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# Belgium's Expansionist History between 1870 and 1930: Imperialism and the Globalisation of Belgian Business

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## Abstract

This chapter considers if and how the political action of imperialism and the globalisation of business influenced each other in Belgium between 1870 and 1930. In addition to the role that Belgian King Leopold II played in the territorial partition of Africa and the opening up of China, the period sees a growing amount of capital and industrial know-how from Belgium being invested in markets outside Europe. Before World War I, the globalisation of Belgian business and Belgian imperialism operated relatively independently of each other, leaving the financing of the imperial project open to other international investors while strong political support for the globalisation of Belgian business was absent in this small, neutral and open country. Only after the Belgian state took over Leopold's Congo Free State in 1908 and World War I infused colonial (economic) policy with a stronger patriotic spirit, did Belgian foreign investments start to concentrate on the Congo. From the 1920s on, Belgian business fully seized the opportunities that imperialism had created earlier.

*Op basis van een literatuurstudie wordt in dit artikel de relatie bekeken tussen het imperiale project van koning Leopold II en de globaliserende actieradius van de Belgische financiële en industriële elite tussen 1870 en 1930. Voor de Eerste Wereldoorlog ontvouwden beide aspecten van het Belgische expansionisme zich relatief onafhankelijk van elkaar. De interesse van de Belgische economische elite voor Leopolds territoriale agenda was klein terwijl grote dynastieke, en algemeen politieke, steun bij het plaatsen van buitenlandse investeringen moeilijk te realiseren was vanuit een klein, neutraal en open land als België. Het succes van zowel Leopold en de Belgische economische elite was sterk afhankelijk van de internationale geopolitieke situatie waarin de territoriale en economische integratie zich afspeelden. Die liet toe dat Leopold Congo Vrijstaat verwierf en de Belgische ondernemers konden opereren in China, Rusland, het Midden-Oosten en Zuid-Amerika. Eens de geopolitieke of lokale situatie zich keerde, zoals na de Bokseropstand in China of de Russische*

*Revolutie van 1917, had België niet genoeg informeel imperiale macht om deze buitenlandse investeringen te beschermen. De economische elite steunde pas sterk op het Belgische formeel imperiale kader nadat de Belgische Staat Leopolds Congo had overgenomen in 1908 en de mondiale ontwrichting van Wereldoorlog I voorbij was. Vooral tijdens de jaren twintig concentreren de buitenlandse investeringen vanuit België zich binnen Congo en regionaliseert de globalisering van Belgische investeringen binnen een koloniaal netwerk.*

## Globalisation, imperialism and economic integration: three concepts, one reality?[1]

Interest among social scientists in the phenomenon of globalisation, defined broadly as the widening, deepening and speeding up of world-wide interconnectedness, has led to a renewed interest in the historical functions of capitalism and imperialism as driving forces behind this process[2]. The hegemonic struggle among European states and their military expansion from the late 15th century on gradually entangled the world in global networks of power, culminating at the end of the 19th century in what Eric Hobsbawm has called the Age of Empire[3]. From about 1870 on, an enormous differential opened up between the power of "The West and the Rest" and by 1900, the industrial core-states partitioned most of the earth among themselves[4]. In this process of New Imperialism, European states played an important role, as the "Scramble for Africa" and the consolidation of European power in Asia and the Middle East show.

The Age of Empire was also the era of the Gold Standard (1870-1914), which saw a Great Depression (1874-1895), followed by a so-called *Belle Époque* (1895-1913). In sum it was a period during which a wave of international economic integration was noticed, characterized by heightened international trade, increased foreign direct investment, mass migration and the integration of goods and factor markets. For several primary commodities and basic manufactured goods, Kevin O'Rourke and Jeffrey Williamson show there was an international price convergence from 1870 on which is a strong indicator of this economic integration[5]. The question then arises how territorial integration through imperialism and economic integration related to each other and to the process of widening, deepening and accelerating world-wide interconnectedness.

We can look at the relationship in two ways. First, imperialism can be interpreted as a scaling-up of trading and investment opportunities, opening markets that had otherwise perhaps remained closed to outside economic activity. The purpose of imperialism is not to connect these new markets to a global goods and factor market but to incorporate them into different, self-contained imperial economic networks, connecting the metropolis with its periphery[6]. According to David Held et al., during and following the Age of Empire, movements of capital and goods in general followed existing preference systems of empires and their spheres of influence[7]. Imperial ties could make up for the lack of an institutionalized international trading regime and bring down transaction costs. In short, the process of territorial integration at the end of the 19th century made a specific contribution to economic integration, modelling the spatial lines along which economic activity could take place and creating specific patterns of economic and technological interdependency, commanded at that time by the early industrialized States.

Second, any treatment of the connection between "imperialism" and "economic integration" should take into account the transnational nature of mobile capital. We could restate the previous paragraph and emphasize that the movements of capital and goods were in fact never fully determined by the existing preference systems of empires and their spheres of influence. The same technological evolutions in communications, transport and military power that allowed for the acquisition and effective control of outside regions also had broader implications, reducing overall transaction costs and creating the framework for world-wide interconnectedness. And within an imperial network, the cosmopolitan origin of capital sometimes raises doubts about the nationality of the companies that did follow the imperial preference systems[8]. In short, neither the networks of business ownership and control nor the networks of trade and investment necessarily fully coincide with any imperial network.

This of course calls for further historical, empirical research, investigating to what extent the movements of capital and goods were in fact concentrated within an imperial network, whether this concentration changes over time and what explains it.

## Belgium's expansionist history

This chapter tries to add to the research agenda by analysing how the political action of imperialism and the globalisation of business related to each other in Belgium between 1870 and 1930. A direct comparison with other national cases is not attempted and the narrative will be organised around a classic national focus. This chapter however hopes to introduce a national case of expansionism that might be less familiar and could complement the historiography of imperialism that is characterized by a predominant interest in the history of the British Empire[9]. This historiography has provided many of our central insights on the link between imperialism and economic integration, such as Hobson's "underconsumption theory" (1902), Fay's 1934 launching of the concept of "informal imperialism", Gallagher and Robinson's belief that Britain controlled this informal empire because of its "imperialism of free trade" (1953), and Cain and Hopkins' much referred to concept of "gentlemanly capitalism", or how not just industry and commerce stimulated economic and territorial integration under British auspices, but also the interests of the landed gentry and City financiers[10]. This is not the place to review the complex debate on British Empire and the different critiques that have been voiced against the propositions made by Hobson, Gallagher and Robinson or Cain and Hopkins[11]. But the international resonance of the debate shows that in order to detect a European or even general pattern in the relationships between territorial and economic integration and between political and commercial/financial/industrial action, we need to compare the British case with expansionist histories of industrialized states that emerged later on the imperial scene (such as Germany and Belgium) and had lesser ability to turn to the use of paramount power in order to manage an informal or formal empire[12]. Great Britain could probably be the exception to the rule here, having gained hegemonic status during the 19th century, controlling the bulk of world trade, possessing huge naval power and promoting free trade for the manufactures of the workshop of the world.

Belgium could hardly contrast more with this description of the British Empire. Few Belgian or international researchers would point to the existence of a 'Belgian empire', actually consisting of only one true overseas colonial possession (Congo 1885-1960), and next to this a mandate area (Ruanda-Urundi 1916-1962), a concession zone of a couple of square kilometres in Chinese Tientsin (1902-1929), and the Lado enclave in the Anglo-Egyptian Sudan, leased to the Congo Free State between 1894 and 1906. Even when the existence of a Belgian empire in this context is recognized, it is considered to be "tiny", in the words of Michael Mann, or "never much more than a joke", in the words of George Schöpflin[13]. Nevertheless, Belgian expansionist history is an interesting case for studying the relationship between the expansion of economic activity and territorial integration since the two processes were clearly present. In addition to the territorial acquisitions Leopold II made outside Europe, a growing amount of Belgian capital was invested in countries inside and outside Europe by the end of the 19th century. Several aspects of both sides of Belgium's expansionist history have been highlighted by scholars[14]. The task at hand here is to consider how these two expansionist movements can be seen as particular expressions of Belgium's economic development and whether political and commercial/industrial/financial action backed each other up. This study presents a literature survey of Belgian expansionist history that, though not exhaustive, should allow us to draw some conclusions with regard to the links between territorial and economic integration, conclusions that hopefully can serve as hypotheses for further research.

## The expansionist era of an industrialised free trader

At the time of independence in 1830, the process of industrialisation in Belgium was already well underway, characterized by important technological changes in the cotton, wool and metallurgical sectors[15]. Separation from the United Kingdom of the Netherlands triggered an economic depression, and the loss of the Dutch market and its maritime and colonial merchant empire in South East Asia created problems at the demand side[16]. In order to unlock the internal market and promote transit, the Belgian state invested heavily in the creation of a railroad network from 1834 on. This infrastructural boom connected the Belgian economy with neighbouring markets such as Germany and France and it created important orders for Belgium's coalmines and iron sector, pushing industrialisation further. The coal and metallurgical industries in the southern, Walloon region became the engines of Belgium's industrial revolution, attracting capital from Brussels-based banks such as *Société Générale de Belgique* and *Banque de Bruxelles*. In particular, the mixed bank *Société Générale* was a driving force for Belgium's economic development as it was actively engaged in the internal remodelling of the infrastructural network and promotion of heavy industry, in the external penetration of Belgian investments in foreign markets and in the organisation of the Belgian colony as a part of an imperial economic network. According to Belgian historian Herman Van der Wee, the growth of a financial sector in Brussels which managed to integrate itself successfully into the expansion of the heavy Walloon industries provided the Belgian Industrial Revolution with a specific driving force whose influence would, as we shall see, eventually spread far beyond the borders[17].

It is important to note that from the 1850s on, the process of industrialisation was accompanied by a free trade regime. Inspired by the repeal of the Corn Laws in Great Britain and operating in a context of budgetary problems, both liberal and catholic politicians embraced the idea of free trade and less state interventionism[18]. The laissez-faire theory was never put into full political practice, but with regard to the promotion of exports, trade barriers were brought down between 1857 and 1870[19]. Belgium's technological leadership in woollen and iron industries allowed the State to remain one of the less protected European economies throughout the rest of the 19th and early 20th centuries[20]. Only in 1924 did Belgium issue a rather moderate import quota before it turned to significant protection in the 1930s[21].

This export-orientated economy came under pressure during the international economic depression between 1874 and 1895 when cheap American and Russian grain flooded Europe. During this period, European States were putting up agricultural trade barriers, often followed by industrial protection[22]. For Belgium, the return to protectionism in states such as Germany (1879) and France (1881) could close off important foreign markets for coal, iron, fibres and machinery, the main exports from 1850 on. Eventually the international depression did not trigger a serious Belgian export crisis, nor did it cause a turn to protectionism or stimulate a significant conversion towards the chemical and electricity industries of the Second Industrial Revolution[23]. Compared to the evolution of industry in Germany, Belgium remained a country of coal, iron, metal, and machine construction industries[24]. These sectors did face a depression in the sense that profit margins were growing smaller as the home market for the products of these industries became saturated, a situation of overproduction/underconsumption that was also visible in other early European industrialising countries[25].

The Belgian profit crisis of the depression was accompanied by two distinct expansionist movements. First, the accumulated expertise in the industries of the First Industrial Revolution allowed Belgian capital and know-how to penetrate foreign growth markets of industrialising countries, expecting higher sales and larger profits. As such, Belgium's free trade regime and the search for new commercial outlets were complemented by an industrial policy of foreign direct investments within and outside Europe. The internationalisation of Belgian business started in the 1880s and the South American connection was already visible before that time. But as we can see in Table 1, the globalisation of Belgian business gathered momentum during the end of the depression after 1890, when Belgian public limited liability corporations started to penetrate distant markets such as Russia, South America, Africa, China and the Middle East, where they participated in infrastructural and other construction works. According to Wim Peeters, who compiled data on foreign direct investments from Belgium, the period 1890-1910 marks the zenith of *L'Expansion belge*[26]. Next to this globalisation of Belgian business, the imperial ambitions of King Leopold II resulted in the creation of the Central African country Congo as a "Free State" in 1885 and as a "Belgian colony" in 1908. Leopold chased his imperial dreams long before the economic depression set in and the acquisition of Congo cannot therefore be seen as a reaction to the economic depression. Still, the acquisition was realized during the depression and the purpose of this chapter is to see how the actions of Leopold related to the rise in foreign direct investment from Belgian capital. With respect to this, Table 1 gives us an indication of a changing relationship between the two processes by showing the geographical pattern of foreign investments between 1879 and 1939. They tend to flock together into Congo only after the zenith of *L'Expansion belge* and following the turmoil of World War I. Our period ends when total foreign investments fall sharply after the world-wide

| | 1879-1890 | 1891-1900 | 1901-1910 | 1911-1913 | 1914-1920 | 1921-1930 | 1931-1939 |
|---|---|---|---|---|---|---|---|
| Europe | 12,8 | 36,4 | 35,7 | 31,7 | 35,2 | 298,1 | 265 |
| Russia | 3,2 | 60,9 | 6,6 | 27,2 | 15,3 | | |
| Congo | 1,4 | 11,9 | 13,3 | -12,6 | 72,5 | 786,8 | 588 |
| Africa (rest) | 0,1 | 1,5 | -0,3 | 0,1 | -0,1 | 6,8 | -36 |
| North America | 1,4 | 0,5 | 5,9 | 8,6 | 0,6 | 2,8 | -10 |
| South America | 7,3 | 12,3 | 29,5 | 37,8 | 18,4 | 151,7 | -100 |
| Far East | | 0,6 | 7,2 | 6,4 | 12,2 | 53,3 | -27 |
| Middle East | 0,4 | 5,1 | 21,5 | 10,6 | -1,3 | 59,1 | 49 |
| Oceania | | 0,2 | -0,1 | | -0,1 | | |
| TOTAL | 26,7 | 129,6 | 119,4 | 109,8 | 152,6 | 1358,8 | 708 |

Table 1:
Capital account outflow through Belgian FDI, 1879-1939 (million Belgian Francs, current yearly averages) From: W. Peeters, *Foreign direct investment within a reconstructed balance of payments, preliminary results for Belgium*, 1879-1939, in C.E. Núñez (ed.), *Public debt, public finance, money and balance of payments in debtor countries*, 1890-1932/1933, Sevilla, 1998, p. 119.

crisis of 1929. By then most regions show a net disinvestment while practically all foreign investments were made in Europe and Belgian Congo.

## Foreign direct investment of capital

The export of Belgian capital was promoted by a network of mixed banks such as the aforementioned *Société Générale* or specialised holding companies that were set up by bankers or businessmen such as Edouard Empain or Edouard Otlet (both active in Latin America) or the Cockerill group, which played a pioneering role in Russia. They gathered the necessary capital and constituted networks of agents prospecting for investment opportunities[27]. Within a group of imitators or public limited companies that were sometimes set up for speculative reasons, these big investors and their "economic empires" have received the most, yet relatively limited, attention among historians[28]. For the purpose of this study, assessing the relationship between territorial and economic integration, the operations of the *Société Générale* are very instructive.

Reflecting the broader Belgian pattern of foreign investments, *Société Générale* only made a few investments outside Belgium before 1870 (contributing to the industrialisation of northern Spain, Germany and France). And before 1890 it rarely looked outside Europe[29]. Under the leadership of governor Ferdinand Baeyens (1892-1913) and director Jean Jadot (1906-1912) it would become more actively engaged in the international expansion of capital. Overproduction threatened heavy industry and *Société Générale* looked for new commercial outlets and investments abroad. Attention turned to Russia after 1895 where *Société Générale* was involved in the production of steel and coal mining. Fast developing heavy industry provided the technological expertise to be utilised abroad, the framework of the mixed bank provided the necessary capital, information, coordination and control of these investments[30]. The foreign activities of *Société Générale* thus followed the wave of internationalisation engaged in by other groups, but it gained an extra dimension because of its links with the political power and the dynastic tradition of Belgium. The management of *Société Générale* co-opted members who had exercised important political functions, while the Royal Family had a representative on the board of commissioners[31]. These ties eventually extended the sphere of action of *Société Générale* to distant markets such as China and Congo.

Let us take a closer look at the Chinese case. Around 1895, Belgian penetration of the Chinese empire was virtually nonexistent, despite the efforts of King Leopold II and the Ministry of Foreign Affairs to promote commercial relations and despite the presence of the Cockerill group in China. At that point, King Leopold II, who lobbied via the Ministry of Foreign Affairs, pushed Ferdinand Baeyens and *Société Générale* to participate in the construction of a railroad between Hankow and Beijing, which started in 1898 and was completed in 1905. The concession for this railroad was given to Belgium because of the neutral status of the country and the good reputation Belgian business enjoyed, thanks to the earlier involvement of the Cockerill group in China. Leopold saw economic penetration as a potential steppingstone for further economic penetration of and territorial gains in a Chinese Empire that was weakened after the Japanese-Sino war of 1894-1895. *Société Générale* was sceptical about the project at first but was persuaded to invest because of the potential benefits the project would have for Belgian industry and because it could invest together with French bank Paribas (this arrangement allowed French capital to invest behind the façade of Belgian neutrality)[32]. The king pressured *Société Générale* to ensure it would outweigh French involvement in the newly founded *Société d'Etudes de Chemins de Fer en Chine*. This succeeded, thanks to the efficient leadership of the project on the part of Belgian engineer Jean Jadot, and *Société Générale* managed to capitalize on the railway construction by opening *Banque Sino Belge* in 1902. Leopold supported these operations but his stepping stone theory proved incorrect, as Belgium did not gain territory in China, apart from a concessionary zone of a couple of square kilometres in Chinese Tientsin (1902-1929). A growing sense of nationalism within the Chinese government after the Boxer Rebellion made further territorial expansion impossible. The imperial agenda of Leopold was also attacked by Jean Jadot because it could provoke Chinese distrust. Why did Belgium want to act as a major European power, Jadot asked himself, when the international promotion of its industry prospered in spite of its not being a great power?[33]

Jadot points here to an important characteristic of Belgian expansionism: it was not backed up by a strong state with imperial ambitions. Nine years after its independence, the European powers had imposed a regime of permanent neutrality on Belgium without strong guarantees on how to respect this neutrality[34]. Nevertheless, Belgian public and official opinion came to accept neutrality as Belgium's normal international condition and no Belgian leader or political party put the regime into question before World War I (*ut infra*)[35]. As we have seen, this political regime of neutrality met with an economic free trade regime by the 1850s. Within this context, all round political support for the globalisation of business was rather low, apart from the support by some passionate advocates such as the Minister of Foreign Affairs Paul de Faverau (1896-1907) or certain diplomats[36]. The official chambers of commerce were dissolved in 1875 and since then (newly established) private chambers of commerce and societies could only promote Belgian industry and commerce by lobbying the government and by participating in a series of world fairs that took place in Belgium between 1885 and 1930[37]. This however does not seem to have hindered the globalisation of Belgian business. On the contrary, as researchers René Brion and Jean-Louis Moreau suggest, Belgium's lack of an imperial tradition, lack of significant military power, its neutrality and its low State support for commerce may have helped to create just the right opportunities to invest abroad. Simply put, next to the technological know-how it had to offer, Belgium might have looked harmless to other States, leading to trust in Belgian companies[38]. The argument is valid with regard to the Chinese story and it also facilitated investments in South America[39]. As the case of the French bank Paribas shows, the Belgian character of these investments should be interpreted loosely in this context. Whereas foreign capital could register in London to receive some protection rent from the Empire, foreign capital could 'settle' in Brussels to invest behind the façade of neutrality. However, Belgium's neutrality never provided any exclusive investment privileges. None of the countries it invested in proved resistant to the penetration by traditional imperialists such as Great Britain and France. At best Belgium's "tiny character" served as a negotiating asset when making a foreign investment deal. And it was not a permanent advantage. Belgian neutrality certainly did not make 'Belgian' investors immune from accusations of imperialism. In Russia, they were confronted with increasing hostility once the country faced a political and economic crisis at the turn of the century.

The neutrality of the Belgian state proved of little value in a context of rising nationalism and distrust towards foreign involvement, a sentiment that intensified after the Russo-Japanese war (1904-1905). The investment climate deteriorated and eventually the Russian Revolution of 1917 made any foreign investment impossible[40]. A similar development is noted in China after the Boxer Rebellion, but here foreign economic involvement was not made impossible as such although only the big investment groups managed to keep up their economic activities in China. In conclusion Belgium had little power to enforce investments in foreign markets or safeguard them once the political climate deteriorated. The cause of the globalisation of Belgian business was endogenous to the economic development of Belgium within a context of falling international prices, but the opportunities that businessmen had to export the available capital and know-how were determined by geopolitical currents over which the Belgian state had little influence. Moreover, the search for these opportunities was to a large extent left to the businessmen themselves and was promoted by King Leopold II who also tried to exploit geopolitical opportunities for his own imperial agenda. The biggest promotion for Belgian interests and business that Leopold could think of was the creation of a formal Belgian empire, to which we turn now.

## The foreign direct rule of Leopold II

After numerous failed attempts to acquire an overseas possession of any sort, Leopold II took the right gamble when he hired Henry Morton Stanley to explore the region around the African Congo-river between 1880 and 1884. He finally gained the recognition of the "Congo Free State" by the other European powers in 1885. Leopold's imperial agenda coupled personal and dynastic pursuit of honour and glory with the desire, or at least the claim, to make Belgium a great and wealthy nation. In line with the colonial aspirations of his father King Leopold I, Prince Leopold II had already talked to the Belgian Senate in 1855 about the need for commercial expansion, searching for new and protected markets for Belgian products[41]. After he became king in 1865, he intensified his efforts to put his ideals into practice. One way of realizing his views was through colonisation, a form of expansion which would not only create commercial opportunities but could also provide "spoils of efficient exploitation" as a direct way of organising an economic transfer from the colony to the royal family and Belgium[42].

Industrial and financial groups showed a lack of enthusiasm for Leopold's colonising plans[43]. Belgian industrialists might have been encouraged in their efforts to penetrate foreign markets by the acquisition of Belgian Congo by King Leopold II in 1885, but the colonial project itself had few supporters[44]. The real push for foreign direct investment was yet to come in 1885 and the export of goods, capital and know-how was still predominantly European orientated. When the real worldwide export of capital came, Belgian investors were more interested in the industrialising areas of the capitalist periphery than in looking for protected, distant and unlocked colonial markets in Africa[45]. Political support for Leopold's plans also was low because it conflicted with the free trade doctrine that was popular among politicians from 1860 on and because an imperial project could endanger the neutrality of Belgium[46]. Up to the creation of the Congo Free State in 1885, Leopold chased his colonial dream without any considerable support from the Belgian state or Belgian capital. He did, however, succeed because of the renewed interest among European powers in colonisation, a mentality that Leopold took advantage of to draw his own colony on the African map and get it recognised. The other European powers agreed on Leopold's project because Congo was constructed as a zone of free trade and free business in Africa. Supervised by Leopold, Congo became a "Free State". In 1885 the Belgian parliament endorsed the view that only a personal union existed between Congo and Belgium, which meant that the colony was Leopold's private affair both politically and financially. Congo Free State was a "colony without a metropolis"[47].

Leopold himself would always see his private colony as an important economic asset for Belgium. He promoted Belgian investments in the region through his personal connections with the Antwerp and Brussels industrial and financial elites. The creation of an armed *Force Publique* guaranteed a minimum of territorial consolidation and stability. But given the risky nature of investing in Congo and the high opportunity cost, the Free State did not become an important investment opportunity, let alone a commercial outlet, for the Belgian business elite. In 1885, *Société Générale* for example did participate in a loan to construct a railroad in Congo but basically it remained uninterested in the economic potential of Congo. When for this reason a new investment trust was set up in 1886, *Le Compagnie du Congo pour le Commerce et l'Industrie* (CCCI), its promoter Albert Thys had the greatest difficulty in bringing the necessary capital together[48]. To counter the lack of Belgian investments, Leopold invested part of his personal fortune in Congo, acquired loans from the Belgian government (in 1887, 1900 and 1905) and relied on the mobilisation of the cosmopolitan financial and trading networks for his capital needs[49]. But the financial problems remained and Leopold abandoned the liberal character of the Free State's economy altogether in 1891-1892. Import duties were levied in consultation with the other scrambling powers and Leopold remodelled almost the entire economy of Congo into a huge State monopoly. By 1892, free trade and free business were given up and a system of "concessionary capitalism" emerged. Investors received royal land grants, the right to police, enforce labour participation and exploit Congo's natural assets. In return the Free State received several shares in the licensed companies. Under this new regime, spoils were indeed realized as rubber and ivory were collected brutally and shipped out to the port of Antwerp. At that point, the Brussels capital network around *Société Générale* still kept its distance but Antwerp bankers, such as Alexandre de Browne de Tiège and traders such as Eduoard Bunge became involved in the exploitation of and trade in these precious natural assets[50]. Meanwhile an imperial spirit grew within certain, albeit still small, Belgian networks that supported colonial acquisition[51]. But as some private holding companies obtained no concession, such as *Société Belge du Commerce du Haut-Congo*, and were sidelined in Congo, a general feeling of trust among Belgian capitalists in the Congolese adventure was still missing. So, in conclusion, some venture capitalists with personal connections to Leopold seized their moment in Congo, but the leading expansionist industrial sectors from Belgium had less opportunity and no incentive to do business in Central Africa. Nevertheless, the profitable turn in the colonial economy strengthened Leopold's belief in the benefits of territorial expansion, something he consequently aimed for in China as we have seen and attempted in Brazil[52]. In both cases the imperial project failed. Nevertheless, the Chinese experience was important since it had brought Leopold and *Société Générale* closer together.

After the Chinese experience *Société Générale* responded to Leopold's calls to invest in Congo, this time in a significant manner. Under the auspices of Jean Jadot, who had left China and became director of *Société Générale* in 1906, three licensed companies were set up by Leopold in that year to further exploit Congo's mineral resources: the *Union Minière du Haut-Katanga* (UMHK), *Société Internationale Forestière et Minière du Congo* (*Forminière*) and *La Compagnie du Chemin de Fer du Bas-Congo au Katanga* (BCK). Because of their managerial and technological expertise, Leopold promoted British and American involvement in the companies. In order to have a Belgian voice on the board, he sought the support of *Société Générale* as he had done earlier in China. But even though 1906 signalled the beginning of the involvement of *Société Générale* in Congo, a significant influx of Belgian capital into Congo did not take place until the 1920s, after Congo had been taken over by the Belgian state and World War I infused economic (colonial) policy with a stronger patriotic spirit.

## Belgian Congo: the creation of an imperial economic network

Congo Free State became Belgian Congo in 1908, when the Belgian state took over Leopold's "enterprise" in reaction to the international criticisms of the concession system that Leopold II had installed from 1890 in what should have been a Free State. The concession system directly infringed the provisions of the Berlin Act of 1885 on the freedom of trade in the Congo basin. As the system pushed the collection of wild rubber by all available means, it furthermore resulted in the brutal treatment of the Africans. This also conflicted with the Act which urged the powers exercising authority in the Congo basin to protect and further the welfare of the inhabitants[53] This was the central message of the Congo Reform Association (and especially the trio of Roger Casement, Edmund Morel, and John Holt), which was able to exert continuous pressure upon the British government and the Foreign Office, providing an important impetus to the change of ownership of Congo from Leopold to the Belgian government in 1908[54]. One year later, Leopold died and Albert I became the new king of Belgium, one with fewer ties to but a profound interest in the development of Belgian Congo.

After the Belgian take-over, Congo gradually reflected the colonial satellite pattern of production, serving primarily as a source of raw materials for the metropolis while importing most of the manufactured goods required. From a Belgian perspective however, Congo did not become an important economic partner for Belgium. Overall, only 2.7 per cent of Belgian exports went in the direction of Central Africa and only 5.7 per cent of all imports came from the colony. The total impact of the Congo on the Belgian economy was also limited and never exceeded 3 per cent of the Belgian GDP[55]. But this macro-economic picture might be misleading. If Congo was of little significance for the growth rate of the total Belgian economy, colonial opportunities probably contributed to the development and growth of specific sectors in the Belgian economy. Under Leopold, the trade in colonial resources to some extent stimulated the development of the port of Antwerp, and under the Belgian regime, the availability of Katangese raw copper allowed for the refining of copper in Belgium and development of a non-ferrous industry[56]. Next to this, Congo became a financial blessing for a relatively small network of Belgian investors due to the highly profitable investments in the region. By 1920, revenues from financial and industrial investment largely exceeded profits from metropolitan industries[57]. The 1920s can be seen as the decade in which Belgian financial and industrial interests were finally attracted to Congo, fusing the expansionist agenda of capital with the imperial opportunity of having a colony. What accounts for this shift?

On the one hand the 1920s saw a growing demand for foreign commodities and raw materials that rekindled the economic elite's international outlook. On the other hand European inter-State relations had changed during and after World War I. Great Britain had suffered a first blow to its hegemonic position and all warring States had the experience of commanding a war economy in contrast to any pre-war ideological hesitation to intervene strongly in the economic sphere[58]. Within this geopolitical situation the Belgian economic elite seized the opportunities that Belgian imperialism had created in Congo earlier. This time business did follow the flag for two complementary reasons. On the one hand the Russian and Chinese experiences might have raised some doubts about the strength of informal imperial or investor networks. On the other the formal imperial network that the Belgian state commanded probably seemed like a beneficial business environment, one that no longer rested on the ambitions of one man and was actually aimed at attracting big Belgian investors.

This promotion of Belgian investments in Congo was part of a patriotic colonial policy that had developed since Belgium took over Congo in 1908. Whereas Leopold's project initially met with political apathy, the Belgian political elite gradually embraced and even emphasized the Belgian character of and mission in Congo after the take-over. Within the Ministry of Colonies and among leading politicians and diplomats, the attitude prevailed that Belgian Congo was a national affair[59]. Congo was however not an important State affair. The Belgian take-over was accompanied by a strict separation of the Belgian state budget and the colonial budget. Public investments in the colony were quite small in comparison with total government expenditure and the public investments made by other colonising nations[60]. Using the well-known expression coined by Crawford Young, the managing of Congo's development was left to a "colonial trinity" composed of the colonial administration, the large enterprises and the Catholic missions, which are left out of the picture here[61]. Although the interests of all three partners in the trinity could diverge, the metaphor underscores the fact that the decision making process in Brussels was centred on the Ministry of Colonies whose decisions were to be implemented by the colonial administration and largely aimed at the promotion of the interests of Belgian investors and Belgian Catholic missions.

The idea that Congo was a national affair generated distrust towards too much foreign involvement with it, either in the form of foreign investments or settlements in the region or in the form of foreign critiques on how to manage the colony adequately. During the first two decades of Belgian Congo this attitude even gave way to a colonial policy of "Belgianization" which aimed to augment the percentage of Belgians in the total white population of Congo and to attract further Belgian capital to Congo[62]. This patriotic attitude itself was a reaction to a general fear of being sidelined in Africa by stronger colonising states, a fear that almost turned into suspicion with regards to Great Britain, which only recognised Belgian Congo in 1913[63]. Anxieties remained afterwards as World War I showed that both in Congo and in Europe, Belgium's neutrality was not self-evident when it conflicted with the interests of stronger states. Germany invaded Belgium on 4 August 1914 and the fear existed that Congo would also be incorporated into Germany's African imperial project. In practice the German Foreign Office placed a low priority on expansion in Central Africa, although officials at the

Colonial Ministry went to considerable lengths to promote German economic interests in the Congo[64]. But these officials knew that there was little hope of maintaining an economic interest in Congo when war broke out in Africa. It was actually Great Britain and France that resisted the stipulation in the Berlin Agreement for the neutralization of the Congo basin in the event of a war between European colonial powers. Belgium complied and permitted the transit of Allied forces through the colony. This allowed for the first attack against German possessions in Central Africa on 5 August 1914, before Germany fired the first shots in Congo on 22 August[65]. In the words of Bruce Fetter, 1914 proved to the Belgian elite that political leaders were "capable of sacrificing cherished principles of government to nationalist sentiment"[66].

World War I had thus "fatally undermined" the regime of permanent neutrality and stimulated a greater interest in safeguarding national security, both political and economic[67]. In general, this was a preoccupation that all the belligerent parties shared and after World War I a greater sense of economic nationalism prevailed within Europe. Especially when it came to the supply of raw materials, Germany and Britain, but also junior partners like Belgium, wanted to secure their own supply within their own sphere of influence. In the case of the copper sector for example, this agenda was pursued through the actions of State-sponsored corporations such as the *British Metal Corporation*, *Metallgesellschaft* and the *Union Minière du Haut-Katanga*[68]. I mention the copper sector because it became the backbone of Congo's export-orientated economy while the *Union Minière du Haut-Katanga*, the company whose creation initially pulled *Société Générale* into Congo, developed into the biggest Belgian colonial company. After World War I Jean Jadot and *Société Générale* shared the political concern for economic security and the need to reboot Belgian economic performance. This connected well to their own need to set up a metallurgical industry in Belgium that would literally bring home the financial and industrial benefits of Congo's copper treatment[69].

Within Congo the fusion between a patriotic economic policy and business interests resulted during the investment boom of the 1920s in the formation of what Jean-Luc Vellut has called a "colonial bloc", a conjunction between political and private interests, visible in the close co-operation in Brussels and in the local operations of the colonial administration. Business relied on politics to partition the territory into economic and social areas, giving preference to the priorities of various sectors of the colonial economy such as mining, agriculture and the transport sector. Politics depended on colonial business for its tax revenue and pushed it to contribute to the development of the metropolis and the colony. The relationship between these two members of the colonial trinity was however unequal. The balance in Congo was in favour of the large companies that made the largest contribution to the colonial budget and had the best connections within a network of power that brought businessmen and politicians together in Brussels[70]. As the ministers of colonies were almost all members of the Catholic party and the managers of *Société Générale* originated from a Catholic social environment, the operations of the colonial bloc were already criticized by contemporary right and left wing politicians inside Belgium who saw *Société Générale* as a "State inside the State" and the Ministry of Colonies as a mere servant of private interests[71]. These accusations demand further historical research but in any case *Société Générale* greatly expanded its control over the Congolese economy during the twenties, despite its initial hesitation to invest in the colony. If one company history states that in 1921 Congo was still nothing more than a financial black hole ("*un gouffre d'argent*"), the absorption by *Société Générale* of *Banque d'Outremer* in 1928 signalled the beginning of what Guy Vanthemsche has called a colonial "economic empire"[72]. Due to this merger, *Société Générale* gained control over the CCCI of the late Albert Thys (ut supra) and it dramatically expanded its range of activities in Congo. This economic empire was managed by a handful of men of *Société Générale* and a colonial committee that was specially set up to manage the different interests of the holding company in the colony. An analysis of the network of these people and this committee could certainly provide some insights in the extent and limits of the interests between State and capital[73]. Today a lot of company archives, such as those of the CCCI and the *Union Minière du Haut-Katanga* are open, and Belgian researchers René Brion and Jean-Louis Moreau have catalogued them[74]. These archives can probably provide a better insight into relations between State and capital in the administration of Congo.

## Conclusion

The aim of this chapter was to consider whether the globalisation of Belgian business and the process of imperialism between 1870 and 1930 could be seen as particular expressions of Belgium's economic development, and whether political action and commercial/financial/industrial action backed each other up during this phase. Based on a literature survey we can conclude that initially the globalising actions of a limited network of investors, bankers and holding companies such as *Société Générale* happened relatively independently from the pattern of imperial expansionism that was carried out by King Leopold II and a small circle of confidants. Only the former can be linked to Belgium's history as an industrialized free trader. Up to 1870, Belgium benefited from a European free trade consensus and the Belgian economic elite had no incentive to search systematically for foreign direct investment opportunities, let alone to participate in any colonial scheme. After 1870, when colonisation became fashionable, the Belgian economic elite devised its own strategy to face the challenges of overproduction, profiting from the accumulated know-how in the leading sectors of the First Industrial Revolution and stimulated by surplus capital that was gathered within the industrial groups, mixed banks or on the stock exchange. Financial and industrial interests fused in the setting up of investments in foreign markets in and outside Europe.

Whereas Belgian capital at the end of the 19th century found sufficient investment opportunities in the markets of new industrializing states and business saw no need for a search for protected markets, Leopold firmly believed that colonies would always benefit the home country, even when they were located in a remote and unlocked region such as Central Africa. He tried to stimulate the interests of Belgian business for the regions that gained his attention, such as China and Congo. But as we have seen, both in Congo and China the enthusiasm of the business elite remained low and Table 1 shows that in comparison to other regions such as Russia and South America, a relatively small amount of capital was invested in Congo or China. Nevertheless, without Leopold II, investments in the regions would be even lower or inexistent and the actions of the king did create opportunities of which a limited network of Belgian and other investors made use. In the longer run, Leopold's imperial dreams led to the formation of Belgian Congo, a colony which did become an attractive investment region. After the investment climates changed in Russia and China and within a context of post-war protectionism, the colony was incorporated more strongly into an imperial network, benefiting Belgian investments.

In both globalisation and the imperial pattern of expansionism, the Belgian state acted as a rather invisible third party before World War I. Political support for the expansionism of business and Leopold's imperialism was limited to individuals within the political parties, the diplomatic corps and the Ministry of Foreign Affairs. The institutions as such provided limited systematic and active support. The dominance of the free trade regime and Belgium's neutrality can explain this attitude. However, the opinion was voiced that the invisibility of the Belgian state and its neutrality might just have created the right circumstances in which Belgian companies could easily penetrate distant markets such as Russia, South America and China. This image was a promotional tool for Belgian business which otherwise could not count on the Belgian state to enforce investments in foreign markets or safeguard them once the political climate deteriorated. The Belgian state did get involved in the political management of the colony from 1908 onward. Following the turmoil of World War I, Belgium's traditional political policy of neutrality and economic non-interventionism made way for a more cooperative strategy between state and capital in colonial affairs. The 1920s seem to be the moment when Congo became incorporated into an imperial network, serving the needs of the metropolis and Belgian investors. Political action and commercial action backed each other, or more precisely political action seemed to back up commercial action.

In sum, Belgium's expansionist history shows links between territorial and economic integration that change over time due to the changing geopolitical and geo-economic situations and the motives of the expansionist groups involved. This broad conclusion is based on a rather anonymous treatment of those who directed political and commercial action and a strong focus on the metropolitan side of the imperial equation.

First the anonymous treatment. Given the scope of this chapter, I presented the context within which actions took place more than the actions themselves or the actors involved. The choice is more than a pragmatic one as the relationship between the Belgian and international network of investors and Leopold II and the relationship between investors and the colonial administration or the Belgian state are in need of more scholarly attention. In addition to this we know too little of the mental map of the parties involved. State officials, the colonial administrators, investors and the missions may have had different views on the short and long-term objectives of the colonial project in particular or expansionism in general. Finally the role and importance of foreign capital in the expansion of 'Belgian' companies and the development of Congo has only be touched upon but should be addressed more clearly. A thorough analysis of the origins and motivations of the investors that 'passed' through Brussels could point this out.

Next to this the local dynamics in the different regions where capital was invested and their feedback effects have for the most part been left out of the picture. Only the changing Russian and Chinese investment climate has been referred to in this contextual analysis. Here the choice is for the most part pragmatic as there is a vast literature on the economic and social history of "host economies" such as Russia, China and of course colonial Congo. However, this literature is often not concerned with the link between local events and the reaction in Brussels, especially in the case of imperial Russia and China; the Belgian connection is of lesser importance to their history. And as regards Congo, it is hard to assess the ability and willingness of the colonial apparatus to implement metropolitan policy, or to ascertain how the relationship between colonial administrations and colonial business differed between Brussels and the colony.

Exploring these two aspects would allow for a more thorough treatment of the relations between the expansionist tendencies of commercial/financial/industrial interests and political interests in Belgium's expansionist or international history. This chapter has hopefully situated the problem, introduced the Belgian example of national expansionism and showed why it would be important to connect it to the broader debate on the links between territorial expansion and economic integration.

## Notes

1 I thank Aldwin Roes, Stéphane Hoste, professors Guy Vanthemsche and Eric Vanhaute and the two anonymous reviewers for their critiques, remarks and valuable insights.

2 The intellectual shift within the social sciences from the subject of globalisation to the subjects of capitalism and imperialism is treated by A. Callinicos, *Social Theory: a historical introduction*, Cambridge 2007, pp. 323-352. The other way around, the study of empires and imperialism is connected to the globalisation debate by A.G. Hopkins and Peter Cain in the second edition of *British Imperialism, 1688-2000*, London 2001, pp. 661-681.

3 E. Hobsbawm, *The Age of Empire: 1875-1914*, London 1987.

[4] A descriptive account of the wave of New Imperialism can be found in R.R. Palmer, J.G. Colton, L. S. Kramer, *A history of the modern world*, Boston 2007, pp. 629-675.

[5] Kevin O'Rourke and Jeffrey Williamson offer evidence of a price convergence from 1870 on, but they believe that more data would show that price convergence and globalisation started earlier, connecting it to the 1820s when the British industrial revolution took off after the French War. In conclusion they propose that "the really big leap to more globally integrated commodity and factor markets took place in the second half of the century". K. O'Rourke, J.G. Williamson, *Globalization and history: the evolution of a nineteenth-century Atlantic economy*, Cambridge 1999, p. 2; K. O'Rourke, J.G. Williamson, *When did globalization begin?* in "European Review of Economic History", 2002, 6, pp. 38-39.

[6] F. Cooper, *Colonialism in question: theory, knowledge, history*, Berkeley 2005, p. 105.

[7] D. Held et al., *Global transformations: politics, economics and culture*, Cambridge 1999, pp. 156, 198.

[8] With regards to the case of "British imperial" business in China, see N. Petersson, *Gentlemanly and not-so-gentlemanly imperialism in China before the First World War*, in S. Akita (ed), *Gentlemanly capitalism, imperialism and global history*. Basingstoke 2002, pp. 103-122. For a broader discussion with regards to the difficulties in determining corporate ownership see G. Jones, *Nationality and multinationals in historical perspective*, in "Harvard Business School working papers", issue 06-052, 2005.

[9] On the challenge to compare more formal empires, see S. Reynolds, *Empires: a problem of comparative history*, in "Historical Research", 2006, 79, pp. 151-165. The need to put the scholarly output concerning the British Empire in a full comparative context is stressed by Cain and Hopkins in *British Imperialism* cit., pp. 658-659 and by G. Austin, *Economic imperialism*, in J. Mokyr (ed.), *The Oxford encyclopedia of economic history,* vol. 2, Oxford 2003, pp. 145-155.

[10] J. Hobson, *Imperialism, a study*, New York 2005; J. Gallagher, R. Robinson, *The imperialism of free trade*, in "The Economic History Review", 1953, 6, pp. 1-15; P. Cain, A.G. Hopkins, *The political economy of British expansion overseas, 1750-1914*, in "Economic History Review", 1980, 33, pp. 463-90; Cain, Hopkins, *British Imperialism* cit., passim.

[11] The debate on the Gallagher and Robinson thesis is presented in W.R. Louis, *The ends of British Imperialism: the scramble for empire, Suez and decolonization*, London 2006, pp. 908-954. Critical essays on the Cain and Hopkins thesis are collected in Akita (ed), *Gentlemanly Capitalism* cit.; R.E. Dummet (ed.), *Gentlemanly capitalism and British Imperialism: the new debate on Empire*, London, New York 1999. A discussion of the ideas of Hobson and their acceptance is found in Peter Cain, *Hobson and imperialism: radicalism, new liberalism, and finance, 1887-1938*, Oxford 2002.

[12] A comparison of the different empires under construction during the age of empire is presented in B. Etemad, *La possession du monde: poids et mesures de la colonisation*, Brussels 2000, pp. 229-259.

[13] M. Mann, *Incoherent Empire*, London 2005, p. 13; G. Schöpflin, *Nations, identity and power: the new politics of Europe*, London 2000, p. 137.

[14] In a recent unpublished Ph.D., political scientist Merijn Van den Eede (*De Belgische mondiale expansie, 1831-1914*, Ghent 2006) looks at the two expansionist movements up to 1914, investigating the actions and motives of the political, diplomatic, economic elite and the royal family. His work builds on the standard monograph on Belgium's foreign policy by R. Coolsaet, *België en zijn buitenlandse politiek 1830-2000*, Leuven 2001. A starting bibliography on the expansion of Belgium can be found in M. Dumoulin, J. Hanotte, *La Belgique et l'étranger, 1830-1962: bibliographie des travaux parus entre 1969 et 1985*, in M. Dumoulin, E. Stols (eds.), *La Belgique et l'étranger aux XIXe et XXe siècles*, Brussels 1987. On the historiography of Belgian colonisation, see G. Vanthemsche, *The historiography of Belgian colonialism in the Congo*, in C. Lévai (ed.), *Europe and the world in European historiography*, Pisa 2006, pp. 89-119.

[15] J. Mokyr, *The industrial revolution in the Low Countries in the first half of the nineteenth century: a comparative case study*, in "The Journal of Economic History", 1974, 34, p. 368. For a detailed account of

Belgian industrialisation, see P. Lebrun et al., *Essai sur la révolution industrielle en Belgique: 1770-1847*, Brussels 1981.

16 E. Horlings, *Een batig slot? De economische oorzaken en gevolgen van de Scheiding*, in F. Judo, S. Van de Perre (eds.), *De prijs van de Scheiding: het uiteenvallen van het Verenigd Koninkrijk der Nederlanden*, Kapellen 2007, p. 120.

17 H. Van der Wee, *Investment strategy of Belgian industrial enterprise between 1830 and 1980 and its influence in the economic development of Europe*, in H. Van der Wee, J. Blomme (eds.), *The economic development of Belgium since 1870*, Cheltenham 1997, p. 188.

18 M. Van Dijck, *De wetenschap van de wetgever: de klassieke politieke economie en het Belgische landbouwbeleid*, unpublished Ph.D. thesis, Leuven 2004.

19 E. Gubin, J.-P. Nandrin, *Het liberale en burgerlijke België*, in Els Witte et. al. (eds.), *Nieuwe geschiedenis van België, I: 1830-1905*, Tielt 2005, pp. 373-376.

20 H.-J. Chang, *Kicking away the ladder: development strategy in historical perspective*, London 2006, p. 42. This assertion by Chang can be supported by data on the average tariff rate on manufactured products in Belgium presented in D. Degrève, P. Lebrun, *Le commerce extérieur de la Belgique 1830-1913-1939: présentation critique des données statistiques*, vol. 1a, Brussels 1982, p. 39. For a comparison to the tariff rates of other European States, see P. Bairoch, *Economics and world history: myths and paradoxes*, New York 1993, p. 40.

21 "Tous les faits concourent à la même conclusion: malgré des tendances protectionnistes indiscutables, le tarif des douanes de 1924 était d'une grande modération, sauf pour quelques catégories d'articles où des droits étaient voisins d'une moyenne de 15 p.c." G. De Leener, *La politique commerciale de la Belgique*, Paris 1934, p. 44.

22 K.H. O'Rourke, *Tariffs and growth in the late 19th century*, in "The Economic Journal", 2000, 110, p. 84.

23 Between 1880 and 1886 Belgian imports and exports suffered slightly from the protectionist climate. The next five years trade recovered, but after 1892 there was another downswing until 1895. In sum, total trade more or less stayed stationary during the depression. It might have been safeguarded by several trade agreements of the most-favoured-nation type. Notwithstanding the impacts of these particular agreements, signed for example with a traditional trading partner such as Germany (1891) but also with States like Venezuela (1884), Liberia (1885), Zanzibar (1885), Egypt (1891), Paraguay (1894), Mexico (1895) and Japan (1896), the fact is that Belgium remained an open economy whose trade did not wither away during the depression but became less exclusively orientated towards its neighbouring countries. Leener, *La politique* cit., pp. 68-69. A list of trade agreements signed by Belgium can be found in Commission Centrale de Statistique, *Exposé de la situation du royaume de 1876 à 1900, tome III*. (Brussels, 1914), pp. 442-447. Figures on Belgian trade were collected from M.G. Mulhall, *The dictionary of statistics*. 4th ed., London 1899, p. 143, 144, 667; Degrève, Lebrun, *Le commerce* cit., pp. 37-40.

24 M. Dumoulin, *1905-1918: het ontluiken van de twintigste eeuw*, in M. Dumoulin et al. (eds.), *Nieuwe Geschiedenis van België, II: 1905-1950*, Tielt 2006, p. 714.

25 Hobsbawm, *Age of Empire* cit., p. 36

26 W. Peeters, *Foreign direct investment within a reconstructed balance of payments, preliminary results for Belgium, 1879-1939*, in C. E. Núñez (ed.), *Public debt, public finance, money and balance of payments in debtor countries, 1890-1932/1933*, Seville 1998, p. 118.

27 The share of foreign, often German and French, capital in Belgian public limited companies that were operating abroad became more and more important during the expansionist phase of Belgian business. Its contribution rose from 25,75% in 1890 to 64,49% in 1913. F. Buelens, *De levenscyclus van de beurs*

*van Brussel 1801-2000*, in "Maandschrift Economie, tijdschrift voor algemeen- en sociaal-economische vraagstukken", 2001, 65, p. 164.

28 The geographical spread of Belgian foreign investments resulted in a number of case studies. Accounts on foreign direct investments in Europe, Russia, Latin America, and Africa are collected in A. de Boeck et al., *Présences belges dans le monde à l'aube du XXe siècle*, Louvain-la-Neuve 1989; M. Dumoulin, E. Stols (eds.), *La Belgique et l'étranger aux XIXe et XXe siècles*, Brussels 1987. For the Chinese story of the railway construction between Hankow and Beijing, see G. Kurgan-van Hentenrijk, *Léopold II et les groupes financiers belges en Chine: la politique royale et ses prolongements (1895-1914)*, Brussels 1972. The Belgian investments in Russia are discussed in W. Peeters, J. Wilson, *L'industrie belge dans la Russie des tsars*, Liège 1999. A general overview of the Belgian presence in Persia is offered in Eric Laureys, *Belgen in Perzië 1915-1941, verwezenlijkingen, verhoudingen en attitudes*, Leuven 1996. The "international empire" of Edouard Otlet and his sons is analysed in L. De Ryck, *Otlet en zonen, projectontwikkelaars en bouwheren van een internationaal imperium in het openbaar vervoer (1864-1914)*, unpublished Phd. thesis, Brussels 1989.

29 Brion, Moreau, *La Société Général de Belgique 1822-1997*, Antwerp 1998, pp. 169-178.

30 Van der Wee, *Investment* cit., p. 191.

31 Under Ferdinand Baeyens, the first governor who was not a dignitary or a member of Parliament, the management of the *Société Générale* professionalized without loosening the ties with the public powers or the royal family. Centre de Recherche et d'Information Socio-Politiques, *Morphologie des groupes financiers*, Brussels 1966, p. 84; G. Kurgan-van Hentenryk, *Gouverner la Générale de Belgique: essai de biographie collective*, Paris/Brussels 1996, pp. 97-99.

32 Brion, Moreau, *La Société* cit., pp. 178-179

33 Jean Jadot is firm in his rejection of the benefits that a territorial expansionist agenda could have for Belgium : "Pour ma part je persiste à croire que la concession belge n'a eu jusque maintenant que des inconvénients pour les intérêts belges et que dans l'avenir elle ne peut être d'aucune utilité." Brion, Moreau, *La Société* cit., p. 192.

34 Belgium's regime of neutrality did not guarantee the infrangibility of Belgian borders, its protection against foreign political interference or the obligation for the European powers to come to Belgium's aid in case the regime of neutrality was violated. Coolsaet, *België* cit., p. 102.

35 M.F. Palo, *The question of neutrality and Belgium's security dilemma during the First World War. The search for a politically acceptable solution*, in "BTNG/RBHC", 2000, 31, p. 228.

36 The diplomatic corps was professionalized by Minister of Foreign Affairs Paul de Faverau (1896-1907) who himself was a great advocate for a Belgian expansion. M. Van den Eede, *De Belgische mondiale expansie, 1831-1914*, unpublished Ph.D. thesis, Ghent 2006, pp. 217-219.

37 There were expositions in Antwerp (1885, 1894, 1930), Brussels (1888, 1897, 1910), Liège (1905, 1930), Charleroi (1911) and Ghent (1913). C. Vancoppenolle, *Les chambres de commerce: associations autonomes après 1875*, in C. Vancoppenolle (ed.), *Entre mission publique et intérêts privés: histoire des chambres de commerce en Belgique (XVIIe-XXe siècles)*, Brussels 1995, pp. 89-94.

38 "Vis-à-vis de nations en quête d'un rattrapage technologique rapide – la Russie; les pays de l'Est européen, la Chine, L'Amérique latine, l'Empire ottoman, etc. –, la Belgique jouait à fond la carte de «petite puissance» sans visée impérialiste. L'insignifiance militaire du pays et son statut de nation neutre étaient des atouts intéressants pour obtenir la préférence sur les marchés étrangers, dans un monde où les nationalismes s'exacerbaient." Brion, Moreau, *La Société* cit., p. 62.

39 E. Stols, *Belgen in Latijns-Amerika*, in *Belgen overzee: 150 jaar verwezenlijkingen in de Derde Wereld*, Brussels 1985, p. 31.

40 M. Dumoulin, *1905-1918: het ontluiken van de twintigste eeuw*, in M. Dumoulin et al. (eds.), *Nieuwe Geschiedenis van België, II: 1905-1950*, Tielt 2006, pp. 717-719.

[41] Kurgan-van Hentenrijk, *Léopold II* cit., p. 69.

[42] J. Stengers, *King Leopold's imperialism*, in B. Sutcliffe, R. Owen (eds.), *Studies in the theory of imperialism*, London 1972, p. 263.

[43] Kurgan-van Hentenryk, *Les milieux d'affaires belges et l'Outre-Mer vers 1885*, in *Le centenaire de l' Etat indépendant du Congo: recueil d' études* (*Symposium 6 December 1985*), Brussels 1988, p. 463.

[44] M. De Waele, *Belgisch nationalisme*, in R. De Schryver et. al. (ed.), *Nieuwe Encyclopedie van de Vlaamse Beweging*, Tielt 1998, p. 433.

[45] A. Mommen, *The Belgian economy in the twentieth century*, London 1994, p. xxviii.

[46] J. Stengers, *L'anticolonialisme libéral au XIXe siècle*, in *L'expansion belge sous Léopold 1er (1831-1865) Recueil d'études*, Brussels 1965, pp. 405-436.

[47] Belgian Professor Félicien Cattier used the expression "colony without a metropolis" in his treatise of the juridical system of Congo Free State. He is cited in L. De Clerck, *L'organisation politique et administrative*, in E. Lamy, L. De Clerck (eds.), *L'ordre juridique colonial belge en Afrique centrale. Elements d'histoire: recueil d'études*, Brussels 2004, p. 121.

[48] The *Société Générale* subscribed to a very small amount of the initial capital and up to 1898 its annual reports do not mention the participation in the CCCI. Brion, Moreau, *La Société* cit., p. 205.

[49] Vellut, *Réseaux transnationaux dans l'économie politique du Congo léopoldien, c. 1885-1910*, in L. Marfaing, B. Reinwald (eds.), *Afrikanische Beziehungen, Netzwerke und Räume*, Münster 2001, pp. 131-146.

[50] R. Harms, *The end of red rubber: a reassessment*, in "Journal of African History", 1975, 16, pp. 78-81; G. Kurgan-van Hentenryk, S. Jaumain, V. Montens (eds.), *Dictionnaire des patrons en Belgique: les hommes, les entreprises, les réseaux*, Brussels, 1996, pp. 80-81.

[51] At the turn of the century the imperial spirit gained some following amongst the Brussels bourgeoisie and a couple of colonial pressure groups. It even had an appeal to some individuals in the Belgian Socialist Party and it had advocates that were important, expansionist Belgian industrials such as Ernest Solvay and Edouard Empain. Dumoulin, *1905-1918* cit., p. 729; M. Van Ginderachter, *Het rode vaderland: de vergeten geschiedenis van de communautiare spanningen in het Belgische socialisme voor WOI*, Tielt 2005, pp. 208-209.

[52] For the Brazilian story see E. Stols, *Les Belges au Mato Grosso et en Amazonie ou la récidive de l'aventure congolaise (1895-1910)*, in M. Dumoulin, E. Stols (eds.), *La Belgique* cit., pp. 77-112.

[53] S.J.S. Cookey, *Britain and the Congo Question,* London 1968, p. 175; D. Vangroenweghe, *Rood rubber: Leopold II en zijn Kongo,* Leuven 2004; J. Stengers, *The Congo Free State and the Belgian Congo before 1914* in L.H. Gann, P. Duignan (eds.) *Colonialism in Africa, 1870-1960,* vol. 1: *The History and Politics of Colonialism, 1870-1914*, London 1969, pp. 262-292.

[54] W.R. Louis, J. Stengers, *E. D. Morel's History of the Congo Reform Movement*, Oxford 1968.

[55] All numbers are presented in F. Baudhuin, *Histoire économique de la Belgique 1957-1968*, Brussels 1970, pp. 226-229. They were recapitulated by Mommen, *Belgian Economy* cit., pp. 113-114.

[56] G. Vanthemsche, *Congo. De impact van de kolonie op België*, Tielt 2007, p. 177-183

[57] During the period 1920-1955 the total return on colonial investments was 7,18% while the return on Belgian investments 2,8%. The returns on private investments by Belgian enterprises active in the Belgian colony and quoted on the Brussels Stock Exchange are calculated in F. Buelens, *Congo, 1885-1960: een financieel-economische geschiedenis*, Berchem 2007, p. 592. According to Pierre Joe and Rosine Lewin most of these financial revenues went to the large trusts that started to control the Congolese economy from the 1920s on. André Mommen even states that the financial revenues coming from the colony guaranteed the survival of the Belgian bourgeoisie. P. Joye, R. Lewin, *Les trusts au Congo belge*, Brussels 1961, p. 57; Mommen, *Belgian Economy* cit., p. 114.

58 C.H. Feinstein, P. Temin, G. Toniolo, *The European economy between the wars*, Oxford 1997, pp. 18-20.

59 G. Vanthemsche, *Congo* cit., p. 101 and passim.

60 J. Stengers, *Combien le Congo a-t-il coûté à la Belgique?*, Brussels 1957, p. 350.

61 C. Young, *Politics in the Congo: decolonization and independence*. Princeton 1965, p. 10 and following.

62 G. Vanthemsche, *Congo* cit., pp. 274-275.

63 Following the Congo question and the Belgian take-over of Congo, Britain was not inclined to recognise the new regime automatically, demanding reform actions by the Belgian state that would liberalize and humanize the colonial economy, allowing for free trade and free business in Congo while developing a more benign form of colonial rule. By 1913 the Foreign Office received enough positive signals of an actual change taking place in Congo and the sovereignty of Belgium over the colony was recognised.

64 This thesis is developed in J. Willequet, *Le Congo belge et la Weltpolitik (1894-1914)*, Brussels 1962.

65 G. Vanthemsche, *Congo* cit., p. 107.

66 B. Fetter, *Central Africa, 1914: German schemes and British designs*, in "Bulletin des séances de l'Académie Royale des sciences d'Outre-Mer", 1972, p. 546.

67 Belgian economy was hit hard by the First World War. Only in 1923 did Belgium's economic performance climb back to its pre-World War I level and by 1925 industrial production regained pre-war dimensions. Peter Scholliers, *Koopkracht en indexkoppeling: de Brusselse levensstandaard tijdens en na de Eerste Wereldoorlog, 1914-1925*, in: "BTNG/RBHC", 1978, 9, pp. 333-382; D. Aldcroft, *Studies in the interwar European economy*, Aldershot 1997, p. 74. For the effects World War I had on the ideas on neutrality and national security see M. De Waele, *Naar een groter België! De Belgische territoriale eisen tijdens en na de Eerste Wereldoorlog. Een onderzoek naar de doeleinden, de besluitvorming, de realisatiemiddelen en de propagandavoering van de buitenlandse politiek*, Unpublished Ph.D. thesis, Ghent 1989, p. 1439; M.F. Palo, *The question* cit., pp. 227-304.

68 The fascinating yet complex relationship between the interests of British and German politicians and business men in the copper business within a context of imperial missions and a European "Grand Design" is discussed in S. Ball, *The German Octopus, The British Metal Corporation and the next war, 1914-1939*, in "Enterprise & Society", 2004, 5, pp. 451-489. The cooperation between Belgian politics and Belgian business in Congo with regards to the mining industry is addressed by J.-L. Vellut, *Hégémonies en construction: articulations entre Etat et Entreprises dans le bloc coloniale belge (1908-1960),* in "Canadian Journal of African studies", 1982, 16, pp. 313-330.

69 For this reason the *Société Générale Métallurgique de Hoboken* was set up in 1919. See *Société Générale Métallurgique de Hoboken 1908-1958*, Brussels 1958.

70 J.-L. Vellut, *Hégémonies* cit., pp. 313-330.

71 R. Brion, J.-L. Moreau, *De bedrijvigheid van de Generale Maatschappij van België in Congo*, in J.-L. Vellut (ed.), *Het geheugen van Congo, de koloniale tijd*, Tervuren 2005, pp. 96-97.

72 *La Société Générale de Belgique, 1822-1972*, Brussels 1972, p. 59; G. Vanthemsche, *Comment la Société Générale gérait-elle son «empire économique» au Congo belge? L'action du Comité Interieur Colonial pendant les années 1930*, in S. Jaumain, K. Bertrams (eds.), *Patrons, gens d'affaires et banquiers: hommages à Ginette Kurgan-van Hentenryk*, Brussels 2004, pp. 251-268.

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74 The archives of Union Minière du Haut-Katanga and the CCCI are listed in R. Brion, J.-L. Moreau, *Inventaire des archives du groupe de l'Union Minière (1906-1986*), Brussels 1996; R. Brion, J.-L. Moreau,

*Inventaire des archives des groupes Compagnie du Congo pour le Commerce et l'Industrie & Compagnie du Katanga (alias «Finoutremer») (1887-1984)*, Brussels 2006. Other company archives can be located in two older guides. H. Coppejans-Desmedt et al., *Bedrijfsarchieven toegankelijk voor het publiek in België. Supplement op de 'Gids van de bedrijfsarchieven bewaard in de openbare depots van België*, Brussels, 1998; F. Peemans, P. Lefèvre, *Les sociétés coloniales belges. Archives et données bibliographiques (1885-1960)*, Brussels 1980.

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