

AN INTRODUCTION
TO
THE ECONOMIC HISTORY
OF
THE BRITISH EMPIRE

BY

C. M. MACINNES, M.A.

Balliol College, Oxford

Reader in Imperial History in the University of Bristol

RIVINGTONS

34 KING STREET, COVENT GARDEN

LONDON

1935

TO
THE LATE PROFESSOR H. E. EGERTON
WHO TAUGHT HIS PUPILS TO VENERATE THE
PAST AND TO BELIEVE IN THE FUTURE OF
THE BRITISH EMPIRE

PRINTED IN GREAT BRITAIN
BY R. & R. CLARK, LIMITED, EDINBURGH

PREFACE

THE establishment and development of free institutions in her overseas Empire constitute one of England's most notable achievements in the sphere of politics. She has not only given parliamentary government to the daughter nations which she has produced, but in the present age, in collaboration with them, she has found a solution to the baffling problem of reconciling national independence with imperial citizenship. It was natural, therefore, that historians in the past should tend to concentrate their attention mainly upon the political and constitutional aspects of the Empire's growth.

Yet, the people who, by their courage, their tenacity and the sweat of their brow, made the Empire, were not all, as may sometimes appear, political philosophers, mastered by a passion for freedom, and possessed of an incurable love of making and listening to long speeches. The prevailing prices of tobacco, sugar, cotton, wool, mutton, wheat and the innumerable other commodities in which they had invested their time and money were more vital to them than the contents of the latest despatch from Downing Street, or sonorous pronouncements made in the local legislature on the true nature of Responsible Government. The majority of the plain people of the colonies thought much of the quality of the money they had to use, the kind of ships in which they travelled and freighted their goods, but had little time for reflections on the science of government. Doubtless the political and constitutional history of the Empire is profoundly important, and it was probably necessary that these subjects should have been the first to claim the consideration of historians, but, as the works of the late Professor Knowles and others show, the time has now come when the more prosaic phases of imperial history should receive greater attention.

In the following pages, therefore, an attempt has been made to avoid the heights where Liberty is the breath of life and where political discussion is the food upon which the Chosen thrive, and to come down to the port and the market-place, to the counting-house and the bank, to the forest, the field and the sea. Though it is not claimed that this book is a complete economic history of the British Empire, it is hoped that it may serve as an introduction to that study.

I wish to thank Mrs H. E. Egerton for kindly allowing me to make use of some of the late Professor Egerton's unpublished lecture material. This I have drawn on freely in the preparation of Chapters I and VIII. I am much indebted to the University Colston Research Society of Bristol for its grants. I wish also to express my thanks to Commander J. W. D. Powell, Mr G. S. Laird Clowes and Professor Andrew Robertson for their helpful suggestions and criticisms on many technical points. The officials at Canada House, Australia House, South Africa House, the New Zealand Government Office, the Board of Trade and the General Post Office have been most kind in answering my many enquiries and in furnishing me with material. I am much indebted to Sir H. A. F. Lindsay, C.I.E., of the Imperial Institute, for giving me the benefit of his profound knowledge of Indian trade. Many others have assisted me in various ways whom considerations of space render it impossible to acknowledge, but I hope they will accept this general but none the less sincere expression of my thanks. I am, however, particularly indebted to my colleague Mr A. E. Douglas-Smith, Mr E. G. Jones, Mr R. R. Ludlow, my secretary Miss P. M. Ridd, and my wife. Lastly, I wish it to be understood that I am myself solely responsible for any opinions expressed in this book.

C. M. M.

UNIVERSITY OF BRISTOL

15th June 1935

CONTENTS

	PAGE
PREFACE	v
CHAPTER	
I. THE TUDORS AND COLONIAL EXPANSION	1
II. PEOPLING THE FIRST EMPIRE	19
III. ATLANTIC TRAVEL IN THE SEVENTEENTH AND EIGHTEENTH CENTURIES	36
IV. ANGLO-COLONIAL TRADE BEFORE THE REVOLU- TION	56
V. THE AFRICAN TRADE	77
VI. THE EAST INDIAN TRADE	90
VII. CURRENCY PROBLEMS OF THE FIRST EMPIRE	107
VIII. THE OLD COLONIAL SYSTEM	127
IX. THE NEW EMPIRE	146
X. BRITISH MIGRATION IN THE NINETEENTH AND TWENTIETH CENTURIES	156
XI. FROM SAIL TO STEAM	177
XII. OCEAN TRAVEL SINCE WATERLOO	195
XIII. THE INFLUENCE OF IMPERIAL POLICY ON COLONIAL CURRENCY AND BANKING	212
XIV. THE EXPORT OF CAPITAL TO THE EMPIRE	236
XV. THE ANGLO-CANADIAN TRADE	260
XVI. THE ANGLO-AUSTRALASIAN TRADE	282
XVII. THE ANGLO-SOUTH-AFRICAN TRADE	302
XVIII. THE ANGLO-INDIAN TRADE	321
XIX. THE TRADE OF THE TROPICAL EMPIRE	339
XX. THE TRIUMPH OF FREE TRADE	349
XXI. SEPARATISM IN INTER-IMPERIAL FISCAL POLICY.	369
XXII. IMPERIAL PREFERENCE	388
BIBLIOGRAPHY	409
INDEX	423