Charles A. Conant, The Economic Basis for Imperialism, 1898

**Citation:**

Charles A. Conant, “The Economic Basis for Imperialism,” The North American Review 167, 502 (September 1898) 326-340.

**Annotation:**

*Few people in the United States were as well known for their advocacy of U.S. expansionism as Charles A. Conant, the author of the essay excerpted here. Conant was a prolific writer, publishing books and essays exploring how to help the United States grow effectively.*

**Document:**

The instinctive tendency of a race or civilization often outruns the wisdom of its leaders. Whether for good or ill, the inborn tendencies of race—whether for the highest achievement in art, like the Ionian; the military conquest of the world, like the Roman; the penetration of distant and barbarous countries for the purposes of trade, like the Tyrian or the Venetian; the command of the empire of the sea, like the English—these tendencies prevail by a sort of instinct. Other races in seeking to pursue the same paths by imitation have stumbled and gone astray. But when the current of race or national tendencies runs strongly in a given channel it is apt to override alike the misgivings of its sympathizers and the protests and resistance of those who would obstruct it. The United States to-day seem about to enter upon a path marked out for them as the children of the Anglo-Saxon race, not yet traversed because there has been so much to do at home. Almost as if by magic, the importance of naval power as the advance agent of commercial supremacy has flashed upon the mind of the country. The irresistible tendency to expansion, which leads the growing tree to burst every barrier, which drove the Goths, the Vandals, and finally our Saxon ancestors in successive and irresistible waves over the decadent provinces of Rome, seems again in operation, demanding new outlets for American capital and new opportunities for American enterprise.

This new movement is not a matter of sentiment. It is the result of a natural law of economic and race development. The great civilized peoples have to-day at their command the means of developing the decadent nations of the world. This means, in its material aspects, is the great excess of saved capital which is the result of machine production. It is proposed to point out in this article how great this excess is at the present time, how profoundly it is disturbing economic conditions in the older countries, and how necessary to the salvation of these countries is an outlet for their surplus savings, if the entire fabric of the present economic order is not to be shaken by a social revolution. The law of self preservation, as well as that of the survival of the fittest, is urging our people on in a path which is undoubtedly a departure from the policy of the past, but which is inevitably marked out by the new conditions and requirements of the present…

The United States cannot afford to adhere to a policy of isolation while other nations are reaching out for the command of these new markets. The United States are still large users of foreign capital, but American investors are not willing to see the return upon their investments reduced to the European level. Interest rates have greatly declined here within the last five years. New markets and new opportunities for investment must be found if surplus capital is to be profitably employed.

In pointing out the necessity that the United States shall enter upon a broad national policy, it need not be determined in just what manner that policy shall be worked out. Whether the United, States shall actually acquire territorial possessions, shall set up captain generalships and garrisons, whether they shall adopt the middle ground of protecting sovereignties nominally independent, or whether they shall content themselves with naval stations and diplomatic representations as the basis for asserting their rights to the free commerce of the East, is a matter of detail. The discussion of the details may be of high importance

to our political morality and our historical traditions, but it bears upon the economic side of the question only so far as a given political policy is necessary to safeguard and extend commercial interests. The writer is not an advocate of “imperialism” from sentiment, but does not fear the name if it means only that the United States shall assert their right to free markets in all the old countries which are being opened to the surplus resources of the capitalistic countries and thereby given the benefits of modern civilization. Whether this policy carries with it the direct government of groups of half-savage islands may be a subject for argument, but upon the economic side of the question there is but one choice—either to enter by some means upon the competition for the employment of American capital and enterprise in these countries, or to continue the needless duplication of existing means of production and communication, with the glut of unconsumed products, the convulsions followed by trade stagnation, and the steadily declining return upon investments which this policy will invoke.

The entry of the United States upon the competition for the world’s markets means some radical changes in their existing policy, but it means an enlarged share in the world’s earnings and in the respect of other civilized states. The system of protection, whatever its original merits, will lose its reason for being when the producers of this country are able to compete in the markets of the world with the producers of all other countries. Great Britain has blazed the path of future economic achievement by declaring her willingness to open the gates of every country which she enters to the free competition of the world. The United States, if they would have her by their side, must follow the same course. The narrower policy, pursued by France and Russia, of endeavoring to shut up their colonies to their own commerce, is only a repetition within a slightly extended wall of the old policy of building up trade, which should be reciprocal, by endeavoring to destroy the purchasing power of one’s purchasers. Such a policy cannot offset the effects of congested capital, for it only intensifies within the protected wall the intensity of competition and shuts up the producers to the barren contest against each other before the same body of consumers. Fictitious premiums set upon particular industries only make their last state worse than their first by drawing capital into such industries in excess of the requirements set by the natural laws of trade.

It is not even necessary to argue the question whether “trade follows the flag” or whether trade can be achieved without the prestige of political power. The present situation in China is such as to call for energetic political action on the part of all powers which desire to obtain new openings for their commerce. Russia, Germany and France have seized stations and large tracts of territory in China with a view to enforcing there their restrictive policy of shutting up the market to their own people. It is necessary, if the United States are to have an unimpaired share in the new trade of Asia, that they should protest against this policy of exclusion and seek to limit the area over which it is applied. Great Britain stands before the world, as she has done since the days of Huskisson and Peel, as the champion of free markets. The United States, if they are not to be excluded from Asia, must either sustain the policy of Great Britain or they must follow the narrower policy of the Continental countries in carving out a market of their own. Silent indifference to what is going on in Asia is not merely a question of political and naval prestige or of territorial extension. It is a question whether the new markets which are being created there shall be opened to our commerce in any form under any conditions, and nothing but vigorous assertion of American interest in the subject will prevent the obstructions to the natural course of trade which will follow the division of Asia among the protectionist powers of the European continent.