

NOAM CHOMSKY

YEAR 501

The Conquest Continues



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Noam Chomsky

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info@haymarketbooks.org

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Preface to the 2015 Edition

In a penetrating (and rare) analysis of what Swedish writer Sven Lindqvist calls “the Origins of European Genocide,” Richard Gott predicted that “the rulers of the British Empire will...be perceived to rank with the dictators of the twentieth century as the authors of crimes against humanity on an infamous scale.” In a no less rare acknowledgment of these monstrous crimes, British historian of imperialism Bernard Porter wrote in the *Times Literary Supplement* that with evidence accumulating, the conclusion “looks almost plausible.”¹

A rather different picture was presented in the *New York Review of Books*. Here we read that the Europeans who reached the western hemisphere “found a continental vastness sparsely populated by farming and hunting people whose primitive technology was hopelessly inferior to the Europeans’. In the limitless and unspoiled world stretching from tropical jungle to the frozen north, there may have been scarcely more than a million inhabitants.” This version of history dispenses with perhaps 80 million people, who had rich and complex civilizations, cities, extensive commerce and many significant technological achievements.²

Denialism on a truly impressive scale.

It is, indeed, true that the victims throughout the world were “hopelessly inferior” in one crucial respect: they lacked the European technology and culture of war, and were “appalled by the all-destructive fury of European warfare,” as military historian Geoffrey Parker observes, a phenomenon already clear to Adam Smith.

No letters appeared in reaction to the extreme denialism in a leading intellectual journal. However, four months later,³ the editors published a “clarification,” keeping to population estimates in North America and ignoring the rest. That too elicited no published comment.

The present book reviews some of what was known decades earlier, hardly in arcane sources.

A particularly vicious form of imperial conquest is settler colonialism, which unlike other forms of conquest displaces the indigenous populations, not in attractive ways. The invasion of North America by English colonists is one such case, of course of extraordinary significance in world history. To be sure, the conquest was undertaken

with the noblest of intentions, from its earliest days. The colonists were simply responding to the desperate pleas for assistance on the part of the natives. The Great Seal of the Massachusetts Bay colony, created in 1629 shortly after the colony was granted its charter by King Charles I, depicts an Indian holding his spear pointing downward in a sign of peace, with a scroll coming from his mouth on which is inscribed a plea to the colonists to “Come over and help us.” The colonization was thus an early episode of “humanitarian intervention.”

Like others who followed in their footsteps, leading figures of the new Republic were puzzled by the consequences of their kind response to the plea of the natives. The colonists “constantly respected them,” Supreme Court Justice Joseph Story observed, but nevertheless, the native population disappeared like “the withered leaves of autumn”—a mystery that he could only attribute to “the wisdom of Providence,” inscrutable to mere mortals.

Others, however, had no doubts about what they were doing. Revolutionary War hero General Henry Knox, the first secretary of war in the newly liberated American colonies, described “the utter extirpation of all the Indians in most populous parts of the Union” by means “more destructive to the Indian natives than the conduct of the conquerors of Mexico and Peru,” which would have been no small achievement. In his later years, John Quincy Adams recognized the fate of “that hapless race of native Americans, which we are exterminating with such merciless and perfidious cruelty, [to be] among the heinous sins of this nation, for which I believe God will one day bring [it] to judgment.” They were not alone.

More convenient, however, is denialism. We live with it constantly. Skipping to the present, the prevailing convention is illustrated with considerable clarity by two major stories of the last days of 2014: the release of the executive summary of the Senate report on torture and the establishment of relations with Cuba. Both events elicited extensive commentary, featuring the conventional denialism.

In the case of the Senate report, the denialism was captured accurately in a casual statement buried in a *New York Times* analysis, pointing out that “The report spends little time condemning torture on moral or legal grounds. Instead, it addresses mainly a practical question: Did torture accomplish anything of value? Looking at case after case, the report answers with an unqualified no.”⁴

In brief, the Holy State can do no wrong. At worst it can engage in failed efforts.

There were many laments about public opinion polls revealing that a large majority approved of the use of torture that had been revealed by the Senate report, by almost 2

to 1 among those closely following the story.⁵ But concerns that were expressed over public attitudes were misplaced. The public largely agreed with the Democratic Senate investigators that the only issue is whether torture worked, differing only on a factual question: Did it work or not? Perhaps the public was misinformed, but the values expressed by the large majority appear to conform to those of the liberal Democrats who compiled the report.

It would be too much to expect recognition that torture is as American as apple pie and a primary source of American wealth and power, beginning 500 years ago when the first slaves arrived. The brutal slave labor camps of the South produced the cotton that fueled the industrial revolution and enriched the merchants and bankers and manufacturers of the Northeast. They were instrumental in the establishment of the most advanced industrial installations of the day along with a wide range of industrial spin-offs, and more generally played a critical role in creating the modern economy, not only in the United States but in England and the continent. Sadistic torture was a crucial element of this hideous history. It was responsible for the remarkable fact that productivity in cotton picking increased more rapidly than in industry. The primary technical innovations responsible for this achievement were the whip and the gun. The shameful history does not end with emancipation.⁶

Torture has also been a staple of US interventions, though for many years before the Cheney-Rumsfeld era, it was more normal to farm the practice out to surrogates, a crime renewed in the rendition programs.

The radical denialism in the case of Cuba is no less impressive. As in the Senate report on torture, the president's announcement of the move toward normalization of relations made it clear that there can be no moral or legal issue with regard to the crimes of the Holy State. As usual that passed with scarcely a comment.

But President Obama made sure to surpass the disgraceful norm. His oration to the nation declared that:

Proudly, the United States has supported democracy and human rights in Cuba through these five decades. We've done so primarily through policies that aim to isolate the island, preventing the most basic travel and commerce that Americans can enjoy anyplace else. And though this policy has been rooted in the best of intentions, no other nation joins us in imposing these sanctions, and it has had little effect beyond providing the Cuban government with a rationale for restrictions on its people.... Today, I am being honest with you. We can never erase the history between us.⁷

Whatever one thinks of Obama, he cannot be accused of ignorance of the history that he is erasing in this performance. It includes a murderous terrorist war designed to bring "the terrors of the earth" to Cuba in historian and Kennedy adviser Arthur Schlesinger's phrase, referring to the campaign assigned by the president to his brother

Robert Kennedy as his highest priority. Apart from killing thousands of people along with large-scale destruction, the terrors of the earth were a major factor in bringing the world to the brink of a terminal nuclear war, as recent scholarship reveals. The administration resumed the terrorist attacks as soon as the missile crisis subsided, and they continued for many years after. Contemporary writers prefer to evade the unpleasant topic by keeping to “bizarre assassination plots against Fidel Castro,”⁸ real enough, but a minor footnote to the terrorist war launched by the Kennedy brothers after the failure of their Bay of Pigs invasion.

The actual history includes as well the crushing economic warfare that strangled Cuban development and has long been strongly opposed by the whole world (Israel excepted). It includes military occupation of southeastern Cuba, including its major port, despite requests by the government since independence to return what was stolen at gunpoint. Dedication to revenge against the impudent Cubans who resist US domination has been so extreme that it has overruled the wishes of powerful segments of the business community for normalization—pharmaceuticals, agribusiness, energy—an unusual development in US foreign policy. Washington’s cruel and vindictive policies have virtually isolated the United States in the hemisphere and elicited contempt and ridicule throughout the world. Washington and its acolytes like to pretend that they have been “isolating” Cuba, as Obama intoned, but the record shows clearly that it is the United States that is being isolated, probably the primary reason for the partial change of course.

Partial change of course. The embargo persists, in defiance of the world. Tourism is barred. And in other respects too the punishment of Cuba for refusing to bend to US will and violence will continue as President Obama made clear, repeating pretexts that are too ludicrous for comment.

Domestic opinion no doubt is also a factor in Obama’s “historic move”—though the public has, irrelevantly, been in favor of normalization for a long time. A CNN poll in 2014 showed that only a quarter of Americans now regard Cuba as a serious threat to the United States, as compared with over two-thirds thirty years earlier, when President Reagan was warning about the grave threat to our lives posed by the nutmeg capital of the world (Grenada) and by the Nicaraguan army, only two days’ march from Texas. With fears now having somewhat abated, perhaps we can slightly relax our vigilance.⁹

The relevant point here is the ease with which crimes can be denied. It is even possible to radically erase history with such words as “I’m being honest with you. We

can never erase the history between us,” produced without shame in the confident expectation that they will pass with little comment in respectable intellectual circles, at home at least.

It would be wrong, however, to suppose that failure to acknowledge severe crimes passes entirely without comment. Immediately below the New York Times editorial praising “Mr. Obama’s Historic Move on Cuba,” the “Editorial Notebook” did sharply condemn the fact that “There has been precious little investigation or contrition over the crimes” of state. The reference is to “crimes of the Soviet Union” that are “little remembered in Putin’s Russia,” so different from us.¹⁰

None of this should occasion surprise. It is, after all, nothing new. Such crimes as harsh torture, large-scale terror, and economic strangulation still fall far short of what the Nuremberg Tribunal defined as “the supreme international crime differing only from other war crimes in that it contains within itself the accumulated evil of the whole”: the crime of aggression, the most extreme recent example being the US-UK invasion of Iraq. President Obama is honored for having called it a “strategic blunder,” joining the Russian leaders who criticized the invasion of Afghanistan on the same pragmatic grounds—without, however, benefiting from Western praise for their high principle.

The same principles are amply illustrated in the 500 years of imperial crime and the way they enter history, a history sampled in the text below, persisting with little change to the present day.

Part I
Old Wine, New Bottles

“The Great Work of Subjugation and Conquest”

The year 1992 poses a critical moral and cultural challenge for the more privileged sectors of the world-dominant societies. The challenge is heightened by the fact that within these societies, notably the first European colony liberated from imperial rule, popular struggle over many centuries has achieved a large measure of freedom, opening many opportunities for independent thought and committed action. How this challenge is addressed in the years to come will have fateful consequences.

October 11, 1992 brings to an end the 500th year of the Old World Order, sometimes called the Colombian era of world history, or the Vasco da Gama era, depending on which adventurers bent on plunder got there first. Or “the 500-year Reich,” to borrow the title of a commemorative volume that compares the methods and ideology of the Nazis with those of the European invaders who subjugated most of the world.¹ The major theme of this Old World Order was a confrontation between the conquerors and the conquered on a global scale. It has taken various forms, and been given different names: imperialism, neocolonialism, the North-South conflict, core versus periphery, G-7 (the 7 leading state capitalist industrial societies) and their satellites versus the rest. Or, more simply, Europe’s conquest of the world.

By the term “Europe,” we include the European-settled colonies, one of which now leads the crusade; in accord with South African conventions, the Japanese are admitted as “honorary whites,” rich enough to (almost) qualify. Japan was one of the few parts of the South to escape conquest and, perhaps not coincidentally, to join the core, with some of its former colonies in its wake. That there may be more than coincidence in the correlation of independence and development is suggested further by a look at Western Europe, where parts that were colonized followed something like the Third World path. One notable example is Ireland, violently conquered, then barred from development by the “free trade” doctrines selectively applied to ensure subordination of the South—today called “structural adjustment,” “neoliberalism,” or “our noble ideals,” from which we, to be sure, are exempt.²

“The discovery of America, and that of a passage to the East Indies by the cape of Good Hope, are the two greatest and most important events recorded in the history of mankind,” Adam Smith wrote in 1776: “What benefits, or what misfortunes to

mankind may hereafter result from those great events, no human wisdom can foresee.” But it was possible for an honest eye to see what had taken place. “The discovery of America...certainly made a most essential” contribution to the “state of Europe,” Smith wrote, “opening up a new and inexhaustible market” that led to vast expansion of “productive powers” and “real revenue and wealth.” In theory, the “new set of exchanges...should naturally have proved as advantageous to the new, as it certainly did to the old continent.” That was not to be, however.

“The savage injustice of the Europeans rendered an event, which ought to have been beneficial to all, ruinous and destructive to several of those unfortunate countries,” Smith wrote, revealing himself to be an early practitioner of the crime of “political correctness,” to borrow some rhetoric of contemporary cultural management. “To the natives...both of the East and West Indies,” Smith continued, “all the commercial benefits, which can have resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned.” With “the superiority of force” the Europeans commanded, “they were enabled to commit with impunity every sort of injustice in those remote countries.”

Smith does not mention the indigenous inhabitants of North America: “There were but two nations in America, in any respect superior to savages [Peru, Mexico], and these were destroyed almost as soon as discovered. The rest were mere savages”—a convenient idea for the British conquerors, hence one that was to persist, even in scholarship, until the cultural awakening of the 1960s finally opened many eyes.

Over half a century later, Hegel discoursed authoritatively on the same topics in his lectures on philosophy of history, brimming with confidence as we approach the final “phase of World-History,” when Spirit reaches “its full maturity and *strength*” in “the *German* world.” Speaking from that lofty peak, he relates that native America was “physically and psychically powerless,” its culture so limited that it “must expire as soon as Spirit approached it.” Hence “the aborigines...gradually vanished at the breath of European activity.” “A mild and passionless disposition, want of spirit, and a crouching submissiveness...are the chief characteristics of the native Americans,” so “slothful” that, under the kind “authority of the Friars,” “at midnight a bell had to remind them even of their matrimonial duties.” They were inferior even to the Negro, “the natural man in his completely wild and untamed state,” who is beyond any “thought of reverence and morality—all that we call feeling”; there is “nothing harmonious with humanity...in this type of character.” “Among the Negroes moral sentiments are quite weak, or more strictly speaking non-existent.” “Parents sell their

children, and conversely children their parents, as either has the opportunity,” and “The polygamy of the Negroes has frequently for its object the having many children, to be sold, every one of them, into slavery.” Creatures at the level of “a mere Thing—an object of no value,” they treat “as enemies” those who seek to abolish slavery, which has “been the occasion of the increase of human feeling among the Negroes,” enabling them to become “participant in a higher morality and the culture connected with it.”

The conquest of the New World set off two vast demographic catastrophes, unparalleled in history: the virtual destruction of the indigenous population of the Western hemisphere, and the devastation of Africa as the slave trade rapidly expanded to serve the needs of the conquerors, and the continent itself was subjugated. Much of Asia too suffered “dreadful misfortunes.” While modalities have changed, the fundamental themes of the conquest retain their vitality and resilience, and will continue to do so until the reality and causes of the “savage injustice” are honestly addressed.³

1. “The Savage Injustice of the Europeans”

The Spanish-Portuguese conquests had their domestic counterpart. In 1492, the Jewish community of Spain was expelled or forced to convert. Millions of Moors suffered the same fate. The fall of Granada in 1492, ending eight centuries of Moorish sovereignty, allowed the Spanish Inquisition to extend its barbaric sway. The conquerors destroyed priceless books and manuscripts with their rich record of classical learning, and demolished the civilization that had flourished under the far more tolerant and cultured Moorish rule. The stage was set for the decline of Spain, and also for the racism and savagery of the world conquest—“the curse of Columbus,” in the words of Africa historian Basil Davidson.⁴

Spain and Portugal were soon displaced from their leading role. The first major competitor was Holland, with more capital than its rivals thanks in large part to the control of the Baltic trade that it had won in the 16th century and was able to maintain by force. The Dutch East India Company (VOC), formed in 1602, was granted virtually the powers of a state, including the right to make war and treaties. Technically, it was an independent enterprise, but that was an illusion. “The apparent autonomy from metropolitan political control that the VOC enjoyed,” M.N. Pearson writes, resulted from the fact that “the VOC was identical with the state,” itself controlled by Dutch merchants and financiers. In highly simplified form, we see

already something of the structure of the modern political economy, dominated by a network of transnational financial and industrial institutions with internally managed investment and trade, their wealth and influence established and maintained by the state power that they mobilize and largely control.

“The VOC integrated the functions of a sovereign power with the functions of a business partnership,” a historian of Dutch capitalism writes: “Political decisions and business decisions were made within the same hierarchy of company managers and officials, and failure or success was always in the last instance measured in terms of profit.” The Dutch established positions of strength in Indonesia (to remain a Dutch colony until the 1940s), India, Brazil and the Caribbean, took Sri Lanka from Portugal, and reached to the fringes of Japan and China. The Netherlands, however, fell victim to what was later called “the Dutch disease”: inadequate central state power, which left the people “rich perhaps, as individuals; but weak, as a State,” as Britain’s Lord Sheffield observed in the 18th century, warning the British against the same error.⁵

The Iberian empires suffered further blows as English pirates, marauders and slave traders swept the seas, perhaps the most notorious, Sir Francis Drake. The booty that Drake brought home “may fairly be considered the fountain and origin of British foreign investments,” John Maynard Keynes wrote: “Elizabeth paid out of the proceeds the whole of her foreign debt and invested a part of the balance...in the Levant Company; largely out of the profits of the Levant Company there formed the East India Company, the profits of which...were the main foundations of England’s foreign connections.” In the Atlantic, the entire English operation prior to 1630 was a “predatory drive of armed traders and marauders to win by fair means or foul a share of the Atlantic wealth of the Iberian nations” (Kenneth Andrews). The adventurers who laid the basis for the merchant empires of the 17th-18th centuries “continued a long European tradition of the union of warfare and trade,” Thomas Brady adds, as “the European state’s growth as a military enterprise” gave rise to “the quintessentially European figure of the warrior-merchant.” Later, the newly consolidated English state took over the task of “wars for markets” from “the plunder raids of Elizabethan sea-dogs” (Christopher Hill). The British East India Company was granted its charter in 1600, extended indefinitely in 1609, providing the Company with a monopoly over trade with the East on the authority of the British Crown. There followed brutal wars, frequently conducted with unspeakable barbarism, among the European rivals, drawing in native populations that were often caught up in their own internal struggles. In 1622, Britain drove the Portuguese from the straits of Hormuz, “the key of all

India,” and ultimately won that great prize. Much of the rest of the world was ultimately parcelled out in a manner that is well known.

Rising state power had enabled England to subdue its own Celtic periphery, then to apply the newly honed techniques with even greater savagery to new victims across the Atlantic. Their contempt for “the dirty, cowkeeping Celts on [England’s] fringes” also eased the way for “civilised and prosperous Englishmen” to take a commanding position in the slave trade as “the gradient of contempt...spread its shadow from nearby hearts of darkness to those far over the sea,” Thomas Brady writes.

From mid-17th century, England was powerful enough to impose the Navigation Acts (1651, 1662), barring foreign traders from its colonies and giving British shipping “the monopoly of the trade of their own country” (imports), either “by absolute prohibitions” or “heavy burdens” on others (Adam Smith, who reviews these measures with mixed reservations and approval). The “twin goals” of these initiatives were “strategic power and economic wealth through shipping and colonial monopoly,” the *Cambridge Economic History of Europe* relates. Britain’s goal in the Anglo-Dutch wars from 1652 to 1674 was to restrict or destroy Dutch trade and shipping and gain control over the lucrative slave trade. The focus was the Atlantic, where the colonies of the New World offered enormous riches. The Acts and wars expanded the trading areas dominated by English merchants, who were able to enrich themselves through the slave trade and their “plunder-trade with America, Africa and Asia” (Hill), assisted by “state-sponsored colonial wars” and the various devices of economic management by which state power has forged the way to private wealth and a particular form of development shaped by its requirements.⁶

As Adam Smith observed, European success was a tribute to its mastery of the means and immersion in the culture of violence. “Warfare in India was still a sport,” John Keay observes: “in Europe it had become a science.” From a European perspective, the global conquests were “small wars,” and were so considered by military authorities, Geoffrey Parker writes, pointing out that “Cortés conquered Mexico with perhaps 500 Spaniards; Pizarro overthrew the Inca empire with less than 200; and the entire Portuguese empire [from Japan to southern Africa] was administered and defended by less than 10,000 Europeans.” Robert Clive was outnumbered 10 to 1 at the crucial battle of Plassey in 1757, which opened the way to the takeover of Bengal by the East India Company, then to British rule over India. A few years later the British were able to reduce the numerical odds against them by mobilizing native mercenaries, who constituted 90 percent of the British forces that

held India and also formed the core of the British armies that invaded China in the mid-19th century. The failure of the North American colonies to provide “military force towards the support of Empire” was one of Adam Smith’s main reasons for advocating that Britain should “free herself” from them.

Europeans “fought to kill,” and they had the means to satisfy their blood lust. In the American colonies, the natives were astonished by the savagery of the Spanish and British. “Meanwhile, on the other side of the world, the peoples of Indonesia were equally appalled by the all-destructive fury of European warfare,” Parker adds. Europeans had put far behind them the days described by a 12th century Spanish pilgrim to Mecca, when “The warriors are engaged in their wars, while the people are at ease.” The Europeans may have come to trade, but they stayed to conquer: “trade cannot be maintained without war, nor war without trade,” one of the Dutch conquerors of the East Indies wrote in 1614. Only China and Japan were able to keep the West out at the time, because “they already knew the rules of the game.” European domination of the world “relied critically upon the constant use of force,” Parker writes: “It was thanks to their military superiority, rather than to any social, moral or natural advantage, that the white peoples of the world managed to create and control, however briefly, the first global hegemony in History.”⁷ The temporal qualification is open to question.

“Twentieth-century historians can agree that it was usually the Europeans who broke violently into Asian trading systems that had been relatively peaceful before their arrival,” James Tracy writes, summarizing the scholarly study of merchant empires that he edited. They brought state trading to a region of relatively free markets, “open to all who came in peace, under terms that were widely known and generally accepted.” Their violent entry into this world brought a “combination, characteristically if not uniquely European, of state power and trading interest, whether in the form of an arm of the state that conducts trade, or a trading company that behaves like a state.” “The principal feature that differentiates European enterprises from indigenous trade networks in various parts of the globe,” he concludes, is that the Europeans “organized their major commercial ventures either as an extension of the state...or as autonomous trading companies...which were endowed with many of the characteristics of a state,” and were backed by the centralized power of the home country.

Portugal paved the way by extracting a tribute from Asian trade, “first creating a threat of violence to Asian shipping,” then selling protection from the threat they

posed while providing no further service in return: “in modern terms,” Pearson notes, “this was precisely a protection racket.” Portugal’s more powerful European adversaries took over, with more effective use of violence and more sophisticated measures of management and control. The Portuguese had not “radically altered the structure of [the] traditional system of trade,” but it was “smashed to pieces” by the Dutch. The English and Dutch companies “used force in a much more selective, in fact rational way” than their Portuguese predecessors: “it was used only for commercial ends...the bottom line was always the balance sheet.” The force at their command, and its domestic base, was far superior as well. The British, not succumbing to the “Dutch disease,” largely displaced their major rivals. The leading role of state power and violence is a notable feature in the “essential” contribution of the colonies to “the state of Europe” that Adam Smith described, as in its internal development.⁸

Britain has been considered an exception to the crucial role of state power and violence in economic development; the British liberal tradition held this to be the secret of its success. The assumptions are challenged in a valuable reinterpretation of Britain’s rise to power by John Brewer. Britain’s emergence “as the military *Wunderkind* of the age” in the late 17th and early 18th centuries, exercising its authority “often brutally and barbarously” over subject peoples in distant lands, he concludes, coincided with an “astonishing transformation in British government, one which put muscle on the bones of the British body politic.” Contrary to the liberal tradition, Britain in this period became a “strong state,” “a fiscal-military state,” thanks to “a radical increase in taxation” and “a sizable public administration devoted to organizing the fiscal and military activities of the state.” The state became “the largest single actor in the economy,” one of Europe’s most powerful states “judged by the criteria of the ability to take pounds out of people’s pockets and to put soldiers in the field and sailors on the high seas.” “Lobbies, trade organizations, groups of merchants and financiers, fought or combined with one another to take advantage of the protection afforded by the greatest of economic creatures, the state.”

During this period, the British tax rate reached a level twice as high as France (traditionally considered the over-centralized all-powerful state), and the discrepancy was widening. Public debt grew rapidly as well. By the end of the 18th century, taxes absorbed almost a quarter of per capita income, rising to over a third during the Napoleonic wars. “Judged both absolutely and comparatively, Britain was heavily taxed.” The growth of tax receipts was over five times as high as economic growth in the period when the military *Wunderkind* emerged. Part of the reason was efficiency;

to an extent unusual in Europe, tax collection was a central government function. Another factor was the greater legitimacy of the more democratic state. The role of “the largest economic actor in eighteenth-century Britain, namely the state,” was not merely to conquer: rather, it acted to promote exports, limit imports, and in general pursue the protectionist import-substitution policies that have opened the way to industrial “take-off” from England to South Korea.⁹

Excessive liberalism apparently contributed to the collapse of the Spanish imperial system. It was too open, permitting “merchants, often non-Spanish, to operate in the entrails of its empire” and allowing “the benefits to pass through and out of Spain.” The Dutch, in contrast, kept the benefits “very firmly in the country,” while “indigenous merchants were the empire and were the state,” Pearson concludes. Britain pursued similar policies of economic nationalism, assigning rights to state-chartered monopolies, first (1581) for Turkey and the entire Middle East, then the rest of Asia and North America. In return for the grant of rights, the quasi-state companies provided regular payments to the Crown, an arrangement that would be replaced by more direct engagement of state power. As British trade and profit rapidly increased in the 18th century, government regulation remained important: “Less restrictions in the nineteenth century were a result of English dominance, not its cause,” Pearson observes.

Adam Smith may have eloquently enumerated the harmful impact on the people of England of “the wretched spirit of monopoly,” in his bitter condemnations of the East India Company. But his theoretical analysis was not the cause of its decline. The “honorable Company” fell victim to the confidence of British industrialists, particularly the textile manufacturers who had been protected from the “unfair” competition of Indian textiles, but called for deregulation once they convinced themselves that they could win a “fair competition,” having undermined their rivals in the colonies by recourse to state power and violence, and used their new wealth and power for mechanization and improved supply of cotton. In contemporary terms, once they had established a “level playing field” to their incontestable advantage, nothing seemed more high-minded than an “open world” with no irrational and arbitrary interference with the honest entrepreneur, seeking the welfare of all.¹⁰

Those who expect to win the game can be counted on to laud the rules of “free competition”—which, however, they never fail to bend to their interests. To mention only the most obvious lapse, the apostles of economic liberalism have never contemplated permitting the “free circulation of labor...from place to place,” one of the

foundations of freedom of trade, as Adam Smith stressed.

There is little historical basis for much of the reigning belief on the impact of Adam Smith's doctrines; for example, Chicago economist George Stigler's assertion that Smith "convinced England" from 1850 to 1930 "of the merits of free international trade." What "convinced England"—more accurately, Englishmen who held the reins—was the perception that "free international trade" (within limits) would serve their interests; "it was not until 1846, by which time the British manufacturing interests were sufficiently powerful, that Parliament was prepared for the revolution" of free trade, Richard Morris notes. What convinced England of the contrary by 1930 was the realization that those days had passed. Unable to compete with Japan, Britain effectively barred it from trade with the Commonwealth, including India; the United States followed suit in its lesser empire, as did the Dutch. These were significant factors leading to the Pacific war, as Japan set forth to emulate its powerful predecessors, having naively adopted their liberal doctrines only to discover that they were a fraud, imposed upon the weak, accepted by the strong only when they are useful. So it has always been.¹¹

Stigler may well be right, however, that Smith "certainly convinced all subsequent economists." If so, that is a comment on the dangers of illegitimate idealization that isolates some inquiry from factors that crucially affect its subject matter, a problem familiar in the sciences; in this case, separation of abstract inquiry into the wealth of nations from questions of power: Who decides, and for whom? We return to the point as Adam Smith himself understood it.

The wealth of the colonies returned to Britain, creating huge fortunes. By 1700, the East India Company accounted for "above half the trade of the nation," one contemporary critic commented. Through the following half-century, Keay writes, its shares became the "equivalent of a gilt-edged security, much sought after by trustees, charities and foreign investors." The rapid growth of wealth and power set the stage for outright conquest and imperial rule. British officials, merchants, and investors "amassed vast fortunes," gaining "wealth beyond the dreams of avarice" (Parker). That was particularly true in Bengal, which, Keay continues, "was destabilized and impoverished by a disastrous experiment in sponsored government"—one of the many "experiments" in the Third World that have not exactly redounded to the benefit of the experimental subjects. Two English historians of India, Edward Thompson and G.T. Garrett, described the early history of British India as "perhaps the world's high-water mark of graft": "a gold-lust unequalled since the hysteria that took hold of the

Spaniards of Cortes' and Pizarro's age filled the English mind. Bengal in particular was not to know peace again until she has been bled white." It is significant, they remark, that one of the Hindustani words that has become part of the English language is "loot."¹²

The fate of Bengal brings out essential elements of the global conquest. Calcutta and Bangladesh are now the very symbols of misery and despair. In contrast, European warrior-merchants saw Bengal as one of the richest prizes in the world. An early English visitor described it as "a wonderful land, whose richness and abundance neither war, pestilence, nor oppression could destroy." Well before, the Moroccan traveller Ibn Battuta had described Bengal as "a country of great extent, and one in which rice is extremely abundant. Indeed, I have seen no region of the earth in which provisions are so plentiful." In 1757, the same year as Plassey, Clive described the textile center of Dacca as "extensive, populous, and rich as the city of London"; by 1840 its population had fallen from 150,000 to 30,000, Sir Charles Trevelyan testified before the Select Committee of the House of Lords, "and the jungle and malaria are fast encroaching...Dacca, the Manchester of India, has fallen from a very flourishing town to a very poor and small town." It is now the capital of Bangladesh.

Bengal was known for its fine cotton, now extinct, and for the excellence of its textiles, now imported. After the British takeover, British traders, using "every conceivable form of roguery," "acquired the weavers' cloth for a fraction of its value," English merchant William Bolts wrote in 1772: "Various and innumerable are the methods of oppressing the poor weavers...such as by fines, imprisonments, floggings, forcing bonds from them, etc." "The oppression and monopolies" imposed by the English "have been the causes of the decline of trade, the decrease of the revenues, and the present ruinous condition of affairs in Bengal."

Perhaps relying on Bolts, whose book was in his library, Adam Smith wrote four years later that in the underpopulated and "fertile country" of Bengal, "three or four hundred thousand people die of hunger in one year." These are consequences of the "improper regulations" and "injudicious restraints" imposed by the ruling Company upon the rice trade, which turn "dearth into a famine." "It has not been uncommon" for Company officials, "when the chief foresaw that extraordinary profit was likely to be made by opium," to plough up "a rich field of rice or other grain...in order to make room for a plantation of poppies." The miserable state of Bengal "and of some other of the English settlements" is the fault of the policies of "the mercantile company which oppresses and domineers in the East Indies." These should be contrasted, Smith urges,