

The Elisions and Elusions of Gentlemanly Capitalism

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It is now three decades since P. J. Cain and A. G. Hopkins developed the concept of gentlemanly capitalism and deployed it to explain three centuries of British imperial expansion. Despite heavy criticism, especially in the early days, the concept has entered scholarly and broader public discourse. This article offers a critical appraisal of gentlemanly capitalism. It outlines how Cain and Hopkins make three distinct sets of claims about the evolution of the British economy, about the sociology of status, and about the relationship between socio-economic elites and the state. It argues that, notwithstanding the undeniably rich analysis Cain and Hopkins weave around the concept, gentlemanly capitalism relies on a series of conceptual elisions and elusions which ultimately curtail its explanatory power. The article suggests however that from this critical deconstruction of the various elements of gentlemanly capitalism a fruitful new research agenda emerges.

It is thirty-one years since P. J. Cain and A. G. Hopkins first applied the concept of gentlemanly capitalism to the explanation of British imperial expansion in two seminal articles.¹ A decade later these evolved into a monumental two volume interpretation, *British Imperialism*, spanning three centuries which bridged the then opening gulf between area studies and British history.² Cain and Hopkins' work was self-consciously located within a long radical tradition of writing on empire.³ Indeed, Dane Kennedy dismissed gentlemanly capitalism as little more than a reshuffling of John Hobson and Joseph Schumpeter to revise the long-dominant Robinson and Gallagher paradigm of imperial history.⁴ Kennedy was too hasty. The connections Cain and Hopkins draw between the open service-based orientation of the British economy, the dominance of the financial-commercial complex of the City of London, the account of a powerful nouveaux-aristocratic elite, and the linking of these themes to imperialism generate an account well placed to address twenty-first century concerns within a long established paradigm.⁵ Thus, in the second edition, gentlemanly capitalism and British imperialism become the historical handmaidens of globalisation.⁶ Now a third edition boldly appends an excursion into the recent internal

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¹ Cain and Hopkins, 'Gentlemanly Capitalism and British Expansion Overseas, I'; Cain and Hopkins, 'Gentlemanly Capitalism and British Expansion Overseas, II'.

² Fieldhouse, 'Can Humpty-Dumpty'.

³ Cain, 'Hobson Lives?'; Cain, *Hobson*; Cain, 'Capitalism, Aristocracy and Empire'. On the radical tradition, see Semmel, *Liberal Ideal*; Claeys, *Imperial sceptics*.

⁴ Kennedy, 'Imperial History', p. 345. On Robinson and Gallagher, see Louis, ed., *Imperialism*.

⁵ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 2-3. For the application of gentlemanly capitalism (and much else) to a contemporary agenda, see Drayton, 'Imperial History', p. 161 and passim.

⁶ Cain and Hopkins, *British Imperialism, 1688-2015*, pp. 717-725; Akita, ed., *Gentlemanly capitalism*. See also, Hopkins, 'Back to the Future'; Hopkins, ed., *Globalization*; Hopkins, ed., *Global history*.

travails of the United Kingdom in the wake of the 2008 financial crash.⁷ In short, their work offers perhaps the most thorough scholarly outworking of a deep rooted understanding of Britain's global past and present.

With gentlemanly capitalism showing few signs of retirement, this article subjects that core concept to close scrutiny. Drawing on three decades of extensive debate, it argues that, for all its empirical strengths, gentlemanly capitalism rests on a series of elisions and elusions: elisions because it involved collapsing together categories that are better left analytically distinct, and elusions because in so doing gentlemanly capitalism avoids engagements with several other fields of analysis. These, it is argued, collectively undermine gentlemanly capitalism's explanatory power but also signpost a future research agenda.

I

Through the concept of gentlemanly capitalism, Cain and Hopkins make three main claims. The first is that over the last three centuries, notwithstanding the industrial revolution, agriculture and then services (especially commerce and finance) have been the dominant sectors of the British economy, and that global commerce and finance have been increasingly concentrated in the City of London.⁸ Second, a socio-cultural claim: these sectors have been dominated by the aristocracy or gentry or by those who can acquire and emulate their status and values. Finance especially and to a lesser extent commerce better enabled their leaders to sustain gentlemanly lifestyles because they are more removed from the daily grind of production and industrial relations. From the mid-nineteenth century and the decline of agriculture, aristocratic fortunes came to rely heavily on commerce and finance. Thus those engaged in the (London-based) upper reaches of finance and commerce, Cain and Hopkins argue, were able to acquire status and hence integrate into Britain's governing classes, forging a single gentlemanly capitalist elite.⁹ Third, the economic and socio-cultural dominance of the gentlemanly capitalist elite (co-located in Whitehall and the City of London) shaped the principal elements of both domestic political economy and overseas imperial expansion in their interests. As Cain and Hopkins write, 'the gentlemanly elite had a common view of the world and how it should be ordered. The degree of coherence or like mindedness explains why and how, at the top of the gentlemanly order, the barriers between business and government were no more than mobile Chinese walls'.¹⁰

Thus within gentlemanly capitalism Cain and Hopkins collapse three distinct sets of claims: about the evolution of the British economy; about the sociology of power; and about the forces shaping state action. How well, though, do these elements cohere internally or with each other? First let us look at their claims about the economy. At the core of Cain and Hopkin's panoptic interpretation lies a re-emphasis of the importance of the service sector in the British economy. This begs a question though, what are services and can they be treated as a coherent entity? Cain and Hopkins acknowledge that the sector

⁷ Cain and Hopkins, *British imperialism: innovation and expansion*; Cain and Hopkins, *British Imperialism: Crisis and Deconstruction*; Cain and Hopkins, *British Imperialism, 1688-2000*; Cain and Hopkins, *British Imperialism, 1688-2015*.

⁸ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 37-41.

⁹ *Ibid.*, pp. 41-43.

¹⁰ *Ibid.*, p. 43.

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is complex and multifaceted.¹¹ Services comprise a set of activities encompassing everything from domestic service through to high finance, as much distinguished by greater ease with which agriculture, industry, and indeed the public sector can be defined.¹² Reemphasising the importance of such a heterogeneous (hence large) category in the evolution of the British economy may be necessary only in the context of the powerful hold industrialisation has had on the imaginations of historians and contemporaries.¹³ Moreover, the weight of the service sector does not particularly distinguish Britain from its closest rivals. In 1911 services employed 35% of the British working population, manufacturing 39%. The ratios for France, Germany and the USA in 1906, 1907, and 1910 were, respectively, 28%:25%, 22%:29%, and 35%:29%. The ratio between agriculture and manufacturing differed far more.¹⁴ Of course, Cain and Hopkins' real interest is not so much in the service sector as a whole but in the elements of the service sector orientated outwards – a smaller component of the whole. Thus they concentrate on export trades, invisible exports (such as shipping and insurance), and finance, and on the City of London's almost unrivalled status as a global commercial and financial centre.¹⁵ In the crucial decades prior to 1914 earnings from invisibles as well as overseas investment income were crucial in making up the deficit in the balance of visible exports.¹⁶

All of this begs a question as to how united even the internationally-orientated element of the service sector actually was, and how far it really can be hermetically sealed from industry.¹⁷ Mercantile activity often relied on exporting manufactured goods, indeed John Inikori has argued that the industrial revolution itself was driven in part by import substitution, the replacement of cotton imports from Bengal by the products of Lancashire looms in the African slave trade.¹⁸ Manufacturers, merchants, and various financial institutions all co-existed in particular locations. For example, the Mersey basin evolved a cluster of mercantile, marketing, insurance and other services as well as manufacturing.¹⁹ The point is not just that all these sectors co-existed but that they were often interdependent, explaining why the earliest and most widespread forms of business mobilisation – medieval guilds and companies, and from the eighteenth century, chambers of commerce – were based on locality not sector.²⁰ The idea of a 'sector', of agriculture, industry, and services, is a construct. Elite formation did not take place within such abstractions but within a fragmented, interdependent, and overlapping reality based in the first instance on location.

There was no inevitable alignment of interest amongst services. Globally-orientated services were, in practice, highly and increasingly specialised and hence fragmented. This fragmentation and specialisation led to conflicts within the service sector and alliances with industrialists. For example merchants and manufacturers engaged in a near perpetual dispute from the 1880s through to the 1930s with shipping companies over bills of lading which distributed liabilities in cases where goods were damaged.²¹ Indeed London, the

¹¹ *Ibid.*, pp. 36-38.

¹² Lee, 'The service industries', pp. 117-118.

¹³ Cannadine, 'Present and the Past'.

¹⁴ Floud, 'Britain, 1860-1914', pp. 18, Table 1.6.

¹⁵ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 112-124. See also Cassis, *Capitals of capital*.

¹⁶ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 151-166.

¹⁷ Daunt, "'Gentlemanly Capitalism'", pp. 133-142.

¹⁸ Inikori, *Africans*. See also Ward, 'Industrial Revolution'.

¹⁹ Tate, 'Industry'.

²⁰ Bennett, *Local Voice*.

²¹ Porter, 'Which City, What Empire?', pp. 55-59. On Bills of Lading, see for example 'Congress of Chambers of Commerce', *Chambers of Commerce Journal*, August 1886, p. 42-49.

great heartland of gentlemanly capitalism, exemplifies the fragmentation of interests. As Randal Michie has shown, London was a multifaceted economic centre – including a major manufacturing hub - with multiple functions and activity all overlapping, and overlapping with activities in other parts of the UK.²² Thus the coalescences and conflicts between finance, industry, insurance, merchants, shippers played out within as well as across the City. The Treasury and Bank of England's dogged adherence to the gold standard in the late 1920s found no more vociferous critic than the secretary of the London chamber of commerce, A. de V. Leigh, whose unorthodox views shaped the chamber's position on monetary policy from the 1920s through to the 1950s.²³

Even international finance was a multifarious collection of institutions performing diverse if overlapping functions. There were intimate connections between but also big distinctions between money, credit, and capital markets, and even in long term finance between issuing new debt and secondary markets in debt.²⁴ The London Stock Exchange alone was vast and heavily subdivided.²⁵ The merchant banks, which take pride of place in Cain and Hopkins account, actually issued only an estimated two-fifths of overseas debt between 1870 and 1914. While they were the largest group within the market, most lending flowed through other channels.²⁶ Even merchant banks competed amongst themselves.²⁷ In short, by eliding the service sector, finance, and ultimately high finance – the Bank of England and its court and certain merchant banks – Cain and Hopkins conflate the economic importance of services as a whole with a far narrower segment of the London financial, let alone service, sector.

II

The economic coherence of services, even the export-orientated elements of services, and indeed even finance alone are not sufficient to explain a systematic bias on the part of the state. Gentlemanly capitalism's socio-cultural assertions that high finance held a particularly close position in relation to policy-makers become all the more important in this context. Geoffrey Ingham long ago pointed out that 'gentlemanliness' not capitalism does all the heavy lifting in Cain and Hopkins' analysis.²⁸ Gentlemanliness explains the makings of the elite, gentlemanliness connects the City - or rather high finance - with the British state, and gentlemanliness supposedly disconnected policy-makers from industry.

A brief reprise of Joseph Schumpeter ought at least to make us ponder the relationship between gentlemanliness and capitalism.²⁹ For Cain and Hopkins gentlemanliness legitimates interests that then help frame a concept of the national interest and hence direct imperialism. For Schumpeter, imperialism was a throwback to pre-capitalist values which warped capitalism.³⁰ It was not capitalist self-interest but belligerent aristocratic ethics that drove imperialism. The point is that Cain and Hopkins' gentlemanly values (which they

²² Michie, *City of London*.

²³ Archives Canada, MG 26-J1 (Mackenzie King Papers) Vol. 192, 163558, De V Leigh to McCreer, 10 Dec 1932; 163560, A De V Leigh to Mr White, 22 Nov 1932; London Metropolitan Archives, CLC/B/082/MS18287, *Congress Proceedings*, 1948, pp. 46-47.

²⁴ Dilley, *Finance, Politics, and Imperialism*, pp. 42-49. For a classic account, see Bagehot, *Lombard Street*.

²⁵ Duguid, *The Stock Exchange*; Michie, *London Stock Exchange*.

²⁶ Balogh, *Studies in Financial Organization*, p. 233. For one case of 'ungentlemanly' capitalism, see Phimister, 'Corners'.

²⁷ Chapman, *Rise of merchant banking*.

²⁸ Ingham, 'British Capitalism', pp. 341-348.

²⁹ Hobson, *Imperialism*.

³⁰ Schumpeter, *Imperialism and Social Classes*.

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clearly conceive of as encompassing a culture of empire) might precede and evolve independently from the self-interest of service capitalism. While there remains considerable debate about the extent, nature, and pervasiveness of imperial culture in Britain, few doubt its existence or its prominence in British elite political culture at least.³¹ Businesses were not exterior to culture, not least the cultures of empire. As Charles Jones argued, nineteenth century mercantile classes increasingly had to reconcile themselves with (and demonstrate service to) imperialist and/or (on the peripheries) nationalist values.³² Empire became a part of a culture of gentility – or at least one strand of it – and support for empire was more easily acquired and demonstrated than the markers of status that came with birth and upbringing. Cain and Hopkins never quite resolve the degree to which the political culture of empire might impart its own independent dynamics and shape the sense of self-interest, even actions, of service sector capitalists.³³ Thus gentlemanly culture in their work binds political and economic elites together yet, following Hobson, economic self-interest is primarily supposed to drive decision-making.³⁴ Culture is both fundamental and strangely eluded, denied significant autonomy.

In practice Cain and Hopkins use gentility as a proxy for the decision-making *process*, a means of explaining how (rather than why) the economic interests of the City (or high finance) shaped three centuries of economic management and global policy, and why industrialists were supposedly less influential. There were to be sure often tight connections between the City, aristocracy, and political elite. One can easily find examples a plenty of aristocratic ‘guinea pig’ directors on company boards – reputable and disreputable, of former financiers entering politics or of movements the other way from the benches of Westminster and offices of Whitehall to the boardrooms of the Square Mile.³⁵ That said, it is not clear that industrialists were necessarily excluded. Joseph Chamberlain’s rise is a case in point and not easily dismissed as merely an isolated example given his centrality in two critical episodes of imperial expansion and governance: the South African War (1899-1902) and the tariff reform campaign. In their different ways the reverberations of both framed imperial and later Commonwealth political and economic governance down to 1939 and beyond.³⁶ If Chamberlain is an exception, he is a very significant exception.³⁷

Cain and Hopkins tend, when pushed, to argue that the critical point for them is that where the interests of finance and industry (or indeed commerce) conflicted, that finance tended to triumph. Monetary policy and the gold standard tend to the case in point. Nonetheless it is necessary to consider the mechanisms by which decisions favouring finance (or the City more broadly) came about. Cain and Hopkins put great emphasis on the shared mentalité, culture, and society of various gentlemen (in Westminster and the City). There is, however, an alternative approach to explaining moments when finance demonstrably asserts influence: to focus more precisely on the structural and institutional connections between finance and state.³⁸ Finance may indeed hold a privileged position as a result, but over more limited aspects of policy and not for the reasons suggested by

³¹ On Empire and elite culture, see Colley, *Britons: forging the nation, 1707-1837*; Thompson, *Imperial Britain*. Even Bernard Porter does not deny that imperial culture existed, nor that it was more prevalent amongst the upper classes. See Porter, *Absent-minded Imperialists*.

³² Jones, *International business*. For the influence of liberal idealism on some investors in Argentina, see Jones, ‘Great Capitalists’.

³³ Dilley, *Finance, Politics, and Imperialism*, pp. 97-103; Smith, ‘Patriotism’.

³⁴ Hobson, *Imperialism*, pp. 59, 80-83, 202.

³⁵ Hess, *Critic’s Black Book*.

³⁶ Marsh, *Joseph Chamberlain*; Darwin, ‘Third British Empire?’.

³⁷ Cain and Hopkins, ‘Peculiarities’, pp. 220-221.

³⁸ Williamson, ‘City of London’, pp. 17-20; Peden, ‘Treasury and the City’.

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III

States need money and often more money than they can raise through taxation. There is nothing new or uniquely British in that point. Modern financial instruments evolved from the fifteenth century as means of resolving the basic needs of the state for finance.³⁹ The Bank of England, London Stock Market, and national debt in its modern form all were founded in the late-seventeenth century to facilitate the needs of the English, soon British, state for finance and helped make Britain triumphant in the eighteenth century trials of fiscal militarism.⁴⁰ The need for extra resources has of course been most acute in periods of war, the eighteenth and early twentieth centuries in the British case, but it can also be seen at other points: where the need for massive domestic capital investment or Keynesian-style deficit finance are felt, or when existing debts require refinancing.⁴¹ There is no need for the socio-cultural mechanisms of gentlemanly capitalism to explain why finance might have a unique connection to policy. The ability of the state to achieve the geopolitical and domestic political goals of policymakers has been inseparable from the maintenance of credit – adherence to certain rules of the financial game (to borrow Cain and Hopkins' phrase). The exigencies of maintaining credit and debt management and the associated institutions – for example the close institutional links between the Bank of England and the Treasury – may provide sufficient explanation for the impact of financial considerations on British government policy without any resort to a broader socio-cultural explanation.⁴² Financiers will inevitably have a distinctive influence on states compared to all other economic interests regardless of manners and mores. But they will have such an influence only so far as state credit is a policy priority, within the parameters of that concern, and hence only so far as domestic political formations permit.

An excursion to the new world illustrates precisely how such an alternative argument might play out. Indeed it is precisely the argument Cain and Hopkins themselves adopt. In the indebted dominions of Australia, Canada and New Zealand, and the 'honorary dominion' of Argentina, Cain and Hopkins rely on precisely this meshing of institutional connections and political aspirations. In all cases they argue that because imported capital was essential to economic development and nation building in the new world, the maintenance of credit and adherence to the 'rules of the game' generated a 'structural power' exerted by the City (in its own right it should be added and with little direct role for the British state).⁴³ Whether or not individual politicians, much less the political class as a whole, were gentlemen is beside the point. They were certainly not deeply imbricated in the tight gentlemanly capitalist nexus but adhered to the 'rules of the game' anyway, or faced the consequences.⁴⁴ However, structural connections between finance and politics existed irrespective of such considerations and curtailed only by the power of

³⁹ Dilley, 'Financial Institutions'.

⁴⁰ Brewer, *Sinews of power*.

⁴¹ Ferguson, *Cash Nexus*, p. 148.

⁴² Green, 'Influence of the City'.

⁴³ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 209-216; Cain and Hopkins, 'Theory and Practice', pp. 204-210; Hopkins, 'Informal Empire'; Hopkins, 'Gentlemanly capitalism'. For alternate views, see Davis, 'Late nineteenth-century British imperialist'; Kubicek, 'Economic Power'; Redish, 'British Financial Imperialism'; McAloon, 'Gentlemanly capitalism'.

⁴⁴ Bernard Attard's as yet unpublished work on the Queensland loans affair of the 1920s perfectly illustrates the point. See also Cochrane, *Blockade*.

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countervailing domestic political forces.⁴⁵ If *gentlemanly* capitalism is not really needed to explain the influence of finance in the dominions or indeed in Argentina, it is not clear why the same structural dependence on London finance cannot explain the relationship between the British state and the City.

This highlights how Cain and Hopkins fail to give a full account of the processes by which policy is formulated; the need to bring the state back in.⁴⁶ This is not merely a call for more empirical detail of for ‘smoking guns’ but to assert the importance of political as well as economic context.⁴⁷ Take the Edwardian tariff reform campaign. Ewen Green pointed out that Tariff Reform was beaten at the ballot box in 1906 (and indeed, twice, in 1910, and in 1923).⁴⁸ Cain and Hopkins replied that on tariff reform the City was divided – indeed it swung towards tariff reform after 1906 favouring indirect over direct taxation. Their reply missed the point that the fact that because one of the major aspects of British political economy became a major issue in electoral politics, it could only be resolved within that framework. Even *if* the City had been united behind tariff reform or free trade, it is hard to see that this would in and of itself altered the outcome.⁴⁹ By 1910 the balance of opinion in the City had shifted towards tariffs and imperial preference and Lords Rothschild and Revelstoke (of Baring’s) attacked the Liberal government’s taxation policies vociferously. However the two 1910 elections – fought ostensibly on constitutional principle (but also on ‘people’s budget’ and tariff reform) – did not deliver the outcomes favoured in the City.⁵⁰

Cain and Hopkins argue that the gold standard and sound money more generally were more important to the City. That rings true, not least because for a host of reasons gold underpinned the confidence of financiers and hence state credit.⁵¹ Certainly the division in the 1880s between Bimetallists and advocates of the gold standard did not enter the political mainstream. In these circumstances and given the arcane and deeply financial nature of the debate, Cain and Hopkins are probably right to argue that City-based experts and particularly the views of the Bank of England carried great weight, but perhaps more because of their technical expertise and institutional connection to the British state rather than due to superior gentility.⁵² Nonetheless a distinct minority, the City also provided some leading advocates of bimetallism such as Henry Hucks Gibbs.⁵³ Interests cut across industry and services. Moreover, nothing inevitably placed the currency issue beyond the realm of popular politics. In 1896 William Bryan Jennings made currency central to the US presidential election with his slogan ‘you shall not crucify America on a cross of gold’.⁵⁴ The point is that nothing finance or gentlemanly capitalists could do could determine how any particular aspect of policy was dealt with within the political arena.

In short, politics was autonomous. Insufficient acknowledgement of this point can lead Cain and Hopkins to blur cause with effect. Take the great ‘Gladstonian’ trypic of the gold

⁴⁵ Dilley, *Finance, Politics, and Imperialism*. See also Attard, ‘Free-trade Imperialism’; Attard, ‘Bridgeheads’.

⁴⁶ Williamson, ‘City of London’, pp. 21-26.

⁴⁷ Porter, ‘South African War’. For a critique (cited by Cain and Hopkins) which, to some extent, misses Porter’s point, see Trapido and Marks, ‘Lord Milner’.

⁴⁸ Green, ‘Gentlemanly Capitalism’.

⁴⁹ Trentmann, *Free trade nation*.

⁵⁰ Blewett, *Peers, the Parties and the People*. On the City in this period, see Cassis, *City bankers*, pp. 297-301; Howe, ‘Liberals and the City’.

⁵¹ Bordo and Rockoff, ‘Gold Standard’.

⁵² Cain and Hopkins, ‘Theory and Practice’, p. 202.

⁵³ *Chamber of Commerce Journal*, 5 Aug. 1886, p. 33.

⁵⁴ Brogan, *Penguin History of the USA*, pp. 431-434.

standard, balanced budgets, and free trade.⁵⁵ This settlement originated in a long series of reforms from the 1820s through to the 1850s undertaken successively by the ‘Liberal Tories’ (not least manufacturers’ son Robert Peel), Whigs, and Cobdenite radicals – the constituent parts of the great Victorian Liberal party.⁵⁶ Cain and Hopkins treat this as a transition phase between two incarnations of gentlemanly capitalism, and emphasise the importance of these policies for the City’s late nineteenth century successes.⁵⁷ Yet all were conceived of as means to increase the independence of the state from the City. Peelites saw the gold standard as a means to discipline state expenditure by preventing the printing of money against advice from the Bank of England.⁵⁸ Balanced budgets and reduced expenditure were means to reduce the state’s cushioning of broader economic forces: their goal was to promote virtue not economic growth.⁵⁹ Free trade, symbolically completed with Peel’s repeal of the Corn Laws emerged from the combined efforts of evangelical liberal Tories, Whigs, and Cobdenite radicals who articulated an alliance between the urban industrial workers and capitalists.⁶⁰ It was an attack on agricultural protectionism, conceived deliberately to undermine aristocratic power and belligerence – the old gentlemanly capitalism. This period, the 1820s to 1850s, is the fulcrum of Cain and Hopkins account, the period in which an old gentlemanly capitalism gave way to a new one with commerce and finance promoted to senior partners. Yet the forces which drove this transition are difficult to explain through the gentlemanly capitalist paradigm and Cain and Hopkins provide only brief (and rightly cautious) analysis.⁶¹ The triumphs of the late nineteenth century City (of gentlemanly capitalism) seem the unintended consequences of early nineteenth century politics.

Similarly Cain and Hopkins effectively show how finance could at times be intimately entwined in the operation of imperialism (inevitably so since finance is intimately entwined with the operation of virtually all state activities) and the ways in which British policy could be seen to benefit City interests. But this is not the same as demonstrating that imperial expansion was driven by gentlemanly capitalism. It is for example not that surprising to learn that late-nineteenth century India had applied to it similar models of political economy to those developed in Britain and that serving India’s debts in Britain was a key policy priority.⁶² But it is hard to argue that it was with this goal in mind that East India Company expansion took place in the late eighteenth and early nineteenth century, and Cain and Hopkins do not make such a claim.⁶³ Similarly, settler societies in the Americas and antipodes were, in the late nineteenth century major destinations for British trade and investment. They feature heavily in Cain and Hopkins account as fields of informal imperialism, largely through the operation of the ‘structural power’ of finance without any particularly important role for the British state.⁶⁴ The connection of economic development with inward flows of capital did create connections and forms of influence that might be considered imperialism or, more usefully, as evidence of a looser form of ‘structural power’. But again, this does not mean that gentlemanly capitalism initiated these

⁵⁵ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 135-150.

⁵⁶ Boyd Hilton provides the most compelling account. See Hilton, *Mad, Bad and Dangerous*; Hilton, *Corn, cash, commerce*. On the Liberal Party, see Vincent, *Formation*.

⁵⁷ Cain and Hopkins, *British Imperialism, 1688-2000*.

⁵⁸ Hilton, ‘Peel’.

⁵⁹ Hilton, *Age of Atonement*.

⁶⁰ Howe, *Free trade*.

⁶¹ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 135-144.

⁶² Sunderland, *Financing the Raj*.

⁶³ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 275-302.

⁶⁴ *Ibid.*, 205-274; Hopkins, ‘Informal Empire’; *ibid.*

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processes. The colonisation of Botany Bay, the annexation of New Zealand, the westwards expansion of Europeans in Canada, none of these policies were obviously conceived to serve the interests of gentlemanly capitalism.⁶⁵ Moreover the great outflow of European migrants – the other engine of settler capitalism - had origins independent of anything within the aegis of gentlemanly capitalism.⁶⁶ Arguing the City and especially finance benefited from and subsequently influenced indebted settler states is not the same as arguing that the interests of gentlemanly capitalism drove their formation.

Overseas, the interests of the City and Whitehall often diverged. Indeed in 1915 the eminent financial journalist Hartley Withers wrote that, ‘in the City if one suggests that our Foreign Office is swayed by financial influences one is met by incredulous mockery’.⁶⁷ Ian Phimister has shown how, in the run up to the South African War, the fear of British policy makers was not the persistence of Afrikaner dominance in the region, but the emergence of a freewheeling capitalist-dominated United States of South Africa which would be entirely within the City’s informal empire but fell short of the aspirations of a Chamberlain and Milner.⁶⁸ In the Ottoman Empire, in Persia, and in China in the late nineteenth century competition between European took place through loans and through competing banking institutions.⁶⁹ Cain and Hopkins argue that in Persia the unwillingness of British financiers to invest more limited the influence of the British state and frustrated the Foreign Office’s aims.⁷⁰ Again, if the divisions between the City and Whitehall were ‘Chinese walls’, how could their agendas be so different? Perhaps Persia was marginal, but the South African War was the most costly of all nineteenth century wars of imperial expansion. What can we learn by labelling such divergences ‘disputes within the family’?⁷¹ Surely they highlight an autonomous agenda on the part of the state which needs to be explained. Institutions have their own logics, cultures, and goals; their own trajectories which require conceptualisation and analysis.

IV

This article has highlighted three distinct elements of gentlemanly capitalism (economic, socio-cultural, and political) and questioned how cohesively these elements articulate. It has not denied the importance of the service sector, the unique role finance played in political and economic life, the power of ideas of gentility in the formation of social capital in the UK (or that empire might play a role in engendering respectability), or suggested that these factors had no influence at all over British domestic or overseas policy. Rather it has argued that these elements of gentlemanly capitalism gains coherence only through a series of elisions and elusions. These lead Cain and Hopkins to impart a false unity to the service sector and the City while overlooking cross-cutting ties to industry; to discount the autonomy of a culture of empire within the making of ‘gentlemanliness’; to an emphasis on the formation of a single gentlemanly capitalist mentalité at the expense of the narrower structural connections between finance and the state; and to disregard the influence of political institutions and hence both the divisions between elements in the City and the

⁶⁵ For a sweeping account, see Belich, *Replenishing the earth*. See also Schwartz, *In the Dominions of Debt*.

⁶⁶ Baines, *Migration*; Harper, ‘British Migration’.

⁶⁷ Withers, *International finance*, pp. 105-106.

⁶⁸ Phimister, ‘Empire’, pp. 75-77. See also Cain and Hopkins, ‘Peculiarities’, pp. 220-221.

⁶⁹ Feis, *Europe*.

⁷⁰ Cain and Hopkins, *British Imperialism, 1688-2000*, pp. 351-356.

⁷¹ *Ibid.*, p. 43.

state and to the political processes (not least electoral politics) through which policies must be formulated and legitimated. In the end, the strength of Cain and Hopkins achievement lies in the parts and not the whole. Unpicking the elisions and elusions of Cain and Hopkins' rich framework highlights complex interactions of economy, society, culture and the state worthy of their herculean labours even if these are not reducible to the straightjacket of gentlemanly capitalism.

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