

‘Naked Abroad’ – The Continuing Imperialism of Free Tradeⁱ

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1. Introduction

This paper offers a basis for the reinvigoration of Marxist methods and concepts when applied to imperialism by connecting historical and contemporary developments in capitalism to developments in the theory of capitalism. Such a re-examination is timely; since the 1990s, Marxist analyses of capitalism have regained much of the ground lost to post-modern and post-structural interpretations of history and society (Callinicos, 1989 & 2009); Eagleton, 1991, and 2011; Harvey, 1982, 2003, 2005, and 2010). Despite this revival, since the Second World War, traditional Marxist understandings of historical imperialism have failed to find much acceptance. One of the major problems facing Marxist historians is that Marx himself did little to theorise imperialism.

Harvey and Callinicos have theorised imperialism to some extent, but by-and-large contemporary scholarship on imperialism has yet to tie together threads of historical enquiry with theories of capitalism or to draw out the relationship between British imperialism and the overseas economic policies of the United States of America. We argue here that there is continuity both of motive and method (formal and informal imperialism) in the overseas economic and military policies of both Britain and the United States. The comparison is a useful one and it is developed here not least of all to begin to answer recent calls for a renewed analysis of the development of the economy of the United States that incorporates a comparison with Britain (Gray, 2012). Herein we revisit and develop the work of John Gallagher and Ronald Robinson in their 1953 essay ‘The Imperialism of Free Trade’ (Gallagher and Robinson, 1953), which has been used, albeit briefly, to good effect in Ray Kiely’s *Rethinking Imperialism* (Kiely, 2010: 170).

In the following analysis, we reject the idea that imperialism is a development out of capitalism, and argue that, in fact, it is an intrinsic part of it. In doing so, we offer forward the concepts developed by Gallagher and Robinson and renew them so that they can be applied to not only to British imperialism but also to the operation of capitalism globally.

2. The Gallagher and Robinson Controversy

It should be noted that within historical circles, ironically, it was the work of Gallagher and Robinson that served to stimulate the rejection of Marxist analyses of imperialism. Nevertheless, their work, for critics and advocates alike, quickly became the essential starting point for historians interested in discussing the development of imperialism. Specifically, and writing in the mid-twentieth century, they challenged the then traditional Marxist-Leninist view of imperialism and it is worth briefly examining their critique.

In 'The Imperialism of Free Trade', Gallagher and Robinson critiqued Hobson's 1902 work, *Imperialism: A Study* (Hobson, 2005). Hobson argued that the Scramble for Africa represented a desperate attempt by European capital to locate new locations for investment, brought on by decreased demand in metropolitan areas. Gallagher and Robinson rejected this view on the basis that it implied 'a qualitative change in the nature of British expansion and a sharp deviation from the innocent and static liberalism of the middle of the [nineteenth] century' (Robinson and Gallagher, 1953: 2). Like Robinson and Gallagher, we argue a wave of annexations at the end of the nineteenth century did not represent a rejection of liberal, free trade methods of maintaining imperialism. Rather, liberal economic policies represent the goal for dominant imperial powers; formal and informal means merely form the tools by which free trade, or more recently neoliberalism, is established. Thus, whilst Eric

Hobsbawm argued for an understanding of the importance of informal imperialism (Hobsbawm, 1970: 134-153), Gallagher and Robinson would not have agreed with his implied belief that imperialism went through phases of indifference or enthusiasm.

Gallagher and Robinson also rejected Lenin's description of imperialism as the 'highest' stage of capitalism. They argued that the mid-nineteenth century *Pax Britannica* could not have represented a time of rejection of empire because of the significant number of annexations that were undertaken. Thus, the end of the century saw continuity, not difference. We extend this analysis to the United States. As we shall see, claims to imperial indifference on the part of the US have more often than not been accompanied by formal annexations. Likewise, Gallagher and Robinson did not analyse the work of Luxemburg (1951) (published in 1951 but written earlier) but had they done so they would have found it wanting. Its focus on the formal empire would have been challenged by the argument that the vast majority of investment went outside of Britain's empire. For both Britain and, we argue, the United States, plenty of profits were to be made by the maintenance of liberal trade agreements with already developed, and developing, capitalist economies.

Hilferding's [1910] (1981) work was not analysed by Gallagher and Robinson because it was only published in English in 1981. Nevertheless, it is likely it would also have been rejected on the basis that imperialism did not represent a new stage of capitalism but rather an intrinsic part of its overseas operation at the heart of which was not a wish to establish formal dominion but, rather, informal economic dominance. Moreover, they would have rejected, as we do, the idea that capital tends towards protectionism. Indeed, one might argue, Gallagher and Robinson might have entitled their piece 'Imperialism *for* Free Trade'. Similarly, Bukharin argued that capitalist rivalry drew international economic rivalry and imperialism into the state. But this fails to recognise the importance of conditions outside of the metropolitan (as Gallagher and Robinson argued) and also does not allow for an analysis of class

factions within the capitalist class to be drawn out, nor for the relationship of these factions with the state to be developed.

Herein it will be argued here that imperialism should not be seen as a 'new' or 'higher' development of capitalism but rather as an intrinsic part of its operation. Writing in 1953, Gallagher and Robinson were unable to identify this because the neoliberal informal imperialism of the United States was not yet extant. But, when viewed from the vantage point of the twenty-first century, it can be seen that, in fact, imperialism is an integral facet of modern capitalism. An analysis that seeks to tie together contemporary and historical themes of imperialism, such as the one presented here, needs to recognise this. By making use of, adapting, and augmenting the tools of analysis offered in 'The Imperialism of Free Trade', a new understanding of the overseas operation of modern capitalism is arrived at. Ironically, and contrary to their original intentions therefore, Gallagher and Robinson's analysis, once applied to imperialism when it is conceived of as a facet - not development - of capitalism, actually provides significant benefits for a Marxian understanding of imperialism.

Gallagher and Robinson argued that 'imperialism...[is] a sufficient political function of the process of integrating new regions into the expanding economy' (Gallagher and Robinson, 1953: 5). For Gallagher and Robinson, this process referred to the operation of British imperialism. However, it will be seen that the definition holds good for other expanding capitalisms. In particular, Gallagher and Robinson's definition of imperialism is examined because it helps scholars to understand the operation, and historical development, of capitalism as practiced by the United States. Indeed, it is argued here that Gallagher and Robinson's definition of imperialism is crucial in understanding how the US state has acted informally to create and maintain unequal economic relationships with developing economies. Understood like this, the imperial relationships between developed capitalist powers, and the states that they exert influence over, can be usefully analysed with recourse to more familiar Marxist

concepts such as exploitation, elites, and ideology. In doing so, many of the criticisms of Lenin's work are by-passed, and a more relevant Marxian critique of imperialism is offered forward.

Alongside the use of Marxian-informed concepts such as exploitation, elites, and ideology, Gallagher and Robinson's own concepts are explored in the order in which they developed them. First, the continuity of policy that runs throughout both British *laissez-faire* imperialism and contemporary American neoliberal imperialism will be examined. Second, the concepts of formal and informal empire allow us to examine how financial elites within advanced capitalisms operate within markets, and the tactics they use to defend and advance their advantageous position in these markets. Third, Gallagher and Robinson point to the existence of collaborators as being crucial for the expansion of British capitalism. Developing this, it will be argued here that the role of collaborators can be seen not only in the operation of British imperial capitalism, but also in the imperial capitalism of the United States.

3. Continuity of Imperial Purpose

In this section the 'continuity of purpose' that lay behind Gallagher and Robinson's analysis of British imperialism will be explored. Subsequently, there will be an exploration of the ways in which this analysis can be applied to the United States in order to help us to understand the disjunction between, on the one hand, the USA's stated hostility to empire and, on the other hand, its use of both formal and informal imperial action overseas.

Before 'The Imperialism of Free Trade', the prevailing wisdom on nineteenth century British imperial expansion was that it had proceeded in fits and starts. It was supposed that the waxing and waning of government and business's commitment to the ideal of empire caused this oscillation of policy. By this logic, the early and late

part of the century had been characterised by enthusiasm on the part of government and of business for British imperialism, and, as a result, a number of annexations accompanied this enthusiasm. The middle years of the century were thought to have included few acts of imperial aggression, not least of all because of the prominence of the free-trade ideas of the Manchester School. But, as Gallagher and Robinson pointed out, the middle period, in fact, did contain a number of annexations. These annexations, they argued, could not be explained as ‘fits of absence of mind’ (Gallagher and Robinson, 1953: 3). Rather, the publicly acclaimed intentions of statesmen towards empire and free trade did not necessarily match actual policy.

Gallagher and Robinson emphasised that what differed between the early and latter part of the nineteenth century, and the mid-century were the methods by which the British government ensured the protection or acquisition the economic paramouncy of British capitalism; ‘informal means if possible, or by formal means if necessary’ (*ibid.*). Whichever policy was followed, ‘refusals to annex’ on the part of the state, provided ‘no proof of reluctance to control’ (*ibid.*). The operation of informal and formal imperial means will be explored below. Here it is sufficient to note that Gallagher and Robinson saw continuity in British imperial policy because, for them, the purpose behind the policy was consistent - the upholding of the paramouncy of expanding British economic interests. Exchange and exploitation between two parties of differing power bases are central to Marx’s analysis of capitalism and, by subsuming, conceptually, imperialism within capitalism (by conceiving it as part of capitalism’s overseas behaviour) light can begin to be shed on capitalist imperialism not only when operated by Britain but also when operated by the United States.

Here, the notion of a supposed traditional aversion to formal imperialism on the part of the US is examined. As Gallagher and Robinson did for Britain’s mid nineteenth century experience, it is suggested that this aversion has been overstated.

Founded in 1776 in the alleged spirit of anti-imperialism, the United States nevertheless moved swiftly to secure forcefully its hegemony on the North American continent (Bellamy Foster, 2005). In 1802, the American government purchased from France the territory of Louisiana. In 1812, the United States went to war with Britain for control of the Northwest Territory, and also forced Spain out of West Florida and by 1820 forced the Spanish from the rest of Florida. Whilst between 1846 and 1848, the Mexican-American war (fought over the sovereignty of Texas) added substantial territories to the US. By the mid-century, these wars, combined with treaties, annexations, and the purchase of the Oregon country, secured American hegemony over much of the rest of the present-day United States. Over the course of the next century, the United States integrated its newly acquired territory through the admission of territories into the union as states. Such exhaustive formal imperialism ran contrary to the vision Washington outlined in his 'Farewell Address' of 1796 in which he strongly pointed towards the United States following a policy of free trade.ⁱⁱ This, then, suggested a policy that erred on the side of informal control just as the Manchester School later advocated in nineteenth century Britain.

The formal annexation of land did not stop with the recognition of America's present-day frontiers by European powers, however. Rather, the formal annexation turned both within and without. Over the course of the nineteenth century, the US government breached a lengthy succession of treaties that recognised Native American territorial rights and seized their land (McPherson, 1988). Outside of the American continent, the United States also used war as a tool with which to exert formal control over territories. In 1898, the Spanish-American War led to the annexation of the Philippines and Guam, and the establishment of a brief protectorate over Cuba (Carr, 1980: 47). This ran contrary to the strong vein of anti-imperialism professed within American political circles throughout the nineteenth century.

The Spanish-American war came at the end of a period in which anti-imperial sentiment predominated. Such anti-imperial sentiment saw imperialism as a European, and in particular British problem. It either did not recognise that US policy in the nineteenth century had been imperialistic, or else cloaked itself in the language of 'manifest' destiny. Thus, there was little contradiction detected between condemnation of the European powers and an 1893 US-inspired coup in Hawaii that led to the archipelago's annexation in 1898 (around the same time as the annexation of US Samoa). In America itself, the Anti-Imperial League opposed the Spanish-American war. Ironically, the League sparked a counter-protest of imperialist sentiment from the progressives, which just so happened to develop on the eve of a hiatus of American formal imperialism (Hobsbawm, 1987: 103-4). This hiatus, only interrupted by a brief involvement in the Great War of 1914-18, came to an end with the declaration of war against Japan in 1941. After the Second World War, and reflecting the so-called era of British imperial indifference, the United States' championed decolonisation of the European empires. This did not, however, prevent formal interventions by the US in Korea, Vietnam, Diego Garcia, Iraq, Grenada, and Afghanistan.

We argue that by highlighting the continuity of imperial purpose that is part of the operation of expanding capitalisms, a Marxian understanding of imperialism, albeit one very different from those challenged by Gallagher and Robinson, can be forged. That the US sees itself as a nation founded on a platform of anti-imperialism has not, as we have seen, prevented it from undertaking formal imperial activities. As Marx put it in reference to British India, but with resonance in the American case, imperialism reflects the 'profound hypocrisy and inherent barbarism of bourgeois civilisation,' which assumed 'a respectable guise at home but went naked abroad' (Eagleton, 2011: 220-1).

4. Applying Concepts to Imperialism: Elites, ideology, and neoliberalism

In this section the concepts of elite theory (Blackburn, 1972; Brownlee, 2005), ideology (Grady, 2010) and neoliberalism (Harvey, 2005; Grady, 2010) are briefly explored. Despite the idea of an imperial continuity of purpose not being theorised in an ideological manner by Gallagher and Robinson, herein it is argued that the very existence of a continuity of purpose is evidence of an ideological class agenda. By combining the contemporary theoretical approaches offered by these concepts with Gallagher and Robinson's original analysis, it will be demonstrated that whilst imperialism may be achieved via different tools, the goal of imperialism – the promotion of the economic interests of the metropolitan ruling class, broadly defined, abroad – has remained the same.

We apply to our analysis of contemporary capitalism a Marxian understanding of elites. This is important because, as will be shown, the state employs imperial tactics to defend and advance the interests of its ruling class, broadly defined, and, more specifically, elements within that elite, notably industrial and, increasingly, financial elites. Naturally, the ruling class does not agree on every aspect of political economy. Within the ruling class, there are competing class fractions. Nevertheless, as Longstreath and Poulantzas convincingly argue, despite the fact that the ruling class is sometimes fractioned by competing agendas and interests, it nevertheless has a sense of its collective interests. Moreover, one particularly dominant elite within the ruling class, increasingly the financial elite, often champions these interests (Longstreath, 1979). By contrast to the nineteenth century, in the contemporary period financiers have emerged as the dominant class fraction within the ruling class because structural changes within capitalism have favoured them over industrialists (Ackroyd, 2011). This is not to say that the interests of the financial elite are incompatible with the interests of other members of the ruling class. Nor is it to say that these divisions significantly weaken the ruling class. Since 1945, financiers have found neoliberal

economic policies and ideologies to be best suited to the defence and advancement of their economic power. Whilst some members of the ruling class, such as CEOs and senior managers, have not traditionally supported free-markets they are nevertheless increasingly tied to them because their salaries are largely paid in share dividends. This therefore brings to contemporary capitalism a new development whereby those who own the means of production (the assets of the modern corporation) often stand in similar relation to those who operate corporations on their behalf (Brownlee 2005; Ackroyd 2011). A significant portion of the ruling class is, therefore, dependent upon the financial elite whose strident advocacy of, and dependency upon, neoliberal ideas has resulted in such ideas increasingly becoming those of the ruling class as a whole.

For financiers within the ruling class, the functioning, perpetuating and strengthening of the ideological and economic doctrines of neoliberalism are critically important. Financiers draw their power from participation in financial markets, and therefore benefit when markets are liberated from heavy state regulation. The opening up of new and unregulated markets further increases profit-making capacity and power. Clearly, therefore, the interests of the ruling class and, in particular, of financial elites are served best by the expansion of the domestic economy overseas.

In the period examined by Gallagher and Robinson, *laissez-faire* was the dominant ideology. By theorising the continuity of purpose identified by Gallagher and Robinson as a symptom of the ideological projects of the ruling class, it is argued here that whilst *laissez-faire* principles and neoliberalism are undoubtedly different, when analysed they nevertheless represent the interests of the ruling class and have enough similarities between them for a continuity of ideological purpose and methods to emerge (Eagleton, 1991). In both eras, elites promoted free-trade policies that appeared to require a minimal role for the state, but which, in fact, required the protection of a strong state. These ideologies, therefore, require not the withering of the state but, rather, its reconfiguration so that it can best serve the broader interests of

the ruling class (Harvey, 2005; Mirowski 2013). The nineteenth century British state re-configured itself in a number of ways to suit the needs of the new capitalist class, and likewise, since the Second World War, the American state has done so too.

In order for the ruling class to achieve its economic goals, it deploys a broader cultural neoliberal ideological project through which the ruling class, and financial elites in particular, seek to naturalise the ideas of the free market both at home and abroad. They do this, for example, by coupling the notion of the free-market to the idea of individual freedom (Pierson, 1995; Harvey, 2005). Given that opposing freedom is presented as irrational, this construction prevents the promotion of collective solutions. Thus, neoliberalism has become naturalised to the extent that its prescriptions are presented as common sense (Eagleton, 1991).

Herein neoliberalism is also treated as an economic doctrine that is sustained by the ideological project outlined above. Indeed, understanding neoliberalism as an economic doctrine serves to remind us that its contemporary intellectual dominance is ideological rather than natural (Mudge, 2008; Crouch, 2011). The presentation of the free-market as a morally superior choice serves to hide the fact that neoliberal policies are but one set of economic choices amongst many. That they have become dominant as an ideology reflects neoliberalism's usefulness to the ruling class much more than it does its status as a more viable form of capitalism.

5. The Operation of Formal Imperialism by Britain and the United States

Whether or not capitalist powers consider themselves in favour of, or opposed to, imperialism, they nevertheless undertake formal imperial activities. It has been seen that a continuity of purpose exists in the attempts of both Britain and the United States to incorporate regions into their expanding economies. However, in attempting to judge imperialism Gallagher and Robinson observed that examining only formally

annexed territory is like trying to judge 'icebergs solely from the parts above the water-line' (Gallagher and Robinson; 1953: 1). This is because expanding capitalist economies make use of both formal and informal methods in order to incorporate regions into their expanding economies. Below, therefore, both formal and informal imperialism are examined, in order to inform our understanding of the expansion of capitalism not just in reference to British imperialism, but also in reference to the United States. First, the notion of formal imperialism is updated in order to give it greater relevance to understanding the United States.

Gallagher and Robinson characterised formal imperialism as being represented by 'colonies coloured red on the map' (*ibid*). Holding colonies was expensive, however. Where possible, colonies were moved to self-government or independence. The criterion for what was possible was centred around conditions at the frontier. Where local collaborators existed, the possibility of informal control was possible. Gallagher and Robinson argued that European elites were the ideal 'prefabricated collaborators' because they would continue to trade with Britain and to be open to investment by British capital (as was the case in New Zealand and Canada, for example). Likewise, where collaborators could not be found, or where collaboration broke down, direct control was essential to maintaining the frontiers of Britain's expanding economy.

It was in areas of the expanding economy where collaborators were not to be found that problems occurred. Many such areas displayed only rudimentary capitalist modes of production and, therefore, indigenous populations had to be either convinced of the benefits of trade or else coerced into participating. In the United States, outside those areas settled by Euro-Americans, conditions were not particularly amenable to capitalism. Native Americans traded with Euro-Americans, but they were unwilling to be brought within the capitalist system entirely. Ultimately, this required formal conquest.

Formal empires must not be understood, in every case, to exist outside of a state's frontiers (as the land-based empires of Tsarist Russia, and the Hapsburg and Ottoman empires demonstrates). Annexed territory does not necessarily have to be governed separately from the metropolitan force that conquered it in order for it to be part of a formal empire. Here, the present-day United States of America is conceived of here as a land-based formal empire. This empire had to be acquired not only because of the difficulties capitalists found in trading with the indigenous population of America, but also because northern industrialists found that the cotton owning south was locked into the expanding British, rather than US, economy. The consolidation of a substantial part of the American continent into the United States was instrumental in US industrialisation and led, from the 1860s onwards, to the United States challenging the economic hegemony of Britain. Unlike European capitalisms, the resources of the United States landmass exempted its government from the need to annex territory in a defensive or speculative manner (as happened during the Scramble for Africa). Of more concern below will be formal imperial interventions undertaken after the Second World War.

From 1945 the United Nations, heavily influenced by the United States, pushed for European decolonisation as a method to avoid future wars. Thereafter, advanced capitalisms did not go to war over territory, not least of all because they set about creating structures which bound them too closely together to make war a feasible foreign policy option. The drastic reduction in the size of the formal empires did not occur overnight, however. Nor, and in-keeping with the idea of the continuity of purpose behind imperialism, outlined above, should it be assumed that the professed anti-imperial sentiments of the United States necessitated an instant withdrawal, on the part of either the US itself or the European powers, from formal imperialism. Portugal, for example, depended upon imports from its African empire and the Portuguese dictator, Antonio Salazar (himself, tellingly, a professor of orthodox

economics), maintained the economically important Portuguese empire because of a lack of willing collaborators to whom power could be transferred (Birmingham, 1993). Elsewhere in Africa, Britain retained a number of colonies reluctantly, under pressure from the United States to retain geo-strategically important areas vital to Cold War strategy, which might, if decolonised, fall under Soviet influence (Porter, 1996). In this sense the responsibility for maintaining the frontiers of the expanding US economy became internationalised as a result of the dependence which other developed capitalisms had, and retain, on the United States economy. Thus, the informal power of the US economy over other developed countries forces such countries to collaborate in formal acts of imperialism when the United States acts militarily to defend the interests of the expanding US economy.

Organisations such as the UN and NATO bring the United States together with other countries in order to undertake collective action against regimes deemed to be acting in an inappropriate manner. This collective action still fits, but helps us also to develop, the definition of imperialism laid down by Gallagher and Robinson; it seeks to incorporate the developing world economy into that of the developed world. Naturally, this has been a US-led phenomenon, but it has included troops from Britain, France, Germany, Australia, New Zealand, Spain, and Canada, to name only a few. As we shall see, informal imperialism is still preferred not least of all because neoliberal political economy has perfected the art of transferring risk onto developing economies and so providing empire on the cheap. Nevertheless, collective formal imperialism, designed to force militarily reluctant states into participating in neoliberal capitalism, continues to be exercised where necessary.

Formal imperialism has, therefore, changed in some respects to the British version that Gallagher and Robinson analysed. Moreover, the distinctly more aggressive nature of neoliberal informal empire, compared to the free trade informal imperialism

of the British empire, means that countries can be moved from formal to informal control much more quickly than they have been hitherto (Godfrey *et al*, 2013).

Iraq gives a good example of where formal intervention has quickly given way to informal influence. Of course, there is a long history to the relationship between the West and the Middle East. After 1945, Britain and the United States considered establishing formal British control over Kuwait, one of Iraq's neighbours, in order to secure oil resources.ⁱⁱⁱ Ultimately, informal ties to the western powers sufficed and were fruitful. Later, during the Iran-Iraq war, Saddam Hussein's regime co-operated fully with the United States. But by 1990, Saddam had begun to refuse to collaborate with US capitalism. Iraqi state control of key industries such as banking, and intervention in the oil industry were hazardous to the maintenance and development of western and, in particular, US capitalism. More worrisome was, Iraq's invasion of Kuwait in 1990. It threatened to pull Kuwait out of the informal empire of the US. A brief formal intervention occurred, but Iraq was not invaded, merely Iraqi forces were expelled from Kuwait. The threat to western interests in the Gulf remained the longer Saddam remained in power. Not only did the Iraqi state maintain and expand its control of various key industries, but also it was demonstrated in the Gulf War that Saddam was prepared to destroy oil fields rather than have them fall into allied hands. This meant that in the long run these oil fields, and the Iraqi state, needed to be secured in order to defend and advance capitalist interests in the Middle East, particularly given the fact that Iraq possessed significantly more oil reserves than had been reported by BP, the oil company that had operated there (Mitchell, 2011: 147). In 2003, a US-led force, which included troops from a number of countries including Australia and even Poland, invaded.

After a relatively swift victory, it did not take long for the allied forces to restore a sovereign government in Iraq. Upon invasion, the coalition established a provisional government headed by an American general. In 2005, this gave way to an interim

government and in 2006 a transitional government, both headed by elected Iraqis. In May 2006, Iraq became self-governing, though US military and civilian personnel remained crucial in the country's administration (Godfrey *at al*, 2013). In short, the process of moving from formal to informal influence lasted only three years.

A process similar to the one in Iraq took place in Afghanistan. There, interestingly, the Taliban government, which had previously collaborated with the United States, became intransigent in the face of increasingly aggressive US influence. Since 2004, post-invasion elected governments have, as in Iraq, relied heavily on US and NATO military and civilian personnel. Formal interventions have not always been on such a grand scale, however. The invasion of Grenada in 1983 lasted only from October to December and deposed a left-wing revolutionary government hostile to the United States. Government then returned to an interim-government under the oversight of the British-appointed governor-general and elections were held in late 1984. It is worth noting that the fact that Grenada was a Commonwealth country was not allowed to bring the UK and the United States into conflict with each other.

Not all formal interventions on the part of the United States have been successful. The US-led United Nations force that attempted to counter-attack into North Korea, after an initial invasion of the South by the North in June 1950, managed only to maintain partition of the peninsula. In French Indo-China, the collapse of French control in 1954 led to the establishment of a communist state and the beginnings of United States military involvement, alongside Australia and New Zealand, in Vietnam from 1955 to 1975. Again, victories were few and the end result was only partition. Both conflicts revealed the United States' concerns at the efforts at Russia and China, the only substantial economies outside of American influence, to assert influence in areas economically important to the US. They also reveal the need that the US felt to win not only territories in its sphere of influence, but also to remove regimes whose

ideologies were radically opposed to those of the United States, and thus may threaten further economic expansion.

Formal imperialism, therefore, continues to be a tool of incorporating (or attempting to incorporate) regions into the expanding economy of the United States and, to a lesser extent, other powers. Since 1945, informal imperialism has acted more often than not to restore areas to American influence rather than to colonise them for the first time. The fact that this has not caused war between developed economies may, in the case of the Soviet Union and China, be more due to good luck than good judgement. The collapse of the Soviet Union and the end of the Cold War did much to reduce tensions and leave US economic hegemony writ-upon the world economy. Nevertheless, the possibility of future inter-capital formal imperial conflicts, should new challengers to American economic expansion arise, is not precluded. In regards to the present and historical relationship between the United States and other western powers since 1945, however, the integration of developed countries into US neoliberal structures and markets has created an inter-dependence that has reduced the possibility, and advisability, of inter-capital formal imperial conflict. This network of neoliberal structures forms the new informal imperialism, or as Gallagher and Robinson put it, the imperialism of free trade; and it is to this we now turn our attention.

6. The Operation of Informal Imperialism by Britain and the United States

As we have seen, formal imperialism, whilst still used to the same ends as those of the British empire, and still accompanied by a number of contradictions in the formation of policy towards it, has altered in some ways since the Second World War and in particular in its use by the United States of America. The willingness of the developed world to work collectively and make use of formal empire to help defend US-led capitalism reflects the United States' dominant position in the global

economy. Furthermore, just as the formal imperialism of the neoliberal era bears a family resemblance to that of previous free-market eras, so too with the informal imperialism of the United States since the Second World War. This informal imperialism bears a resemblance to the informal imperialism of Britain in the nineteenth and early twentieth centuries, but also (and importantly) advances it. Crucially, informal imperialism has played a central role in sustaining and promoting US economic and political hegemony.

In contrast to formal imperialism, informal imperialism cannot be recognised by transfers of sovereignty. Gallagher and Robinson described it as ‘political action [which] aided the growth of commercial supremacy, and how this supremacy in turn strengthened political influence’ (Gallagher and Robinson, 1953: 7). For Gallagher and Robinson, understanding the concept of informal imperialism was crucial. It explained why, for example, only around one-sixth of British overseas investment in the nineteenth century went to the formal empire. It demonstrated that British investment was global and that the incorporation of regions into the expanding economy occurred not only in those places where Britain declared formal sovereignty but also in other parts of the globe where no official link existed.

British investors and the British government were keen to promote informal empire over formal domination because it was cheaper to effect. Informal control was an advantageous and economical alternative method of securing the frontiers of the expanding economy. A similar form of US informal imperialism can be seen in the contemporary period. As we shall see, US capitalism, through a variety of supra-national bodies (such as the IMF and WB, which it dominates) and through its own diplomatic initiatives, has exercised considerably more informal control across the globe than did British imperialism.

US informal power does not just represent economic control (characterised by access to, and control over, markets) but also the ability to extend neoliberal ideological hegemony (Duménil and Lévy, 2010: 7-10). It is Duménil and Lévy (2004, 2010, 2012) who have come closest to our analysis when they refer to neoliberalism as ‘a class hegemony and a global dominance of the United States’ (2010: 7). They argue that ‘neoliberal globalisation’ is forced onto non-western countries, often through economic violence, and with detrimental consequences to the indigenous populations of those countries. By exploring the globalising aspects of neoliberalism in the light of the concept of informal imperialism, a Marxian understanding of imperialism, understood as the operation of capitalism overseas, emerges.

Since 1945, the United States has sought to incorporate regions across the globe into its expanding economy by fiercely protecting already established markets (particularly against anti-free-market ideologies); by cracking open reluctant markets through either economic aggression (sometimes through joint action with the WB and WTO); and through the establishment of sympathetic governments containing sufficient numbers of collaborators.

The ability of the US to assert informal power globally rested on the post-war reconstruction, which it led, and which signalled a shift in the imperial world order by curtailing Britain’s informal imperial power. One significant symptom of this was that the Bretton Woods agreements of 1944 made the dollar the dominant global currency, unseating sterling as the prime international exchange currency (Harvey, 2005:10). Furthermore, the US treasury rejected outright a proposal made by Lord Keynes designed to prevent the accumulation of impossible-to-service trade deficits in developing countries. This put the US in a situation whereby it was free to generate its own, considerable, surpluses.

Separate to Bretton Woods, supra-national organisations have played a significant part in establishing US global influence. The Organisation for European Economic Co-operation (OEEC) was established to administer Marshall Aid loans from the US to European countries. The Council of Europe also emerged from this process and developed alongside, and became part of, the machinery of the European Union. It acted to tie continental European countries into the economic dominance of the United States (Lloyd, 1993: 274–5). (Notably, the Soviet Union rejected Marshall Aid.)

Finally, supra-national organisations have also become increasingly important in promoting neoliberal economic orthodoxy. The foundation of the IMF and the WB and their subsequent domination by the United States, ensured that countries looking for financial assistance conformed to US financial orthodoxy. Later, in the 1990s, US neoliberal orthodoxy found its greatest expression in the IMF's 'Washington Consensus', which laid-down the criteria upon which emergency loans to struggling nations would be issued. The Washington Consensus was a term first used in 1989 by influential US economist John Williamson. It comprised a set of ten economic policy prescriptions, central to any 'standard' reform package offered to countries in need of an IMF or WB loan. Amongst other things, these prescriptions included trade liberalization, tax reform, fiscal policy discipline, privatization of state owned enterprises, and liberalization of inward foreign investment. In short, therefore, the Washington Consensus reflected the acceptance of neoliberal values in America, and its adoption by the IMF and WB was evidence that these institutions were being used to promote and extend neoliberal ideology for western capitalists.

In addition to the above, the US has used its economic and military power to re-incorporate areas which, perhaps because of political and ideological changes at the periphery, had moved away from US influence. Space precludes an exhaustive study

of acts of US informal imperialism since the Second World War. Nevertheless, two useful and typical are explored: first, the overthrow, in 1954, of the government of Jacobo Arbenz in Guatemala (see also the links drawn out by (Huberman, 2004)); second, the 1970s economic neoliberalisation the Southern Cone states (Chile, Argentina, Uruguay and Brazil) with specific reference to Chile. Furthermore, both are interesting not least of all because in their original essay Robinson and Gallagher considered nineteenth century British informal imperialism in Latin America.

The United State's informal imperialism in 1950s Guatemala reflects not only the willingness of the state to protect and advance the interests of members of the ruling class, but also the seriousness with which ideological challenges to the increasingly neoliberal political economy of the United States government were treated. Such challenges, where possible, were dealt with through informal means rather than the costly formal means deployed in Korea and Vietnam. Moreover, in addition to being cheaper, informal imperialism met with more success than those two formal interventions.

Intervention in Guatemala was prompted by the election of, in 1951, a left-wing government headed by Jacobo Arbenz (Litvin, 2003: 113–141). Arbenz's government vowed to introduce land reform programmes, including the expropriation of private land – to the considerable detriment of US-owned company United Fruit. As Litvin argues, United Fruit were not passive in resisting this process. They persuaded the US government that Guatemala's reforms would precipitate a domino-like-effect of Communist revolutions in Central and South America. They then called upon the government of the United States to provide assistance in bringing about regime change in Guatemala. The fact that the US government was willing to do so is no surprise. There was United Fruit's propaganda campaign, of course, which took place in the heat of the early Cold War. But also United Fruit had employed the US

Secretary of State, John Foster Dulles, early on in his career, and his brother was head of the CIA in the 1950s.^{iv}

In June 1954 the CIA armed a rebel invasion force; made possible the recruitment of US fighter pilots by this force; and provided a propaganda radio station (whilst also blocking the Arbenz government's transmissions which denounced the coup as being US-inspired). But it was not the 'might' of this rebel invasion that brought the government down. Indeed, the coup, as Litvin narrates, became farcical. Rather, senior army officers in Guatemala realised that US opposition to the Arbenz government made Arbenz's position untenable. As a result, they supported the imposition of a US-chosen former Guatemalan army general as dictator. United Fruit was, as a result, provided with a friendly government that abolished the land reform programme.

Events in Guatemala demonstrate the willingness of the United States to exert informal imperialism almost immediately after the Second World War. A more significant and long-running example of the use of informal imperialism can be seen in the Southern Cone states of South America. Since the 1950s, the Southern Cone states had adopted developmentalist economic policies in order to insulate themselves from the greatest of the vicissitudes of the global market. As reasonably oil-rich countries, these South American states conceived of a trading alliance that would reduce their reliance on the global market for key imports. Moreover, they sought to reduce their economic dependence on exports to Europe and North America, particularly in the area of natural resources, the prices of which had been declining. They formed together into a trading bloc and set about heavily regulating, or nationalising, key industries and natural resources, such as oil and mineral reserves. During the 1950s and well into the 1960s the choice of an inward-orientated strategy served the Southern Cone states well. Indeed, as workers in factories formed powerful unions and negotiated middle class salaries, the previous large gap between

the rich and poor in Southern Cone countries closed dramatically and resulted in the Southern Cone resembling Europe and North America as opposed to the rest of Latin America (Klein, 2008: 55).

The hub of developmental economics in the Southern Cone was the United Nations' Economic commission for Latin America based in Santiago, Chile, headed by the economist Raul Prebisch. Between 1950 and 1963, Prebisch trained teams of economists in developmentalist theory and placed them with Southern Cone governments to help put developmentalist theory into practice. Their policy was overwhelmingly successful. In Uruguay, for example, the literacy rate reached 95 *per cent* and free universal healthcare was established. Western advocates of developmentalism, such as Keynes, argued that the successes of the southern cone region represented proof that the implementation of developmentalist economic policies could close the divide between first and third world (*ibid*). Developmentalist policies, however, were in direct conflict with the economic interests of US business and, moreover, ran contrary to attempts by the US ruling elite to promote neoliberal policies as a blue-print of future growth. In order to protect and promote the interests of the US financial elite, informal imperialism was deployed as a tool of economic control.

First of all, informal imperialism in South America manifested itself in the US selecting and training Latin American students (predominantly from Chile) in free-market neoliberal doctrines (Harvey, 2005). Just as Prebisch had trained students in developmental economics in the hope that they would influence politicians to adopt developmental policies, Milton Friedman, the doyen of neoliberal thinking, hoped to train a generation of students in neoliberal ideas. Subsequently, it was hoped that the Chicago boys, as they became known, would influence government with their thinking. However, government policy in the Southern Cone was unaffected. Friedman's ideas linked free market capitalism and freedom, but the Southern Cone

had, in fact, gained freedom from Western economic and ideological imperialism by choosing to adopt ‘welfarism’ and ‘big government’ (Friedman, 2002). The intellectual-ideological approach was costly and failed (Klein, 2008: 63; Harvey 2005).

By the end of the 1960s, circumstances in the Southern Cone states were extremely precarious for US business. At its most advantageous, informal imperialism operated in regions that had unregulated markets in the *laissez-faire*, and later in the neoliberal, sense. Furthermore, and increasingly after the Second World War, these policies were purchased with Trojan-horse-like offerings of aid, investment, and loans. There is a significant resonance here with Marx’s own thinking on British capitalism in the nineteenth century in which he accused Britain of resolving ‘personal worth into exchange value’, and establishing ‘that single, unconscionable freedom – Free Trade’ (Marx and Engels, 1992: 5). But both formal and informal empire could only be sustained where an asymmetry of power existed. Developmentalism threatened to reduce, and perhaps eradicate, this asymmetry, not least of all because it reduced the dependence of the Southern Cone on the US investments and aid. Thus neoliberal informal imperialism by the US in Chile, and the other Southern Cone states, was about not only replacing this asymmetry, but also ensuring that it grew.^y

US business interests in the Southern Cone were substantial. In 1968, the Southern Cone region also accounted for 20 *per cent* of US foreign investment. A number of firms had extremely profitable and near-monopoly concerns in the region. International Telephone and Telegraph Company (ITT), for example, owned 70 *per cent* of Chile’s major phone company (Klein, 2008: 64). The resolve of US ruling elites to act was galvanised because, throughout the 1960s, Southern Cone countries closed to outside investment a number of markets, particularly in the mineral mining industries. In Chile, with the exception of copper, all natural resources had been nationalised. By the 1970s the United States government was faced not only with the

failure of its ideological-intellectual challenge to developmentalism, but also with the total collapse of collaboration in Chile and Argentina.

1970 represented a crisis point. In that year, Salvador Allende's Popular Unity party was elected and began instigating its pledge to nationalise the country's copper mines. The threat to US business interests was substantial – companies had invested heavily in the region and their returns were significant. Chile's copper mining industry was the largest in the world and, in 1968 alone, raised US companies \$7.2 billion of profit. Furthermore, the government began implementing a number of other nationalisations, including the telecommunications company in which ITT had a majority share (Klein, 2008: 63). In response, the US attempted to strong-arm Chile by delaying purchases of goods over a six-month period and strangling investment capital.^{vi} The hope was to confront the new Prime Minister with economic collapse brought about by a scarcity of US dollars in Chile. When this failed, the US escalated its action by seeking out new collaborators.

New collaborators came in two forms. The first were the militaries of Chile, Argentina, and Brazil. All three were prepared to seize power and make advantageous trading agreements with the United States. Reciprocally, the US would grant financial and diplomatic assistance in securing the new regimes. The second were business leaders. In Chile, the National Association of Manufacturers (funded by the CIA and a number of multi-national companies) echoed the Chicago Boys when they argued that 'Allende's government was incompatible with freedom in Chile and with the existence of private enterprise, and that the only way to avoid the end, was to overthrow the government' (Klein, 2008: 70). In return for considerable influence in the economic policy of the country, business leaders supported a military coup (*Ibid*). The outcome of this alliance between business leaders and the military, supported by the US, was the authoritarian presidency of General Pinochet from

1973-1981. Similar regimes were established in the other Southern Cone countries too.

The Chilean business community supported the armed overthrow of the Allende government in the name of freedom. But the Chicago Boys heavily influenced the conception of freedom on offer. To their mind, a military dictatorship provided freedom inasmuch as it provided for the operation of neoliberal economic policies. Nor did the US government see a contradiction. It supported the new government with substantial loans and presented the US public with a sharp contrast. On the one hand, Allende's government was part of the 'pink' economies of the Southern Cone, intent on implementing 'Marxist' (by which they meant, incorrectly, Soviet) reforms that were detrimental not only to US capitalism but, by implication, to 'freedom'. On the other hand, the new neoliberal policies of the government, regardless of the governmental structures that supported it, were portrayed as a source of freedom. (Such a portrayal owed much to Hayek's *Road to Serfdom* (Hayek, 1944).) This justified support of Pinochet and, of course, other authoritarian regimes such as those of Perón (Halevi, 2002) and Galtieri.

That the Southern Cone countries experienced dictatorships in the transition to neoliberal economic policies is, to an extent, unsurprising. The neoliberal reforms imposed on Chile (and also seen in Argentina and Brazil) were so detrimental to the material well being of the general population that a democratic government would have found itself voted-out before the reforms were complete. The Southern Cone dictators became notorious for employing mass imprisonment and torture in order to stifle protests against their neoliberal economic policies. In sum, therefore, informal imperialism, that prizes free trade above democracy, has been as much a method of imperial control for the US government as it was for the British.

Such methods are, of course, difficult to enforce in developed countries. In part, neoliberal informal imperialism has had to circumvent this by presenting to populations a naturalised ideology of neoliberalism that equates the free market with freedom, rather than with capitalist control. Moreover the idea that neoliberalism is not an ideology at all, but rather an objective economic doctrine, has similarly become naturalised, and thus serves to disguise its scope. It is also worth noting that, in part, elites in the developed world have, to an extent, collaborated in promoting and sustaining the dominance of US informal imperialism alongside several supra-national organisations such as the IMF and the EU.

A recent example of the work of supra-national organisations can be seen in the way that the IMF and EU imposed neoliberal reforms on Greece, forcing its government to enact ‘austerity measures’ to secure loans (Callinicos, 2010). Ironically, the hegemony of neoliberal ideology is such that Ireland, until recently considered to be the neoliberal economy *par excellence*, was forced to undertake further neoliberal reforms following its financial collapse. Such reforms, rather than the abandonment of neoliberalism, are presented as being best able to revive the Irish economy (*ibid*). It is in this sense that we see that neoliberalism is truly naturalised. Whilst these crises have occurred in periods of neoliberal economic policies, the notion of adopting an alternative has become unthinkable. Instead, further financialization is presented as the only tonic to the problems of Greece, Ireland, and indeed any other country that finds itself in economic difficulties. Failure to drink this tonic further ‘worries’ the market, and plunges the economy under scrutiny into further crises, leaving little other option than ‘drink me’.

Informal imperialism, as can be seen, is just as much a tool used to support neoliberal capitalism now, as when Britain operated its free trade imperialism in the nineteenth century. Combined together formal and informal imperialism still provide capitalism

with tools with which to incorporate and, as we have seen, retain regions within the expanding economy.

7. Collaboration and Collaborators

As part of British informal imperial expansion and consolidation, the existence of willing collaborators in areas of economic interest was crucial. Gallagher and Robinson noted that Argentina did not require formal incorporation into the British Empire because elites there welcomed the advantages free trade brought them.^{vii} Collaborators adopted policies that benefited British capitalism, in return for the financial benefits and political power that the establishment of free trade brought them. Since the Second World War, US capitalism has been able to take advantage of similar circumstances not least of all because of its relative military and geo-political advantages.

For Britain, it was only when collaboration weakened that a move to formal imperialism was necessitated. As a rule, where collaboration broke-down completely decolonisation followed. Informal imperialism as deployed by the United States has also supported collaborators, as we have seen. However, US imperialism has also engendered collaboration from developed countries (not only in its informal ventures but also its formal ones too). Whereas European capitalism produced rival capitalisms, the effect of US imperialism, both formal and informal, has been to co-opt (by choice or not) developed countries into the expanding United States economy and, therefore, ensure that trade can continue in a manner advantageous to US economic interests. Duménil and Lévy (2010: 9) argue that neoliberal globalisation (or as we have argued here, neoliberal informal imperialism) operates both as hegemony and domination. This notion refers to both class domination/hegemony and neoliberal domination/hegemony, as we see ‘upper fractions of the capitalist

classes, supported by financial institutions' exercising domination via international mechanisms and thus securing their economic interests by whatever means necessary.

Non-violent collaboration within the developed world has relied on the naturalisation of neoliberal ideology in order that populations equate western liberal capitalism with democracy and the rule of law (Ferguson, 2003). This is a part of the continuity of imperial rhetoric. In the nineteenth century, imperialists such as Lord Curzon or Cecil Rhodes advocated British rule as bringing civilisation (*ibid*). Likewise, formal intervention on the part of the United States has been dressed in the clothes of progress. The war in Iraq, for example, was portrayed as being about removing a dictatorship in the name of freedom, rather than about reasserting economic self-interest. (It is no coincidence that, in the wake of French opposition to the 2003 Iraq war, French fries were sometimes re-named 'freedom fries'.) Interestingly, of course, we have seen that dictatorships *per se* have not been considered problematic by the US. Likewise, military actions in Korea and Vietnam were justified as being anti-communist. The foundation of this opposition to communism and Marxism was based on the notion that planned economies lead to 'The Road to Serfdom', whereas western liberal capitalism lay on the path to freedom.

Neoliberalism requires support in much more subtle ways. In Ireland and in Greece neoliberal reforms were the price of the financial aid from the IMF and the EU. These supra-national organisations (via the Washington Consensus) portrayed regulation, state planning, and social democratic structures as being detrimental to the interests of the people of Greece and Ireland. They argued that only free market solutions, no matter how painful in the short-term, could provide long-term stability. Hence, the nationalisation of the oil industry in Venezuela is portrayed by the neoliberal right as being anti-democratic, whilst the privatisation of state run industries in Europe since the 1980s has been seen as a move for progress (BBC, 2007). The naturalisation of neoliberal ideology domestically is designed to make the

application of neoliberalism overseas appear as progress and not as Victorian exploitation. Nevertheless, historians are now beginning to consider British informal rule in Argentina as the cause of a 'holocaust' and the judgement of historians examining the refusal of US drug companies to allow the sale of generic drugs that could stem the virulence of the HIV/AIDS pandemic in Africa will, no doubt, be similar (Brennan and Baines, 2006).

The collaboration of western economies in the strengthening of neoliberalism has required a broader project of generating domestic support as well. In the nineteenth century, British people were less aware of their empire than people in the twenty-first century are aware of the world around them (though this is debated: Porter, 2008; MacKenzie, 2008). The growth of media, ranging from the now seemingly archaic radio, to television (including twenty-four hour news channels), and, of course, smart phones and the internet (and the freedom to upload that YouTube brings), puts populations in constant touch with the way in which governments interact with the world around them (McChesney, 2001). Because of this, neoliberalism has had to naturalise itself and gain proactive support within the metropolitan population for its operations overseas.

Furthermore, it should also come as no surprise that those historians of British imperialism who are keen to see capitalism solidify its position have drawn positive links between the British and US experience of capitalist development, and have therefore called on America to take up the cause of Empire (Ferguson, 2003). For their own ends, therefore, such scholars have drawn, as this article has, a link between the operation of capitalism overseas and the operation of imperialism, the latter subsumed within the former. The conclusions to be drawn from such an analysis are, of course, stated differently here.

7. Conclusion

As we have seen, free trade imperialism of the British variety and neoliberal imperialism have much in common. More than this, however, we, like Gallagher and Robinson, characterise imperialism as being a process, one which seeks to incorporate regions in the expanding economy of capitalist economies. The way in which the arguments put forward by Gallagher and Robinson allow us to see imperialism working in a similar fashion in the case of the United States has been traced. It has been suggested that whilst informal imperialism has developed and become increasingly more able to achieve the goals of US capitalism. Nevertheless, formal imperialism is still deployed when required. This article has also argued that inter-capital conflict has been absent as a feature of capitalism since the Second World War, in large part because of the ability of US capitalism to integrate developed capitalisms into its orbit in a way that Britain did not manage in the nineteenth and early twentieth centuries. That said, it remains to be seen how the US will handle the rise of China as a new, and potentially competitive, capitalism with perhaps, imperial ambitions of its own. Gallagher and Robinson rejected the notion of a new stage of capitalism. They preferred to emphasise the continuity that lay behind the goal of establishing free trade capitalism. Imperialism was a mechanism by which liberal political economy could be ensured to Britain's advantage. Likewise, we have applied this idea (albeit developed through the use of Marxian concepts such as class and ideology) to the United States.

Given the analysis seen, throughout, we reject Hardt and Negri's argument in *Empire* (2001). Rather than witnessing a new stage of capitalist development, which sees power focussed in the West (and in particular in the United States) but exercised in defuse and decentralised ways we see more of the same. (Thompson, 2005 gives a full critique). The recognition of such continuity leads to the conclusion that new global economic powers will behave, in terms of imperial activity, in exactly the same

way as Britain and the United States did, or have hitherto. Further work is needed and invited by this argument, but it is safe to say that the emergence of China as a global power, and the exercise of means of control in various African countries by Chinese companies, bears striking resemblance to the informal control considered above.

We have also seen that the US, and the West more broadly, have promoted neoliberal policies as being morally and economically superior to intervention in the market. When nations fail to be convinced by either the intellectual argument, or the ideological 'truth' of neoliberalism, then the US has demonstrated that it is more than willing to find collaborators who, even at the expense of democratically elected governments, will accept and impose such ideas. The enforcement of neoliberal policies serves to defend and promote the interests of capitalist elites both in the metropolitan and in the periphery. The main difference between the imperialism of the US and of Britain is that supra-national organisations such as the IMF and the WB exist and enhance the ability of the US to enforce informal empire. Indeed, the dominance of neoliberal capitalism and the speed with which finance capitalists can withdraw from a region allows elites not only to take advantage of a crisis but also to create the crisis in the first place.

Herein, therefore, a case for a revitalisation of Marxian understandings of imperialism, that incorporates a historical perspective alongside an analysis of contemporary trends in capitalism, is made. Ruling elites after the Second World War saw their economic position severely threatened by Keynesianism. It was this threat that drove forward neoliberalism as an economic project as well as an ideology. Indeed, and as has been argued, the two are linked. The neoliberal project required an attack on the social-democratic state at home, and the expansion of neoliberal policies first at the periphery (where metropolitan elites could introduce them more easily) and then at home, once the work of an Adam Smith inspired project of ideology had been undertaken. Happily for US capital, overseas investment opportunities, once opened-

up, proved more lucrative than many domestic opportunities. This fuelled financial capital to look for overseas investment not only in the case of nineteenth century British capitalism, but also in the case of post-1945 US capitalism. The development of technologies in the late twentieth century that increased the ability and rapidity of finance capital to move its investments around has facilitated further the drive of finance capital overseas. But none of this would make sense, if the state at home were minded to tax any such profits highly. Hence some focus has been given to neoliberalism as a policy designed to shape both the metropolitan and the periphery. In short, neoliberal imperialism, like the imperialism of free trade, can be seen as a method via which capitalism has advanced and defended its interests. Recognising this, allows a historically informed Marxian analysis of imperialism to be advanced.

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ⁱⁱ Full text available at http://avalon.law.yale.edu/18th_century/washing.asp accessed 6 Feb 2012.

ⁱⁱⁱ Tony Benn, Hansard Parliamentary Debates (Commons), 17 Feb 1998: Column 927. A full account can be found in Mitchell (2011). Indeed, Mitchell provides an illuminating account in his work *Carbon Democracy*. He outlines how, for quite some time, the West maintained access to Middle East oil without formal annexation. Rather informal means were applied and local collaborators found. There was only a need for formal annexation once this was threatened.

^{iv} Notably, it had been Foster Dulles who had suggested the British annexation of Kuwait referred to above.

^v As catalogued by Mitchell (2011) the same efforts to ensure an asymmetry of power was enforced (albeit it through formal intervention) in Iraq when it became clear that Iraq would not collaborate with US informal imperialism.

^{vi} The main tactic here was to use US stockpiles of copper (Chile's most significant export). Similar tactics were used against the Iran and Iraq in the 1960s when 'blockading of trade' was used as informal coercion (Mitchell, 2001: 150-151).

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^{vii} British informal empire in South America has been hotly debated. However, one of the latest works to examine this issue (Davis 2002) argues that the enforcement of free trade policies by Britain on Argentina caused deaths on a massive scale.