

Due: February 9

In his book, Imperialism, John Hobson describes how capitalism might destroy the world! Discuss this theory by explaining how imperialism arises as part of capitalism and why this could lead to war and disaster.

From 1870 onward, various factors caused a drastic change in attitude and policy relating to colonial expansion. Notably, as a result of the rise in Europe's population, the desire for military bases, nationalism, and the Industrial Revolution, imperialism became an extremely popular policy with virtually all classes of society; its chief spokesman, Rudyard Kipling, praised its virtues.

Hobson published *Imperialism, a Study* (1902), a devastating attack on capitalism as well as imperialism. Hobson, a non-Marxist, went even further than Karl Marx. Whereas Marx predicted that capitalism would destroy itself, Hobson declared that imperialism would become the road to war, leading to the destruction of the world. In his view, capitalism has an insolvable problem: the rich get richer and the poor get poorer. Because of the vast inequality in the distribution of wealth, neither the rich nor the poor can consume enough goods.

Because the rich are few, they can consume only so much. The poor, while large in number, lack the income to purchase more goods. Therefore, the rich—both individuals and corporations—must invest the bulk of their income in savings, which are useless unless spent on further production of goods. Otherwise, purchasing power dries up. But since there is no market for more goods, production leads to a glut on the market.

Here, Hobson injects his comment on imperialism, for the only obvious answer to the problem is the utilization of savings in overseas investment. Foreign investments take off the excess capital, and foreign markets use the excess goods. This problem of excess, then, is the reason for modern imperialism, which is a direct outgrowth of the capitalistic system. But dire consequences lie ahead, he warns. Capitalistic nations each suffering the same glut, race each other to partition the world. With each nation trying to grab the biggest slice, bitter competition and rivalry promote the possibility of war.