorists support the "structural" dependency arguments advocating isolation from foreign influence followed by an unplanned and undefined "socialist" transformation. Rather, they favor a nationalist socialist revolution, engineered by a coalition of workers and peasants, which will result in structural change and economic autonomy at the same time.

The recent dependency adaptation of Marxian categories to Third World societies has been based on numerous and varied readings of Lenin's Imperialism. There, Lenin contended that European capitalist countries had colonized now economically backward areas of the world in order to create favorable investment climates for surplus capital and thereby counteract the tendency for the domestic rate of profit to fall. Although critics have questioned Lenin's thesis on both factual and theoretical grounds (O'Connor, 1971), the drive to explain the causes and consequences of imperialism for the metropoles and satellites alike, has become a dominant theme in twentieth century Marxist thought. Until the 1960's, the favored perspective was that foreign investment and trade between developed and undeveloped societies were essentially positive.[12] This view was based on Marx's own newspaper accounts of the building of an Indian infrastructure by the British. Andre Gunder Frank's proposition, first presented in 1965, that those societies most fully absorbed into the capitalist world are now the most "underdeveloped," was a major departure from traditional Marxian analysis.[13]

Frank's work is well known and does not need elaboration here. The principal organizing strategy of his writings is the thesis that the history and fate of underdeveloped countries is best understood in terms of worldwide capitalist relationships. This position is a joining of the Leninist assumption that capitalist development has now reached its final stage--monopoly capitalism and imperialism, and the Third World nationalist view of the metropolitan-satellite relationships as a single system. Frank has gone further than either traditional Marxist-Leninist thought or structuralist economics, however, in first, linking "underdevelopment" to imperialism, and second, rejecting neo-classical economics as a method of analysis in favor of Marxian categories.

Frank's most important contributions in terms of our discussion are these: Frank has differentiated "classes" in the underdeveloped society based on their relationship to local and international means of production, and second, Frank bases his theory of underdevelopment on the European mercantile, and then industrial captialist drive to accumulate surplus capital that has continued for several centuries.

Frank argues that European merchants used the present Third World first as a source of plundered wealth, and then, as a means of capital accumulation; systems of production were located in these regions, utilizing cheap labor and land and bringing handsome returns to European proprietors. In the process, traditional satellite class relationships were altered; in areas such as the West Indies, indigenous populations were eradicated and wholly new class relationships were established. A general pattern of class relations appeared throughout the Third World as a consequence of first, the European extraction of surplus capital, and second, particular forms of production that maximized surplus accumulation. The progressive national bourgeoisie was displaced by entrepreneurs with strong comprador linkages. This latter group lacked both the will and the capital for productive activities that encouraged indigenous industralization. Furthermore, metropole imposed systems of production channelled complementary activities in directions supportive of foreign-owned enterprises and not of indigenous development. Throughout the last two centuries, forms of exploitation of the Third World have changed, but these countries continued to lack the capital or productive structures for industrialization or balanced economic growth. Their class relations have indicated the dependence of Third World economies on the developed world; small comprador classes have joined the metropoles in disrupting the traditional labor patterns of underlying populations and absorbing them in foreign-owned production and its various complements (Frank,1969a, 1969b).

Frank has shared with the structuralists a tendency to view the world as a single, closed system, one that can be divided between developed and "underdeveloped" countries. His writings suffer from the inclusion of law-like generalizations (e.g., satellites experience their greatest economic development and especially their most classically capitalist industrial development if and when their ties to the metropolis are weakest (Frank, 1969b, p. 10), which encourage the following misapprehensions: 1) capitalist imperialism affects all dependent societies in the same way, regardless of historical eras or national characteristics, and 2) imperialism can be reduced to a number of testable and predictable relationships.[14] These methodological and substantive thrusts lead Frank to present underdevelopment as a "structure," not unlike those created by international firms and described in the studies of Caribbean structuralists. The impact of metropolitan expansion as so total and decisive that it transforms pre-capitalist institutional and class relationships into a new social "structure," one which is incompatible with balanced economic growth. And although economically backward societies are bound by a multi-faceted, multi-leveled web of constraints against balanced economic development, for Frank, the "structure of underdevelopment" is more than the sum of its constituent parts.

The totality of "underdevelopment," its seeming irreversibility, and the almost universal presence of certain salient social and economic characteristics (i.e., chronically low levels of indigenous capital formation, high levels of unemployment, increasing gaps in inequality) are without dispute among Marxist students of dependency theory. And, few would disagree that the arrangements of capitalist metropoles and satellites in the world forms a kind of pattern, whereby the developed countries have progressed further along almost every index of economic growth and development than have the developing nations. But Frank goes further, in proposing that Third World countries share a given set of internal patterns of economic growth and class formation, and that the structure of underdevelopment is a more viable conceptual unit for studying Third World countries than is the traditional Marxian category "class relations."[15] His critics charge further that while many sectors of the population of Third World countries are "excluded" from the benefits of industrialization in these areas, economic growth, of a dependent character is occurring (Evans, 1975-6). ...[t]he assumption of a structural 'lack of dynamism' in dependent economies because of imperialism misinterprets the actual forms of economic imperialism and presents an imprecise political understanding of the situation" (Cardoso, 1972, p. 94).

Cardoso argues that "dependent development" more precisely describes Third World economic changes than does Frank's "development of underdevelopment." Such growth is uneven, exacerbating some forms of inequality within Third World societies and between the developed and developing worlds, and generating new forms of inequality. Nevertheless, growth in some sectors is apparent, benefiting the national bourgeoisie and landed classes. Dependency is reflected in the concentration of means of production in the industrialized world.

The process of capital accumulation is most directly traced to class exploitation; in interjecting the category of nation-state as a superficial locus of surplus accumulation, we should not lose sight of the relationship between expropriators and producers of surplus value. Petras (forthcoming a) contends:

> While of late some attention has been paid to income distribution and inequalities--the source of those inequalites, their roots in social relations and state control, have been passed over. The issue of exploitation, rooted in capitalist social relations or in bureaucratic collectivistic forms of statism, has hardly been analyzed; even less so have class relations served as a point of departure within which to locate the problem of capital accumulation (p. 3).

Petras suggests that particular forms of class relations have accompanied forms of dependent development. The first phases of imperialist penetration of the Third World are termed by Petras as metropolitan primitive accumulation and pirate colonialism of the satellite (1500-1800), and early monopoly capitalism and extractive colonialism (1800-1945). The first of these, pirate colonialism, was characterized by the extraction of surplus in the form of gold, spices, slave labor, trade agricultural products; extractive colonialism involved export of surplus capital and the search for markets for excess production. The class relations of satellite countries during these two stages were relatively undifferentiated and "the process of surplus extraction was therefore relatively direct, the colonial official inside was the foreign officer outside" (p. 9).

In the neo-colonial stage, the diversity of forms of metropolitan capital investment in the periphery has led to more differentiation in the internal class relations, and the emergence of a class of propertyless bureaucrats between foreign and indigenous capital and the workers and peasants. Furthermore, the comprador classes increasingly became a national bourgeoisie as more of their capital was joined with foreign capital in investment in production directed from the metorpoles, or in investment in wholly local production that complemented foreign investment (see, also, Evans, 1975-6). The broad configurations that these neo-colonial class relations take is one of three: 1) dependent neo-colonialism, in which the national regime joins foreign capital in the interest, first and foremost, of foreign capital, 2) national developmentalism, whereby indigenous capital increases its share of surplus accumulating at the top of the class structure, 3) the national-popular strategy, whereby foreign capital investment is permitted, but under rules that subordinate capital accumulation to the redistribution of income to peasants and laborers.

Petras' schema of Third World capitalist class relations is the most sophisticated to date, and strengthens the contention held by some scholars of the Third World that satellite actors do determine the dynamic of development in their countries, although under conditions established by their degree of receptivity to foreign capital. Development is, as Cardoso claims, dependent, and takes a variety of forms, some of which maximize the gains of particular classes, in what remains a stunted and uneven form of growth.

Petras also introduces the state into the study of Third World societies, describing the role of the state in capital accumulation and production in the post-Independence period. Petras argues that state capitalism has a major role in the independent satellite, particularly in the cases of "national developmentalism" and in those countries where the "national-popular" strategy is adoped. In both situtations, the state owns industries with the intention of redistributing capital to the middle sectors of state bureaucrats, managers and indigenous capital, or to workers and peasants.

Petras' theory is important for it is one of the many efforts now taking place to determine the functions, the strength and the autonomy of the dependent state. Alavi (1972) suggests that the dependent state apparatus, made up of the bureaucratic-military oligarchy, politicians and political parties, functions to preserve the social order, "namely the institution of private property and the capitalist mode as the dominant mode of production" (p. 62). In this role, the neo-colonial state is relatively autonomous for it must serve as a <u>mediator</u> among three classes--the metropolitan bourgeoisie, the indigenous bourgeoisie and the landowning classes.[16] It is an instrument of no one of these three groups, but, rather, <u>must</u> function autonomously in order to keep the class relations of imperialist domination of the dependent country intact. "Nevertheless, the role of the bureaucratic-military oligarchy is relatively autonomous because, once the controlling hand of the metropolitan bourgeoisie is lifted at the moment of independence no single class had control over it" (p. 72). Furthermore, the role of the state in pursuing economic development through the appropriation and productive application of surplus, gives the dependent state an economic autonomy not found in the classical bourgeois society (p. 62). Hamilton (1975) and Goldfrank,(1975) make a similar argument in terms of the Mexican state, suggesting that during periods of this century, the state gained autonomy because of its role of mediator in an economic system resting on a competitive and unstable arrangement of classes. The capitalist function of the dependent state and the "structural" basis of its autonomy[17] suggest the strength of the dependent state, and militate against explanations such as Wallerstein's (to be

discussed shortly) of the relative strengths and weaknesses of "core" and "periphery" states. Skocpol (1973) comments that Wallerstein's world systems approach is "flawed by its attempt to treat state forms and 'strength' (e.g., cartelization and bureaucratization) as simple functions of societies' class structures and positions in the world-capitalist division of labor" (p. 31).

Marxist theory has been less explicit in describing the role, functions and strength of the colonial state. Petras and Alavi agree that the colonial state aids private accumulation. Alavi (p. 61) points out that the colonial state also exercises dominion over all indigenous social classes in the colony. These theories do not, in my opinion, go far enough in explaining the varied functions of the colonial state, or in indicating the differing degrees of control exercised by the colonial state over the subject population. Nor, finally, do they differentiate clearly between the metropolitan state and the colonial state.

The colonial state varied in form from colony to colony of a particular metropole and between areas of control of a metropole. In some satellites, a governor appointed by the imperial center governed directly with the aid of expatriate and creole personnel; elsewhere, colonial legislatures developed, formalizing the contribution of indigenous and settler groups to governance. In both cases, classes living in the colony had some input into the political process; their political ideologies reflected grave conflicts in class interests. Moreover, while the offices of metropolitan governments were part of the metropolitan state apparatus, they and their representatives in the colonies often differed from officers of the metropolitan state in regard to policies affecting the colony. Conceptually there is a separation between the colonial and metropolitan state. This distinction is not absolute. Colonial and metropolitan states have both different and overlapping bases, as do the metropolitan and periphery economies, in both colonial and neo-colonial stages. What is important to recognize is that the colonial or the neo-colonial states, like the periphery economy, is not wholly determined by metropolitan political or economic interests.

That the colonial state controlled all classes in the colony is also an overstatement. Various groups within the periphery countries gained considerable political power. This is especially true of settlers from the metropoles.[18] The history of early West Indian state development is one of continual conflict among merchants, planters and the colonial governors over issues of taxation, state expenditure, metropolitan policies of protection, emancipation of slaves and treatment of free labor, etc. Moreover, the degree of independent political strength of both expatriate and creole groups was a function of the changing metropolitan economy, shifting metropolitan policies towards dependent colonies in general and the West Indies in particular. The British ideology of anti-colonialism and fiscal responsibility during the period of competitive capitalism and free-trade caused colonial legislatures in the West Indies to increase in power. But, as West Indian sugar became less competitive in the free world market, conflict among indigenous West Indian classes grew more severe, leading to the reimposition of direct British rule throughout the area.

Finally, what specifically was the role of the colonial state in aiding capital accumulation by the metropolitan bourgeoisie, the landholders, and the incipient national bourgeoisie of the colonies? Murray (forthcoming a, p. 20-28), suggests that the "colonial state promoted capitalist economic development in the colonies in a number of ways." First, the colonial state modernized productive forces, financing the development of the infrastructure through roads, ports, land improvement, utilities, etc. Second, the colonial state became a major investor. State corporations included railways, telephone and telegraph communications, local shipping, etc. These activities were meant as incentives to private investment, however, and legal sanctions prevented the accumulation of profit beyond that needed to offset overhead costs. Third, the colonial state "facilitated the extraction of economic surplus from the periphery" through its jurisdication in matters of investment in the colony, regional political authority and taxation. "The colonial state prevented the self-contained economic development of the local economies" (p. 25). Fourth, the colonial state tried to preserve foreign capital's monopoly through the discouragement of local manufacturing. State fiscal supports were unavailable, the state restricted credit, and colonial money and capital markets were badly developed. Tariff regulation made by the colonial state favored metropolitan investors.

The refinements of Marxist dependency theory can now be most effectively applied if scholars move beyond the Third World, to precisely and systematically locate the changing nature of dependent development and internal class relations in the framework created by metropolitan capitalist development.

The recent study of imperialism from the point of view of metropolitan countries has resulted in many fine analyses and new Marxian categories consistent with the incorporation of satellite countries into the analysis of metropolitan capitalist development. The central issue of the Marxist study of imperialism has been why monopoly capital has expanded dramatically and systematically outside of its national borders. This is not a new theoretical concern among Marxists, but has become the focal point of the neo-Marxian writings of Baran, Sweezy, Magdoff, and others. Related to this issue is a second one, receiving increasing attention from so-called "revisionist" historians (most notably William A. Williams, Joyce and Gabriel Kolko), --how the balance of imperial power has shifted in the twentieth century and what events propelled the U.S. into its current dominant world position.

The first of these problems, the reason for modern imperialism, has been approached through a reexamination of Imperialism (Lenin, 1966). Various writers have disagreed about the utility of the concept of surplus absorption as used by Lenin to explain the primary cause of late nineteenth century imperialism.[19] And contemporary theorists agree that colonialism is not necessary in monopoly capitalist imperialism. Nevertheless, Lenin's contention that monopoly capitalism produces a qualitatively different form of imperialist expansion from those dominant during the era of competitive capitalism and mercantalism is broadly shared.

Raw materials, labor and capital have been procured cheaply in the Third World for several centuries (Jalee, 1969; Baran, 1957). Beginning in the early 1900's, however, monopoly firms integrated the stages of production within one corporate organization and broadened their spheres of raw material extraction and production geographically.

Those entrepreneurs with sufficient capital sought to control the world-wide supply of raw materials, as well as the means of processing, shipping, marketing, etc. The structure of vertically integrated corporations, their scope, and the concentration of capital on which they are based, assured factors and markets against the competition of small, segmented firms. But to compete against other oligopolies and ward against future downward economic trends, another strategy was needed. The giant vertically integrated corporation began a two pronged movement to assure stable organization and growth, including, on the one hand, informal and formal producer agreements, and on the other, influencing state policy at both the primarily producing and consuming ends (Magdoff, 1969; Beckford, 1972; Dobb, 1963; Barratt-Brown, 1963, 1974).

It is, of course, true that the conditions of monopoly capitalism have been found, at least in part, in other eras. During the mercantile period, state chartering of companies was the rule and a degree of integration of production, shipping and handling occurred, although this was done on a contract basis and not within a single concern. The halcyon days of British "free trade imperialism" gave Britain a tremendous economic advantage vis-à-vis her European neighbors, yet risky ventures, e.g., the economic exploitation of parts of Africa, were undertaken by private companies with state economic support. Nevertheless, the rise of monopolies in Britain, Germany and America in the 1920's and '30's was unparalleled in the concentration of capital, corporate control of separate economic and production functions and manipulation of the political apparatus by private capital, in both the metropoles and satellites. And these three social relationships--capital concentration, state support and imperialism--were central characteristics of monopoly capitalism emerging in the late nineteenth and early twentieth centuries in parts of Europe and America (Wallerstein, 1974a; Magdoff, 1969; Hobsbawm, 1969).

Magdoff (1969) calls this period of monopoly capitalist imperialism the "new imperialism," a time marked by 1) rivalry with England for position of economic hegemony of the world; 2) the development within each industrial nation of the concentration of economic power in a small number of big industrial and financial firms. America and Germany were Britain's chief rivals, beginning in the last decades of the nineteenth century. From that era, through the 1930's, fantastic technological developments were made in all three countries which altered production in terms of unit size and capital requirements. These technological advances formed the framework for a rise of capital concentration which was "a normal tendency within capitalism" (p. 31).

The emergence of vertically integrated, oligopolistic firms increased the metropolitan need for raw materials. Industrial capitalists in Britain and America also feared a scarcity of markets, leading to depression. As Jones (1971) points out, industrial countries blamed the depression of the 1890's on the saturation of domestic markets. Expansion beyond the American continental frontier was viewed by politicians, businessmen and the public as the only means to save American capitalism (W. Williams, 1972; Jones, 1971). As the United States and Germany threatened to move ahead of Britain in heavy industrial production, she joined the nineteenth century scramble for colonies in Africa and the Pacific, which Lenin described, in order to safeguard raw material sources and markets. Increasingly corporations invested abroad in raw material production and preliminary processing, and after World War II, in light manufacturing as a way of penetrating protective trade barriers (O'Connor, 1970; Hymer, 1972).

The metropolitan state apparatus aided in stabilizing and encouraging capitalist development throughout its evolution, but the trend became especially marked in the late nineteenth century as capitalist nations struggled to escape depression. The state shouldered the costs of market expansion through colonization. This political action was especially useful to monopoly firms engaged in raw material production in the Third World; monopoly firms in general benefited from the increased role of the state in economic affairs at this time (Dowd, 1974). The late nineteenth century retreat of metropolitan domestic industry into protection and trade areas also required state initiative.

The 1890-1930 period created a new world, one of monopoly domination of the Third World, and rivalry among giant corporations and states. The monopoly phase of world capitalism has been one of constant ferment because of the conflict between the developed and dependent worlds; the rise of nationalism and socialism in the Third World have threatened imperialism. And the struggle among metropoles has continued to rage, although the political and economic tactics have become more subtle in the post-War period.

The second world war interrupted overseas expansion, and it has been argued that the war was fought to stem German and Japanese imperialism (Jones, 1971). When the fighting ended, America had achieved international hegemony through military victory and her financial hold over England. During the decades that followed, American state and private financiers invested heavily in European reconstruction, creating markets for American exports. Capital was also exported to the Third World in the form of public and private loans and private investment (O'Connor, 1971). Multinational corporations moved various parts of the manufacturing process to factories of the Third World, where labor was cheap and tax incentives attractive (O'Conner, 1970; Galtung, 1971; Hymer, 1972). Goods produced in the Third World by multinational companies were meant primarily for export to the developed world; however, Third World markets were tapped as well as indigenous middle classes swelled with those who profited from working for multinationals and financial and productive activities that contributed to the export economy (Cardoso, 1972-3).

American economic dominance meant the emergence of the dollar as the "top" international currency. Sterling remained a "negotiable" currency, as London continued to hold a powerful position as an international financial capital.[20] But the rise of the dollar has resulted in significant advantages to U.S. corporations operating abroad, an advantage supported by state maneuverings to hamper the currency transactions of Third World countries and potential economic rivals, as well.

The status of the leading metropole vis-à-vis other developed countries affects the fate of Third World countries in directly political ways. Historically, countries with great economic strength have been willing and able to make considerable political and military commitments to the preservation of an economic empire. This has had the effect of creating sympathetic class arrangements in the satellite, whether by the granting of economic aid and advantages or direct military support (Strange, 1971). Colonial government employment has been provided for sectors of the dependent population as well as a degree of political influence, and powerful indigenous classes have often been supported by metropolitan capitalists and the metropolitan state. A metropolitan economy unable to sustain these kinds of expenditures cannot provide the political climate needed by its banks and corporations operating throughout the world. Since World War II, Britain has lowered its commitments of aid to the colonies, and granted political independence to most of them. British corporations and financial interests still have sizeable investments overseas, but with frequent sterling devaluations, competing demands for public funds from domestically oriented companies and the working and middle classes, there are definite limits to further British overseas expansion. The United States has moved into former British colonies and other regions of the Third World, armed with weaponry, economic aid, and the decisive voice in international economic organizations and bilateral trade agreements; the effect has been the further undermining of European political strength and clear establishment of American worldwide political hegemony (McDonald, 1971).

I have argued that the proposed analysis of British imperial dominance of the West Indies is best achieved within a perspective which incorporates an understanding of dependent development, satellite class relations and metropolitan expansion and inter-metropole rivalries. Wallerstein (1974a, 1974b, 1975) has attempted to constuct such a framework and to codify major historical findings about inter-metropole relations of monopoly capitalism. A brief examination of

some of his recent writings can shed light on a number of processes which I will illustrate in the substative chapters of this dissertation.

Wallerstein (1974a, 1974b, 1975) conceives of capitalism as a worldwide totality.[21] He praises Frank's writings because they have introduced to Marxian theory this powerful possibility. Wallerstein suggests that we view a world capitalist system as a kind of three tiered grid. At the top level are "core" societies, or metropoles, which appropriate surplus from periphery and semi-periphery areas. The periphery subsequently becomes "underdeveloped," the core, highly industrialized; the semi-periphery is somewhere between the two on a development continuum. Wallerstein claims that societies move in and out of these positions. Within the core, the ultimate hegemonic state changes. He also contends that core societies develop strong state machineries initially (this is one of the factors, along with particular class configurations, which allowed core societies to dominate periphery and semi-pheriphery areas); periphery and semi-periphery countries have relatively weak state machineries.

Wallerstein's writings present a conceptual advancement over previous Marxian analyses of imperialism because he has moved beyond the relationship of metropole-satellite, to that between metropoles, making the crucial observation that international economic hegemony is an important but shifting advantage. Secondly, he articulates in historical terms the differentiation in state power of societies at various levels of the system; this introduces a political category into the consideration of the international economy, clarifying the high degree of integration between economic growth and political

power.

Wallerstein's "system," like Frank's, sometimes seems to be a closed one. The totality of the world system and nation-state obscures the activities of classes within the core, semi-periphery and periphery. I find that the schema per se serves best as a heuristic device rather than as a theoretical model. However, there are a number of historical propositions made by Wallerstein which both synthesize and augment the neo-Marxian writings on imperialism. These are: 1) monopoly capitalism generates economic rivalry among metropoles; 2) the state acts as a support structure to corporations and capital seeking international hegemony, and state power is differentially achieved among ecomomically strong and weak nations; 3) historically, international capitalism has resembled the schematic form of a three-tiered grid of nations, with different degrees of economic strength; 4) nations have passed in and out of these tiers, although nations in the periphery and semi-periphery may not share structural characteristcs (for example, if England shares a position of semi-periphery status with Brazil, it will be because of capital stagnation or disaccumulation in the case of England, and dependent development in the case of Brazil); 5) no metropole can stay on top indefinitely, and with a transition, the new hegemonic power will experience a different set of constraints and opportunities that reflect the long-run inability of capitalism to grow.

I will utilize these propositions about international capitalist rivalry and political aspects of imperialism along with other neo-Marxian theories of imperialism, to discuss British capitalist development. They will serve as a framework within which to apply Marxian dependency categories for understanding West Indian development and class formation.

FOOTNOTES

[1]The study of West Indian societies has been dominated by structural-functional and neo-classical economic paradigms; for analyses and critiques of these perspectives, see Girvan, 1973; Greene, 1974; Whitten and Szwed, 1970; Morrissey, 1976. However, in the late 1960's, several nationalist scholars, forming the New World Group, began to study West Indian societies from a point of view critical of imperialism, linking West Indian underdevelopment with the historical dominance of the United States and Britain. Their contributions to West Indian social science will be discussed more fully in the pages that follow.

[2]As Wallerstein suggests: "The pundits note that 'the gap is getting wider,' but thus far no-one has succeeded in doing much about it, and it is not clear that there are very many in whose interests it would be to do so" (1974a, p. 414). Moreover, cracks in Third World unity against the developed world have appeared in 1976. They suggest that the national bourgeoisie and military in many developing countries welcome a "new world order" only if their class positions can be retained.

[3]The former British West Indies include Jamaica, Trinidad and Tobago, Barbados, Guyana. These countries are independent members of the British Commonwealth. Antigua, Dominica, St. Christopher - Nevis - Anguilla, St. Lucia and St. Vincent are Associated States, or self-governing states in association with Britain who retains responsibility for foreign affairs and defense. The four largest islands, all of which are now independent members of the Commonwealth, have traditionally been most important to foreign capital. They are the main foci of this dissertation, although much of what will be said about the structure of dependency of these societies will apply to the other eight as well.

[4]One of the first critics of the theory of comparative advantage, Raul Prebisch, was "Secretary General and the major ideological inspiration of the Economic Commission for Latin America (E.C.L.A.) throughout the 1950's (Levitt and Wyeth, 1974). He later became the first Secretary-General of UNCTAD, the U.N. agency most actively engaged in improving Third World terms of trade and foreign investment.

[5]Japan and the European Economic Community have led the developed world in instituting generalized preferences for agricultural and semi-manufactured imports from the Third World and in adopting UNCTAD recommendations on commodity pricing, aid, and investment guidelines. The U.S. has been most conservative in regard to all of these measures, resisting their acceptance as long as possible and then delaying their implementation. Recent trends in international trade will be discussed more fully in subsequent chapters.

[6]Girvan (1973) makes the following comment: "Again, the Cuban experience suggests some useful lessons. Without depreciating the numerous social advances made by the revolution, by all accounts it took over ten years to find a development strategy which is appropriate and reasonably rational. Informed by a view which associated underdevelopment with monoculture and lack of industry, the revolutionary leaders have cut back on sugar production and invested heavily in industry. This was found to reduce the capacity to import and increase the demand for imports simultaneously. This induced a reversal and a huge effort in expanding sugar production. But this was found to involve heavy opportunity costs, especially in the use of labour. The strategy for the seventies is therefore to mechanize sugar production and develop other exports in the effort to diversify. This, it is argued, illustrates the need for specific analyses towards precise formulation of appropriate development strategies for our countries" (p. 29).

[7]There is a considerable amount of confusion in liberal social science circles about the Cuban case. Hagelberg (1974) argues that diversification of agriculture is impossible in the Caribbean and that the failures of Cuban socialism in this area prove the point. Girvan apparently agrees. However, in post-Revolutionary Cuba planners tried to diversify agriculture <u>and</u> industrialize, accepting a variant of the Russian model. They have since turned to lighter industry; nevertheless, the structure of dependency, which revolves around the continued production of sugar cane to secure loans and imports, has not been challenged. There seem to be no recent or systematic agricultural studies which rule out diversification of agriculture in the West Indies. Nor does the Demas argument, that Caribbean societies are tied to the international or a regional market by the economic imperative of size, receive the universal acceptance it once did (Best, 1967; Girvan, 1973). It is interesting to note that to more conservative metropolitan observors, the New World Group members appear to be radicals and socialists because they reject imperialism and favor economic "planning."

[8]The continued intensification of dependency over time corresponds with Frank's definition of underdevelopment. The latter will be amplified in the pages which follow. Other dependency theorists agree that foreign investment implies restrictions against development, but not all see it as a constantly deepening process (see, for example: Cardoso, 1972; Chilcote, 1974). In the case of British imperialism, the Dominions were subjected to uneven development experiences, although the restrictions against development were much less severe than those imposed on the dependencies. Nevertheless, they have left a mark on the development of these areas, in the sense that none have achieved the spectacular, integrated industrial growth of economically autonomous societies such as the U.S., Britain, Western Europe and Japan.

[9]The "strangulation of the export sector" was not, in fact, a consequence of West Indian "industrialization by invitation." "The highly open and automatic monetary systems meant that conditions in

the foreign sector tended to affect domestic levels of demand, output, and employment directly, rather than through a shortage of foreign exchange receipts as such" (Girvan, 1973, p. 8).

[10]The Caribbean and Latin American structuralists do, of course, recognize inequality in their societies. Beckford (1972) writes passionately of the poverty and economic differences between peoples of various social groups and colors. Yet, inequality seems to be causally linked to the plantation economy, race is related to economic function on the plantation; as Wolf (1959) contends, "the plantation is by definition a class-structured system of organization." Beckford has no theory of capitalist development in the metropole or satellite and thus does not conceptually separate racial and class categories from the "plantation" system of production. Beckford's analysis does not capture the economic activities or the consciousness of the national bourgeoisie and middle sectors that have traditionally owned and managed plantations or other forms of multinational firms, and will, to some extent, survive changes in the fortunes of the firm. I have not seen an adequate discussion of West Indian classes or bourgeois complicity in imperialism in any New World writings.

[11]There is a tradition of historical materialist writings about West Indian societies which is excellent and significant. Prominent figures in this school include Eric Williams, Gordon Lewis, Douglas Hall, and the Marxist, C.L.R. James. I have consulted the research of these scholars and found their accounts of West Indian society to be extremely useful. However, much of the work of Caribbean materialists predates the development of dependency economics. All are, of course, mindful of the disastrous and enduring effects of imperialism on West Indian societies. But their presentation of these consequences is not systematic in terms of building a larger theory of imperialism and dependency. This problem is particularly troubling in discussions of economic development and social class, as these phenomena are considered to be independent, on the whole, from imperialist penetration. Franz Fanon's important work, <u>Black Skin, White Masks</u>, is an analysis of the phenomenology of racial oppression in the French West Indies, but is relevant to the former British West Indies as well. This analysis has been unique in its Marxian treatment of the social psychological consequences of racial differentiation in Third World societies.

[12]For analysis of traditional Marxist theories of imperialism, see Fernandez and Ocampo, 1974; Wallerstein, 1974a; Syzmanski, 1974.

[13]The recent outpouring of dependency studies has included many thoughtful critiques of Frank. See, for example, Chilcote (1974). Frank (1974) answers some of these criticisms in his response to Fernandez and Ocampo (1974). Wallerstein (1974a) offers a compelling defense of Frank's use of the Marxian category "class."

[14]This is particularly true of Frank's contention that periods of metropolitan detachment from the satellite produce development in the satellite. These periods of separation in the case of the West

Indies correspond roughly with the stages proposed by the structuralists. Yet, it is quite clear that the depression in no way encouraged substitutive industrial development in the West Indies, nor did World War II, as Frank contends (1969a). The real meaning of Latin American import substitution during times of metropolitan absence is subject to question given the extent of foreign investment in those countries during the depression and war, British control of sterling in some Latin American countries, and previously incurred private and public debts to the metropolitan state and private capital. The rapid reimposition of U.S. control over Latin America suggests that these temporary lapses may be built into the system and result in a series of new forms of dependency.

[15]Baran (1957) also questioned the prevailing Marxist and neoclassical economist assumption that imperialism was a progressive force in Third World development, arguing that primitive accumulation was never possible in satellite countries because of the extraction of capital by imperialist metropoles. Baran did not consider the effects of capitalist investment in manufacturing, nor did he attempt to explain the origins of Third World class formations, as Frank and the dependency theoriests have done. However, Baran's The Political Economy of Growth should be considered the precurser of Frank's theory of underdevelopment.

[16]In reference to the West Indies and other areas of heavy plantation influence, the metropolitan bourgeoisie and the landed classes may be one and the same. The state, in this situation, mediates between metropolitan and indigenous bourgeosies. The laboring population, particularly those sectors that are unionized, also make demands upon the dependent state, but their power and influence in no way approaches that of either propertied group.

[17]Alavi contends that the dependent state is qualitatively different from the bourgeois state, and, in fact, does not exercise the autonomy of the Bonapartist state, as Marx described it. Alavi then quotes Poulantzas to the effect that the state can best serve the ruling class in a relatively autonomous role. I find Alavi's first statement confusing for the dependent state seems to well exemplify Poulantzas' contention that the structure rather than the ruling class itself determines the state position (see, also, Poulantzas, 1973). In fact, in my opinion, the dependent state more closely demonstrates Poulantzas' theory than does the so-called bourgeois state. It is relatively easy to see that foreign capital, indigenous capital and landholders may have conflicting interests, but they cannot exist within present "structures of dependecny without one another. The degree to which contending factions within the capitalist class in developed countries contribute to the stability of the present structure seems to be more highly variable.

[18]Murray (forthcomming a) notes this problem "What also must not be overlooked is the fact that the metropolitan bourgeoisie had to create a colonial state apparatus that could exercise hegemony over those settler expatriates whose commitment to permanent settlement

necessarily involved particular political and economic interests in the colonies" (p. 17).

[19]Baran and Sweezy (1966) revived Lenin's theory of imperialism, suggesting that investment abroad was one means of surplus absorption in a monopoly capitalist economy. O'Conner (1971) also accepts Lenin's theory, but argues that the monopoly conditions Lenin found in the late nineteenth century did not, in fact, develop until the post-World War II period. Baran (1957) and Magdoff (1969) offer the alternative theory that monopoly capital is searching for raw materials, cheap labor and capital in the interest of higher profits.

[20]Susan Strange (1971) defines these terms. A top currency is a preferred currency for international transactions. A negotiated currency is one in decline, the currency of a state which has lost a position of political or economic dominance. It is used in international transactions but is characterized by the need of the issuing state to bargain or negotiate diplomatically with the users about the terms and conditions of its use.

[21]See, also, Samir Amin (1974) for discussion of some of the theoretical bases of a "world system" approach and a critique of neo-classical development economics.

CHAPTER II

THE METHODOLOGY AND AN OVERVIEW OF THE DISSERTATION

The Methodology and Techniques of Research

The study I have proposed assumes an historical perspective, and the ways in which the subject of British relations with the West Indies can be analyzed include the survey of historical documents and longitudinal data. However, the enterprise I have engaged in is more than simply an historical discussion of imperialism and dependency, and the techniques of inquiry extend beyond standard historical methods.

The American tradition of sociological research has met recently with considerable opposition from newer scholars in the field who object to standard sociological conceptualization of problems and the kinds of technical apparatus used to illuminate them.[1] Their critique has focused on two issues: 1) the search for universal laws of social behavior, 2) the division of social relations into discrete units which can be studied independently of other social phenomena. The rejection of these sociological preoccupations was reinforced by political concerns of these scholars; the combined epistemological and ideological critique of "mainstream" sociology resulted in two new developments, each of which counters one, but not the other of the intellectual problems stated above. Some sociologists met the first objection by turning back to more holistic, historical studies, typical of the earliest sociologists, including Weber, Marx and Durkheim (Gerth and Landau, 1963, p. 26; Moore, 1963). However, the consideration of history or the social structure as a whole has not guaranteed the rejection of "hypothesis testing" resulting from the second tendency of American sociological thought.[2] Many of these scholars have utilized conventional research designs and sophisticated research technology to study propositions concerning some of the most pressing social conflicts of the day, and often this has been carried out with an endorsement of radical social solutions. This approach has not been entirely productive, despite its contribution to "radical" or "critical" scholarship. In failing to understand the interrelatedness of social phenomena, the practitioners of this school of radical sociology have not always grasped the complexity of class conflict and may defeat their own purpose in failing to appreciate historical precedents and similarities which rest on these nuances of social relations.

The second school of so-called radical sociology has represented the thrust towards reconceptualization of social life in terms of human intentionality and interaction. This perspective, however, has lacked the holistic view necessary to raise insights beyond the level of small group and institutional analysis.[3] The researchers most able to utilize non-positivistic concepts and methodologies have contributed greatly to the field by sensitizing sociologists to the intricate web of forces influencing social life. Yet, the similarities which underly institutional forms in particular kinds of societies have not been discovered. Thus, neither of these new approaches to sociology delivers the critical perspective necessary to lift the discipline out of the positivistic, ahistorical tradition developed in America (Gerth and Landau, 1963).

Similar strains have arisen in American historical studies since the 1960's. An emphasis on the insights of sociological and economic categories in historical analysis has been accompanied by a countervailing interest in the research technology of other social science disciplines. The latter trend has resulted in statistical analyses of the sort often used by the first school of critics of sociology, and is evidenced in the works of so-called cliometrics, such as the controversial Time on the Cross. A more promising direction would seem to be the incorporation of broader sociological and economic theories into the study of history. But here, historians suffer the same dilemma as do sociologists--how to preserve the historically and socially unique and complex, and yet appreciate similarities among forms and structures (Moore, 1963). As Moore notes, the problem cannot be solved inductively; the "discoveries" social scientists have heretofore made have been generally quite trivial. Nor does the deductive method work, if the underlying assumptions are more often acts of faith than observable relationships (Gouldner, 1970; Mills, 1959). Furthermore, the standard natural science methods of induction and deduction require the vigorous standards of testing which assume hypothesis formation and the fragmentation of social reality.

I would argue that the only viable intellectual framework available to social scientists which offers a sensible solution to the seeming contradiction of constructing social theory while preserving the integrity and relational qualities of social interaction is

Marxian thought. This tradition, of course, includes the many fine historical studies loosely based on materialist and evolutionary assumptions, and the crude over-schematized theory and research undertaken in the name of Marx (Hobsbawm, 1973). But a Marxian framework, as I understand it, implies more than either of these options allows. It is a methodology which goes beyond our conventional categories for understanding scientific research; it is neither inductive, nor deductive, outside of the labels 'nomothetic' and 'ideographic,' yet wholly commited to the building of a science of social relations.

Ollman (1975) offers an extremely provocative view of Marx's method, an interpretation which makes sense of the seemingly incompatible ends of Marx's work, to establish laws, and to understand the social conflicts of the era. Ollman contends that the Marxian "philosophy of internal relations" represents a philosophical tradition unlike that of conventional scientific inquiry. Marx did not attempt to establish universal or natural social rules or classificatory schemes; rather, he viewed the world 'relationally.'

> The relation is the irreducible minimum for all units in Marx's conception of social reality. This is really the nub of our difficulty in understanding Marxism, whose subject matter is not simply society but society conceived 'relationally.' Capital, labor, value, commodity, etc., are all grasped as relations, containing in themselves, as integral elements of what they are, those parts with which we tend to see them externally tied. Essentially, a change of focus has occurred from viewing independent factors which are related in each factor, to grasping this tie as part of the meaning conveyed by its concept. This view does not rule out the existence of a core notion for each factor, but treats this core notion as a cluster of relations. (p. 15)

This methodology precludes the consideration of "factors as logically independent of one another." Nor can natural social laws be found. Ollman contends that instead Marx tried to discover "tendencies" of capitalist development through the examination of relations. "As regards deductive laws, Marx's laws also deal with the nature of the world, but do so on the basis of evidence, and are forever being modified by evidence." (p. 19) And what are the fundamental social tendencies or relations Marx proposed? Hobsbawm (1973) suggests that the Marxian study of history is marked by three basic relations: 1) the theory of 'basis and superstructure,' 2) a social evolutionary schema, and 3) the category 'class conflict.' That is, Marx conceptualized a social system composed of different 'levels' which interact--basis and superstructure. Their composition differs according to the degree to which man is emancipated from nature and in control of it--social evolution. And it is class conflict, based on the web of relations that is exploitation, that moves human society from one stage of social evolution to the next.

Imperialism and dependent development in the world economy are understood by grasping the essence of class relations--the basis of growth or development--in both the metropole and periphery, during succeeding historical periods. I propose that an appropriate place to begin this difficult task is with the social evolutionary schema of Marxism described by Hobsbawm. Capitalist development is based on successive modes of production--pre-capitalist to capitalist. Within each of these modes of production there have been stages in which the <u>growth dynamic</u> of the system has changed. From the most basic "category," modes of production, we procede to historically specific stages of these modes of production. These, too, are relational. Marxists have argued that capitalist development in the West evolved from mercantilism to competitive capitalism to monopoly capitalism, in the process, generating a new "world" system (Amin, 1974; Wallerstein, 1974b).

The theoretical problem presented by "poor" countries in the world system is how to extend the basic historical and theoretical categories and epistemology of Marxism to study the economic and social systems of developing countries. The periphery has not wholly followed the succession of modes of production given by Marx; rather, pre-capitalist and capitalist social formations co-exist (Cockcroft, 1975; Chilcote, 1974). Some dependency theorists have held that the periphery, while in the process of capitalist development, enocuntered metropolitan imperialism and was set on a path of economic growth combining pre-capitalist and capitalist modes, but characterized by social formations of each that differ in the extreme from those experienced by the now industrialized countries of the North Atlantic (Sternberg, 1974; Cardoso, 1972-3). This position suggests that progressive stages of Western development were imperialist in varying ways. Moreover, each stage of Western capitalist development offered, by its very growth dynamic and peculiarly national form, limits on the kind of social formations possible within periphery countries. The possibilities of metropolitan forms of a particular mode or stage of production are open, as are the forms of periphery capitalism, but always within a limiting <u>structure</u> generated by the mode of production or stage of production (Wallerstein, 1974b).

It is my contention that while the "world system" has been dominated by the expansion of capital into pre-capitalist (and socialist) countries, to understand this process, we must begin with the m

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metropolitan nation-state, determining its relationship to other capitalist metropoles and peripheries in terms of the path to economic development it has taken.[5] For the West, we can begin with an elaboration of captialist development from mercantilism through monopoly capitalism. Each stage has had a dynamic, leading to characteristic forms of expansion into the periphery. These forms of expansion have, in turn, set broad terms which have altered the direction of periphery growth and development during each stage of metropolitan capitalist growth.

In the preceding chapter I proposed that particular Marxian theories of imperialism and dependency offer a way to overcome specific deficiencies in West Indian studies. Again, these are: 1) the failure of students of the area's history to understand British-West Indian relations in terms of Western metropolitan capitalist development and its peculiarly British form, 2) the lack of a theoretical basis for discussing West Indian economic growth, 3) the general tendency of scholars to ignore West Indian class relations, a necessary category for understanding West Indian development and historical change. I will begin the search for a new conceptual framework by looking critically at Marxian theories of imperialism, making adaptations based on my reading of literature on capitalist development and the British case, and on the demands imposed by my interpretation of the Marxian method. Having outlined the general pattern of bourgeois capitalist development, and the link between British imperialism and the evolution of British capitalism, I will turn to the consideration of the West Indies. I will examine West Indian dependent development and class relations in terms of structures created by succeeding stages of British capitalist growth. The theoretical

approach to these phenomena is based on selected Marxian works on dependency, West Indian and satellite histories, and on the Marxian method itself. I will explore the assumption that periphery economies and societies have had shared characteristics reflecting similar Western forms of capitalist growth and expansion. Common "relations" will be investigated, bearing in mind that metropoles did not generate new stages of production concurrently and that intermetropole rivalries influenced metropole-periphery relations.

An Outline of Dissertation Chapters

In the previous chapter, I noted that studies of the West Indies and the British-West Indian relationship have consistently failed to take into account the course of British capitalist development, based on a more general historical theory of the dynamic of bourgeois capitalist development. I will begin Chapter III by reviewing the major theories of British imperialism in the West Indies. I will suggest an alternative view based on Marxian theories of imperialsim, altered in terms of further analysis of bourgeois capitalist development and the British case, and in terms of Marxian epistemology.

Students of the West Indian-British relationship have focused on British colonialism as a political trend or a source of British economic strength, without an understanding of how the exigencies of capitalist growth vary in succeeding stages of development. I suggest that a number of propositions be considered to order the history of the British-West Indian relationship and West Indian economic history, based on how bourgeois capitalist structures have changed historically. The first substantive chapter of this

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dissertation will cover the transition from mercantile to competitive capitalism and the nature of the competitive stage, and will stress the following points. First, that an underlying growth dynamic has characterized mercantile, competitive capitalist and monopoly capitalist development. The mercantile stage was a time of capital accumulation that formed the basis of subsequent industrial development. Competitive capitalism generated industrial growth because the market rewarded low costs, low prices and useful innovations. Second, each stage of Western capitalist development required a particular trade policy, based on the relationship between the state and capital, the dynamic of the system itself and the larger world system of competing national capitalisms. Mercantilism was protectionist; competitive capitalism was accompanied by free-trade policies in England, the premier core state, but was protectionist elsewhere. Free-trade was highly compatible with the general principles of laisse-faire state-capitalist relations, but could not be extended to international economic relations in a world where one country so clearly dominated its neighbors in the production of sophisticated goods at low prices. Third, the transition from mercantile to competitive capitalism marked a change in characteristic forms of imperialism from the acquisition of colonies and units for the production of raw materials to an emphasis on trade. The gap in manufacturing capacity between developed and economically backward areas was set in the era of mercantile expansion. The active suppression of manufacturing through mercantile trade and fiscal policies and through the establishment of raw material producing units set up a system whereby colonies needed and bought metropolitan manufactures in exchange for raw materials. Trade was not an exclusive form of imperialism during this period, but for the first time, commodity exchange was a widespread means of exploiting backward areas. Fourth, within mercantilism lay the basis for its demise, for a set of interrelated reasons deriving from the three points presented above.

I will then look at the ways in which these phenomena unfolded in Britain, and how they effected the British-West Indian relationship. The following issues will be explored.

Britain was the first country in the world to experience the full-scale transition from mercantilism to competitive capitalism. She became the economic leader of the world, able to command supremacy in trading relations and adopt free-trade policies. The demise of mercantilism and rise of free-trade was not an automatic or rapid process, but involved at least thirty years of class struggle. The advocates of continued protection of British goods and British colonial goods and other monopoly practices were those for whom the rationale of mercantilism--quick and grand profits often accompanied by high costs, particularly in the long run--made sense. These included British farmers, shippers, West Indian planters and traders. They were opposed by the modern capitalist manufacturer seeking low-priced raw materials and free markets and British consumers. The competitive capitalist free-traders eventually won, ushering in a dazzling era of British industrial preeminence. The new Britian of the industrial revolution shunned colonialism as too costly. More importantly, it was unnecessary. British industrial products were welcomed all over the world. Trade was a new and potent form of capital accumulation for the premier metropole.

And what of British colonies? British imperialism made an ecomómic and political distinction between Dominions and dependencies. Both served a function in the British empire, but the European presence in the Dominions allowed higher levels of economic development, minimizing their role in mercantile accumulation. The dependencies were the early prizes, areas of raw material extraction. Their value continued to be great during early years of competitive capitalism when the dependencies served as a source of raw materials and as a market for manufactures not found in the more highly developed Dominions. But as time passed, problems with the dependencies grew. First, mercantile methods of production favored soil depletion and generally inefficient management, raising costs and driving British buyers to other areas of the Empire or to non-Empire countries. Second, British capital goods, the great advance of the mid-nineteenth century, were in little demand in areas of low industrial growth. The West Indies became burdens to the British, and while other areas experienced similar problems with long-term high cost technology and organization (Mauritius, Ceylon, areas of Africa), slavery, absenteeism and the abuse of rational cultivating techniques in the West Indies were without parallel elsewhere. The West Indies served no useful function to the British state or British capitalists during the period of competitive capitalism; they tried from 1830 to 1865 to bring the West Indian planter to a recognition of the impossibility of a return to a passed era. Other areas of value as raw material producers shared a precarious position in the Empire, competing in a world of free-trade and trapped within a techn

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technology and system of productive organization that was generally less amenable to long-run stability, efficiency and innovative technology than was capitalism within the metropoles.

In Chapter IV I will turn to the consideration of West Indian society and economy from the mid-1700's to 1846, within the framework of the British transition from mercantile to competitive capitalism. Thus, I will take the propositions related to British capitalist development discussed in Chapter III as a set of conditioning and limiting factors in West Indian history. I contend that West Indian economic and social relations have not been caused by British capitalist growth, but that imperialism has generated broad and historically changing webs of international class relations within which West Indian history has evolved. Moreover, West Indian societies ressembled other periphery countries in many respects, experiencing similar obstacles to development and similar patterns of class relations during progressive stages of metropolitan capitalist growth. I will propose several general statements about periphery economy and society in each stage of metropolitan development; these propositions derive from Marxian theories of dependency, altered by considerations of satellite and West Indian histories and Marxian epistemology.

As noted above, Chapter IV, the first of two chapters on the West Indies, covers the period from the mid-1700's to 1846. The choice of historical time period reflects the first proposition to be examined, that the metropolitan transition from mercantile to competitive capitalism marked a decisive change in productive activities in many periphery societies. Competitive capitalism generally meant a victory of domestic industrialists over raw material producers in the peripheries, manifested in changes in government supports that hindered high cost production of raw materials. This was especially true of Britain, where free-trade successfully undermined colonial monopolies of raw material production. Other metropoles, while protective of domestic industry against foreign competition, guaranteed the purchase and the price of raw materials from some peripheral regions, but only if these areas were exceptionally low-cost producers. The West Indies experienced a shift away from production exclusively for the plantation, to a long period of efforts by European settlers, Africans and Afro-Europeans to initiate bourgeois national development. The date, 1846, marks the passage of the Sugar Duties Act in the British Parliament, repealing sugar duties and ending mercantile supports to West Indian planters.

The second major proposition on which the discussion in Chapter IV will be based is that, although the structure of production in periphery societies may reflect heavy foreign investment, there is a process of development that occurs, albeit uneven and dependent. During the period of metropolitan competitive capitalism, dependent, uneven development resulted from the pattern of satellite production for the international economy set during the mercantile era. Periphery countries produced raw materials to be exchanged for food and light manufactures from the metropoles and "semi-periphery" countries. This process hindered economic development in the periphery primarily by limiting domestic accumulation of capital. Periphery countries had 1) high degrees of foreign ownership of the means of production, leading to the repatriation of profits, and 2) a naturally inelast

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inelastic market for products of domestic producers and restricted spin-off potential of these activities. Nevertheless, economic growth in particular sectors occurred. In the West Indies, economic development was oriented towards supplying the international market with agricultural exports, particularly sugar; some indigenous entrepreneurs produced simple goods and services for the plantation or engaged in international or, the more limited, local trade. This pattern changed during the period following the equalization of sugar duties and the emancipation of slaves when the uncompetitive prices of West Indian sugar led to the sale and abandonment of former plantation lands. Peasants acquired land and produced food; petty manufacturers and traders oriented their activities towards a rising internal market. International exchange was not undermined by indigenous production of food and light manufactures, but development of a classic form began to take shape alongside production for export. This shift in West Indian economic enterprises suggests again the importance of viewing periphery economic activities as evidence of dynamic (although dependent and uneven) growth rather than as a static, given aspect of a "structure" such as underdevelopment or the plantation.

Third, the mercantile transition to competitive capitalism in the metropoles marked a significant change in Thrid World class relations, particularly in those areas in which competitive capitalist trade policies caused a decline in the periphery economy. The increasingly uncompetitive nature of raw material production in some areas (e.g., Barbados and Jamaica) and a humanitarian current in metropolitan thinking discouraged labor-repressive systems of producti

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production. Wherever the soil and other conditions promised long-term, highly profitable production, equally repressive systems were soon erected (e.g., Guiana, Trinidad, Puerto Rico, the southern United States). But even in these cases, labor repressive techniques were incompatible with long-term profit making, and during the course of development in these areas capital investment in technology gradually released labor for other tasks. An incipient national bourgeoisie could arise or be strengthened by these events especially in regions like the West Indies where export agriculture suffered a period of decline. In the West Indies, a bourgeois class of Afro-Europeans emerged, active in farming, trade and crafts. Settler Europeans engaged in some of these activities as well. African ex-slaves were often peasant farmers of both food and export crops, or wage laborers on remaining estates.

Fourth, the colonial state grew in both strength and the scope of its functions from mercantilism to competitive capitalism, particularly where the grip of raw material producers lessened. Competitive capitalism was a stage of withdrawal from colonial expansion by all European metropoles. The metropolitan state encouraged the autonomy of periphery governing bodies and allowed colonial legislatures to evolve in many areas. Local colonial powers of taxation were widened. The range and rates of taxes levied within the colonies increased, with the metropoles' lessening fiscal commitment to "empire."

In the West Indies, the collapse of sugar production caused the West Indian colonial legislatures to grow in power, giving the incipient national bourgeoisie a political vehicle. Moreover, the colon

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colonial state, with the authority to raise taxes in a number of ways, built ports, roads, etc., largely without the aid of the metropolitan state.

The following aspects of West Indian development and class relations will be discussed.

Mercantile metropoles expanded into the Caribbean in the seventeenth century. Spain, Britain and the Netherlands extended their empires to the West Indies, seizing land for agricultural cultivation, precious minerals and indigenous labor. Britain first explored the region in search of military positions from which to fight the Spanish. Their ultimate goal, however, was settlement. Gradually Dutch planting of sugar throughout the region established the long-enduring plantation as the principal system of production. Many attempts to supply Indian and European labor on Caribbean plantations failed, giving way to the use of African slaves. Small-scale farming of tobacco for export and food crops virtually disappeared; the number of white settlers in relation to the number of African slaves dropped sharply.

Sugar planting in the Caribbean was a grand success, particularly for British planters and merchats who, with the domestic farmers, formed the backbone of British mercantilism. The consolidation of British national wealth, deriving in large part from the production, transport and sale of West Indian sugar, led to the failure of Dutch trading in the area and established Britain as the premier metropole. She tightened her political control of West Indian societies, and encouraged further planting and British trade in the area through mercantile policies which allowed British merchants and planters to monopolize the supply, transport and sale of West Indian sugar, and granted guarantees of quotas and prices to British merchants. The West Indian production of sugar and the related trade of slaves contributed greatly to the British industrial revolution. Profits derived from these activities, as well as external economies promoted by sugar and slavery, created the primitive capital for industrialization and a demand for particular industrial products.

Yet mercantile methods of cultivation were notoriously inefficient. Slavery and other repressive forms of labor required constant cropping in order to acquire capital for the purchase and maintenance of slaves, and to contain a potentially rebellious population. Capital investment beyond the purchase and care of slaves was avoided. Fertilizers were seldom used; tools were of a most primitive sort. The underlying rationale was one of "get-rich-quick," ignoring the long term costs of slavery and of inefficient technology and organization. Planters often sold land after big profits were made; the general pattern among planters of assimilation into the upper levels of English society fostered absentee ownership--another obstacle to rational management of sugar lands.

West Indian societies were rigidly stratified on the basis of relations of production and race. Africans worked on the land as slave cultivators, although some slaves did domestic work or crafts work on the plantation. Slaves lived poorly, and rebelliously fought white owners and managers. Other whites on the islands included long-distance traders, physicians, attorneys, overseers, plantation bookkeepers and craftsmen. Afro-Europeans formed a middle

class between Europeans and African slaves. They often gained manumission and moved to towns to engage in local trade and crafts.

The development potential of West Indian societies at this time was extremely low. Agricultural production was mostly of sugar; slaves did have small provision plots where some food was grown. But almost all materials needed for sugar production and much food were imported. Crafts work on the islands was directed primarily to plantation production. There was little basis for capital accumulation given the heavy concentration of Europeans in the ownership of plantation and in trade. These people tended to send profits abroad. The small agricultural surpluses of slaves' provision gardens were sold at local markets, but the profits often went to the purchase of imported goods. Craftsmen and those producing services for the plantations faced limited and, eventually, contracting demand. Moreover, the potential for profitable reinvestment in related areas was cut off by the tendency of planters to import cheaper manufactured products from the metropole.

The political relations of this period reflected the Crown colony status of the West Indies, and the heavy influence of planters in the local legislatures. The Crown's representatives, the governors, worked to limit the costs of governing to the metropole; the assembly members resisted taxation, holding up construction of infrastructure components often of benefit primarily to themselves. The local political officials resented Crown intrusion into their affairs, except when financial assistance was forthcoming. Exclusionary laws, voted by the assembly members, prevented African or Afro-European participation in governing bodies. The periphery state grew in strength in relation to the metropolitan state during the mid-nineteenth century.

The rise of industrial capitalism in Europe introduced considerable tension in the relationship between planters and merchants. The latter saw an opportunity to trade in industrial goods, recognizing at the same time that the West Indian sugar trade could not survive the end of mercantilism. During the early part of the century, the West Indian lobby--merchants and planters--fought free-trade in alliance with English farmers; the emancipation of slaves in 1833 made clear the inevitable decline of the West Indian sugar planting, and left the planters adrift and estranged from former allies. In 1846, English sugar duties were repealed and one of the last mercantile impediments to a prosperous age of British competitive capitalism was dismantled.

In Chapter V, I will return to the discussion of metropolitan economic history and the British case. I will look at the ways in which the British transition from competitive to monopoly capitalism have influenced the West Indies. I will introduce and briefly explore the following premises. First, there is a dynamic growth principle that underlies bourgeois monopoly capitalism and differentiates it from competitive capitalism. In the competitive stage, the market rewards low prices and innovation; in monopoly capitalism, a few firms control the supply of goods, rendering the market less effective as a determinent of price and quality. Second, monopoly capitalism developed in response to downward trends in the cycle of development. Those firms and financial institutions able to survive these depressions developed concentrations of capital and means of production.

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imperialism and state supports to the oligopolistic sector became other means by which depressions are avoided. Third, the terms "free-trade" and "protection" have been generally less meaningful in the monopoly stage than in the competitive stage of capitalist development, as firms with investment in production abroad have been subject to other nations' trade policies. Only nations with strong currency and considerable economic strength--generally the premier "core" country--have sought to liberalize trade barriers and to increase the volume of world trade. Fourth, the transition from competitive to monopoly capitalism introduced capital investment as a principal form of imperialism. Investment has been in raw material production, banking, and later, manufacturing. Lending by private capital and by metropolitan states have gained in importance. Trade has continued to be a major form of imperialism expansion, reinforced by declining terms of trade for raw materials, but only with the development of monopoly capitalism has investment in varied areas on a large scale been possible.

The depression of the last quarter of the nineteenth century disturbed the industrial surge of the British economy. Unlike Germany and the U.S., harder hit by the Depression and inclined towards capital and industrial concentration, Britain sought economic stability in a renewed effort to control markets and sources of raw materials. With other European states, she partitioned areas of Africa and the Pacific. The new dependencies, non-European, like the old, were exploited commercially by corporations with the capital resources to seek vertical integration in production and achieve near monopolies of many commodities. It was in this way that the West Indies and other worn-out colonies were returned to the fold of dependencies. Corporations, some of which had raw material producing units in many other areas of the world, came to the West Indies with capital-intensive technology and long-run planning and were able to regenerate sugar-producing lands. In the case of the West Indies, planters often gave plantation land to merchant firms as debt repayment; merchants, shipbuilders and investors in trade and raw material production had the capital to organize the large corporations of monopoly capital and were the bases of financial circles as well.

Within the British ruling class, the press for colonization was joined by industrialists, trading and financial interests by the late 1800's. The colonization of new dependenceis most favored raw material producing corporations, traders and financial interests and makers of light manufactures; capital goods producers would find markets in the dependencies only for a short time. The capital goods industries needed assured markets in more highly developed economies and thus worked for a return to protection within the Empire. These industrialists were joined in their demands by the Dominions, which required assured markets for their own rapidly developing manufacturing industries. By the early 1930's imperial preference was supported by the British state as the only means by which to save British industry. Even its opponents, the financiers, light manufacturing industries, and raw material producers, benefited from Britain's world hegemonic position, especially in terms of currency strength. The dependencies also favored imperial preference, in so far as peasant production of export crops would benefit.

The economy of Britain was locked into inevitable decline by the imperial adventures of the late nineteenth century. Imperialism stopped systematic reorganization of industry and gave to the interests of finance, trade and raw materials the power to hold off the capital-goods industries in many future confrontations for state influence. The victory of the capital-goods industries in the return to protection was basically without risk to the free-traders, and, in fact, very helpful. But a shift in the "core" was now inevitable. British industry was completely dependent upon the markets of its Empire: the Dominions must buy capital-goods; the dependencies, light manufactures. Germany and the United States were industrially superior and able to capture markets throughout the world.

In the succeeding chapter (VI) I will turn to the period, 1846 to 1930, analyzing several consequences for West Indian class relations and economic development of the transition from British competitive to monopoly capitalism. The discussion will focus on these propositions. First, the transition from competitive to monopoly capitalism in the metropolitan economies brought about changes in production in the colonies. As pointed out in Chapter V, monopoly capitalism made possible new forms of imperialism that reflected heavy concentrations of capital in metropolitan corporations and financial institutions. British corporations invested in raw material production in the dependencies. They set up mines, plantations and other forms of export agriculture in the new colonies of Africa and the Pacific, in the older dependencies, most notably the West Indies. The consequence of this investment was to establish or strengthen the dominance of agricultural exports (primarily from plantations) and mines in areas where they had long been present. This meant the buying up of land, directing new productive activities towards the plantation or mining operation. Yet, these enterprises did not absorb the labor displaced from the land, nor were they likely to reinforce indigenous manufacturing and agriculture that encouraged classical patterns of economic development. Food production was replaced by export agriculture, increasing the need for food imports at a time when terms of trade were shifting to favor developed nations.

Second, the class relations changed in line with new productive activities in satellite regions affected by the metropolitan transition from competitive to monopoly capitalism. Where British export agriculture failed with the advent of free-trade, increased production of food and light manufactured goods was possible. In the West Indies, a progressive national bourgeoisie did not emerge as a dominant social class, but important movements in this direction occurred. The advent of monopoly capitalist extraction of raw materials in the British dependencies early in the twentieth century seriously hindered the formation of consolidation of a progressive bourgeoisie. The effect was much the same as that of mercantile raw material extraction and production. Mines, plantations and export agriculture in general displaced peasants from their land. But capital intensive raw material production required even less labor. Unemployment became an enduring feature of West Indian societies. Those peasants able to keep land often engaged in export agriculture, using services of corporations to ship and trade their goods. Other indigenous entrepreneurs, engaged in trade or simple manufacturing, redirected their productive activities to the corporate presence. The national bourgeoisie did not disappear but lost its reason for opposing early, largely individual owners of raw material producing units; they no longer threatened plantation owners and metropolitan capital, but fully cooperated with the corporation.

Third, this transition from bourgeois activity along classical lines to a return to trade and production for the international market reinforced the general periphery development dynamic proposed earlier: 1) limited capacity to accumulate a capital surplus because of expatriation of capital earnings by foreign owners, 2) restricted markets and spin-off potentials of domestically owned industries.

Fourth, the advent of oligopolies in raw material production raised the stakes of economic imperialism. It required a concerted metropolitan state effort to control the underlying colonial population and raise revenues to build an infrastructure supportive to metropolitan corporations. Where metropolitan state influence had diminished during the anti-colonial period of competitive capitalism, direct and close rule was reestablished. Colonial legislatures continued to exist in some areas, including the West Indies, but with lessened power. It is interesting to note that these legislative bodies now necessarily included members of the national bourgeoisie as well as direct representatives of metropolitan capital and corporations, although the interests of these three groups were now compatible. The reimposition of Crown colony rule in the West Indies reflected also the metropolitan concern about conflict between a nascent progressive bourgeiosie made up largely of non-whites, and the old planting class.

The period 1846 to 1930 will be explored, emphasizing these events and relationships.

Following the equalization of sugar duties, West Indian planters encountered a competitive world market in which their sugar had to be sold cheaply. Costly production was impossible; those who could not compete, or faced debts incurred from years of economic problems, abandoned or sold land. Peasant farmers, former African slaves, bought and seized land. Ownership or renting of small holdings became an important feature of West Indian economies. Though never wholly self-sufficient, peasants increased the level of West Indian food production and sold their goods in an expanding internal market. They also produced export crops and labored on remaining plantations to gain additional sources of capital for the purchase of the imported food and manufactures that still flowed into the area.

European settlers, Afro-Europeans, and even some Africans, attempted entreprises that would have fostered classic bourgeois industrialization. Manufacturing of products for the internal and international markets was tried, as were various schemes to grow new export crops. But credit and other difficulties undermined these efforts. Moreover, the ready availability of imported goods and well-established avenues for profit that long-distance trade, peasant export production and plantation wage labor could offer, constantly blocked indigenous economic growth that would lead to industrialization.

The planters, beleagured by the loss of mercantile favor, fought for survival through schemes to establish new forms of repressive labor. Indentured labor from India and the East Indies was successfully imported, with British financial help, to those islands

able to profit from cheap and plentiful forced labor. Eventually, however, Trinidad and Guiana, too, experienced soil depletion and attendant high costs of production that had earlier driven Jamaican and Barbadian planters out of business.

Further problems plagued West Indian sugar producers during the last decade of the nineteenth century when European metropoles started to offer a bounty to beet sugar producers. This lessened the cost of beet sugar relative to cane, and led West Indian producers to beg the British Colonial Office for help. Eventually, the British government signed the Brussels Convention of 1903, abolishing all bounty systems, but only after many years of debate with free-trade opponents to the agreement.

Wherever sugar production suffered the downward trend caused by overplanting and bad management, a few wealthy owners were able to buy up and consolidate holdings. New owners were often merchant houses and other sources of metropolitan corporate capital. American and British companies entered banana production and trade, as well. An American corporation led the development of tourism in the area.

Finally, in a concluding chapter (VII) I will summarize the principal relationships examined in the dissertation. This chapter will include an assessment of the value of my contention, hitherto uninvestigated by other scholars, that a full understanding of West Indian economy and society requires an analysis with three points of departure: 1) the study of the ways in which the exigencies of Birtish and American capitalist growth and development have affected West Indian development, 2) the nature of West Indian economic growth during the course of its relationship with imperialist

metropoles, 3) the changing system of West Indian stratification and its relation to foreign economic influence. Further, I will consider some of the problems with the theoretical framework of dependency and imperialism as I have intrepreted it, both in reference to inherent conceptual and theoretical weaknesses, and its specific application to the West Indies, for the 1830-1930 period.

Obviously, I have not analyzed each of these issues in a definitive way, nor have I marshalled more than a small amount of original data. Rather, I have tried to fully survey what has been written about the West Indies in order to construct a conceptualization for further research that will avoid some of the weaknesses of past scholarship. I view this project primarily as a theoretical one--an attempt, for the first time, to apply some of the extremely valuable categories of Marxian theories of dependency and imperialism to this region. However, I have hypothesized several explanations of phenomena related to the West Indian process of economic development that would, I think, withstand the test of further historical study.

Many of my suggestions for future research on the West Indies reflect my interest in the application of the broad framework I have proposed. They also indicate my belief, based on the process of research for this dissertation, that secondary analysis of data collected by others can be properly and fruitfully absorbed into new frameworks.

Future Research and Analysis

As noted earlier, a discussion of British monopoly capitalism and West Indian development and class relations during this period

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will not be included in this dissertation. A review of salient themes and issues to be explored in that work--the second half of the research and analysis contained in the dissertation--may further clarify the framework I am proposing for an understanding of West Indian economic history.

The Depression of the 1930's, more disastrous for America and Germany than for Britain, stalled the inevitable rise of these two powers to positions of rivalry with Britain. But by the end of World War II, America was firmly in command of the international economy. Britain remained in a position of considerable economic power in the field of international finance, but at the cost of domestic unemployment, inflation, and frequent post-war pound devaluations which marked the decline of sterling from the position of "top" international currency.

The 1930's also brought the rise of British monopolies in raw materials, most notably in minerals, sugar, cocoa, coffee and fruits; the Ottawa Conference, convened in 1932, allowed Canada, Australia and New Zealand to erect protective barriers against British manufactures; these Dominions were reaching moderate levels of economic growth and British manufactured imports threatened their nascent industries. The British also promised price supports and commodity quotas to colonial raw material producers, which in effect meant a major state concession to the vertically integrated corporations now partitioning international sources of supply, and marked the increasing commitment of both satellite and metropolitan governments to oligopolies operating in the Third World.

Returning to the West Indies in 1930, we find that the

Depression has had extremely adverse effects on these export dominated economies. British support of foreign corporations meant quite limited gains for workers or peasants, and even with British state assistance, raw material producers suffered from loss of sales to America, Canada and Western Europe. During the 1930's, riots and strikes occurred in nearly all of the West Indian islands. The result was an increased welfare allowance from Britain and the establishment of trade unions and political parties, the institutions to be the bases of the struggle for political independence. The development of unions in the sugar industry changed the position of labor, creating a "labor aristocracy" of export industry workers who have resisted anti-imperialist struggles and occasionally served as bastions of anti-Communism as well.

The flight of West Indians from the islands to Britain, the United States and Canada increased during this period, becoming an important factor in the relationship between the West Indies and these more developed countries. West Indians have served as part of the pool of unskilled labor that has allowed industry in the metropoles to hold down wages. This is one more way in which West Indian dependent development has contributed to metropolitan capitalist growth.

During World War II, Britain expoited the dominions and dependencies during the war by using colonial troops (as she had in World War I), but more importantly, by borrowing heavily from colonial sterling reserves kept in London. Development during the war in any of the colonial territories was necessarily limited by their lack of currency control. After the war, the Labour government persuaded the colonies to further defer their development plans to the erection of the British welfare state. Britain slowly replenished colonial reserves, but resisted other acts of colonial autonomy, particularly the independence struggles of the non-white dependencies. The Labour government, with its origins in socialism, was extremely hesitant to come to the defense of the dependencies. Where independence was achieved in the 1950's and 1960's, neo-colonial administrations were installed; where alternative systems were proposed, e.g., Guyana, the British responded with force. The major islands of the West Indies were granted independence in the 1960's. Several of the smaller islands remain associated states.

During the 1950's and 1960's, American oil and aluminum companies developed extractive industries in Trinidad and Jamaica, respectively. Tourism became a major industry throughout the islands. During this period, West Indian economists, influenced by metropolitan developmentalism, found hope for West Indian economic growth in the tax revenues earned by West Indian governments from multinationals operating in the region. As recent structuralist and Marxist critics have noted, however, these industries were very much in the mold of earlier forms of foreign investment, although their source was American rather than British. There were and are highly integrated corporations that generate little growth potential in the West Indies. Rather, much of their profits and positive economic spinoffs reach the metropoles.

But the structure of West Indian dependency has changed dramatically from the initial stages of monopoly capitalism. Agricultural domonance has given way to greater capital investment in mining and manufacturing; and indigenous administrative class, made up largely of Afro-Europeans hold positions in the government and in lower levels of multinational management. Indigenous capitalists and the state have sought greater shares in foreign investment, increasing the capital accumulation of both. This has resulted in a greater range of West Indian products, services and state administered social welfare benefits. However, large sectors of the population have been excluded from the benefits of this dependent development, and much of the indigenous investment now taking place, by the state and private capital, feeds the coffers of metropolitan capital, as the West Indies have been unable to reverse their dependency on means of production manufactured in the metropoles, or their economic reliance on the exportation of raw materials.

The Cuban Revolution reinforced the view formed during World War II by the American military and foreign policymakers that the British West Indies are an important strategic area. The United States has kept bases in the area and considers leftist governments there to be a most undesirable possibility. In the political sense and increasingly in the economic realm as well, Britain has abdicated control of this area to the United States.

The West Indian area remains important to London's continuing efforts to remain an international money market that deals effectively in sterling. The region is also significant to British multinationals that own plantations, factories and banks and other enterprises there. The West Indies remained in the sterling area after independence, a move that is beneficial only as long as sterling can remain a strong negotiated currency. The West Indies were repaid for this faith in

Britain by commodity agreements that guaranteed prices and markets for West Indian agricultural goods. However, with the entry of Britain into the Common Market in 1972, these agreements were abandoned in favor of the generalized commodity preferences the E.E.C. now offered to all of the Third World and special preferences offered to the ex-colonies of E.E.C. members. The effects for the West Indies are potentially serious, although multinational extractors and processors of raw materials may profit from the new arrangements.

Historical Research and Secondary Analysis

In historical analysis of data already collected and interpreted by others, one encounters several critical problems. Historical debates and controversies appear throughout the literature on Britain and the West Indies, reflecting 1) differences in the reporting and interpretation of primary data, and 2) conflicts in the political perspectives of those using data to test hypotheses and explicate research propositions. Moreover, these two sources of disagreement are not entirely separate; in examining original data, particular relationships become salient because of the political and epistemological biases of the researcher. Secondary analysis of data, therefore, requires a considerable degree of trust in previous scholars' selection and interpretation of data. This methodological weakness can be overcome only by returning to original materials. Because I have not, in general, had access to original materials, I have been compelled to turn to a second, less reliable solution--to follow the controversies surrounding the collection and interpretation of various data, learning of areas of doubt and disagreement. This app

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approach has several drawbacks, the most obvious of which are that scholarly exchanges on methodology are sporatic, and found in many, varied sources. Under these circumstances, some findings must be termed inconclusive, and are to be reassessed as new, related commentary and data are gathered.

The second major difficulty I encountered was in assessing the ideological perspectives of scholars whose work I have consulted, and how they have utilized information to buttress their world views. All of us perform such a task whenever we read the writings of other students of a topic or area. But the problem is particularly acute when surveying research conducted in other historical eras, especially on subjects of political debate. For example, British historical and social scientific treatments of the British Empire undertaken during the period of decolonization of many former colonies are almost universally defensive of Britain's anti-colonialism. Even with a growing sense of the larger political milieu of the time I was perplexed by such unanamous British resistence to decolonization, especially by the Left. A proper understanding of this phenomenon required a widening of the scope of inquiry to include the history of the Labour Party's position on imperialism, and other related issues. I have carried out a sociology of knowledge analysis for the study of other social and economic relationships as well. As a consequence, the volume of materials to be read and considered constantly expanded; the limits to what could be examined were sometimes set by time shortage, or other equally arbitrary criteria. Some of the conclusions that I have reached about world views are quite tentative. The problem is insoluble, and a perpetual source of frustration in historical research. Nevertheless, in realizing the obligation to continually recreate the ideological conflicts and constraints of each historical period, this study has been strengthened. I have recounted my perceptions of why research has taken particular forms or ideological positions wherever relevant.

And what is the nature of this historical evidence? I have chosen an area of research which has gained the attention of many excellent social historians of both West Indian and British history. Studies by Curtin, Hall, Mintz, Hobsbawm, Dobb, and others share a historical materialist perspective which clearly establishes the major contours of intellectual debate in the study of both areas. Thus, I began my research by examining the social history of both Britain and the West Indies from the point of view of historians whose work is highly regarded and share a perspective I consider informative.

For the study of England, economic data are widely available and have been sensibly analyzed in the Marxian writings of numerous British historians and leftist publications, e.g., Dobb, Hobsbawm, New Left Review. The West Indian data were much less complete and seldom fully exploited in works on West Indian social history, particularly for the post-1930 period. I made the decision, based on this discovery, to limit my inquiry to Jamaican history, as a case study. I will explain more fully my reasons for this, and the likely consequences, in the pages that follow. Secondly, I began to look independently for sources of economic data on the West Indies, especially Jamaica. I gained access to a special, privately owned Caribbean library (The Research Institute for the Study of Man in

New York City) which holds one of the most extensive collections of West Indian documents in the United States. (I had decided to try to restrict myself to data available in America as past contact with West Indian statistical agencies has been fruitless.) The information at the Research Institute was of massive quantity, but generally spotty; indices skipped important time periods and many documents were studies of specific projects or social problems that were irrelevant to my research. I concluded that national account indices available through the United Nations were probably the most consistent and reliable information I would find for the period after 1945. Brewster and Brown (1974) confirm this impression in their inventory of economic information on the West Indies. For the pre-1930 period, I decided the best source was the National Accounts data constructed by Gisela Eisner from what is, in many cases, a sketchy basis. However, the isolated indices available in historical work carried out in the West Indies provides a kind of cross-check on accuracy.

In the area of colonial relations, research became somewhat more difficult. From the point of view of England, writings on the colonies are extremely uneven. For the 1880-1930 period, selected articles from the <u>Cambridge History of the British Empire</u> are invaluable. After the 1930's, writings on the British Empire take a decidedly conservative turn, until the 1960's, when more left-leaning analyses are available. The conservative writings generally applaud the lack of British commitment to colonial independence, attack communist or militantly anti-imperialist administrations in the colonies, and praise the "multi-racial Commonwealth" as a progressive organization. Unfortunately the Labour party held these opinions as stro

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strongly as the Conservatives; with the emergence of the "new left" in the 1960's, articles supportive of Thrid World anti-imperialism and opposed to Labour party complicity in British imperialism began to appear. Through these, and a valuable volume, Gupta's Imperialism and the British Labour Movement, I have been able to piece together the post-1930's history of opinion of various classes on British imperialism.

While the conservative works mentioned above did not help me in the construction of a framework for the study of British imperial history, they did document British opinion and action in regard to trade, investment and aid to the Dominions and dependencies. The West Indian side of the question was more difficult to establish. Pre-1930's trade patterns have been discussed, as well as the decline of individual sugar estates and re-establishment of corporate concerns. The banana and tourist industries and aluminum have been well studied historically. The investment climate, trade agreements and amounts and types of aid can be learned only through an examination of United Nations studies of Non-Self-Governing Areas, Commodity Trade Statistics from the U.N., U.S. government documents and some of the writings on the ill-fated West Indies federation and replacement, C.A.R.I.F.T.A. For the last few years, the Wall Street Journal is an excellent source of information on West Indian dealings with multinational corporations and lending agencies. Two West Indian newspapers are held in M.S.U. microfilm collections, but lacking an index, they are of limited use. Much of the data I have used has not been previously analyzed, or has not been presented in analyzed form in the United States. Using United Nations statistics, in

particular, I have updated much of the analysis of Jamaican trade patterns, monetary relations with Britain, and some national accounts. I have compiled probably the most complete survey of the direction, value and categories of Jamaican trade since 1950.

The final research task, the study of Britain's rivalry and cooperation with America is not covered in this dissertation, but its compelling nature warrants comment here. First of all, it was the factor that tied all of the other research on the post-1930's period together. Secondly, because much of the information and analysis are quite new, I found a sense of immediacy in this part of my research. There are two major emphases here, both complex and highly interactive with one another. The first was the decline of sterling as a "top" currency, and the rise of the dollar. Two works on international monetary relations helped me to establish a framework for the study of this development, Cheryl Payer's The Debt Trap, and Susan Strange's Sterling and British Policy. The former, dealing with the International Monetary Fund, is only indirectly related to the discussion of sterling, but the introductory section of the international politics of currency is very instructive. Strange's work is excellent, bringing coherence to the complicated story of Britain's ambivalent response to decolonization and the competing demands of an empire and domestic democratic socialism. Recent works on American monetary policy have been helpful to placing the discussion of British money in a historical context. (See, Barraclough, 1975a, b, c; Morris, 1975).

The second relevant issue is the international commodity market and how it has been affected by Britain's entry into the EEC. I was able to sort out this question only through the use of recent magazine and newspaper articles, as the events of 1972 to 1975 have not yet been analyzed in book form. The most useful source was the EEC's European Community, which included several articles on the West Indies and other associated areas. U.N.C.T.A.D. studies, a U.S. Sentate Report on International Commodity Agreements, and London Times reports from the time of British entry into the E.E.C. were helpful as well.

It was my original intention to study the four main islands of the former British West Indies--Jamaica, Trinidad, Barbados and Guyana, comparing the effects of British imperialism among them. There are interesting variations in the social structures of these islands. Barbados has had a large settler class of small plantation and farm owners since the emancipation of slaves; plantation owners and trading companies brought East Indian bonded labor to Trinidad and Guyana in the late nineteenth century, increasing sugar production on these still fertile islands; Bookers, Ltd., the main sugar producer in Guyana, has exercised control over ancillary industries that is unparalleled in the other islands. However, the data available in U.N. and other international indices from Trinidad, Barbados and Guyana are insufficient to do such a comparative study. Therefore, I decided to concentrate on Jamaica, the nation which has most completely and for the longest period supplied economic data. There are, of course, limitations inherent in this strategy, related to the unique qualities of the particular "case" which may be decisive in differentiating it from other areas. I would argue that the Caribbean islands do share a structure of dependency and important historical similarities. Nevertheless, there are variations in the forms of dependency (in particular in Barbados), the degree of economic backwardness, and economic responses to dependency. These warrant comment, and I will attempt to qualify the Jamaican example whenever comparative differences are salient. I regard this as only a partial solution, however; a comparative analysis of the type I have suggested should be undertaken, and it is likely that access to documents held in the islands would make this possible.

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FOOTNOTES

[1]The literature on the epistemology of American sociology is now quite extensive. See, for example, the excellent collection, Robin Blackburn (ed.), Ideology in Social Science.

[2]Typical of this trend are the studies of "peace research"; for example, Johan Galtung, "A Structural Theory of Imperialsm." Two cases of the use of sophisticated statistical techniques to verify radical hypotheses about historical and social structural relationships are, Christopher Jencks, Inequality, and Bowles and Gintis, Schooling in Capitalist America.

[3]Examples of this trend are recent "qualitative" studies that involve observational and interviewing techniques, and are informed by quasi-psychoanalytic, phenomenological and ethnomethodological perspectives.

[4]Here the word "structure" is used metaphorically to suggest a web of class relations that is too complex to articulate fully, although its scope and specific "parts" are related elsewhere in the dissertation. The use of the world "structure" in this context, then, is different from that of the Caribbean "structuralists" and proponents of the "world system" approach. I have criticized these theorists for their tendency to view structures as social "facts."

[5]As I indicated in Chapter I, the "world system" approach to the study of inequality between developed and developing nations is descriptive, and does not generate useful theoretical propositions about the capitalist system. The history of capitalist growth and development adds up to a world economy dominated by capitalism. But this conclusion is insufficient to create a new unit of analysis, the "world system" to replace nations or classes within nations as a basis for theory. It is clear that many students of dependency theory accept the notion of a world capitalist system, but are committed to elucidating the processes leading to its formation through the study of classes within nation-states, and relations among nation-states. Wallerstein, Frank and Amin cross the boundary into an endorsement of worldwide capitalism as a conceptual unit, and make propositions about the structure and dynamic of that system which are overly schematic, violate national and historical distinctions, and are only indirectly related to the categories and epistemology of Marx. Controversy over the models of the "world system" is important, as it echoes an earlier debate between Maurice Dobb and Paul Sweezy over defining the mode of production in terms of market or relations of production. See Wallerstein (1974a) for a review of this enduring discussion and a defense of his own position.

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CHAPTER III

BRITAIN, THE TRANSISTION FROM MERCANTILISM TO COMPETITIVE CAPITALISM

Introduction

West Indian studies have considered British imperialism and the British-West Indian relationship only in an indirect way; the basis of British imperialism in British capitalist development has not been widely investigated. The major theoretical trends in the study of British influences on the West Indies will be briefly reviewed and criticized.

I will then examine four major historical propositions about bourgeois capitalism and British capitalist development, derived from Marxian theory and analysis of imperialism. The following relationships will be explored: the origins of growth in mercantile and competitive capitalism; trade policies of each era; characteristic forms of imperialism; the reasons for a transition from mercantilism to competitive capitalism.

British mercantilism provided the capital foundation for the Industrial Revolution and built a wealthy mercantile class involved in long-distance trade and raw material production. As industrialization commenced, a rival British bourgeois class challenged mercantile political and economic hegemony, demanding cheap raw materials and expanded markets through free-trade. The cost of industrialization was the sacrifice of domestic farmers, merchants and raw material producers. Many long-distance traders survived, however, yielding to the lucrative opportunity to trade British industrial products in a free-trade world of cheap raw materials and British industrial superiority. Trade became a new form of British imperialist expansion throughout the world; Britain's advances in industrial production multiplied her markets and increased the technological gap between manufacturing and raw material producing nations.

A Review of Theory

Students of the British West Indies for the period 1830-1930 have generally recognized the need to consider British imperialism as a variable in the region's development. The founding of the economic base of the West Indies--export agriculture--was clearly motivated by the British drive dor aggrandizement. The problem with many of the studies of West Indian societies, even those relating the significant role of British imperialism in West Indian development, is their general failure to link changes in the British-West Indian relationship to developments in British capitalism and the general exigencies of bourgeois capitalist growth.

Those who have analyzed West Indian economies for this historical period fall into two broad groups: 1) those primarily interested in West Indian development, who tend to view British influences on the West Indies as episodic and peripheral, 2) those who have implicitly contended that West Indian dependency and development have played a role in British capitalist growth, but do not specify how that role is related to the historically changing opportunities and constraints of c

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The first group of scholars, including several cited throughout this dissertation (e.g., Curtin [1955], Hall [1959, 1972], Eisner [1961], Waddell [1967], Lowenthal [1972], Mandle [1973a]), are social historians, generally of the historical materialist school. Their insights are focused on West Indian economic relationships. Although cognizant of British influences on West Indian history, they do not systematically trace British actions to the needs and demands of the capitalist system, particularly as it unfolded in Britain. The problem is, in one sense, a failure to understand capitalism or British capitalism. But, in another way, it is a failure to comprehend the dynamics of West Indian societies. For in choosing to focus on the West Indies as an appropriate unit of analysis, theoretical and ideological assumptions are revealed. Here, the economic history of the region is only incidentally linked to the metropole. Yet, examination of the West Indies within the framework of British imperialism indicates that the West Indies has been economically dependent upon Britain throughout her history. And during some stages of British capitalist development, the West Indies have been vital to metropolitan economic growth.

The second group of scholars have begun to formulate theories of capitalist development that can explain aspects of West Indian history. Sheridan (1963, 1969) and Beckford (1972) tie West Indian economic activities to similar events occurring throughout the region; Mintz (1969a, 1969b) and Williams (1966a, 1966b) link West Indian history for this period directly to mercantile accumulation and the subsequent decline of mercantilism. Nevertheless, none of these theoretical efforts is complete. These theorists have not formed a general theory of capitalist development relating the English experience to dynamics inherent to various stages of bourgeois capitalist growth. Nor do they offer British imperialism as an historical framework for understanding this period of West Indian development.

The Caribbean structuralists, discussed at length in Chapter I, fall categorically within this second group. The structuralists propose a relationship between imperialism and periphery dependent development. They regard capital expansion through the firm (the plantation, for the era in question) as the source of metropolitan imperialism and chief determinant of West Indian development patterns. Going back to an early hypothesis of plantation influence, Wolf and Mintz (1957) note the frequent foreign ownership of plantations, and the heavy capital concentration involved in the late nineteenth century plantation.[1] Beckford (1972) points to the establishment of the plantation in mercantile capital accumulation, and recognizes the shifting character of the firm itself, although not of the stages and forms of metropolitan capitalism. Best (1968) tries both to show the worldwide character of mercantile imperialism, and how periphery systems of production have changed. Yet, he, like other theorists of this school, does not focus attention to the root of imeprialism--metropolitan capitalist growth itself.

An Alternative Theoretical Approach

A more viable approach to the study of the West Indies, and other colonies as well, is to investigate the metropole, relating its history to the type of economic system it represents. Britain is the most often cited and "classic" case of bourgeois capitalist development. It has been studied for decades as the first country to achieve capitalist growth, and through a revolution of industrial capitalists eager to break mercantile bonds.

The first proposition to be examined in investigating British imperialist influences on the West Indies is that the mercantile system itself laid the foundation for industrial capitalist development in the West. Mercantilism was a system of rapid capital accumulation. Marx wrote of "primitive accumulation" as a garnering of claims to wealth by a class capable of "transforming these hoarded titles to wealth into actual means of production" (Dobb, 1963, p. 79). In the English case, one means of capital accumulation was fifteenth and sixteenth century overseas trade and production of raw materials.[2] This movement took the political form of colonization. Marx stated:

> The colonial system ripened like a hot-house, trade and navigation. The 'societies Monopolia' of Luther were powerful levers for concentration of capital. The colonies secured a market for budding manufactures, and, through the monopoly of the market, an increased accumulation. The treasures captured outside Europe by undisguised looting, enslavement and murder floated back to the mother-country and were there turned into capital. . . .
>
> To-day industrial supremacy implies commercial supremacy. In the period of manufacture properly so called, it is, on the other hand, the commercial supremacy that gives industrial predominance. Hence the preponderant role that the colonial system plays at that time. It was the 'strange God' who perched himself on the altar cheek by jowl with the old Gods of Europe, and one day with a shove and a kick chucked them all of a heap. It proclaimed surplus-value making as the sole end and aim of humanity (Marx, 1967, p. 754).

As Dobb (pp. 185-6) and others (Mandel, 1970; Moore, 1966) attest, those accumulating wealth were not necessarily the entrepreneurs that introduced competitive capitalism. Examining the English case, Dobb claims:

> But while there were some compensating advantages for industries from the activities of foreign trading companies, it was not from them that the initiative in industrial investment was to come. Initiative in this direction. . . lay, not with the upper bourgeoisie concerned with the export market, but with the humbler provincial middle bourgeoisie, in the mean less privileged and less wealthy but more broadly based.

Some members of the British mercantile bourgeoisie did invest in domestic industry, but conditions did not favor this phenomenon during most of the mercantile period.[3] More attractive investment opportunities were available in trade and speculation and the overseas production of raw materials. Traders and artisans in the internal market reaped the benefits of the increased supply of wealth, expanding overseas markets for manufactures and demand for products stimulated by trade (Williams, 1966b). Moreover, this nascent industrial bourgeoisie had the incentive, in the increasing volume of world trade (created by the mercantile bourgeoisie), to wage a political and economic battle for hegemony. This relationship leads to the second proposition, that mercantilism held the seeds of its own demise by encouraging a class of traders and craftsmen with much to gain from industrialization. Dobb puts it in this way:

> In other words, the first phase of accumulation--the growth of concentration of existing property and simultaneous dispossession--was an essential mechanism for creating conditions favourable to the second; and since an interval had to elapse before the former had performed its historical function, the two phases have necessarily been regarded as separated in time (p. 185).

This second moment of the "bourgeois revolution" was led in England by petty manufacturers and traders, enriched by mercantile trade and dedicated to a competitive capitalist economy and a "liberal" laissez-faire political regime.

The achievement of industrial capitalism altered mechanisms of accumulation and dynamics of growth. Capital was now gathered by means of competitive pricing in the market place. Capitalists accumulated surplus-value through the hiring of wage-labor, but were subject to the constraints of competition among industrialists. It was this competition that produced growth, by rewarding lower prices and innovations. As Marx charged, the working classes of Europe and America bore the brunt of competition; but Marx recognized also that competitive capitalism "would increase production and productivity over time" (Dowd, p. 44).

As proposition 3 states, free trade replaced protectionist trade policies, at least in Britain, the most industrially advanced nation. The industrial capitalists, having completed the so-called bourgeois revolution, went on to defeat mercantile policies of state protection. The mercantile ideology was that the entire nation benefited from overseas trade and expansion, legitimizing supports to merchants by the absolutist state. The exploration of new areas, the looting, trade and raw material production were unthinkable without monopoly. Individual capitalists feared the substantial risks of overseas expansion; and given the high costs, accumulation of wealth would have been quite difficult without mercantile monopolies, quotas and tariffs. Free-trade was the inevitable consequence of the victory of British industrial over mercantile capitalism. "Once British industry had been established as the 'workshop of the world,' free trade would become the best way to perpetuate Britain's industrial monopoly" (Barratt-Brown,1974, p. 106). Hobsbawm comments: "British industry could grow up, by and large, in a protected home market until strong enough to demand entry into other people's markets, that is 'Free Trade'" (Hobsbawm, 1969, p. 31). Britain fostered free-trade throughout the world, but it was clearly in the interest of industrializing nations to institute tariff barriers protective of their own nascent industries, making British trade with industrializing nations a sizeable, but limited exchange. From 1846 (the abolition of the Corn Laws) to the outbreak of the Great Depression in 1873, both economically backward and industrializing countries shared a need for British goods. After 1873, Britain alone benefited from free-trade.

Nevertheless, as stated in proposition 4, during the establishment of competitive capitalism in Europe, trade emerged as a viable strategy for capital accumulation for the premier metropole, Britain, and other metropoles, as well. Britain exercised economic hegemony over other advanced nations by her industrial achievements. But, as noted above, the industrial nations enacted protective tariffs to keep British goods out of domestic and empire markets and political and fiscal measures to prevent the loss of cheap raw materials to Britain. Within each "empire," however, the metropole was industrially dominant to an extreme; the previous era of imperialism had, by the setting up of raw material production, in particular, created an interdependence that was highly lucrative to the metropoles. "The British hegemony in the underdeveloped world was thus based on a permanent complementarity of economies; British hegemony in the industrializing world on potential or actual competition. The one was therefore likely to last, the other was in its nature temporary" (Hobsbawm, 1969, p. 138). The recognition of the utility of economically backward areas as markets was accompanied by a spirit of anti

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anti-colonialism in European metropoles during the nineteenth century. Political control was unnecessary if, by means of economic penetration, permanent markets for manufactured goods could be erected.

Mercantile England

The eighteenth century was a time of war among rival European powers seeking to dominate land outside of Europe that was rich in precious minerals and other raw materials. Britain, France, Holland and Spain battled in Europe, the New World and the Far East to preserve the territorial gains made by settlers and adventurers during the preceding century. The struggles of this period left Britain the strongest military power, with the most territory and potential at home and abroad for economic success.

> The result of this century of intermittent warfare was the greatest trimuph ever received by any state; the virtual monopoly among European powers of overseas colonies, and the virtual monopoly of world-wide naval power (Hobsbawm, 1969, p. 50).

The domestic organization of European societies[4] at this time was that of a strong state authority managing the remaining feudal estates, emerging capitalist agriculture, and rising urban centers (see Wallerstein, 1974b). The dominant ideology was "mercantile"--to expand economically under the direction of the state in order to achieve the general good. This policy included economic expansion beyond the national boundaries into other areas of the world, some of which were then controlled by rival mercantile states. In England, mercantilists came to believe that "[t]he best--if not the only--way to get wealth and welfare was to take it from somebody" (W. Williams, 1961, p. 35). To achieve this end, strong military, particularly naval, and economic organization were necessary. The latter took the form of 1) trade barriers as a form of protection against other nations' goods, and 2) joint-stock companies, chartered by the state to extract and transport raw materials to the metropoles for consumption and processing. It was through these devices that nascent industry could sell more goods; capital would be accumulated for the spread of industry.[5] The early mercantilists viewed the expansion of production and markets as a civilizing mission; they would impose the Christian corporate ideal on those less capable of achieving wealth and what they perceived to be higher cultural institutions (W. Williams, 1961, pp. 28-54).

Britain, the leading maritime and economic power of the eighteenth century, owned over 6,000 mercantile ships of perhaps a half-million tons in the mid-1700's. Mercantile companies employed 100,000 seamen, at this time almost the largest group of non-agricultural workers in Britain. The state guaranteed the expenses and monopoly status of mercantile joint-stock companies, which carried goods from their own estates and mines overseas, and those of other suppliers. These companies, including the famous East and West India companies, carried on commerce under the economic protection of the Crown and with the security of the British navy patrolling the high seas. In the process of setting up plantations and other means of production in overseas territories, they brought settlers who assumed positions of management of production or political governance, and formed the bases of white European enclaves that ruled the political and economic lives of the inhabitants of these societies for several centuries. There were also areas of eighteenth century British colonization that were settled by freeholders,

cultivating a diversity of crops and laying the foundations for wholly white, developed societies, later to achieve Dominion status within the British Commonwealth of nations. These areas served to draw off Britain's rising surplus population and became eventually a more important market for British manufactures than could the future dependencies, the plantation and mining regions characterized by racial divisions and extreme gaps in levels of income (Barratt-Brown, p. 54).

The later-day Dominions, or settler colonies, reached their true value to Britain during the nineteenth century, when their developed markets for British manufactures and capital goods were critical to British hegemony over rival capitalist powers, and eventually, to her economic survival. During the eighteenth century, it was the dependencies, particularly the West Indies and the American South, which were the great assets to Britain. They represented sources of raw material wealth, the foundation for British light manufactures which were sold in the Empire and in Europe. Eric Williams (1966, p. 52) quotes an observer of the period who claimed that British trade at the end of the seventeenth century brought in a profit of f2,000,000. The plantation trade accounted for f600,000, re-export of plantation goods f120,000; European, American and Levant (areas of the mid-East) trade f600,000; East India f500,000, re-export of East Indian goods f180,000. As further discussion will illuminate, the West Indies were extremely important as a source of plantation trade, and were truly, as Williams suggests, the "hub of the British Empire."

Monopoly control of Britain over her colonies was a severe

impediment to their growth. After the enactment of the Navigation Laws, the colonies were obliged to sell their valuable products only to England; products were to be transported on English ships. Colonial traders could buy goods only from Britain; foreign commodities were available solely from Britain. Indigenous manufacturing was discouraged, as it would compete with British industry.[6] In the West Indies, petty craftsmen and traders yielded readily to the allures of high and immediate profits of raw material production and trade.

The "keystone of the mercantilist arch" was the Navigation Laws, first passed in 1647 and aimed at the Dutch practice of supplying credit to British colonies, delivering goods to them, purchasing colonial produce and transporting it to Britain, all at more attractive prices than Britain could offer on an open market. The mercantile demand for monopoly was buttressed by a fear of Irish and French attempts to set up an African Company and trade slaves for sugar in the West Indies. The British policy of refusing to allow colonial trade with other metropoles embodied in the Navigation Laws undermined these challenges.

At home, British industry thrived under the protective barriers erected against European manufactures. The domestic market offered a stable and steadily increasing outlet for finished goods, and foreign markets were extremely lucrative. Hobsbawm reports that home industries increased output by 7% from 1700 to 1750, by 7% again from 1750 to 1770; industries producing for export increased output by 76% from 1700 to 1750, 80% from 1750 to 1770. It was, in fact, from the export sector, in particular textiles, that the spark for the Industrial Revolution came. The strength of the export market came from the commitment of the British state to aid private accumulation of wealth through trade. And only by colonizing and fighting wars against imperial rivals could Britain destroy competition in the form of indigenous industrialization in the colonies, and capture the export markets of other metropoles (Hobsbawm, 1969, p. 48).

The fiercely aggressive foreign policy of the British was extremely profitable. In 1650, Britain had little in the way of overseas possessions. Yet, by the end of the eighteenth century, her empire was massive (as were those of her less successful rivals, the Spanish, French and Dutch). In 1700, colonial trade constituted 15% of British commerce; by 1775, it was as much as a third. There had been European Empires before the eighteenth century; the traditional pattern of European expansion had been out from the Mediterranean, by Italian, Spanish and Portugese merchants, or by German city-states. The new imperialism represented a geographic shift to North Atlantic states, and a structural one, characterized by new kinds of relations between developed societies and their possessions and a constant deepening and spreading of commerce. The changes, according to Hobsbawm (1969, p. 52), rested on three factors; 1) the rise in Europe of a large and extendable market for overseas products for everyday use, 2) the overseas creation of economic systems for producing such goods (e.g., slave operated plantations), 3) the conquest of colonies designed to serve the economic advantage of European owners.

Wallerstein regards European mercantilism as the beginning of

a world economy. He comments:

> For what Europe was to develop and sustain now was a new form of surplus appropriation, a capitalist world-economy. It was to be based not on direct appropriation of agricultural surplus in the form either of tribute (as had been the case for world-empires) or of feudal rents (as had been the system of European feudalism). Instead what would develop now is the appropriation of a surplus which was based on more efficient and expanded productivity (first in agriculture and later in industry) by means of a world market mechanism with the "artificial" (that is, nonmarket) assist of state machineries, none of which controlled the world market in its entirety (1974b, p. 38).

In the increasing export trade, made possible by mercantilism, lay the demise of mercantilism. As long as the basis of eighteenth century imperialism was the acquisition of minerals and raw materials, mercantilism was advantageous to those dependent upon trade--the state, ship builders, petty traders, long distance traders, and manufacturers receiving primitive capital accumulated through long distance trade. But as industry grew, manufacturers wanted to buy raw materials more cheaply than those available from the colonies. More importantly, they wanted the right to sell in markets protected by mercantile barriers of rival metropoles. And in the British battle between the interests of trade and industry, it was inevitable that the forces of manufacture prevail. ". . .[T]his industrial development, stimulated by mercantilism, later outgrew mercantilism and destroyed it" (Williams, 1966b, p. 106).

The Bourgeois Revolution Completed

The era of free-trade was ushered in by the Manchester School of economists, who found a spokesperson in Adam Smith. The theorist of capitalist development opposed monopoly because it restrained the productive power of England, and the colonies. Smith wrongly claimed that England had progressed ecomomically despite, and not because of monopoly. Smith was more accurate, however, in his view that the economic development of the colonies was hampered by monopoly, as the United States had insisted in its fight for independence from Britain. Industrialists agreed that mercantilism hurt nascent manufacturing, and many among them also recognized the truth of Smith's contention that colonies require a large commitment of metropolitan state revenues. If industry could have the space to grow and develop, it would exercise a natural monopoly in trading relations, thereby obviating some of the costs of military aggression and colonization.

The free-trade ideology was one part of laissez-faire demands of the incipient industrial bourgeoisie. They rejected state intervention in production and trade. The rationale for this position was the bourgeois contention that monopolies (in the form of price supports, protective tariffs, or chartered joint-stock companies) were driving up the costs of domestic and foreign raw materials and the price of finished products. The market, national or international, served as a better arbiter of price and value than did the state; industrial capitalism could prosper only by the competitive search for low-cost factors of production and the competitive pricing of finished goods. Resistance to colonialism was consistent with the view that the use of state revenue to acquire economic resources was wasteful when the market yielded them more cheaply.

The position favoring free-trade gained acceptance through the late 1700's and early 1800's, resulting in the gradual break-up of monopolies and removal of trade barriers and preferences in the first half of the nineteenth century. The political forces favoring continued protection were backed by British farmers, merchant companies, and owners of plantations and other means of raw material production in the colonies. Industries producing for home and export markets, the forces of indigenous development in the colonies, the British consumer, petty shopkeeper and craftsman generally had good reasons to favor free-trade. Mercantilism, by its very nature, was an expensive form of production. The pursuit of rapid and grand profit-making precluded attention to long-term costs and rational management. Soil depletion, absenteeism, obsolete technology, etc., characteristics of farming at home or in the colonies, increased prices of protected products. Industrialists, consumers and traders were finding cheaper sources of raw materials in regions untouched by the excesses of monopoly.

The 1820's were a time of economic depression as Britain, the only industrial power, could not expand markets fast enough to satisfy the expanding output of her manufacturers. Balance of payment figures reveal import surpluses in trade and services. Real income per capita fell for the first time since 1700 (Hobsbawm, 1969, pp. 73-7). From the 1820's to the 1840's, revolt and political restlessness marked British life. The laboring classes joined together in various political groups, including the Luddites, trade unionists, utopian socialists and Chartists, to protest their poverty and working conditions. Middle class reformers campaigned for parliamentary rights; they opposed the continued monopoly of political institutions by the aristocracy, which held parliamentary majorities even after the abolition of the Corn Laws. The industrialists of the period shared middle class

antipathy towards the land-based aristocracy and farmers, and recognized that mercantile interests held the country back from industrial growth and expansion into new markets. Anti-mercantile or free-trade sentiments included an opposition to colonization as noted earlier; the liberal industrial and middle classes resented the political costs of empire at a time when British industrial hegemony guaranteed markets in the developing and economically backward regions of the world. The bulk of the bourgeoisie, most politically conscious sectors of the working class, and even some sections of the old aristocracy, joined the Liberal Party which favored peace, retrenchment and reform. The spirit of the times was strongly against the acquisition of more colonies, although no one seriously considered abandoning existing colonies, nor was there resistance to the annexation of such highly lucrative possessions as India (Barratt-Brown, 1963, p. 54; Hobsbawm, 1969, p. 132). This coalition of forces held a consistent and unified line until the 1880's, when the Liberal Party had a great debate within its ranks on an issue that inspired the party's founding--further additions to the Empire.

But during this period of class conflict, mercantile foundations fell, one by one, to the inevitability of Free Trade. In 1825, the Navigation Laws were modified to permit direct colonial trade with any part of the world. The slave trade, the backbone of the West Indian sugar monopoly, was abolished in 1807; in 1812, the East India Company lost its monopoly in trade with the East Indies. In 1846, the "king" and "queen" of monopoly, sugar and corn, were left to the forces of competition, with the abolition of the Corn Laws and the British preference for West Indian sugar. With these events, the bourgeois revolution started in fifteenth century Britain, was at last complete;[7] the landed aristocracy and mercantilists, the progressive capitalist forces of the seventeenth century, had now to yield to the industrial capitalists of the nineteenth century (Williams, 1966, p. 137).

Competitive Capitalism and Free-Trade in Britain

The engine of British industrial development was the manufacture of cotton. Textile processing was Britain's major industry, accounting for one-half of all British exports in the years following the Napoleonic Wars; cotton expanded at the rate of 6 to 7% per annum in the 25 years following Waterloo, the height of British industrial expansion. From 1820 to 1845, the net output of the cotton industry grew 40% (in current values). Britain now could buy raw cotton most cheaply wherever it was found; but more importantly, free trade flooded the British market with foodstuffs and seriously challenged British agriculture, forcing labor into the cities to work in textile and other light manufacturing for low wages (Hobsbawm, 1969, pp. 69-70).

Barratt-Brown suggests that within a few years of the abolition of various mercantile laws, all of Britain was celebrating her industrial preeminence. Productivity in industry increased dramatically; output doubled from 1850 to 1870, though the number of industrial workers increased by only one-half. British exports came to equal about one-fifth of national income in value. The expansion of British trade was one of the principle factors in the increase of world

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trade during this period; world trade increased five times from 1840 to 1874, and in the latter year, British imports and exports probably accounted for two-fifths of the volume of world trade, nearly as much as the total of France, Germany and the United States combined (Barratt-Brown, 1963, pp. 61-63).

Free-trade also multiplied the number and range of goods brought into Britain. Approximately one-third of the exports of the rest of the world reached British ports in the 1850's and 1860's. The total value of British imports was almost one-third of her national income. Britain's largest single trading partner was the United States, accounting for nearly one-quarter of all imports and exports (Barratt-Brown, pp. 61-3). Raw materials were the main category of imported goods; no other country could yet compete with British manufactures. British agriculture maintained its competitive edge over foreign producers for a generation after the introduction of free-trade policies, but eventually the industry which supplied 90% of the food consumed in the British Isles in 1830 "collapsed" under the pressure of cheaper foreign foodstuffs (Barratt-Brown, 1963, pp. 66-7).

The coming of free-trade made possible the most significant development in the industrial age in Britain, the manufacture and export of capital goods. The so-called textile age ended in the mid-nineteenth century, paving the way for production of coal, iron and steel. This development was made possible by advances in technology and expanding markets for capital goods throughout the world. As was noted earlier, the Dominions, the United States and Europe were extremely important to England during this period, for the future dependencies could not support a market for capital goods. The rate of expansion of British exports from 1840 to 1860 was higher than ever before, and the increase was mostly in capital goods. The latter constituted 11% of exports from 1840-1842, 22% from 1857 to 1859, 22% from 1882-1884 (Hobsbawm, 1969, p. 109). Iron and steel exports doubled from 1850 to 1863, reaching a level of 5 times that of 1859 in the 1870's. The proportion of Britain's exports purchased by Empire countries varied in the decades from 1840 to 1860, but never rose above one-third of total exports

Trade as Imperialism

Trade had become inordinately important in British economic development.[8] Her early orientation towards exporting massive quantities of consumer and capital goods set Britain on a course of industrialization that was extremely dependent on international trade. She needed raw materials, both to process and to supplement dwindling domestic production of food. She also needed a constant expansion of overseas markets. In 1870, British trade per capita (excluding invisible items) was f177 s.od., compared with f64 s.od. in France, f56 s.od. in Germany and f49 s.od. in the United States. At the end of the eighteenth century, domestic exports constituted 13% of national income; by the early 1870's the figure had risen to 22%. Until the 1890's, British exports normally grew faster than real national income as a whole (Hobsbawm, 1969, pp. 135-36). With industrialization in the metropoles, trade itself had become the major form of imperialist expansion, particularly in relation to the economically backward areas of the world (Hobsbawm, 1969; Barratt-Brown, 1974). Although capital goods were more frequently exported to industrailizing countries, the non-industrialized world steadily increased its consumption of British consumer goods. And when capital goods exporting was severely challenged by German and American competition in the late nineteenth century, the market for light manufactures in British colonies and other parts of the economically backward world continued to expand, propping up a sagging British economy. Latin America "saved" the British cotton industry in the nineteenth century, when the countries of Latin America became the largest single market for British cotton exports; 35% of cotton exports from Britain went to Brazil in 1840. The East Indies took over the position of leading British cotton buyers after the Latin American market had been saturated; in 1873, this area accounted for 63% of British cotton exports. The potential for market expansion in Asia was tremendous, and that is why in the early twentieth century Britain supported America's Open Door policy in China, and desperately held on to India in the latter's struggle for Independence. The successful exploitation of markets in the non-industrialized world by Britain was based on two interrelated factors. First, Britain had acquired a considerable number of colonies by 1850, and in the ensuing free-trade era, gained numerous markets in the Third World as well as colonies. Wherever her military strength was unchallenged, the combination of new forms of production and cheaper finished goods imported from Britain destroyed indigenous manufacturing. India is the most well known example of this phenomenon (Moore, 1966; Baran, 1957). In other areas, where colonialism and export agriculture had not retarded industrial development, protective political machinery was frequently absent and the tide of

British manufactures could be stopped. Colonization was unnecessary for the British to secure markets. "The world's unappropriated regions, it seemed, would remain open to British commerce without the assumption of the unpopular liability of ruling them. . ." (Robinson, 1959, p. 127).[9] The result was a perfect "complementarity of economies" between Britain and her markets in the dependent world. The second point is that other areas trying to industrialize, for example, the United States and Western Europe, were torn between their own need to protect nascent industries and their urge to take advantage of British goods and technology. Thus, they exercised constraint in buying British goods. Moreover, these Western nations did not have the technology or productive organization to warrant the purchase of sizeable quantities of raw materials from the undeveloped world. Therefore, from the abolition of the Corn Laws in 1846 to the Great Depression in 1873, the non-industrialized world had no country to which to sell raw materials except Britain. Even from 1881 to 1884, Britain used almost half of all sugar consumed in Europe. By this time, of course, political control of Third World markets for British consumer goods was becoming crucial to Britain's continued economic growth.

Capital Exports: Emergent Imperialism

As Lenin observed, the export of capital by the British state and capitalist to both the developing and economically backward world provided a rising share of British capital accumulation during the second half of the nineteenth century (1966). Investment channels opened which would secure a foothold for British finance when foreign investment became the dominant form of imperialist activity in the age of monopoly capital (Barratt-Brown, 1974, p. 170; O'Connor, 1971; Magdoff, 1969). By the 1830's there was a vast accumulation of capital among British financiars and rentiers, a growing class living on the previous three generations' capital profits and savings. In 1840, approximately f60 million was available for investment.[10] An obvious channel for the profitable use of capital was in the construction of an infrastructure and in raw material extraction abroad. This meant 1) lending to foreign governments, 2) lending to, insuring and investing in companies shipping, producing and marketing raw materials, 3) direct lending to and investing in companies carrying out the construction of a Third World infrastructure. The state was less of a financial force than was private capital, and acted primarily in lending to foreign governments and lending to and investing in companies building colonial infrastructures.

Between 1840 and 1860, British capital investment abroad reached the level of f700 million. Europe and the United States absorbed over half of British overseas investment at this time, the Empire about one-third. From 1860 to 1890, however, the proportion for Europe fell drastically, from 25% to 8%; that of the United States "sagged" until World War I, when it fell from 19% to 5.5%. Narrowing investment opportunities in the United States and Europe, caused by depression, economic nationalism, and a natural saturation of certain capital markets, led to a striking increase in British investment in the Dominions--Canada, Australia, New Zealand and South Africa. The share of British investment in these four nations rose from 12% of British foreign investment in the 1860's to almost 30%

in the 1880's. Following World War I, the level of British investment in the Dominions increased further (Hobsbawm, 1969, pp. 147-8).

This growth in the Dominions' share of British capital export marked a rise in population in these areas, and increased sophistication in manufacturing industries. Sparsely settled until emigration from Britain after the eighteenth century British population boom, the Dominions received a large influx of immigrants from 1840 to 1890 following another rapid rise in British population growth. During this period, the British people doubled in number. About two-thirds of those leaving British rural areas, at this time, went overseas.

The dependencies, too, drew British capital investment during this period. Investments in raw material production were notable in India, Ceylon and the West Indies, and later in Egypt, the East Indies and Africa. Investment in the infrastructure in these societies lowered the cost of raw materials to the consumer, refiner, and the trader in the industrialized world, by reducing transport costs. Harbors and railroads were built in the dependencies and overseas transport improved as well.

As Hobsbawm notes (p. 131), the industrial hegemony of Britain brought an unprecedented fusion of economic and political rivalry among the great powers, even in this age of "laissez-faire" capitalism. Increasingly business called upon the state to give it a free hand, and yet to provide the capital and political policies to reduce competition. The military and political efforts of the Crown to secure markets for industry were an obvious manifestation of government's yielding to private demands. The state in both the metropole and satellite acted in other ways to support export industries, as noted in Chapter I. The governments of the imperial countries lent money to governments abroad; this was the principal form of foreign investment before 1840. The practice continued in the free-trade era when the state was joined by private banks in lending to satellite states. In the mid-nineteenth century, much borrowing by satellite governments was directed to the construction of railroads and other features of the infrastructure (Murray, forthcoming a). This was extremely beneficial to Britain in terms of producing a demand for capital goods, particularly iron and steel, and creating a means to more cheaply procure food and raw materials. Following the great surge of railway building in Britain in the 1840's, came a demand for railways in Europe, America and Russia. The latter two countries continued to borrow money from Britain and to buy railway parts from her through the 1860's, when the demand shifted to India and the Dominions, and later to the dependencies (Dobb, pp. 296-98). The state policy of direct investment in construction and railways abroad further enhanced the position of private financiers and raw material producers interested in exploiting the productive potential of the colonies and other overseas areas, and directly benefited exporters of capital goods needed in establishing improved facilities.

The Dominions and the Dependencies

Before turning to the great debate surrounding the termination of free-trade policies, let us examine the ideological position of the time on the economic potential and cultural institutions of the so-called "white" Dominions and the dependencies. As indicated

earlier, the Dominions were settled by people from Britain, and after the late 1700's, they were viewed in a markedly different way from the dependencies, peopled by dark-skinned inhabitants. The dependencies served Britain as a source of raw materials, primarily agricultural goods easily farmed in the tropics. But the racial correspondence to type of colonial exploitation was not based on geography. The British, Spanish, French and Dutch moved non-white labor to areas they thought were more hospitable to the cultivation of export agriculture.[11] They were willing to utilize lower class whites to cultivate these crops; convicts, laborers, and even some settler families were brought to the West Indies, for example, but made a poor adjustment to the tropics. The institution of African slavery was the great facilitator of schemes to develop tropical agriculture, through the actual use of Negro slaves in North and South America, and by creating a strong association of repressive labor systems with the exploitation of non-whites. The ideological works of the nineteenth century, including those of Malthus, Spencer and Darwin, supported the thesis that Africans and other people of dark skin were biologically inferior to whites (Harris, 1968). Thus, the Dominions, some climatically unsuited to export agriculture, peopled by white settlers, increasingly diverged from the dependencies in economic function and in the popular and official thought of the British.

Britain found her earliest, most lucrative forms of accumulation in the dependencies of the New World.[12] The East Indies were not as profitable as the plunder, goods and trade of the Americas.[13] Their distance, the unfavorable balance of trade generated by exchange with periphery countries not in need of British manufactures (prior to the wholesale rise of British manufacturing and British efforts to "monopolize the supply and marketing of native commodities" [Sheridan, 1963, p. 7]), and the resistance of metropolitan firms to Indian textile imports, discouraged trade with the East. The West Indian planatation became the most important system of periphery production in the British empire; after 1763, Britain had 11 sugar islands in the West Indies, plus rice, indigo and tobacco colonies on the mainland. The structural incapacity of most plantation societies in the New World to produce food or manufactured goods generated a demand for these products from the "temperate" zone colonies of North America. Sheridan (1969) tells us that Britain was unique among metropoles in using temperate zone colonies to supply goods to the "tropics" and absorb some exports of the tropical colonies.

By the early 1800's, "Britain, unable to maintain the competitive position of her colonies in the American tropics, turned more and more to her Asiatic dependencies for exotic products" (Sheridan, 1963, p. 11). She acquired Ceylon in 1796, Hyderabad (India) in 1801, Mauritius in 1810, Singapore in 1819, (North) Burma in 1826, in addition to colonies elsewhere. British merchants organized trade, plantations and other systems of export agriculture in these regions, and indigenous labor served as workers on British plantations outside of Asia. Ceylon experienced rapid growth in plantation agriculture in the mid-nineteenth century, first with coffee, then cinchona, cacao, tea, cardamas, and rubber. "This fertile island, supplied with plentiful cheap labor from India, took the place of the West Indies as a field for the investment of British capital" (Sheridan, 1963, p. 14). China was opened to "plantation culture" in 1833, although its political status was that of a shared metropolitan sphere of influence. The organized emigration of labor from Asia to non-Asiatic British dependencies began from Bengal to Mauritius in 1838, then to the West Indies, southern and eastern Africa, Madigascar, Ceylon, Malaya and Fiji.

British state policy was that the Dominions be permitted to develop industry, although they were not encouraged to do so until after British free-trade policies were enacted. Developing economies offered markets for a variety of light manufactures and eventually for capital goods. Furthermore, the eighteenth and nineteenth century immigrants to the Dominions were white Eruopeans, and by virtue of their prior economic activities and economic expectations upon going abroad, they could not be severely repressed. Most were farmers and agricultural workers seeking land and petty capitalist opportunities in the colonies. The first immigrants to the Dominions--religious dissenters, convicts and members of other marginal groups--may have lacked the support and inclination for entrepreneurship; but once the opportunities of Dominion settlement became clear, including in some areas, the use of non-white labor, new immigrants were fervent developers.

The dependencies were viewed primarily as a source of raw materials, although their markets came to serve as a last outpost for increasingly uncompetitive British exports; the British government had no commitment to their economic growth until the late nineteenth century, and efforts arising from Chamberlain's initiative were limited to grants and loans to colonial governments. The British government invested relatively little in these countries; their exploitation was left to private capital. And when they lost their immediate economic usefulness, they were left to fend for themselves, without the benefit of aid or loans from Britain (Benians, 1959b, p. 190).[14] It is clear, however, that the potential for development in the dependencies, even when abandoned, was extremely low. Where plantations and other forms of labor repressive export agriculture were the rule, indigenous entrepreneurship was either channelled into the export sector, or suffered from the competition of cheap metropolitan imports. The demise of successful plantation agriclutire rarely meant economic autonomy; the dependencies were still inundated with British goods, and local farmers and craftsmen frequently took over aspects of export production and trade, eking out a living by selling high priced commodities in a competitive world market. Moreover, during the 1930's, nearly all of the dependencies were incorporated into multinational corporate agriculture schemes which meant the reestablshement of plantations.

British attitudes towards colonial governmental organization and sovereignty differed as well. It was here that white racial dominance had its most direct consequence. The Dominions wanted high degrees of self-government, and by the late nineteenth century were insistent that they be allowed to formulate internal and commercial policy independent of Britain. The most pressing concern of the Dominions during this period was the freedom to establish protective trade barriers in order to nurture new industries. At each imperial conference, the Dominions fought for economic autonomy through

independent trade policy, using threats of withdrawal from the Empire and refusal to bear arms. In order to wage such an aggressive battle, sophisticated means of self-government were necessary within the Dominions and here Britain's racial proclivities were apparent. Because of the European character of the Dominions, British parliamentary methods were thought to be appropriate, and by the mid-1800's, the Dominions handled many domestic affairs by parliamentary means. For the dependencies, self-government was unthinkable; both the racial composition of the majority of the population in these regions and the threat of local European and indigenous resistance to colonial forms of economic exploitation precluded political sovereignty for the dependencies. They were ruled directly by the British as Crown colonies, trusteeships or protectorates, or established parliaments with large numbers of British government appointees.[15] Nor was self-government a likely prospect for the future; the dependencies were permanent "millstones," as Disraeli suggested, around the neck of Britain (Butler, 1959, p. 32; Benians, 1959b).

The anti-colonial attitude of the free-trade period had been directed, in particular, against the costs incurred in rule of the dependencies. When people opposed further annexations, they meant no more dependent colonies. The Dominions were fairly self-sufficient and required little of Britain. The dependencies were more expensive, but these costs were not direct and conferred little advantage upon the colonies themselves. The British government provided no grants to colonial governments for the improvement of the infrastructure or levels of living; local government was paid for out of the earnings of the governments of the dependencies from various forms of taxation.

The costs to Britain were in the form of maintenance of a military apparatus and central colonial office. Military expenses increased as a result of the wars that arose when conquering colonies meant ventures into the spheres of influence of other metropoles. (From 1800-1850, Britain fought in the Napoleonic Wars, the War of 1812 in America, a series of wars to consolidate India, and she annexed several territories as well.)[16] Furthermore, internal conflict and insurrections, e.g., slave revolts, rose in the colonies, demanding British government attention and occasional military intervention. Many of the expenses of governing the colonies, including constructing roads, piers, etc., lending to private interests, administration and policing, were eventually taken over by both Dominion and dependency states. But at this time, prevailing forms of exploitation demanded central administration of the colonies.

Despite the strong public feeling against further colonization that dominated British political life during the free-trade era, in the last two decades of the nineteenth century, Britain expanded by means of colonization and acquired more dependencies. To the already sizeable list of British colonies and trusteeships, which inlcuded the West Indies, West African settlements, Mauritius, Ceylon, India, Singapore, islands of the Pacific and Indian Oceans, were added areas of Central and South Africa and other outposts in the Pacific. Why were these conquests undertaken during a period in which public and official opinion were hostile to colonization?

The answer lies in the increasing problems of trade as a dominant means of imperialist capital accumulation. Other industrializing countries had closed their door to British imports by 1870 and emerged later with more sophisticated, lower priced manufactures. Moreover, the non-industrialized world had found markets for raw materials in other metropoles. Britain engaged in late nineteenth century imperialism as a defensive reaction against German and American industrialization, as a way to politically safeguard markets and raw materials in uncolonized areas of the Third World. But underlying the British response to foreign competition were increasing problems in capitalist development, manifested in periodic depressions. From 1870 to the mid-1890's, economic depression plagued the world, leading to major changes in class formation and dynamics of growth in both the metropoles and satellites.

Summary

From 1830 to 1850, British capitalist development passed from the final stages of mercantilism into the full realization of competitive capitalism. A major and dramatic change in capitalist class relations spurred this transition; bourgeois industrialists captured political power and inaugurated a period of laissez-fair government policies including free-trade designed to enhance the power of the market at a time when British industry needed cheap factors of production and could generate rising demand. The industrial strength of Britain allowed her to dominate world-wide trade; her superiority was marked in relation to undeveloped societies, both within and outside the Empire.

The great success of British industry in the mid-nineteenth century was followed by a long period of stagnation. British trade as imperialism lost its effectiveness in relation to other industrial countries and the Third World because of the competition of European and American manufactured goods. The latter threat drove Britain to a search for markets and raw material sources in the Third World. Other capitalist metropoles joined in the scramble for political control of markets in Africa and the Pacific.

But late nineteenth century colonialism was an inadequate remedy for metropolitan economic problems and rivalries. Other, more durable solutions were sought in industrial and capital concentration, state supports, and new forms of imperialism. In Chapter V I will explore the Western transition from competitive to monopoly capitalism, focusing on British economic history from 1870 to 1930, her relations with other metropoles and with her colonies. But, in the following chapter (IV), I will turn to the discussion of West Indian economy and society, examining the ways in which the British transition from mercantile to competitive capitalism influenced West Indian systems of production, development, class relations and the state.

FOOTNOTES

[1]It is significant that Mintz has broadened his scope of analysis during the last two decades. His works are of consistently high quality and are among the most far-reaching studies of the region. Mintz (1969b) makes the important point that metropolitan industrialization had a complex and ever-changing effect on periphery countries. He suggests that mercantile capitalism was intrinsically self-destructive, and slavery, a mercantile necessity, shared this characteristic. See Mintz (1969a) for a compelling treatment of Jamaican and Puerto Rican histories of sugar production, based on class relations and economic developments within the metropoles.

[2]Dobb (pp. 177-220) recounts the means of "primitive accumulation" by mercantile capitalists. These included the transfer of land from feudal lords to the bourgeoisie during the dying years of mercantilism; price inflation in the sixteenth century, driving up bourgeois incomes; internal trade and petty craft production, etc.

[3]In many countries of Europe, for example, the Netherlands and France, mercantilism did not yield to industrial capitalism easily or quickly. As Barratt-Brown remarks: "Other states pursued mercantilist policies in the eighteenth century, but only in Britain did industrialization take place. The Marxists would argue that the difference was that an industrial class emerged in Britain" (1974, p. 116).

[4]Genovese (1969) argues that Spanish and Portugese expansion into the New World and the setting up of raw material producing plantations were extensions of the seigneuriel regime. "By building an empire, arranging for colonial plunder, and establishing a huge bureaucracy. . .[the monarchy] enabled the lower sections of the aristocracy to survive despite their limited ability to squeeze excessive rents out of the peasants in a period marked by a crisis of seigneurial incomes. For Spain and Portugal colonialism in general and plantation slavery in particular provided the economic surplus necessary for the stability of a ruling class that remained essentially seigneurial" (p. 51).

[5]Barratt-Brown (1963) notes that classical economists, including Marx and Mill, wrote that all young industry needs protection. But once established, capitalism requires free trade for its fullest development.

[6]"Thus Cromwell's Navigation Acts of 1650-61 were followed by Acts of Parliament to restrict industrial development in the colonies--the Hatters Act, the Iron Act and later the Calico Act, as well as by Corn Bounty Acts and Act of Limitation--forbidding the import of Irish cattle--to protect English agriculture" (Barratt-Brown, 1974, p. 96).

[7]Fred Block (1970) disagrees, arguing that the development of free trade was only an accomodation to the industrial bourgeoisie. The old landed aristocracy was linked to mercantile and financial interests in a coalition that spanned the nineteenth century. Finance, concentrated in activities related to trade, foreign investment and lending, remained dominant through the twentieth century, to the detriment of British industry and the welfare state. Thus, the bourgeois revolution was never really completed.

[8]"The essential peculiarity was that Britain turned outward toward foreign economic involvement to a degree unequalled by those countries that industrialized after her" (Block, p. 139).

[9]Barratt-Brown (1963) contends that the British capital invested abroad in the 1840's and 1850's was not accumulated by trade; there was not a large trade surplus in this era. Rather it derived from dividends and interest of previous investment. There developed a rentier class, based on capital earned during the mercantile period--investment in railroads, trade and plantations before 1830. Most plantations required low levels of reinvestment, and earnings were remitted to the home country, to investing companies, or with returning planters (Barratt-Brown, p. 59).

[10]Gallagher and Robinson (1953) suggest that writers about nineteenth century imperialism have too rigidly stressed a differentiation between mercantile, free-trade and late nineteenth century views on colonization and political support of an economic empire. They contend that Britain did not resist economic gain at the cost of political support at any time during the nineteenth century. On the contrary, when Britain's economic weapons were unsuccessful in subduing a resisting area during the free-trade era, political and military means were used, including colonization.

[11]Some of the crops associated with tropical climates could be grown in temperate ones. Sugar, for example, was cultivated as far north as Cyprus and Syria in the 1200's. The assignment of particular crops to tropical areas was, to a large degree, based on a socioeconomic calculus. Europeans cultivated crops in the tropics which were found there, or which they brought with them. They farmed on a large scale there. Many "tropical" crops could have been cultivated in the metropoles, but under conditions of petty or smaller scale, wage-based agriculture. The European structure of agriculture and the control exercised by the cultivator on supply would have precluded the poor terms of trade of most tropical agricultural products that developed after 1880 (Amin, 1974). A mythology has arisen concerning the appropriate nature of particular climates for various crops, justifying the socially determined worldwide division of labor.

[12]Sheridan (1963, 1969) considers European imperialism in general when he contends that metropoles followed a path of plunder, trade and colonization from the Americas eastward to the Orient, and then to Africa. He remarks (1963, p. 19) that there were 140 dependencies and protectorates in the world in 1900.

[13]See Wallerstein (1974b, p. 336) for a discussion of the differences between Asian and American trade with Europe during the sixteenth century. The Americas became part of the European world economy as periphery countries, meaning "that geographical sector . . . wherein production is primarily of lower-ranking goods (that is, goods whose labor is less well rewarded) but which is an integral part of the overall system of the division of labor, because the commodities involved are essential for daily use" (p. 302). The Asian trade was of luxury goods, and thus Asia constituted an external area, an other "world-system with which a given world economy has some kind of trade relationship, based primarily on the exchange of preciosities . . ." (p. 302).

[14]According to Benians (1959b, p. 183) official opinion held that money going overseas was seeking immediate returns, not the long-term profits that might result from welfare and development schemes undertaken by the metropoles.

[15]Several of the West Indies had developed legislatures with large numbers of elected participants. But in the late nineteenth century, colonial political resistance to British policies, most militantly expressed in the local European reaction to the Morant Bay Rebellion in Jamaica in 1865, caused Britain to suspend elected political bodies and to rule the West Indies as Crown colonies. The nature of the colonial state in the West Indies and its relation with Britain will be more fully explored in Chapter V.

[16]Strange (1971, p. 180) says that Britain usually taxed the vanquished colony or possession to recover the costs of military conquest, administration and the expenses entailed in military interventions.

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CHAPTER IV

THE WEST INDIES AND THE BRITISH TRANSITION FROM MERCANTILE TO COMPTEITIVE CAPITALISM, PARTS I AND II

Introduction

Nineteenth century West Indian stratification and development have been studied primarily from two perspectives, the "traditional materialist" and the structuralist. The assumptions held by proponents of these theoretical frameworks, as they apply to the study of stratification and development, will be examined in the opening pages of this chapter. Marxian theories of imperialist and dependency offer different theoretical directions from the traditional materialist and the structuralist; the contributions of these Marxian theories to the study of stratification and development will be explored.

The British transition from mercantile to competitive capitalism forms the framework through which West Indian society and economy can be studied. The British movement from the mercantile to competitive stage of economic development influenced the West Indies in four related ways, as elucidated in dependency theories and research, and by analysis of satellite and West Indian histories. Similar changes occurred in much of what is now called the Third World as a consequence of the development of European capitalism from the mercantile to the competitive phase. 1) Mercantile systems of production were inherently unstable and self-limiting; without mercantile monopoly and preferential agreements, they became untenable and gave way to new productive systems. 2) Dependent and uneven development remained, but changed forms in areas affected by the decline of mercantilism. 3) New classes appeared and sometimes became dominant in these regions, reflecting major class realignments. 4) The colonial and dependent states were altered in many ways, in accordance with modifications in internal class relations and metropolitan political policies.

The discussion of these transformations in the West Indies will be in two sections. In Part I, "Foundations," I will analyze the West Indies in the British mercantile stage, examining class relations, development, and the colonial state. Part II, "Transition," will be an elaboration of shifts in each of these areas of West Indian economy and society during the British movement to competitive capitalism.

A Review of Theory

The discussion in Chapter III illustrated my contention that West Indian studies have been deficient in the theoretical treatment of British imperialism. Here I will briefly examine scholarship on West Indian class relations and economic development in the nineteenth and early twentieth centuries.

As I stated in Chapter I, class relations have received little attention from students of the West Indies; the few valuable descriptions of class relations have lacked a complete theoretical framework for the analysis of stratification. Although social scientists have examined economic growth and, more recently, the influences of imperialism on the domestic economy, they have failed to posit a dynamic theory of West Indian development. Looking more closely at the analyses of these crucial and interrelated phenomena, we find that West Indian class relations and development have received their most serious treatment by historical materialists. Within the broad category of historical materialism, we can differentiate two general tendencies; traditional materialist interpretations and those of the Caribbean structuralists.

Traditional materialist writings have lent much to our understanding of West Indian societies, especially in the areas of stratification and economic growth. Eric Williams (1966a, 1966b), Hall (1959, 1972), Eisner (1961), Curtin (1955), H. Johnson (1972), Lowenthal (1967) and others have clarified many aspects of social hierarchy in West Indian societies and have specified the kinds of productive activities engaged in by various sectors of the population. Their empirical work has been particularly useful, often based on primary materials held in Britain and the West Indies that are inaccessible to an American audience. The findings of Hall, Eisner, and others are extensively cited in the discussion that follows.

Like many other students of the Third World, traditional materialists studying West Indian societies have formed many hypotheses about social classes and economic development based on an implied comparison of Third World social formations with those of developed countries. The model for the discussion of Third World social class and economic growth has been the bourgeois-led revolution (Stavenhagen, 1968; Vital, 1968). There are several components of this model which may be questioned when applied to the West Indies: a) that the old order was "pre-capitalist," dominated by landholders producing for use; b) entrepreneurs engaged first in trade, and then in manufacturing, breaking with the landholding class; c) this break from landowners prompted the development of an internal market in which food from the agricultural sector (taking on the characteristics of capitalist production) was exchanged for light manufactured goods; it was the internal market that provided a continuous stimulus for industrialization and balanced economic growth.

Turning to the first of these propositions, that the bourgeois revolution arises from a pre-capitalist mode of production, we find a number of immediate difficulties in its use to analyze the history of the West Indies and the Third World in general. As recent critics of this approach have noted, since the sixteenth through nineteenth centuries, Third World societies have not had exclusively pre-capitalist histories, in which production was for use and limited exchange (Frank, 1969b). This point is particularly significant in the consideration of the West Indies, where foreign dominated plantation production of commodities for the international market destroyed all pre-capitalist antecedents. Scholars of the West Indies of the traditional school have countered that the slave plantation was a pre-capitalist system of production regardless of the crop grown or its destination; the plantations were worked by slaves and not by the free wage laborers of capitalist agriculture (Curtin, 1955). These scholars have found support for this interpretation in the many pre-capitalist societies where slave labor has been used, and in Marx's theory that slavery was an important pre-capitalist social relationship. Nevertheless, the equation of pre-captialist European agriculture (feudalism) with the slave-based plantation, has revealed differences between the histories of developed societies and that of the West Indies--the production of use vs. production for exchange, and slave labor vs. serfdom--that critics have considered significant.

In regard to the second proposition, concerning the bourgeois separation from the landholding classes, the traditional materialists have regarded various West Indian entrepreneurs not directly involved in plantation labor as carriers of the bourgeois tradition (Curtin, 1955; Hall, 1959; Williams, 1966a). Among peasant producers (of food and export crops), a yeomanry has sometimes been found. Sectors of the population producing food and manufactured goods may indeed constitute a progressive national bourgeoisie, although traditional materialists would agree that this group has lacked the economic strength to achieve dominance over the planting class or its corporate followers. We may wonder, however, if entrepreners absorbed into the dominant agricultural system (the plantation), through the production of export crops or goods and services for the plantation, are a part of this "progressive" national bourgeoisie. Their activities may threaten the plantation enterprise through competition for land, labor, and, in recent years, capital, but production of exports or export-related goods requires the continuation of the current economic system. The tendency for corporate plantations to provide processing and marketing facilities for peasant-grown exports has intensified the peasants' dependence upon planting interests. More importantly, the production of exports and export-related goods and services inhibits industrialization, although petty producers have lacked the political and economic power wielded by plantation owners historically to resist development. Making a similar point, students of Latin America have argued that Latin American entrepreneurs have not broken with traditional landowners; kinship ties with members of the mercantile-landholding coalition and industrialists, and the structure of agricultural and industrial production have prevented a progressive bourgeois challenge to the old order (Petras, 1969; D. Johnson, 1972). At issue, then, is the economic foundation of the national bourgeoisie--the volume and composition of food and manufactured goods produced for use and local exchange, and whether the production of exports and export-related goods by sectors of the national bourgeoisie enhances the potential for the economic development of the area.

The internal market of emergent European capitalism was based on the exchange of light manufactured goods and food. The traditional materialists have argued that, although local production of food and light manufactured goods has not equalled the output of the early European bourgeois farmers and manufacturers, the production of export crops and goods and services for export industries can take the place in the development process of production for local exchange (Eisner, 1961; H. Johnson, 1972). There are many facets to this contention; a fundamental issue is whether the production of commodities for international exchange (and ancillary industries) produce as much <u>domestically controlled capital</u> as does the production of goods and services for local exchange. Clearly, export-related production does contribute to domestic capital accumulation to some degree

(Thomas, 1974). But, two major factors may tend to limit the domestic accumulation of capital in developing societies which have an emphasis on export production: the degree of foreign ownership of the means of production, and the restricted spin-off potential of most foreign-owned systems of production given their small and fixed number and the fact that many phases of production are completed abroad.

Along with Marxian dependency theorists, the Caribbean structuralists have responded to these propositions by reexamining the history of the West Indies. They have formed radically different interpretations of class relations and development from those of traditional materialists. Structuralists and Marxists alike have argued that the slave-based plantation was a capitalist institution (Beckford, 1972; Frank, 1969b). Marxian theorists have claimed that "relations of production" is not a sufficient indicator of mode of production for Third World countries after the sixteenth through nineteenth centuries (Mandle, 1972). The West Indies and other Third World societies became extensions of the capitalist metropoles; the production of commodities for international exchange by slaves in the West Indies fueled the growth of capitalist industry in the metropoles.

The structuralists have proposed that the plantation is the fundamental capitalist unit of production in the West Indies. Taking much from the cultural materialists, Wolf and Mintz, they have argued that the relatively high capital content of plantation production, corporate sources of capital, production for international exchange, etc., distinguishes the plantation from other, pre-capitalist systems of production (Wolf and Mintz, 1957; Best, 1968; Beckford, 1972). They have also developed the conception of the West Indies as "plantation societies" or "plantation economies," totalistic institutional "structures" (Mandle, 1972; 1973a; Beckford, 1972; 1975; Best, 1968; Best and Levitt, 1975). This "structure" has dominated all aspects of social and economic life in the region (Wagley, 1960). Relevant to our discussion of trends in the study of West Indian class relations and economic development, the structuralists have contended that the plantation generates the social hierarchy of West Indian societies, and that it defines development in the area as well.

On the subject of class relations, Wolf (1959) writes: "The plantation thus not only produces its own class structure, but it has an inhibiting effect on the formation of any alternate class structures within its area of control" (1959, p. 154). Before Emancipation, there was a direct functional relationship between plantation production and class formation, as nearly everyone in the society produced plantation goods and services. Since Emancipation, those not employed on the plantation have produced goods and services independently which have formed backward and forward linkages to the plantation. Beckford argues (1972):

> In these areas the plantation has been the dominant economic, social and political institution in the past, continues to be in the present, and from all indications will continue to be in the future. It was an instrument of political colonization; it brought capital, enterprise and management to create economic structures which have remained basically the same; it brought together different races of people from various parts of the world to labor in its service and thus determined the population and social structures now existing in these places (p. 3).

In the same vein, Best states: "The key to an understanding of plantation economy lies precisely in the fact that it is from its inception, an extension of the metropolitan capitalist economy. The quasi-proletariat, the quasi-peasantry, and the quasi-bourgeoisie are creatures of the plantation export sector" (1975, p. 45). Under the terms of the "plantation economy" model, the bourgeois revolution is an impossibility, for a class of entrepreneurs separated from the plantation structure cannot arise.

Similarly, the structuralists see the plantation as the only vehicle for West Indian economic growth. Within its boundaries, domestic capital accumulation is limited by the terms mentioned earlier: foreign ownership of the means of production, and foreign control of various stages of production, transport and marketing. Moreover, the structuralists contend that no system of production that can propel the development of the society--such as food agriculture or light manufacturing for the internal market--can emerge beside the plantation. A contending sector of production cannot evolve to challenge the hegemony of planting interests.

> Essentially, Caribbean economy has undergone little structural change in the four hundred-odd years of its existence. By this we mean that the character of the economic progress in the region seems not to have been significantly altered over the period. Neither the modifications which, through time, have been made to the original institutions, nor the new institutions which have from time to time been incorporated into the economy, have relieved its dependence on external development initiatives. The economy remains, as it has always been, passively responsive to metropolitan demand and metropolitan investment (Best and Levitt, 1975, p. 37).

The absence of a pre-capitalist mode of production in the West Indies meant that the plantation encountered no initial institutional rivalry. Before Emancipation, the breadth of the plantation economy precluded industrial development, the structuralists claim;

a bourgeoisie could not arise out of mercantile or planting groups as indigenous manufacturing was incompatible with their economic interests. The laboring classes were, by and large, held coercively to plantation production. After Emancipation, planters and merchants continued to oppose industrialization. A middle sector of traders and artisans became absorbed in the production of goods and services for the plantation, activities which created few linkages in the domestic economy. The plantation continued to lure workers with occasionally high wages; many peasants were tied to the plantation owners by the latter's control of marketing and processing facilities for export crops.

The approaches of the traditional materialists and the structuralists are obviously at odds. The structuralist theory of "plantation economy" provides a remedy to the inadequate discussion of the influences of imperialism on West Indian stratification and development. However, there is a sense in which the structuralists have gone too far in refuting traditional materialist conceptions. The totalistic definition of the capitalist system and the plantation, and the categorical exclusion of new classes and non-plantation production from consideration, weaken the structuralist response to traditional studies of the historical materialist school (Benn, 1974).

As recent commentators have observed, the question of whether Third World social formations are capitalist or pre-capitalist has caused much debate among Marxists (Murray, forthcoming b; Wallerstein, 1974b; Mandle, 1972). The rejection of "relations or production" as a definitional characteristic of capitalism is a serious challenge to Marxism. The substitution of market relations for relations of production does little to recapture the analytical power of the Marxist method, nor does it lead to the full description of conditions under which goods were produced in the Third World after imperialist penetration (Sternberg, 1974). The resolution of this theoretical problem is beyond the scope of this discussion. It is important, however, to point out the limitations of the category "market relations" for explaining Third World social institutions. There are class relations and systems of production which remain outside the nexus of capitalist influence in Third World societies. Their growth and full elaboration may be limited by the presence of capitalist systems of production, but their origins and processes cannot be accurately defined as capitalist.

The Caribbean structuralist contention that the West Indian plantation is a capitalist institution is <u>not</u> based on a new interpretation of Marx, as is that of Frank and dependency theorists influenced by him. They, and the cultural materialists they have followed, are more concerned with describing the specific unit of production in the West Indies--the plantation--and in pointing out its relationship to British and later, American, imperialism. They have, however, like some Marxian dependency theorists, overestimated the direct influence of the capitalist system, and have employed the same conceptual device--the structure--to do so. The "plantation," like the "capitalist system," is considered to be a totality, one which may include systems of production which <u>resemble</u> non-capitalist ones in certain respects. This amounts to more than the misnaming of systems of production, for in viewing them as only a part of a larger structure (the plantation or capitalism), we lose sight of the actual relations of production, their origins and the dynamics of production.

More importantly, the consideration of West Indian class relations and development as a part of the plantation structure has led to the statement of inaccurate propositions about West Indian history. A review of nineteenth century events, to be presented in this and in Chapter VI, suggests that the structuralists have seriously erred in their understanding of the relationship of various classes to the plantation and the degree of separation of various systems of production from the plantation. I will argue that the "plantation economy" masks a fluid and conflict-ridden set of class relations. A more direct link between producer and immediate means of production reveals profound struggles among classes, as well as the efforts of particular groups to separate themselves from the demands of the plantation for labor, goods and services--often the cause of class conflict. This movement stopped far short of the classic bourgeois revolution. Its origins in no way resembled European feudalism; as the structuralists rightly argue, plantation slavery was <u>in no sense</u> a pre-capitalist system of production. But it could and did generate oppositional forces, some engaging in systems of production incompatible politically and economically with plantation agriculture.

Further, it is my contention that proponents of the "plantation economy" theory have not accurately described the volume or range of the West Indian production of food and light manufactured goods not directed to the plantation or export-related enterprises. Again, the traditional materialist model of the European internal market development is not apt; the origins and the dimensions of the West Indian market differ from those of European societies during the transition to capitalism. Nevertheless, even during the height of plantation influence, the slave era, there were groups in the West Indies which did not engage in plantation work; their members opposed the planting class and made efforts to initiate other (non-export oriented) systems of production.

Some combination, then, of traditional materialist and structuralist conceptualizations is needed to comprehend the complex areas of West Indian class relations and economic development in the nineteenth and early twentieth centuries. Such a synthesis must start, in my opinion, with the Marxian theories and research on imperialism and dependency that were presented in the late 1960's and early 1970's. Proponents of these recent Marxian analyses have argued that the building of a framework for the discussion of relations within the satellite begins with metropolitan capitalist development itself; class relations within the metropoles generate modes of imperialist penetration. Dependency theorists agree that the economy and society of the satellites are best understood in terms of metropolitan capitalism. Do they then agree with the structuralists that the satellite mode of production is capitalist from the first point of contact with metropolitan capitalism? Advocates of dependency theory differ among themselves on this issue. Some, like Frank, contend that the metropolitan mode of production defines the satellite mode of production; others, like Cardoso, suggest that metropolitan capitalism may transform some satellite pre-capitalist relations of production to capitalism, but other pre-capitalist relations of production may remain untouched. I favor the second Marxian interpretation, agreeing that modes of production can coexist in a national setting, although historically capitalism has been dominant in such situations (Cockcroft, 1975).

Marxists have approached the issue of bourgeois revolution in the satellites with similar differences of opinion. All claim that producers attached to the export sector do not constitute a progressive national bourgeoisie; there is consensus that bourgeois revolution has not been achieved in the satellites and probably will not be achieved. Disagreement exists over the role of producers of food and manufactured goods for use and local exchange in the national economy and their relationship to the export sector. Frank, and other proponents of the concept "underdevelopment," have failed to recognize this class, lumping its members together with other indigenous producers who are oriented towards the international market. Such producers would have no reason to oppose the landholding-mercantile coalition, having shared economic interests. Theories of "dependent development" allow for the consideration of non-export oriented systems of production, recognizing that while the satellite economy as a whole may be dependent upon metropolitan technology and capital, economic growth has taken place in a variety of sectors historically; this economic growth has not, however, eradicated economic dependency or the uneven pattern of growth. Thus, some producers may indeed have incompatible economic interests with export-oriented producers; struggles among these classes have not resulted in a bourgeois revolution because of the economic strength of the landholding and mercantile classes.

The differing position of the theorists of underdevelopment and dependent development on the revolutionary potential of producers of food and light manufactured goods for use and local exchange implies opposing viewpoints on the potential for the growth of an internal market. Again, "underdevelopment" precludes expansion of this market. "Dependent development" allows for the existence of an internal market, one that may expand through time; however, metropolitan capitalist development and penetration of the Third World has historically introduced mechanisms which hinder the growth of the internal market.

Theoretical Alternatives

I began the examination of West Indian society and economy by reviewing the history of British capitalist development from its mercantile to competitive phase, as outlined in Chapter III. This approach is suggested by Marxian theories of imperialism, and the Marxian method itself; four propositions about bourgeois capitalist development and British economic growth were examined, reflecting previous work on British capitalism and imperialism,and my own reading of the literature on these subjects. The four propositions are these: 1) the seeds of the mercantile demise are found in the dynamic of the mercantile phase of accumulation; 2) in competitive capitalism, the market determined the allocation of factors of production; 3) competitive capitalism made trade a new and dominant form of imperialist expansion; 4) free-trade was consistent with state-capitalist relations of the period and the dynamics of capitalist growth during the competitive stage, although it was feasible as a broad and long-lasting policy only in Britain, the premier metropole.

These relations form a framework for the study of the West Indies from the eighteenth through early nineteenth centuries. Within this framework, I will specify major developments in Third World societies, in particular, the West Indies. These relations are encapsulated in four propositions, reflecting analyses by Marxian dependency theorists, my selective and critical application of the theories of these writers, and my own knowledge of satellite and West Indian economy and society. These propositions indicate the history of satellites during the period from the eighteenth through early nineteenth centuries along four dimensions: 1) the transition from mercantile to competitive capitalism in the metropoles marked a decisive change in productive systems in satellite nations; 2) dependent, uneven development of satellites changed in form in the transition from metropolitan mercantile to competitive capitalism; 3) the mercantile movement to competitive capitalism in the metropoles brought about change in class relations in the satellites, particularly where competitive capitalist trade relations prompted a decline in the system of production dominant during the mercantile era; 4) the colonial state grew in both strength and the scope of its functions and had shifts in its membership from mercantilism to competitive capitalism, especially where foreign-owned systems of raw material production lost economic ground. I will explore these propositions in detail, commenting on the experiences of satellites in general. I will then examine the history of the West Indies during the period of transition from British mercantilism to competitive capitalism, and the ways in which this change in metropolitan economy influenced West Indian systems of production, class relations, dependent development and the state.

The expansion of European capitalism into the present Third World first took the form of plunder of minerals, agricultural raw materials and labor; in the sixteenth century, Europeans organized systems of production in the economically backward world that allowed a regular trade in agricultural and mineral raw materials to evolve (Petras, forthcoming a).[2] These means of production were of varying types. Mines and the establishment of trade in slaves and other unfree laborers date from the mercantile era. In the case of export agriculture, the plantation was common, although highly exploitive systems of petty production of commodity exports could also be found.[3] Referring to export agriculture, Stavenhagen (1975) remarks, the European imperialism of the mercantile age introduced "private land ownership and commercial monoculture"; "one of the most characteristic features of the implantation of capitalism into underdeveloped countries is the transformation of subsistence agriculture into commercial, export agriculture" (p. 55). The production of commodity exports spread from South America to the Caribbean in the seventeenth century; metropolitan controlled commercial agriculture was only rarely undertaken in Asia and Africa at this time.

The transition of metropolitan mercantilism to competitive capitalism in the ninteenth century, through the shift from protectionist to free-trade policies led to alterations in satellite systems of production, as stated in proposition 1. There was a movement away from enterprises that utilized highly "irrational" techniques, and depended, in the long run, on monopoly and preferential entry into metropolitan markets. New means of production were now in order, enterprises based on a higher ratio of fixed capital investment than mercantile means of production had been. The development of metropolitan competitive capitalism out of mercantilism embodied a trend towards higher capital-labor ratios in production and the eradication of enterprises that could not compete in the freer home and international markets. However, production of raw materials in the satellites employed forced labor and extremely simple technology during the mercantile age--"irrational" methods without equal in the rapidly industrializing metropoles.

"The periphery . . . used forced labor (slavery and coerced cash-crop labor). The core . . . increasingly used free labor" (Wallerstein, 1974b, p. 103). "Repressive" relations between capital and labor, common on mercantile plantations, mines, etc., were costly and the root of many of the crude methods of production used in the satellites. Slave labor was too expensive for the production of commodities that did not have market guarantees. Other labor repressive systems (e.g. indentured servitude, the politically sanctioned seizure of peasant-grown crops, etc.) were viable only as long as soil was fertile. These were short-term regimens at best.

Citing Weber, Genovese (1969) explains why slavery became an "irrational" labor system. His comments can be extended to other repressive relations between owner and worker, in which labor has no legally allowed physical mobility and wages are not paid.

> Slave economies normally manifest irrational tendencies that inhibit economic development and endanger social stability. Max Weber, among the many scholars who have discussed the problem, has noted four important irrational features. First, the master cannot adjust the size of his labor force

> in accordance with business fluctuations. In particular, efficiency cannot readily be attained through the manipulation of the labor force if sentiment, custom or community pressure makes separation of families difficult. Second, the capital outlay is much greater and riskier for slave labor than for free. Third, the domination of society by a planter class increases the risk of political influences in the market. Fourth, the sources of cheap labor usually dry up rather quickly, and beyond a certain point costs become excessively burdensome. Weber's remarks could be extended. Planters, for example, have little opportunity to select specifically trained workers for tasks that arise (p. 16).

All of these conditions obtained, to some degree, in the West Indies during the mercantile era when slave labor was utilized on plantations. The initial costs of purchase and indenture were high; recovering these costs, and those of maintaining the labor force, necessitated constant planting and crude methods of cultivation. Reproduction of the labor force required improved standards of health and general living conditions, also costly. It was often cheaper for planters to import new workers than to encourage their natural reproduction. In the West Indies, even with metropolitan protectionism, the pressure of planting under these labor conditions resulted in the movement to more fertile lands. The effect was similar in Latin America.

> The colonial economy was subjected to strong cyclical variations. In Brazil, one after another of the major industries grew and then declined. This was true for the primitive extraction of wood, sugar production on the great slave plantation of the Northeast, mining in the central part of the country, the extraction of rubber in the Amazon. . . . Each one of these cycles brought an epoch of growth and prosperity in the area in which it occurred. And each one left, in the end, a stagnant, underdeveloped economy, and an archaic social structure (Stavenhagen, 1968, p. 17).

Regional expansion was necessary in the slave South of the United States as well. ". . . economics, politics, social life, ideology, and psychology converged to thrust the system outward and [that] beneath each factor lay the exigencies of the slaveholding class. Each dictated expansion if the men who made up the ruling class of the South were to continue to rule" (Genovese, 1969, p. 243).[4]

The adoption of liberalized trade policies by the metropoles during the competitive period of metropolitan capitalist development made necessary the rapid transition to new forms of production in economically backward regions that could not compete in the free world market; migration to new areas was no longer a suitable response to soil exhaustion, as the free market would reward only the cheapest production. Low production costs could not be attained with labor-repressive techniques. Only sophisticated, labor-saving technology was appropriate to the liberalized trading relations of the world of competitive capitalism. "[T]he prerequisite for efficient large-scale commodity production is a level of industrial technology as is only now being attained even in most advanced countries" (Genovese, 1969, p. 51). Those regions that were highly productive benefited from liberalized trade, even when labor was provided by slave or other unfree workers--but only for a while. The future of export agriculture lay in a combination of free labor and capital investment in technology.

However, in many areas, like the older West Indies, where the soil was severely deficient in nutrients, neither capital nor free labor could be attracted to the plantation. There, petty production of food and export crops became widespread. In the American South, share-cropping and other forms of tenant farming took the place of the plantation; Southern planters had more capital than did West Indian planters and were therefore able to exercise more control

over land and labor in the metropolitan competitive capitalist period. Similar labor-capital arrangements developed in areas of Brazil (see Beckford, 1972, pp. 90-102).

The growth of new systems of production in the economically backward world during the stage of metropolitan competitive capitalist development did not, by and large, reverse the dependency of satellites on the metropoles for capital and goods, although it was sometimes lessened. The dependency of satellites on capital and goods from the metropoles persisted, to varying degrees, as metropolitan capitalism evolved. I have argued that development in the present Third World has been dependent and uneven, although its forms have changed in each stage of metropolitan development. In proposition 2, I contend that dependent, uneven development changed in form in satellites in the metropolitan transition from mercantile to competitive capitalism.

Metropolitan capitalism has, in each stage of growth, introduced mechanisms that have hindered the accumulation of capital in economically backward societies (Baran, 1957). Metropolitan capitalists have directly seized capital produced in these societies, often through the expropriation of profits from foreign-owned systems of production. Moreover, the control by foreign industrial and commercial interests of land, labor and capital stifles the production of food and manufactured goods for use and exchange in the internal market. Imperialism has also introduced systems of production which have encouraged national investment in sectors which have a relatively limited capacity for domestic capital accumulation (Thomas, 1974).[5]

The mercantile investment in raw material production yielded little local capital, as profits went abroad. Craftsmen and professionals often reoriented production to the provision of resources for producers of export crops, as payment was sizable, rapid and often in foreign currency; cash earnings in the society were generally limited to these producers of goods and services for the export sectors. The potential for expansion in industries related to export production was constrained by the relatively small and inelastic market for such goods and services; in the West Indies, the number of plantations was low and generally fixed, planters imported much equipment and the production process itself was completed abroad. Peasant farming, which spread widely in the period of British competitive capitalism, earned capital. But export crop farming, always a large share of peasant agriculture, was dependent upon local estates and farms for preliminary refining, marketing and transport facilities (Genovese, 1969; Beckford, 1972). After 1880, international terms of trade moved in favor of manufactured goods and foods produced in industrialized nations (Amin, 1974).

The restricted capacity for domestic capital accumulation in dependent societies has encouraged reliance on foreign capital (Stavenhagen, 1968). The emphasis on the production of exports and export-related goods and services, a cause of the low levels of domestic capital accumulation, has enlarged the need for imported foods and manufactured goods. The internal market for locally produced goods has been small and undeveloped in dependent societies; production and consumption are oriented towards the international market.[6] D. Johnson (1972) offers this description of Latin American dependency, appropriate for other satellites as well:

> Latin American economies became oriented to the export of primary products, normally under control of foreign capital, and constituted as markets for imported manufactures. Foreign capital developed transportation facilities and utilities complementary to the export sector. The combined economic and military power of the imperial countries became instrumental in keeping Latin American nations as de facto colonies. Given this conditioning situation there has always been a weak impulse in Latin America toward economic growth in general and industrialization in particular (p. 73).

Dependent development has been uneven, as economic growth has been concentrated in particular sectors in each stage of metropolitan capitalist development (Cardoso, 1972-3; Evans, 1975-6).[7] During the mercantile era, economic growth was primarily in the export sector in many areas of the Third World. The decline of labor repressive systems of commodity export production at the rise of metropolitan competitive capitalism redirected economic growth to other sectors. The plantation was the locus of export production and the major vehicle for capital accumulation in the West Indies during the period of mercantile capitalism. Following the transformation of the British economy to its competitive phase, the plantation lost its position of economic dominance, giving way to export and food agriculture, and trade and light manufacturing, oriented both to the national and international markets. The growing strength of the domestic economy held promise of balanced growth, but the predilection of West Indian producers for export and export-related activities and the organization of metropolitan monopoly corporate agriculture in the last decades of the nineteenth century, stalled this progression.

As I have stated in proposition 3, the transition from mercantilism to competitive capitalism introduced changes in satellite class relations, especially where systems of production dominant during mercantilism fell into disarray. The rise of competitive capitalism in the metropoles resulted in modifications in systems of production in the satellites which had fostered mercantilism, as elucidated in proposition 1. The cause of decline of mercantile systems of production was the irrationality of mercantile methods in a liberalized world market, particularly labor repressive techniques. Changes in satellite class relations rested on the rise of new types of production compatible with "free trade," and were of two major types. Where free labor and capital could be mixed to modernize productive methods, a new class of owners of large-scale means of production became dominant. The old planting class could not make such a recovery itself, being debt-ridden and short of liquid capital--as always under the mercantile arrangements of international trade. These planters were often creolized Europeans but were occasionally members of a national bourgeoisie now engaged in production of export crops. In nineteenth century Cuba, a new class of planters emerged shortly before the dismantling of the old plantation system. These planters used slave labor, in fact, but only as a short-term tool in the erection of plantation production with a high capital content.

> In sum: the rise of the sugar <u>ingenio</u> in nineteenth century Cuba represented the rise of a new class of capitalist slaveholders for whom slavery was an economic expedient. Foreign capital made its appearance, and the already well-developed creole bourgeoisie intruded itself. As a result, we may postulate the coexistence of two radically different slave regimes. In this setting, the movement of many of the creole sugar planters towards free labor, internal reform and independence from Spain may be explained as a single process, albeit one well on its way to a comprador status of junior partnership with American capitalism (p. 71).

In circumstances such as the Cuban, the new plantation did not require as much labor as did the slave plantation of the mercantile age. Before Abolition, surplus slaves could be sold, assuming there was a market for them. If land was available, freed laborers might become peasant farmers, but the tendency for the plantation to absorb much of the surrounding land retarded peasant development. Without local food production, the growth of an internal market was stifled. Tenancy and migration to cities were often other alternatives for ex-slaves.

The West Indies were the site of quite different developments. The decline of the old, mercantile planting class led to the expansion of the peasantry, and its assumption of many progressive national bourgeois characteristics. With little capital available to reform plantation production, many planters allowed their lands to pass into the hands of their creditors, the long-distance merchants. Much former plantation land was seized or purchased by ex-slaves, who began farming on small plots, growing food as well as export crops. Manufacturing and local trade expanded too.

> Where land of whatever quality was available, the (ex-slaves) established subsistence plots which eventually were able to produce marketable surpluses. A considerable degree of diversification of the economies was the result. In addition to production of foodstuffs for sale in the domestic market, the ex-slaves also introduced new export crops, such as bananas. The money economy expanded, an infrastructure of footpaths (rudimentary roads) developed in the mountainous interiors, an internal system of marketing emerged, a rudimentary domestic banking and credit system gradually took form, and linkages between the different production and service sectors were established (Beckford, 1972, p. 47).

The economic power of planters, merchants and others associated with the mercantile system of export agriculture further ebbed with the challenge of indigenous producers of agricultural products and manufactured goods. Some of these entrepreneurs formed an uneasy coalition with mercantile forces, dependent upon them for the capital and facilities for export and export-related production; other peasants, craftsmen and traders embodied a truly progressive bourgeois threat to export activities in general, in their contributions to the building of an internal market.

The satellite state was altered in several respects with the development of competitive capitalism in Europe. Of particular interest here, are the effects of transformations of metropolitan and satellite systems of production on the relative autonomy of the dependent state, the composition of dependent and colonial state bodies, and the functions of the colonial and dependent satellite states.

In colonial countries, the declining export economy that brought class realignments caused a metropolitan retrenchment from the colonies. Metropoles pulled away from the responsibilities of political control and resisted the acquisition of more colonies; anti-colonial feelings accompanied the acceptance of Free Trade as a means of private accumulation that was less costly for the state than was colonialism (Murray, forthcoming a; Gallagher and Robinson, 1953). The metropolitan state continued to be "the locus of power"; "it recruited labor, transferred capitalists and distributed the means of production (land, mines)" (Petras, forthcoming b, p. 5). Where physical characteristics of the satellite precluded accumulation of a form and quantity attractive to metropolitan capitalists or the metropolitan state itself, the metropolitan governments abdicated political power and many expenditures to the satellite state. This allowed the latter to assume more military and governmental functions, and to grow in strength relative to the metropolitan state. The West Indian states exercised increased power to raise and allocate funds in the mid-nineteenth century. Because of the changing composition of the legislatures with the departure from the islands of many of the former estate owners and their representatives, revenues were distributed in sectors that encouraged the development of an internal market.

In colonies where sophisticated technology could be applied, along with free labor, to better productivity on the plantation, metropolitan political control did not abate, despite the free-trade ideology of developed capitalist countries. The same can be said about satellites that retained high levels of productivity after the rise of free-trade. The metropoles withdrew when production of raw materials in dependent nations was not profitable.

In the satellite countries of Latin America, the situation differed from that of colonies. As independent nations, these societies were less directly influenced politically by shifts in metropolitan trade policies. However, the rise of new classes to counter the economic hegemony of mercantile producers contributed to the long-term change in membership in state bodies and the heightened tendency for the state to serve as mediator among the metropolitan bourgeoisie, the indigenous bourgeoisie and the landowning classes (Alavi, 1972).

The history of the West Indies in relation to the four propositions explored above is the subject of the pages that follow. These four propositions are about the transition from British mercantile to competitive capitalism and its consequences for the West Indies. However, to understand changes in systems of production, class relations, dependent development, and the state, we must comprehend their forms in both the mercantile and competitive periods of British capitalism. The elaboration of this transition, then, is a lengthy task. I have, therefore, divided the substantive part of this chapter into two sections--Foundations and Transition. In "Foundations," I will describe the system of production dominant in the West Indies during the British stage of mercantile capitalism, characteristic patterns of class relations and dependent development, and the form of the state. In "Transition," I will explain how and why each of these four relations changed during the period of British competitive capitalism.

Part I. Foundations

West Indian Planting and British Mercantile Accumulation

Jamaica, Trinidad and Barbados were discovered by Christopher Columbus, and became areas of Spanish occupation for the exploitation of precious metals and labor. However, they were not as useful for these purposes as Cuba, Hispaniola or the mainland regions of South and Central America. These islands became important, primarily, as defensive strongholds from which the wealthier Spanish possessions could be protected. In the process of Spanish conquest, the indigenous Arawaks and Caribs of the West Indies were wiped out. Guiana and the Lesser Antilles were seized by the British, along with mainland North America, in her fifteenth century mercantile explorations of the New World. The decline of Spanish power in Europe lessened her hold in the Americas, allowing Dutch shipping to dominate the sea-lanes of the Caribbean. The Dutch were more hospitable to colonization by foreign nations in the area than the Spanish had been; in a move of anti-Spanish expansion, the British captured Jamaica in 1655. Britain's principal activity in the area was settlement. Throughout the early seventeenth century, indentured servants joined free settlers in the establishment of small farms on which they raised food crops, and tobacco for export. By 1620, St. Kitts had become the first successful settlement of the British in the Caribbean; Barbados became the most valued of all British colonies by 1640, with 30,000 settlers (Waddell, 1967, p. 40).

The tobacco cultivation in the non-Hispanic Caribbean could not compete with Virginian tobacco, in quantity or quality. The Dutch offered an alternative in sugar production, which they had learned in Brazil. (Sugar had grown in Hispaniola and Puerto Rico previously, but failed to develop because of a lack of labor and capital.) The Dutch supplied the capital and plants throughout the West Indies and the European demand grew rapidly due largely to the introduction there of coffee and tea (Waddell, 1967, p. 41).

Sugar is a crop that requires relatively high levels of vertical integration at the site of cultivation; milling, boiling and crystallizing must be done immediately after the cane is cut. It is a crop suitable to large-scale production, and, indeed, it was the plantation that became the locus of sugar cultivation and rudimentary refining done on the islands. Early plantations consisted of 200-300 acres of cane field, feeding a single factory; tobacco cultivation, in contrast, involved units of under 30 acres. Thus, the "sugar revolution" brought about a dramatic redistribution of land, and with it, a demand for cheap labor (Waddell, 1967, p. 41).

The Spanish, British and French all tried to use Indian labor in New World colonies on sugar and tobacco plantations and farms. In the British areas, these efforts were neither extensive nor successful. The British next brought poor white Europeans to the Americas under various systems of repressive labor, a policy consistent with the mercantile concern that the poor be productively employed and not dependent upon the state. In the early seventeenth century, these European settlers came to farm tobacco as small holders, but increasingly their labor was needed on sugar plantations. A regular traffic in indentured servants developed between 1654 and 1685; Williams (1966b, p. 10) claims that 10,000 sailed from Bristol alone during those years. From 1640 to 1740, the growing numbers of British religious and political dissenters were punished by forced exile to the New World, mostly to the West Indies. Williams suggests that one of the most important tasks of the Colonial Board, instituted in 1661, was the regulation of trade in indentured servants (1966b, p. 14).

The exploitation of surplus labor from England in the New World eventually gave way to the mercantile contention that the best way to keep the costs of labor low at home was to have a large surplus laboring population. By the mid-1600's, a drive for population growth was developing in England. The Royal Africa Company was trading slaves, and it became clear to the British state and capitalists that African slavery offered several advantages over European indentured servants. African slaves were better workers, seemingly more accustomed to the tropical climate than Europeans;[8] their children would be slaves while those of indentured servants were free and often tried to become small farmers, competing for land and labor with sugar plantation owners. And the institution of African slavery solved the problem of how to keep labor costs low at home. Moreover, the subjugation of Africans to slavery was completely compatible with already developing notions of white racial superiority.

Sugar in the Caribbean, cotton and tobacco on the North American mainland, provided the bases of African slavery in the New World. In the Caribbean, the introduction of slaves gave the plantation system strength and drove away the small farmers; in Barbados, in 1645, there were 11,500 small white farmers and 5,680 black slaves, and by 1667, 745 owners had large plantations in Barbados, and 82,023 slaves (E. Williams, p. 23). The poor whites travelled throughout the Caribbean, looking for land on which to farm tobacco and other crops on a small scale, but were displaced everywhere, eventually, by sugar production and slavery. From 1682 to 1708, the number of white men in Nevis decreased by more than three-fifths, and the black population more than doubled; between 1672 and 1727, the white male population of Montserrat declined by more than two-thirds while the black population increased more than eleven times (Williams, 1966b, p. 24).

Sugar planting was a tremendous success for the planters of the West Indies. The wealth of white plantation owners increased enormously; Williams reports that over twenty months from 1649 to 1650, the Barbadian sugar crop was worth over 3 million pounds, which is about 15 million pounds in post-World War II British sterling. In 1666, Barbados was calculated to be about seventeen times richer than before sugar was planted there. Land prices skyrocketed; in

1640, a plantation of 500 acres sold for f400, while in 1648, a half-share in a plantation was worth about f7000 (Williams, 1966b, p. 25).

The increasing wealth of the West Indies led to greater political and economic control of these colonies by Britain. Until the 1650's, leading settlers of the colonies had determined internal policies, with little supervision from the home government. Moreover, Dutch mercantile supremacy throughout the seventeenth century made Dutch buyers of sugar and sellers of simple manufactures from Europe the most significant international traders for the British West Indies. In 1651, the Commonwealth government in England restricted the trade of British colonies to British ships. Other mercantilist policies were enacted; effectively, all trade between colonies had to pass through England. The consequence was the creation of "an exclusive, self-sufficient imperial system, designed to be conducive both to the security of the mother country, by stimulating its maritime power, and to its prosperity, by expanding its trade" (Williams, 1966b, p. 45). A defiant Barbados, which remained Royalist after the English Civil War, continued to trade with the Dutch, and incurred Commonwealth military intervention. By 1660, the British monarchy was restored and all the colonies were brought under direct control of the Crown. Local assemblies of settlers, which had developed to initiate local policies, were confirmed, but their power was checked.

The Dutch were eliminated from the area's trade by Britain's mercantile policies. A bankrupt Dutch West Indian Company fell in 1674. The Spanish strength in the region was challenged by the French and British, and the Spanish were finally driven from the Caribbean. As Williams explains:

> England's victory over Holland left her face to face with France. Anglo-French warfare, colonial and commercial is the dominant theme in the history of the eighteenth century. <u>It was a conflict of rival mercantilisms</u> (emphasis mine). The struggle was fought out in the Caribbean, Africa, India, Canada and on the banks of the Mississippi, for the privilege of looting India and for the control of certain vital and strategic commodities--Negroes; sugar and tobacco; fish; furs and naval stores. Of these, the most important were the Caribbean and Africa; of the commodities, the most important were Negroes and sugar (1966b, p. 40).

The eighteenth century establishment of British mercantile hegemony over her European rivals made possible the rapid and revolutionary industrialization of England. The West Indies were crucial to the accumulation of wealth that allowed this industrial surge, and they created a demand for many manufactured goods needed for the production and trade of sugar. And slaves, the basis of West Indian sugar production "made these the most precious colonies recorded in the whole anals of imperialism" (Williams, p. 52). Williams notes that an observer of the period wrote that every family in the West Indies gave employment to five seamen and many more artificers, manufacturers and tradesmen, and that every white person in the islands brought in £10 annual clear profit to England, twenty times as much as a similar person in England (p. 53).

The West Indies, then, were tremendously profitable to British merchants and planters. The initial outlay of capital for the purchase of plantations and slaves by individual planters came generally from merchants. Further investment capital was derived from sugar profits, or from loans from refining factories in England. Waddell notes that in the late 1700's, much of the profit from sugar cultivation was finding its way into the pockets of factory owners, not the planter (p. 54). For the planter, the achievement of perpetually high profit levels ran counter to the exigencies of sugar production. First, the constant cropping of sugar, necessitated by the use of slave labor, caused severe soil depletion. The planters had to race against the exhaustion of soil; by the early 1700's, the small British islands, Barbados, St. Kitts and Nevis, had reached the limits of economic production and costs steadily rose. Sugar was planted in Jamaica to secure the benefits of new, fresh land, but the West Indies still could not satisfy rising levels of European demand for sugar. The merchants opposed further colonization, fearing that competition among British islands would drive down prices; the mercantile commitment to the restriction of growing areas was one of several issues on which the planters and merchants necessarily disagreed. The planters enjoyed a guaranteed quota of the British market as long as they could sell their sugar to merchants at attractive prices, but this required room to expand once the land in a given area had ceased to be sufficiently productive. Because of merchant opposition, British competitive capitalist anti-colonialism, and economic difficulties, the British West Indian planters could not extend sugar production far enough or fast enough to escape the destruction of sugar lands. The economic decline of the British West Indies in the mid-1800's came as a result of the merchants' winning of the right to buy sugar from non-British sources when the British West Indies could produce only inferior quality, expensive sugar.

The planters also suffered from fluctuations in the price of sugar and slaves. Furthermore, mercantile policy dictated the purchase of foodstuffs and simple manufactures from Britain or British colonies. These goods were not produced locally because planters controlled most land, labor and capital in the region, and provided an attractive, though limited market for goods and services. The importation of relatively cheap British (and North American) food and manufactured goods further discouraged indigenous economic development. Moreover, the exchange of raw materials for food and finished goods between Britain and her colonies became a structural basis for Britain's great wealth, and long-distance merchants, domestic farmers and manufacturers used whatever political means available to resist deviation from this pattern. In the seventeenth and early eighteenth centuries, the British North American colonies supplied the British West Indies with food in exchange for the sugar by-products, rum and molasses. After the American War of Independence (caused, in part, by the British government's insistence that the U.S. observe mercantile policy and purchase only British West Indian sugar and molasses), the West Indies were bound to trade with England; moreover, the Americans refused to ship their exports to the West Indies in British ships.[9] The British West Indian planters had seen the American Revolution coming and had opposed the Stamp Act in an effort to forestall it; nothing could make up for the loss of the American colonies to the West Indies. Their worst fears were realized when the break actually came; from 1780 to 1787, 15,000 Jamaican slaves died of famine as a result of the inability of planters to afford British foodstuffs.[10]

Thus, the termination of West Indian-U.S. trade was another problem for the never stable British West Indian sugar industry, and the first step in the "uninterrupted decline" of the area (Williams, 1966, p. 120). The future was now complicated by the high price of

British imports, the American sale of cheaper goods to the competitors of the French sugar islands, along with the American purchase of non-British sugar and sugar by-products. As Williams suggests, the emergence of the United States as an autonomous economic buyer and seller destroyed the mercantile system in the Americas and discredited the old regime (p. 120).

Mercantile Class Relations I: Britain

Yet, even with the intrinsic problems of sugar production in the West Indies, fortunes were made from sugar production, transport and marketing, fortunes that became an important foundation of British industrializaion. There were two major groups that benefited directly from sugar production--merchants and planters. The merchants accumulated wealth by several means: 1) loans to planters to initiate production and buy slaves, 2) sustaining loans that frequently reached such levels that merchants assumed the mortgages of plantations, 3) purchase of sugar from planters and its sale to refiners in England, 4) purchase of manufactured goods and food in England and sale to West Indian planters, 5) other investments and services, including shipping, marketing, etc.

Because of the merchants' access to capital they were in a dominant position vis à vis the planters in all respects. Curtin (1955) explains that each estate had a close credit connection in England, usually with a merchant house in London, Liverpool, Bristol or Glasgow. In the fall of each year, the planter sent an order for supplies needed during the coming season; the mortgage for the estate, held by the merchant house, secured payment for these goods. The granting of credit in this way bound the planter to the merchant for his goods, their shipment, and the purchase and transport of his sugar. To his other debts were added the merchant's commission for handling each of these transactions. Curtin suggests that by the end of a few years the mortgage might equal the property value of an estate, and by 1830, a general fall in property values made some mortgages higher than property values. The merchants continued to receive interest on the original loan, had a monopoly of the estate's business and, thus, the opportunity to charge non-competitive prices for commissions. Curtin notes that it was frequently more profitable for the merchant to avoid foreclosing on the property, allowing the debt to mount[11] (p. 12).

The planters themselves often became holders of rentier capital, the basis of future overseas British investment. The sugar planter was one of the most prosperous capitalists of mercantile England. It was the goal of most to return to England, with a fortune, and to be accepted into the lower echelons of the aristocracy. There were many cases in the eighteenth century of individuals rising from humble origins to amass great wealth as West Indian sugar estate owners. Through attorneys and managers, estate proprietors could direct their enterprises in the West Indies from the comfort of Britain; by 1800, absentee ownership was the norm in the West Indies. In 1830, approximately two-thirds of all Jamaican estates were owned by proprietors not in residence on the island. Curtin (1955, p. 15) insists that the failure of planters to attend directly to sugar production, adopting modern technology and increasing efficiency, was one of the principal reasons for the mid-nineteenth century decline of the West

Indies.

In England, the planters, merchants and colonial agents constituted the West Indies lobby. Ten or fifteen members of the Society of Planters and Merchants held seats in Parliament and Williams suggests that they could be found throughout England in positions of power, as members of the House of Lords, as aldermen, mayors, councillors, etc. (pp. 94-5). They were allied with the dominant eighteenth century mercantile interests, including the landed aristocracy and commercial bourgeoisie of the seaport towns (p. 96). Willimas calls these representatives of West Indian sugar production the "enfants terribles" of England, sharing in the mercantile domination of English politics and economy, demanding favors and perquisites in a race against the consequences of inefficient sugar production and other contradictions and weaknesses of the mercantile system (Williams, 1966, p. 97).

Despite the tensions built into their alliance, British merchants and planters shared an early interest in increasing the immense volume of mercantile trade. As noted earlier, the two major consequences of this trade for British industry were in the accumulation of mercantile wealth as the basis for capital investment in manufacturing, and the demand for goods and services complementary to sugar production and slave trading. To appreciate the role of the West Indies in British mercantile trade, we can note observations from the period, presented by Williams (1966, p. 53). In 1775, British West Indian plantations represented a value of f50 million and sugar planters themselves put the figure at f70 million in 1788. In 1798, Pitt assessed the annual British income from West Indian plantations at f4 million compared w

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with British earnings of £1 million from trade in the rest of the world. In 1776, Charles Whitsworth made a complete compilation from offical records of import and export trade of Great Britain from 1697 to 1773. For 1697, the West Indian colonies supplied 9% of British imports, the mainland supplied 8%; 4% of British exports went to the West Indies, slightly less than 4% of British exports went to the American mainland; the West Indies accounted for 7% of Britain's total trade, the American mainland accounted for 6%. In 1773, the West Indies bought fewer British goods than did the American mainland, but their superiority to the mainland as suppliers to Britain is striking. In 1773, nearly 1/4 of British imports came from all the Caribbean area, one-eighth from the entire American mainland; the Caribbean purchased more than 8% of British exports in that year, the mainland 16%. In 1773, 15% of Britain's total trade was with the West Indies, 14% of Britain's total trade was with the American mainland.

The great seaport towns, Bristol, Liverpool and Glasgow, grew out of the West Indian mercantile boom. The slave trade was the basis of Bristol's rise in the eighteenth century. The value of slave trading in Liverpool eventually surpassed that of Bristol, and the latter city turned to the direct sugar trade. The sugar refining industry of Bristol was the most important manufacturing industry in the Empire in the late eighteenth century. In 1799, 20 refiners operated in Bristol, and 120 refiners could be found in all of England. Glasgow, too, was the site of sugar refineries, dating back to about 1650 (Williams, 1966b, pp. 73-4).

The interests of refiners were those of an incipient manufacturing class. They transformed the crude sugar processed on the plantation, into white sugar that could be stored. In the 1700's, duties on imported brown sugar were four times higher than those on white sugar. This policy underscored mercantile hegemony over planters; merchant houses strove to keep prices high, in opposition to refiners and owners of manufacturing and service industries related to sugar refining. The refiners of Westminster, Southwark and Bristol complained to Parliament about the prohibitive prices of West Indian sugar and the resulting competitive prices of British refined sugar on the world market. Eventually refiners would protest mercantile exclusiveness, demanding the right to buy French raw sugar. But, throughout the eighteenth century, mercantilism--West Indian planters and traders--prevailed, and the British government did little more than propose more English settlement in the West Indies to increase the supply of sugar and drive down the price of raw sugar imports.

Other industries developed in Britain in response to the needs of sugar producers and traders, and, in some cases, from capital earned directly from sugar planting, trading and refining. Williams notes that capital from "triangular trade" connecting British manufacturers, African slavers and West Indian sugar producers financed James Watt's development and manufacture of the steamship. The manufacture of ships, transport materials, even slave chains, grew out of the needs of West Indian sugar production; Lloyd's insurance company dates from this period and was established in response to the needs of mercantilists and financiers to protect their investments in trade.

These enterprises--sugar refining, ships, tools--were among the first of Britain's coming industrial revolution. But English industry was, in 1783, "like Gulliver, tied down by the Lilliputian restrictions of mercantilism" (Williams, 1966, p. 107). Industry had to break out of the bonds of mercantilism; the price of West Indian raw sugar to British refiners was only one mark of the consequences of mercantilism for budding British industry. The heightened contradictions of mercantilism were manifested in the deterioration of relations between planters of West Indian sugar and merchants; theirs was an unstable coalition, tenable through their mutual struggle against the forces of competitive, free-trade capitalism.

Mercantile Class Relations II: The West Indies

The growing absence of the planting class in the West Indies left a system of class relations in exile from the metropolitan seat of power and influence. In the place of proprietors, representatives with the power of attorney directed the individual plantations and held political power within West Indian societies. Curtin (p. 16) states that "planting attorneys" formed a group of professional representatives; an attorney often managed more than one estate, sometimes as many as ten to fifteen. The attorneys received about 5% or 6% of the sale price of each crop shipped from the West Indies, the use of the plantation "Great House" and servants, in addition to the profit made from a variety of illegal and semi-legal practices they could easily adopt. Curtin suggests that the hiring of attorneys to manage plantation affairs was still another drain on the profits of plantations. These surrogates were among the most wealthy men in Jamaica, owning and earning less than the proprietor, but guaranteed a constant and sizable annual income (p. 16).

The overseer managed the day to day needs of the plantation; Curtin claims that attorneys might not visit the plantations more often than twice during a year. Also a white man, the overseer enjoyed power on the plantation, a steady, sizable income, and social status within the society dominated by sugar planting. The overseers earned about f200 annually, in contrast to an attorney's possible annual earnings of f8-10,000. Nevertheless, the overseer's income was more than adequate, with servants and housing provided on the plantation and a scarcity of consumer goods available on the island.

Other whites worked on the estates, mostly performing the tasks of bookkeeping and skilled crafts. Curtin tells us that whites generally came from England, seeking to make their fortunes with neither skill nor experience. Wages were high, relative to the costs of living on the plantation, and white skin insured status in island society and steady employment. A quota of whites was required on the sugar islands by the Deficiency Laws, lest rebellious blacks easily overcome the white population.

The political institutions of the islands were almost exclusively in the hands of whites. The executive government was managed by royal officials sent from England. The legislative assembly was restricted to property owners; property ownership was restricted to whites. The relationship between the legislative and executive branches of island governments mirrored the conflicting interests of planters and merchants. The planting class struggled to survive the physical exigencies of sugar planting; despite the number of his estates or thier location within the Caribbean region, the inevitability of soil depletion stalked the planter. His interest was maximum profit from sugar production, thus maximum prices from British sugar merchants. And for these merchants, sugar was only one of many possible sources of profit, some of which conflicted with sugar planting and the sugar planter's demands for high prices. Similarly, the British Crown had many colonial responsibilities, and from each she wanted to derive maximum profits with minimal costs. The colonial governor had the responsibility to uphold the Crown's rights and ministry's policies, in particular to raise adequate revenues to support colonial expenses. The latter task led to inevitable conflict with the assembly, the members of which were reluctant to tax themselves. The assemblies generally resisted colonial intrusion into local affairs, and used various methods to restrain imperial power on the islands, including the refusal to vote the money for necessary expenditures until policies favorable to them were initiated by the governor. In fact, the eighteenth century was a period of increased assembly power in opposition to the royal executive.[12]

The towns of the West Indies were not well developed. Long-distance trade dominated the port towns, and these areas were peopled by merchants and other whites involved in international trade.[13] The increasing numbers of manumitted slaves, particularly those of colored or Afro-European descent, populated seaport and inland towns, acting as petty traders and craftsmen. Hall (1972) claims that while published accounts about Jamaican society for the pre-Emancipation period are diffuse and imprecise (although numerous), they indicate clearly that the free Afro-Europeans constituted an important social class in the British Caribbean, and were members of the only racial category to replace itself through natural increase. A large percentage of the free non-white population in Jamaica was of mixed descent, the progency of white and free colored, white and slave, free colored and free colored, or free colored and slave.[14]

The free colored population had the right to property ownership, and thus political office, until the mid-1700's, when whites enacted laws to prevent colored ownership of property or ascent to positions of power and influence. In 1711, the Jamaican legislature excluded free Afro-Europeans from employment in political or public office; in 1713, the right to vote was abrogated; in 1761, Afro-Europeans were forbidden from buying or inheriting (from a white person) property of value in excess of a particular value (£2000). Other civil rights were annulled throughout the eighteenth century.

Hall (1972, pp. 193-213) asserts that the opposition to civil and political liberties for the colored population was often racial; the white assembly members believed that racial equality was immoral. Others defended white social exclusivity because they feared an erosion of their own status. All shared a fear of slave revolts. The free colored group petitioned for a return of their rights on the basis of their past privilege, says Hall, and not for reason of the principle of racial equality. In 1830, all men were declared equal in civil and political rights, without regard to racial origins. It is interesting to note, however, that free Afro-Eruopeans migrated to towns, unwilling to directly support the plantation system. Those that stayed in the agricultural sector did not serve as laborers on plantations, but became proprietors of land and slaves, or shopkeepers; townsmen became skilled in many areas, including carpentry, masonry, as apprentices to long-distance traders, even lawyers and schoolteachers. It is clear that the goods and services provided by this colored group were often determined by the exigencies of the plantation system.

Nonetheless, this middle strata of colored West Indians may have constituted a serious economic threat to the shaky mercantile plantation system. The free Afro-Europeans did not comprise a large or cohesive national bourgeoisie, but they challenged the traditional holders of land, capital and labor and made efforts to enlarge the domestic market for food, manufactured goods and services. The collapse of the mercantile system would thrust them in the position of a national bourgeois class with strengthened progressive elements. This may explain further the great antipathy of the white population of the West Indies towards the colored.

The mass of inhabitants of the West Indies were black slaves. Their work was primarily on the plantations, ranging from the higher status domestic and managerial tasks to labor in the fields. They lived in "villages" on the plantations and farmed small plots and uncultivated land, for food and a small surplus that could be sold in the towns. The West Indian slave population could never replace itself through natural increase; malnutrition, poor working conditions, etc., depleted the number of slaves. It was less costly to planters to buy new slaves than to provide the conditions necessary for natural replenishment. The slaves exhibited extremely low levels of individual productivity. Waddell (p. 52) suggests that the sugar planter had to own one slave per plantation acre to assure prosperity. The value of slaves increased as the sugar lands grew less fertile.

For many years, stronger and more productive slaves were sold to North American plantation owners after a sojourn in the West Indies. After the British abolition of the slave trade in the early nineteenth century, slaves were scarce and their value for sale to planters in North America and the Caribbean increased even more.

Reexamining the "Plantation Society": West Indian Class Relations and Dependent Development

I have contended that the plantation structure is not an appropriate conceptual alternative to class analysis based on the relationship of particular groups to the means of production. In Chapter I, I examined the conceptual weakness of the plantation thesis, including the following: 1) the focus on the organization of the plantation precludes an understanding of the class relations of those associated with the plantation, either at the site of production, or in the provision of captial, or labor in the form of peasant production alongside the plantation; 2) because of this emphasis on organization rather than social groups, we do not have a sense of how the interaction and conflicts of social groups constitute a dynamic of development in the metrople, 3) nor is the dynamic of development delineated for the satellite.

These problems with the plantation thesis are most clearly manifested empirically in the consideration of the roles of two groups in the "plantation economy"--long-distance traders and manumitted slaves--and in the discussion of the contribution to West Indian development of non-export or export-related enterprises.

In the mid-nineteenth century, international mercantile interests generally recognized the limitations of successful plantation production in the West Indies, and sought more lucrative sources of wealth elsewhere. Although advocates of the plantation thesis recognize the abdication of mercantile capital from the fortunes of the plantation system at the beginnings of British competitive capitalism, they have tended to ignore the long history of conflict between planters and merchants that accompanied the establishment and maintenance of plantation sugar production. Although theirs was a necessary alliance, conflict over credit, prices, expansion, etc., was constant and, to a large degree, inherent to the relationship. Merchants and planters alike were driven out of the sugar business.

Merchants were equally likely to differ among themselves, with shippers and with local traders, all part of the plantation "society" according to the structuralists. Clearly, there is a likelihood of misrepresenting the cohesion of classes in conceptualizations which associate the source of capital, the means of marketing and the unit of production itself when they are not formally part of a "firm."

The most serious empirical problems with the conceptual joining of British merchants to the plantation "society" derive from the instability of the merchant's attachment to a particular sugar plantation or to the plantation system itself. As noted, sugar planting and trade was only one source of wealth for most merchant houses. The latter invested money in the most immediately highly profitable enterprise, abandoning failing industries or regions. But plantation sugar production required constant expansion to keep prices attractively low to merchants. The planter who could not move, or move fast enough, faced a drying up of credit and supplies and possible foreclosure. The financing of sugar planting by merchant houses meant a constant shift from one source of low priced sugar to another; in speaking of a merchant-planter coalition, we mean a union of particular, often prominent merchant houses, with a general class of planters, the members of which frequently changed.

Manumitted slaves and free born Afro-Europeans were not wanted on the plantations as wage laborers, and preferred the autonomy of peasant agriculture, and petty trade and manufacture in the cities. Douglas Hall (1972) reports on the occupations of free Afro-Europeans in Jamaica in the eighteenth and nineteenth centuries. He contends that some Afro-Europeans engaged in agriculture, frequently as small plantation owners, buying slaves to work the land. But most went to towns, where they worked in a variety of positions. Free colored men were found in trade, as "hucksters" and "higglers," as shopkeepers. Some acquired skills and tools, as carpenters, masons, wheelrights, plumbers and other artisans. Others worked for white merchants and professionals. Hall notes that there were free Afro-Europeans who, with the privilege of education or financial resources, worked as journalists, lawyers, school-teachers, innkeepers and merchants in their own account. Some of the merchants became creditors to estates to which they supplied goods and, through accumulated capital and credit, they assumed ownership of plantations.

Theories of the plantation economy and society do not accurately represent the number of non-plantation producers in the society during the mercantile era. The townspeople and peasants constituted a small national bourgeoisie that would expand after Emancipation. Their interests were not synonymous with those of planters or long distance merchants. Conflicts were based on racial differences, as well as varying degrees of competition for economic and political resources. Moreover, their roles in economic development should not be ignored, as local crafts, trade and non-plantation agriculture were the only means of domestic capital accumulation at this time.

Non-export or export-related production in the West Indies during the mercantile era was, of course, narrow in range and low in volume. Nevertheless, there was a small internal market for the trade and barter of food (much of which was grown by slaves) and simple crafts. The free non-whites, many of whom were Afro-European, acted as producers of these types of goods and as traders in the internal market. Not all of these productive enterprises yielded cash; bartering was a common practice. It is true, however, that production for use and barter was a basis for expansion of food and manufacturing, as occurred following the transition to competitive capitalism by the British and the attendant shift in West Indian class relations and systems of production.

The dominant pattern of West Indian development during the British mercantile period, however, points to both dependency and uneven economic growth in the region. These societies were, of course, dominated by foreign capital and technology. Importation of these factors of production contributed to what I have defined as the basis of dependent development--low levels of domestic capital accumulation. Considerably less wealth could be accumulated in the West Indies than, for example, in the early capitalist countries of Europe, because of the foreign ownership of the plantation and marketing, transport and refining facilities. Enterprises serving the plantation, and export agriculture generally--the principal types of production undertaken by those not directly employed on the plantation--did not have profitable spin-offs. Other businesses--local trade and crafts--found a small market in the plantation for goods and services, and one that would not expand easily given the constraints against erecting new estates (capital costs and the generally high price and scarcity of land), and the tendency for parts of the production process to be carried out abroad. Furthermore, much of the equipment and other goods needed on the plantation were imported.

Uneven development is exemplified both in the dominance of the plantation in the West Indies of the mercantile age, and in the fact that domestic entrepreneurship was often directed to the provision of goods and services for the plantation system or to the growing of export crops itself. The internal market for the exchange of locally produced crafts and foodstuffs was extremely small, and suggests the limited potential for balanced economic growth in the region at the time.

The West Indian Colonial State and British Mercantilism

The development of the state in the satellites of Western Europe varied from the patterns set in the metropoles themselves.[15] The history of government and other political institutions in the West Indies is even more divergent from metropolitan developments, as the West Indies lacked a pre-capitalist foundation.

Most present Third World countries share a pre-capitalist tradition of joint religious-political-economic control, characteristic of medieval Europe (Dowd, p. 246); the West Indies' first political institutions were those of direct and absolute colonial control that was typical of European mercantilist expansion (Alavi, 1972; Petras, forthcoming b). As the absolutist governments of mercantile Europe relinquished control of the economy of competitive capitalism to the market, pluralist and increasing democratic political institutions arose at home and in many of the colonies. For the West Indies and some other colonies, the ever more powerful parliaments and assemblies of the nineteenth century were the first real "state" organs, and marked the first indigenous attempts to channel capital accumulation to social groups not directly representative of metropolitan interests. The role of the state in class societies has been the "preservation and rationalization of a given socio-economic order, particularly the system of production and the class relations it embodies" (Hamilton, 1975, p. 82). In the mercantile period, the strong state apparatus of the metropoles extended to the hinterland, "preserving and rationalizing" the system of production of the metropoles that included industries located in the satellites (Murray, forthcoming a). During the period of competitive capitalism, new classes emerged in Europe, as the capitalist mode of production fully evolved, displacing the mercantile-agricultural coalition. Likewise, new classes arose in some satellite societies, seeking to encourage new systems and techniques of capitalist production that could succeed those of mercantile capitalism. In the British Empire, the colonies in which these developments occurred were of two general types: a) the Dominions, for which industrial capitalism was necessary to insure markets for British capital goods,[16] and b) the dependences, such as the West Indies, where mercantile systems of production could not survive the abolition of trade preferences. Many lands conquered by Britain during the period of competitive capitalism (e.g., Southern Burma, parts of India and Africa), and others able to survive the end of mercantile supports, were characterized by direct colonial rule and the labor repressive, inefficient mercantile systems of production designed for short-run, immense profits. The discussion of West Indian dependent development suggested the limited nature of West Indian economic development from 1846 to 1930; nevertheless, non-plantation agriculture for export and of a more diversified nature developed, as did crafts and expanded internal and long-distance trade. The farmers, traders and entrepreneurs engaged in these activities sought representation in political bodies and experienced conflict with traditional planting interests over many issues, including representation itself.

Turning to the case of the West Indies, the process of metropolitan political retreat can be traced. From the seventeenth through early nineteenth centuries, the British ruled the West Indies through colonial governors who directed colonial activities in the shared interests of the British merchants and planters represented in the weak legislatures. The British government itself recognized its citizens there, and their economic activities, but was unmindful of the exploited slaves or others with potentially divergent interests, i.e., free Afro-Europeans in the towns. Little funding was allocated by the Crown for the building of an infrastructure or the welfare of the underlying population. Political favors were frequently granted to mercantile and planting groups, which occasionally took the form of economic benefits (e.g., tariff preferences), but the West Indies received little direct aid.

Prior to the decline of West Indian sugar production, colonial planters held secure positions in the island legislatures. The two legislative bodies of the Jamaican government, the Assembly and Legislative Council, were kept under the control of planting interests by policies restricting voting and office holding to land owners (Hall, 1959, p. 3). While colonial governors held ultimate power in West Indian societies, the legislatures could influence the governor by refusing to vote revenues for necessary expenditures, and they influenced the choice of governor. As noted earlier, the Crown, through its representative, the governor, often disagreed with members of the legislature on matters of fiscal policy; the legislatures resisted taxation, the rates and scope of which increased as the mercantile government of England sought to spend as little as possible on maintaining the colonies. The single category of expense the planting class found justifiable was that which made cheaper the transport of sugar to the port towns and across the seas, and the transport of imports to the plantations.

Part II. Transition

British Competitive Capitalism and the Decline of West Indian Sugar Production

Adam Smith recognized the long-term folly of slave labor, and of the continued application of mercantile relations when British industry was attempting to establish itself. In Britain, industrialists became increasingly aware of the impossibility of development within the confines of mercantilism, and struggled throughout the eighteenth century against mercantile hegemony, as outlined in Chapter III. Sugar planters of the West Indies were well aware of the steady erosion of plantation land under the joint pressure of sugar monoculture and slave labor, but were powerless to fight a natural development that neither movement to another island nor political influence in England could forever stall.

The British mercantilists and West Indian planters were allied in their opposition to British industrialization through the first half of the nineteenth century, together resisting, in the British Parliament and elsewhere, industrial threats to the monopoly agreements for British farmers, sugar planters, shippers, etc. Through the end of the eighteenth century, Parliament remained loyal to "King sugar"; the Molasses Act of 1733 favored sugar planters by prohibiting American exports to foreign islands and imposing high duties on foreign sugar and molasses, and was reinforced by the Sugar Duties Act of 1764, the enforcement of which was one of the causes of the American revolution. However, even at this time of strong merchant-planter alliance and political power, the increasing cost of West Indian sugar was driving British merchants away from West Indian sugar planters and other casualties of mercantilism, into the ranks of the industrialists of England.

Throughout the nineteenth century, the greatest cause of concern to West Indian planters was the threat of French competition with their own sugar. The French sugar islands were settled later than the British, and, thus, were more fertile. In the late eighteenth century, French West Indian sugar cost one-fifth less than British West Indian; the average yield of St. Dominique sugar plantations was five times greater than those of Jamaica (Williams, 1966, p. 122). Williams offers some other interesting statistics comparing French and British West Indian sugar production. From 1771 to 1781, the plantations of the Long family in Jamaica earned an average profit of 9 1/2%, and in 1774, the profit rate was 16%. In 1788, the average net profit of Jamaican sugar plantations was 4% compared to the average net profit of 8 to 12% in St. Dominique. In 1775, Jamaica had 775 plantations; by 1791, of every 123 sold for debt, 12 were in the hands of receivers, 7 had been abandoned. In 1788, St. Dominique's exports were twice those of Jamaica; in 1789, the exports of St. Dominique were valued at one-third more than those of all the British West Indies combined.

Other new areas of sugar production, both inside and outside the British Empire (Cuba, Brazil, the East Indies), tempted merchants with their lower priced sugar. The British West Indies might have withstood the competition, had they emphasized efficient management, advanced technology, sophisticated farming methods and wage labor, but all of this was antithetical to the logic of mercantile accumulation.[17] Both planters and merchants preferred the rapid, cheap scheme of slave-based plantation production of sugar, as it allowed both to amass fortunes, and then move on to the rentier status the planters sought, or other quick means of commercial wealth for the trader. Moreover, European countries were increasingly able to produce their own sugar, through beet cultivation. During the time of the Napoleonic Wars, the governments of continental Europe stimulated beet sugar production by subsidizing costs of production. By the 1830's, continental Europe produced one-third of domestic sugar consumed. Ragatz (p. 338) claims that West Indian sugar reached its lowest price in history in the 1820's; during 1821 and

1822, West Indian raw sugar frequently sold at an acutal loss to the planter.

These misfortunes of the West Indian planters intersected with the general movement among British industrialists demanding cheaper raw materials and expanding markets for manufactured goods. In July, 1783, an Order in Council decreed free trade between Britain and the United States; from 1784 to 1790, the volume of British imports from the United States rose by 50% above the level of the years immediately preceding this period, and, following the invention of the cotton gin, British imports from the United States increased from the value of $9 million in 1792 to about $31 million in 1801 (p. 131).

From 1820 to 1830, the United States took about one-sixth of British exports. Following Spanish losses of territory in the New World, Britain was free to trade in Central and South America. There, too, British exports penetrated the area, with the support of both manufacturers and traders at home. The value of British exports to the world increased from f43 million in 1821, to f65 million in 1832. During the same period, the British West Indies' share of British exports declined by one-fifth, Jamaica's by one-third; in 1821, the British West Indies took one-ninth of total British exports and, in 1833, only one-seventeenth. In 1825, the Navigation Laws were modified and colonies were given permission to trade directly with any part of the world. A major mercantile convention had been rejected by increasingly powerful British manufacturers, joined by merchants eager to sell manufactures throughout the world and to sell raw materials without the required intervention of British shippers. In the same year, the sugar of Mauritius (acquired by Britain in 1815) was admitted to Britain on the same basis as British West Indian sugar. The British West Indies thus suffered a fundamental threat to its existence, forced to share the British market with East Indian sugar. Planters became convinced of the eventual repeal of preferences for British West Indian sugar, an action that would take place in 1846 (Williams, 1966b, p. 132).

In 1783, Prime Minister Pitt had begun to take a considerable interest in the East Indies and its potential for wealth, and four years later encouraged the British abolitionist and statesman, Wilberforce, to sponsor the abolition of the slave trade. Independent of the abolitionists' moral cries, politicians saw an economic relationship between the continuation of the slave trade and the continued costly monopoly of West Indian sugar. The islands of the West Indies, including the older sugar islands, such as Jamaica and Barbados, and the newer, like British Guiana, produced in excess of 25% of the British West Indian sugar quota, even as Britain purchased sugar from other countries. Overproduction of expensive West Indian sugar demanded abolition of the slave trade in 1807; continued overproduction required the emancipation of British West Indian slaves in 1833 (Williams, p. 152). Slavery was a form of repressive labor well suited to mercantilism, making possible rapid capital accumulation; but industrial capitalism in Britain demanded a more rational form of raw material production that would not result in the soil depletion and inefficient management that quickly destroyed slave-based plantations.

The consequences of these two events, the abolition of the slave trade, and of slavery, were profound in the West Indies. As noted, West Indian sugar reached its lowest price in history in the 1820's (Ragatz, p. 338). From 1813 to 1833, Jamaica's sugar production declined by about one-sixth; exports of sugar from Antigua, Nevis and Tobago dropped by more than one-quarter. The newer sugar islands in the West Indies and elsewhere still prospered, but for each, it was a race against time; in 1820, the sugar exports of Maurtius to Britain were less than those of Antigua, but by 1833, Maurtius exported four times more sugar to Britain than did Antigua.

The West Indian sugar planters of the older islands favored Abolition and emancipation, as they were most severely hurt by overproduction. Yet, as the above figures indicate, the ending of the use of slave labor was only a stopgap measure in relieving the miseries of West Indian sugar producers. The older islands continued to suffer from the competitive advantage of the more fertile, newer sugar islands. Moreover, in all of the region, wage labor became scarce as freed slaves no longer wished to work on the plantations. As long as the West Indies monopolized British imports of sugar, the fresher areas could lure labor with high wages; in fact, the high levels of emigration from the hard-hit islands, Dominica, St. Vincent and St. Lucia, further hindered production in these areas. In 1846, sugar duties on all sugar imported into Britain were repealed. At that, comments Williams, "[T]he British West Indian colonies were thereafter forgotten, until the Panama Canal reminded the world of their existence and revolts of their underpaid free workers made them front-page news" (p. 153).

British Competitive Capitalism and West Indian Class Relations

There were three groups which challenged the continuing hegemony of the plantation in the West Indies during the period 1846 to 1880--British merchants, West Indian peasants, petty artisans and traders. The latter two groups may be divided into classes engaged in the production of basic goods for use and local trade, and classes producing exports or export-related goods and services. All achieved access to land, labor or capital by means of struggle with West Indian planters.

During the period in question, British merchants, the source of capital for mercantile plantation enterprises, disengaged themselves from West Indian planting, hastening the financial ruin of the planting class. More directly related to the discussion of West Indian development are the following two groups that grew in number during the era of British competitive capitalism. Peasants producing exports, and manufacturers and traders serving the export sector, developed quite different economic interests than those of owners of sugar plantations, although their livelihoods ultimately depended upon the survival of the plantation. This group may be properly termed a national bourgeoisie, one uninclined, because of the structure of export production, to initiate revolutionary struggle with plantation owners. Other peasants, craftsmen and traders succeeded in separating themselves from the demands of the plantation for labor, goods and services, an expression of class interest incompatible with the continued national emphasis on export commodity production. This group is accurately called the progressive national bourgeoisie, destined by system of production and choice of goods and services produced to clash with plantation owners, although it never won dominance over them.

After the period of mercantile-planter cohesion in the early nineteenth century, a split developed between those merchants able to profitably participate in other types of trade, and intrasigent planters, convinced that British political institutions would save them from the feared equalization and repeal of sugar duties. Preferences for West Indian sugar were preserved, through the influence of the sugar lobby and the demands of other protectionist interests, for example, corn farmers. But, after 1846, the landed aristocracy abandoned West Indian planters. Williams (1966b, p. 138) states that in 1828 it was estimated that the cost to the British people of the West Indian monopoly was over £1 1/2 million annually, and 2 1/2 million lbs. of British exports to the West Indies in 1838 were said to purchase less than half as much sugar and coffee than if carried to Cuba and Brazil. As consumers and sellers of food, British farmers could no longer afford low, preferential duties on West Indian sugar. The once powerful Society of West Indian Planters and Merchants lost much of its strength; it became a club of those merchants and planters unable to leave the sinking ship of West Indian sugar production.

It has been argued that Britain never really achieved a bourgeois revolution (Block, 1970). The mercantilists of the seventeenth and eighteenth centuries adapted to industrial growth by trading increasingly sophisticated finished British goods for raw materials throughout the world in the nineteenth and twentieth centuries.

They were able to make this transition, and in fact, dominate industrial capitalism, because of their immense stores of capital and the voracious appetites of British industrialists for overseas markets. Indeed, the merchants, wherever possible, threw over the planters and other owners of outmoded means of production, in favor of industrial capitalists of Britain and raw material producers in the non-industrialized world able to adapt to a free market through more rational systems of production with high capital contents. Williams notes that the assemblies of Jamaica and British Guiana went on strike in 1838 and 1840 because of the"epidemic" trend on the part of Britain and British capital to abandon the West Indies (p. 144).

> Every important vested interest--the cotton manufacturers, the shipowners, the sugar refiners; every important industrial and commercial town--London, Manchester, Liverpool, Birmingham, Sheffield, the West Riding of Yorkshire, joined in the attack on West Indian slavery and West Indian monopoly (p. 154).

However, there can be no doubt that the decline of the West Indian planters brought down sectors of the merchant class, and others with investments in the West Indies or in trade. Following the Sugar Duties Act of 1846, eighteen West Indian merchant houses in England failed, as well as the West Indian Bank, located in Barbados (Hall, 1959, p. 91). As Ragatz notes, commercial relations based on the plantation system were sound only as long as the colonial products were high-priced. Credit for imports was based upon the anticipated income from the next crop; even in the best of times, it was not unusual for the planter to owe f5000. When, in the late 1700's, returns permanently declined, obligations of the planters could not be met, credit closed and properties passed into the hands of mortgage holders (p. 10). Credit prices were 30 to 40% higher than cash prices of plantation stores (Ragatz, p. 17). Absentee proprietors commonly borrowed in England against their properties; London, Liverpool and Glasgow merchants, in particular, made heavy advances to planters. By the mid-nineteenth century, the estates passing into the hands of merchants were worthless, and the money debts of planters over and above the value of the plantations could never be recovered. It is impossible to determine the loss of value to merchants and planters because of the crisis in the West Indies, but we know that from 1836 to 1846, 157 Jamaican sugar estates were abandoned, and, from 1846 to 1852, another 86 Jamaican estates were left (Eisner, p. 199). Total agricultural output in Jamaica fell from a value of f2,986,900 in 1832, by over one-third, to f1,917,200 in 1850, and with it, exports declined from nearly three-quarters to less than one-half of total agricultural output.

By the time that Jamaican planters faced free-trade, the most uneconomical plantations had been eliminated. Most estates were now managed by owners residing in the West Indies. The Sugar Duties Act caused a credit crisis; after Emancipation, long-term financing dried up. Sophisticated agricultural methods were not entirely suitable in Jamaica now, since long years of soil depletion had ruined the land; as subsequent discussion will indicate, labor was extremely hard to entice away from newly available peasant lands. And sugar prices steadily plummeted in the depression of the last quarter of the nineteenth century. The salvation of remaining West Indian planters was British monopoly corporate agriculture, frequently under the direction of merchant houses trying to make a lucrative venture out of the depleted plantations they had accepted as payment from bankrupt planters.

Even before the passage of the Sugar Duties Act, a peasantry started to emerge in the West Indies, comprised of manumitted and emancipated slaves who bought or seized small plots of former plantation land. By 1838, Jamaica had 2,114 freeholders, with less than 40 acres each; by 1845, 19,397 peasants, owning less than 10 acres each, resided in Jamaica. A Baptist minister, Rev. William Knibb, established the "free village" system, buying up land on which to settle the freed slaves. The Methodists and Scottish missionaries became involved in similar schemes of resettlement, and joined other churches in seeking improved wage and worker benefits on the remaining plantations. By 1842, Knibb had settled 150 to 200 free villages, totaling an acreage of 100,000; 3,000 cottages were erected, at a total cost of about f100,000. Knibb and the Jamaica Bapist Union held an ideal of a "noble free peasantry" out of which could arise a yeoman class, but many of the freeholders living in Jamaica by 1865 were not self-supporting and had to supplement their farming with plantation work.

Hall (1959) suggests that peasants and laborers grew mostly provisions, and not export crops; small farmers grew more varied agricultural crops, including one or more export crops, and by the late 1850's, they hired laborers. Hall adds (p. 164) that the Jamaican producer or laborer (slave or free) was never a completely self-sufficient producer. Apart from imports of building materials and metal goods, clothing and various household items were imported from the United States mainland and Canada after the Sugar Duties Act. The peasants produced vegetables, some meat and poultry; they continued to buy corn-meal bread, flour, some kinds of meat, fish, oil, and soap. The peasants supplied essential food to their families and workers, and used currency earned in plantation work, exchange with urban markets (though relatively limited), and export of sugar, coffee and fruits, to buy imported goods.

The number of small holders tripled from 1860 to 1930, and the British government increasingly took the position that the development potential of the islands was embodied in the peasantry and small farmers. The official British attitude towards the peasantry diverged somewhat from that of the remaining planters and merchants, who disapproved of church schemes to distribute land to peasants. However, in the 1860's, the sugar industry could provide employment for no more than 5% of the population. Planter resentment stemmed from an attachment to the long held systems of West Indian stratification, which included racial hostility to non-whites, as well as virtual monopoly of land, of political power, and of access to non-white labor (Curtin, 1955). The conflict between planters, and peasants and laborers, came to a head in the Morant Bay rebellion of black Jamaicans, bloodily suppressed by Jamaican Governor Eyre. The repression of the African and Afro-European population that followed the rebellion resulted in the reversion of Jamaica to Crown colony status; a similar transition soon took place in other West Indian islands. The removal of the assembly meant there was no voice for the peasants, laborers, small farmers and townspeople; the non-whites, generally, lost an avenue for political influence and political and occupational experience. Despite the increasingly enlightened attitude of the British government towards the laboring population of Jamaica, the Colonial Office still viewed Jamaica as a source of plantation produced tropical commodities, siding with the planters and merchants in their resistence to shared economic and political rights.

The efforts of benevolent governors after 1865 to follow the initiative of the Colonial Office in providing social services for the people of the West Indies were always limited by the resistence of the European sector of the population. The Crown colony government supported some peasant expansion and settlement programs and credit cooperatives; a Royal West Indian Commission of 1897 recommended land settlement and diversification of agriculture. But, many, more successful government policies encouraged corporate penetration of the peasant areas, e.g., road building to ports, construction of warfs, etc. In terms of peasant development, state support of corporate agriculture had two consequences. First, peasants continued to supplement their incomes from petty trade of farm products with work on the sugar estates, and later, on banana plantations and coffee farms. Secondly, the distinction sharpened between small farmers, growing commodities for export, and the peasant, engaged in agricultural production for use or local exchange. While sugar production now required capitalization to succeed, coffee production was still feasible with labor intensive methods, and, in fact, required less care than sugar. Some of the more prosperous farmers also became involved in the production of sugar, generally of poorer quality than the estate crop, but exportable. According to Hall (1959), the number of these small farmers living in Jamaica in the 1850's is difficult to discern, but available evidence suggests that they were fairly numerous and relatively prosperous.

In the towns, Europeans stayed on, assuming positions in trade and shopkeeping that had previously been in the hands of long distance traders; they also continued to act as doctors, teachers, and lawyers. There were divisions based on ethnicity, and wealth and income among Europeans, notably among Jews, French and English, and between the creole and expatriate English living in Jamaica. French from St. Dominique, Jews, and creolized British sought positions as intermediaries between foreign capital and the local population; they wanted areas of capital accumulation not directly related to the developing British monopoly capitalist schemes intended to renew the vigor of West Indian sugar production. Some of these people also tried to institute manufacturing and service industries independent of plantation sugar production. Their efforts were not very successful for a variety of reasons, but it should be noted that they favored some forms of production not oriented towards the international market.

A significant proportion of the colored population and sectors of the black were also concentrated in the towns of Jamaica in the British competitive capitalist stage. During the mercantile period, the Jamaican coastal towns had been long distance trade depots; the inland towns were small centers of internal trade in provisions, handicrafts and other commodities produced by the slaves, or "posting" places, where travellers could spend the night. Following the demise of the mercantile planting class, there was a rapid rise in the number of inland towns and villages. There were four principal categories of occupation for the working population in the towns:

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1) skilled crafts, 2) petty trade, 3) unskilled labor, and 4) various ancillary skills and services. Some manufacturing and trade were oriented exclusively to the domestic market, other activities of this sort to the international market. The skilled crafts, trades and services were largely what they had been before Emancipation--masonry, carpentry, bricklaying, tailoring, etc., but the numbers seeking work in these areas greatly expanded. Those who failed at crafts became involved in petty trade and shopkeeping, which were growing professions with the larger cash economy created by Emancipation. In rural towns, people sometimes supplemented their income from farming with craftsmaking, leading to the creation of a limited and rudimentary manufacturing industry in the countryside.

West Indian Dependent Development in the Era of British Competitive Capitalism

Were there substantial levels of economic growth in sectors unrelated to Jamaican export agriculture during the historical era in question? Let us look more closely at two particular industries that have everwhere preceded full economic development, food production and light manufacturing. These enterprises have traditionally encouraged the creation of a large internal market and balanced economic growth by 1) promoting domestic capital accumulation and 2) building forward and backward linkages among domestic industries.

The degree of agricultural diversification in the West Indies after the equalization and repeal of sugar duties is probably the most important indicator of the reconstruction of West Indian economics away from export agriculture. The histories of Third World countries have repeatedly shown that a society unable to produce its

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own food cannot generate rapid and balanced economic growth (Wolf, 1967; Barraclough, 1975). There are several points to be considered in evaluating the extent of diversification. First, Eisner (p. 100) claims that the volume of ground provisions produced in Jamaica rose steadily after the Sugar Duties Act, reaching 55% of total agricultural output in 1890. Yet, documentary evidence studied by Eisner and Hall leads both to suggest that most farmers had to supplement their incomes from farming with wage labor on the plantations, or the growing of cash crops for export. In fact, truly prosperous peasants turned to export crop production--sugar and coffee--as a means of agricultural expansion.

The cash earnings of peasants went for food, suggesting again that self-sufficiency in food production was not attained. Moreover, Table 1 indicates that the percentage of food imports into Jamaica fluctuated, but displayed no significant increase or decrease. In 1832, of the total value of retained imports, 32.5% was for food; in 1850, the percentage rose to 36.1%, rising again in 1870 to 37.1%, and falling to 34.3% in 1890. The consequence for Jamaica of the importation of food, in the most superficial terms, is indicated in terms of trade, which reveal a tendency for a continuing deterioration in the Jamaican position, as export prices tended to remain the same and import prices rose (see Table 2). This increase in the price of imported manufactured goods and certain foods (meat, wheat, etc.) relative to raw materials is a long-term trend, which has become an increasingly serious problem for raw material producing countries that are not self-sufficient in food and basic manufacture production (Barraclough, 1975; Galtung, 1971). However, the more

Table 1. Fi [illegible] 364)

Table 1. The Composition of Retained Jamaican Imports (Eisner, p. 264)

	Total Value of Retained Imports at 1910 Prices											
	1832		1850		1870		1890		1910		1930	
	f'000	%	f'000	%	f'000	%	f'000	%	f'000	%	f'000	%
1. Food	388.7	32.5	461.3	36.1	376.8	37.1	703.9	34.3	917.0	34.7	1239.0	28.3
2. Drink and Tobacco	79.0	6.6	91.4	7.2	61.4	6.0	86.9	4.2	78.1	2.9	113.9	2.6
3. Clothing	350.9	29.4	434.9	34.1	369.4	36.4	634.7	30.9	693.5	26.2	657.8	15.1
4. Other Consumer Goods	93.4	7.8	89.4	7.0	101.4	10.0	266.4	13.0	330.8	12.5	795.2	18.2
5. Production Materials	283.4	23.7	199.2	15.6	106.5	10.5	362.3	17.6	626.0	23.7	1564.8	35.8
Total	1195.4		1276.3		1015.5		2054.2		2645.4		4370.8	

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Table 2. Jamaica: The Terms of Trade (Eisner, p. 257)

1910 = 100

Year	Export Prices	Import Prices	Terms of Trade
1832	116	98	118
1850	115	84	137
1870	119	121	98
1890	126	92	137
1910	100	100	100
1930	111	132	84

critical problem with Jamaican agriculture is in the pattern of entrepreneurship itself. Why did the peasant not strive for self-sufficiency, producing food for consumption in the towns? I would assume the answer lay in both the ready availability of imports, and the highly profitable possibilities of farming for export and plantation work.

Immediately after Emancipation, wages were very high on the plantations. By the 1850's, wages fell with the introduction of capital intensive technology into sugar production. But, as Hall (p. 171) notes, peasants could make up for the decline in wages by turning to the production of at least some cash crops. Eisner (p. 229) indicates that figures for peasant per capita gross profits increased considerably from 1850 to 1930, mainly as a result of their growing share in export production. As noted, peasant cultivation of export crops was possible by adaptation to small scale production and techniques, rather than by improvements in the methods or organization of production. Furthermore, when plantation wages fell, wages throughout the West Indian economies fell, reducing the prices obtained for peasant-grown provisions. When the market for locally grown food was constricting, farmers were not inclined to experiment in further crop diversification, but to turn to the production of cash crops for export. In reference to Trinidad's cane farmers, H. Johnson comments: "The main attractions of growing cane were that it needed little skill, land was available, the cane had an assured market, but most importantly the farmer was guaranteed returns" (p. 67).

It can be concluded from this discussion of Jamaican food agriculture that a level of production sufficient to feed the population and establish a constant and expanding base of capital extraction for investment in manufacturing was never reached. The output and range of products grown were substantial, however, and suggest a strength to pure peasant agriculture (as opposed to peasant production of export crops) that rivaled export agriculture during this period. The plantation itself was weak at this time in Jamaica and Barbados and by the 1870's, in Trinidad and British Guiana. But export agriculture, the real foreign dominated challenge to food production, had considerable strength in the West Indian economy in the British competitive capitalist era.

Turning to light manufacturing in Jamaica from 1846 to 1880, we find evidence that the development of petty crafts and trade also went beyond the level of the mercantile period. Increasing numbers of people were employed in carpentry, tailoring, etc., and given the large numbers of services formerly provided by the plantation, both a cash economy and the variety of marketable goods and services inevitably expanded. Further, it appears from Eisner's figures that crafts oriented to individual consumers were more frequently taken up than those of service to the plantation or other enterprises, e.g., bricklaying, carpentry, etc. (Table 3). This trend reflects the demise of the plantation and other large export-oriented systems of production.

Table 3. Number of Jamaicans Employed in Industry and Construction (Eisner, p. 175)

	1844	1861	1871	1881	1891	1911	1921
1. Dressmakers, tailors, etc.	N.S.	9715	13650	17607	22331	25139	28366
2. Shoemakers	---	808	1710	1803	1768	3147	3015
3. Butchers	---	151	368	403	611	1033	1038
4. Carpenters, etc.	---	5793	7922	10852	9181	9263	8226
5. Blacksmiths	---	818	1432	1377	1185	1122	1051
6. Bricklayers, etc.	---	1767	2417	2527	2502	2860	2042
7. Other	---	12941	9073	7339	9642	18163	17393
Total	18485	31992	36572	41962	47220	60727	61131

Hall (1959) suggests that overall, the advances in manufacturing made during this period were not great. Furthermore, the towns were frequently rife with unemployment, as urban industry could not support a growing non-agricultural population. After 1850, a number of skilled laborers and crafstmen emigrated to Panama, and did not return.

The major problem that the emerging industrial bourgeoisie encountered in the West Indies during the British competitive capitalist period was the inavailability of credit. Financiers and government in Britain would not support long-term projects in the dependent colonies outside of the category of public services and public works. Saving banks, holding the hoardings of laborers, small farmers, craftsmen, etc., made funds available to the Jamaican Treasury, but not to private capitalists. Companies in the United States were not yet interested in investment in Jamaica, assuming that their capital could have been channeled into manufacturing with substantial domestic linkages. Inexperience and lack of political influence compounded the problem of capital scarcity (Hall, 1959, p. 154); schemes to grow tea, tobacco, cotton, and to manufacture silk, to mine copper, and to market Jamaican timber, all ended in disastrous or disappointing results. By the 1860's, the interest of local investors in attempts to establish new enterprises in Jamaica had ebbed. A favorite investment became public works, for which Jamaican government loans were available.

The most successful urban economic activity was long-distance trade--the buying of sugar and other export crops from West Indian farmers in exchange for imports of food and manufactured goods. The introduction of wage labor and extensive peasant agriculture both increased the volume of imports sold and the number of intermediate positions between buyer and seller. These trading establishments could also benefit from the extension of corporate agriculture into rural Jamaica; Hall tells us that some of the new long-distance traders were also involved in sugar-planting (p. 223). He adds

(p. 228) that merchants were apparently among the highest income groups in Jamaica, based on accounts of a Jamaican of the period who was trying to change the tax laws. Their prosperity increased after 1846, probably because of lending to troubled estate owners.

As Eisner's figures show (Table 4), however, the number of Jamaicans involved in commercial employment was never great.

Table 4. Numbers of Jamaicans in Commercial Employment (Esiner, p. 165)

	1844	1861	1871	1881	1891	1911	1921
1. Merchants	433	150	203	216	239	322	376
2. Shopkeepers	} 2216*	1166	1774	2339	3131	3649	3587
3. Petty Traders		437	1594	1175	1667	3573	4164
4. Clerks	1555	636	1132	1812	2242	3212	3694
5. Transport work	687	1105	1263	1282	2074	4193	3792
6. Other	---	620	342	565	1587	4795	5013
Total	4891	4114	6308	7389	10940	19754	20626

*Includes itinerant traders

The number of long-distance traders never rose above 376, although these figures are deceptive, as they obscure the overseas participation of British merchant houses in trade and production in Jamaica. The numbers of petty traders and shopkeepers grew more rapidly, outpacing population growth from 1861 to 1891. Tabel 3 reveals high rates of increase for those engaged in some areas of manufacturing and service, for example, dressmakers, tailors, shoemakers and butchers. Yet, the number of carpenters, blacksmiths, and bricklayers grew less quickly and less extensively from 1861 to 1891, indicating the relatively low levels of development of manufacturing actually achieved in Jamaica of the British competitive capitalist period.

The West Indian Colonial State and British Competitive Capitalism

During the period of competitive, free-trade British capitalism, the British loosened political control of the colonized world, most notably in the Dominions, where the needs of British capitalism for capital goods markets, and the economic and political expectations of their immigrant populations, combined to make political autonomy necessary. In some of the dependencies, legislatures also gained greater powers, but with less approval from the Crown. The British government continued its resistance to colonial grants for development and welfare, in accordance with the competitive capitalist period's mood of anti-colonialism. In the West Indies, colonial legislatures grew in power, but no longer represented planter interests in the singular way they had in earlier years. New social groups, including primarily Afro-European professionals, farmers, merchants and craftsmen, gained entry into legislatures and began to make demands on the revenues of the central government, demands which competed with those of planters. These were chiefly in the areas of development of roads, warfs, ports and other facilities that aided non-plantation enterprises and generally contributed to the rise of internal marketing. The planters mightily resisted these efforts, but figures from the period indicate an increased commitment on the part of the central political authority to the construction of an infrastructure. The government also provided some poor relief and made a small contribution to education (Eisner, p. 326). The revenues for these expenditures were taken from property taxes and custom, excise and tax duties. Towards the mid-years of the British competitive capitalist period, the West Indies reached a position of economic desperation. The world was in economic depression, and beet and other cane producers offered stiff competition to petty and large-scale producers of sugar in the West Indies. West Indian governments took loans from the British state, owing Britain about f.9 million in 1870 (Benians, 1959b, p. 197). From 1869-1878, the negative Jamaican balance of payments is accounted for, in part, by Jamaican government borrowing from numerous sources, with the backing of the Imperial government (Eisner, p. 283). In the 1870's, the Jamaican government also invested abroad through the Government Savings Banks; Jamaica and British Guiana owned stocks in railways.

Summary

In this chapter, I have had three objectives. The first was to discuss differing approaches of Caribbean structuralists and traditional materialists to the study of West Indian stratification and development: in particular, the definition of modes of production, the possibility of bourgeois revolution in satellite nations, and the expansion of an internal market. Alternative Marxian theories and analyses of these phenomena based on recent Marxian studies of imperialism and dependency were also examined.

Second, I presented four propositions derived from specific

Marxian theories of dependency about satellite economy and society that describe changes in satellite systems of production, class relations, dependent development, and the state, that occurred with the transition from metropolitan mercantile to competitive capitalism.

Third, I have detailed these transitions in the West Indies, looking first at the systems of production, forms of class relations, dependent development, and the state as they were established in the British mercantile era, and as they changed with the British transition to competitive capitalism. I maintained that the West Indies of the mercantile era were dominated by slavery and the sugar plantation, a combination of production and labor use that had "irrational" features. British planters and merchants formed the most wealthy sector of the society, although planters were often not in residence there; lawyers, doctors and a few white plantation employees also held political and economic power over the mass of African and Afro-European slaves; a number of Afro-Europeans and other manumitted and free-born West Indians moved to the towns or engaged in other types of non-plantation production. Development was concentrated in the plantation sector, although slaves traded provisions in a small internal market, and ex-slaves engaged in production of export crops and goods and services for the plantation. The colonial state controlled tightly the allocation of financial resources and held broad political powers in the area, in keeping with the mercantile view of colonies.

With the adoption of liberalized trade policies by the British, West Indian plantations were sold, abandoned, or passed into receivership. Production was too costly for competition in a market that lacked guarantees. Many planters and long-distance merchants left, allowing a peasantry, local traders and manufacturers access to remaining resources. These groups struggled with well-used land and little credit to institute small-scale food and commodity export production, and the manufacture of various simple goods. The internal market grew. With the virtual collapse of large-scale planting, class relations changed. Remaining white planters, long distance traders, and professionals still had the greatest wealth and income, but many in the national bourgeoisie became prosperous. In the competitive capitalist period, Britain grew tired of the political and financial commitment to her colonies and to colonialism in general. She allowed the West Indian legislatures more power in many spheres, power which fell into the hands of representatives of the national bourgeoisie as well as to white planters, lawyers, merchants, etc.

FOOTNOTES

[1]Petty producers of exports and goods and services directed to the export sector do not have the same class interests as large-scale producers, domestic or foreign. The struggles of these small-scale farmers and manufacturers against giant exporters introduce many changes in the course of capitalist development and may create conditions that encourage the rise of a progressive national bourgeoisie. However, conflict between export-oriented petty producers and large-scale producers have not been based on demands by the former for a total transformation of the system.

[2]The discussion here does not include regions, such as the British Dominions, that received European settlers who often produced food and intermediary products to be sold to the regions of commodity export production. Wallerstein (1974b) categorizes these as semi-periphery societies. Sheridan (1969, p. 16) states that Britain was relatively unique in her use of "temperate zone" colonies to supply "tropical" ones and to absorb some of the latters' products. But, to some extent, the haciendas of Latin America played the same role as did the British Dominions. This form of large-scale agriculture was the basis of the production of meat and wheat to satisfy "the demand for agricultural products generated by the colonial mining or urban economy subordinated to the metropolis" (Frank, 1972, p. 26).

[3]Geertz (1971) recounts how the Dutch, through the East India Company, established both sugar estates and smaller units of raw material production in Indoesia. The small-scale systems of production were often regulated through restriction, quotas and fixed prices for products grown, and forced labor.

[4]Genovese (1969) argues that in the ante bellum South, labor was not very productive because of the carelessness and wastefulness of the slaves, and "limitation imposed on the free work force, on technological development, and on the division of labor." These factors constrained the planter however, only at the moment when his commodities were no longer competitively priced on the free world market. At this point, the lack of adaptability of slave plantations to improved technology--because of capital scarcity, the low levels of skill among slaves, a surplus of slaves for increasingly sophisticated technology--marked the downfall of the planting class. At an earlier time, when soil was fertile, the low productivity of the slave was irrelevant; the aim of planters commencing production of commodity exports under conditions of mercantile preference and monopoly was to produce as much, as quickly, as possible. Costs could be high because profits were enormous, given the control over the market exercised by the mercantile state. Labor repressive systems were irrational only when political manipulation of the market could not be absolute, as was the case in the competitive and monopoly stages of capitalist development.

[5]Thomas' qualification that domestic capital accumulation is relatively limited in satellite nations is important, for some accumulation has been possible. In fact, as many scholars have demonstrated,

metropolitan investment in the Third World in the post-World War II period has often been joined with local capital (O'Connor, 1971; Evans, 1975-6). Cardoso goes on to contend that the dependence of some Third World countries, e.g. Brazil and Argentina, is no longer on capital, but only on technology. The fact remains, however, that the dependent country does not profit as it would if it had full control over production; indeed, autonomous satellite development would involve different, more profitable types of industries than are now found in dependent societies.

[6]Since World War II, dependent nations have received high levels of foreign investment in manufacturing for the domestic market. Local capitalists have participated in this investment, reducing the satellite's dependence on foreign capital to some extent. This new investment has not reduced satellite dependence upon imported food, capital goods and light manufactures. The growth of the internal market has been stimulated only to the extent that new investment in goods and services has been channelled to the foreign-national owned enterprise. This type of investment has all of the disadvantages of the provision of resources for raw material producing plants; the market is small and inelastic, further restricted by the tendency for multinationals to carry out parts of the production process abroad (Hymer, 1972; O'Connor, 1970).

[7]Theorists of "underdevelopment," following Frank, have emphasized foreign control of production in Third World countries, studying the links between imperialism and "underdevelopment" (see, for example, D. Johnson, 1972). Yet, growth in foreign controlled sectors, and resulting inequality--the essence of underdevelopment--seem more simply to be examples of uneven development. Moreover, "dependent" and "uneven" development are categories that do not suggest totality, as does the structure "underdevelopment," and do allow for greater accuracy and precision in discussing the complexity of satellite economic trends in accordance with the history of metropolitan captialism.

[8] The interpretation of African slave labor as better suited to the tropics than European labor has been questioned. Williams (1966b, p. 20) argues that whites could and did adapt to the high temperatures of the tropics. The problem was that the expanding market for sugar, combined with the drop in productivity as land was stripped of its nutrients, necessitated ever higher levels of repression of the labor force. Indentured servitude was approaching the status and conditions of slavery. However, because of the developing ideology of white biological supremacy, whites could not be so completely subjugated as black slaves, particularly when the alternative of plentiful, cheap African labor was available. Waddell (1967) argues that the climate was not a deciding factor in the rejection of white, European labor in favor of black African; the mortality rate for both Europeans and Africans was extremely high. He suggests that the preferences of the planters were not really at issue; rather, the slave trade developing under the auspices of Spanish, British and Dutch merchant companies, made plentiful a form of cheap labor. The African

slave trade took on a life of its own as a potentially enormous source of profit for the mercantile houses; the state relegation of conflicts and non-conformists to labor in the New World was simply not competitive with the aggressive tactics of private merchant capital (p. 44).

[9]Despite British prohibitions, American supplies continued to penetrate the British West Indies, although the indirect routes and other problems encountered in this surreptitious method of trade increased the price of goods. The outbreak of war between the British and French caused the British to permit more American goods to reach the British West Indies. Williams estimates that in 1796, American exports to the British West Indies were three times the figure for 1793; during this time, British exports declined by half. In 1801, American exports to the British West Indies were nearly five times what they were in 1792 (Williams, 1966b, p. 122).

[10]Waddell (1967, p. 65) suggests that the French West Indies always produced more food locally than did the British West Indies. The interruption of American exports to the latter resulted in more domestic production of food, although it never grew to levels sufficient to feed the laboring population, even after Emancipation.

[11]Williams (1966b, p. 92) adds that the planters threatened to increase the price of sugar to counter merchant threats of foreclosure.

[12]The absence of many planters from the islands added another dimension to the conflict between the Crown's representatives and the members of the assemblies. The absent planters sometimes had interests in opposition to those of resident planters. Williams notes that when the Deficiency Laws failed to counteract absenteeism, local assemblies tried to confiscate large tracts of idle land owned by absentees and to redistribute them among small farmers. At the insistence of planters living in England, the British government opposed the assemblies' plans (p. 85). Waddell adds that since many planters found it cheaper to pay the fines that resulted from non-compliance with Deficiency Laws, the Laws became a revenue generating device for the local assemblies (p. 54).

[13]As noted earlier, for most of the eighteenth century, the North American colonies were important markets for West Indian goods and exported food and manufactures there. After the American War of Independence, this trade declined in importance, as the United States refused to ship goods in British vessels.

[14]A child was free if his/her father was free <u>and</u> legally claimed paternity. A person was considered legally to be white after four generations of intermarriage with whites (Curtin, 1955, p. 43).

[15]I know of no attempts by dependency theorists or structuralists to explain West Indian state development. Best simply attributes the differences between mercantile political control of "hinterlands of settlement" (Dominions) and "hinterlands of exploitation" (one type of

dependency) in this way. In hinterlands of settlement, "[t]he ethos is democratic and egalitarian. . ." In hinterlands of exploitation "[m]ilitary government is provided by the metropolis" (1968, pp. 283-288). Beckford (1972) argues that state control in the West Indies, and in plantation societies in general, has consistently resided "with the superordinate group (individual and then corporate planters) among whom economic and social power is concentrated." He adds that West Indian societies have historically had highly centralized government administrations (pp. 73-79). The history of politics in the West Indies is far more complex and needs to be studied fully. Scholars of the historical materialist school, most notably Eric Williams (1966 a,b) and Douglas Hall (1959, 1972) have tried to show the ways that class conflict was manifested in politics during the eighteenth and nineteenth centuries; Eisner (1961) offers useful figures on the income and expenditures of the Jamaican central authority for the same period. These works do not rest on a coherent theory of imperialism that relates satellite state development to economic and political changes in metropoles. I have asserted that Marxian theories of the colonial and dependent state offer a broad treatment of the functions, autonomy and personnel of the satellite state, but are also weak on the relation of the satellite state to economic development in the metropole. The following discussion suggests possible theoretical directions such study might take.

[16]See Best (1968), for a useful discussion of the differing and shifting economic conditions of the dependencies (hinterlands of conquest and hinterlands of exploitation) and Dominions (hinterlands of settlement).

[17]An example of the crude methods and inefficiency of British West Indian agriculture was the non-use of irrigation, long practised by the French in St. Dominique. Moreover, in 1832, less than 7% of plantation profits were reinvested in Jamaican plantations (Ragatz, 1963, p. 59).

CHAPTER V

BRITAIN, THE TRANSITION FROM COMPETITIVE TO MONOPOLY CAPITALISM

Introduction

In this chapter (V), I will discuss four historical propositions about bourgeois capitalism in its competitive state, and Britain's history of capitalist development. These propositions are based on Marxian theories of imperialism, and modified in terms of the history of bourgeois capitalist development and the Marxian method. The propositions relate to the causes of the transition from competitive to monopoly capitalism; the latter's characteristics; shifting trade policies; the predominant mode of monopoly imperialist expansion.

By 1870, the capitalist world faced a new period of economic development and a quarter century of slow growth and crisis. The concentration of production and capital in large corporations marked the transition to this new stage, with the consequences of monopolistic control of markets and resources by one or a few firms, and the vertical integration of phases of production. Corporations developed out of the earlier form of joint-stock investment, everywhere dominated by finance capital. Eventually capital accumulation within the firm brought about industrial and commercial independence from finance capital.

Britain, the premier metropole, encountered German and American competition in the world sale of capital goods at this time. These rivals to Britain had initiated the "new imperialism" of the late nineteenth century in order to politically safeguard sources of raw materials and labor and markets in the Third World, where Britain had long been dominant. Faced with depression and challenges to hegemony in the industrial and non-industrialized worlds, Britain joined the imperialist drive, colonizing territories of Africa and the Pacific. The colonial solution to economic decline slowed the evolution of British monopoly capitalism.

In the capitalist metropoles, the growing concentration of capital led to new forms of imperialism. Capital investment--lending, investment in shipping, trade and overseas production--displaced trade as a dominant channel for imperialist expansion. Capital investment reinforced the burgeoning movement among the industrial powers to control raw materials and markets in the economically backward areas of the world. In Britain, raw material producing corporations were among the first to experience concentration of capital, the centralization of production and vertical integration. British (and American companies) invested in several West Indian industries; the economic vigor of worn-out and abandoned regions could be renewed because of the capital intensive methods employed by multinational corporations.

During the transition from British competitive to monopoly capitalism, the free trade of British goods was supplanted by protectionism. Industrial manufacturers recognized the comparatively high prices of British capital goods. The Dominions and dependencies favored market guarantees for their own products and supported a system of mutual preferences within the Empire. Finance capital and sectors of British industry resisted the policy change from free-trade to protectionism, but eventually came to agree that the loss of British international industrial hegemony necessitated new trading practices.

The shifting ideology of trade in Britain marked the transformation of world capitalism, for no nation would again have the broad industrial superiority necessary to gain from a policy of complete free-trade. The high capital content of investment in industry and commerce encouraged national policies of protection; monopolies and overseas capital investment substantially altered the terms of trade in many industries.

Theoretical Foundations

The long depression of the late 1800's introduced new possibilities and constraints into the history of Western capitalism. The principal relation which developed was that of monopoly control of markets by some firms.

Monopoly capitalism grew out of the dynamic of competition. "The concentration and centralization of capital that is characteristic of all industrial capitalist societies today arises out of, not despite competitive capitalism. It is the way the system moves through time" (Dowd, 1974, p. 45). As Adam Smith contended, competition had a socially useful and humane result; the drive to cut costs and lower prices among producers would push out the inefficient and make the concentration of capital and the centralization of production difficult. But, this formulation worked only in the decentralized structure of early capitalism. And, even at that time, inequality of wealth among producers (and other sectors of the population) was marked, allowing some businesses to withstand and counter competition more effectively than others. The ability of the wealthy industrialist to enlarge the scale of production enhanced the firm's competitive strength. "Some of the smaller capitals disappear, others pass into the hands of the more efficient concerns which in this way grow in size. Thus the competitive struggle itself is an agent of centralization" (Sweezy, 1970, p. 255).

Periodic downturns in demand furthered the concentration of capital and production.

> Those who survive capitalist rivalry do so by absorbing or by destroying the lesser firms. Capitalism is a predatory form of economic organization. For Smith's optimism to have been well-founded, limits would have to have been set on the size of the bigger fish. Set by whom, the bigger fish? In the absence of any explicit institutions designed to control such a process--and Smith's laissez-faire capitalism excluded any such--the bigger fish became more and more immune to any constraints on their behavior or further growth. They are best able to respond effectively to technology, and are best able to survive intermittent blasts of depression (Dowd, p. 45).

Within the framework of late nineteenth century capitalist development, technological changes hastened industrial centralization, vertical integration, and capital concentration. Developments in steel, electricity, industrial chemistry and oil made the segmented, decentralized business structures of the industrializing economies obsolete. Large amounts of capital and a broad scale of production were necessary to exploit these scientific advances (Magdoff, 1969).

From 1874 to 1896 Europe was in the throws of depression. Fifty years of nearly uninterrupted boom gave way to twenty years of continuously falling prices and profits (Barratt-Brown, 1974, p. 171). The process of capital concentration grew rapidly in the 1870's in the industrial countries among financial houses, as Lenin had described. In England, the City of London dominated political affairs and invested heavily in the dynamic overseas sector of the economy. In the United States, "the great majority of industrial capitalists became temporarily dependent upon finance capital like that represented by the house of Morgan. Banks, like Rockefeller and Morgan, were able to control vast capital assets tied up in life insurance companies as well as security and profits derived from industrial plants such as Standard Oil and U.S. Steel" (Jones, 1971, p.288). Throughout the century that followed, economic power shifted from financial houses to industrial corporations, as Marx had forseen many years earlier (Marx, 1967, Barratt-Brown, 1974, p. 202). The transfer was quite rapid after World War II, helped along by the state's rising economic commitment to industry, and the great industrial profits made from several decades of militarism in the West (Barratt-Brown, 1974 p. 203; Mandel, 1968).

Finally, agreements among industrialists and other capitalists to "protect, maintain or increase their rates of profits" furthered the centralization of production, its vertical integration, and capital concentration, by blocking competition from newer or smaller firms (Mandel, 1968, p. 401). These arrangements were varied in form, including those in which firms retained their independent identities but joined in price fixing, market allocation, etc., and mergers and trust formation, whereby firms grouped into a single corporation. Mergers and trusts have been vertical and horizontal, leading both to the monopoly control of markets and factors of production by a few firms and the integration of many productive functions within one corporation. "Horizontal mergers lead to concentration of power in a given industry and to oligopoly; a few dominant sellers in an industry. Vertical mergers strengthen the hand of already large firms, while also creating higher barriers to entry by new firms" (Dowd, p. 68).

Monopoly was the principal means of responding to economic depression, but other measures for protecting industry arose during the period of competitive capitalism. From the late nineteenth century, the state became more intimately involved in production by increasing its commitment to insure markets and prices for suffering industries, a practice officially opposed during the height of industrial success. Protective and preferential trade agreements reappeared at this time as well, partially as a result of a downward cycle in the evolution of Western capitalism. Imperialism presented another means of expanding markets, one which Britain, long oriented towards international trade, readily embraced. The hegemony of capitalists involved in overseas trading, lending, and shipping, over other sectors of the capitalist class, influenced the British turn to imperialist expansion. The British state aided capital by politically securing economic rights to markets and factors of production through colonization. German and American capitalists, expressing a similar concern for market scarcity in view of British initiatives in seizing world markets, stepped up their attempts to end British economic hegemony in the non-industrialized regions through political means.

Monopoly capitalism made possible new forms of imperialist expansion. Trade between the industrial and non-industrial countries continues, even now, to be a major source of capital accumulation for metropolitan capitalists. But protection and mutual preferences within empires and trading areas reduced opportunities for unequal exchange, and, without substantial development in the satellites, their markets for all manufactured goods were limited (Mandel, 1968). Most nineteenth century capital export was in the form of portfolio investment in companies involved in trade and raw material production overseas and government loans carrying government guarantees. About half of British overseas capital investment was in loans to governments or mixed public and private enterprises. Almost all French and German capital exports were in the form of government to government loans. The main incentive for investment of this type, contends Barratt-Brown, was the guarantee against loss of the original investment capitalist by metropolitan (and some satellite) governments that was associated with most (1974, pp. 176-7).

Other forms of direct and indirect capital investment--in raw material production, banks, overseas trade, and eventually in manufacturing--grew in significance throughout this century. It was, however, direct corporate investment which embodied the thrust of monopoly capital development towards the concentration of capital and centralization of production within one industrial or commercial firm. For the period under consideration in this chapter, 1870 to 1930, British corporate development was in its beginning stages. Lenin saw the role of the "monopolies" in the imperialism of the 1880's and 1890's, although he incorrectly explained their financial basis and the reasons for the "new imperialism."[1] The oligopolies, in search of markets and raw materials, gradually wrested control of capital from financial interests, thereby gaining hegemony in the international economy and elevating the importance of commerce and industry in relation to finance. In the last quarter of the nineteenth century

> [S]ome companies, like Royal Shell and Unilever, developed into multinational control as well as trans-national corporations. Others, like Standard Oil, General Motors, ICI or Imperial Tobacco, were owned by one group of nationals, but established subsidiaries in many countries: some wholly owned, some with only a majority shareholding by the parent company. These trans-national companies took advantage of the economics of vertical integration or exploited a monopoly in some product, patent or know-how (Barratt-Brown, 1974, p. 219).

Monopoly capitalism brought a major realignment in trade policies among metropoles and between metropoles and satellites. In general, the relationship between industrial strength and the seeking of liberal trading terms became less sure; no country, including the United States, has enjoyed or wanted the freedom to trade internationally that Britain had in the mid-nineteenty century.

> Free trade and the doctrine of the free circulation of goods and capital were thus routed at the very moment when this circulation had reached its highest point, through a universal system of convertible currencies. Monopoly capitalism has to protect its own internal markets from invasion by foreign goods; the basis of monopoly super-profits must be defended. It has at the same time to safeguard the monopoly of its colonial markets from invasion by foreign capital and foreign goods, for this is the basis of its colonial super-profits. The policy of free trade was first called in question in relation to agricultural products, when competition from cheap agricultural products from overseas began to be felt. Gradually, protectionism spread to industry as well (Mandel, 1968, p. 452).

Industrial countries have adopted protective policies in trade with both developed and developing nations. Capitalist metropoles have tried to assure both raw materials and markets in Third World nations through mutual trade agreements. Many such preferential arrangements were initiated in the depression of the last century, but the motivation has more often been the need of raw material producing oligopolies to control supply. The satellites have been equally eager to establish preferred status in industrial nations, given the numerous problems of raw material production and marketing. In trade among industrial countries, protectionism has been strengthened by the high cost of investment and production in the monopoly phase of capitalism, making the security of national markets essential. The need for products from the premier industrial country is less common than during Britain's rise, when she was the sole, efficient producer of many manufactured goods. Furthermore, tariff barriers have become irrelevent because of the capacity of large corporations to invest abroad in branch plants and subsidiaries. The dominant international metropole, the United States, has pressed for liberalized world trade off and on during the twentieth century, but she has retreated to protective policies at times of crisis and support for liberalization has not extended to all industries (Kolko, G., 1968; Kolko, J., 1974).

International Depression and Monopoly Capitalism

In the mid-1800's, Britain produced about two-thirds of the world's coal, about one-half of the iron, one-half of the cotton, 40% in value of its hardware. However, even by the 1840's, Britain possessed only about one-third of the world's steam power and produced even less than one-third of the world's total manufactures. Its chief rival was the United States. Britain was able to maintain its position in the production of cotton through the century, but by

1870, Britain had only about one-quarter to one-fifth of the world's steam power and less than one-half of the steel. By the early 1890's, the U.S. and Germany had both surpassed Britain in production of steel. As a result, Britain feared losing markets to these competitors and sensed that the industrial giants of these nations might more easily secure raw materials and markets for capital goods, competitively or with state support. Thus, the battle for markets, raw materials and cheap labor taking shape between industries in metropolitan countries, was reproduced in relationships between industrial states. The U.S. and Germany joined in the scramble for colonies and markets, and favored high protective trade barriers for their own countries and preferential relationships with raw material sellers and buyers of their finished goods. British industry suffered from high protective tariffs in industrialized countries and needed an open door in uncolonized, undeveloped countries, particularly Africa.

Underlying the British anxiety over the security of markets and supplies was the depression crippling the industrialized world in the 1870's and continuing through the mid-1890's. Maurice Dobb (1963) suggests that this period of economic crisis was a watershed in the development of capitalism. Before this time, capitalism had been vigorous and prosperous, subject to periodic depression, but sustained by tremendous technological innovation and business optimism; following this crisis, capitalism lost its competitive buoyancy and solved the immediate dilemma of underconsumption by the combination of monopoly, imperialism and political intervention. In America and Germany, the crisis was more serious. And as corporations folded, they were brought up by more prosperous competitors and financial powers.

In the U.S. in the 1870's, the rise of trusts was marked, leading to anti-trust legislation in the 1880's; in Germany, associations of producers in iron and coal industries were formed in the '70's with the support of the state, and proliferated to an estimated 400 in 1905 (Dobb, p. 310; Jones, 1971). British industry became somewhat more concentrated than previously, and the state enacted price-output agreements.[2] The Salt Union, United Alkali, Breinner Mond, J. and P. Coats, Lever Brothers all date from the Depression. But most firms remained small and highly specialized until after 1919, when Britain began to exhibit more and more of the monopoly concentration and domination of finance capital that Germany and the United States had displayed late in the nineteenth century (Barratt-Brown, 1963, p. 121).[3] The form that the Depression took in Britain, its immediate causes there, and the structure of British industry led to a response based on imperial expansion.

Dobb states that the depression in Britain was triggered by a curtailment of foreign investment and exchange opportunities. Prior to 1873, foreign investment served as a safety valve against any tendency for the process of accumulation to outdistance the possibility of profitable employment at home. From 1867 to 1873, the safety valve was cut off when Egypt, Russia, Hungary, Peru, Chile and Brazil defaulted on a series of loans. Capital was rechanneled to the home market, which collapsed in 1877. The result was an unemployment rate of 10%, continuing overproduction, and declining profit margins. Export demand also contracted, as did railway production orders. In the years 1867-1873, British foreign trade had increased by more than one-third; by 1873, total exports had been 80% larger than they were in 1860. But by 1876, British exports shrank (in value) by 25% compared with the peak figures of 1872. Exports to the United States alone were halved. Despite recoveries in export figures in 1880 and again in 1890, it was not until the turn of the century that the peak figure (in value) of 1872-3 was surpassed. The decline of exports was accompanied by a marked increase in the surplus of visible imports over exports (Dobb, pp. 300-313).

As Hobsbawm contends, Britain could have launched a major reorganization of industry towards production for an internal market, a shift which did occur after the depression of the 1930's, that would have shielded her against cyclical declines and the effects of the competition from rival metropoles. Yet the success of British industry to this point had very much rested on exports, and it was this means of fending off the crisis which appeared most reasonable and cheapest to those British industries active overseas, the financial empire and the state. This renewed push towards overseas markets took the form of colonization precisely because it was a defensive action. Since the rise of competitive capitalism, the most economically powerful country has sought liberal terms of trade in order to increase the total volume of world trade; America does so today. Colonialism is a means of politically securing markets and raw materials when natural economic advantage is working against an imperial power. Britain scurried to colonize in order to guarantee factors of production and markets against competition, but primarily for the longer term, as the rise of rival imperialisms meant a possible end to British hegemony that would not become absolute for several decades. It was in the area of capital goods exports that Britain most feared

American and German industrial power, and here the dependencies were of little value. However, in both the sale of capital goods and investment they provided a kind of cushion for faltering British financial and industrial interests. Moreover, they were great buyers of textiles, still Britain's chief industry, and could be counted on to purchase large quantities of British light manufactures in the time following colonization and in the uncertain future.

And this fact underscores the most significant aspect of British economic problems during the last quarter of the nineteenth century--that Britain had begun an economic decline which was to extend over a seventy year period. She had the productive organization and technical facility of an older, less flexible capitalism; and in being forced to exchange an informal empire over most of the underdeveloped world for a formal empire over one-quarter of it, she had backed herself into a corner--continued emphasis on export industry, increasingly of consumer goods, with a limited number of markets, and restricted ones at that. The depression of 1873-1896 ended with a major rearrangement of international economic power; during the depression Britain had ceased to be the 'workshop of the world.' She was now one of three great industrial powers, and in some crucial respects the weakest (Hobsbawm, 1969, p. 127).

Depression and the "New Imperialism"

Britain did not begin the great search for colonies, but she was compelled to join in the recent surge of growth of American and German capitalism indicated by their booming export sales and their own drives for colonies.[4] Both Germany and the United States had initiated industrial capitalism, like Britain, behind the screen of protective tariffs. As they reached the state of establishing industries dependent upon raw materials, they naturally sought colonies, in defense of one another and Britain. The development of oligopolies increased inter-firm competition and drew the state in to secure and protect markets and sources of raw materials through political means. For the United States this represented a departure from contemporary thinking about colonization; the United States had long expanded within its borders, controlling a massive frontier ripe with resources and potential markets. Americans sensed that European empires fell, in part, from the costs of supporting a military machine to keep colonies in order, and the dangers inherent in the existence of a standing army, subject to persuasion from competing political groups. Public opinion opposed colonies. But the Depression of the late nineteenth century convinced politicians, businessmen and the American public that continued capitalist expansion required movement beyond the frontier. To a considerable extent, the United States acquired foreign markets and factors of production in the 1890's through political and military maneuvers that fell short of formal colonization. Her economic and political weapons were made more potent by the lack of metropolitan competition in the Western hemisphere. Her unparalleled economic self-sufficiency largely obviated the need for foreign raw materials, at least for the time being; her real interest lay in markets for her commodities. And in her natural spheres of influence, Latin America and the Eastern Pacific, she acquired numerous markets during the nineties and early part of this century (Jones, 1971, pp. 228-237).

Germany, France and Italy all competed with Britain directly for influence in Africa and the Western Pacific. The consequence was the partition of these areas by the metropoles, and "balkanization" of Africa that has so disrupted traditional African economic and social patterns. By agreement with other European forces, Britain was granted areas of east, west and south Africa, close to the regions in which she already had interests, and serving as a door to the interior. Four charter companies were organized to penetrate these areas politically and economically. Gradually, plantations and other private and public means of exploiting their mineral and agricultural wealth were institutionalized, and the territories became Crown colonies (Benians, 1959a, p. 6). In Asia, Britain annexed Burma and subjected to her control the Malay peninsula and Baluchistan.

The public support necessary to carry out this imperial expansion developed slowly in Britain as people began to associate economic recovery with imperialism. As Benians asserts, "To have assumed control of immense areas of tropical Africa and groups of islands in the Pacific would have been repugnant to mid-Victorian statesmen anxious to be rid of the responsibility and the cost of governing distant colonies and primitive (sic) peoples" (p. 6). The Liberal Party, led by Gladstone, dominated British politics through the 1880's and their policy continued to be an opposition to further colonization and the economic and military self-reliance of the nations already under British rule. They wanted to remain "little England" without the responsibilities of Empire. The Conservative Party, led to power by Disreali in 1874, also rejected the expansion of the formal

Empire, with its attendant costs. But he recognized the source of international, economic and political power embodied in the Empire and disliked the increasing efforts of the Dominions to achieve fuller self-government despite the liberal commitment to colonial (Dominion) self-rule. From 1880-85, the Liberals, under Gladstone, ruled with a policy of "consolidation," "inspired partly by a doctrinal objection to domination over foreign races," but mainly by a conservative fiscal policy. Gladstone condemned adventures abroad as "gratuitous, dangerous, ambiguous, impracticable" (Robinson, 1959, p. 127). Thus, Liberals and Conservatives agreed that to increase imperial commitments defied sound fiscal policy, and courted financial collapse and political unrest.

The "forward" school began to gain power in parliament during the 1880's. The proponents of this position held that existing imperial commitments could be protected from foreign encroachment only by formal extensions of British power. Forwardism cut across party lines, but tended to draw more conservatives than liberals. When, during the 1880's, the continental powers challenged Britain militarily, commercially and financially, a struggle took shape between the Gladstone upholders of anti-expansionism and leaders of the forward and expansionist positions. In the early stages of this conflict, the forwardists were known for their opposition to foreign annexations and to the acquisition of more than a small number of dependencies. But, by the late 1880's, the forwardists, federationists, export industry and financial interests, and humanitarians joined to press for the seizure of new tropical colonies for future commercial and philanthropic development. "If in the eighties British imperialism was the product of chance and the devious opportunism of a few strong personalities, it became progressively during the decade a popular nostrum for curing depression and unemployment, for easing national insecurity and ensuring future greatness" (Robinson, p. 180).

Support for the new imperialism eventually spread across all social classes. Barratt-Brown suggests that the working class displayed imperialist sentiment even in the 1870's; Disreali was the first politician to see that the Liberal Party's appeal to trade unionists was best countered by a mixture of social reform and imperialism (Barratt-Brown, 1963, p. 92). Indeed this relationship became one of the underpinnings of Labour ideology in the twentieth century. Social Darwinist ideas, then gaining currency in Europe, encouraged a humanitarian rationale for imperialism, which became the primary reason for intellectuals' support of colonization. Proponents of this position favored the establishment of government bureaucracies in the new dependencies and missionary expeditions to civilize and Christianize the benighted masses. They fostered a progressive turn in British foreign policy towards the dependencies, and, for the first time in imperial history, the government made efforts to improve the quality of life of people in the dependencies. Rather than leaving the fate of these areas to the whims of private capital, the British state advocated the betterment of health and educational facilities in the nominal interest of the inhabitants of these colonies. There can be no question that this British policy greatly benefited those sectors of industry and the financial community committed to overseas expansion, for it allowed a small market for capital goods to develop. But the original thrust for this approach came from a "liberal" reading of Darwinian thought by the intellectuals and humanitarians of the day.

The assumption of responsibility for economically less advanced peoples in the colonies was seemingly incompatible with the dominant ideology of the free-trade period. The disastrous British foray into southern Africa in the Boer War in the late 1890's renewed skepticism about the ultimate benefits of costly and troublesome colonies. But, having just annexed large areas of the Pacific and Africa, where people were poor, and were not likely to industrialize, Britons seized upon the humanitarian impulse to better the lives of non-white inhabitants of the dependencies. The idea received its most important reinforcement in the efforts of Joseph Chamberlain at the newly constituted Colonial Office. He persuaded the British public that aid was necessary for the development of the dependencies, the West Indies in particular. He argued that imperialism was potentially beneficial to a Britain in search of markets, and to the dependencies. He initiated a program to encourage economic growth in the colonies, through better terms of trade for the dependencies, promoting the investment of private British capital in colonial development, and securing British grants-in-aid to establish colonial bureaucracies and minor improvements in the health, welfare and the infrastructures of the colonies. He also tried to make more efficient the colonial bureaucracies at home and in the colonies; and, through the Colonial Loans Act of 1899, Chamberlain facilitated the issuing of advances from the British treasury for colonial railways, irrigation and public works. The Colonial Stock Act of 1900 enabled colonies to borrow on favourable terms at the London Stock

Exchange.

Although British policies in the dependencies in the late Victorian age marked considerable advances in official thinking about this sector of the empire, they did not result in a significant change in living conditions in the dependencies, nor could one think, even then, that these programs would turn these areas into industrialized nations. As Madden (p. 383) contends: "...to Chamberlain and his generation, the paramountcy of native interests appeared an absurd doctrine. Civilization itself was an acknowledged good, a trust for the whole world." Chamberlain's policies towards the dependencies, in fact, seemed to make more distinct a contradiction of imperialist relations, by creating an indigenous intermediary class of bureaucrats and administrators that were among the leading sectors demanding colonial political and economic rights during the first half of the twentieth century.

Monopoly Capitalism and Imperialism

The "new" imperialism of the 1890's brought prosperity to England until the first World War. The growth of the economy at this time renewed people's faith in capitalism and free-trade principles.[5] Foreign capital investment showed renewed strength in the 1880's under the impulse of the recent colonization, although, ironically, the investment market shifted from Europe and America to South America and India.[6] This surge was followed by a decline in the 1890's and expansion again after 1896, with a great boom in the three years preceding the outbreak of the war. After 1900, British capital went primarily to Canada, Argentina, the U.S.A., Brazil, Chile and Mexico, and in smaller amounts to Egypt, East and West Africa, India and China. Much of this investment was in mining, plantations, and infrastructure. And, as Lenin observed, financial institutions were coming to dominate private foreign investment, through loans to colonial states and the finance of trading companies, shipping and raw material extraction. In 1906, Hobson saw a new development in investment in manufacturing and industry abroad: in textiles, iron and steel and paper in Canada, in jute in India, in Russian iron and textiles. The latter remained, however, a relatively minor part of total British capital investment abroad until after World War II. In 1906, capital export had surpassed (in relative terms) the previously high levels reached in 1872 and 1890. In 1911 and 1912, up to 30% more capital was exported than during the whole decade 1890-1901; private overseas capital exported in 1913 reached the level of £225 million. On the eve of World War I, one-half of British capital abroad was in colonies and possessions and of the remainder, a very high proportion was in North and South America (Dobb, p. 313). Hobsbawm estimates that by 1913, Britain (the state and private capital) owned perhaps £4,000 million worth of property and productive capacity abroad; France, Germany, Belgium, Holland and the U.S.A. combined held only £5,000 abroad (Hobsbawm, 1969, p. 152).

The major source of British overseas investment capital was banks which financed joint stock and limited liability companies operating abroad. This hierarchy of capital control would change as the large corporations accumulated capital themselves. "With these international sources of additional capital at their disposal, corporate managements are to a greater or less degree freed from their dependence on the market for new securities as a source of capital, and by the same token they are freed from their dependence on bankers" (Sweezy, 1970, p. 267). But in the last quarter of the nineteenth century in Britain finance capital dominated industry.

Foreign investment in joint-stock companies in the 1850's and 1860's contributed to growth in the number and holdings of London banks. The number increased from 60 or 70 in the 1850's, to more than 120 in 1870, mainly through the arrival of some 40 imperial or overseas companies. The Companies Act allowed the incorporation of banks and limited liability of branches of British banks being set up in the colonies for transactions of British companies operating there. The Bank of England was the only reserve bank in the Empire, and held the reserve sterling of many of the branch banks wanting easy access to gold. In 1866, there were 28 colonial joint-stock banks with London offices (Benians, 1959a, pp. 196-199).

The degree of centralization of production and vertical integration of companies operating abroad remained limited in Britain of the late 1800's. At this time, many small companies collected the individual savings for investment abroad (Benians, 1959b, p. 183). In the 1880's, the sale of issues from joint-stock companies increased quickly; plantation and mining companies financed by companies floated in England were playing an increasing part in the development of Empire (Benains, 1959b, p. 196). The West Indian sugar industry was controlled by managing agencies of metropolitan firms in the late nineteenth century. During the same period, United States and British firms, growing out of shipping companies, became involved in banana production in the Caribbean and Central America. In Ceylon, tea lands fell to managing agencies rapidly from 1890 onward. The giant corporations, fully integrated horizontally and vertically in one firm, and possessing internal stores of capital, generally emerged in the early part of the century. The Australian based Colonial Sugar Refining Company began producing raw sugar in Fiji at this time. In 1910, Dunlop established its first rubber plantation, and by 1915 it had formed Dunlop Plantation, Ltd. In the 1930's, Tate and Lyle established itself in the West Indies (Beckford, 1972). Other corporations that operated overseas arose through mergers in the 1920's and the takeover of bankrupt firms in the 1930's: Unilever's, Brooke Bond Tea, Consolidated Zinc, United Molasses, Londin Zinc Corporation, Cadbury Distellers.

British investment in shipping also increased during this period; in the later 1850's, British ships carried about 30% of the cargo entering France and the U.S., and by 1900, they carried 45% of French cargo and 55% of American cargo. From 1880-95, Britain had a greater share of traffic of the high seas than at any other time in her history (Benians, 1959, b, p. 204). Shipbuilding and shipping became a part of the complex of interests--banks, trading companies, mining and agricultural concerns--firmly committed to the British Empire.

The recognition of metropolitan responsibility for the welfare of the dependencies had the inevitable and, perhaps, intended consequence of drawing the British state even further into the affairs of private capital operating abroad.[7] The government, through the Crown agents of the Colonial Office, sought the services of private companies to develop the commitments made by the Crown in establishing a colonial infrastructure and hugely profitable schemes, such as mining.

The exploitation of the colonies, which had been recently performed by merchant companies, was now carried out by the Colonial Office. Landowning, agriculture and mining fell increasingly under the domain of the state, rather than private stock companies. In both cases, however, the state stood as a kind of agent for private capital, assuming the costs of exploration, construction and administration, even production itself, and allowing many of the more profitable related means for capital accumulation--shipping, trade, insurance--to fall to private companies (Barratt-Brown, 1960, p. 43). In particular, the building of railroads, docks, steamships, waterworks, etc., all necessary to the successful exploitation of export crops and minerals, was deemed too expensive by private capital. Even in India, then the most profitable single colony, the state had to make a financial commitment to construction to lure industry, merchants and financiers.

Britain was also becoming a creditor on a large scale for the 44 colonies and protectorates, most of which were now permitted, for the first time, to borrow from Britain. What they borrowed was generally used for the infrastructural components necessary to successful production on plantations and in mining. The British government also had holdings abroad in the form of railroad securties, and now, with the profits from mines and plantations and with the interest from lending, earned considerable revenue in the period 1900-1915. Table 5 indicates the various types of British overseas investment from 1913 to 1934, and reveals the rising proportion of British investment in government stocks from 1913-1934, as increase from 30% to 44%. Of these, an increasing percentage of the total was lent to or invested

Table 5. Character of British Overseas Investment, 1913, 1930 and 1934

Types of Stock	1913 (%)	1930 (%)	1934 (%)
Government stock	30	42	44
of which Empire	21	32	34
Foreign	9	10	10
Railways	41	24	24
of which Indian	4	3	3
Other Empire	8	7	7
U.S.A.	16	1	1
Other Foreign	12	13	13
Public Utilities and Shipping, etc.	5	6	6
Commerce and Industry	6	7	6
Mines	7	4	5
Other Raw Materials	3	9	8
Banks and Finance	8	7	7
	100	100	100
Total in Millions of Pounds	3763	3425	3414

Note: Total includes only quoted securities, leaving another f300 million unquoted. (Barratt-Brown, 1963, p. 153).

in countries of the Empire; foreign countries received substantially less. This geographical shift of British government overseas investment is consistent with the withdrawal of all forms of British imperialist exploitation into the politically secure Empire. Of all forms of British overseas investment, government stocks grew most rapidly from 1913 to 1934, and constituted the largest percentage of British overseas investment by 1930. As the world great creditor, the British state (along with private finance capital) helped to stabilize Britain's balance of payments when, after the 1870's, the balance of trade suffered a constant deficit.

From 1870 to 1914, commodity exports also rose (in absolute terms), slowly in the first years of recovery after 1896. The Empire took a slightly higher percentage than previously; from 1871 to 1895, British possessions took the following percentage of total exports:

1871-5	22.7%
1987-80	24.6%
1881-5	26.3%
1886-90	25.8%
1891-5	25.2%

The percentage remained steadily at about one-quarter of total exports until the eve of World War I. The composition and destination of British exports reflects the narrow market for capital goods in the dependencies. The Empire took about 4/5 of apparel and shoes, a small part of the coal, about 1/4 cotton twist and yarn, 1/3 of the iron and steel, 1/3 of the hardware and cutlery. The Empire purchased about 1/3 in value of steam engines and about the same percentage of machinery. Many of the commodities related to industrial production were exported to the Dominions.

Britain's chief imports were food, raw materials for industry and manufactured articles. The Empire contributed almost nothing towards the last category. Wheat was purchased from the U.S., India, Russia, Australia and Canada; bacon, ham, beef and preserved meats from the U.S.; butter and margarine chiefly from Denmark, Holland, France and Sweden; cheese from Canada, U.S.; India and Ceylon provided about three-quarters of Britain's tea; India sold her rice; sugar came mostly from Europe and some was purchased from the West Indies and Mauritius; raw cotton was exported from the U.S. and Egypt; dye and jute were sold to Britain by India; jute was purchased also from the U.S. and Australia. British South Africa, Australia, Spain and U.S. sold copper to Britain; Australia exported lead, silver, ore and some tin; Europe sold wood and timber to Britain; Australia, New Zealand and South Africa exported wool to Britain.

Britain's most important trading partner during the last quarter of the nineteenth century (based on import and export figures together, but excluding bullion and specia) was still the United States, followed, in order, by France, India, Germany, Australia, Holland, Belgium, Russia, British North America, Sweden, Norway, Spain, China, British South Africa (Benians, 1959b, pp. 204-5).

Free-Trade or Protection?

In 1896, Chamberlain instituted an inquiry into the progress of foreign competition with British exports in countries of the Empire. Apart from India, which still bought primarily from Britain, foreign competitors had made inroads into British colonies and possessions.

Competitive imports rose from 26% of imports purchased by Empire countries in 1884 to 32% in 1892, confirming the fear of British overseas business interests that other industrial countries threatened British hegemony. It also revealed the paradoxical position Britain found herself in during the period following the acquisition of the African and Pacific dependencies. Her original purpose in these conquests was the protection of sources of raw materials and markets. In terms of raw material imports, the dependencies were useful and a guarantee for the future, but were relatively limited in terms of investment and market potential. Their utility in both of these realms increased over time, but in the late 1890's, in the face of increasing overseas competition, Britain needed greater market guarantees, particularly from purchases of British capital goods, i.e., the Dominions. The contrasting positions of Dominions and dependencies in terms of the purchase of British exports is revealed in Table 6. Canada (British North America), and Australia and New Zealand together, purchased more goods from Britain in 1870-4 than any single country except India, always an exception among dependencies because of its large market. The percentages changed somewhat between 1870 and 1894, however, indicating the increasing role of the Cape and Natal in the British Empire; the latter purchased a greater percentage of goods from Britain than did Canada. Australia and New Zealand continued to be large purchasers of British goods, and, like India, increased the percentage of goods bought from Britain between 1870 and 1894.

The concern of British officials and industries producing for overseas markets over the sale of British goods, accompanied a growing conflict within the higher circles of the Birtish state and financial-

Table 6. Mean Annual Exports of British Produce from United Kingdom to British Possessions: Imports of Empire Produce to Britain

Average Annual	Percentage of Total Exports						
	British North America	British West Indies	Australia New Zealand	India	Cape and Natal	Other British Possessions	Total British Possessions
1870-4	3.6	1.3	6.0	8.5	1.4	4.8	25.6
1875-9	3.5	1.5	9.1	11.3	2.5	5.2	33.1
1880-4	3.8	1.3	9.4	12.9	2.6	4.5	34.5
1884-9	3.4	1.2	10.2	13.7	2.4	4.1	35.0
1890-4	3.0	1.3	8.4	12.9	3.6	4.3	33.5
	Percentage of Total Imparts						
1870-4	3.0	1.8	4.7	8.7	1.0	28	22.0
1875-9	2.8	1.8	5.8	7.6	1.1	3.0	22.1
1880-4	2.8	1.4	6.5	8.7	1.4	2.7	23.5
1884-9	2.8	0.9	6.3	8.5	1.4	3.0	22.9
1890-4	3.2	0.6	7.3	7.1	1.4	3.3	22.9

(Benians, 1959b, p. 217)

industrial complex. While industrial interests had held thier own during the last quarter of the nineteenth century, London, the financial center of the world, triumphed from 1870 to 1915. Investment in trade, lending and insurance had become the pivots of the Empire. Domestic and overseas production was increasingly vulnerable to competition from other industrial powers in the British and in the international market. The new Empire of the 1890's provided raw materials and markets for a long period of time, and indeed, forestalled the inevitable. But the forces of the financial empire achieved a new supremacy, both as a result of investment and trade with the new dependencies, and, perhaps more significantly for future British development, in the Dominions and South America, areas in need of capital for their nascent industrialization.

The emergence of finance capital during this period is extremely important, for it foretold the future, dominant conflict in the British economy--that between industry, particularly industry producing for the home market, and financial capital (Block, 1971; Barratt-Brown, 1960). This conflict took the form of competition for state influence that was first evidenced in the early twentieth century debate between those favoring free-trade principles and those endorsing trade barriers and imperial preferences.

The home market had suffered in the imperial battles waged by the British state for industry and finance, and against foreign competition. Gross investment income rose from 4.5% of national income in the 1870's to about 9% in 1910-13. But foreign investment continued to exceed domestic investment; in the great boom of 1911-13, twice as much capital was invested abroad as at home.[8] By 1913, investment abroad was almost one-third of all holdings of British investors (Barratt-Brown, p. 93). Industry in general suffered from a desperate need for reorganization and modernization. After 1875, a new industrial technology had emerged based on new sources of power and new materials; as Magdoff (1969) notes, chemistry, electricity, steel and oil were the products of a scientific revolution in industry. Britain's structure of small and medium-sized, specialized productive centers militated against the successful adoption of these innovations, particularly at a time of depression when little capital was available for experimentation and change. Industry in America and Germany was centralized, and benefited from state support in the form of high protective tarrifs in America and cartelization in Germany.[9] British markets were not protected by tariffs or other economic safeguards, and British firms faced duties on exports of 10 to 30% ad valorem.

In the 1880's, Britain's chief exports were machinery, ships and rails, made from her iron and steel, and textile manufactures from imported cotton and wool. These industries provided employment for half of her population and gave her worldwide supremacy in exports. But the British economy had come to rely on these few staple industries which were dependent on foreign markets, and her superiority in these markets was steadily disappearing. While rails were made of iron, until the late 1870's, Britain enjoyed a monopoly of the world export trade. But she suffered a rapid fall after 1877 with the extension of steel making to the United States, Germany, France and Belgium. By 1896, Germany and the U.S. surpassed Britain in steel production, and the U.S. was the greatest exporter of iron and steel. Both Germany and the United States were developing mercantile marines and considerable sea power, forcing a decline in British merchant shipping.[10] Britain retained her superior position in cotton trading, although that too was declining. Furthermore, cotton was not a growth industry; its survival depended on the long term inability of some countries to produce their own textiles. The refusal of Britain to reorganize industrially meant that certain societies, i.e., the dependencies, had to remain undeveloped if they were to serve British industrial needs. At this point, Britain still wielded the political power to prop up its capital goods industries by forcing exports upon the Dominions. And, British industry became increasingly convinced, by German experience in particular, that a more direct relationship between the state and capital, expressed in an imperial customs union, would save British industry.

Those seeking protection at home and preference abroad joined to demand modifications in free-trade policy. The reform interests included the great landlords (seeking protection against American imports) and leaders of heavy industry, in particular, steel, who were faced with German "dumping" and severe American competition. They were led by Joseph Chamberlain, champion of the "Empire," against the Liberals, cotton industry, coal miners, shipbuilders, engineering employers (who favored cheaper German steel), and the Trade Union Congress (which feared the high cost of preferred consumer goods). In the elections of 1906 and 1910, the free-traders commanded parliamentary majorities. Barratt-Brown contends that Chamberlain was defeated by the City of London, which dominated the British economy, no longer by financing manufacturing, but by the issue and promotion and management of foreign loans from brokerage and insurance, and from the issue of bills to finance trade throughout the world (pp. 104-6). Free-grade benefited them, as it kept the level of international trade high. The retreat of Britain into an imperial preference scheme would increase the already marked tendency of metropoles to operate within formal and informal customs unions. Furthermore, the shifting of state concerns inward meant a loss of influence to finance capital and a general move away from the maintenance of Empire. Such a change was particularly serious for British bankers and traders, because domestic industry was so underdeveloped it would need extensive, long-term state help. On the other hand, trade was now so overdeveloped, that it too required constant support to survive. Domestic industry eventually scored a victory in this battle, inevitably, as the trade and finance rejection of tariff reform was based on the perception that British state efforts in favor of trade could secure Britain's international economic superiority indefinitely. In fact, tariff reform, like recent colonization and the supression of home industry, was an action that could achieve continued British hegemony, although it was anathema to those who benefited most from it. Tariff reform was exactly what trading interests needed, and it proved useful, as they continued to dominate the British economy. Nevertheless, it was a stop-gap measure, serving only to maintain existing markets, and did not produce dynamic expansion.

At the same time, the Dominions were seeking greater political autonomy and preferential treatment by Britain for their goods. These nations had been forced, for years, to buy British imports because of the latter's natural competitive advantage. As early as 1853, Canada questioned this unequal relationship and pressed for preferences. Britain gradually permitted the Dominions to institute their own commercial policy with other nations, on the condition that such agreements did not harm other members of the Empire. The Dominions began to institute tariffs, first as a means to collect revenue, as Britain did, and then, increasingly, to protect domestic industry. British policymakers were willing to consider the application of preferences for Dominion imports, but insisted on mutual preferences, which were bound to hurt Dominion industry.

The second half of the nineteenth century was a time of public hostility to the suspension of free-trade principles and opposition to policies primarily advantageous to the colonies; free-trade meant continued expansion of then hegemonic British industry and cheaper commodities for the British consumer. Even in the late '90's, as the inevitable retreat of Britain into her colonies took shape, most people were "free traders," and there seemed to be not the slightest chance of a reversion to protection. Canada, Australia and New Zealand continued to demand preferences; in fact, Canada adopted preferences for British goods, but Britain would not reciprocate, despite entreaties by Joseph Chamberlain. In 1910, a Royal Commission recommended that the colonies be permitted to establish preferences among themselves. Thus, the 1900-1915 period marked 1) the British refusal to adopt any form of Imperial preference, even with the relative contraction of the export trade and expanding markets in the Dominions and colonies, and 2) the gradual separation of self-governing

Dominions from the imperial treaty system and the development of independent commercial relations with foreign countries based on protective tariffs, even when detrimental to Britain.[11]

World War I exacerbated Britain's economic crisis, and by the 1932 Ottawa Conference, British industries and the public were fully committed to imperial preference, whatever the costs to the consumer. It became ever more evident that imperial policy, in particular the British conversion to a pro-imperial stance in the 1880's and 1890's, was inseparable from tariff reform. Many trading activities, including some aspects of finance, shipping and marketing, were absorbed into the integrated monopolies which proliferated after the war. Some of these corporations, remaining trade, and financial interests continued to oppose tariff reform, and exercised increasing independence from industrial capital, maintaining its international position long after British industry lost its hegemonic status in world markets. Finance capital dominated the British state during the post-World War I efforts to reorganize industry, by pulling state resources away from domestic problems to the emphasis on trade, overseas investment and the propping up of sterling as the preferred world currency.

During the early 1900's, British military primacy was challenged by the Continental powers and the U.S. British no longer ruled the seas or had the kind of infantry needed to win in confrontations with rivals. Early in the second half of the nineteenth century, Britain fostered an Anglo-American alliance by abdicating political control of the Western hemisphere to America. It was in the British interest that the U.S. police and Western hemisphere, protecting British investment, even when the magnitude of America's industrial potential became clear.

> If the U.S. could be relied on to preserve the uti passidetis in the New World, together with the maintenance of order and financial integrity among the less stable Latin American republics, Britain might be free to withdraw her forces to deal with other and more pressing dangers in the remaining half of the world, for the 'back-door of the British Empire' could be secured (Steel, 1959, p. 310).

In recognition of the Monroe Doctrine, Britain had dismantled naval stations in the West Indies, at Halifax, Esquimalt, and British Columbia, by 1905, and British garrisons were reduced to nominal strength in such key positions as Bermuda and Jamaica. By this time, America was challenging the British position in Latin America, but Britain had to suffer in silence, as she clearly needed an ally against the hostile fórces developing on the Continent. Steele suggests that the U.S. did not see World War I coming; Britain saw it and from 1900 to 1910 pursued American influence, willingly sacrificing most of her economic interest in the Western hemisphere in return for American good will (pp. 330-333). It is doubtful, however, that Britain recognized the price that the U.S. would exact in return for assistance in the first and second World Wars. Crippled by these and other costs of war and by the depression of the 1930's, Britain struggled through the middle years of century to reorganize industry and maintain strength in international trade and finance. But the transition to monopoly capitalism had begun an era in which Britain's economy was formed by the rivalry among industrial countries and by the rise of America to the status of premier metropole.

Summary

The years 1870 to 1930 marked new and major developments in Western economic history. Britain, too, experienced changes emanating from the growth of monopoly capitalism. The first major proposition examined in this chapter was that competitive capitalism gave way to monopoly in bourgeois nations; the dynamic of competition encouraged both concentration of capital and the centralization of production. These processes and major advances in techniques of production fostered vertical integration within the firm. Corporations monopolized markets and factors of production through centralization or by joining in agreements with other capitalists. As indicated in proposition 2, oligopolies--capital concentration in commercial and industrial corporations, centralization or production and vertical integration--and the monopoly of markets and resources by small groups of oligopolies characterized monopoly capitalism.

Britain departed from the pattern of industrial capitalist countries in her emphasis on world trade and investment, which allowed her entrepreneurs to seek markets and cheaper factors of production throughout the world and thus forestall the concentration and centralization that resulted from competition elsewhere.

Imperialism began to take new forms, consistent with capital concentration and the organization and reach of the firm; as stated in proposition 3, foreign capital investment replaced trade as the dominant form of imperialism during the monopoly capital stage of development. Capital investment abroad by giant corporations became the most valuable and significant type of capital export. Corporations of Britain and other capitalist metropoles invested heavily in now Third World countries, many of which were absorbed into political "empires" during the imperialsis takeovers of the late Victorian era.

In proposition 4, I contended that monopoly capitalism reintroduced protectionism as the principal trade policy, even in those countries achieving economy hegemony over other industrial powers. The costs of monopoly capitalism necessitated protection of home markets and "empire" markets and resources. The transition to protection and preferences in Britain was a subject of long debate between industrialists, who favored shelter against the products of German and American large scale organization and modern technology, and finance capital, which benefited from continued high volumes of international trade and the "top" currency status of British sterling.

FOOTNOTES

[1]O'Connor (1971) systematically recounts arguments against Lenin's theory of imperialism. He remarks that industrial centralization and capital concentration in all of the industrial countries may have developed in the early twentieth century, not the late nineteenth. Moreover, the investments of the British in the African dependencies were often made by small investors joining together, and not by the great financial or industrial forces. On both counts O'Connor presents convincing evidence. Nevertheless, some companies, particularly in the United States and Germany, had reached unprecedented size, centralization of production and concentration of capital by the late 1800's. Clearly, a major change in capitalist development was beginning, if slowly. Second, in the West Indies, investment in raw material production, which was so important to their reincorporation into the world economy in the late nineteenth century, was made by large firms, e.g., United Fruit and Elder Dempster and Company.

[2]The expansion of the British state role in business after the "Great Depression" is indicated by Hobsbawm (1969, pp. 226-239). During the age of competitive capitalism, government in Britain was limited in function and cost in comparison to that of other nations. Except for the minting of money, some armament construction, and some building the government was not involved in direct production. Britain was the only industrial country at the time which refused fiscal protection to its industries and did not contribute in any way to the building of the railway system. The "administrative and above all the financial burdens of flag--and sabre-rattling" altered government costs and functions (p. 239). Naval expenditures rose from an annual average of about f10 million from 1875 to 1884 to more than f20 million per year in the second half of the 1890's and more than f40 million in the years before World War I. Government loans for private enterprises largely connected with commerce and armaments began during the last thirty years of the century, reaching a level of more than f50 million immediately before World War I. By the pre-war years, the Labour Party had moved the state to enlarge its commitment to the poor and working population, leading to greater government action for social welfare and to the influencing and regulation of wage rates.

[3]Although centralization of production moved relatively slowly in Britain, there is still much evidence of this phenomenon from the late nineteenth and early twentieth centuries. Dobb tells us that in Britain, the 'typical' size of the spinning firm more than doubled from 1884 to 1911; in 1926, 12 large groups were responsible for nearly one-half of pig-iron output and nearly two-thirds of steel production, and in 1939, 39% of iron and steel were produced by the three largest firms. In 1935, in British industry at large, about one-half of the output and nearly one-half of the employment were provided by large business units employing more than 1,000 persons each (Dobb, p. 343). By 1930, single British firms controlled more than 80% of industrial capacity in salt, chemicals, dyes, fertilisers and other products (Barratt-Brown, 1963, p. 125). Before 1914, Hobsbawm claims, products

produced by oligopolies included sewing cotton, Portland cement, wallpaper and some others, but by 1935, an "absolute minimum" of 170 products were produced substantially by 1, 2, or 3 firms (p. 125). Capital concentration in financial firms is indicated in the growth of London banks, which expanded in number from 60 or 70 in 1850 to more than 120 in 1870 (Benians, 1959b, p. 197). From 1914 to 1924, 38 joint-stock banks became 12, of which 5 dominated the field (Hobsbawm, p. 215). In terms of the monopolization of markets and factors of production, Britain had about fifty trade associations in 1914, mainly in iron and steel. Their number grew by 1925, when the Federation of British Industries alone had registered 250 such associations.

[4]Barratt-Brown (1963) stresses that the issue in the colonization of the 1880's and 1890's was the defense of Britain's worldwide freedom to trade. When Britain's monopoly was challenged, territorial control was important, in order to anticipate her rivals' moves. This interpretation is shared by Hobsbawm, Dobb, and others, and is crucial, as it undermines both the Lenin and Hobson theses that colonization was a means for investment. Markets and raw materials were the issue, and even then, the new dependencies did not provide large markets for British goods, as further discussion will make clear.

[5]Although various sectors of the British population despaired at the periodic crises of capitalism, there was little formal resistance to the system itself at this time. Dobb (p. 314) notes that socialism was heard as a sort of street gospel in the 1890's and early 1900's; the Labor Party grew as a political force after 1906.

[6]Hobsbawm (1969) contends that Britain's largest commodity and capital markets during the last quarter of the nineteenth century remained beyond her political control, e.g., South America. However, the Empire was becoming an increasingly vital part of Britain's overseas economy. The dependencies provided raw materials and purchased a growing volume of British consumer goods; the Dominions purchased British capital goods and borrowed increasing amounts of capital for their own economic development. As the following figures indicate, the Empire as a whole absorbed a large percentage of British overseas investment in the 1860's, greater even than Latin America, although the latter probably provided more immediately profitable channels for investment. By 1927-9, the Empire absorbed 59% of British overseas investment, indicating Britain's need for her colonies and the limited British potential in non-Empire markets

Year	Empire (%)	Latin America (%)	Total (%)
1860's	36	10.5	46.5
1880's	47	20	67
1900-13	46	22	68
1927-9	59	22	81

Table 7 indicates in greater detail the geographic distribution of British trade and investment, 1860-1935. (See also, Benians, 1959b, pp. 93-4).

Table 7. Geographical Distribution of British Overseas Trade and Investment, 1860's-1930's

Area	1860-70		1881-90		1901-10		1911-13		1927-29		1933-35
	Exports (%)	Investment (%)	Exports (%)	Investment (%)	Exports (%)	Investment (%)	Exports (%)	Investment (%)	Exports (%)	Investment (%)	Exports (%)
Total Empire	32	36	34	47	34	47	36	46	42	59	43
Of which Dominions	12	12	16	29	17	30	18	30	20	37.5	22
India	11	21	11	15	12	12	11.5	10.5	11	14	9
Africa (ex. S. Africa)	1	--	1	0.5	2	2.5	2	2.5	3	2	3.5
Europe	39	25	36	8	36	5	36	6	34	8	38
S. America	12	10.5	11	20	10.5	21	12	22	11	22	9
U.S.A.	13	27	14	22	9	21	9	19	7	5.5	6
Other	4	3.5	5	3	10.5	6	7	7	6	5.5	4
Total	100	100	100	100	100	100	100	100	100	100	100
in £m.	144	770	230	2040	333	3770	474	4415	720	4000	407

(Barratt-Brown, 1963, p. 110)

[7]As noted previously, until this time the British state had indirectly paved the way for private capital in the Empire. But with the exception of the great chartered companies of the 1880's (considered to be an economic and political failure), the state had not worked as extensively or directly to facilitate the exploitation of the Empire by private capital until the late nineteenth century. As British capitalism became more heavily concentrated and exhibited other monopoly characteristics, the government activities in the Dominions and dependencies took the form of direct investment and massive lending to foreign governments, increasing its own capital stocks.

[8]Barratt-Brown (1963, p. 97) disputes Lenin's proposition that surplus capital sought overseas markets to counteract the declining domestic rate of profit. He claims that capital was invested abroad because, given the long-term emphasis of British finance and industry on overseas sales, it was simply less risky. He notes more frequent failures of businesses at home; more than one-third of the domestic businesses formed annually after 1859 folded.

[9]During the 23 years of depression, the U.S. and Canadian populations and standards of living increased, and U.S. exports grew very rapidly, much faster than those of Britain.

[10]Already, in the late 1800's, the United States was forced to develop a military machine to support its commercial interests, despite its fears of the dangers inherent in the institution of a standing army.

[11]During the last quarter of the nineteenth century, the Dominions began to adopt protectionist policies, offering preferences to selected sellers. Australia and New Zealand allowed lower duties on Empire goods than on foreign ones and New Zealand prepared to make reciprocal treaties outside the Empire. Both South Africa and Canada offered substantial preferences on most imports, but Canada increased the list of "free" goods, and negotiated reciprocally with foreign countries.

CHAPTER VI

THE WEST INDIES AND THE BRITISH TRANSITION FROM COMPETITIVE TO MONOPOLY CAPITALISM

Introduction

In this, Chapter VI, I have two principal tasks. First, I will analyze four propositions about satellite society and economy in relation to the metropolitan transition from competitive to monopoly capitalism. These propositions entail the consequences of this development in metropolitan economies on satellite systems of production, class relations, dependent development and the state. They are derived from Marxian theories and analyses of dependency, and my interpretation of satellite and West Indian histories.

The propositions are as follows. First, raw material producing corporations, like monopoly capitalist firms in structure and degree of concentration and centralization of capital, invested in satellite nations. The host countries were those previously unaffected by Western imperialism, and ones, like the West Indies, that were formerly sites of commodity export production. Second, development became concentrated in export sectors, indicating dependency on foreign capital and technology, and a lack of sectoral balance in economic growth. Relatively low levels of domestic capital accumulation were possible. Third, class relations changed in accordance with the introduction of metropolitan monopoly capital to the satellites; corporate representatives joined in alliance with former landowners and international traders, as small-scale producers of agricultural and manufactured products faced increased difficulty in countering the economic power of large-scale commodity export producers, and a class of landless, unemployed became prominent in the cities. Fourth, the rising power of monopoly capitalist corporate producers introduced changes in the dependent state. In politically independent societies, indirect influence of the metropolitan state grew, and the composition of national state bodies changed. In colonial societies, the metropolitan state took over or resumed many government functions, and governed largely in the interests of metropolitan monopoly captialists. Colonial legislatures lacked power, but metropolitan monopolies and their allies assumed positions there, replacing some of the national bourgeois representatives that held office during the metropolitan competitive capitalist era.

My second task is to examine the unfolding of these four relations in the West Indies. Thus, I will duscuss West Indian systems of production, class relations, dependent development and the state as they were affected by the British transition to monopoly capitalism. Other important developments in the West Indies during this period that I will explore include the following. The world-wide turn to protectionism in trade enabled the West Indies to fight the competition of European bounty-fed beet sugar production. The United States' industrial competition with Britain was mirrored in United States political and economic expansion, indicated in the monopoly corporate investment of fruit producers and the organizers of the tourist industry in the British West Indies.

Theoretical Foundations

I have argued that the examination of West Indian economy and society, and its relationship to British imperialism, must begin with the analysis of British capitalist development itself. I did so in Chapter III and V, looking first at bourgeois capitalist development in general, and its peculiarly British representation. In Chapter V, I proposed four relations regarding the bourgeois transition from competitive to monopoly capitalism. First, monopoly capitalism grew out of the competition for factors of production, the dynamic of the competitive phase of capital accumulation. Second, monopoly capitalism was characterized by the centralization and concentration of capital, the centralization of industrial production, and vertical integration within the oligopoly. Third, new forms of imperialism based on capital investment abroad developed within monopoly capitalism. Fourth, metropolitan trade policies shifted from the generally liberal approach of the competitive capitalist era to protectionism, both between metropolitan nations and within "empire."

Satellite societies during the second half of the nineteenth century are best understood in terms of the relations outlined above. The West Indies were dramatically influenced by the British transition from competitive to monopoly capitalism. Before examining the West Indian experience, I will briefly explain the consequences of the metropolitan transition from competitive to monopoly capitalism for satellites in general. These consequences take the form of four propositions about satellite economy and society which are based on Marxian analyses of dependency and the histories of satellites and the West Indies. I will then turn to the West Indies, exploring the effects of the British shift from competitive to monopoly capitalism on West Indian systems of production, class relations, dependent development, and the state.

Proposition 1 is that the metropolitan transition from competitive to monopoly capitalism brought about changes in the dominant satellite system of production in the direction of oligopoly owned, large-scale raw material production. Existing raw material production was expanded and made more productive with the capital available to the oligopolies now investing in these industries. Long stagnant regions were fully reincorporated into metropolitan "empire"; previously isolated regions, like areas of Africa and the Pacific, were invaded by the developing oligopolies of the late nineteenth century.[1] Raw material producing oligopolies invested heavily in the West Indies, reviving large-scale raw material production that lay dormant since the rise of British competitive capitalism. Wholly new crops were introduced on plantations owned by British monopoly capitalist corporations. Tourism also developed at this time, under the direction of British and American oligopolies.

The formation of oligopolies in the metropoles began with the dominance of finance capital over industries, themselves undergoing capital concentration and centralization. This process was in evidence in the dealings of finance capital, merchant houses and industralists in the satellites. Some British merchant houses actually owned land in areas important during the mercantile era, having acquired it in lieu of debt payment from bankrupt planters; this was the case in the British West Indies. In other regions, banks provided the capital for investment by joint-stock companies, but production, financing, trade and marketing eventually fell under the auspices of one firm.

Looking first at areas where export agriculture and mining developed during the metropolitan mercantile and competitive capitalist stages, we see raw material production forced into decline by labor repressive technology, and situations in which commodity production survived as a result of successful mixes of capital and free labor. In the first of these cases, oligopolistic production caused a revitalization of large-scale export production; in the second, capital from metropolitan monopoly capitalists steadily replaced labor in the production process. Oligopolies spread in both circumstances. The metropolitan firm, with high degrees of capital concentration and centralization, industrial centralization and vertical integration, had the capital and organization to produce raw materials cheaply. Neither small-scale producers nor national and expatriate large scale competitors could counter the oligopolies, which turned to market sharing, price fixing, etc. to safeguard their enormous profits.

Beckford discusses the invasion of oligopolies in areas where mercantile systems of production faltered with the rise of metropolitan competitive capitalism. "Corporate ownership of West Indian sugar plantations began to develop in the late nineteenth century and was further reinforced in more recent decades as metropolitan refining interests sought to establish their own sources of raw sugar supplies" (1972, p. 104). In the United States, the pattern was similar, although individual planters survived somewhat longer because of share-cropping; during the 1930's corporate ownership increased, and intensified after World War II (p. 105; see, also, Mintz, 1969). Elsewhere, capital had been more extensively applied than in the mercantile slave societies of the West Indies and the southern United States, but Beckford tells us that individual planters everywhere eventually faced metropolitan monopoly capitalist corporations. "In general, ownership by individual proprietors lasted only one generation, after which the planter would become associated with the agency house that managed several plantations incorporated into the firm structure of the managing agency" (Beckford, 1972, p. 108).

In many countries of the present Third World, monopoly capitalist corporations introduced commodity export production. This was the case with the rubber industry in Malaya, Ceylon and Indonesia, sugar in the Phillipines and Hawaii, and the banana industry in Central America. The colonies and spheres of influence established by Britain and other metropoles at the end of the nineteenth century were often the sites of just such forms of imperialism, uniting geographical expansion and the formation of oligopolies as solutions to the depression of the latter years of Western competitive capitalism. In these areas, traditional class relations and developmental tendencies were undermined by the coming of monopoly capitalist corporations. Stavenhagen describes the consequences of the establishment of large-scale commodity export production in western Africa during the early years of the twentieth century:

> While the same immediate factors did not operate in the Ndenie areas, in Ghana, or in the forest region of Nigeria, nevertheless, the same general evolution from subsistence to commercial agriculture took place. And today, throughout the region of western Africa, the cultivation of cocoa and coffee

> forms the basis of the national economy of various countries.
> With the establishment of these crops, the subsistence cultivator was transformed into a commercial farmer or planteur. This process cannot be understood in isolation. Certain prior conditions were necessary to bring about the metamorphosis of the traditional society. These conditions were: 1) the opening of the country to the outside world, through the establishment of commercial enterprises by the colonial metropolis and the extension of trading activities, 2) the weakening of traditional political organization...; and 3) the imposition of a monetary economy, which stimulated the extension of commercial crops.... This process of change has produced profound alterations, not only in the economy itself, but also in the forms of work, the organization of the family, and the system of values (1975, p. 130).

Proposition 2 is that dependent development changed in form as metropolitan capitalist development moved from the competitive to monopoly stage. Development in Third World societies in which metropolitan monopoly capitalist corporations invested was stifled by the tendency for these firms to control capital accumulation within the society (Baran, 1957). Land, often the best available, was purchased or taken by metropolitan corporations. This robbed indigenous producers of one means of capital savings. Labor was sometimes enticed away from production for the internal market. Much of the capital made in large-scale commodity export production was expatriated abroad; wages, tax money, and payment for goods and services provided by domestic producer, were the principal means of channeling corporate earnings back into the society, and all were limited. Domestic productive activities were increasingly oriented towards the export sector. Local farmers turned to export commodity production. Artisans produced goods to be traded by local merchants to the export sector. Dependency on metropoles for capital and technology increased; uneven development was evidenced in the renewed emphasis on large-scale export commodity production, and the changes in production in other sectors of the society that this brought (Murray, forthcoming a).

In areas previously untouched by imperialist penetration, these changes were startling, often interrupting dynamic domestic development processes. Where foreign-owned export commodity production was instituted in satellites during the mercantile and competitive capitalist periods, changes in recently initiated development patterns occurred with the coming of monopoly corporate enterprises. The setting up of large-scale planting by indigenous capitalists who employed free labor and sophisticated technology fell to the challenge from foreign-owned raw material producing oligopolies. The establishment of peasant and other forms of petty agriculture (food and export) in some regions after the decline of mercantile planting was also halted or reversed by monopoly captialist corporate penetration. Small gains in food production, manufacturing and the building of an internal market were lost, or stalled. For the West Indies, the development of British monopoly capitalism meant that economic growth independent of the export sector was effectively locked into the relatively small internal market constructed during the competitive capitalist phase of British economic history. Beckford writes:

> Emancipation came in 1838. And the ex-slaves subsequently managed to establish a peasant sector wherever land was available. The new sector produced foodstuffs for internal consumption and new export crops (e.g., bananas). This activity by peasants led to a significant diversification of the economy and the structure became increasingly modified over time. Peasant activity generated internal linkages with distribution, transportation, etc.; and laid the foundation for the growth and diffusion of national income. Thus a measure of independent development was achieved. <u>But this development has been severely restricted by the continued monopoly of resources by the plantation sector</u> (emphasis mine; Beckford, 1975, p. 81).

In Proposition 3, I argue that class relations were altered in satellite societies as a result of the monopoly intrusion. Again, these changes differed in societies newly open to imperialism and those resurrecting contacts with the West. Generally, we can trace a pattern of emergent class relations based on the establishment of capital-intensive, large-scale commodity export production. First, the displacement of landowners, rich and poor, occurred (Stavenhagen, 1975; Wolfe, 1967). Work was not necessarily provided on the monopoly corporate enterprise, as techniques were capital-intensive. Managers and technicians associated with large-scale commodity agriculture and mining often resided in the satellite society. In regions newly influenced by foreign enterprises, sectors of the landowning and commercial classes joined in alliance with metropolitan monopoly interests (Chilcote, 1974). They often altered their own activities to gain from the foreign corporate presence. The tendency for farmers to join in export commodity production muted another source of serious challenge to monopoly capitalist corporations. Workers on metropolitan corporate forms and in mines often made high wages relative to those of workers in domestically-owned enterprises. A class of unemployed, exiled from rural communities by metropolitan corporations became permanent inhabitants of the cities (D. Johnson, 1972). Those producers and traders still involved in internal marketing lost many mechanisms for expansion to the oligopolies; the latter had greater access to land, labor and capital. Corresponding shifts in the direction of growth in many domestic sectors also hindered the growth of the internal market. This progressive national bourgeoisie has remained the last hope for indigenous, balanced economic growth. There are, of course, areas of the Third World where monopoly capitalist corporate penetration, combined with other forms of metropolitan capitalist investment, and, occasionally, the vestiges of earlier periods of Western imperialism, have influenced every national economic sector.

The effects of monopoly corporate capitalism on class relations in areas previously influenced by metropolitan imperialism have been basically the same as those in newly invaded territories, but have taken slightly different forms; existing class relations reflected the demise or transformation of earlier mercantile systems of production. Where an indigenous class of owners survived, they could easily find a lucrative role in the foreign-owned sector, even if it meant giving up their land; the members of this class were accustomed to dealing in commodity exports on the international market and often had the expertise and commercial ties to adapt to a new system. Lewis describes this process in Puerto Rico in the early twentieth century with the arrival of American monopoly capitalist corporations.

> The characteristic social type of the former economy--the individual and independent _hacendado_ working his family farm--gave way to the managerial hierarchy of the corporate sugar factory. Statistics showed the change. In 1894, 205 sugar haciendas had marketed the island crops; by 1948, they had been reduced to 35 central stations, twelve of which were in the hands of the four leading corporations and concentrating, in their production, some 39% of the total output. The statistics dramatized the decline . . . of an entire social class, for as the _criollo_ estate owner was forced to sell out to the expatriate corporations he either became the raw material of a decaying gentility or that of a new _rentier_ class, becoming, in the latter case, a land agent or a company manager for the new owners (1963, p. 93).

Wage laborers in raw material production were not as lucky; their labor was not needed in the new enterprises and many migrated to the cities. Peasant producers of export crops and others serving the export sector faced numerous changes that only some withstood; monopoly capitalist corporations provided many more of their own goods and services than had raw material producers of the competitive capitalist era. Peasants and farmers producing exports now often met the monopoly prices and practices of a single shipping and marketing service in the area (Beckford, 1972).

In societies where small-scale farming replaced mercantile systems of raw material production, peasants and farmers encountered the problems of dealing with monopoly capitalist enterprises enumerated above. They were also, on the whole, reluctant to sell their land to monopoly capitalist corporate producers, and were equally resistant to providing labor. Unfortunately, they were unable to endure monopoly corporate competition for land, and surrendered much of it to the invaders of the late nineteenth century. Food producers and manufacturers have continued production through these developments with considerable difficulty, given the attractions of export production and the trend towards the importation of many goods that came with monopoly capitalist corporations and other forms of monopoly capitalist investment. Peasants and small-scale farmers lost much of their capacity to counter large-scale commodity export producers, as monopoly corporate capitalists have had disproportionate economic and political power. Nevertheless, those not engaged in export production, in particular, those involved in the provision of goods and services for the local market, are the only actors in the society capable of initiating growth of a more balanced nature. More importantly, should a challenge to metropolitan monopoly capital come, it will be in large part from them, and they will most certainly gain the responsibility of reorienting the production in the society in new directions.

Proposition 4 is that the satellite state underwent modifications with the emergence of metropolitan monopoly capitalism, both in colonies and politically independent societies. In politically autonomous nations, foreign corporate representatives and their allies, generally from the national landowning and mercantile classes, sought representation in satellite bodies. Over time, the dependent state grew to resemble Alavi's (1972) characterization of a "fairly autoomous" mediator of the interests of mercantile-landowning classes, the military and foreign capital. In colonial societies, the metropolitan state asserted itself strongly with metropolitan investment in commodity export production. The "new imperialism" of the late nineteenth century indicated an obvious reversal of anti-colonial ideology in the metropoles (Murray, forthcoming a). The new areas in which monopoly capital invested heavily, particularly in raw material production, generally became colonies, and ones controlled fairly directly and fully by the metropoles. Formerly colonized societies were again subjected to heavy metropolitan political control. The British, for example, made many of the old dependencies Crown colonies, like the new dependencies. In both situations, colonial legislatures had little power, although they were often dominated by monopoly capitalist corporations, representatives and allies they made of former landowners (including former large-scale raw material producers) and international trading interests. The influence of foreign monopoly capital was not complete, however. In areas where smaller scale producers of various goods had a degree of economic strength, they had some representation on legislative bodies and occasionally received support from sectors of the metropolitan state. The British and other metropolitan governments assumed most government functions and ruled largely in the interest of monopoly capitalist raw material producers and their national associates.[2]

British Monopoly Capitalism and Corporate Agriculture in the West Indies

The Sugar Duties Act of 1846 devastated the industry already beleaguered by the emancipation of slaves; through sales and consolidations the number of sugar estates in Jamaica declined from 755 in 1772, to 330 in 1854 (Hall, 1959, p. 82). For some, the sugar industry had no further attraction, as they lacked the will or the capital to carry out fundamental readjustments necessary to continuing production, e.g., mechanization and the introduction of free labor.

Immediately following Emancipation, West Indian planters had the benefit of a contract labor system implemented by colonial assemblies to prolong the slaves' transition to freedom. During this post-Emancipation apprenticeship, the slaves worked for three-quarters of the week on the plantation. The planting class failed to extend the apprenticeship period, and turned to various schemes to secure cheap labor elsewhere. In London, West Indian interests pressed for British government action; in 1842, a Select Committee of the House of Commons studied the West Indies. In 1843, the West Indies sent a deputation to the British Secretary of State for the Colonies, complaining that efforts to induce free African migration to the West Indies was not yielding sufficient labor to satisfy the West Indies' needs. The West Indian delegation requested emigration of indentured labor from India and the East Indies. Indentured servants from Europe, the West Indies themselves, China and Africa had all been tried, but without success. After a few false starts, the Indian government began to regulate Indian migration of indentured servants in 1850, with the approval of the British government. Over 500,000 laborers came to the West Indies as indentured laborers until 1917, when the Indian government stopped the practice. Most went to Trinidad and Guiana, where the sugar industry still had a chance to grow; few entered Jamaica whose sugar production problems eluded solution with cheap, abundant labor. The indentured laborers contracted for five years and return passage, or ten years, with partial payment for return passage to India. In each West Indian society, an agent made arrangements with the Indian government for laborers, with the approval of the West Indian government in question. The costs of an Immigration Department in each West Indian polity, of maintaining agents abroad, and shipping, were met by a direct tax of f20 on employers for each immigrant employed, and by annual assembly votes from general revenues. In the case of Guiana, the British government gave a loan to the colony to finance immigration. Mandle (1973a,p. 28) estimates that in Guiana, only about two-thirds of the costs of immigration were paid by the planters during the immigration period, the remaining one-third was paid with colonial revenues. This support of both the British and colonial state was one example of their burgeoning efforts to keep the sugar industry alive.[3]

The immigration of indentured servants did produce a temporary improvement in sugar production in British Guiana and Trinidad, although these islands were to repeat the Jamaican experience twenty years later, when they discovered that cheap labor could not replace reorganization and greater capital investment. Britain continued to offer a preference to Guiana's sugar until 1875, when the European depression and the overextension of Guianese land and labor eroded its competitive edge in the international sugar market. Barbados, on the other hand, had lost its productive superiority in the early 1800's. With no land surplus for ex-slaves, she fought the tendency for emancipated laborers to flee to other British areas and to Central America. But, like Jamaica, Barbados could not utilize cheap labor to improve productivity.

The problem of capital saving for investment was equally demanding. By the time that Jamaican planters faced free trade in 1854, the most uneconomic estates had been eliminated and the survival of the rest depended on the ability of owners to keep abreast of technical improvements. This required reorganization, as the greatest losses of sugar estates since 1850 had been on small estates, although the average estate size remained small. Even in 1890, the average Jamaican plantation was only 187 acres in cane land; factories had an average output level of about 149 tons. Planters thought it rational to expand the size of plantations and factories, both activities requiring investment capital. Most Jamaican plantations, at this time, were owned by individuals whose principal source of capital was lenders in England.[4] A large part of the capital earned through compensation for slaves by the British government (totaling more than £6,000,000) was applied to debts. The capital requirements for central factories went beyond what was available from this source, necessitating various forms of monopoly capitalist corporate finance, a movement converging with increased ownership of West Indian plantations as a result of merchant company foreclosures of debt-ridden estates. These merchant houses were consolidating capital and technology and taking on the characteristics of monopoly capitalist oligopolies, as described in Chapter IV. A similar sequence of events took place in Trinidad in the 1870's, and in British Guiana in the late 1800's. Barbados, with a tradition of independent resident family estates resisted amalgamation, delaying the introduction of the central factory system and metropolitan monopoly capitalist corporate control of agriculture.

The first step in the eventual metropolitan monopoly capitalist corporate invasion of the Jamaican sugar industry was the amalgamation of adjacent estates into larger units, probable starting in the 1850's. This consolidation increased the supply of cane to one factory. Amalgamation was achieved through seizure of abandoned lands and purchase from the less successful small estate owners. Throughout the British West Indies, the number of separately operated estates declined from 2,200 at Emancipation, to under 800 in 1900. Plantation owners and emerging foreign oligopolies operated central factories, which, with more readily available capital, could adopt complex designs, driven by steam or water in place of cattle or wind power, and able to extract more cane juice. Moreover, such relatively simple labor saving devices as the plough were adopted.

Beachey (1957, p. 118) comments that the latter half of the nineteenth century marked a noticeable shift in most British West Indian colonies towards a purely commercial or speculative attitude towards sugar production, and away from the traditional aristocratic, sentimental view of the old family estates that characterized the pre-Emancipation period. It is interesting to note that a planter ideology of aristocratic stability, wealth and permanence accompanied the risk-filled and ruthless mercantile plantation system in the West Indies, as it had in the southern United States (Curtin, 1955; Genovese, 1969, 1976). This was forced to give way, of course, to a monopoly capitalist corporate system of ownership, the directors of which would be more secure and able to predict and control long-run trends in supply, prices and markets, as well as to introduce more efficient systems of production.[5]

Beachey notes that amalgamation proceeded furthest in British Guiana, followed by Jamaica, and least in Barbados. In Jamaica, the installation of modern technology (e.g., centrifugals and open steam pans) was most effectively carried out by merchant firms which had acquired holdings through the Encumbered Estates Courts (pp. 118-123).

The actual metropolitan monopoly capitalist incorporation of West Indian sugar estates varied in method and origins. In Jamaica, British merchant firms held relatively few plantations. Unitl 1929, nearly all reequipment of sugar factories was financed by local enterprise, individuals or small companies, by combining sugar and banana planting or rotating the two crops. British monopoly capitalist corporate argiculture made its greatest inroads in the 1930's, stalled, in part, by the worldwide depression of the late nineteenth century, and the related decline in world sugar prices. Eisner indicates that in 1930, only 6 out of 40 factories were owned by companies of any kind, local or foreign. But, the groundwork for monopoly capitalist corporate sugar production in the West Indies was laid before World War I, when amalgamation and central factory construction proceeded unabated. In 1920, the average estate size in Jamaica was 368 acres, rising to 661 acres in the decade from 1920 to 1930 (Eisner, p. 207).

In Guiana, the process of British monopoly capitalist corporate penetration was both more rapid and extensive than it had been in Jamaica. In 1871, only about 14 or 15 of the approximately 135 Guianese estates were owned by residents. About one-third of the remainder were owned by West Indian merchant houses with a base in Britain. The rest were held by individual or incorporated absentees. The merchant firms acquired these estates cheaply in the years following Emancipation and the financial crisis of 1847-8, when financial confidence in the older islands was completely lost. The use of immigrant indentured labor in Guiana gave new life to the sugar industry there, and slowed down the rate of rationalization of the sugar industry. Repressive systems of labor, a characteristic of mercantile forms of production, were retained by corporate and individual owners wherever they enhanced the competitive position of the seller in the new free world market for raw materials. In fact, repressive systems of labor were often found in competitive capitalism (Asian and Mexican labor entered the United States under coercion during the American period of competitive capitalist development) (Blauner, 1972).[6] However, these capital-labor relations could survive only for a time, as long-term costs were high. Monopoly capitalist corporate agriculture, with more capital and other sources of profit, could operate more successfully under the natural constraints of large-scale monoculture than could individual owners. The metropolitan oligopolies had the capital for highly sophisticated equipment and advanced methods of cultivation, including the capacity to allow land to remain unproductive and thus to regain naturally its nutrients. When the Guianese sugar planters began to experience the inevitable costs of highly labor intensive sugar production, amalgamations increased and more British raw material producing corporations appeared at the scene, with capital to buy out bankrupt planters and to make the transition to monopoly capitalist forms of raw material production.

Following the adoption of the Sugar Duties Act, the price of sugar on the world market remained high. In Jamaica, sugar exports recovered some degree of importance lost in the post-Emancipation slump; in the early 1850's estate production kept a steady level. An increase in the price paid to Jamaican sugar producers in the 1850's restored the credit worthiness of Jamaican planters, and long-distance merchants were a source of funds. But in the 1870's, the export trade suffered from the fall in commodity prices caused by the world depression of the 1870's and the competition of beet sugar imported by Britain from 1850 to 1904. The price of sugar fell in 1873 and continued to fall until 1900, leading to a drop in West Indian sugar production. Jamaican sugar exports declined by 43% from 1870 to 1900 (Eisner, p. 236).

Beet Sugar Competition

The West Indies survived the deterioration of the British market for sugar by selling to the United States, which had instituted countervailing duties against bounty fed sugar in order to support its own refining industry. Moreover, freight charges from the West Indies to the United States were lower. The export of West Indian sugar to the United States rose from a yearly average of 14,523 tons in 1865 to 38,119 tons in 1872-4. By 1887, 194,920 tons of sugar were exported to the United States out of total British West Indian production of 336,016 tons, and by 1900, more than two-thirds of British West Indian sugar exports were purchased by the United States (Beachey, p. 128).

The combined problems of the British West Indian sugar producers, other commodity producers, and British manufacturers suffering from the depression led to the appointment of the Royal Commission on Depression by the British government. The planters and British sugar refiners went before this body and demanded economic protection. The British proponents of free-trade disapproved of the appointment of this commission, and they opposed the imposition of countervailing duties on bounty-fed sugar. The West Indian Sugar Commission, also a representative of the British government, found the British West Indian sugar industry in great distress, and recommended a minimum guaranteed British price to West Indian producers. Again, the Secretary of the Colonial Office, Chamberlain, long sympathetic to the colonial wish to return to a system of preferential trading relations, was forced by the dominant free-traders to acquiesce to the Commission's recommendation. The British government adopted a policy of direct aid to sugar producers, although little was actually channelled to the West Indies directly. The main provision for aid to the West Indian sugar producers was part of an allocation for general improvements in colonial agriculture, annually approved by Parliament and not exceeding £1 million per annum, a sum inadequate for all of the colonies (Gordon, 1957, p. 13).

The consequence of British inaction was an ever greater West Indian shift to trade with the United States. Eisner (p. 271) reports that by 1850, after the abolition of mercantile restrictions, the United States traded heavily with the British West Indies, and was practically the sole supplier of West Indian food imports. In Jamaica, the United States had made significant inroads in the market for footwear, iron, agricultural tools, glassware, hardware and furniture, all previously supplied by Britain (Saul, 1958, p. 11). The Civil War increased duties on imports to the United States for a time, but by the 1890's, many products were freely traded again. Tables 8 and 9 reveal the erosion of the British market for Jamaican goods, and the Jamaican turning away from Britain during the period, 1832 to 1930. The percentage of Jamaican imports from Britain fell from 77.7% of total Jamaican imports in 1832 to 28.4% in 1930. Similarly, Jamaican exports to Britain declined from 78.1% of total Jamaican exports in 1832 to only 28.4% in 1930. On the other hand, the United States increased its role in Jamaican trade from 1832 to 1930. Jamaica imported a mere 8.2% of her total imports from the United States in 1832, but 31.6% of total imports in 1930. Jamaican exports to the United States increased from only 3.0% of total Jamaican exports in 1832 to 32.9% of total exports in 1930. Moreover, the 1930 figures reveal trade patterns in the midst of an international depression, when levels of trade between most countries had plunged. In 1910, Jamaica imported 44.1% of its total imports from the United States, and exported 59.3% of its total exports to the United States. Jamaica, Trinidad and Barbados had all abandoned the British market for exports

Table 8. Origins of Jamaican Imports (Total Imports)

	1832		1850		1870		1890		1910		1930	
	f'000	%	f'000	%	f'000	%	f'000	%	f'000	%	f'000	%
United Kingdom	1209.4	77.7	769.2	64.6	770.6	60.0	1053.7	53.2	1177.0	43.9	1638.8	28.4
U.S.A.	127.5	8.2	243.7	20.4	281.9	21.9	667.9	34.2	1182.1	44.1	1818.0	31.6
Canada	122.9	7.9	121.4	10.2	195.0	15.2	174.0	8.9	209.0	7.8	1153.5	20.0
France	--	--	--	--	3.5	0.3	5.7	0.3	2.9	0.1	46.5	0.8
Germany	0.6	0.1	11.4	1.0	10.5	0.8	5.8	0.3	55.5	2.1	121.9	2.1
Spain and Portugal	21.8	1.4	--	--	--	--	--	--	0.9	--	13.8	0.2
India and Ceylon	0.1	0.0	4.4	0.4	7.7	0.6	16.5	0.8	6.9	0.3	153.0	2.7
British West Indies[1]	--	--	--	--	4.4	0.3	11.1	0.6	22.1	0.8	326.7	5.7
French West Indies[2]	39.3	2.5	10.3	0.9	7.4	0.6	3.6	0.2	3.8	0.1	198.3	3.4
South America[3]	34.1	2.2	26.6	2.2	3.9	0.3	8.1	0.4	--	--	25.8	0.4
Other	--	--	3.9	0.3	--	--	8.4	0.4	20.5	0.8	271.5	4.7
Total	1555.7	100.0	1190.0	100.0	1284.9	100.0	1954.8	100.0	2680.7	100.0	5767.8	100.0

Source: Esiner, p. 270

[1]British Guiana, British Honduras and Bermuda included

[2]Cuba and Haiti included

[3]Central American states included

Table 9. Destination of Total Jamaican Exports (Including Re-Exports)

	1832		1850		1870		1890		1910		1930	
	f'000	%	f'000	%	f'000	%	f'000	%	f'000	%	f'000	%
United Kingdom	2072.8	78.1	926.8	77.9	925.6	77.7	597.2	32.7	507.0	18.7	1036.9	25.7
U.S.A.	78.9	3.0	72.0	6.0	102.5	8.6	968.0	53.1	1611.1	59.3	1328.6	32.9
Canada	94.9	3.6	4.6	0.4	20.9	1.8	45.5	2.5	198.3	7.3	1005.8	24.9
France	--	--	--	--	22.2	1.9	63.7	3.5	124.3	4.6	155.0	3.8
Germany	2.8	0.1	22.6	1.9	6.8	0.6	52.4	2.9	68.0	2.5	271.5	6.7
British West Indies[1]	--	--	--	--	12.1	1.0	23.9	1.3	60.5	2.2	33.3	0.8
French West Indies[2]	126.0	4.8	25.5	2.1	73.0	6.1	4.8	0.3	5.3	0.2	6.9	0.2
South America[3]	271.7	10.2	139.2	11.7	23.1	1.9	--	--	--	--	29.2	0.7
Other	5.0	0.2	0.2	--	4.7	0.4	67.5	3.7	140.4	5.2	174.3	4.3
Total	2652.1	100.0	1190.0	100.0	1190.0	100.0	1823.0	100.0	2714.9	100.0	4041.5	100.0

Source: Eisner, p. 270

[1] British Guiana, British Honduras, Bermuda included

[2] Cuba and Haiti included

[3] Central American states included

and had import surpluses from Britain. Jamaica and Trinidad had export surpluses with the United States. British Guiana alone had an export surplus with Britain because of her gold exports. In the mid-1890's, together, Jamaica, Trinidad, Guiana and Barbados had an import surplus of £800,000 with Britain, and an export surplus of £400,000 with the United States (Saul, 1958, p. 11).

Trade relations between the British West Indies and the U.S. were not consistently smooth, reflecting both the competition between the United States and Britain for raw materials and markets, and the poverty of the West Indies sugar industry and the islands in general. The McKinley Tariff Act of 1890 removed U.S. duties on imports of British West Indian sugar, but established a new policy of reciprocity. Countries which did not reciprocate with preferential treatment of United States products were subject to import duties on their goods sold to the United States. Britain objected to this sort of treaty, as she had in 1884 negotiations between the British West Indies and the United States which gave an advantage to United States imports to the West Indies. Even if Britain had approved, Jamaica was in no position to offer the United States preferential treatment. Such preferences were unrealistic for a poor, raw material producing country in need of so many goods, and Britain required that Jamaica give to Britain, her colonies, and Britain's "most-favored" trading partners, the concessions enjoyed by the United States in the Jamaican market. Britain did not, in fact, benefit much from this policy as applied to her West Indian colonies, since prices of British exports had been rising intermittently since 1892, and could not compete with American exports in West Indian markets, even without import duties.

Jamaica did sign an agreement in 1891, granting costly concessions to the United States, but it lasted only two years. In 1894 raw sugar was again subjected to an import tax by the United States; in 1901, sugar from Puerto Rico (an island within the United States sphere of influence) was admitted to the United States free of duty. In 1902 and 1903, two more countries within the American sphere, the Phillipines and Cuba, exported sugar to the United States under special terms.

After the failure of the West Indies in 1884 to reach terms with the United States satisfactory to the British, the British government became sufficiently wary of American inroads into trade with the West Indies to call a special conference on bounties. In 1891 an agreement was drawn under which the signatories (France, Germany, Austria, Belgium, Britain, the Netherlands, Russia and Spain) would not buy bounty-fed sugar. France refused to sign, reinforcing the hesitation of Britain and others to ratify the treaty. From 1891, bounty-fed sugar from the Continent flooded England, all but squeezing out British West Indian sugar. Increasingly bounty-fed sugar reached American, lowering the price of sugar imports there (Beachey, pp. 143-5).

Chamberlain and others were sympathetic to the West Indian position and feared the transformation of the islands into "an imperial slum" (Madden, p. 343). The Norman Commission, sent to investigate, recommended peasant cultivation and crop diversification. Chamberlain responded with a "five year plan for West Indian reconstruction" to improve methods of cultivation and increase loans to the Jamaican government. A pilot scheme for peasant proprietorship was initiated in the small islands of St. Vincent and Dominica, but this, like the British scheme to subsidize steamer services between Jamaica and Great Britain, aided export agriculture, in both its peasant and plantation form.

Finally, with the collapse of a number of British and West Indian merchant houses involved with West Indian sugar producers through lending or buying and selling, the British government committed itself firmly to the ratification of an anti-bounty agreement. The West Indian interests were further strengthened by the growing hostility of British industrialists and other countries of the Empire to free-trade principles. The Brussels Convention of 1903 abolished all bounty systems.

The Brussels Convention restored confidence to the cane sugar industry throughout the world. Following the abolition of bounties, the world production of cane sugar increased more rapidly than that of beet sugar. World War I further reduced the exports of sugar from Europe, leading to an increase in the world price of cane sugar. The price of Jamaican sugar increased from a pre-Depression low of 7.25 shillings/cwt. in 1902, to a level of 58 shillings/cwt. in 1920 (Eisner, p. 260); Jamaican sugar exports increased from 406,000 cwt. in 1902 to 733,000 in 1902. British Guiana's sugar also rose in price, from an average 9 shillings/cwt. in the period 1900-4, to an average of 26 shillings/cwt. in the 1920-24 period (Mandle, 1973, p. 39).

But the West Indian opportunities to share in this prosperity were cut short with the post-World War I peace. European beet producers quickly reached pre-war levels of output (Eisner, p. 251).

In the late 1920's the cane sugar boom broke, and was made worse by the tightening of free world sugar market as more countries established preferential treaties with cane sugar producers. West Indian sugar prices and levels of production again plummeted, a decline exacerbated by the international depression of the 1930's. The West Indies survived through a combination of assistance from Britain, improved British preferences for West Indian raw material exports, and international agreements to restrict the world output of sugar.

With the repeal of bounties on beet sugar and U.S. agreements abolishing duties on Puerto Rican, Cuban and Phillipine sugar imports, Jamaican sugar exports fell from 50% of the sugar bought by the United States in 1890 to 1.9% in 1910. Canadian purchases of West Indian sugar increased substantially following the repeal of bounties. British imports of West Indian sugar did not rise much until after World War I. In 1912, West Indian countries established reciprocal preferential agreements with Canada--except for Jamaica, which waited until 1919 to do so. In 1919, Britain began to admit Empire products at preferential rates particularly favorable to Empire sugar producers. The Empire Conference of 1932 produced an agreement calling for mutual preferences among all British Empire nations, increasing the volume of trade within the Empire. This agreement increased West Indian trade with many Empire nations, but forced the dependencies to grant preferences to highly priced British, Canadian and Australian food and manufactured goods. These products of the more developed members of the Empire were often too expensive to be sold on the open world market, were frequently unnecessary for poor, developing economies, and competed with indigenous efforts to manufacture and diversify agriculture.

Other Corporate Ventures

A number of alternative activities to sugar production developed in the West Indies during the latter half of the nineteenth century and the pre-Depression twentieth century. Most of these enterprises were a sort of export substitution--raw materials sold in addition to or in place of sugar in order to acquire the currency to purchase food and manufactured goods. Of these, one major new area of production--banana cultivation and export--invited the invasion of metropolitan monopoly capitalist corporate interests before large scale individual ownership could develop. The banana trade provided the ships and capital to support a second new West Indian industry, tourism, which also had its origins in foreign corporate investment.

Many agricultural crops exported from the West Indies after 1850, including bananas, coffee, rice, spices, had been grown on a small scale, for use and local exchange, by slaves, peasants and plantation workers at various times prior to this in eighteenth and nineteenth century West Indies. Of these, bananas were a relatively new crop, introduced to Jamaica in 1830. Banana and rice cultivation became the most important industries, aside from sugar, in the West Indies during the 1850 to 1930 period. Rice was introduced by Indian immigrants to British Guiana and became the favored crop of the villagers and estate owners alike after the decline of Guianese sugar production in the 1870's. However, when external marketing conditions for sugar improved with the Brussels Convention, estate owners returned to the cultivation of sugar. The banana, grown primarily in Jamaica, was fostered as an export crop by the early founders of the United Fruit Company. The banana had been known as a food crop, but its highly perishable nature had long precluded its exportation. It had been grown primarily by small farmers and peasants; Waddell suggests that older Jamaican estate owners looked askance at banana production, associating it with the Negro peasantry, although many estate owners were to turn to banana production at the turn of the century (p. 96).

In 1870, Lorenzo Dow Baker, an American trader, discovered the rich peasant banana lands in Jamaica, and returned to New York with a quantity of bananas quickly sold on the American market. He began a regular trade back and forth from Jamaica to New York or Boston, and encouraged peasant cultivators to contract to sell him bananas. In 1876, he joined a shipping and trading company, the Standard Navigation Company. The latter handled the banana trade in Boston, while Baker directed operations in Jamaica, which eventually included planting by his own company, Boston Fruit Company. In 1877 Baker initiated a run between Jamaica and New Orleans, becoming the agent for the Atlas Steamship line.

Other traders, shipping companies and planters became involved in banana production. In St. Mary's parish, the Pringle family owned more than 5,000 acres devoted to banana cultivation. In Spanish Town, the price of land increased from a high of f2 to 5/acre for fifty years after Emancipation, to f40/acre in 1912, because of the success of banana cultivation. The cultivation of bananas and their shipping and sale increasingly came under single ownership. The Pringle family lands, located in several parishes and amounting to more than 15,000 acres by 1912, were purchased by an American rival of the Boston Fruit Company, the Atlantic Fruit Company, and later, by Standard Fruit Company. Still another corporation, Lindo Company, owned by a Jamaican, held banana plantations in Jamaica and throughout Central America.

By 1900, the banana industry in Jamaica had three major and contending groups. First, there were those producers, mainly American, who began as traders and shippers, and, through the process of vertical integration (purchase of banana plantations, trading operations in the United States and Jamaica, and steamships) were able to buy up the services, land, and ships of rivals rocked by periodic price declines, plant disease, hurricanes, etc. As Hart (p. 218) notes, new banana dealers came and went; there were seventeen lines of steamers (in addition to the coastal services) operating from Jamaica for various purposes in the 1880's. Yet some, like Boston Fruit, survived, by virtue of developing size and capital. Boston Fruit had capital of $20,000,000 when it became United Fruit Company in 1898.

In 1901, Elder Dempster and Company had introduced three refrigerated ships into the Jamaica-England line, followed by Elders and Fyffes, Ltd. Tropical Fruit Steamship Company, Ltd., a subsidiary of United Fruit Company, adopted refrigerated carriers travelling from Britain to Jamaica, and undercut the cost of shipping by way of English ships. In this way, United Fruit developed general trade between Britain and the West Indies and eventually took over the British corporation, Elder and Fyffes, Ltd. Hart states:

> During the first and second decades of the twentieth century the United Fruit Company illustrated in Jamaica the manifold benefits and dangers of a largely benevolent monopoly. The English trade was exclusively in their hands. Competition spearheaded by Charlie Johnson and his associates had access

> only to the American market. In the banana trade, access to Europe as well as America was an essential lubricant to the free movement of the market" (p. 219).

The holdings of United Fruit in Jamaica were extensive. In 1913, United Fruit leased and cultivated land in the parishes of St. Thomas (230 acres), Portland (500 acres), St. Mary's (1,100 acres), and irrigated over 2,200 acres in St. Catherine's; the corporation owned and cultivated 839 acres in St. Thomas, 1,244 acres in Portland, 1,115 in St. Catherine's. By 1920, United Fruit owned land in Jamaica totalling 7,500 acres; most was for banana cultivation but holdings included lands in citrus, grazing, and sugar cane, and the manufacture of sugar.

The second group of banana producers was based on individual and foreign corporate estate owners who switched from sugar to banana cultivation in the late nineteenth century when sugar exports and prices faltered. Waddell (p. 96) suggests that many banana estate owners were former merchants or merchant companies that acquired sugar estates from planters unable to pay their debts to these traders. These people knew that competition with United Fruit was impossible without the aid of a larger, corporate rival to United Fruit, or the Jamaican government itself. Several prominent planters, including the Pringles, joined with DiGiorgio agents and the Atlantic Fruit Company, to form a profit-sharing company of banana growers, traders and shippers, the Jamaica Fruit and Shipping Company, Ltd.

Other large-scale planters and the many small-holding banana growers formed a primary producers' association, called the Jamaican Imperial Association. Later it became the Jamaica Banana Producers' Association, Ltd., as a "focus for the aspirations of large planters and merchants and their legal advisers" (Hart, p. 220). DiGiorgio's services were acquired for transportation to and marketing in New York; the aid of the Jamaican governor secured a loan for the purchase and reconditioning of refrigerated ships for the British market. The Association guaranteed a uniform price to growers.

The Jamaican banana trade, after the formation of the Association, pivoted around the rivalry between the United Fruit Company and the Association, each fearing expansion of the other at its expense. However, the fortunes of United Fruit were intrinsically more secure and stable than those of the Association, as future problems demonstrated. By 1933, the Association had 15,000 members, representing 66,000 acrea of bananas. It owned refrigerated steamers, and had paid most of its debt. The prices it received for bananas compared favorably to those of United Fruit. In 1936, a commission from the United Kingdom recommended that the Jamaica Banana Producers' Association, Ltd. be reorganized as a trading company, and turn from its cooperative status to shareholding among members.[7]

However, from 1940 on, disease, disasters and the second World War combined to seriously hinder cultivation of bananas in the West Indies. The British and Jamaican governments became committed to paying subsidies to United Fruit, the Jamaica Banana Producers' Association, individual owners, shippers and traders. United Fruit cut back banana production in Jamaica; the members of the Banana Producer's Association did not have the worldwide sources of banana production or the variety of profit-making operations of United Fruit to withstand the crisis. The Association was forced to seek higher levels of government aid to keep their banana cultivation in Jamaica afloat.[8] During World War II, arrangements made between the banana industry and the British government established a pattern of British West Indian state aid to commodity producers, in the form of subsidies to raise the prices paid to growers of bananas in the West Indies to that of producers elsewhere. By means of this assistance, international banana agreements, and British preferences, the independent and small growers of bananas in Jamaica survived, but they have never again experienced the rapid and dynamic growth that characterized Jamaican banana production in the early twentieth century. Corporations such as Tate and Lyle, United Fruit, Standard Fruit, Elders and Fyffes, struck a profitable balance in the West Indies between limiting production in this naturally uncompetitive banana area, and receiving benefits from the metropolitan and satellite states.

Metropolitan monopoly capitalist corporations were involved in the tourist industry in the West Indies almost from its inception. Less information is available on tourism than on banana cultivation and trade, but we know a number of important facts. First, from 1891 to 1925, tourism brought at least f3 1/2 million to Jamaica, developing as a source of income independent of agriculture. In 1922, the Tourist Trade Development Board was instituted by the Jamaican government and functioned until 1956, when it was replaced by the Jamaican Tourist Board. In 1924, the tourist trade held fourth place among island industries in terms of domestic income (f15,000), behind fruit (f2,131,555), sugar (f911,812) and coffee (f203,883) (Taylor, 1973, pp. 205-208).

Before 1914, much of the investment in and operation of ships and hotels was by foreign corporations. Two of the principal

Table 10. Total Banana Exports from Brazil, Mexico and Chief Caribbean Areas Compared with Exports of United Fruit Company and Standard Fruit and Steamship Corporation (in Bunches)

Country	1900	1913	1929	1932	United Fruit 1932	Standard Fruit and Steamship 1932
Brazil	---	---	6,192,667[1]	6,873,000	---	---
Colombia	273,882	6,277,540	10,300,021	7,363,000	6,900,000	---
Costa Rica	3,332,125	9,366,485	5,784,724	4,313,000	4,100,000	---
Cuba	845,942	2,327,536	3,682,900	4,651,000	---	2,210,929
Guatemala	---	3,444,036	6,545,695	5,248,000	5,300,000	---
Honduras	4,772,417	8,238,726	28,221,463	27,896,000	20,200,000	5,076,920
Jamaica	7,173,890	11,419,281	22,020,877	20,360,600	10,500,000	3,582,866
Mexico	---	2,213,510	5,602,499	4,205,600	500,000	2,521,563
Nicaragua	1,324,727	1,639,120	4,160,700	3,378,000	1,100,000	1,621,340
Panama	2,125,709	5,185,530	4,722,426	3,600,000	3,000,000	546,269
Total	19,848,692	50,111,764	97,233,972	87,888,200	51,600,000	15,559,887

Source: Kepner and Soothill, p. 37.

[1] 1928

Jamaican hotels were owned and operated by United Fruit Company; before World War I, United Fruit, Royal Mail Line and Hamburg American shared traffic from Jamaica to New York, and after the war, United Fruit Company had a monopoly of shipping transport.

Tourism grew rapidly in Jamaica, exceeding only bananas and sugar in export value in 1939. The number of visitors remaining in Jamaica over three days grew from 1,872 annually in 1922 to 4,319 in 1940; the number of cruise tourists increased from 7,951 in 1926 to 10,828 in 1940 (Taylor, p. 310).

British Monopoly Capitalism and West Indian Dependent Development

The consequences of the expansion of British monopoly capitalist corporate agriculture on West Indian development are somewhat difficult to discern for the period from 1880 to 1930, in part because they were modified by other international phenomena. That is, the spread of the monopoly capitalist plantation, consuming land held by peasants and farmers during the era of British competitive capitalism, is obscured by the general fluctuations in the market for commodity exports caused by the depression, World War I, and problems particular to sugar and to banana production and trade. Nevertheless, there are some data which can be examined in relation to the proposition that West Indian economic growth was concentrated primarily in the export sector with the advancement of British and American monopoly capitalist corporations into the West Indies from about 1880. A related proposition is that development of food agriculture and light manufacturing grew less rapidly than did the export sector. I am interested first, then, in the output and land holding of large-scale export agricultural producers, that of peasants and small farmers producing exports, and food producing peasants and farmers. Second, I will present data pertaining to trends in manufacturing deriving from monopoly capitalist corporate penetration of the West Indies, in particular, Jamaica.

The total value of Jamaican export crops rose from 1850 to 1910, as recorded in Table 11. In 1850, Jamaican export crops were valued at f1,089,000, rising in value to f2,048,300 in 1890, and to f4,691,600 by 1930. But only after 1890 did exports increase faster than total agricultural output, primarily because of expanding banana production. Also, the quantities of exports grew more slowly than did their values from 1870 to 1890, and more quickly after 1890. The volume of Jamaican exports fell steeply during World War I, but recovered with the return to peace; sugar exports also recovered in the post-war period (Eisner, p. 171).

Table 11. Share of Jamaican Peasantry in Export Crops

Year	Total Value[1] Export Crops[2] f'000	Value[1] of Peasant Exports f'000	Share of Peasantry in Exports %
1850	1,089.3	113.5	10.4
1890	2,048.3	798.8	39.0
1930	4,691.6	1,940.8	41.4

Source: Eisner, p. 234

[1]Includes value of export crops retained for domestic consumption.

[2]Value in absolute terms

Cane and banana farming by peasants and farmers seems to have accounted for much of the growth in export production in the West Indies in the late nineteenth century, when economic crisis depressed the world price of sugar and European bounty-fed beet sugar offered stiff competition to West Indian cane sugar producers. Estate cultivation stood still or contracted during the last years of the century, and began to grow early in the twentieth century. The stagnation of the plantation is explained largely by the sugar crisis of the 1880's and 1890's; H. Johnson (1972) states that muscavado sugar, which sold at a profit in 1880, sold at a price equal to or below production costs on many estates in the British West Indies in 1884. Bankruptcy and abandonment by estate owners was common from 1880 to 1890. The price of sugar fell from 1870 to the turn of the century; the number of Jamaican estates declined from 266 in 1879 to 146 in 1896.

In 1897, most cane farmers in Trinidad cultivated plots of 1/20 acre to 3 acres and few farmed more than 5 to 6 acres; by 1904, most cane farmers probably cultivated 3 to 5 acres (H. Johnson, 1972, p. 59). By 1905, cane farmers occupied more than 10,000 of the 62,000 acres under cultivation in Trinidad, supplying one-third of the cane grown to the colony's factories (H. Johnson, 1972, p. 61). In Jamaica, the situation was similar. In 1890, peasants produced 39% of Jamaican exports (mainly sugar and bananas), rising from only 10.4% in 1850 (see Table 11). In Jamaica, much of this increase in commodity export production by peasants was in banana cultivation, as sugar dropped from a high level of 59.5% of total domestic exports in 1832 to 44.5% in 1870, to a mere 8.1% in 1910; bananas grew from

.1% of total domestic exports in 1870, to 57.3% in 1930 (see Table 12).

Table 12. Shares of Major Jamaican Exports in Total Domestic Exports

	1832 %	1850 %	1870 %	1890 %	1910 %	1930 %
Sugar	59.5	58.2	44.5	14.7	8.1	12.2
Coffee	18.4	10.3	15.1	18.2	5.8	5.0
Rum	13.7	20.9	19.3	12.5	6.0	1.8
Bananas	--	--	0.1	19.1	52.0	57.3
Miscellaneous	8.4	10.6	21.0	35.5	28.1	23.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Eisner, p. 238

Estate production physically expanded in the first decade of this century and proceeded rapidly from 1910 to 1930. This was primarily the result of growth in banana production. The amalgamation of estates and erection of central sugar processing factories, which paved the way for monopoly capitalist corporate agriculture, had begun during the last years of the nineteenth century. From 1880 to 1930, factory capacity increased tenfold; Jamaica had 74 operating estates in 1909-10, of a mean size of 294 cultivated acres. From 1880 to 1909, estate size increased by more than half. This process had, indeed, spurred the development of peasant farming, particularly of cane. H. Johnson tells us that in Trinidad, estate owners rented land to cane farmers to provide labor for their own plantation production; they advanced labor and capital to their tenants as well.

But more importantly, during the years of international crisis, small-scale export commodity producers could farm more cheaply than estate owners, because they did not have the "overhead" costs of sophisticated technology and skilled labor that large-scale commodity agriculture now required. However, the estate owner could utilize the equipment in the sugar factory, for example, by processing cane grown by surrounding cane farmers. Similarly, small-scale banana cultivators used the shipping and marketing services of the banana companies, producing bananas fairly cheaply, (although large-scale banana producers had fewer difficulties during this period than did sugar plantation owners). For the estate owner, this arrangement was not without problems. In the case of sugar production in Trinidad, cane farmers could not supply a steady input of raw sugar to the factory; moreover, the cane farmer became a serious competitor with the estate owner for land and labor, and refused to work on nearby plantations. Peasants faced grave difficulties with this system, often encountering the high prices of the single processor or trader; in the 1890's, United Fruit Company was the only buyer of fruit in Jamaica. Some planters selling to United Fruit at this time actually received less than the f.o.b. price.

The actual encroachment of large-scale planting--metropolitan corporate and national--into peasant land, is suggested by the growth in the number of banana and sugar estates from 1890 to 1930, a time when land was unavailable to Jamaicans for small-scale cultivation (Eisner, p. 164). The number of sugar estates declined from 162 in 1890, to 74 in 1910, and to 39 in 1910; but, their sizes enlarged, from an average 187 acres in 1890, to 294 in 1910, to 661 in 1930.

These figures indicate a drop in sugar estate lands from 1890 to 1910, a period of expansion in banana production, and a resurgence of estate sugar landholding from 1910 to 1920, when over 5,000 more acres were given over to cane. Banana estates grew in number from 1893 to 1930, and they grew in size. In 1893, there were 113 banana estates in Jamaica, of about 75 acres each; in 1910, the number of estates had risen to 435, with a mean size of 105 acres; 505 banana estates were found in Jamaica in 1930, with a mean 103 acres. Much less consolidation is apparent in indicators of banana estate size, particularly from 1910 to 1930 when the average size of banana estates dropped by 2 acres; this may reflect the fact that by 1930, the banana boom had ebbed because of disease and bad weather. The combined figures for sugar and banana estate size and number for the period 1890 to 1930 reveal that sugar production on estates dropped by nearly 10,000 acres from 1890 to 1910, while banana production increased by 37,000 acres from 1893 to 1910. The result was a net gain of 27,000 acres in lands given to large-scale planting. The acreage increased even further from 1910 to 1930.

Although the physical expansion of food production was halted by a shortage of land after 1880, the proportion of ground provisions grown relative to commodities actually exported fell until 1890, after which it began to rise slightly. Table 13 indicates that the ratio of exports to ground provisions ("chiefly yams, cocoes, and sweet potatoes, which formed the staple diet" Eisner, p. 9), dropped dramatically from a ratio of 259 in 1832, to 108 in 1850, to 69 in 1870. The ratio was lower still in 1890, at 64, but then rose again to 81 in 1910; in 1930, the ratio of exports to ground provisions was 80. Thus, despite the limitations on expansion of lands under petty cultivation, output of ground provisions increased, suggesting productivity gains.

Table 13. Ratio of Jamaican Exports, Retained Exports and Animal Products to Ground Provisions

	1832	1850	1870	1890	1910	1930
1. Exports	259	108	69	64	81	80
2. Retained exports	5	17	12	10	11	20
3. Animal products	2	5	5	8	9	7
Total 1-3	266	130	86	82	101	107

Source: Eisner, p. 170

The number of men engaged in the production of ground provisions grew from 1890 to 1821, from 90,615 to 112,567, despite restrictions on physical expansion during this period. These new producers of ground provisions probably joined family members who already owned or rented land, contributing to increases in productivity. It should be noted that productivity increases were restricted by relatively crude methods of cultivation and a diminishing access to capital for improvements in technique.

Trends in manufacturing included a major increase in raw material processing factories, although some products for local consumption were also made. From 1890 to 1910, factories manufacturing beer, matches and tobacco were expanding and increasing in number. Over the next 20 years, new factories producing goods for the internal market appeared, and there is evidence of amalgamations and increases in scale over time (Eisner, p. 174). On the other hand, the numbers of craftsmen, artisans and local traders did not expand much after 1890, and in many categories of non-agricultural employment, growth did not keep pace with population increases. Manufacturing in general comprised a smaller percentage of output after the early years of the British competitive capitalist period. The revitalization of export agriculture in the early twentieth century, particularly large-scale planting, seems to have led to the retardation or stagnation of manufacturing and local trade in general; even the provision of goods and services for the plantation was discouraged, as monopoly capitalist corporate agriculture provided most of its own resources. Long distance trade prospered, although trade to and from the plantation itself was handled by the corporation and not by independent agents. The single category of employment that reveals substantial growth relative to other industries and services is domestic service, which expanded steadily from 1860 (Eisner, p. 163).

West Indian Class Relations and British Monopoly Capitalism

The class relations of the West Indies during the time of transition from British competitive to monopoly capitalism reveals changes related to the growth of export agriculture, particularly large-scale enterprises, in the region. Generally, monopoly capitalist agriculture expanded early in this century, invading land formerly held by small-scale producers. Export agriculture by peasants and farmers grew at the end of the nineteenth century, although physical limits on expansion were reached about 1880. The number of West Indians employed on estates fell; labor requirements in agriculture in general nearly halved from 1871 to 1911, although the total area under cultivation increased nearly 2 1/2 times during this period (Eisner, p. 348). The increase in the number of people employed in domestic service and provision producing probably reflects the declining labor needs of the estate. There are no unemployment figures for the period, but levels of migration to the city are high and it is doubtful that employment could have been secured for such large numbers of migrants. From 1921 to 1936, the population of Kingston increased by 73%, and that of St. Andrew (which included much of suburban Kingston) by 135%, both figures far in excess of Jamaica's population increase of 44% for the period (Eisner, p. 355).

Conflicts among classes focused on the expansion of monopoly corporate agriculture, and were expressed in struggle over marketing, transport and processing agreements between monopoly capitalist corporations and petty producers of commodity exports; and in struggle over the direction of future West Indian economic growth between corporate planters and proponents of development of food and light manufactured goods for the internal market.

With the rise of British competitive capitalism, particularly during the years of economic depression and severe beet sugar competition, sectors of the British state, and some merchants and planters in the colonies, doubted the wisdom of continued commodity export production on the plantation. The demise of mercantile sugar planting produced a class of unemployed and propertyless people of color, an undesirable social problem from the point of view of Britain and the wealthy whites in the West Indies. Some favored the building of a middle class of cane farmers, although these producers would not have escaped the pressures on cultivation that drove estate owners to technology with an increasing capital content. Others favored food agriculture. A Royal West Indian Commission of 1897 encouraged land settlement and diversification of agriculture, claiming that the "existence of a class of small proprietors among the population is a source of both economic and political strength" (quoted in Eisner, p. 219). The Norman Commission, discussed in a previous section, held the same view. The food producing peasantry and farmers could express agreement only through individual attempts to purchase land, as they lost much of their political influence in the reversion of Jamaica to Crown colony government in 1865.

The British state and progressive sectors of the planting class were generally more enthusiastic in their support of small-scale production of export crops. One particularly supportive governor of Jamaica, Sir Henry Blake, encouraged a land settlement scheme and founded the Jamaica Agricultural Society. He also sponsored the building of roads and bridges, to the fruit growing areas. In Trinidad, businessmen, including long distance traders, favored cane farming as an alternative to the plantation because cane farmers had money to spend, something the unemployed obviously lacked. This also meant an opposition to the indenture of Indian laborers, who angered traders and manufacturers with their tendency to send earnings back to India.

The petty producers of export crops themselves sought means to counter the influence of owners of large-scale enterprises, particularly the metropolitan oligopolies. Farmers in Trinidad organized the Cane Farmers' Association to challenge the practices of landlords and owners of central factories. The history of the Jamaica Banana Producers' Association, Ltd. was recounted in a previous section. This group paved the way for the establishment of cooperative marketing ventures by producers of other export commodities. Such mechanisms have allowed the continuation of small-scale production of export crops, but only as a consequence of metropolitan subsidies and preferences, and satellite state financial and political support. Moreover, they have often contracted with oligopolies for transportation and marketing in the metropoles, thus encountering monopolistic practices. The existence of producer cooperatives for marketing does indicate that the economic power of monopoly capitalist corporations, and individual planters and merchants, was not monolithic; nor was their influence in colonial state bodies or on metropolitan government absolute.

British Monopoly Capitalism and the West Indian Colonial State

The weakness of British capitalism at the time of the development of monopoly capital served to encourage further political independence on the part of the Dominions, meaning the development of Dominion industrial capitalism and increasing strength for indigenous industrial capitalists in political institutions. On the other hand, British policy towards the dependencies--those colonies acquired largely during the late nineteenth century, and some older ones, such as the West Indies--was a return to a policy of direct colonial rule. The reasons for this regressive policy included the British fear of raw material scarcity and the interest in markets for light manufactures, both of which required low levels of economic development in the dependencies. Monopoly capitalist corporations moved into these areas, producing raw materials through use of capital intensive technology. As the West Indian case well exemplifies, farmers and peasants and other indigenous labor engaged in production directed to export or the export sector did not generate economic development; producers of goods and services for the internal market faced retrenchment or stagnation after the coming of metropolitan monopoly capitalist corporations. But both classes competed for land and labor with monopoly capitalist corporate plantation owners, and in the West Indies, their presence in political bodies aggravated the already exaggerated fear of non-whites for their physical safety (Williams, 1966a, pp. 87-106).

The emancipation of slaves and declining production of the sugar industry generated slightly greater diversification in agriculture, and more local trade and crafts. This development increased the strength of non-planting groups in colonial legislative bodies. The planters and those merchants still linked to sugar planting resisted the enfranchisement of newly freed Africans, attempting to reimpose property and income qualifications for voting. The white population of the West Indies claimed to fear physical assault from ex-slaves, and were supported by the British Crown in their control of suffrage through various qualifying criteria. The planters vociferously fought legislation in favor of the black masses supported by enfranchised and office-holding Afro-Europeans. The foundation of racial antagonism was the competition between planters and the new black peasantry for land and the peasants' labor. British religious society initiatives to assist African and Afro-Europeans with land, as well as favorable reports to the British government on the settlers' progress, disheartened planters (Williams, 1966a, pp. 87-106). When the Governor of Jamaica, representing white interests, overreacted to a small-scale black revolt with excessive force, the so-called Morant Bay Rebellion of 1865 brought whites and non-whites into bloody confrontation. The numerical supremacy of African Jamaicans was not enough to counter the weaprony of Governor Eyre's troops; 439 people died, most of whom were African or Afro-European. One thousand houses were "wanton[ly] and cruel[ly]" burned, as noted by the British government commission appointed to investigate the event (Williams, 1966a, p. 120). Jamaica became a Crown colony; power and responsibility became vested "substantially in the Crown," with colonial privilege limited to the "free exposition of adverse views in debate, and the right of recording protests which the Governor is bound to transmit to the Secretary of State" (British Secretary of State, quoted in Williams, 1966a, p. 125). A similar governmental administration ruled in Trinidad, and within a few years the white fear of non-whites led to the voluntary surrender of eastern Caribbean assemblies to the Crown. In Barbados, whites were more numerous than in other islands of the British West Indies, and the sugar industry remained fairly prosperous. By the 1870's, Barbados and British Guiana were the only British West Indian colonies not ruled directly by the Colonial Office.[9]

The Crown governments of the West Indies ruled quite clearly in the interest of individual planters, planting merchants and merchant houses, and the emerging monopoly capitalist corporate plantation owners--all trying to recover from the disarray of the sugar industry caused by Emancipation and the Sugar Duties Act of 1846. More money was spent than ever before for improvement of the infrastructure serving the sugar industry, and later the fruit companies. Although motivated by the decline of the West Indian sugar industry and the worldwide problems of cane sugar farmers competing with bounty-fed beet sugar, these initiatives were consistent with the policy of the British Colonial Office to improve transport and production facilities in the dependencies. Roads from the plantations to ports were improved; the Jamaican government took over the Jamaican Railway Company, extending rails and making the company financially solvent. In the early 1900's the Jamaican government began to improve investment incentives by paying interest on capital invested in the products of the island. After the emancipation of slaves, the West Indian governments paid one-third of the costs for the immigration of East Indians and other laborers, assisted with loans from the British government. British Guiana paid for colonial expenses through taxes on food consumption; no tax was levied on sugar exports or on imported machinery. The West Indian colonies paid for other services to planters through Crown grants and loans from Great Britain, and private sources, marking the heightened commitment of the Crown to aid planters and corporate sugar and banana growers. In Table 14, Eisner traces Jamaican government indebtedness from 1860 to 1934. There were fluctuations in levels of borrowing, although borrowing was generally higher for the 1880-64, 1885-89 and 1890-94 periods than for periods before or after. The decrease in government borrowing from 1895 to 1915 resulted from the repeal of state subsidies to

European beet producers and the failure of the Jamaican railroad. The level of government borrowing rose again before the depression of the 1930's.

Table 14. Gross Jamaican Government Borrowing for All Purposes, 1860-1934

Years	f'000	Years	f'000
1860-64	107.7	1900-04	165.9
1865-74	731.3	1905-9	30.0
1875-79	155.0	1910-14	143.0
1880-84	1044.2	1915-19	217.0
1885-89	2800.0	1920-24	1515.5
1890-94	820.9	1925-29	429.6
1895-99	40.0	1930-34	86.5

Source: Eisner, p. 285

The British government became somewhat more attuned to the needs of African and Afro-European peasants, plantation workers, craftsmen, etc., following the imposition of Crown colony government. The British endowed a few schools, which came under Jamaican government control in 1870. Jamaican government spending for education was meagre; in 1929, there were only 25 secondary schools on the island, enough for one of every fifty students. "As far as the ruling classes were concerned education for the Negroes should create an acceptance of their role as agricultural laborers in a society that was rigidly stratified along racial and social lines" (Brown, 1974, p. 42). After 1865, the Crown Colony government of Jamaica initiated some Public Health improvements, but sanitation, vaccinations, etc., were still carried out in an inadequate manner. The Nutrition Commission of 1945 of the British government found the average Jamaican consumed about 1800 calories daily, of which 70% were bulky starches (Eisner, pp. 326-345).

Peasant proprietors and traders petitioned local and central political institutions, now generally directed by Crown appointees. They were particularly eager to have improved roads and marketing facilities. But their demands were only occasionally met. Brown notes that in the parish of Portland, peasant needs were often ignored, as local boards favored whites and generally preferred to spend as little as possible on improvements in the infrastructure or social reforms (Brown, p. 38).

Summary

In this chapter I have argured that the British transition from competitive to monopoly capitalism provides the best framework to understand West Indian economy and society during the late nineteenth and early twentieth centuries. Metropolitan capitalist development is the foundation for the study of satellite history in general. Therefore, this chapter began with an examination of four propositions about the effects of metropolitan transition from competitive to monopoly capitalism on satellite systems of production, class relations, dependent development and the state. A critical analysis of recent Marxian literature on dependency, and my own observations about West Indian and satellite history, provide the bases of these propositions.

I then reviewed West Indian society and economy during the period of transistion from British competitive to monopoly capitalism in the late nineteenth century. West Indian systems of production, class relations, dependent development and the state were the subjects explored. I suggested that industrial and commercial enterpriese in Britain underwent capital concentration and centralization, concentration of production, and vertical integration with the rise of monopoly capitalism; merchant houses, raw material refiners and other firms experienced these shifts. They invested in raw material production in the Third World, including the West Indies, where some merchant houses had acquired holdings cheaply as a result of the decline of mercantile systems of sugar production. As the oligopolies moved into the area, economic growth was concentrated in the export sector, intensifying dependency and uneven development; limits were put on the potential growth of the internal market. Class relations were influenced primarily by the encroachment of the large-scale enterprises into areas of small-scale production of export crops and food, both of which had expanded during the period of British competitive capitalism. Finally, the West Indian colonial state was subjected to Crown colony rule after an era of increased independence from Britain. Legislative bodies in the colonies lost most of their power, and represented principally British monopoly capitalist interests. The Crown ruled, too, in favor of large-scale export producers, although the national bourgeoisie retained some influence on the metropolitan and colonial states.

The United States exerted power in the region during the development of British monopoly capitalism. American oligopolies invested in fruit production and tourism. The United States played a major role in West Indian trade during the time of intense beet sugar competition. A return to protectionist policies in Britain led to movement on behalf of cane producers against government bounties to European beet sugar producers, and drew the West Indies back into trade with Britain.

FOOTNOTES

[1]Metropolitan capitalists invested in manufacturing in satellite nations after World War II. As a consequence, substantial economic growth was generated in sectors other than those of raw material production in many Third World countries. Cardoso (1972-3) and Evans (1975-6) point out that this economic development, although dependent upon metropolitan capital and technology, has involved national capital investment and national profit-making. National entrepreneurship of this magnitude, and in the manufacturing sector, counters the claims of the theorists of "stagnation" and "exclusion" who have contended that metropolitan capitalists have invested primarily in the production of commodity exports, for thier exclusive aggrandizement. Nevertheless, the low potential for domestic capital accumulation persists in satellite nations, regardless of apparent levels of manufacturing or national participation. Profits are necessarily shared with metropolitan capitalists; moreover, manufacturing enterprises in the satellites have little capacity for expansion, in terms of forward or backward linkages, or the growth of the local market.

[2]Petras elaborates further on the ability of various groups in the satellite to influence satellite state policy. "Power in peripheral society is largely derivative: the interest groups that emerge and compete for power (short of revolutionary classes, parties or movements) are expressions of the consolidation and institutionalization of the ongoing structure of power. The terms under which ruling class power are (sic) exercised is subject to the class struggle. Therefore, the power of the capitalist is rarely absolute, except in cases of totalitarian dictatorships under which the class antagonism became latent and rulership appears total. The dominance of a mode of production defines the prerogatives of the ruling class and define the role of the state. However, the state, while subject to the laws of development of that mode of production, also is subject to the level of the class struggle" (Petras, forthcoming b).

[3]Another sign of planter political power was the Guianese policy of direct taxation of food consumption, but not on the exportation of sugar or the importation of machinery (Mandle, 1973a, p. 28).

[4]Eisner notes (1961, p. 197) that in the 1840's, the absentee-owned Jamaican estates were more efficient than those of residents, as absentees could acquire needed funds more easily, from private British investors, than could those planters residing the the West Indies.

[5]Beachey (1957, p. 143) claims that the costs of producing beet and cane sugar were about equal in 1890, but the bounties and lower transport costs gave the advantage to European beet sugar in the European market. Foreign cane sugar was preferred to British West Indian cane sugar, says Beachey (p. 144). Tate and Lyle, later to become a great plantation owning corporation in the British West Indies, imported thousands of tons of Javanese sugar to Britain in

in the 1880's. Saul (1958, p. 4) contends that Java and other fresh, productive areas, often under monopoly capitalist corporate control, were able to counter beet competition, although the West Indian political pressure against bounty-fed sugar drove beet producers to greater efficiency and less reliance upon bounties in order to naturally undercut the price of cane sugar.

[6]I have found no suggestion in the literature on the West Indies of the link between mercantilism and repressive forms of labor in early export agriculture and mining, and the competitive and monopoly capitalist corporate preference for free labor. Williams (1966b) clearly demonstrates the relationship between the use of slavery and soil depletion, a proposition advanced by Adam Smith. Best (1968) also notes this conncetion (p. 290). The implication of this relationship is the incompatibility of labor-repressive systems with long-term, competitive industry, as Genovese contends (1965). Both Williams and Best underscore the capital-intensivity of late nineteenth century plantation systems, but they fail to relate this phenomenon to changes in the development of metropolitan capitalism in its competitive and monopoly stages. Nor do they see that free labor was generally a necessity following the abandonment of mercantile preferences, as labor-repressive systems were too expensive without monopoly. Oligopolies in a world of preferences and international commodity agreements have the capital and market guarantees to support a system of repressive labor. But such a method of labor use is inimicable to monopoly capitalism, in which the logic is not rapid accumulation at any cost, but the long-term, constant accumulation of capital. In this sense, slavery, bonded labor, etc. are too expensive to oligopolies. Surprisingly, both Beckford (1972) and Mandle (1972) fail to link labor repressive systems with soil depletion, or to recognize the demise of the former because of their effect on soil fertility. Beckford recognizes the transition from slave to free labor on plantations, but does not explain its origins. Mandle tries to find a general principle to explain labor use on plantations across periods during the development of capitalism, and concludes that coercive control of the labor force spans the history of the "plantation economy."

[7]Waddell (1967, p. 97) asserts that the Jamaica Banana Producers' Association's shipping facilities to England were not saved by Jamaican government loans. Rather, the subsidized line failed within a few years and was taken over by United Fruit Company, which controlled all Jamaican banana exports until 1929, when the Jamaica Banana Producers' Association was able to make independent shipping aggangements.

[8]It is widely known that Standard and United Fruit Companies own and operate fruit growing, marketing and shipping facilities throughout the world. Table 10 shows the total banana exports of the banana growing countries of the Caribbean and Central America from 1900 to 1932. It is clear that for many areas, including Jamaica, the two fruit oligopolies exported a large percentage of the total exports of bananas from these areas. Of the 20,360,600 bunches of bananas exported by Jamaica in 1932, nearly three-quarters, or

14,082,866 bunches were "exported" (sold by agents of) United Fruit or Standard Fruit and Steamship Corporation. Moreover, Jamaican properties, and opportunities for banana trading and shipping, were extremely valuable to United Fruit Company and Standard Fruit and Steamship Corporation in the early part of this century. Table 10 reveals a high level of exports from Jamaica relative to other banana producing countries as late as 1932, when the number of bunches of bananas exported by these corporations from Jamaica was higher than that for any country, except Honduras.

[9]British Guiana's territorial expansiveness and the success of Indian immigration reduced the tension between white and African and Afro-European inhabitants. See Mandle, 1973a.

CHAPTER VII

SUMMARY AND CONCLUDING REMARKS

This dissertation is part of a larger project in which my aim is to establish a general historical framework for the study of the West Indies from the beginning of British imperialist penetration to the present. A second, related objective has been the examination of several historical problems and controversies. In relation to the first of these intentions, I have argued that conceptualizations of West Indian society and economy have generally lacked a coherent theory of metropolitan economic growth, satellite economic development and satellite class relations. Marxian theories of imperialism and dependent development provide the possibility of a fuller understanding of the West Indies, displaying particular strength where past treatments have been inadequate--in the analysis of economic development and class relations. Furthermore, the elaboration of a Marxian framework for the study of the West Indies offers an avenue for the resolution of several historical questions and inconsistencies that have not been adequately explained by proponents of other perspectives. I have chosen a methodological approach that is, in my opinion, inherent to Marxian thought. It is based on the assumption of "relations" among all social phenomena.

Here, in this concluding chapter of the dissertation, I will briefly summarize the principal relations described and analyzed in this work. (Summaries of each substantive chapter can be found in Chapter II). I will then suggest topics for future research which reflect substantive concerns established here and the methodology employed.

I began the dissertation by examining the theoretical perspective now dominating the study of the West Indies. Structuralism, I contended, although ostensibly an anti-imperialist and occasionally a "socialist" ideology, displays many of the theoretical weaknesses of modern American social science. The structualists study the "social system"; this is most clearly represented in the Caribbean structuralist emphasis on the "plantation economy" and the "plantation society." Many of the criticisms leveled lately at American structual-functionalism and neo-classical economics apply to the structuralist study of the West Indies as well.

First, there is the unit of analysis itself, the "system." It is an abstraction, with no basis in reality. Yet study of the mechanisms, constituent parts, needs, imbalances, etc., of this system, deflects our attention from real group and individual actions and intentions. Thus, there is no conceptual apparatus for the study of stratification in theories of the "system." Nor is there an adequate theoretical basis for the study of social change.

Second, there is the explicitly political position that is the basis of the study of society and economy as an abstract, static and reified concept. The American sociologists and economists have had few illusions about the political implications or foundations of their work, endorsing gradualistc solutions to systemic dysequilibrium. The structuralist position, however, is a politically radical one, making structuralist theory contradictory and puzzling.

A possible explanation for this inconsistency may be found by looking at the world economy, specifically, the differences in economic and political power held by the developed and developing countries. Many of the most vocal proponents of schemes to equalize the international distribution of wealth are nations which foster dependent capitalist development within their own boundaries. They resist the eradication of export-oriented systems of production, in particular export agriculture, in favor of redistribution of international wealth. Although Third World proposals to raise and stabilize commodity export prices, to improve the terms of bilateral and multilateral lending, etc., are initially startling, these demands have a similar effect upon the international capitalist system as liberal strategies for social change have upon the metropolitan nation. They are ameliorative and do not effect a transformation of the national or international mode of production, and they depend upon the largess of the economically hegemonic forces.[1] Taken in this light, the theories of the structuralists are liberal rationalizations of the current Third World demand for a greater share of the world's wealth.

Radical prescriptions for social change in the West Indies require a radical intellectual interpretation of society and economy. The Marxian approach to the study of the West Indies has not been widely undertaken, particularly since the boom in American Marxian studies in the late 1960's that have yielded much of theoretical value on the subjects of imperialism and dependency. Recent Marxian theories of imperialism have generally suggested useful ways of analyzing British economic dominance over the West Indies. But

Marxian writings on dependency, and on metropolitan rivalry, have held less promise for the reinterpretation of West Indian history; some have suffered from many of the same general contradictions and inconsistencies as structuralist theory, and some of the same weaknesses in relation to the study of stratification and economic development.

I have argued that the "underdevelopment" and "world system" theses, like the "plantations society" and "plantations economy," present conceptual and empirical difficulties. They are themselves concepts that are reified, more than the sum of their parts. They are not grounded in human activity, and cannot be grounded in group interest and action. Nor is social change easily or systematically examined. Clearly, Frank, Wallerstein, and their followers endorse radical political activity; they advocate anti-imperialist, socialist revolution in Third World societies. And, to more fully validate this political position, these theorists have introduced the discussion of conflict among classes, ethnic groups, etc., into their perspectives, and have noted that mechanisms of imperialism have changed historically. These theoretical adjustments are congruent with their authors' politics, but they render the larger framework problematic. Having thrown out Marxian definitions of class, theorists of "underdevelopment" and the "world system" provide no means to delineate classes or other social groups. Nor do movements in the metropoles necessarily tell us if satellite social relations will change, or how. Moreover, political practice based on incomplete or incoherent theoretical formulations, as are those advocated by Frank, Wallerstein, *et al.*, can lead to disastrous consequences. This is especially true in the crucial area of class alliances, a subject not systematically treated by the theorists in question.

As I explained Chapter II, the relational methodology of Marxiism is based on different epistemological assumptions than the "systems" theory of structuralist and some Marxian writings. The relational universe is built on few assumptions about human interaction; those made are categorical and not law-like. Within the framework suggested by these categorical assumptions, we find tremendous variation historically and "cross-sectionally" in all social institutions.

The emphasis of Marxian relational analysis is on human intentionality, expressed in class conflict; the so-called unit of analysis is class, and not the system, the society, or the firm. Higher levels of abstraction are conceptualized with the recognition that they are but webs of class relations. Moreover, change is a function of class conflict in Marxian relational terms; evolution from one stage of capitalist development to the next results from class conflict and changes in class relations.

How, in specific terms, is this Marxian relational methodology applied? I have chosen, through my selection of subject matter, to construct a broad relational framework to study the West Indies and the British-West Indian tie. In so doing, I have sacrificed some precision and depth in the discussion of social relations at a lower, more concrete level. I have based my framework of analysis on the development of British capitalism (in fact, the evolution of British class relations); within this historical context, West Indian economy and society can be investigated. I have traced the link between

British class relations and geographical expansion, extending the examination of class relations to the areas of imperialist penetration; there, metropolitan classes have established coalitions with sectors of the dependent population. However, the nations of the West Indies must be allowed some conceptual autonomy within this general scheme. This is possible by viewing West Indian class relations (and economic development) as phenomena which are, to some extent, independent of British imperialism.

The substantive chapters of this dissertation (III-VI) cover the history of British economy growth from the mercantile period to the beginning of monopoly capitalism, although they focus on the years from 1830 to 1930. In these chapters, I have also analyzed West Indian class relations and economic development. In reference to Britain, I have argued that each stage of capitalist development contained the basis for transition to the following stage within its expansionary dynamic. The way in which the capitalist and working classes functioned in relation to one another created this dynamic. Each bourgeois capitalist country also experienced a shift in mode of imperialist penetration of satellite nations as a result of the evolution to a new phase of capitalist development. Trade policies were transformed as well.

Employing a case study approach, I delineated general movement in bourgeois class relations and in the particular case of Britain. The transition from mercantile to competitive capitalism was discussed, as well as the change from competitive to monopoly capitalism. I also explained, briefly, how this Marxian interpretation of the British-West Indian relationship provides a more adequate analysis of British capitalist development, and its relation to imperialism, than do materialist strategies.

West Indian economy and society have been discussed in terms of four historical propositions that reflect the transitions of British capitalism from one stage of development to the next. Satellites in general experienced modifications in class relations as a result of major transformations of metropolitan capitalism. Systems of production changed in the satellites, as did forms of dependent development and the state. These relations were explored in terms of satellites in general, and the West Indies in particular, both for the period of transition from metropolitan mercantilism to competitive capitalism, and the time of transition from competitive to monopoly capitalism. This section of the dissertation includes a discussion of how precisely this interpretation of West Indian class relations and dependent development differs from and improves upon the structuralist position, both conceptually and empirically. Comments were made, as well, on the traditional materialist persepctive on several issues discussed by structuralists; and some theoretical similarities between the "plantation society" and "underdevelopment" were considered.

Further Research

The discussion of British capitalist growth and its consequences for West Indian history ends rather abruptly around 1930. Only the general characteristics of monopoly capitalism were explored; I investigated the beginnings of monopoly capitalism in Britain, and its initial effects on the West Indies. Many important relations were omitted or addressed inadequately.

The completion of this project will entail a fuller examination of monopoly capitalism and an elaboration of several topics introduced here. Most important is the increasing concentration and centralization of capital within British industrial and commercial oligopolies, and the growing tendency for West Indian raw material production to be controlled by metropolitan oligopolies. But the period of 1930 to the present is marked by another phenomenon, the rivalry among metropoles that resulted in the eclipse of Britain by the United States in the role of premier metropole. The development of British monopoly capitalism has been influenced by growing United States economic and political hegemony, as has British imperialism in the West Indies. I would argue that British capitalist development must remain the basis for analysis of West Indian history since 1930, but that the rise of the United States is an enduring consideration in the study of Britain and the Caribbean region. Furthermore, United States capital has been heavily invested in the West Indies and the American state has developed tremendous political influence in the area.

The specific issues to be discussed in the second half of this work are outlined in Chapter II. The primary orienting proposition are these: 1) Britain suffered from industrial, commercial and financial competition with the United States from the late nineteenth century through World War II, when the United States achieved international political and economy hegemony; 2) Britain withdrew increasingly into her empire for trade and investment, unable to compete with the United States and other metropoles in other geographical spheres; 3) the costs of governing eventually led to the British abdication of political control of most of her colonies in the post-World War II period, although she maintained lucrative economic ties through investment, trade, lending and a shared system of currency; 4) within the dependencies, patterns established during the early years of British monopoly capitalism continued, although investment in manufacturing, primarily by United States firms, often enabled national bourgeois participation, and independence brought an expansion of a middle sector of state personnel.

There are many relations touched upon in this dissertation which warrant further analysis at a future time. Several of these topics have been of interest to me for some time; but before developing a theoretical perspective for the study of West Indian economy and society, I was unable to ask appropriate questions about these phenomena. One such topic is a detailed comparative analysis of the effects of labor repressive systems on costs of production and the general fortunes of the owning class. This issue has not been fully studied by Caribbeanists or by the many students of comparative slave systems. The framework I have presented in this dissertation links labor repressive systems with metropolitan capitalist development, providing a hitherto neglected relationship that is crucial to an understanding of the instability of this use of labor. Moreover, I would argue that the relations I have presented here form a basis for comparative studies of many aspects of imperialism and dependency. Obviously, the history of the British-West Indian tie is not strictly parallel to that of other metropoles, but the general historical framework of bourgeois capitalist development and expansion has wide application.

The approach to the study of British and West Indian histories presented in this dissertation suggests several directions for research on other specific and controversial subjects. I would like to review primary data on the levels of food production and manufacturing for the internal market since the late nineteenth century, having clarified somewhat the dimensions and implications of this type of production. Scholars of the region have failed to provide a category for this fundamental aspect of West Indian economic development. In a similar manner, historians and social scientists have neglected the consideration of West Indian local government, focusing instead on metropolitan and centralized colonial political bodies. Nevertheless, local political power is both a reflection of and basis for the sometimes violent class conflict that has marked West Indian history, as my research and analysis has demonstrated.

The investigation of the phenomena outlined above will sharpen the general historical framework offered in this dissertation. In fact, the precision and usefulness of broad historical conceptualizations can and should be enhanced by the study of specific historical problems. Marxian studies must establish constant interaction between the historically general and particular. I regard my contribution to the study of the West Indies to be the construction of a framework for the analysis of a variety of relations, at many levels of generality. It is my intention to consider further several specific relations. I hope that others may derive from my work an approach to particular topics and use their findings to improve upon this historical framework.

FOOTNOTES

[1]There are dangers in assuming too close a parallel between the world and the nation-state. Explaining one of these problems, Galtung (1971) presents a schematized description of the overlap of metropolitan and satellite "centers" or capitalist classes. Nevertheless, the gap in wealth and income between metropolitan nations and satellites is real and the basis for the political conflicts recently aired in several international bodies. It may be, however, that the time of sharp dispute between rich and poor countries is coming to an end, forced by the growing disunity of Third World nations over the gains they can make within the present world economy, and by the increased willingness of metropolitan nations to yield to some demands.

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