During the nineteenth century the struggle towards nationalism, or establishment of political union on a basis of nationality, was a dominant factor alike in dynastic movements and as an inner motive in the life of masses of population. That struggle, in external politics, sometimes took a disruptive form, as in the case of Greece, Serbia, Romania, and Bulgaria breaking from Ottoman rule, and the detachment of North Italy from her unnatural alliance with the Austrian Empire. In other cases it was a unifying or a centralising force, enlarging the area of nationality, as in the case of Italy and ... Russia. Sometimes nationality was taken as a basis of federation of States, as in United Germany and in North America.

... [T]he general tendency was towards welding [loosely related States and provinces] into large strong national unities. This was the most definite achievement of the nineteenth century. The force of nationality, operating in this work, is quite as visible in the failures to achieve political freedom as in the successes; and the struggles of Irish, Poles, Finns, Hungarians, and Czechs to resist the forcible subjection to or alliance with stronger neighbours brought out in its full vigour the powerful sentiment of nationality.

The close of the third quarter of the century saw Europe fairly settled into large national States or federations of States, though in the nature of the case there can be no finality, and Italy continued to look to Trieste, as Germany still looks to Austria, for the fulfilment of her manifest destiny.

This passion and the dynastic forms [of nationalism] helped to mould and animate are largely attributable to the fierce prolonged resistance which peoples, both great and small, were called on to maintain against the imperial designs of Napoleon. The national spirit of England was roused by the tenseness of the struggle to a self-consciousness it had never experienced since "the spacious days of great Elizabeth"...

Turning from this territorial ... nationalism to the spirit of racial, linguistic, and economic solidarity which has been the underlying motive, we find a still more remarkable movement ...[N]ationalist sentiment manifest[ed] itself among the weaker peoples not merely in a sturdy and heroic resistance against political absorption or territorial nationalism, but in a passionate revival of decaying customs, language, literature and art; while it bred in more
dominant peoples strange ambitions of national "destiny" and an attendant spirit of Chauvinism.

No mere array of facts and figures adduced to illustrate the economic nature of the new Imperialism will suffice to dispel the popular delusion that the use of national force to secure new markets by annexing fresh tracts of territory is a sound and a necessary policy for an advanced industrial country like Great Britain....

But these arguments are not conclusive. It is open to Imperialists to argue thus: "We must have markets for our growing manufactures, we must have new outlets for the investment of our surplus capital and for the energies of the adventurous surplus of our population: such expansion is a necessity of life to a nation with our great and growing powers of production. An ever larger share of our population is devoted to the manufactures and commerce of towns, and is thus dependent for life and work upon food and raw materials from foreign lands. In order to buy and pay for these things we must sell our goods abroad. During the first three-quarters of the nineteenth century we could do so without difficulty by a natural expansion of commerce with continental nations and our colonies, all of which were far behind us in the main arts of manufacture and the carrying trades. So long as England held a virtual monopoly of the world markets for certain important classes of manufactured goods, Imperialism was unnecessary.

After 1870 this manufacturing and trading supremacy was greatly impaired: other nations, especially Germany, the United States, and Belgium, advanced with great rapidity, and while they have not crushed or even stayed the increase of our external trade, their competition made it more and more difficult to dispose of the full surplus of our manufactures at a profit. The encroachments made by these nations upon our old markets, even in our own possessions, made it most urgent that we should take energetic means to secure new markets. These new markets had to lie in hitherto undeveloped countries, chiefly in the tropics, where vast populations lived capable of growing economic needs which our manufacturers and merchants could supply. Our rivals were seizing and annexing territories for similar purposes, and when they had annexed them closed them to our trade the diplomacy and the arms of Great Britain had to be used in order to compel the owners of the new markets to deal with us: and experience showed that the safest means of securing and developing such markets is by establishing 'protectorates' or by annexation....
It was this sudden demand for foreign markets for manufactures and for investments which was avowedly responsible for the adoption of Imperialism as a political policy.... They needed Imperialism because they desired to use the public resources of their country to find profitable employment for their capital which otherwise would be superfluous....

Every improvement of methods of production, every concentration of ownership and control, seems to accentuate the tendency. As one nation after another enters the machine economy and adopts advanced industrial methods, it becomes more difficult for its manufacturers, merchants, and financiers to dispose profitably of their economic resources, and they are tempted more and more to use their Governments in order to secure for their particular use some distant undeveloped country by annexation and protection.

The process, we may be told, is inevitable, and so it seems upon a superficial inspection. Everywhere appear excessive powers of production, excessive capital in search of investment. It is admitted by all business men that the growth of the powers of production in their country exceeds the growth in consumption, that more goods can be produced than can be sold at a profit, and that more capital exists than can find remunerative investment.

It is this economic condition of affairs that forms the taproot of Imperialism. If the consuming public in this country raised its standard of consumption to keep pace with every rise of productive powers, there could be no excess of goods or capital clamorous to use Imperialism in order to find markets: foreign trade would indeed exist....

Everywhere the issue of quantitative versus qualitative growth comes up. This is the entire issue of empire. A people limited in number and energy and in the land they occupy have the choice of improving to the utmost the political and economic management of their own land, confining themselves to such accessions of territory as are justified by the most economical disposition of a growing population; or they may proceed, like the slovenly farmer, to spread their power and energy over the whole earth, tempted by the speculative value or the quick profits of some new market, or else by mere greed of territorial acquisition, and ignoring the political and economic wastes and risks involved by this imperial career. It must be clearly understood that this is essentially a choice of alternatives; a full simultaneous application of intensive and
extensive cultivation is impossible. A nation may either, following the example of Denmark or Switzerland, put brains into agriculture, develop a finely varied system of public education, general and technical, apply the ripest science to its special manufacturing industries, and so support in progressive comfort and character a considerable population upon a strictly limited area; or it may, like Great Britain, neglect its agriculture, allowing its lands to go out of cultivation and its population to grow up in towns, fall behind other nations in its methods of education and in the capacity of adapting to its uses the latest scientific knowledge, in order that it may squander its pecuniary and military resources in forcing bad markets and finding speculative fields of investment in distant corners of the earth, adding millions of square miles and of unassimilable population to the area of the Empire.

The driving forces of class interest which stimulate and support this false economy we have explained. No remedy will serve which permits the future operation of these forces. It is idle to attack Imperialism or Militarism as political expedients or policies unless the axe is laid at the economic root of the tree, and the classes for whose interest Imperialism works are shorn of the surplus revenues which seek this outlet.