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The Manchester School of Economics

WILLIAM D. GRAMPP

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About This Title:

A history of the so-called "Manchester School" of economic thought which emerged in the 19th century in order to challenge protectionism, especially the corn laws in Britain. It continued a as force after the repeal of the Corn Laws in 1846 with its advocates promoting peace and free trade.

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Preface

This is a study of the Manchester School, which was a group of businessmen who forced Great Britain to repeal its corn laws and thereby to commit itself finally to free trade. In the agitation which brought this about, they said a great many things. What is best remembered is an extravagant notion of laisser faire, but that is not what is most important. One of the purposes of the study is the negative one of dispelling the misconception. A more important purpose is to explain what the school was, what it did, and why. That, I believe, is as interesting and as consequential as what legend (with some help from themselves) has made of them.

This is one of several studies I have made of the history of economic liberalism, and all are about the development of the idea or its practice. The others are on the classical economists, the mercantilists, the Stoics, and the men who wrote the American Constitution. This study differs from them in being more a history of events than of an idea, because the Manchester School, unlike the classical economists for example, was a group of agitators who meant the government to act in certain ways, and its members spent less time in reasoning and writing about their purposes than in winning the country over to them.

I have been able to use the minutes of the Manchester Chamber of Commerce for the period of the corn law agitation, the Place Collection, Cobden's diaries, and other source material. It provided some new information and some interesting and corroborative details. But on the very important questions of *why* Cobden and Bright were free traders and what their economic ideas were, it did not yield anything that is not in their published speeches and in the biographies by Morley and Trevelyan. I should like to have my study judged by the conclusions drawn from information that in good part has been known for a long time rather than by its disclosure of information that other writers on the subject have not reported or have not noticed. My respect for historians is great, but I am not one, and it is as an economist that I have interpreted the subject.

This study is not meant only for economists—although I should be pleased if they were to share my interest in its details as well as to recognize, as they long have done, the relevance of the topic to contemporary economic policy; it is meant also for those outside the field.

I wish to express my gratitude to the University of Illinois and the Volker Fund for making possible a year in England; to Mr. James Ainslee, secretary of the Manchester Chamber of Commerce, for making available the minutes of that organization for the period 1821-65; to the librarians and attendants of the Central Library of Manchester, the British Museum, and the Goldsmith's Library of the University of London for their helpfulness and unfailing courtesy. I want to acknowledge my indebtedness to my friends, Eugene Rotwein of the University of Wisconsin, and T. W. Hutchison of the University of Birmingham, England, for what I learned in the many talks we had

on the subject, while nevertheless making it quite clear that only I am at fault for anything which is inaccurate or wrong-headed.

William D. Grampp

Chicago, Illinois

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The Manchester School Of Economics

Introduction: Manchester Revisited

The Manchester School is one of the more evocative terms in the history of economic policy. It recalls legions of businessmen coming out from among their tall chimneys and dark mills to form a crusade which brought Great Britain under the rule of laisser faire. It was they, legend has it, who put into effect the principles of classical economic policy and made Victorian Britain unique in history as the practitioner of the free market. Manchester liberalism has come to mean a policy that relies on the market as much as it can and (even to today's classical liberals) somewhat more than it ought.

The Manchester School was in fact singular. Unfortunately, its singular qualities have been concealed by the rhetoric that has grown up around it, and all that is visible today is an extravagant notion of economic freedom which now seems to have no use other than as a debater's gambit. It is the purpose of this study to describe what the school was, what ideas it put forward and the way they departed from classical economics, and how—in view of what it was and what it said—it was able to make a major change in policy. That was to place Britain on the course of free trade. The reader may find it interesting (as I have) to notice the multiplicity of forces that combined to produce the change, how very different were the motives of the men who promoted it, the great variety of ideas they had, and how inventive some of them were in thinking of economic reasons to justify their non-economic or even anti-economic purposes (rather than the other way around).

It is helpful at the start to know that the Manchester School was not a school in the sense in which classical economics or other intellectual groupings were, because unlike them it did not have a relatively complete or consistent doctrine nor is there an authoritative statement of its ideas about particular issues. What it did have was ideas about particular problems, the most important being the effect of a free trade in grain on its price, on the demand for manufactured goods, on wages, employment, and rents. Some in the school explained the problems in a cogent way, and the best of their work is very good—superior, I believe, to that of most of the Ricardians who were their contemporaries. It employs the same careful reasoning, but starts from observable facts instead of from presumably self-evident premises. The work does not, however, sum up to a doctrine, because it is limited, and because the separate statements are not consistent with each other. About their ideas of economic freedom, it is impossible to make a synthetic statement, because the ideas were either most briefly explained or simply obiter dicta, and because what one had to say was not always consistent with what another had to say or with what he himself had said or done at another time. To look to the Manchester School for a statement of laisser faire is to put before it a question which was not a part of its purpose. That was to establish free foreign trade in most goods and capital, and it had much less to say about the

principle of economic freedom than about the likely effects of its practice in foreign trade.

One can indeed find a consistent point of view in the work of a few persons (a large part of it being published speeches), but it is a point of view in which economic ideas are clearly subordinated to political purposes. In Cobden's work, for example, there is a theory of foreign policy, and in Bright's a theory of political reform. There have been efforts to bring together the ideas of the school into a synthetic statement, and the result is something that omits everything that is inconsistent with what the synthesist believes the people must have meant. 2 It was not until after their major work was done that the Manchester people were called a school, and the designation was given contemptuously by Disraeli. In 1848 he denounced the Whigs and Peel Tories for having sacrificed revenue by their tariff reductions in 1842 and especially in 1846 when the corn laws were repealed. He said the House had approved of repeal only because it was promised that Britain would negotiate reciprocal trade agreements with other nations. Gladstone interrupted to say the effort had been made and had failed. Disraeli then went on to say the country had been hoodwinked by "the school of Manchester," which had never believed in the reciprocal reduction in tariffs but instead had brought forward "new principles expressed in peculiar language"—the principles of buying cheap and selling dear. They were the principles of freebooters and hucksters, and altogether the opposite of free trade. Disraeli himself was a genuine free trader; the Manchester leaders were not.3 Cobden seems to have been pleased; he later spoke of himself and Bright as "professors" of the school, and liked to think of himself as an authority on political economy. He was many things, but not that

He was one of the greatest authorities of all time on the method of putting certain ideas of economic policy into practice, and the people whose leader he was, although they were not a school of economists, were a school of practitioners of economic ideas. Manchester was a school in the sense of being united by a single purpose between 1838 and 1846: the complete and immediate repeal of the corn laws. Before 1838, the school did not exist, although free traders did; after 1846, it consisted of the followers of Cobden and Bright. What they had in common then was no specific purpose or set of beliefs but an admiration for these two capable men, supporting them on some issues, openly disagreeing with them on others. All held some of their ideas, and a few entirely accepted those of Cobden or Bright (which were not the same). The Manchester group at that time was a school in the sense in which the "Young England" group around Disraeli was a school, or as the followers of Carlyle or Ruskin were a school.

It was the period from 1838 to 1846 which made the Manchester School noteworthy, and it was so more for the change in economic policy it produced than for the economic ideas it marshaled in favor of the change. In describing the change, I wish to explain (1) the composition of the school, (2) where the economists stood in relation to the school, (3) the corn law issue, (4) the methods of the campaign to repeal them, (5) the motives of the campaign, and (6) what the school did after 1846—or what the school was, what it did, why and how it did it, and what became of it.

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1

What The School Was

There were five fairly distinct groups in the school at the time of the campaign. One consisted of the businessmen who wanted free trade because they believed it would increase the demand for textiles, or lower wages and other costs, or arrest the growth of textile mills abroad, or would do all three. They were the Gradgrinds, and their behavior was regulated almost wholly by self-interest. They often are thought to have comprised the Manchester School in its entirety or to have dictated its policy. They were unquestionably important in numbers, and they furnished the massive financial support the campaign needed. But they were not the only people in the school, and its activities began against their opposition; they did not provide its leadership, and their counsel was not always taken. On occasion they were told by others in the school to put their house in order before trying to reform the country. One feels some sympathy for their position: at once so crassly self-interested and awkwardly expressed that they were an embarrassment to the others who nevertheless could not do without their numbers and money and who exhorted them to be both what they were and what they could not be.

A second group consisted of businessmen also, but of a very different kind. They were the humanitarians among the business classes and the counterparts of the rich in agriculture who used their privileges to improve the welfare of the lower classes. The humanitarian businessmen supported free trade for the same reason, which made them model employers: they believed it their duty to help the lower classes in whatever way they could, and they opposed the corn laws because they believed the laws imposed an unjust and impoverishing tax on food. They looked after the health of their workers, provided schools for the children they employed and in other ways treated them more considerately than was the custom; they refused to use the truck system of high-priced company stores at which workers were required to spend their wages, or to rent company housing at excessive rates; they sometimes paid higher than the going wage rate, and the real income of their workers, when account is taken of the amenities they were provided, usually was higher than the average; they promoted self-help organizations like the cooperatives and workers' educational groups, sponsored such enterprises as the Manchester Statistical Society, which conducted some of the earliest investigations into the condition of factory labor, and they formed an employers' association to help enforce the Factory Acts. They have not been celebrated in the Victorian novels, but a rather impressive bit of testimony about them was given by a worker who appeared before the Sadler Committee investigating the condition of factory labor during the House session of 1831-32. His name was James Turner, and he said, "the honorable employers . . . those that we call friendly to the work people . . . looked very strictly after that matter; and the masters in Manchester, having an eye continually upon the subject, do adhere to the law a great deal better."1

The workers also made it plain that there were differences among employers. One told the Sadler Committee that they were treated best in the oldest, largest, and most prosperous mills, while they were driven hardest by the masters who themselves had "risen from very small beginnings." The committee wanted to know whether working conditions were bad because the mills of the latter might be less prosperous or because they were owned by a different sort of men. It was the men, one witness said. "That is, from a principle of domination rather than from that of self-interest, they object to the due limitation of the hours of labour?—Most assuredly."2

As *noblesse oblige* cannot be other than patronizing, the humanitarian employers did not satisfy everyone. Another worker, Thomas Daniel, told the same committee that the masters used Sunday schools to make the children "as humble and as obedient to the wishes of the manufacturers as possible," and to turn the workers away from unions. Among the humanitarian businessmen were the members of the Greg family, owner of one of the largest mills in Lancashire and whose practices the Hammonds (no friends of Manchester) called paternalism "at its best." 3

A third group consisted of the pacifists, of whom Cobden and, to a lesser extent, Bright were representative. They believed that free trade would give buyers and sellers all over the world so strong an economic interest in peace that they would prevent their governments from making war. The idea is derived from Ricardo and his statement of it is explained below. It is the only idea of Ricardo's that Cobden seems to have used, and as he nowhere summons up Ricardo's great name to support him he probably was not aware of its origin, although others were. It is noteworthy that Palmerston, one of the most aggressive and meddlesome of Britain's foreign secretaries, should have been singled out by the school for its most savage attacks, which Palmerston returned in kind. The purpose of many of Palmerston's ventures was to strengthen the liberal forces abroad, and the pacifists could not well object to it. What they could object to was his use of power to promote his purpose, because their pacifism was pretty nearly of the absolute kind. This group gave the Manchester School its reputation for being opposed to colonies and the empire. That opposition was confined to this group, and is not representative of other elements of the school.

Another group was the Philosophic (or London) Radicals, who were the authoritative (one might say, official) representatives of utilitarianism and who applied it to the political issues of the 'thirties and 'forties. Some had been pupils of James Mill, who took them through Bentham's doctrine, and they put it before the public. Their doctrine was not, however, a utilitarian version of laisser faire; in fact, it became the justification for numerous forms of government intervention. They had been in the left wing of the campaign for the Reform Bill of 1832 (which provided much less than they wanted), and in 1836 in London they formed the Anti-Corn Law Association, two years before one was started in Manchester with their assistance. Charles Villiers, one of the group, was the leader of the free traders in the House until 1841, when he was replaced by Cobden—an instance of "worth giving way to genius," it was explained—but he continued to make the annual motion on behalf of repeal. Others were John Bowring, William Molesworth, George Grote, J. A. Roebuck, Joseph Hume, Perronet Thompson, and (of a different sort) Francis Place. They brought intellectual distinction to the Manchester School, and the businessmen at first were

flattered (Cobden was briefly under their spell in 1838). But the London radicals, excepting Place, did not get along with the Lancashire people. Manchester was brash, uncompromising, and commonsensible; the radicals were mannered, reflective, and practiced in political maneuvering. Many of them in time achieved positions in government, while the leading Manchester people usually refused them. The difference between the two groups was suggested by Place, who was more observant than most, when he wrote to Cobden: "The people here [London] differ very widely from you at Manchester. You . . . at Manchester resolve that something shall be done and then you . . . set to work and see it done—give your money and your time and need none but mere servants to carry out the details." 5 It is understandable that the Philosophic Radicals should not have cared for the role of carrying out details, most particularly since they had started the free-trade movement. Cobden once had to remind them of how far it had gotten before Manchester came along with its roughand-tumble methods. Some of the radicals dissociated themselves from the school before the repeal campaign ended, and the others parted with Cobden and Bright afterward, often with recriminations on both sides.

The middle-class radicals were a fifth group. They differed from the London radicals in their social origins and occupations, most of them being in business, and in being less interested in the ideological justification for reform than in the methods of securing it. In energy, persistence, ingenuity, courage, and power, they were the most important group in the school. Among them were Archibald Prentice, a Manchester publisher; J. B. Smith, a veteran campaigner for parliamentary reform and free trade, and a self-taught economist; Edward Miall, the editor of the Non-Conformist; Joseph Brotherton, a manufacturer who retired early to devote himself to religion and reform; Joseph Dyer, an American-born inventor who settled in Manchester; the Potter family, who supplied a corps of radicals, and whose place of business was a center for reformers; George Wilson, a manufacturer and later a railway director, who was a national leader in the movement for parliamentary reform; Joseph Sturge, a Birmingham businessman, who was a Quaker, a leader in the antislavery movement, and an active participant in parliamentary reform movements; and John Bright, also a Quaker, who, with his brothers, owned a large textile Mill in Rochdale, and was motivated even more by political reform than by pacifism. The pacifists counted themselves among the radicals on some issues, but not on all, and during the Crimean War most of the radicals parted with them, with the notable exception of Bright.

The radicalism of the middle class was a remarkable feature of the nineteenth-century reform movements. Most of them were started by the middle class, sustained by it, and many were brought to a successful conclusion by its efforts. The campaign for free trade was one of many which were sponsored by them and by their fathers before them and by their children after them. They agitated for abolishing slavery in the British colonies and ending the slave trade; for prison reform and the abolition of capital punishment; for popular education; for repeal of the Combination Acts; for enacting the first Factory Act and extending it; for land reform and the removal of taxes on the press; for the penny post and the decimal system of coinage; for repeal of the Navigation Acts; for disarmament and the international arbitration of disputes; for ending the colonial system; for full rights to Catholics and Jews; and for parliamentary reform. The movements that engaged their greatest support were the

repeal of the corn laws and the reform of Parliament including the extension of the franchise. Not all of the middle-class radicals supported all of the reform movements of their time, and not all of them were in the Manchester School. Most of them long had demanded repeal of the corn laws, but some withdrew from the movement when it was joined by the self-interested businessmen. They were suspicious of a campaign that enlisted the enthusiasm of those who had so strongly opposed the radical agitation for the Factory Acts, and the radicals who were closest to the Chartists in their viewpoint went over to the side of protection and the Tories. But the school did put forward the issue which, along with parliamentary reform, secured more middleclass radical support than any other. The radicals began the school, and were its most devoted and tireless members. Without them, the principle of free trade might have remained the intellectual property of the economists, and certainly never would have become something men talked about in the streets. Without them, the movement toward free trade might have been arrested. The movement was, of course, helped along enormously by the financial support of the manufacturers who saw great profit in it. But it was the radicals who forced them to screw up enough courage to act in their own interest, which they themselves were too timid to do. How the radicals did it, and why, are explained later. The fact that they did indicates that the Manchester School was something other than the embodiment of bourgeois orthodoxy brought into being by the cupidity of the textile manufacturers.

It is noteworthy that the free-trade movement, although it did not begin in Manchester, should have become effective there. One reason was the city's being the center of the export industry. Another was its being a center of radicalism, reform, and dissent. Consumer cooperatives started there in 1820; other self-help groups also originated there, like the building and friendly societies, some started by the workers, some by the middle class for them, and most of them having middle-class support. It was in Manchester that the employers first gave close attention to the conditions of work in the factories, in part because it was the most industrial city in Britain and in part because they were responsible men. One of the sponsors of the first Factory Act, which was passed in 1802, was Sir Robert Peel, a textile manufacturer and the grandfather of the prime minister of the same name with whom Cobden contended and in the end converted. Peel said the children in his mill were overworked by the supervisors whose pay depended on the children's output, and as he had no time to protect the children he wanted the law to do it.6 In 1833, some of the businessmen formed the Manchester Statistical Society, which investigated the health and welfare of the factory workers. The city was a center of political reform, and it was there that the most notable of the early battles for the Charter occurred, the Peterloo Massacre, in which troops put down a great meeting called to declare the Charter the law of the land and to "elect" representatives to Parliament.

It also must be noted that Manchester had been a center of protection, when costs in the textile mills there were higher than abroad; and opposition to free trade and its economic theory continued, though in less force, when this no longer was true. In 1839, about a year after the repeal movement began, there appeared a denunciation of "Ricardo-ism, . . . that canker of states, the legalized, though still lawless lusting after the goods, the wealth, the very bread of others, without a shadow of natural, moral, or religious right to justify the spoil." 7

Some of the men who supported the free-trade campaign cannot properly be placed in any of the foregoing groups. They were political figures, literary men, journalists, and clergymen. Some are identified with the Manchester School simply because they gave their assent to its campaign, others because they participated in it, and a few because they were among its leaders. One of the leaders was W. J. Fox, a Unitarian minister, the friend of Carlyle and John Stuart Mill; and he was prominent among the dissenting clergymen who were active in politics. He became one of the great orators of the campaign, and in his newspaper he advanced the cause of the free traders. Deacon Hume was identified with them because of long years of work for free trade. An authority on the customs, he had written on the corn laws as early as 1815, and in 1842, just before his death, he gave extensive testimony on them before the House. Still others were Edward Baines, an influential journalist, and Samuel Smiles, the author of the popular inspirational biographies and a force in the self-help movement.

Early in their campaign the free traders were given the blessing of the Earl of Durham, another radical Whig and leader of the "Durham party" with which some of the Philosophic Radicals were associated. When Durham was Governor-General of Canada, one of them—Charles Buller—was his secretary. Durham was succeeded in Canada by Poulett Thomson (later Baron Sydenham), who was one of the early free traders in the House and also a sponsor of the Bank Charter and Factory Acts of 1833. He represented Manchester between 1832 and 1839 (not to the complete satisfaction of its radicals), and was President of the Board of Trade. He established its special statistical department, which, after becoming permanent, was directed by George Richardson Porter. He wrote *The Progress of the Nation*, a descriptive study of the British economy of the early nineteenth century. Its statistics often were called upon in controversies, and it was one of the economic writings of the period best known to the public. In 1839, he published a pamphlet against the corn laws, and he was the translator of the *Sophismes* of Bastiat (who wished to do in France what Cobden did in Britain).

The most influential journalist was James Wilson (the elder brother of George Wilson), who began *The Economist* in 1843 to give the free-trade movement an intellectual respectability which, he believed, the Manchester people were unable to do. Cobden was skeptical of the enterprise, but after seeing the first issue he was enthusiastic and proposed that when the campaign was over Wilson be given the subscription list of *The League*, the official publication of the movement. It was on the pages of *The Economist* more than anywhere that the public found a policy of unqualified laisser faire expounded. Though he gave his assent to such ideas, Cobden himself was not so much directed by them as by pacifism, and he broke with Wilson over the Crimean War, which *The Economist* supported.

Another distinguished figure among the free traders was Lord Radnor, an old-fashioned Whig who, along with Wilson, deplored the economic reasoning of the Manchester people and their brash methods. He tried to form an "antimonopoly club" among the free traders in Parliament and in the Reform Club to give the campaign social and intellectual distinction.

A more original figure was George Combe, a philosopher and psychologist. Cobden when young was a close pupil of his writings, and always admired Combe to the point of reverence. His major work was *The Constitution of Man*, in which the leading idea is that natural laws have a benevolent design and a retributive power. It is man's duty to act energetically in accord with them; if he does not, he will be punished. It reads a little like Joseph Butler of the *Analogy of Religion* and Adam Smith of *The Theory of Moral Sentiments*, and altogether it is an inspiration for a conscientious man of action. It is from Combe that Cobden probably took his belief in a universal moral law, and combined it with his piety and energy. He must have found it quite congenial to read in Combe that the laws of nature are independent of each other, a point Combe illustrated by saying that moral sailors are not enough to keep a ship afloat, and which Cobden put a point to when he wrote to a French free trader: "Well, what must be done? *Why, help yourselves and God will help you.*" 8

Combe was best known for his work in phrenology, which he tried to make into an empirical and applied psychology, and Cobden was enthuiastic about it from his youth onward, much more than he was about classical economics. The lordly Jeffrey wrote of Combe: "Phrenology in his hands has assumed, for the first time, an aspect not absolutely ludicrous." It did, however, have that aspect to most of Cobden's contemporaries, just as it has today. One may remark that its notions were hardly more absurd than, say, the labor theory of value, and report that modern psychology has discredited more of the practical workings of phrenology than its principles—and hence it has had a fate just the opposite of classical economics.

In view of the heterogeneity of the Manchester School, there is nothing surprising in its not having had a consistent and comprehensive doctrine. Each of the groups in the school had his own reasons for wanting free trade. The belief that it was the quintessence of laisser faire may come from supposing that anyone who wants free trade must hold such a doctrine. One interesting feature of the school is that it showed people can believe in free trade and work tirelessly for it without having a particular interest in liberal economic policy (nor investments in an industry that will profit by free trade). As one would expect, there were serious disagreements within the school, on ideas and strategy and manners, and it is a tribute to its leaders that they should have held it together until the issue was won. But repeal was itself a unifying force. It was an issue on which there was agreement among a great many people of otherwise divergent views. After 1846, there was no issue of so great a unifying force, which probably accounts for the fact that the school was never again as effective—a fact which many historians have remarked upon and which has caused them to observe that the school did not have a lasting influence. It expressed itself on many issues, and tried often to engage mass support, but on none as successfully as on free trade.

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The Economists And The School

The names of none of the well-known economists appear in the register of the Manchester School. Neither the economists themselves nor their doctrines had any lasting connection with the repeal campaign. The Philosophic Radicals did, to be sure, and they sometimes are thought of as Ricardians; but their association with economics was, in fact, slight. The absence of the economists will surprise many, because free trade is an idea for which they are famous. Indeed, it is the one idea that is sure to be associated with the classical school. The association is partly the work of historians of economic thought and partly the work of the economists themselves who occasionally wrote more than they meant. Both suggest that Smith, Ricardo, and their followers were unqualified free traders. A reasonable inference is that they must have been opposed to the corn laws.

Actually they were not. A patient reading of their works will show that they qualified their advocacy of free trade in a number of ways. They opposed it when in their opinion it would weaken the military power of Great Britain, which is to be expected from economists who placed the national interest in power above that in wealth. They were opposed to free trade in those circumstances in which they believed it would work an injustice to legitimate vested interests, which is not surprising in men whose subject came out of moral philosophy. What is unusual is that they sometimes opposed free trade on grounds of economic logic alone; that is, they believed it would cause a reduction in the national output and wealth.

One of the qualifications is fairly well known. It is Smith's approval of the Navigation Acts (which protected merchant shipping), and he made it in the belief that the acts were necessary to national defense. He also made other exceptions. Although they are less known, they are more relevant to the corn laws. He said that if a domestically produced good is taxed, the same good should pay a duty if it is imported. He also said that if a duty had been imposed in order to increase the domestic output of the product and if later the necessity for the increase had passed, the duty should be removed "only by slow gradations, and with a good deal of reserve and circumspection." He said also that a protective duty is justified if it contributes to the defense of the nation, whether or not the domestic output is taxed and irrespective of the duty's being used as an incentive to increase production. 1

It happens that each of the three ideas could be used to defend the corn laws and to attack the free-trade movement. Although the case for retaining the law is described in the following chapters, it will be helpful to describe some of it here in order to explain the role of classical economics. It is one of the ironies of the free-trade movement that it had to combat what it first thought was its natural ally: classical economics. The protectionists stated, quite correctly, that the taxes on land were high and constituted a substantial duty on corn. If domestic corn was taxed, it was only proper that foreign

corn also be taxed. Smith had said just that. The protectionists also used his second point. During the Napoleonic Wars, the British government had urged, at times had exhorted, farmers to increase their output, and had raised the duty on corn as an incentive. Now to abolish the corn laws completely and immediately was a violation of common justice, and was not, they said, a reduction "by slow gradations . . . reserve . . . and circumspection." They also made his third point into a leading argument for protection. They contended that the corn laws reduced the dependence of Britain upon foreigners for its food, and, hence, protected it in peace against crop failures abroad, and in war against a cutting off of its imports.

Ricardo deplored the protectionists' use of Smith's ideas on taxation. He did not complain of their use of Smith's ideas on duties. In this, as in many things, Ricardo was altogether consistent. His own ideas also were useful to the protectionists. They were expressed in detail in two pamphlets: An Essay on the Influence of a Low Price of Corn on the Profits of Stock; etc. (1815) and On Protection to Agriculture (1822). His view was that the duty on corn should be lowered but not eliminated and that a drawback should be paid on exports of it. His premise was Smith's second point, i.e., if the domestic output of a product is taxed, there should be a duty on imports of it. Ricardo argued that if the corn duty were removed entirely, labor and capital would be withdrawn from agriculture where the product was taxed and would be employed in manufacturing where it was not, until the rate of profit in the two industries was equal. The result would be a smaller national output than could be produced by somewhat greater employment in agriculture and smaller in manufacturing. A better distribution of labor and capital between the two industries could be secured by placing a duty on corn equal to the tax on domestic corn. Although he said the scheme would produce "all the advantages of a free trade," he seems not to have meant that literally, but to have meant the scheme would secure the best allocation of resources possible in the existing tax circumstances.

We cannot now help [he said] living under a system of heavy taxation, but to make our industry as productive as possible, we should offer no temptations to capitalists to employ their funds and their skill in any other way than they would have employed them, if we had had the good fortune to be untaxed, and had been permitted to give the greatest development to our talents and industry.2

It will be noticed that Ricardo opposed free trade only because he believed it would be inefficient. He did not oppose it because it would be unjust to landlords, as they claimed it would be in view of their heavier tax burden. He proposed to equalize the tax burden in the interest of a greater national output, not in the interest of justice. Had he stressed its equity, his plan might have gotten more support. Tax injustice was a great point in the debates, and it was conceded by many who were otherwise sympathetic to a freer trade. But to have ingratiated himself with the landlords would not have been in character for Ricardo. His aversion to them as a class is clearly expressed in his writings, and as he tried to be as consistent in politics as in economics he did not try to please them when he proposed his plan for reforming the corn laws.

The plan was ingenious, and discloses his great analytical ability. In explaining it, he developed a number of the theoretical propositions for which he is famous. The pamphlet of 1815 outlines the theories of rent and profit which were to go into the *Principles of Political Economy and Taxation* two years later. It also outlines the theory of wages which was to become so troublesome to the Manchester School. He wrote that money wages "must" fall when the price of corn falls, which it will do when more is imported. The idea was explained in detail in the *Principles*, and it was applied rigorously to the corn law question in the pamphlet of 1822. In the latter he wrote:

High wages, when general, equally affect the profits of the farmer, the manufacturer, and the merchant. There is no other way of keeping profits up but by keeping wages down. In this view of the law of profits, it will at once be seen how important it is that so essential a necessary as corn, which so powerfully affects wages, should be at a low price; and how injurious it must be to the community generally, that, by prohibitions against importation, we should be driven to the cultivation of our poorer lands to feed our augmenting population. 3

Among the ideas of economists that have had political consequences, this must be given a distinctive place. Not only was it used repeatedly in the debates over the corn laws, but it was used most effectively by those who were opposed to free trade, not on Ricardo's grounds but on every other, and who were indeed opposed to almost everything else he stood for. They wished to prove the Manchester School wanted free trade so that money wages in the textile industry would be reduced. The leaders of the school used the idea themselves in the early stages of their campaign, but then severely repudiated it.

In the pamphlet of 1822, Ricardo made use of two other ideas which became important in economic theory. One was diminishing marginal utility, and its appearance is significant in view of the fact that later economists have said he was unaware of it. The very way in which he wrote that corn would be as cheap as water if it were as plentiful suggests that he thought the idea was too obvious to need more than passing mention. In the same pamphlet he used the idea of demand elasticity to explain why an unusually large harvest was injurious to farmers. It is, he said, because a small increase in the quantity of corn "operates very powerfully on price," and hence the total value of (or expenditure on) the crop decreases. He believed the demand for corn was very inelastic, and that the demand for other products was also inelastic though not as much. Edward West, a contemporary academic economist, developed the idea in more detail, and distinguished between elastic and inelastic demand. 6

Ricardo did not claim originality for the idea. He used it in order to explain a more important point, which was the effect of an increase in the output of corn on the fortunes of agriculture as distinct from its effect on the rest of the economy. He wished to deny the accusation that contemporary economics (of which he was the leading expositor) put forward the doctrine that "the bounty of Providence may become a curse to the country." Agriculture, he wrote, is undoubtedly injured by abundance because the demand for its product is such that agricultural income falls

when prices fall; but the rest of the economy is then better off, because the lower price of food brings down money wages and raises profits.

Here he made a telling reference to Robert Owen, who at that time was advancing his utopian socialism. "If," Ricardo said, "we lived in one of Mr. Owen's parallelograms, then no one could suffer in consequence of abundance, but as long as society is constituted as it now is, abundance will often be injurious to producers, and scarcity beneficial to them." It was hardly a strong defense of a private enterprise economy, since it implies that two of the major problems of the time—the overproduction of food alternating with a scarcity of it—could be avoided by enacting Owen's proposals which elsewhere he had said were "calculated to produce infinite mischief." Had the implication been called to Ricardo's attention, he perhaps would have been amused. For all of its potential mischief, the likelihood that Owen's plan would conquer agriculture was slight indeed. Not even Ricardo's moderate reform could budge it from its intransigent demands for ever higher protective duties.

In 1822 Ricardo put before the House of Commons, of which he was a member, the program of the pamphlet published earlier that year (the outlines of which had appeared in the *Principles* five years before). There were to be unlimited imports of wheat once its price was 70 shillings per quarter (of a ton), on which there was to be a duty of 20 shillings. The duty was to be reduced one shilling annually until it was 10 shillings, after which it would be permanent. There was also to be a drawback (or refund of the domestic tax) of seven shillings on exports. The proposal was voted down 218 to 25. Among its supporters were Henry Brougham, a founder of the *Edinburgh Review* and then a radical, and the ever-faithful Joseph Hume, who was associated with the Philosophic Radicals and for years was a proponent of classical economics in the House. Supporting the government and against the resolution were John Russell and Robert Peel, who 23 years later, as leaders of the two parties, united on complete repeal.

When this happened, it was without the sanction of Ricardian economics. That doctrine supplied only one useful idea to the free traders—that free trade does not weaken a nation's power—and it was not an economic idea. It was in Ricardo's first pamphlet on the corn laws. When it was published in 1815 one of the principal arguments in their favor was the assertion that they reduced the dependence of Britain upon foreigners for its food supply. Memories were fresh of the efforts that had been made to increase the domestic output of corn during the Napoleonic Wars, and of the fears of famine.

Ricardo contended that the danger of dependence was exaggerated, and he was able to argue more forcibly because he was not about to propose complete repeal. He said that a less restricted trade in corn would establish a profitable export business in the food-producing countries. They would come to depend on Britain for their livelihood as much as Britain depended on them for food, and no exporting country would be foolish enough to deprive itself of profits by depriving Britain of food. A prohibition of exports in those countries would cause "the most extensively ruinous commercial distress—distress which no sovereign, or combination of sovereigns, would be willing

to inflict on their people; and, if willing, it would be a measure to which probably no people would submit."9

His point was that Britain could depend on the import of food in war or peace, abundance or dearth, because it would be profitable for the producing countries to supply it. The idea was at least plausible in his day, whatever we may think of it in ours. The Russians had resisted Napoleon, and their action was attributed in part to his attempt to prevent their exporting goods to the Allies. Ricardo cited the incident, and also cited the fact that during the wars Napoleon had permitted the export of corn to Britain when the price there, because of a dearth, was extremely high and the corn trade was profitable. One can add in support of Ricardo's argument that a nation's economy then was not mobilized in war time, and that it was customary for businessmen to try to maintain foreign trade even though their governments might be fighting each other. (Whether this was treasonable or sensible depends on the justice of the war, and history often has found less justice in wars than they were thought to have at the time they were fought.)

The pacifists in the Manchester School made one change in Ricardo's argument, and it became their guiding principle. They assumed that war and trade could not go on together, that one must give way to the other. The one with the strongest economic interest behind it would win. It was trade of course. "Of course," because they believed in the invincible power of self-interest. Admittedly, some would profit from war, but their gains would be much less than the gain to the rest of the nation from peace. The pacifists believed that free trade would connect the exporters and importers of each nation, and behind them the producers and consumers, by such a strong common interest in income that neither would allow their governments to engage in war. They did not hear Malthus, as possibly they should have, when he said that nations, like people, are at times governed less by interest than by passion.

After Ricardo's death in 1823, his policy was expounded by M'Culloch, whose "usual dogmatism" was irksome to Cobden. His *Statements Illustrative of the Policy and Probable Consequences of the Proposed Repeal of the Existing Corn Laws, etc.* went through six editions by 1841. In that year the anti-corn law movement was assembling in force, and M'Culloch noticed it. "The opinions of [the manufacturers] as to the injurious influence of the existing law are, no doubt, in many respects, extravagant and absurd; still, however, there is enough of substantial truth in their statements . ."10 This is vintage M'Culloch. When he made his point it was that a case could be made for partial and gradual repeal. It seems to have been the substantial truth he got from the manufacturers' opinion that the laws should be repealed completely and immediately. He repeated Ricardo's argument that the higher taxes on agriculture entitled it to a fixed and permanent duty. (M'Culloch had made the same proposal in the *Edinburgh Review* in 1834.)

Another Ricardian was William T. Thornton, an intimate of John Stuart Mill, and of the generation following that of Henry Thornton of the Bullionist controversy. He expressly agreed with M'Culloch that there should be a fixed and permanent duty, and held the same low opinion of the Manchester people. "Total and unconditional repeal is not . . . desired by any, save the wildest of political fanatics," he wrote. He departed

from Ricardo by denying that corn prices determined money wages. If such were true, he said, it would mean that a scarcity of corn never would injure the working class but only the middle and upper classes, because the workers always could afford a constant quantity of corn. Ricardo's iron law of wages, which conjured up so dismal a prospect to others, would, if valid, constitute "one of the most striking among the merciful dispensations of Providence." 11

Neither Senior nor Torrens were orthodox Ricardians on the corn law issue. Senior's first published work was an article in 1821 on the corn laws in the *Ouarterly Review*. In it he rejected Ricardo's premise that agriculture was taxed more highly than manufacturing, and so denied that agriculture was entitled to permanent protection. However, he did grant that a temporary duty was only just, in deference to legitimate vested interests, and proposed it be reduced gradually while capital was being withdrawn from the least productive land. Although gradual, the reduction should be complete, and he suggested the duty be reduced to zero in 12 years. 12 He made the same proposal again in 1839, which was the year Manchester assumed control of the anti-corn law forces. In the first article he alluded to an idea the Manchester people were to use with great effect when they invaded the agricultural districts, although they seem not to have been familiar with his work. He said that it was to the interest of agriculture that manufacturing should prosper, because the manufacturing districts were the greatest users of farm products. It is curious that Senior's article should have appeared in the very conservative Quarterly Review. The reason may have been that neither the Tory editors nor the readers could make their way through the bewildering circumlocutions to the point. The article does, however, contain this gem: "Now granting the possibility of thus raising the price of corn by legislative interference (which we believe in, much as we do in the Turkish plan of sinking it, by hanging a baker) . . . "

Torrens wrote on the corn laws a number of times. In *An Essay on the External Corn Trade* (1815), he proposed the gradual reduction of duties while capital was being withdrawn from agriculture. Parliament meanwhile should correct the tax system to remove the excessive levies on land. In the third edition of the same work (1826), he proposed a fixed duty which would be reduced annually until it was eliminated. By 1839, however, he had come to favor immediate action, and in a pamphlet written "in the hope of contributing something towards the success of the national struggle for the Abolition of the Corn Laws" he proposed "the unrestricted importation of foreign corn." Yet four years later, when the national struggle was touch-and-go, he addressed a public letter to Cobden stating his opposition to complete and immediate repeal. By now Torrens was urging his program of reciprocity, and he declared Britain should not buy the corn of any country which placed a duty on British goods. 13

The position of Malthus on the corn laws was much different from that of the other economists, so different that when they undertook to refute him they usually did not understand it. His major point was that the corn laws raised money wages, and higher money wages (not only higher real wages) caused the welfare of the working class to increase. Since the welfare of the worker (in both agriculture and manufacturing) was the standard by which Malthus judged a policy, he was in favor of the laws. The idea is all the more unusual in coming from one who is placed in the classical school. It

troubled his contemporaries who early in the controversy had supposed he would disapprove of the laws, and he was even more troubling to those who tried to disprove him. (Since I have described the idea in detail elsewhere 14 I shall only summarize it here.)

Malthus assumed that money wages were regulated by the price of corn in the sense that the worker's total wages always would buy the same quantity of it. As its price increased, money wages would increase in the same proportion. One can think of the worker as being paid in corn and always receiving the same quantity of it. Malthus did not assume the worker consumed only corn; his argument actually depended upon other goods also being consumed. His other assumption was that the prices of other goods did not change in the same proportion as the price of corn.

From these assumptions, he reasoned as follows. When the price of corn rises, the wage earner can do either of two things: (1) He can continue to buy the same quantity of corn—or bread, to be realistic—as he bought before its price increased, and he then will spend more on it. After he has paid for his bread, he will have a larger amount of money to spend on other goods, and so can buy a larger quantity of them. This is so, because the worker does not spend all of his income on bread. Suppose that he had been buying 25 loaves when it was a penny a loaf and his wage was 100 pennies. Now suppose the price of bread increases 20 per cent. If he still buys 25 loaves, he will have to pay 30 pennies for them. But his wage also will have increased by 20 per cent, to 120 pennies. After he pays for the bread, he will have 90 pennies left to spend on other goods (120 minus 30), while at the lower price of bread and lower money wage he had only 75 pennies left for other goods (100 minus 25). So long as the prices of other goods increase less than the price of bread, the wage earner will be able to buy more of them. This becomes quite clear if one supposes that the prices of other goods do not increase at all. If their average price is one penny also, he could buy 75 of them at the money wage of 100, and 90 at the money wage of 120. And at each money wage, he could buy 25 loaves of bread. If at the higher bread price he buys as much bread as before and more of other goods, he obviously is better off. That is, his welfare is greater. (2) The other course the worker can follow is to reduce the amount of bread he buys and to increase the quantity of other goods still more. By this course, he will have an amount of bread plus other goods which together yield him as much satisfaction as his bread alone yielded before; in ing, measured by the cost of bread, the better off the working addition he will have a larger quantity of other goods. Again his welfare will have increased.

The reasoning suggests that the higher the cost of liv-class will be. It is not surprising that one of Malthus' friends said it had the air of paradox about it. Nonetheless, it was valid. Its converse is valid also; that is, a decrease in the price of bread will reduce welfare. As the price of bread falls, money wages fall in the same proportion. If the worker continues to buy the same quantity of bread, he will have less to spend on other goods, the prices of which have not fallen as much as the price of bread. If he buys a larger quantity of bread, he will have still less to spend on other goods. Suppose the price of bread falls 20 per cent. His wages—using the figures of the previous example—will fall from 100 to 80 pennies. If he continues to buy 25 loaves, he will spend 20 pennies for them and will have 60 to spend on other goods instead of

the 75 he had before. If he buys more than 25 loaves, which he probably will because bread has become cheap in relation to other goods, he will spend more than 20 pennies for it and have less than 60 for other goods. Whichever he does, he will be worse off.

To the reader not used to the ways of economists, it may seem that Malthus was saying high bread prices are better than low because the worker can save more by not buying bread when it is dear than when it is cheap. The reader would be correct in his inference. That is what Malthus did contend, and if his premises are granted his conclusion also must be granted.

One premise was that when the price of bread changes, the prices of other goods do not change in the same proportion. The premise is factually valid in the sense that when the price of bread changed, the prices of some other goods did not change as much. This is so, because prices never change in the same proportion. Therefore, the worker's real wage, measured by the amount of goods he could buy, changed.

The other premise was that money wages are regulated by the price of corn. It is not valid, because in fact wages were almost never regulated in this way. The supposition that they were was one of Ricardo's principles, it will be recalled. He was not the first to assert it or the last. Behind it was the belief that the workers lived at a subsistence level—defined either as the quantity of goods they needed for sheer physical survival or the quantity needed for meeting their standards of comfort and propriety. It was also believed that over a long period of time (the exact number of years never being stated), the subsistence level was constant, neither rising nor falling, owing to the relationship between the population and the quantity of goods available for the workers. If that quantity exceeded the amount required for subsistence, the population would increase until the quantity available per person declined to the subsistence amount. The population then would be constant. If it should happen that the population was excessive and the quantity of goods per person fell below the required amount, there then would be a decrease in the population, and the quantity of goods per person would increase until it reached the subsistence amount.

There is evidence that money wages in some areas were influenced by the price of corn, although not in the way Ricardo contended. In some agricultural districts, the money wages of farm laborers were pitifully low and not enough to keep their families alive. "I be protected, and I be starving," one of them said about the corn laws. Their wages were supplemented by payments out of the local relief funds provided by the heavy taxes on land so often cited in the debates. The supplement rose and fell with the price of corn and, together with the wage, was meant to maintain a farm laborer and his family. Some of the laborers produced the corn whose price regulated their total income, of which the wage element was a cost of producing the corn whose price, etc. The reader can imagine the conundrums this presented to the economists of the day. The practice was not general, it was not obligatory in manufacturing, and in agriculture itself it diminished just prior to the repeal campaign. It expressed a deeply felt belief that money wages ought not to be regulated wholly by the market, and it had an effect in manufacturing in a way which is described in Chapter 3.

It was not evidence of the validity of Ricardo's wage theory. Indeed, it was just the opposite. Ricardo maintained that the unobstructed operation of the market would cause money wages and corn prices to move together over the long period and to make the real income of the worker constant. He did not say the two would move together because the parish authorities would make them to, which, if it is evidence of anything, is evidence that the market does not operate in the way he contended or is obstructed in some manner. The Ricardians actually were opposed to the Allowance system, and one of their conquests—of which they were more proud than their successors—was to have it forbidden by the New Poor Law of 1834, in the framing of which Senior had a large part.

The belief in the Ricardian principle lingers, not just among the public to whom it is an article of faith that wages are set by the cost of living, but also among economists. In a recent and otherwise excellent study of the economic theory of the period, Mark Blaug asserts that Ricardo was correct, that money wages were in fact regulated by the price of corn, and Mr. Blaug has denied my statement (made in the article on Malthus) that they were not. 15 It is not terribly important whether Mr. Blaug or I am right, but it is important whether or not Ricardo was. I have compiled the accompanying table from statistics that seem to be as reliable as any available. The first column is an index number of wheat prices, and the second of money wages. By dividing wages by wheat prices, one obtains the value of wages expressed in wheat or an index of the amount of wheat purchasable by the money wage. That is done in the third column. If the Ricardian principle were correct, the value of "wheat" wages would be fairly constant, not the same year after year but constant over say a fifteenor twenty-year period. (The Ricardians were not explicit about the length of the period.) Actually, the value of "wheat" wages was not at all constant, as the table shows. I should add that the table is not meant to be entirely conclusive. The statistics are partial, the price being that of wheat and not of all grains, and the wage series being only that of one group of workers. Moreover, the facts on which the statistics are based may not be entirely accurate. But I have not seen any statistics that show anything else than the substantial variation shown by those in the table. Mr. Blaug believes the wage data is unreliable because it does not show short-term changes in wages. That is a slip on his part. The Ricardian wage theory was not meant to explain short-term wage movements, and the testing of it

MONEY WAGES AND CORN PRICES, 1815-46

(1815 = 100)		
(1) Wheat Prices	(2) Money Wages	(3) "Wheat" Wages
100.0	100.0	100.0
117.3	95.3	81.2
147.1	94.0	63.9
130.6	94.0	72.0
116.4	92.2	79.2
101.8	91.6	90.0
84.2	92.6	110.0
67.0	92.6	138.2
80.5	92.6	115.0
96.4	93.6	97.1
103.5	94.7	91.5
88.3	93.6	106.0
86.7	93.7	108.1
93.7	93.3	99.6
102.4	91.6	89.5
100.3	92.5	92.2
102.9	89.6	87.1
91.1	89.5	98.2
82.2	89.8	109.2
71.8	89.9	125.2
61.1	88.1	144.2
75.1	86.8	115.6
86.3	86.7	100.5
100.2	86.7	86.5
109.5	86.7	79.2
102.7	86.7	84.4
100.2	87.3	87.2
88.8	87.3	98.2
77.9	87.4	112.2
79.3	87.7	110.6
78.0	86.7	111.2
84.7	87.3	103.1
	(1) Wheat Prices 100.0 117.3 147.1 130.6 116.4 101.8 84.2 67.0 80.5 96.4 103.5 88.3 86.7 93.7 102.4 100.3 102.9 91.1 82.2 71.8 61.1 75.1 86.3 100.2 109.5 102.7 100.2 88.8 77.9 79.3 78.0	(1) Wheat Prices 100.0 117.3 147.1 130.6 116.4 130.6 116.4 92.2 101.8 91.6 84.2 92.6 67.0 92.6 80.5 92.6 96.4 93.6 103.5 94.7 88.3 93.6 86.7 93.7 93.7 93.7 93.7 93.7 93.7 93.3 102.4 110.9 92.5 102.9 98.6 91.1 89.5 82.2 89.8 71.8 89.9 61.1 88.1 75.1 86.8 86.3 86.7 100.2 86.7 100.2 86.7 100.2 87.3 88.8 87.3 87.9 87.4 79.3 87.4 79.3 87.7 88.7

Sources. Column (1): The index number is computed from the wheat prices (annual average, shillings per quarter) reported by W. W. Rostow, "Business Cycles, Harvests, and Politics: 1790-1890," *Journal of Economic History*, November 1941, I, 2, 220-21.

Column (2): The index number is converted to an 1815 from a 1900 base from the series constructed by Rufus S. Tucker, "Real Wages of Artisans in London, 1729-1835," *Journal of the American Statistical Association*, March 1936, XXXI, 78-79.

Column (3): Column (2) divided by Column (1).

requires long-term, not short-term, data. As it happens, the table shows even more short-term than long-term variation.

Not all of the economists of the period accepted the Ricardian theory of wages. Thomas Tooke did not, and he especially is to be noticed because he was the great empiricist of the time. He found no relationship at all between corn prices and money wages. Nor did John Rooke, another, although he discovered that the "corn value" of the money wages of Cumberland agricultural workers was stable for long periods. 16 Both men urged the public to disabuse itself of the Ricardian principle. Neither was heeded. One consequence was that the principle figured large in the rhetoric of the repeal campaign.

In the final months of the campaign, John Stuart Mill began to write his *Principles of Political Economy*. It was the last great statement of classical economics, and presented that view of free trade. It was one of qualified advocacy. Yet Mill was known to the public as a champion of free trade. Of all of the economists of the corn law period, he behaved in the most surprising way. Unlike his predecessors and his contemporaries, he did not oppose repeal. He was silent on the issue. He is supposed to have written two articles about it for Fox's newspaper (which he helped along out of friendship with Fox), but they are not listed in the authoritative bibliography of his writings. If they were written, they made a slight ripple indeed. On many other public issues, most of them less consequential and all of them less urgent, he wrote profusely.

There are a few references to the corn laws in the *Principles*, which was published after repeal, and the most interesting is in the chapter on wage determination. It reads as if it had been written before the issue of repeal had been decided. Mill explained that the immediate effect of repeal would be to raise real wages, and that subsequently the population very probably would increase. The reason is that the average real income of working-class families would increase, amd they could afford more children (children vs. bread being another instance, along with war vs. peace, of the "nicely calculated less or more"). But then the real income of each member of the family would decline until it was the same as before repeal. Would the birth rate then diminish in order to restore the real income each person had immediately after repeal, or would the average family remain larger and the real income of each member be smaller? The latter would occur, Mill believed, because he felt the workers' "habits with respect to population" were stronger than those "with respect to comfort." This seems to mean that the workers loved children more than cheap bread. The preference was regrettable, and weakened the case for repeal. "I cannot, therefore, agree in the importance so often attached to the repeal of the corn laws, considered merely as a labourer's question," he concluded. 17 The statement is not a general declaration against repeal, and it leaves the way open for other arguments in its favor. It implies that the case for repeal would be strong if the working class could be persuaded to reduce its birth rate. Yet it is significant that he should have chosen to examine the effect of repeal on the income of the working class rather than its other possible effects.

One may explain his viewpoint in the light of two of his major interests: the distribution of income and the problem of overpopulation. A distinctive feature of the *Principles* on which he departed from his predecessors is his assertion that while the laws governing production are not subject to human control, those governing the distribution of income are. It is understandable that he should have attended to proposals such as repeal, which professed to change the distribution. He would be led to his conclusion—that no permanent increase in the real income per member of the working class would occur—by his assumption that real income determines the size of the family. The skeptical reader of Mill might well come away wondering why the working class shouldn't use its greater real income for larger families instead of for more goods. One explanation is that in time the children will grow up and enter the labor force, increasing the supply of labor and reducing money wages. Then real income per person will be lower than before repeal. Those who admire Mill, as it is nearly impossible not to do, will be satisfied with this explanation. But it leaves one thing unsaid, which is helpful to know in trying to understand his views about population. The danger of its being excessive was almost an obsession with him. On this point it perhaps is permissible to adduce an aspect of his personality, about which a great deal is known since the publication of the psychological studies by A. W. Levi and the biography by Michael St. John Packe. 18 His attitude toward family life was, to say the least, unusual, not only for the Victorian period but for any other, and one finds it easier to believe that his immoderate fear of overpopulation came more from that attitude than from the careful, disinterested consideration he gave to other problems.

Mill was, in fact, associated with the Manchester School, but that was much later and on another issue—the franchise—and the association is explained in Chapter 6.

Whatever the reasons for his position on the corn laws, it was of no help to the Manchester School. Although he did not turn his back on the free traders, as other economists did, neither did he support them. One of the instructive aspects of the repeal campaign is the fact that the great change in economic policy, which was the purpose of the campaign, was carried against the opposition of most of the economists. Another instructive aspect is that it was the theoretical economists who, instead of giving their usual counsel of perfection, advised caution, restraint, and patience, while the untheoretical men of business demanded immediate action and would hear of no compromise and little moderation.

Shall one say that Malthus, Senior, the Ricardians, and Mill were not proponents of liberalism, and that when one examines their ideas about free trade one must conclude that their reputation for liberalism is a grand mistake? No. That would be quite wrong. They were liberal, but their liberalism did not direct them to propose free exchange in every market or in any one market in all circumstances. Each economist made numerous qualifications to the practice of laisser faire, and they differed among themselves about its application. The only premise on which all of them can be brought together is the premise that policy must have the rational consent of the persons who are affected by it. That premise is a synthetic one, clear only in retrospect, and if the economists had been asked whether or not they accepted it they might have wondered what the questioner was talking about.

Yet they were liberal. There is, for example, nothing illiberal in Ricardo's opposition to complete free trade in corn. Free trade to him was a means to the end of efficiency, and was not an end in itself. If we are surprised by his opposition to the repeal of the corn laws, it is because we are in the habit of thinking that a free market is an end of liberal policy. It can be defined that way of course, but such a definition is not useful. One would have to exclude the classical school from the liberal tradition. Just what school and which economists would remain in the tradition, it is hard to say. A few writers like Herbert Spencer perhaps, and if he were so classified we should have to redefine the word "economist." If however one accepts efficiency as an end, as Ricardo did, it follows that the government may control a market, as by a tariff, if efficiency is better served that way than by complete freedom of exchange. Since he believed a free trade in corn would cause excessive investment and employment in manufacturing, because of its being taxed less than agriculture, he was opposed to free trade. Had taxes fallen with equal weight on both industries, he then would have proposed complete repeal (and very likely by a gradual reduction of duties).

This interpretation puts the economic side of Ricardo's policy in order. But what of the political side? Economics is an instrumental study, and is worthwhile only if it helps to solve social problems. Problem-solving is politics, and politics, being the art of the possible, does what it can. In Ricardo's day, and for a generation after his death, the corn laws were a major problem. Efficiency in the Ricardian sense was much less important. The economists would be heard on the issue of free trade; they would be listened to politely on how to secure an efficient allocation of resources in the British economy. The Ricardian position on the corn laws was an ingenious bit of economic reasoning. As a contribution to the debate on a public issue it was not impressive. It was, indeed, ineffectual and mischievous. The protectionists misunderstood it to be a concession to their position, and would have none of it because they wanted even more. The free traders understood it, and would have none of it because their purpose was not efficiency.

The mischief in the proposal came from its establishing an optimum tax system as a condition for free trade. If that condition can be laid down, why cannot others, such as full employment, or the internal mobility of resources, or a particular monetary standard which will establish the proper exchange rates? And if economic prerequisites can be asked, then why not those of justice, the national interest, or some other normative requirement also? If any of them are allowed, as it is only reasonable to do, the debate becomes endless, and action is postponed indefinitely. That postponement was the mischief in the Ricardian policy. At the time he proposed it, the forces for repeal were stronger than ever and were growing. The issue had arisen repeatedly in the House, a select committee to investigate it had been named and he was made a member, the merchants of London had petitioned Parliament for free trade, the businessmen of Manchester had begun to express themselves, and representations for reform of the corn laws streamed in from the public. All of this happened between 1819 and 1822. When Ricardo published On Protection to Agriculture in 1822, he repeated what he had said in his pamphlet of 1815: there must be a reform of the tax system before there could be free trade. Had there been great public support for tax reform, his political conduct might have been effective. There was not, and he himself indicated he thought it impossible. Such support as there was

for liberal policy was for the repeal of the corn laws or for a drastic reduction of the duties. That was just what he did not propose. He said, in effect, that the public must solve its economic problems in his order and not in the order in which it was prepared to solve them.

Repeal came 24 years later. One reason for the delay was the fact that the free-trade movement had no intellectual leadership. It would be extravagant to make Ricardo or the Ricardians or all of the economists together responsible for the delay. It also would be quite wrong to suppose their ideas were in no way related to what happened, because economic ideas or the want of them do have consequences. Those who propose or fail to propose them must share the responsibility for what occurs.

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3

The Corn Laws

The greatest obstacle in the way of free trade was the corn laws. When the Manchester School began its campaign against them, the regulation of foreign trade in corn was more than 150 years old. In most of that time their purpose had been to assure an adequate supply of corn and to stabilize its price. From about 1660 to 1765, there usually was a domestic surplus, and the regulation took the form of an export bounty; but Britain thereafter became an importing country, and the bounty, though not repealed, was inconsequential. During the Napoleonic Wars, the domestic demand for corn increased while the supply from abroad diminished; and the government urged the farmers to increase their output by bringing more land into cultivation and by using all lands more intensively—to sink it under the iron of machinery. (The development was noticed by Ricardo in his distinction between the extensive and the intensive margin of cultivation.) An import duty was imposed in 1804, but was inoperative because the domestic price never fell to the amount at which the duty was effective. When the war ended in 1815, the price of corn was driven down by a number of factors—an increase of imports and the decline in the domestic price level were two—and the farmers clamored for protection. Thereafter, protection instead of price stability became the major purpose of the corn laws. To the free traders, protection and monopoly were synonymous, and in their campaign "protectionist" and "monopolist" were interchangeable terms of censure. The Act of 1804 had imposed a fixed duty when wheat was selling for less than 63 shillings a quarter. In 1815, it was amended so that imports were prohibited entirely when the price was under 80 shillings, and were admitted freely when over that. At all times under that act, wheat (and other grain) was admitted duty free to bonded warehouses, from which it could be taken when the price rose above 80 shillings. When it was, the price then often fell precipitously. The agricultural interests complained that the practice gave them neither stability, which had been the purpose of the old system, nor protection, which they had been promised under the new. In 1828, a flexible duty was introduced—the "sliding scale"—by which the duty varied inversely with the price of corn, rising as the price fell and decreasing as the price rose. The intent was to combine price stability with protection, but again neither was secured. The price fluctuations actually were made greater, because as the domestic price climbed to near the amount at which the duty would be reduced, the foreign supply diminished until the price was reached, after which it increased substantially and drove the price down. In 1841, Lord John Russell, acting for the Whig government, proposed to replace the system with a fixed duty of 8 shillings. The proposal was rejected by both the protectionists and the free traders; the government fell, and Peel established a Conservative ministry. In 1842 he secured a modification of the sliding scale by which the duty, instead of changing with every small change in the domestic price, changed only when the price changed by a larger amount.

What the effect of the different duties was on the domestic price and what proportion they bore to it, I do not know. In 1838, Cobden said that the law of 10 years earlier had imposed an effective 100 per cent ad valorem duty, but he offered no proof. M'Culloch made it much smaller, but his arithmetic is quite unconvincing. In 1840, Deacon Hume said the price of wheat was 10 shillings a quarter higher because of the tariff. None of the systems proposed after 1815 was satisfactory to the farmers, and their discontent cannot be dismissed as the automatic response of a vested interest, because none of the systems provided continuous protection or price stability. Peel's law endured until he proposed its repeal which was carried in 1846 and became effective in 1849. The operation of the corn laws was, however, suspended by executive order in 1846, and from that time onward there was free trade in corn.

There were five groups in the country on whom the laws had a noticeable economic effect or who believed themselves to be affected. Thanks to the rule of Ricardian economics, the way in which each group was actually affected was not always the same as the way it was believed to be affected. The groups were the landlords, their tenants, the farm laborers, and the manufacturers, and their workers. The laws affected everyone of course by reducing the economy's total output (which was the classical argument against protection), but the effect was too abstract to interest most people except when they noticed it in the high price of food. We usually do get the right answers to policy questions by looking, as Henry Simons once said, to the consumer interest. But ordinarily, the consumer interest does not look to itself until it is made to by the producers whose aims are in harmony with it. And that is what the free traders did.

The landlords believed their rents would be lowered by free trade, and they were supported by the rent theory of the day, a fact they were aware of and made use of. They had it on Ricardo's authority that repeal would lower prices, take land out of cultivation, and reduce rents. In this instance, as in another (the effect of the laws on wages), classical economic theory was more useful to the protectionists than to the free traders, in its normative aspects only less than in its positive elements. It was the positive elements that counted for more, because while there could be argument over whether or not rents *should* fall, there could be no disputing that under free trade they *would* fall. So much the landlords believed, but they probably were mistaken in believing their rents would fall immediately. Rents in fact changed quite slowly, and it was the tenants (and the small farmers who worked their own land) who immediately noticed the changes in the price of grain; and the changes were very great—e.g., wheat varied between 39 and 70 shillings per quarter between 1830 and 1840. A part of the burden was put on the farm laborers whose wages must have been affected but to what extent I do not know.

The manufacturers were affected in several ways or thought they were. There were businessmen in the textile industry who were utterly convinced that their wage costs were raised by the high price of corn. Supporting their conviction was the Ricardian wage doctrine; the common man's version of it in the belief that wages were determined by the cost of living; and the Allowance system. None proved the businessmen were right. However, they probably were not altogether wrong, and that for a different reason. It is likely that money wages were not regulated wholly by the

supply and demand for labor: they hardly ever are. There were large employers in the Midlands who were genuinely attentive to the welfare of their workers, and they probably took the price of bread into account when making their wage offers, which, because they affected a large part of the labor market, influenced the wages offered by others. The humane employers were not so attentive as to keep real wages constant by allowing money wages to be regulated entirely by the cost of living—they were, after all, in business for a profit—but neither did they allow their wage offers to be dictated wholly by the market. It is my impression that money wages were slightly raised by the corn laws. I have no wage statistics to support my view, and it is based on what is known of the practices of employers like the Gregs, Ashton, Ashworth, the Brights, Cobden, and other "opulent and enlightened mill-owners," as Senior described them. None of those named, it is interesting, wanted repeal because they believed it would reduce money wages.

If my impression is correct, it follows that the corn laws made money wages slightly higher than they would have been with free trade and the *same* amount of employment. But if there had been free trade, there probably would have been greater factory employment and still higher money wages. It follows that the employers were partly correct who believed the laws increased their costs—"partly" because the increase was not large—and that the workers were wrong who believed repeal would lower money wages. Majority opinion of the day was different. It was that money wages were raised by high bread prices, not because of the liberality of some employers but by the mechanics of the market, and that a drop in the price of bread, which was sure to occur if the corn laws were repealed, would reduce money wages. The protectionists accused the manufacturers of wanting repeal only in order to reduce wages, and most of the workers were persuaded, because then as now they were more interested in money than in real wages. The accusation is examined below.

The more thoughtful manufacturers believed that the laws had a more important effect on the supply of foreign than on the supply of domestic textiles. They noticed that output on the Continent had been increasing since 1815 and that in Germany the increase was especially large after Prussia promoted the establishment of the customs union. They thought that the corn laws contributed to the increase (in ways explained below), and that the growth would be arrested if the Continent were brought into a system of free trade, which they believed it would be if Britain led the way. Still another important effect was on the demand for textiles. Although it could not be claimed that the laws decreased the demand for textiles over the long period, it plausibly could be claimed that from time to time they did, and that in the long period they retarded the increase of demand. By raising the price of food at home and causing more to be spent on it, the laws caused less income to be spent on textiles in the domestic market. They also, of course, limited British imports and, consequently, the foreign demand for British exports, of which about half were textiles. In these two ways, the laws made the output, employment, and wages in the textile industry less than they would have been under free trade in corn. It also was believed, and probably was true, that when there were unusually large imports of corn (as there sometimes were) there was a deflationary outflow of gold, and the demand for textiles was pulled down along with that for all goods.

In addition to their economic effects, the corn laws had political effects which probably were just as important in determining the course of the contest over repeal. It was believed that repeal would reduce the power of the landed interest, and, specifically, make it difficult for that interest to perpetuate the unequal representation in the House, whereby five or six rural voters, usually under the influence of a landlord, had as much representation as thousands in a city. It also was believed that a victory for the free traders would make the manufacturers more assertive, and that in time it also would increase the power of the working class which in the past had combined the repeal of the corn laws with its demand for the Charter. All of this is to say that it was believed, both hopefully and fearfully, that free trade would cause a substantial redistribution of political power (as well as of income), of which the salient changes would be a reorganization of the House and an extension of the franchise. That is just what did happen, and the great mover of it was Bright. It was first administered by Gladstone, a convert to free trade, and promoted by Disraeli, never a free trader, to keep the Tories from being overwhelmed, just as Peel had tried to preserve them by abolishing the corn laws. In the early and brash days of their campaign, the free traders proposed to guarantee the Duke of Buckingham his rents for 20 years if he would support them. "Ah," Lord Nugent explained to their emissary, "but the Duke wants something else, he wants the county representation!"1 The school encouraged its followers to buy a piece of property yielding 40 shillings a year, which, by the Reform Bill of 1832, entitled them to the vote; and it created an agency expressly to gather small savings, put them into property, and give the owner the vote. When the House debated Peel's motion to abolish the laws, Cobden made only one speech. He said that if the motion were not passed, the free traders would make thousands into property owners, and at the next election would overwhelm both parties. Peel later told Cobden that he could have parried even his power for a while, but that he had yielded because in a short time he would have been forced to. When in 1848 he heard the news of the revolution in France, he said that he had saved England from an uprising by yielding in time to the Manchester people.

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4

The Campaign For Repeal

When the Manchester people assumed the leadership of the free-trade movement, its prospects were not bright. It had greater resolution and spirit in it than ever before, because it enlisted most of the middle-class radicals, and because the businessmen had at last come to oppose the laws in an unequivocal way and had put their money into the movement. But the power on the other side was more formidable: the landed aristocracy, the farm tenants and laborers, and the Tory party, which on the issue of *total* and *immediate* repeal was joined by most of the Whigs. The Chartists, the most effective section of the working class, were most of them still opposed to the laws, but as they saw the employers come around to their view they began to leave it. The economists were either opposed or indifferent to the campaign.

Among the interested observers were Carlyle, who published *Chartism*, in which the corn laws were denounced, a year after the campaign began; Ruskin, whose writings were to become a force in the decline of the Manchester School; and Engels, who for about two years during the campaign was in Manchester in the firm of Erman and Engels (which seems to have taken no part in it).

The regulating of the corn trade was so well established that it is understandable the early free traders in the years immediately after Waterloo should not have tried to repeal the laws entirely or even have wished to. In 1820, Thomas Tooke, the author of the noted *History of Prices*, drafted a petition for free trade for a group of London merchants, and it was presented to the House of Commons by Alexander Baring, a spokesman for classical economic policy. It was "greeted with loud cheers from all sides," on one of which Ricardo sat. He rose to say that he concurred in its principles, and regretted they had not been presented before. However, he continued, there were legitimate vested interests in agriculture, and immediate action would be unjust. He then alluded to the position described in Chapter 2. For the next 18 years there was continuing controversy over the laws, and they frequently were denounced by the radicals in the House. Joseph Hume, their leader, moved for repeal in 1834, and was defeated. In 1836, the Philosophic Radicals formed the Anti-Corn Law Association of London, and it was the model which the Manchester people had before them when they formed an association two years later.

There were great differences between the Manchester people and their predecessors. The early free traders, all of them more eminent men, had accumulated a record of failure, eccentricity, and frustration which was so dispiriting that they no longer believed it possible to repeal the laws entirely; they tried only to soften the effects, trusting meanwhile to time, the drift toward a more liberal commercial policy, and the enlightenment of the public to bring their work to a successful end. Some must have found comfort in Smith's remark that the public's prejudice to free international markets was too strong ever to be overcome. The Manchester people looked at the

matter differently. The businessmen among them, as Francis Place later noticed, brought to the campaign the enterprise and money that had made the English textile industry the largest in the world. They put the process of creative destruction to work in politics. The middle-class radicals fired the movement with their energy and brashness before established institutions, and in reading their exploits one is reminded of Pancks in *Little Dorrit:* "For as to Pancks, he does, he really does, he does indeed." Finally, the school had Cobden and Bright who, although their abilities were not apparent at the start, soon became its leaders. To their very great ability can be added their inexperience in politics, the fact that they were unpracticed in compromise and were not inhibited by the experience of their predecessors.

The organization of the school was the National Anti-Corn Law League, and it was formed in 1839. Before then, it was the Manchester Chamber of Commerce that put forward the manufacturers' views on commercial policy. Its way was much different from the League's, and its failure on the issue of corn laws was what provoked the Lancashire radicals to organize. Its history is important for that reason. The Chamber was started in 1820, as the successor to the Commercial Society, which between 1794 and 1801 had represented the interests of the businessmen who traded with the Continent. Still earlier, the Manchester businessmen had a friend in Pitt who had been much influenced by The Wealth of Nations, one evidence being his negotiating of a commercial treaty with France in 1786. It was put aside by the wars after 1789, and its purpose was not realized until 1860 when Cobden negotiated a reciprocal trade treaty with Napoleon III. Pitt also was responsible for the Act of Union with Ireland; one of its provisions was the abolition by 1820 of duties on trade between the two countries. Its operation later was deferred, and one of the first petitions of the Chamber was to oppose any further delay. On such a point and still more on the duties on raw cotton, Brazilian coffee, Baltic timber, and so on, the Chamber demanded complete and immediate repeal. In so demanding, it did not antagonize any interest in Britain as important as that protected by the corn laws. On those laws, the Chamber was cautious, restrained, and equivocal.

The evolution of its policy on them shows how reluctant the businessmen were to contend with the conservative power even when they stood to gain enormously from a victory, and their behavior indicates it was not economic interest alone that established free trade. The laws seem to have been mentioned first in March 1824. when the Chamber instructed its Board of Directors to call the attention of the government "to the overwhelming restriction under which the commercial interests of this country are placed by the present state of the Corn Laws," which tend "to throw obstacles in the way of mercantile operations by materially augmenting the difficulty of procuring returns," i.e., the difficulty foreigners had of obtaining British currency with which to buy British goods. The annual meeting of 1825 adopted a resolution "praying for a complete revision of the Corn Laws, with a view to the removal of the restrictions on importation." The resolution was sent to commercial groups in the principal towns asking their concurrence, and petitions were presented that year on behalf of a free trade in corn. The Chamber did not, however, call upon Parliament for complete and immediate repeal, leaving that to be inferred. It felt that even its limited stand required an explanation, and in the annual report for that year the Board

expressed the hope that the Chamber "will not be thought to have travelled out of its proper sphere, in having recorded its opinions." 2

In 1828 the sliding scale replaced the fixed duty, and the Chamber supported the change as being "founded upon just and salutary principles," even though, it said, the duties were higher than necessary. The report implies that the alternative to either the flexible or fixed duty was the complete prohibition of imports. The annual report for 1833 states that the Board had not opposed the laws, as bad as they were, because there had been no occasion during the year when the opinion of the manufacturers would have been listened to; but it did that year secure a 50 per cent reduction of the duty on raw cotton. The Board in 1835 again excused itself for not having spoken out, explaining that there had been "no favorable opportunity"; it did, however, adopt a resolution favoring a low and fixed duty in place of the sliding scale which by then had proved worse than the fixed duty it was meant to improve. By 1837, its position had become oblique indeed. The report for that year observed that the corn laws "afford direct encouragement and undue advantage to the Foreigner in a valuable branch of trade," which was the milling of flour. It also observed that the nation need not fear a dependence on foreigners for food, and expressed an idea which the school later was to make an important part of its case: "There is a security against this in the ordinary workings of self-interest. Sellers profit along with buyers, and have an interest not less strong to prevent any rupture of the connection." It is of some interest that in the report, in which the pacific economic man is described (conceived, it will be recalled, by Ricardo), the Board also stated that it had asked the government to intercede with France in order to lift its blockade of Mexico and Argentina which had brought "serious evils" to British commerce. The Chamber could be sufficiently aggressive when its interests did not conflict with those of agriculture.3

During its years of timidity, there were a few people in the Chamber who persistently urged it to demand complete and immediate repeal, and they did so at a time when the idea was certain to be ignored by the government and to be regarded by others as utterly foolish. J. B. Smith presented such a motion at each annual meeting from 1828 to 1835. His single-mindedness got him the names of "Corn Law Smith" and "Mad Smith." It was characteristic of the radicals. Earlier, John Fielden, a tireless advocate of the Factory Acts and at one time of corn law repeal, got to be known as the "Self-Acting Mule." Archibald Prentice was one of Smith's allies; he left the Chamber in disgust in 1834, and carried on the fight for free trade (and other radical causes) in the Manchester *Times* which he then published. He was one of the first to notice Cobden's ability, and printed long notices of this early writings, which were on foreign policy.

It was not only the radicals among them who deplored the timidity of the businessmen. C. P. Villiers and the London group urged them to be more demanding. Manchester's representative in the House, Poulett Thomson, excused his inactivity by saying he got no support from his constituents, and when asked what would arouse them said, "Such is the state of public feeling, the want of interest experienced, that I have no hope of any repeal of the corn laws, but through a famine." Their timidity may have been in Carlyle's mind when he wrote that the new wealthy class had no capacity for leadership and said the country needed a class of Captains of Industry.

Actually, the businessmen were not indifferent to repeal, and they certainly were not silent about it. They were equivocal and uncertain, and the reason was their fear of challenging the landed aristocracy to a decisive contest. When the corn law issue was raised in the 'twenties, the landed interest said it would support repeal if the manufacturers would support the repeal of the duties on their goods. The businessmen declined, as the landlords very well knew they would. By 1838, most of the protective duties on manufactured goods had been abolished, but the timidity remained. It seems to have been sustained by those among the businessmen whose political fortunes were dependent on the Whig party which still was solicitous of agriculture. To have struck out on a clear course for complete and immediate repeal would have thrown the businessmen into public agitation, excitement, and would have imperiled the respectability to which they were so attached.

In time the businessmen did just this, and in the Chamber the occasion of the change was the annual meeting on December 13, 1838. A few months before, the Manchester Anti-Corn Law Association had been started, and there was speculation over whether the businessmen at last had been aroused. At the Chamber meeting a draft petition on the corn laws was presented on behalf of the directors by the president, G. W. Wood, a cautious businessman and M.P. for nearby Kendal. Even before submitting the petition, he indicated his willingness to compromise when he alluded to the common claim that agriculture was more heavily taxed than manufacturing and hence it was entitled to protection. He did not think the burden was as great as it had been, but if he was mistaken he would support a fixed duty equal to additional tax burden. The petition then was read, and it was meant both to marshal support from the businessmen and to impress the government with their intentions. It was a general discourse, moving from polite expressions of injury to sententious remarks about the rights of free exchange. It did not call either for complete and immediate repeal or for any other explicit change; the appropriate action was left to the government to infer. It alluded to the controversial question of whether or not repeal would lower money wages:

If from mistaken notions of unassailable supremacy, we are indifferent about the price of human food, and require our manufacturers [workers] to eat dear bread, whilst our foreign competitors procure theirs at a cheaper rate, our industrious population will unavoidably be driven back in the scale of civilization, to a level with those whom they have hitherto excelled in physical comforts, and we shall speedily undermine the foundations on which both our agricultural and manufacturing industry repose. 5

The implication is that without repeal both money and real wages will fall, while with it only money wages will fall. The idea was not made explicit however. In the ensuing debate only two speakers did make it explicit, and they were not contradicted.

6 The radicals appeared in force at the meeting, and strongly objected to the petition. J. B. Smith, dissociating himself from the other directors, spoke at length. So did Cobden. Both made the same point: The corn laws were promoting the growth of manufacturing abroad, and if not repealed they would destroy Britain's manufacturing superiority. Smith cited figures showing the increase in exports of manufactured goods from Prussia, France, and the United States, and figures showing that the

annual money value of British exports in the 'thirties was less than it had been in the 'twenties. He wanted to prove that Britain was directly assisting this change. He said there was an increase in its exports of coal, iron, and of semi-finished manufactures, like yarn and cotton twist, which were made into finished textiles abroad. Moreover, British textile machinery was being exported, in violation of an export prohibition, and skilled British workers were emigrating to show foreign workers how to copy it. The workers were leaving, he said, because food was cheaper abroad. Finished textiles on the Continent and in the United States often sold at a lower price than similar goods in Britain, and some British manufacturers were not only losing their export market but also their domestic sales. Smith was supported by W. Rawson, a hosiery manufacturer of Nottingham, who said his firm was being driven to the wall by German competition, and that the Lancashire people would come to the same end in time. Smith asked: "But were gentlemen insensible to the handwriting on the wall? (Loud cries of 'hear, hear.') Might not what had been raised by the superior skill and industry of our countrymen be destroyed by bad legislation? ('Hear, hear.')"

Cobden said the petition failed to present the case for repeal in a way that would impress men of affairs in business and government, and that it read as the work of "a mere tyro in political economy" who had just and only read Adam Smith. The government, he said, must be called to account for failing to redeem its pledge to move toward free trade; it had promised as much in 1825 when Huskisson had introduced the principle in his budget. The government then had said it would not provide any protection in excess of 30 per cent; but it now provided landlords with an effective 100 per cent duty on wheat. He cited figures (taken from G. R. Porter's *The Progress of the Nation*) to show that the per capita consumption of corn was decreasing.

The meeting, and the one that followed, were curious, because neither the leaders of the radicals nor those of the moderates would declare themselves on two key issues: whether or not repeal should be total and immediate, and whether or not the manufacturers could expect money wages to decline. Wood asked Cobden if "the removal of the protective duty on grain should be gradual or instantaneous." Cobden answered, "I should not deem it necessary to express any opinion on that point; and none was expressed in the former petition." Archibald Prentice, writing the history of the free-trade movement some 15 years later, said that the point was the entire issue separating the two factions, and that the radicals had believed the moderates were willing to accept a fixed duty for an indefinite time. He did not say anything about the wage question. One radical and one moderate were fairly explicit, but their leaders neither approved nor repudiated their frankness. Rawson said that foreign manufacturing "would continue to advance so long as the cheap food of foreigners enabled them to work at half the money price of labour." G. Sandars, a moderate, cited the injustice of immediate and complete repeal to the landlords and to the workers whose money wages, he said, would fall. (His novel remedy for foreign competition was to cause food prices in some way to rise abroad until costs there were equal to those in Britain.) R. H. Greg, an influential supporter of the radicals, said that repeal "would give us cheaper food; . . . give the foreign manufacturer dearer food." But he did not wish to emphasize cheap food, because "it was more important to have a return for our goods than even to have cheap food."7

Cobden submitted a substitute petition, and much of it was forthright and vigorous. But on the wage question it said: "Our impolitic and unjust legislation, which, by preventing the British manufacturer [worker] from exchanging the produce of his labour for the corn of other countries, enables our foreign rivals to purchase their food at one-half the price at which it is sold in this market." The remainder of the petition incorporated Smith's argument for repeal, and it was designed to alarm the businessmen by the growing competition from abroad and the government by the prospect of Britain's losing its industrial supremacy. It did not, however, call for complete and immediate repeal or propose any other specific change in the laws. The omission was less significant in the radicals' petition, because they were at that time promoting the League and it did demand complete and immediate repeal.

The businessmen's view of the wage question changed later, and the significance is described in Chapter 5. In 1838, the lowering of money wages was the greatest advantage most of them saw in repeal, and those who did not hold this view were nevertheless alive to its power and held it before the others. It is implied in the arguments of Smith and Cobden, viz., repeal would arrest the growth of foreign manufacturing. Only Cobden alluded to wages openly, implying that manufacturing abroad was increasing because cheaper food there made lower money wages possible. Smith explained the growth differently and less convincingly. The corn laws, he said, caused foreign countries to raise tariffs against British goods, and caused British workers to emigrate. Neither development was sufficient to explain the entire growth of manufacturing, and neither explained why foreign manufactures could be sold cheaper in Britain than goods produced there. Lower costs abroad were the only explanation, and it was Cobden—in his wage argument—who set forth the presumed reason for them.

The radicals' argument was effective, and their petition was adopted. Wood resigned the presidency, and left the Chamber with other moderates to form the rival Manchester Association of Commerce. Smith was made the new president. There is something whimsical in the spectacle of radicals organizing to seize a Chamber of Commerce, but at the time the issues were anything but that.

Yet even when the radicals were in power, the Chamber did not shed its circumspection entirely or lose its fondness for circuity. In 1839, the Board said it had not petitioned Parliament that year because there had been no public demonstration which would have given force to its representations. Actually the League staged numerous public demonstrations that year, and there was a great assembling of free traders all over the country. In 1841, the Board issued a special report, "On the Injurious Effects of Restrictions on Trade," and it said more about the duties on sugar and coffee, which were not produced at home, than about corn, which was. The report said, "our commerce will be irretrievably lost, unless the present system [of restriction] be speedily and effectually amended." That "amended" should have been used instead of "eliminated" is noteworthy. It was just this difference that separated the Manchester School from everyone else on the issue of free trade, and up to this time the Chamber had not once called for complete and immediate repeal. It may have been that the radicals hoped "speedily and effectually amended" would be understood to mean that. However, when they took the issue outside the Chamber, they did not

practice circumlocution on this point. One of the last expressions of the Chamber on the corn laws contains an idea for which Manchester is celebrated. The annual report for 1844 stated: "Whatever law interferes with the arrangements of Divine Providence to supply the necessary food of man is an infringement at once of natural and divine right." 9

Such notions are a part of the school's miscellany, but they are not representative of the ideas that directed it. Those ideas can be taken from what was said and done during the free-trade campaign. It was directed by the National Anti-Corn Law League, in which the Manchester Anti-Corn Law Association was the major power. 10 The Manchester Association was begun in September 1838—by the same men who a few months later acquired control of the Chamber—on the occasion of a meeting of businessmen and radicals that was called to hear John Bowring, one of the Philosophic Radicals who two years earlier had formed the Anti-Corn Law Association of London. Bowring had been one of the young men around James Mill and Bentham, and later had edited the first collection of Bentham's writings. Having just returned from the Near East, he described the hand of Manchester that he had noticed there. "What a satisfaction," he said about his ascent of Mount Lebanon, "to find one of the ancient Druses clothed in garments with which our industrious countrymen have provided him." He also explained two ideas that became important as the League carried its campaign forward. Repeal, he said, would raise wages by causing the demand for textile exports to increase; and universal free trade would give all nations an economic interest in preserving peace. 11 Bowring's speech is worth recalling, because in the variety of ideas it expressed it was a suitable beginning for the League and it typified the conglomeration of ideas which the League propagated. There is the fanfare of rhetoric about laisser faire, then a solid idea borrowed from Ricardo, and, finally, a shrewd guess about the wage effect of repeal. It is noteworthy that the League began with the prediction that free trade would raise, not lower, wages. There was still another element in the League's collection of ideas, and it was the wickedness of self-interest. One of the most important lecturers was A. W. Paulton, and a month after the Manchester Association was formed, he is reported as saying: "There was a class of political economists in this country whose only object seemed to be the creation of wealth. But this ought not to be." The proper object should be "to equalize, on just principles, its distribution." That, he said, is just what the corn laws did not do. Instead, they distributed wealth in favor of the aristocracy, and the free-trade movement was a contest between "30,000 landowners and 26,000,000 of men." He added that the laws also restricted exports. 12

The Manchester Association announced in October a provisional committee, on which Smith had the important position of treasurer. It included Bright, but not Cobden who at that time was returning from a trip abroad. By January 1839, it was able to summon free traders from all over Britain to Manchester, including representatives of repeal groups in Glasgow, London, Leeds, and other cities. It was then that the National Anti-Corn Law League was formed, and it was a federation of local associations. It was ruled almost entirely by the Manchester group. The chairman was George Wilson. The great meeting was less a demonstration of numbers than of financial power, intellectual quality, traditional radicalism and dissent, and "middle-class respectability" (a phrase of which the Manchester people

were fond). There was an astonishing number of speeches, and they represented the diverse purposes of the free traders. R. H. Greg explained the manufacturers' interest in repeal (which was not identical with his own). He said that England would not increase its exports until it imported more corn and timber, that the textile industry was growing at an alarming rate in America and on the Continent, and that European textiles were being offered on the English market at prices lower than those of domestic textiles. Villiers, then leader of the free traders in the House, praised the businessmen for having taken action at last and regretted that hitherto they had been "timid to a fault." He went on to explain how the corn laws were promoting the growth of manufacturing abroad. Sir William Molesworth, another Philosophic Radical, urged the League to be aggressive in carrying its campaign to Parliament, and advised it to secure debate on the laws as often as possible. Bowring also spoke, and so did Perronet Thompson, the radicals Joseph Brotherton and Joseph Dyer, and many others. But neither Cobden nor Bright did, as they were not thought notable enough at the time. Cobden drew up a petition to be presented to the House. Thompson suggested that compensation might be offered to the landlords, which caused Benjamin Pearson, of Manchester, to recall that during the antislavery movement the proposal had been made to compensate the slaveowners and he had thought it was the slaves who should have been compensated.

It was Molesworth's advice that in time became the strategy of the League, namely, to bring the greatest possible pressure upon Parliament by electing as many free traders as it could and then furnishing them with massive public support enlisted by agitation in whatever form it was effective. The method was not quite that of marshaling public opinion to support representatives who wanted to repeal a law. It was something more, and the difference lay in the independent conduct of the free-trade members (the leaders refused to submit even to the limited party discipline of the time) and in the methods used to secure public support. By the standards of the mid-twentieth century, they are not remarkable, and that is because our standards themselves are. A disregard for the legitimate privileges of the opposition, an unrestrained assault upon the public's ear, the exciting of the masses to violence, were neither as common nor as respected nor as admired for their effectiveness as they are today. Those who engaged in such behavior naturally made themselves noticed. They did not always choose their methods gladly, and often were forced to use them by the restrictions placed on the power of public opinion.

Repeal was one of a number of reform movements that had to organize massive pressure in order to make itself noticed. Others were the antislavery movement, Catholic Emancipation, and the movement for parliamentary reform. The leading free traders sometimes deplored in private the postures they struck in public. Harriet Martineau rebuked Cobden for a savage attack on Peel in 1845. He took it genially, and said, "You must not judge me by what I say at these tumultuous public meetings." There have not been many popular figures as forceful, relentless, and compelling as he, and yet one comes away from the record of his life with the belief that he was one of the gentlest and best of men.

He was elected to the House in 1841, and his constituency was Stockport instead of Manchester, because Potter and the other Whig leaders did not want so independent a

figure to represent them. Bright was elected in 1843. They were welcomed by Brotherton and Edward Miall, prominent nonconformists, and Milner Gibson, all of Lancashire constituencies, by the London radicals, Villiers, Molesworth, Bowring, and Roebuck, and a relatively small number of other free traders. At no time between 1839 and 1846 were there more than 125 declared free traders in a total membership of more than 600. Peel said that there were no more than half a dozen members who believed in applying the idea of laisser faire to all questions of economic policy, and his estimate probably was too high. One reason for the small show of strength in the early 'forties was the fact that neither among the public nor in the House was there substantial support for repeal. Another reason was that the support was greatest in the manufacturing districts, and there representation was less in proportion to the population than in the agricultural, and protectionist, districts.

The League sought to turn the agricultural vote to free trade (as improbable as that sounds) and to increase the number of voters in the industrial areas by the use of the 40-shilling freehold provision. Where each failed, it meant to force the protectionist members to vote for repeal by creating mass discontent. In the end, it was the pressure of discontent which forced repeal; and two-thirds of the final vote in favor of repeal was cast by landowners. 13 In the early days there was an attempt to entice the Tories into supporting free trade (shown in the attempt to buy the support of the Duke of Buckingham), and there were numberless efforts to form a bloc with the working class. Some of the League members who had long been associated with the radical Whigs tried to bring the entire party around to a stand for complete and immediate repeal; eventually it was brought around but only after nearly everyone else, including the Tory Prime Minister, had come to that conclusion. The leaders of the League were less interested in converting the Whigs, perhaps because the party was hopelessly equivocal on the issue of repeal, having for so long declared itself on the side of the principle of free trade and continuously supporting a duty of one kind or another.

For about three years after 1839, the League tried to enlist the support of the working class. Not only were the Chartists opposed to the corn laws but the specifically political purposes of the Chartists appealed to the middle class in several ways. Parliamentary reform was an objective of the radicals in London and elsewhere. There were those in the League, such as Bright, who were interested less in free trade than in increasing the political power of the lower middle class and the workers. They believed the repeal campaign could be used to bring about a major redistribution of political power which would reduce the aristocracy and upper middle class to a minority position in Parliament. They tried to add some of the Chartists' objectives—equal electoral districts and an extension of the franchise—to the explicit purposes of the League. Its constitution prohibited it from seeking any objective other than the repeal of the corn laws, and they were overruled by Cobden. The prohibition did not, however, prevent him from trying to incorporate the League with the pacifist movement, unsuccessfully as it turned out.

Radical political reform was an issue on which Cobden and Bright disagreed, and Cobden never went as far as Bright wanted to take him, much to Bright's regret and annoyance. "You seem to take the working class sometimes too exclusively under your protection," 14 he once told Bright, and Bright told him that with his help the

franchise movement could be as successful as the repeal movement had been. Cobden however was lukewarm about the working class and at times was antagonistic. When promoting the incorporation of the city of Manchester in 1838—a quite important change—he had been opposed by a coalition of the Tories and left-wing leaders of the workers. He faced the same coalition later in the free-trade movement. After repeal, he occasionally was drawn into efforts to extend the franchise, and in 1865, a few months before his death, he was president of a provisional committee formed to inaugurate a campaign. It invited the First International to participate, and the letter found its way to Marx, who was both gratified and suspicious. 15 He need have been neither, for Cobden never committed himself entirely to the working class; and when he participated in franchise movements his purpose was to increase the power of the lower middle class, which was his origin and was the object of his fondness always and the class to which he was attached. Although he will forever be associated with Manchester, he didn't care for the political and social texture of that city. He deplored its class distinctions, and, in a letter in 1857, compared it with Birmingham where industry

is carried on by small manufacturers, employing a few men and boys each, sometimes only an apprentice or two; whilst the great capitalists in Manchester form an aristocracy, individual members of which wield an influence over sometimes two thousand persons. The former state of society is more natural and healthy in a moral and political sense. There is a freer intercourse between all classes than in the Lancashire town, where a great and impassable gulf separates the workman from his employer. The great capitalist class formed an excellent basis for the Anti-Corn-Law movement, for they had inexhaustible purses, which they opened freely in a contest where not only their pecuniary interests but their pride as "an order" was at stake. But I very much doubt whether such a state of society is favourable to a democratic political movement. 16

There were episodes in Cobden's career which suggest he felt the same about the working class as Bright did, but on examination they seem to be clouded over by disingenuousness. After the first issue of *The Economist*, he wrote to Wilson that he regretted "the view you take . . . upon the danger to property consequent upon giving the working people the suffrage," because the view placed Wilson "in an unfavorable position in the eyes of a class which must exercise more and more power in the legislation."17 The letter was written in 1843 when the League dared not antagonize the working class. It was the League, more than Wilson, that was placed in an unfavorable position, because *The Economist* was presented as an authoritative organ of the campaign. Cobden's attitude toward the working class was that of the petit bourgeois who doesn't want to forget what he was. He didn't show the condescension of an aristocrat or the uneasy superiority of a business magnate. It was best expressed by himself: "Mine is the masculine species of charity which would lead me to inculcate in the minds of the labouring classes the love of independence, the privilege of self-respect, the disdain of being patronized or petted, the desire to accumulate and the ambition to rise."18

Bright was different. He was plainly sympathetic to the working class, and he was as plainly unsympathetic to wealth in manufacturing as that derived from the land. In 1843, he addressed a group of businessmen in Manchester:

I confess I have more sympathy with the millions of the working classes of Yorkshire and Lancashire than I have with the merchants and manufacturers of England. The latter are able to help themselves, and if they choose to invite upon their necks the hoofs of the landed oligarchy, they deserve the trampling. But the millions who toil, and who for years have been craving to be permitted to toil for their daily food, they have little power of influence over the Government. They are an enormous but a disorganized mass, and for them I have a sympathy, more intense than it is possible to describe. 19

To Bright, the League was an organization for making the discontent articulate, and once the masses realized their power they would direct it to other reforms. When the League was disbanded, he said that only the unthinking could believe its purpose was accomplished when the corn laws were repealed. He was of the opinion that its purpose included "many other points and many other things, beyond the repeal of a particular statute." 20 Those "other things" were the extension of political power to the working class. During the period of the League, numerous efforts were made to advance that purpose. The most successful effort was the registration of voters under the 40-shilling freehold provision. When it was first used, Bright was enormously enthusiastic. He wrote to his sister, "I regard it as the *ulterior measure* of our contest." 21 He was enthusiastic, because he saw in it the beginning of an extension of the franchise. He never would content himself with using only it, because in itself it gave the vote only to the middle class, the 35- to 60-pound cost of a piece of property yielding that income being beyond the means of workers.

Some in the League (Bright seems not to have been among them) wished to form an alliance with the working class by collaborating with the Chartists. The latter agreed to support repeal if the League would support the six points of the Charter: universal manhood suffrage, annual sessions of Parliament, equal electoral districts, no property qualifications for Members, pay for Members, and voting by ballot. The terms of the offer were too stiff. Although the radicals among them were willing, most of the other free traders were not: the businessmen, to whom repeal was to be a paying proposition; the respectable middle class, which believed the Chartists were subversive; the humanitarian employers, who wished to do things for the workers but not with them; those in the League who did not wish to weaken its power by adding to its objectives; and those who simply were not in favor of the Charter even though they did not believe it was revolutionary. On the Chartist side, there was opposition to making common cause with the League because the businessmen were not trusted. There were grinding employers among them, and many had fiercely opposed the Factory Acts. Almost all of the businessmen had been too timid to stand up before the aristocracy on the corn law issue. Then, suddenly, they had become champions of repeal, denouncing the "bread-tax," acting as brave as lions before the landed interest, and conducting themselves with all the irritating enthusiasm of a convert. The skepticism of the Chartists hardened into opposition when the League refused to make the Charter one of its objectives.

Between 1839 and 1842, the League nevertheless set out to win over the working class, and after that time many of the free traders were still friendly with the Chartists. It addressed two kinds of arguments to the workers. One was political: the duty on corn was unjust, because it fell heavily on the poor, and was the more unfair because there was no income tax on the rich. The corn laws, the League declared, were the work of the very men who perpetuated the inequitable representation in the House and who were the greatest enemies of the Chartists. The other argument was economic, and less persuasive. It was that repeal that would raise both money and real wages. The money wages would rise because the demand for manufactures, and hence for labor, would increase. Real wages would rise because the cost of food would fall; and the League made the point clear by itemizing the additional quantity of manufactured goods which the workers would be able to buy with their existing money wage if corn were duty free. The probable wage effect of repeal was rather carefully thought out. The free traders assumed (and correctly) that a decrease in the price of food would cause expenditure on it to decrease (i.e., that the demand for food was inelastic), and that the additional expenditure on non-food items would increase the domestic demand for manufactured goods; that increase, together with the greater export demand, would increase the demand for labor and money wages. A special appeal was made to the workers in the original publication of the League, *The Anti-Corn Law* Circular, which in its second issue began a column addressed specially to them.

The free traders tried to bring over the working class by action as well as by argument. In the summer of 1842—a year of great distress and the hungriest of the 'forties—there was a strike in the textile industry. The League's conduct then is more instructive than its other actions, and shows how misleading it is to look upon the free-trade movement simply as an expression of laisser faire doctrine. The episode was a thunderstroke. It generated fierce controversy and the gravest accusations; although the histories of the period have recorded it, they have omitted what appear to be its singular features. It was called the turn-out, and began among the better paid workers, thereafter gathering force until the entire industry was closed down. An effort to broaden it into a general strike over the country, however, failed. In Lancashire, there was rioting and bloodshed, machinery was destroyed, gates were smashed and windows broken, factories were invaded to drive out the scabs, and some property was seized (more often a pub than a mill). There were mass meetings which declared the Charter to be the law of the land (as the great Peterloo meeting had done 20 years before). This much is known from contemporary accounts, most of them in the Manchester newspapers, both those which supported and those which opposed the League. Some referred to the strike as "the insurrection." About the other relevant facts, there is disagreement. The protectionists everywhere in the country charged that a few employers provoked the strike and that others urged their men to join it. The employers' purpose, it was asserted, was to give the workers' discontent a forcible expression and to turn it against the government in order to force the repeal of the corn laws. Whether or not that is true can never be shown with certainty. It is certain that the employers attributed the discontent and the strike to the corn laws, and that they told their men that employment and wages would increase if the government repealed the laws. It also is certain that some members of the League in their capacity as city authorities in Manchester did not enforce order, and were unusually lenient with the strikers who were arrested. The newspapers report that most cases were

remanded, and that is the last one reads of them, and that in some the striker was dismissed upon promising to return to work. Most of the cases were heard as the strike was coming to an end of itself. The Chartists were active, and when the strike ended they accused the free traders of having turned against it when it got out of their control. 22 Feargus O'Connor, the Chartist leader, said that he was told by one of the League's principal agitators, James Acland, that it intended to stop all the mills in order to force the government to repeal the laws. *The Manchester Courier*, an anti-League paper, quoted an employer as saying he would go on cutting wages until his men had not "a cabbage a day" to live on. 23

During the strike some of the free traders formed the Manchester Complete Suffrage Union, and it differed from the Chartists only in formally adjuring the use of physical force. (This indeed is what some of the Chartists themselves had done.) The Union appears to have been a movement quite similar to Chartism and to have been controlled by the middle class radicals. John Brooks, a leading figure in the League, was president; Charles Cobden, a brother of Richard, was vice-preisdent; and another brother, Frederick, was a founder along with Prentice and Potter.

The protectionists promptly made a great issue of the strike. A few months after it ended, the conservative *Quarterly Review* published a savage indictment of the League. The principal charge was that the League was prepared to use physical force even to the point of a general insurrection. Some of the supporting evidence was quite specific. The article, written by J. W. Croker, said the strike started when some of the employers locked out their workers and others had provocatively cut wages, that the League had formed an alliance with the Chartists early in 1842 at a meeting which resolved upon a number of presumably subversive objectives, one being to pledge that all present would exchange their currency for gold (which is what the radicals had done in 1832 to force the passage of the Reform Bill). Croker quoted League statements which called upon Parliament to refuse to appropriate money for Peel's government until it repealed the corn laws, and which proposed the deletion of the words, "legal and constitutional," in the statement describing the means the League would use to secure repeal. He accused the League of trying to carry the strike into the coal mines, and the Manchester authorities of willfully refusing to put down the violence. Taken all in all, Croker declared in characteristic style, the League was "the foulest, the most selfish, altogether perhaps the most dangerous combination of recent times."24

It is not sedition for which the Manchester School is celebrated, nor is the establishment of laisser faire usually thought to require mass violence. Nor are longheaded businessmen usually seen in the company of militant strikers. The League disclaimed all responsibility for the turn-out, and professed a strict adherence to peaceable persuasion. Yet the League in fact did engage in action so aggressive that it could not have stopped short of physical force, even if it had wanted to, which it did not always want. Its meetings were sometimes assaulted by protectionists or their hirelings, and the free traders answered in kind. The son of Absalom Watkin, a founder of the League, became practiced at setting a guard around its meetings, and so enthusiastic about his work that his father sent him out of the country to cool off. 25 Direct action was not confined to the rank and file members. They had before them

the rough-and-tumble methods of the leaders of the League. Bright wrote with satisfaction to Cobden about an impromptu meeting which he and other free traders staged near the Manchester Corn Exchange. "The master of the room took me by the collar and pulled me down; his red-coated familiar or porter was with him, but they were thrown off by my friends and threatened the police, etc." Cobden himself had no taste for such behavior, and indeed was repelled by physical violence in any form, but he replied to Bright that the episode was "a striking illustration of the progress we have made." At one time, he said, "the whole of the people on 'Change would have kicked you from Ducie Place to the Police Office." Of Bright it was said that "if he had not been a Quaker he would have been a prize-fighter."26 Cobden's pugnacity was less apparent and usually more telling. He held Peel "individually" responsible for the distress of the country in a speech in the House. During the same session, Peel's private secretary was killed by a lunatic who, some believed, mistook him for the Prime Minister. Cobden was accused of having provoked the attempt by his inflammatory speech. The accusation was intemperate, but so was the speech; and Cobden deliberately and admittedly harassed Peel in order to drive him to repealing the laws, or out of office.

In the midst of the turn-out he came to Manchester and made a speech that was circulated through the country. He categorically denied the League was responsible for the strike, and declared he would stake his "reputation as a public man and as a private citizen" on its innocence. 27 It was a powerful speech then, but it isn't today. He knew of the plan to shut down the factories and lock out the workers because Bright had proposed it to him in March. "The idea has struck me, and I wish thy opinion upon it." Cobden himself had concurred in a plan to call upon the manufacturing districts to refuse to pay taxes. 28 He knew that at the time of the strike his brothers and friends were fraternizing with the workers and trying to bring them into a suffrage organization. He warned them against it. "Depend upon it, nothing can be got by fraternizing with trades unions," he wrote to Frederick a few days before protesting the League's innocence. "They are founded upon principles of brutal tyranny and monopoly."29 Yet earlier that year he had considered a scheme for enlisting the support of the workers and other advocates of the suffrage. In February he wrote to William Stokes, a Baptist minister, that it was "important to consider whether the time had not arrived in which the League should dissolve itself and assume a new form, for other and more extensive purposes." What he meant was a union of the League with the Birmingham suffrage group of Sturge and the Chartists under O'Connor. Stokes reported this in a letter to *The Non-Conformist* published during the strike, and the letter was quoted by *The Manchester Chronicle* to embarrass Cobden. Stokes regretted that Cobden had dropped the plan.30

A year before the strike Cobden had told the House there would be trouble in Manchester if the laws were not repealed, that it would be useless for the government to threaten bayonets "unless they carried bread with the bayonets." At that time, an opponent rose to say that the freetrade campaign was "a vain attempt of the millowners to divert the attention of the people from the grievances which their own practises had brought upon them." Prentice laid the troubles to "the deep designing wickedness of some, acting upon the despair of the multitude." In his History of the Anti-Corn Law League, published 11 years later, he said the destruction of property

was much less than had been reported. It was reported to be large by *The Manchester Times*, of which he was publisher at the time of the strike. The most appropriate comment was made by one of the protectionist newspapers in Manchester, and it was gotten from *The Wealth of Nations*: "In the public deliberations the labourer's voice is little heard and less regarded, except on particular occasions, when his clamour is animated, set on, and supported by his employers, not for his, but their own particular purposes." 33

What seems to have happened is that the League, as such, took no action to provoke or to restrain the strike, while members of the League did try to use it to sharpen the repeal movement and to make it more menacing. Cobden's disclaimer, then, is literally true, but in its implications is not.

The Chamber of Commerce, steeped as it was in propriety, lamented the incident. Its annual report for 1842 concluded with a long, unprecedented discourse on the condition of labor in Lancashire. The statement is neither for nor against the workers; it is written as by fellow victims of the cause of their distress, which, the Board stated, was clearly the commercial policy that restricted trade and employment. The statement said that in "the late, lamentable commotions" the workers had been driven by hardship and suffering (not by the "wickedness of some") and that in the past they had borne their lot with "heroic fortitude." They were praised for respecting the property of the masters, there having been "not even a thread of yarn broken." They had, however, made one grave mistake, which was to believe that the masters had the power to raise wages. The belief was "a novel and alarming addition to the difficulties of the capitalists whose condition was previously sufficiently discouraging." It then stated, somewhat beseechingly, the predicament of the businessman:

To be placed in the midst of a population who regard them as responsible for their well-being, and to be unable, however willing, to employ them at adequate wages—to dread even the prospect of being made the instrument of curtailing still further their hard earnings—and as a return for all this odium to incur large annual losses of property—such for several years has been the anxious fate of our capitalists.34

The workers did not respond. After the strike, which was a failure, they moved farther from the free traders, into open opposition, and it was exploited by the protectionists who at times were able to persuade the Chartists to come into an open alliance with them. In time, the Chartists developed their case against the League, and it was most impressive when argued by James Leach. He claimed that the middle class had deceived the workers over the Reform Bill, and said they probably would do the same over repeal (which the middle-class radicals promised would lead to an extension of the franchise); that it was machinery, not agricultural protection, which caused the impoverishment of the working class; that not the worker but the manufacturers would benefit if there were an expansion of exports; that in fact exports would not increase noticeably because the lower wages abroad made the prices of most manufactured goods lower there and the others would be protected by a tariff; that the secret and ruling object of the League was to cut money wages; that there could be no permanent improvement in the condition of the workers until the Charter was enacted; and that the only solution to unemployment was the settling of the workers on the

land. John Campbell, secretary of the National Chartist Association, added another point to its case, and many workers believed it. He said that free trade would drive thousands of laborers off the land and into the cities to compete with the industrial workers and lower their wages.

Failing to enlist the workers, the League turned to the agricultural districts where, one would suppose, they would have found even less support and probably would have been driven out. That occasionally happened, and in other ways the farmers from time to time expressed their opposition to free trade. But eventually the tenants, the farm laborers, and the small landowners listened with great attention. Cobden was particularly effective, more especially because he was preceded by a reputation which had made him into a demagogic ogre. His effect on a rural audience was described by Walter Bagehot: "They were surprised at finding that he was not what they thought; they were charmed to find that he was not what they expected; they were fascinated to find what he was"—which seems to say, they were pleasantly surprised. 35

They were not, however, charmed into wanting the repeal of the laws meant to protect them. They were brought to it by being convinced that the corn laws did not in fact protect them—the small farmers, the tenants, and farm hands—but instead protected only the landlords whose work the laws were and who in so many other ways were responsible for the difficulties of others in agriculture. The League contended that when corn prices rose there was an increase in rents but that when prices fell there was little change in them. It promised that under free trade corn prices would be both stable and reasonable and that rents would be lower. There was continuous difficulty between tenants and landlords, principally because many landlords refused to give leases; and the tenants then were unable to make improvements in the land from which they themselves would benefit. The League declared that all tenants who wanted leases should be given them, and said that under free trade the landlords would be forced to grant them. It proposed also that rent be made a fixed quantity of corn, so that if there were price fluctuations they would be borne by the landlords. The argument was effective, because after 1842 prices fell substantially.

The farm laborers were told that free trade would make their wages more certain, because it would make prices more stable and employment more secure. The landlords often told the farm laborers that free trade was a wicked scheme of manufacturers who exploited their workers, and the League replied by telling the farm hands how much the workers in the mills were paid, which by agricultural standards was richness indeed. To the farmers who owned and worked their land, the League said that free trade would be to their advantage because it would diminish the power of the great landlords.

Its conquest of agriculture was the chef-d'œuvre of the League. One reason was that the corn laws did not provide an income adequate and certain enough to satisfy the majority of the population in agriculture; that is, the laws did not protect it. Another reason was the failure of the agricultural interest to marshal its forces in time to prevent their falling away to the free traders. When the effort was made, it was made too late, and it was reluctant, and altogether too gentlemanly. 36 Indeed, it was not begun by the landlords at all, but by a tenant farmer, Robert Baker, and for support he

had to rely on other tenants. He formed the Essex Agricultural Protection Society in January 1844. It was followed by other local societies, and they came together in a loose national body which got to be known as the Anti-League (which made it the anti-anti-corn law league). Its chairman was the Duke of Richmond, but even his great name did not rally the landed interest, which, when it did work with the tenants, almost always counseled restraint. The tenants wanted to make it into an organization as effective as that of the free traders, but they could not. Its meetings usually were small, soft-spoken, and conducted in an atmosphere of manly gentility which would have pleased Jane Austen but did not impress the House of Commons. Baker and the tenants wanted to stage great demonstrations, and to make the power of protection more articulate and effective in the House. They were overruled, although they were permitted to accept the challenges of the League to debate the corn laws. Even this the gentry found distasteful. The tenants wanted to add voters to the rolls, and again they were overruled. They were permitted to challenge the names added by the free traders, who, however, promptly challenged the protectionist names. In the end, there were fewer protectionist voters on the lists than at the start. No tenants were elected to the House, which was a grave handicap because the landed interest there was not as articulate, ingenious, combative, and resolute as the free traders. At the start it had the power of tradition on its side. As the strength of the League grew, the protectionist power needed a great leader if it was to be effective. Peel was not he, because Peel had come into office uncommitted on the corn laws; and the uneasiness which a few felt in 1841 grew into an extensive anxiety as the country saw Peel giving way before the pressure of the League. When he went over to repeal, the protectionists did not have a leader in the House, and it was only after the abolition of the laws that they at last found leadership, in Disraeli and Lord George Bentinck. In May 1846, after the third and final vote for repeal, the two met with the central body of the Society for the first time. In that vote, 203 of the members representing the landed interest voted aye and 197 voted no.37

The history of the protectionist Society is similar in some important ways to that of the Chamber of Commerce of Manchester. In neither was the cause put forward vigorously by those who stood to gain most by its success. In both, the rich were timid, hesitant, much inhibited by notions of propriety, and were invariable counselors of moderation and restraint. The tenants in the Society, as the radicals in the Chamber, sought to overcome the prudence of the richer and presumably the wiser. The radicals succeeded, the tenants did not. They had in common a strong taste for vigorous action.

They did indeed come together—the radicals and the tenants—and their union was one of the reasons why the League was successful in agriculture. Its success was the more remarkable in view of its failure to persuade the workers. They did stand to gain from the greater employment and higher wages which free trade would bring, while the farm tenants, the laborers, and the small owners would be injured by it just as the landlords would be. If each group had acted on its economic interest, as at the start Cobden expected each of them would, the forces in the campaign would have been quite different, and its course would have been different also; it would have been a contest between manufacturing and agriculture, and of city against country. In its greater part, it was not that at all. Each group acted against its economic interest, and

joined with those who opposed the dominant class in its area, the workers making common cause with the landlords against the employers in manufacturing, and the tenants, laborers, and small farmers joining with the businessmen to oppose the landlords. The reason may have been sheer perversity, and if it was each was willing to pay dearly to settle old scores.

The protectionists accused the League of being disingenuous about the effect of repeal on the price of corn. It was. It told the workers that repeal would lower the price of bread, and it told the farmers (a) that corn prices would not decrease at all, or (b) that if they did the decrease would not be appreciable (five or six shillings a quarter, at the most), or (c) that if the decrease was appreciable it would be borne by the landlords. "Manchester rubbish," James Wilson called the reasoning, and tried to improve it. At one of the Covent Garden meetings of the League in 1844, Wilson presented one of the best (and one of the few) statements about the economic effects of the laws and of their repeal. He said that the price of corn then was about what it was in 1800, that there had been a decrease in the income of tenants and in the wages of farm laborers, that the number of cultivators was about the same, and that total food consumption, hence the output of corn, had increased. This meant, he said, that the total income of agriculture was greater, and that landlords' income had increased by an amount greater than the increase in total agricultural income because the income of tenants and farm laborers had fallen. Moreover, the prices of manufactured goods had decreased, and the real income of the landlords had increased still more than their money income. The tenants and laborers, however, spent only a small part of their income on such goods and spent most of it on food. Their real income therefore had fallen

Wilson's speech is an example of how well a few of the free traders could work the limited facts available to them into a cogent argument. On one point, the increase in total food consumption, his facts could be questioned. Porter in *The Progress of the Nation* presented figures to show that per capita consumption of corn had declined, and one cannot determine whether that decrease was proportionately more or less than the increase in population. But even if it were more, and total food consumption had declined, an important part of Wilson's argument would have been unaffected, namely, the redistribution of real income in favor of the landlords.

The least persuasive—though none the less convincing—portion of his speech was its conclusion: "Now what we contend is, that if agriculturalists were exposed to the same principle as manufacturers are—to free competition—the same improvements might have taken place in agriculture which have been witnessed under competition in manufactures."38 That is, repeal would lower the price of corn, but that would not harm the tenants and laborers because corn was the principal item of consumption for them. Had they viewed themselves only as consumers, they might have been impressed. But thinking of themselves as the people who produced corn (as well as bought it), they must have known they were being told they would have to become more efficient or get out of farming. A chill counsel indeed, and characteristic of the merciless way in which Wilson and *The Economist* applied the doctrine of laisser faire. In his defense, it has to be said that the counsel was not of his making but was a reflection of a very common psychological notion. The notion was that economic

policy should not only make men wealthier but, even more, that it should make them self-reliant, diligent, and enterprising. If they were not all this, they soon would become so, or perish by being exposed to the rigors of the free market. The idea was an important part of Ricardian doctrine, it was elaborately developed by the Utilitarians, especially John Stuart Mill, and it was carried on by Marshall. In another version, it is the notion that laisser faire puts iron into a man's character. If it doesn't, and he perishes, he presumably hasn't a character worth putting iron into.

The idea was not noticeably effective in winning over the farmers. Its harshness was softened by the less cogent and more cajoling of the free traders who took the line that whatever damage was done to agriculture by supply and demand would be borne by the landlords. To the tenants they promised lower rents; to the laborers, higher wages; and to the small farmers they said that if land were forced out of cultivation it would not be theirs but the large estates'. The incident is another that shows that laisser faire doctrine did not rule the Manchester School. Some of the members spoke and wrote enthusiastically about it, although they were not willing to apply it in all its harshness. They were like the English whom Mill describes: those who cling to a baleful idea long after they have acquired sense enough not to act upon it.

To say that the Manchester School did not put before the nation a consistent and comprehensive argument for free trade is quite different from saying that its economic ideas had no effect. They had a very great effect, and were, in fact, chosen for their effectiveness rather than for their cogency. The League sent its "lecturers" all over Britain, and they spoke to millions between 1839 and 1846. In London it held meetings almost daily, and it rented Covent Garden and the Drury Lane Theatre for periods of weeks. Cobden, Bright, and Fox became national figures as they made repeal into a national issue. Bagehot relates that he and other students followed Cobden around London to hear him speak every night he was there. There probably never was an age when economics was as popular, when its ideas and language informed so large a part of the public, from the poor who were aroused by the injustice of "the bread tax" to the aristocracy which smarted under the label of "monopolist." Petitions were circulated over the country, and signed by millions. Delegations went continually to members of the House and to interview ministers. The ladies held bazaars and tea parties, went to Covent Garden to hear Mr. Cobden. and were complimented by him. Letters went through the mail bearing tiny blue stickers showing a child praying, "Give us this day our daily bread." No class, no group, no part of society was neglected, nor any means of appealing to it. The dissenting clergymen held conferences to consider repeal in relation to their duties, and their conclusions were reported in the House by the free traders. One of the League's tracts was broadcast to the churches. It said: "Remember that you will decide [at the next parliamentary election] for Life or Death, to many thousands of immortal beings. Remember, above all, that your decision will be recorded on high, and that you will be called on to account for your vote at that dread tribunal when all mankind will be judged."39

All this agitation was directed toward increasing the power of the free traders in the House. Behind it lay a very solid, measurable, and not at all flamboyant purpose: to increase the number of votes that could be secured on Villier's annual motion on

behalf of repeal. Along with the agitation went a very specific campaign among the electorate. The voting weakness of the free traders was apparent when they failed to stop Peel's corn law of 1842 (which removed some of the instability of the sliding scale). Thereafter, one of the League's principal objectives was to increase its political power in specific ways. In 1842, it made up a sheaf of tracts on repeal, and sent it to every registered voter in Great Britain. There were 800,000, and the cost of the effort was £20,000. Cobden then proposed the following program: (1) that the League correspond with 300,000 of the voters once a week; (2) that it hold meetings in every borough; (3) that it put up a free trade candidate in every borough where there was not already one; (4) that it promote the enfranchisement of those favorable to repeal by use of the 40-shilling freehold provision; and (5) that it challenge the protectionists on the voting lists wherever an error could be alleged. It was on points (4) and (5) that the league was most successful.40

It was in the House of Commons that the issue of repeal had to be decided. In Cobden's view, expressed in one of the first articles he wrote for the League's newspaper, the House after 1815 had committed itself to a course that must lead to the repeal of the corn laws and of all other restrictions on foreign trade including the Navigation Acts. That course had been set by the majorities of the Whig and Tory parties, and the House would have moved forward more rapidly had it not been for the restraining power of the landed interest. The League's strategy was to split the majority of each party away from the protectionists in it so that each would go ahead swiftly; and the League used the traditional technique of exerting pressure on the center in order to split it away from the right, or restraining, wing. The Tories felt the power of the League more than the Whigs did because they were in office and because the Whigs (apart from the radical wing) had equivocated for so long that they were more difficult to manage. It had to coerce the majorities because it was unable itself to elect enough members who were reliable free traders. Its efforts on the voting lists and in elections added only 35 free traders to the 90 who were there when the campaign started. When Peel took office, he continued the program of liberalizing commercial policy, and although he did not commit himself to maintaining the corn laws neither did he promise entire freedom of trade. He became the personal object of the League's pressure, and Cobden the person who exerted it. Each came to respect the formidable character of the other. As the free-trade pressure grew, it was Peel who was looked to for resisting it, and he was expected to answer Cobden in the House. Cobden's speech on March 13, 1845, is usually thought to be his finest. As he made it, Peel prepared a reply; but when Cobden finished, Peel put aside his papers and, turning to an aide, said, "You must answer this, for I cannot." When he yielded shortly after, the Tories split—the Whigs having gone over to free trade almost in their entirety—and the right went off with Disraeli and Lord Bentinck. Disraeli then tried to recapture the Peel Tories by using the same methods Cobden had used.

When Cobden was elected to the House in 1841, he had become a national figure, not quite of the dimensions of a commanding personality but of those of an agitator, and he was in fact called "the spoiled child of agitation." His maiden speech was not received with the tolerance, let alone the encouragement, usually shown to that of a member; it was in the agreeable, persuasive manner at which he excelled. But it was received with ridicule and anger. The House may have believed something great and

menacing had happened when it had to wait anxiously for the first speech of a representative from an industrial district. In it Cobden alluded to an argument he later was to make a telling one: that the corn laws imposed a tax on bread and so were an injustice to the poor. Hansard records laughter. Cobden remarked that he did not know whether it was he or the injustice that the House found amusing, "but still he did state that the nobleman's family paid to this bread-tax but one half-penny in every £100 as income tax, while the effect of the tax on the labouring man's family was 20 per cent."41 Then he challenged the Conservatives to bring in an income tax law with such rates and to put it to the House for a vote. He told the House that in the previous week the dissenting clergymen of Lancashire had met and declared that the corn laws were an injustice to the poor. Again he was jeered, and for some time after he was referred to as the Methodist parson who was the Member for Stockport. The reactions were promptly reported to the working class and the dissenting churches, and the House later found it paid dearly for its amusement. After another of Cobden's early speeches, a Conservative objected to his wasting the time of the House, declaring that the free traders had not "the least prospect of carrying any measure which they might propose."42 When the free traders made their annual motion in 1842, calling for the House to form itself into a committee of the whole to inquire into the effects of the corn laws—a motion which if passed would have led to repeal—it was defeated 393 to 90.

"By the spring of 1843, how changed was the tone of the House! There was no laughing now at or about the Lancashire leaguers," Harriet Martineau recorded. 43 Now, Cobden was one of the most "dangerous men" in the country, and the Tories demanded that the League be suppressed as a seditious organization. When the annual motion for repeal was made that year, it again was defeated but by a much smaller margin, and Cobden was received differently. *The Morning Post* described his speech:

Melancholy was it to witness, on Monday, the landowners of England, the representatives by blood of the Norman chivalry, the representatives, by election, of the industrial interests of the empire, shrinking under the blows aimed at them by a Manchester money-grubber. 44

The growing power of the League was in part attributable to its repeating certain arguments until they became a part of the common thought of the time. The corn laws, it maintained, were bad, because they raised the price of food and lowered real wages; they created unemployment by restricting the export of manufactured goods and their sale on the domestic market; they encouraged manufacturing abroad, and they protected inefficiency in agriculture at home. On political grounds too they were objectionable because they perpetuated the unjust domination of the House by the landed interest and because, by impoverishing the poor, they produced discontent and exposed the country to revolution. The laws imperiled Britain's security by antagonizing foreign powers, and the League contended that the "monopolists" also were imperialists, as Palmerston's behavior, it claimed, showed clearly. On moral grounds, the laws were even more deplorable. They not only imposed an unjust tax on the poor, but also unnaturally limited the supply of food and prevented nations from developing by free exchange the particular resources with which Providence had endowed them. It was the moralizing that elicited the most rhetoric, far more than the

economic or political arguments, and it seems to have been effective. On occasion Cobden would declare that the only question was whether or not any government had the right to restrict the supply of food, and he made his declaration during the hungry 'forties.

The protectionists themselves were not unskillful, and moreover they had a substantial majority. Their major coun-terstroke was the introduction of additional factory acts, which in time would have come anyway but were hastened by the protectionists' wishing to retaliate for the repeal campaign. They were another paradox of the period: As Britain moved toward complete freedom of foreign trade, it also moved toward greater control of the domestic market, and by 1854, when it removed the most ancient and honorable of all trade restrictions, the Navigation Acts, it had acquired an elaborate set of regulations over the conditions of work; and they were the lineal descendant of the Elizabethan Statute of Apprentices, an amendment to which, in 1802, had been the first Factory Act.

The Tories expected the businessmen in the League to force it to oppose the passing of additional factory acts. It did. Yet there was much more to the issue, and to say the League opposed the regulation of factory labor is as informative as to say it was in favor of free trade. Indeed as complex as its behavior was on the free-trade issue, that behavior was straightforward compared to its behavior on the Factory Acts. The position of the Manchester School on the acts never has been described completely, and cannot be here; but it needs to be summarized.

- 1. There were differences over the acts among the businessmen, some opposing any regulation of labor whatever, a few favoring fairly extensive regulation of adult as well as child labor, and some favoring only the regulation of the labor of children and women or only that of children. The single point on which all were agreed was that if labor in the textile mills was to be regulated in any way it should be regulated in the same way in all manufacturing, mining, and other industrial enterprises.
- 2. In its public declarations, the Chamber of Commerce was evasive, and behind them it probably was opposed to all regulation, including that of child labor, while being resigned to its eventually being introduced. However, a case has been presented to show that the Chamber was not completely opposed to regulation, and from that it has been inferred that the Chamber was sympathetic to the acts. 45 The case rests on a quotation from a statement the Board made in 1825 to the effect that the introduction of machinery gave the employers an incentive "to work their people to excess." Actually, this phrase is a part of a sentence that has a quite different meaning. The sentence begins, "That should it nevertheless be thought that [there is] a stronger inducement to Masters, than formerly existed, to work their people to excess . . . " and this conditional phrase is followed by the proposition that if there is to be regulation it should be general. The entire statement, of which the sentence is a part, expresses opposition to the factory acts, and the obvious inference is that the Chamber did not declare that there was an incentive for employers "to work their people to excess." 46 At that time and later, the Board refused to petition Parliament to pass additional factory acts, which it had been requested to do by delegations of workers, and also by some employers who believed that overproduction would be avoided if nightwork

were prohibited. The Chamber's refusal was expressed in a way that suggested (a) it was opposed to the principle of the acts, as when in 1830 it "declined at present to express any opinion on the policy of further restrictions on free labour"; and (b) it believed that the principle would be enacted in time, however much opposition might be expressed to it.47

3. The Manchester arguments against the acts were presented most often by Joseph Hume, Bright, and Cobden. Hume said (1845) the acts reduced the freedom of the adult worker and decreased employment by raising production costs; and he also said that they were unnecessary because the worker "might work for whomever he pleased and on whatever agreement he liked as to the hours of his labour." 48 He did not go so far as to say that the acts took away the right of children to "the free disposal of their labour"—as the Earl of Roselyn once had done—nor did he contend that they might work much or little or not at all, as they pleased; but he did say that there was no need for the state to look after them, because that was the job of their parents. In 1846 he asked the House if it had not been "admitted on all hands that every man was the best and fittest judge of the manner in which his time should be employed, and of the object to which it should be applied." 49

The House had not admitted any such thing. Not even Bright, who on the Factory Acts was nearer to pure laisser faire than he was on any other issue, had gone that far. He was in favor of regulating the labor of children and opposed to regulating that of men and women. He held to that position all of his life. It was traditional in the Bright family. His father had attracted much attention, some of it derisive and antagonistic, when he abolished the whip that hung on the walls of mills that employed children and was used to smarten them up when they became lax after eight or ten hours of labor: he also introduced schools for the children and other amenities. When John Bright opposed regulating the labor of men and women, he prefaced his argument by stating his regret at having to differ with the workers on this point. He admitted that in the factory districts there were "great and serious evils." But, he said, they were not caused by the factories themselves but by the urban environment, and could be found in every large city, whether it was industrial or not. Moreover, conditions were much better than they had been, and in time would become still better as the country became more prosperous, as the workers and employers made "a rational union among themselves," and as a general improvement in manners and politics suffused itself through all classes. 50 He agreed with Hume on the economic effects of the acts, and was in limited agreement about their political effects. But in place of Hume's fantasy about the freedom of the laborer, it was Bright's view that regulation would return the state to "something like the political economy of 100 years back." Actually, he was not much interested in abstract economic policy, and he was extremely interested in the partisan consequences of the acts. He accused the Tories of supporting them in order to separate the workers of the north from the employers there, and he despised the sympathy the Conservative party professed to have for the workers. He invited the party to prove its sincerity by making bread cheaper for them. Always sympathetic to the working class, he always was sensitive to the charge that his stand on the factory acts was hostile to it. Near the end of his life, a Tory accused him of being anti-labor. "You may remind the writer," he said, "that I sought to give the worker two loaves, when his party wished to give him only one."51

Both Bright and Cobden viewed the sponsors of the legislation differently from the way they regarded those who rallied to support them—just as they made a similar distinction among the ranks of the free traders. They did not, for example, see partisan motives in the work of Lord Ashley, the great sponsor of the acts. They deplored his "socialistic doctrines," regretted his "mere sentimentalities," and they urged him to bring to the problem "a little head as well as heart." That, in fact, is just what they themselves did in their own mills. When Bright asked Ashley to be realistic, he was not acting out the cliché of the hardheaded businessman who encounters a visionary reformer with no idea of what it is to meet a payroll. Both men wanted to improve the condition of the lower classes, and their conduct proves the sincerity of their professions. Bright was wrong in believing the improvement could come outside the law, but he was right in believing it could go no faster than real income increased. To place him and others like him among the Gradgrinds is foolish. Dickens was right about many employers; he was wrong about the leading figures. Bright appealed to Ashley to do something about the corn laws, and said that while Ashley was trying to help the poor, his party was making food scarce for them. Ashley replied that he did not see how the repeal of the corn laws would alter the conditions in which children worked in factories.52

One comes, finally, to Cobden's attitude toward the acts. It is bewildering. Less interested in the welfare of the working class, per se, than Bright was, he expressed less sympathy with its specific problems and he admitted less about the squalor of factories. He was less tolerant of Ashley, and was more eager to turn the issue of regulation against the Tories in order to advance the repeal movement. This aspect of Cobden's career reveals at best his parliamentary skill and rhetorical ability. It does not disclose the consistency and candor of which he was capable on other issues (most particularly, on pacifism). It was while he sought election to the House for Stockport in 1836 that he first expressed himself on the factory acts, and his ideas then were no more or less intelligible than later. He told the constituents of this factory district that he favored limiting the working hours of children because their health required it. The issue was for medicine to decide, not economics, he said. Then he asked them to consider what might happen if the working hours of adults were controlled. Could they not be set at 20 instead of 10? There was great danger to them in placing their welfare in the hands of the state. It was a return to medieval and Elizabethan practices. It also was unmanly. He thought too highly of them to think they needed the protection of the state. Returning to child labor, he said that those who favored regulation must have a poor opinion of parental responsibility. He thought highly of the parents, and would trust them not to expose their children to factory work. He concluded by saying that anyone who wished to be free of factory labor could liberate himself by saving twenty pounds, which would pay his passage to America where wages were higher. The next year he opposed the amendments to the acts, which were introduced by Poulett Thomson (the member for Manchester). The changes would have weakened Ashley's bill of 1833 and would have increased the hours of work for children. So Cobden favored regulating their hours, whereas a year earlier his circumlocutions brought him around to opposing it. In Parliament, he usually spoke against the acts, and his economic and political arguments were similar to Bright's. However, he did support Ashley's act of 1842 which prohibited child labor and limited the working hours of women—in the mines. He might have acted this way

because he wished to apply to mining the laws that regulated manufacturing labor; on the other hand, this law was the first to single out the labor of women for specific control, and in 1844 the principle was applied to manufacturing for the first time. In 1864, the acts were extended to potteries and other manufacturing establishments, and Cobden took no part in the debate. What is even stranger about his behavior is that he never voted on any of the acts presented while he was in Parliament. His conduct must have puzzled his colleagues. The historians of the factory acts have said contradictory things about it. Hutchins and Harrison, for example, state that by 1860 he was in favor of regulation, but there is no evidence of it in Hansard. 53 The only point on which he clearly stated a different opinion was emigration, and very likely he did not in 1836 believe what he said then. When it was proposed in 1863 in order to relieve the distress of the cotton famine, he dismissed it on grounds that the poor had not enough to live on, let alone to travel on. "My experience," he said, "is that almost everybody wants everybody else to emigrate." 54

The new factory acts were passed over the opposition of the League. Yet even in defeat it made capital for free trade. When the protectionists proposed to investigate the condition of workers in the factories, the League countered with the proposal to investigate the agricultural population. When the Conservative party condemned the low wages paid in the textile mills, the League compared them with the wages paid in agriculture, and invited the party to bring in a bill to raise farm wages. Was the raising of all farm income the purpose of the corn laws? Why then was the income of farm laborers and tenants so low? Was it because the laws were meant to protect only the landlords? If not, if the laws raised the income of no one, of what possible value were they? Simply to make food scarce? For almost eight years, the Tories were hammered in this way. On one occasion when Peel proposed to increase the duty on corn, Cobden demanded that he also introduce a bill to raise the wages of *all* workers. Peel replied that, acting on the best advice he could secure, it was not in the power of the government to raise wages or fix prices. Why then, Cobden demanded, was the House wasting its time with laws which meant to increase food prices and rents?

In reading Hansard, one has to remind one's self that the object of each side was to win the argument, not to provide later generations with a report of its economic policy. It is useless to look into the record for a statement by the free traders that will substantiate the belief that it stood for laisser faire. MacGregor found that the word itself was not used at all in the House debate over repeal in 1846 (although he found it once in translation). 55 And the absence of the word indicates that the idea itself was absent in any meaningful form. The debates were not won by the power of any single idea but by the adroitness of each side in deploying many of them. The egregious example was the debate over whether or not repeal would reduce the price of corn. The protectionists demanded that Cobden say exactly what would happen to the price: if the League was truthful in the cities, it was also proposing to injure the farmers, and if it did not mean them injury, then it was being false to the cities. In a speech in Manchester in 1843, Cobden replied variously that if the price of bread fell, city buyers could purchase more of the other farm products, and what the farmer lost in one way would be made up in another; that free trade would, by forcing British agriculture to become more efficient, lower costs more than prices; and that he was not one to believe the moral universe was so constructed that if one class, say the city

consumers, were to benefit by an act there must be suffering in another, and he left it to the Tories to explain an economic system in which that must be. Conquests of this order made the intellectuals in the League restive, and caused James Wilson to develop his argument, which was an elaboration of one point in Cobden's miscellany, namely, that foreign competition would force agriculture to reduce its costs.

The League finally was victorious in 1846. The domestic wheat crop in 1845 was a poor one, and the potato crop in Ireland was a failure. The Irish faced starvation, and the English faced high food prices. In the circumstances no government could have perpetuated the restrictions on imports. By October 1845, Peel had decided to support repeal, but in view of his party's traditional support of protection he resigned in order that it would not have to initiate the action. Lord John Russell, the leader of the Whigs, announced his conversion to free trade: "I used to be of opinion that corn was an exception to the general rules of political economy; but ... "56 Russell tried to form a government, and was unable. Melbourne had to be recalled to prevent the Whig leaders from opposing repeal. Peel resumed office, and with great difficulty brought the cabinet to his view. The greatest resistance came from the Duke of Wellington: "Damned rotten potatoes put Peel in his fright," he said, but at length agreed. Wellington, by one report, was put in his fright on being told that Peel otherwise would have to advise the Queen to call on Cobden to form a government. 57 The Tory party was split between those loyal to Peel and the intractable protectionists. While the debate was on, corn was released from bond, the corn laws were suspended by executive order in January 1846, and almost three million quarters were imported between August 1845 and August 1846, which kept the price below 55 shillings. Final approval was given the bill in June 1846 by the House of Lords, and it was to become effective in 1849, up to which time however the operation of the old laws was suspended. There was, therefore, free trade in corn from 1846 onward. The repeal measure provided for a duty of one shilling a quarter, and the duty may have been a parting shot at Cobden, who always had maintained he would tolerate not one day's delay and not one shilling's duty. Some of the intransigents of the League wanted to make an issue of it, but Cobden would not.

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5

Why The Laws Were Repealed

Repeal was a momentous change. It was the most important of the decisions that brought England to a policy of nearly complete freedom of foreign trade, something unique in history. The forces that produced repeal were varied, and the men who worked for it had diverse motives. I would like to set down what I think were the reasons for its success and, what is not quite the same thing but difficult to separate out, why the campaign was undertaken.

- 1. Repeal was a step in the movement toward free trade which was begun in the last quarter of the eighteenth century by Pitt who was a diligent student of *The Wealth of* Nations. The movement was arrested by the French wars, and resumed after 1815. In the budgets of Huskisson, in the 1820's, many duties were repealed or lowered, and it became the declared policy of the government of which he was a part that no industry would be given more than a 30 per cent protective duty. The practice was continued by the Conservative government from 1841 onward, and was especially noticeable in Peel's budget of 1842. It simplified the tariff structure by reducing many import duties, abolishing most duties on exports, and reviving the income tax in order to restore the small loss of revenue. However, none of the budgets between 1815 and 1846 exposed any important part of the domestic economy to foreign competition. The duty on tea was reduced, and that on raw cotton was abolished. There were frequent changes in the duties on corn but they were meant only to lessen, if possible, their burden on the consumer and were not meant to bring the country gradually to free trade. The Marxists explain repeal as the outcome of a historical tendency toward free trade, and Cobden himself once believed it inevitable because the government after 1815 had set itself on an irreversible course. His considerable efforts presumably made it more inevitable.
- 2. One reason why the movement was undertaken was the fact that an influential part of the public believed free trade would increase the income and wealth of the country. That belief was the essential point of liberal economic policy as applied to foreign trade, and the policy in its domestic aspect had become embedded in the public mind over a period of at least three centuries. The idea was not the product of the classical economists, even though they did not acknowledge its expression by the mercantilists who themselves did not originate it, and the idea was certainly not first given to the public by the Manchester School. The school exploited the public's predisposition to free trade; it did the job so well that it has become celebrated as the arch exponent of the idea, and has been ignored in other of its purposes. Some among the public believed in free trade because it would improve their own economic position as manufacturers, exporters, or consumers; others believed in it because it opened the way to other, more wanted, objectives, like peace or political reform. There were also some who wanted free trade simply because they believed it was a good thing for the country, not because it would confer material or other benefits on themselves; they

believed in it as nearly for its own sake as it is possible to believe in an economic policy.

That free trade would enrich the nation was an idea the League put before all classes and groups. It was the idea by which Cobden wanted to transform the repeal campaign from a parochial interest of the businessmen into what he called "a national issue." The intellectuals believed the agitators did not do it justice, and tried to make the argument more cogent. Millions heard it explained in one form or another over a period of eight years. They attended meetings, signed petitions, staged demonstrations, called on their members in Parliament, gave pennies to the campaign, patronized free-trade bazaars, and in these and other ways expressed their opposition to "the monopolists" who were holding back the progress of the nation. How much of their behavior was motivated by the power of the idea of free trade I do not know, but it would be rash to explain their conduct as the issue of specific self-interest alone. To be sure, everyone stood to gain by cheaper food and the economic growth which free trade promised. Still, it is hard to believe that such prospects—one of which was distant and both quite diffuse in their effect—could themselves generate such intense public excitement.

One's respect for the power of the idea, as an idea, is increased by recalling that it was of long standing at the time of the repeal campaign, and that it had been justified by its application to many domestic markets, to the trade in some imports and in almost all exports. When the Manchester School proposed it be applied to the corn trade immediately, the school was not making a novel proposal or demanding a radical departure from existing policy. It simply was asking for more of the same and demanding it immediately. In taking its case to the people, it again was doing nothing new. Public turmoil over the corn laws was about 25 years old when the League was formed, and there was a precedent for the raised voices and menacing demonstrations.

Among the historians of economic thought, there is an inclination to exaggerate the distance between the views of the economists and those of the public. When something like the Manchester School appears—which puts an idea into practice—the event is viewed as phenomenal (and the other forces which went into making the change are overlooked). Some of the great economists themselves have underestimated the public's acceptance of their ideas. A notable example is Smith. who often was "knocking at an open door" (to use a phrase which Pareto used about the socialists). Many of the restrictions on the domestic market had disappeared long before he objected to them. He may have been justified in believing the prospects were altogether dim for complete freedom of foreign trade. But his pessimism cannot explain the behavior of his followers in the next century. The classical economists then were not opposed to complete free trade because they believed the public did not want it—because they believed it was "politically unrealistic"—but because they themselves did not want it. One is bewildered by the spectacle of the public's being brought around at last to complete repeal while M'Culloch, repeating Ricardo, argues that landlords need some protection and John Mill is indifferent to the issue. There then was a distance indeed between the economists and the public, and it was the public who was far ahead, having been brought to its position by (among other reasons) the power of one of the ideas they professed to advocate.

- 3. There was a political—as distinct from an economic—motive in the work of some of the free traders. Their leader was Bright. As their purposes have been explained in detail, they need only be summarized here. They believed (a) that the removal of protection to agriculture would lessen the power of the landed interest in the House; (b) that it would drive the Tories from office and reduce the strength of the right wing of the Whig party; (c) that it would increase the influence of the business classes and bring them together with the lower middle class, which was being enfranchised by the 40-shilling freehold movement; (d) that it would bring about a more equitable distribution of seats in the House; and (e) that in time it would enfranchise the working class—the total effect being to create voting support, in and out of Parliament, for the policies of the Manchester School. What actually happened was not altogether expected, and the expectations were not all of them realized. There was, in a general way, a redistribution of political power away from agriculture and in favor of the industrial areas; the middle classes did become more important, and in time the working class also. But they did not constitute a reliable source of support for Manchester. The businessmen became rather conventional Whigs, and the 40-shilling freeholders became the dependable center of the Tories. The traditional parties, after initial disturbances, did not give way to a third party. They absorbed some of the policies of the Manchester School in a discriminating way, and the policies in their entirety never secured permanent political support. One reason was that they were diffuse and varied. Another is that those which happened to be popular were made into the program of one or another of the two parties or (as parliamentary reform was) of both parties. Still another is the fact that neither Cobden nor Bright was clear about just what kind of political support he wanted: whether from a third party, from the radical Whigs, or whether the support was to come from public opinion. On the eve of repeal, Cobden urged Peel to form a middle-class party. Peel refused. It was a curious episode: Cobden urging Peel to become his leader, and Peel declining Cobden as a supporter. Bright tried to apply to the franchise movement the methods that the League had used so successfully; but he could not get enough middle-class support. Both were reluctant to accept office. In 1845 Cobden refused the post of Vice-President of the Board of Trade offered by Russell, not because the offer was a paltry one, which it was, but because he wanted no part of officialdom. In 1869 Bright accepted the place of President under Gladstone. After 1846, the political support of the Manchester leaders always was uncertain. They were the creatures of the public opinion they created, and when the public changed its mind they were for a time completely cast aside.
- 4. Pacifism was the motive of another group in the free-trade movement, and Cobden was its leader. Its faith was that free trade would make war impossible, because war would impoverish the millions who depended on international exchange. The idea, it may be noticed, is not the customary relationship adduced between free trade and peace: that trade creates international specialization which, in turn, prevents a nation from becoming self-sufficient enough to wage a war. Rather, the idea is a simple expression of confidence in self-interest. It was a faith that moved Cobden, and he moved thousands, perhaps millions. "Free trade," he said, "unites, by the strongest motives of which our nature is susceptible, two remote communities, rendering the interest of the one the only true policy of the other, and making each equally anxious for the prosperity and happiness of both."

Pacifism was Cobden's ruling purpose, and that is the most informative thing which can be said about him. The man who has been held up as the tribune of laisser faire was, in fact, not governed by economic purposes at all but by something much different; and of all the people who have written about him only Hobson has made the fact plain. There are few public figures whose motives were as transparent as Cobden's, and few who have been so mistaken by contemporaries and later generations. He said repeatedly that he wanted free trade because it would bring world peace, and his actions were altogether consistent with what he said. The evidence is so abundant that one is puzzled over its not being used. In 1842 he wanted to make the League a part of the peace movement—despite the fact that the League's constitution prohibited its taking on any other cause than repeal and despite Cobden's insistence that the constitution be followed literally when others wished to add their purposes to it—and his proposal was to bring the free traders over to pacifism, not the other way around. He wrote to Ashworth: "It has struck me that it would be well to try to engraft our Free Trade agitation upon the Peace Movement. . . . Free Trade, by perfecting the intercourse, and securing the dependence of countries one upon another, must inevitably snatch the power from governments to plunge their people into wars." The proposal was not carried out, and after repeal Cobden tried again. In 1847, he urged Bright to join him in marshaling the free traders against Palmerston's militant foreign policy in order to "try to prevent the Foreign Office from undoing the good which the Board of Trade has done to the people." He knew quite well that his pacifism was ignored by others, and he also knew that his motives were misunderstood. In 1850, he said:

But when I advocated Free Trade, do you suppose I did not see its relation to the present question [of peace], or that I advocated Free Trade merely because it would give us a little more occupation in this or that pursuit? No; I believed Free Trade would have the tendency to unite mankind in the bonds of peace, and it was that, more than any pecuniary consideration, which sustained and actuated me, as my friends know, in that struggle.

Only a few of his friends in fact did know. One was Combe, and pacifism was an issue on which they differed from the start. "I could account for his views only by Mr. Cobden's peculiar organization," he said, and meant "phrenological organization." His pacifism is indeed an interesting aspect of his personality, because it informed and guided his private as well as his public life. He had an aversion to violence, which was almost an obsession, despite his pugnacity during the repeal campaign. He was horrified by duelling and boxing, he condemned capital punishment, he disliked brass bands as much as the armies they accompanied, and he asked the Pope to prevail upon the Spanish to stop bull fighting. "Those horrid Indian massacres keep me in a constant shudder," he wrote in 1857. He didn't believe in revolution or in wars for national independence, and his reaction to the American Civil War was to denounce "the senseless and unscientific butchery" (although he hardly could have been less horrified had it been scientific). Yet as gentle as he was and as much as he relied upon persuasion, he was not a timid man, and he had great moral and physical courage. For some seven years he led one of the fiercest contests in the political history of the nineteenth century, and he repeatedly faced hostile crowds.1

After the corn laws had been repealed and he saw that free trade did not have the pacifying effect he had predicted, Cobden believed the fault lay with the free traders. "How few . . . really understand the full meaning of Free Trade principles," he wrote in 1857. "The manufacturers of Yorkshire and Lancashire look upon India and China as a field of enterprise which can only be kept open by force." He did not, however, lose hope, and when he concluded the commercial treaty with France in 1860 he said: "It will only require a few years to develop that state of mutual dependence which forms the solid basis for the peace and happiness of nations." The decisive test came when he had to choose between pacifism and free international capital movements of military significance. He promptly chose pacifism. The episode is related in Chapter 6, in which the Manchester School's ideas of foreign policy are described.

Cobden's opposition to colonies was the best known feature of his pacifism. As a young man he read *The Wealth of Nations*, and his copy is still in the library of Dunford House, his last residence. There are lively marginal notes by the passages in which Smith condemns the colonial policy of Great Britain. But there are none at all by the celebrated passage about the invisible hand. Just what were Cobden's views on laisser faire? They were those of many other men of affairs: a declaration, at times mounting to enthusiasm, for the principle, and a refusal to be guided by the principle alone in coming to a decision about a particular measure of economic policy.

Cobden rarely spoke about the principle. Once was in 1842 when he demanded repeal on the ground that it would increase employment and hence was a duty of the government. Peel replied, "You assume that we have the power, but I, acting upon the best judgment which I can form . . . entertain strong doubts as to the efficacy of the measure which you recommend." It appears that Cobden was saying that a policy of free trade would increase employment and that it was the government's duty to remove an obstacle to free trade. The idea is a part of laisser faire doctrine, and guite the opposite of the contention that the government has the duty to maintain employment by controlling trade. Cobden repeated the idea in 1846, in the only important speech he made during the debate over Peel's motion to abolish the corn laws. "You cannot do better than leave industry to its own instincts. If you attempt by legislation to give any direction to trade and industry, it is a thousand to one that you are doing wrong; and if you happen to be right, it is a work of supererogation." In 1848, in a debate over monetary policy, G. F. Muntz, a leader of the "Birmingham School" of currency reform (which was inflationary) said, "If honest, sober, industrious men could not find employment, the fault was with the government." Cobden rose to say that "it was a most dangerous doctrine to advance, that it was the duty of the Government, under all circumstances, to find employment for all who were able to work and of good character." Muntz hastened to declare that he had been misunderstood, that he fully agreed with Cobden, that he was not asking the government to assure employment, that he meant only its fiscal and monetary measures were mistaken.3

What does this mean: that the government has not the responsibility to maintain full employment or that it has not the power? Has it the power to direct certain other economic affairs and has it the responsibility to use that power? It seems to me that Cobden and most everyone else believed the government hadn't the power to increase

employment, except by removing obstacles to international trade, and that it did have the power to direct a few other economic affairs. I do not believe they were opposed to government action in all affairs. Whether or not their view was consistent with economic liberalism is a matter of definition. It certainly is not consistent with the extreme version of liberalism, as expounded then by Herbert Spencer, for example, or in this century by Hayek. The matter of definition is quite important. If laisser faire means that the government should act only where it can be effective, then laisser faire means only that the government should not do what it cannot do. If laisser faire means that economic decisions are the ethical prerogative of the individual, it means the government should refrain from acting even where it can be effective. The doctrine sometimes has meant—as it meant to John Stuart Mill—that the government should act only where individuals themselves are not effective and should refrain from acting where individuals are. As much as one admires Mill, one feels that his solution was a feeble one, because it turns on the meaning of "effective." It is a relative notion. Perhaps Mill meant that the government should intervene only where a thing (as the shortening of working hours) would not be done at all. But he really didn't say that. Since his day, the advocates of government direction have found more and more instances of individual action being ineffective simply by showing that it is not as effective as the government's action can be. And, indeed, Cobden found a few. He supported the Banking Act of 1844 which gave the Bank of England quasi-monopoly powers and which, as Lloyd W. Mints remarked, was odd in one supposed to be a champion of laisser faire. 4 He was very critical, indeed scornful, of the Poor Law of 1834 which then (and now) was taken to exemplify the laisser faire policy of Senior. He was opposed to completely free international movements of capital. He had no difficulty in supporting legislative control of railway construction in order that the tracks would be of a standard gauge. His ambiguous stand on the factory acts was described in the last chapter. And he was not above exploiting the public's distaste for extreme liberalism. In the 'thirties, the handloom weavers had petitioned the House for relief and had been turned away. Cobden recalled the incident when he condemned the House for protecting the rents of agricultural landlords:

I am well acquainted with the answer which the poor distressed hand-loom weavers got when they addressed the House and claimed its protection. They were told that the House had been studying political economy, and that the weavers had entirely mistaken their position, and that their wages could not be maintained up to a certain price. 5

The acid in this reminds one of Carlyle's comment on the classical assumption of full employment which underlay the Poor Law of 1834.

5. An altogether different motive governed some of the businessmen in the League. They wanted free trade in order to cut money wages. It was their "great object," and according to the protectionists and many historians it was the object of all or most of the free traders. I do not think it was, and as so much has been written otherwise the point calls for rather close attention. That a wage cut should have been thought to be the primary purpose of the movement is understandable, because: (a) Some businessmen did say they wanted repeal in order to cut wages. (b) The Chamber in 1837 stated that the corn laws raised money wages and placed British manufacturers

at a disadvantage in foreign markets; and at its critical meeting in December 1838, when the radicals took control of it, their most compelling argument implied that repeal would lower money wages. 6 (c) The Philosophic Radicals cited the point in their argument for repeal, and Villiers repeated it in the House when he made his annual motion in 1838. (d) Money wages in some areas were regulated in part by the price of corn. (e) That they must be was a part of Ricardian economics, which held that money wages in the long run were determined by the cost of subsistence.

The evidence is persuasive, but it is not convincing. What it shows is that a wage cut was the purpose of some of the free traders, and that at one time their support was necessary to make the free-trade movement effective. To make the evidence complete there should be added to each of the points above the following facts: (a) Not all of the businessmen believed free trade would lower wages, and a few did not want them lowered. How many did believe it and how many did not, I have no idea. The fact that opinion was not unanimous means that the lowering of wages was not the "great object" of repeal. Of those who did believe it, not all of them thought lower money wages would be the principal advantage of repeal or even an important one. Those who held the belief were a minority in the counsels of the League, and after a while their view counted for less than nothing, the others finding it a liability and insisting that they keep it to themselves. A quite different idea of wages was expressed by the businessmen who spoke and wrote for the League, who organized it and drove it forward. Cobden and Bright, once they were in power in the League, contended that free trade would increase money wages. The most important tract on repeal written by a businessman was that by W. R. Greg, which (as explained below) stated that repeal would lower money wages but that they always would be higher than those abroad. (b) Although the Chamber did deplore the high money wages which, it said, were caused by the corn laws, it objected more strongly to other trade restrictions which had either a most indirect effect on wages or none at all. Moreover, its view of wages changed after 1838. (c) The Philosophic Radicals impressed the businessmen very much but did not give them their ideas or show them where their true interest lay or make their motives explicit to them. Carlyle's judgment of them as the "Paralytic Radicals" is undoubtedly harsh, but as a description of their political ineffectuality it was accurate. (d) It was only to a limited extent that money wages were in fact regulated by the price of corn. 7 (e) It is not to the Ricardian system that one can trace the promptings of the businessmen or those of most others in the free-trade movement. By now it must be plain that there was no close correspondence between the ideas of the Manchester School and those of classical economics. If that were not clear enough, the fact that the Ricardians opposed complete repeal should be. The point shows the hazard of reading a policy implication in a positive statement of the classical economists, or of any other, no matter how logical the implication may be.

Nevertheless, the lowering of money wages was thought to be the principal purpose of repeal. The League categorically denied it, and it was categorically asserted by the opposition. Many of the businessmen urged their workers to support repeal on the ground that their money wages as well as well as their real wages would be increased. The workers refused to believe such a thing possible (although at one time they did) and, seeing where the idea now came from, closed their minds all the more to it. "Oh, you have been most grossly bamboozled—most grossly deceived and gulled, most

effectually practised upon," Cobden told an audience about the wage question. § Yet even his power failed on this point. It is noteworthy that money and real wages did increase after 1846 along with the rise in textile exports and employment. Repeal was one cause of the increase.

6. More important than a wage reduction to most of the businessmen was an increase in the demand for textiles. One is led to this conclusion by what was said, written, and done during the period. The businessmen wanted to remove all import duties, thereby increasing their exports and their sales in the domestic market. They long had believed that their fortunes were governed by foreign trade, and they watched closely those actions of the government that in any way affected it. I have described the Chamber's efforts to alter the corn laws. In the same period, it also petitioned the government to change other of its policies. It asked for free trade between Ireland and England; it opposed the limiting of the size of vessels in the East India trade, and deplored what it said were unnecessarily cautious quarantine regulations which restricted the movement of other ships; it expressed alarm over a report that a higher duty was to be placed on raw cotton from America, and it urged the extension of cotton-growing in India and Egypt; it called for the recognition of the independence of Colombia and Mexico, which had promised to open their ports to the trade of all nations that did so; it opposed discriminatory duties on sugar and coffee from outside the empire because of their "lessening the demand for our manufactures"; and it declared that the equal treatment of Brazil would dissuade that country from imposing retaliatory duties on British capital and would present "a wide field for the employment of British capital." In 1839 it asked, "How are we to create such a demand for our productions abroad, as shall give the means of subsistence to this industrious community, and supply a profitable field of employment to our capitalists?" By "nothing . . . but the carrying out in practise [of] that principle of free trade."9

The industry objected to the restrictions because they limited its sales and were thought to do this in three ways. Some duties (like that on raw cotton) increased costs and prices; others (corn, sugar, coffee) increased the cost of food and reduced expenditure at home for textiles; and all reduced Britain's imports and, hence, its exports. Free trade, the businessmen believed, would increase sales by reducing costs and increasing demand at home and abroad. As the League developed its campaign, it emphasized more and more the expected increase in demand, and by 1841 that was the official line of the free traders. "If I know anything," Cobden said in his maiden speech in the House, "the repeal of the Corn Laws means increased trade and the claim of a right to exchange our manufactures for the corn of all other countries, by which we should very much increase the extent of our trade." 10 The cost reductions from free trade were less and less noticed, although the duty on raw cotton was not entirely removed until 1845. Had the businessmen and the League in its entirety been governed by the intention to cut wages, the cost effect would have been emphasized and the demand effect given little notice. Of course it is conceivable that the emphasis was put on demand to hoodwink the public. Still one would expect to find some evidence of duplicity, since it is available on other points. Or it may have been that, despite all they said, the free traders wanted to cut wages but simply didn't realize it.

A more plausible—certainly a simpler—explanation is to suppose they meant what they said. It is characteristic of businessmen in an expanding industry to be more enthusiastic over still greater increases in demand than in the possibility of cutting costs, as welcome as that possibility always is. The English laborer always would be "a more costly machine," W. R. Greg stated in 1842. His pamphlet was the best reasoned statement made by a businessman of the viewpoint of his class. 11 It opens by stating that the output of cotton goods increased at a fairly steady rate between 1821 and 1839, and thus the ensuing recession was not attributable to an unusually large increase in output. It was caused by a decrease in the demand for textiles: in the home market where high food prices took money which would have been spent on textiles, and in the foreign market which was deprived of sterling by the corn laws. In order to restore the demand for textiles and other manufactured goods, Britain must accept goods from foreigners which are their "mode of payment." It follows that "perfect freedom of interchange therefore . . . must form the sole basis of our future prosperity." It would reduce the costs of production of manufactures, Greg states, and "cheaper food will no doubt enable our people to live in much greater comfort than at present, upon considerably smaller earnings." The "smaller earnings" will be helpful to the manufacturers, but it is not the cost reduction that will eliminate unemployment; rather, it is the increase in the foreign demand for manufactured goods, which increase will be greater than the foreign capacity to supply it. Free trade in corn will produce such an increase. It will raise food prices and wages abroad. lower both at home, lower the rate of profit in foreign manufacturing, and thereby reduce the incentive "to invest capital therein," shift resources to agriculture abroad, and restrain the growth of manufacturing there.

Cobden differed pointedly from one aspect of this view of repeal, which was that of both the humanitarian and the self-interested businessmen. He would not admit the possibility of lower money wages or that there was any advantage in lowering them. He said they would increase under free trade because output would expand, and the higher wages themselves would make the expansion still greater. In 1842, he said:

In every period when wages have dropped, it has been found that the manufacturing interest dropped also; and I hope that the manufacturers will have credit for taking a rather more enlightened view of their own interest than to conclude that the impoverishment of the multitude, who are the great consumers of all that they produce, could ever tend to promote the prosperity of our manufacturers.

In public assemblies, one of his favorite metaphors was "the circle of exchange," and he described how it would be enlarged by free trade, meaning that trade would increase and along with it domestic employment and the demand for all goods. It was the nearest he came to classical doctrine, and is interesting because it is closer to the mercantilist way of looking at trade, in relation to economic growth, than to the classical view with its emphasis on efficiency and equilibrium. To the businessmen in the League, he addressed the warning: "I don't think Manchester will carry the repeal of the Corn Laws, but that we shall carry it only by making it a national question. Therefore don't let the enemy make it be believed that this is a mere manufacturers' or cotton spinners' question." 12

When the businessmen claimed that repeal would increase the demand for textiles they were not looking only to the future. They expected an increase immediately after the laws were abolished, and their reasoning discloses the considerable facility some of them had with economic ideas. So long as the corn trade was restricted, both an increase and a decrease in corn imports could, it was believed, reduce the demand for textiles in the home market. Imports increased substantially only when the domestic price was high, and the increase caused an outflow of gold. The high price of corn reduced the domestic demand for textiles, and the reduction was made greater by the deflationary effect of the gold outflow. In the critical summer of 1842, the businessmen believed that repeal would have an inflationary effect which would relieve the present distress and, in addition, establish the condition for a long-term expansion of the textile industry; and this reasoning supported their belief. It also supported the belief that the corn laws were an unstabilizing influence on the entire economy as well as on the sectors producing grain and textiles.

When the laws were repealed, the textile industry in fact did expand at a more rapid rate than in the past, but so did the rest of the economy. Free trade was one reason for the higher rate of growth, another was the increase in the world's gold supply after 1849, and a third was the external economies that were yielded by the railway investment made before 1850. Between 1840 and 1860, cotton exports increased at twice the rate of increase between 1820 and 1840, while the rate of increase in all exports was four times as great in the later as in the earlier period. The demand argument for repeal was well remembered by the free traders themselves, and it was Edmund Potter who laid the figures before them in 1861. 13 They proved, he said, that his class had acted more in the interests of others than in its own. However, it is doubtful that in the 1840's his class knew it was promoting an end that was no part of what its self-interest intended. When the end became quite clear, the businessmen cooled toward free trade in an unmistakable way. (The events then are described in Chapter 6.)

7. Another motive of the businessmen was to arrest the growth of manufacturing abroad, possibly to stop it altogether, and, at the least, to lessen the competition it was giving them. They differed among themselves over why repeal would have this effect. Some believed it would lower money wages and, hence, costs at home and raise costs abroad, because food prices at home would fall and those abroad would rise. Some believed that it would halt the emigration of skilled workers from Britain, leaving foreigners without the necessary labor to produce textile machinery. Some believed free trade in Britain would cause other countries to lower their duties on manufactured goods. Some connected the increase in demand from free trade with the arresting of manufacturing growth abroad, saying that if foreigners had sterling they would buy British instead of domestic goods; although why they would do this if their own goods were cheaper it is difficult to understand. There is no doubt that by 1838 the British manufacturing industries had become alarmed at the industrial development abroad. The alarm aroused the Chamber out of its timidity, and marshaled the businessmen into the League. It was infectious, and was expressed by the leaders of the government. There was in the idea this rather remarkable implication: When the businessmen argued that without free trade, Britain would lose its dominant position in world manufacturing and that with free trade its superiority would be guaranteed,

they were awkwardly close to saying that the merit of free trade was in its giving them a monopoly on the world market. They were playing for high stakes indeed. The most of which the League ever accused the British landlords was of wanting to monopolize the domestic corn market. The protectionists seem not to have made capital out of the implication. That is odd, because they were adroit at quoting the classical economists against the Manchester School, and they might have recalled Ricardo's observation: "In principle, nothing as odious as monopoly and restriction; in practise, nothing so salutary and desirable."

- 8. The Chamber stated that foreign countries would be opened to British capital by a policy of entire free trade. From the time of its founding onward, it expressed anxiety that restrictions on imports of any commodity from any country would cause foreigners to restrict the import of British capital as well as of goods. Though it occasionally professed to want a pacific foreign policy and showed how free trade would support it, the Chamber more often petitioned the government, and the Foreign Office particularly, on behalf of measures that would keep world markets open to British goods and capital even when such measures were, as they usually were, anything but peaceable.
- 9. On the opening pages of this study I said that the Manchester School was more an expression of middle-class radicalism than of classical economics. Its radicalism was one of the reasons why the free-trade campaign was successful. Its radicalism comprehended some of the motives described above. One was not, and although it cannot be made as explicit as the others it was important and ought to be set down. It was the attitude of dissent. It has been said that every important reform in Britain since the start of the nineteenth century has been promoted and brought to success by people who were obstinate, single-minded, disagreeable, and slightly ridiculous to their contemporaries and occasionally to posterity also. There were such people in the League, and each of them had his own reasons for wanting free trade. But it is hard to believe that it was their reasons that gave them the energy, courage, and resolution to see the campaign to its final success. They wanted free trade, one feels, simply because protection was a part of the established order of things, and they simply would not accept that order. Behind their reasoned case for free trade was a destructive temper which itself was indestructible. It gave them the energy which others in the movement lacked and which sustained it when it most needed resolution.

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The School After Repeal

The League was suspended on July 4, 1846, and never again did the Manchester School have as effective an organization for propagating its ideas. In 1852, the protectionists made a flourish at restoring the corn laws, and the League reassembled briefly, displaying so much truculence and money that the attempt was abandoned. The momentum of repeal brought the complete abolition of the Navigation Acts in 1854. They were the last important restriction on trade, and had been defended in *The Wealth of Nations*, it may be recalled, on grounds that "defence . . . is of much more importance than opulence." Their repeal probably was a more significant change in economic policy than was the repeal of the corn laws, because it was more clearly a measure which could or did reduce national power. The subordination of power to other aims was a characteristic that set the Manchester School apart from the classic liberals. The liberals, as far as I know, always put power before wealth when the two were clearly incompatible.

When the choice was put before the Manchester School the businessmen chose wealth and the pacifists chose neither if both were bellicose. The businessmen favored the assertion of power if it was to serve their interests, as when, in 1822, upon learning that Spain intended to invade Mexico, where they had investments, they petitioned the House "for the protection of the property of the merchants of this Country," and again, in 1848, when they asked the Foreign Secretary to use his influence to lift the Danish blockade of the Elbe because the blockade was causing "distress to the manufacturing districts of this country." They opposed national power when it did not serve them, as it did not in the Navigation Acts, which increased their shipping costs. They usually tried to prove that whatever increased their wealth also increased the nation's power or to prove that the two were entirely compatible. It may have been that the repeal of the Navigation Acts did not lessen Britain's power, because its costs of ship construction and operation may have been as low as those abroad. "But English ships and sailors can now navigate as cleaply as those of any other country; . . . The ends which may once have justified Navigation Laws require them no longer," Mill wrote about 1848. However that may have been, it seems most probable that the businessmen would have opposed the acts even if the acts were protective, because they were opposed to other protective laws which raised their costs or lessened the demand for their product. The view of the Chamber (1846) is Olympian in its indifference to the political importance of the acts: "Of all the monopolies by which consumers of this country have been oppressed, none have a more ancient date, or have been more densely surrounded by the haze of prejudice, than our Navigation Laws."2

No so the pacifists. They were alive to the political consequences, and they chose wealth over power because they believed free trade would make war intolerably expensive, not because they wanted to enrich the nation and certainly not because

they wanted to enrich the manufacturers. Whenever free trade had a bellicose effect, they opposed it, and they then declared themselves against both wealth and power. Such a circumstance arose in 1850 when the Russian government sought to borrow money in the London market to purchase armaments. Codden opposed the loan. The free traders were puzzled, and the protectionists were delighted. "No free trade in cutting throats," he explained. He elaborated upon his view by recalling a conversation he supposedly had with a financier whose view was that the use to which any loan was put was immaterial so long as the principal and interest were secure.

"Would you be justified in lending money for infamous houses?" Cobden asked.

"I would."

"Then I am not going to argue with you—you are a man for the police magistrate to look after; for if you would lend money to build infamous houses, you very likely would keep one yourself if you could get 10 per cent by it." 3

When the Crimean War began in 1854, Bright and Cobden opposed it. Their popularity declined, but they held to their principle. The businessmen had no taste for pacifism, and gave their erstwhile leaders no support. The middle-class radicals were most of them patriotic in this instance. The Philosophic Radicals supported the adventure; a few had, indeed, become members of the government. They were denounced by Cobden and Bright as turncoats, and they replied in kind. In 1857 Britain was flagrantly aggressive in China in the Lorca Arrow incident. The pacifists put the issue before the House, and by a narrow vote caused the government to fall. In the general election which followed, Cobden and Bright were badly defeated. Greville's comment is worth quoting in full:

They who were once the idols of millions, and not without cause, have not only lost all their popularity, but are the objects of execration, and can nowhere find a parliamentary resting place. No constituency will hear of them. The great towns of Lancashire prefer any mediocrities to Bright and Cobden. It seems that they had already ceased to be popular, when they made themselves enormously unpopular, and excited great resentment, by their opposition to the Russian War, the rage for which was not less intense in Manchester and all the manufacturing districts than in the rest of the kingdom.

In time they found constituencies again, but their return to Parliament—Bright's in 1857 and Cobden's in 1859—was not in the heroic manner of their election in 1847.

After 1846 there was not the reduction in tariffs among Britain's customers which the League had predicted would be one of the consequences of repeal. The manufacturers prevailed upon Palmerston to send Cobden to France in 1859 to persuade Napoleon III to make a commercial treaty with Britain. Cobden did not want to go; the French, he said, did not understand economics. In time, however, he agreed, and the episode is another instructive example of the power of an idea and of Cobden's mastery of it. In all Europe there was no less promising a candidate for conversion to free trade than the Emperor, unless it was the Tsar (although his court earlier had been much taken

by Harriet Martineau's parables on laisser faire). Cobden had first to persuade the Emperor that the proposal was not meant to lessen the power of France, which was less difficult for Cobden than for anyone else to do because he was known to be a pacifist and a formidable opponent of Palmerston's foreign policy. He had then to convert the Emperor to free trade, which took some doing, and finally to persuade him that it was a politically feasible policy, which took even more because the Emperor believed (with reason, it turned out) that his regime was not altogether popular.

Cobden had broached such a treaty in 1849 when he was in Paris for a peace congress organized by pacifists. He and Frédéric Bastiat called on the French Minister of Finance, Passy, "a sound political economist and intelligent statesman," i.e., a free trader. "He made difficulties," Cobden noted. He told Passy that only after two or three more finance ministers had been sacrificed to the futile effort to raise revenue could they expect someone to come forward with the proposal to reduce armament expenditure. When he returned in 1859, a mutual arms reduction was a part of his object, though a purely private, and perhaps secret, part because the British government gave him no authority at all on this point. Cobden indeed was embarrassed during the negotiations by the saber-rattling in Palmerston's speeches.

"I had to give him the first lessons in political economy," he said about his initial meeting with Napoleon III, which took place in October 1859. He apparently was quite good at theory, because in a few weeks they were discussing how the French people might be brought around to the principle. Napoleon was not at all impressed by the notion that free trade was a political reform. "We make revolutions in France, not reforms," he told Cobden. He wanted the treaty to be submitted to the Corps Legislatif for approval, and then Cobden became adamant. "But governments are opposed to a simplification of their proceedings, or to bringing them under those rules of common sense which control the acts of every day life," he noted. Cobden insisted that the Emperor stand by his initial promise to negotiate the treaty himself, and told him that he would have great support from the merchants and manufacturers. The Emperor was dubious, and needed bucking up. In the spring of 1860, Cobden met with some influential Frenchmen, and they organized the Free Trade Society; its object was "to insure a moderate scale of duties, and to counter-act the efforts of the protectionists to maintain prohibitive duties."

During the negotiations, the political side of foreign policy kept intruding. Cobden told the Emperor that the businessmen of France and Britain would keep the two countries at peace "so long as it is their interest to do so," but that if defense expenditures on each side continued to increase, the businessmen would come to think that war would be cheaper and, "on economical grounds," rightly so. He proposed that the leading capitalists of both countries sign a declaration calling for both to reduce their military expenditures. He was, as usual, driven by his pacifism, which he once called his "monomania," for in the midst of negotiating the details of a new tariff schedule he found time to urge disarmament upon the ministers of the French government and to meet with pacifist groups. He was particularly pleased that the leader of the Saint-Simonians had changed the Roman maxim "If you would preserve peace prepare for war," to "If you would preserve peace prepare for peace." 6

The treaty was at length concluded. There were few who could withstand Cobden's powers of persuasion, and Napoleon III was not one of them. He was persuaded to adopt the principle of free trade even though he believed the people did not want it. Peel, it will be remembered, had to be persuaded to adopt it because the people did want it. The treaty reduced duties substantially on both sides, trade increased, and the businessmen of Lancashire were well pleased. They raised £41,000, and gave it to Cobden as an expression of their gratitude. The treaty was the last major success of the Manchester School in the field of commercial policy.

Soon after it was signed, the Civil War began in the United States, and the pacifism of the school was put to another great test. The school has been called one of the forces that prevented Britain from intervening on behalf of the South. It was, but it appears to have been less of a preventive force than was the increase in cotton imports from India and Egypt. At the start of the war, the leaders each took their characteristic positions. Cobden deplored the war in its entirety, condemned both sides for "the senseless and unscientific butchery," was rather more censorious of the North because of its greater military power, and he believed the only solution to be a permanent separation into two nations. Until that happened he would support the South. Bright's position was much different. His Quaker principles were more strongly opposed to slavery than they were to war, and far beyond this he saw in the Civil War a contest between the democratic masses of the North and the landed aristocracy of the South. "It is not our war," he said in 1861; "we did not make it. We deeply lament it . . . but I do not know that we are called upon to shut our eyes and to close our hearts to the great issues which are depending upon it." "T

The great issues to Bright were not, as some historians would have it, the conflicts between industrial capitalism and quasi-feudal agriculture, but those inherent in the contest between democracy and privilege, the privilege of those who got their wealth from business as well as of those who got it from the land. "Privilege," he said before a great meeting of the trade unions in London in 1863, "has beheld thirty millions of men, happy and prosperous, without emperor, without king, without the surroundings of a court, without nobles, except such as are made by eminence in intellect and virtue, without State bishops and State priests," and privilege had tried to turn the clock back. His listeners approved. One was Marx. "I attended the meeting held by Bright," he wrote Engels. "He looked quite the Independent and every time he said, 'In the United States no kings, no bishops,' there was a burst of applause." 8 It made up a bit for Bright's "cowardly" opposition to the Crimean War. In the House (1863), Bright warned against placing any confidence in the industrialists of the North who, he said, might well sacrifice the principles at issue by accepting peace on the South's terms: "the rich commercial classes in all countries . . . from the uncertainty of their possessions and fluctuations of their interests, are rendered always timid and almost always corrupt."9

He brought Cobden around to his opinion, but Cobden continued to regret the bloodshed. About pacifism there was an important and curious difference between them. Cobden was near to believing in complete nonviolent resistance in all conflicts, and for a practicing politician he was remarkably consistent in regulating his public behavior by this private principle. He was not as successful in adhering to some of his

other ideas, and there were occasions on which he was disingenuous. Bright was much more candid, less agreeable, and less persuasive, but about the principle of nonresistance he refused to declare himself. He thought there were a few cases "in which there seems to Christian and rational men no escape" from war. In answer to a correspondent who asked if he were opposed to war in principle, he said, "I advise you not to trouble yourself with the abstract question. The practical question is the one which presses," and that is how to avoid the wars which are avoidable, as, he said, most of them are. 10 His decision in the Civil War was even more practical: the war had begun, and one had to choose sides. His choice was swift and clear; and it was consistent with the political purpose that directed him in the free-trade campaign.

The businessmen, who had been so important a part of the school, were divided and doubtful in their view of the war. They had an understandable affinity to the industrial system of the North, and they also had a quite important interest in getting cotton from the South in order to operate their mills. The workers were sympathetic to the North (for the same reason Bright was), but contemporary accounts show them to have been less resolute than the history books of a later period have made them. Soon after the war started the cotton shortage reduced the operation of the mills to one day a week, and the hardship was greater even than that of the 'forties. The Chamber examined numerous ways of increasing cotton imports from other sources, such as Egypt, Turkey, India, Brazil, and Australia; and it called upon the government for assistance whenever needed, despite a feeling that such aid was inconsistent with "sound economical principles." Henry Ashworth, the Chamber's president in 1864, commended the governments of Turkey and Egypt for having given "a description of encouragement to cultivation similar to that afforded in this country by agricultural societies,—not protection exactly, but such information and encouragement for the growth of cotton as it was becoming in their part to offer, and those countries had reaped large advantages thereby."11

"A description of encouragement" was a euphemism indeed for the policies which the Chamber urged the government to apply in India. Early in 1861, the Chamber held a conference on Indian affairs. It discussed whether or not a loan should be floated to finance public works—like roads, canals, and railways—in India, which would facilitate trade. The Board proposed and the meeting adopted a resolution calling for an annual loan of five to six million pounds to complete the transportation projects that had been stopped. In the discussion, one member declared that the scarcity of cotton was almost as serious as the scarcity of corn had been. The meeting also adopted a resolution calling for a reduction of military expenditure in India, because that spending had created a financial stringency which forced the government to abandon the public works program. The meeting deprecated the Indian tariff on foreign manufactures and the effort of the Indians to industrialize. One participant was reported as saying he thought they might be "accused of selfishness on this question, in endeavoring to prevent India from becoming a manufacturing country. But he thought they [the Indians] were doing wrong in giving an impetus to the introduction of machinery into India, their natural trade being the production of the raw material." A resolution was adopted which said that Indian duties on manufactured textiles were "in effect equivalent to a highly restrictive duty on the export of cotton, and consequently a discouragement of its growth in that country."

The president of the Chamber at that time, Edmund Potter, said the resolution itself would answer any charge of selfishness. 12 But two years later at the Chamber's annual meeting, John Cheetham, a businessman, wanted to know, "What advantage is India to us if we cannot create her into a great competitor with America?" He wanted India made into that by whatever means were necessary, and the next year he said that "if India was to be left to private enterprise he had no confidence in it." He proposed that the British government undertake to increase cotton output there, and declared he hoped for something better than "the usual stale answer, namely that it was contrary to the rules of political economy." 13

It was by securing cotton from outside America that the businessmen hoped to keep their mills at work and so avoid having to declare themselves on the Civil War. In its annual report for 1861, the Board explained that it was forced to refrain from expressing itself on the war "by the extreme difficulty of separating the commercial from the political part of the question," and it called upon its successor to make a declaration. Potter urged that an appeal be made to the businessmen of the North "to stop this useless slaughter," and he implied that peace was possible by making secession permanent. Thomas Bazely, an M.P., repudiated Potter's implication and denounced the idea of Britain's recognizing the South. 14

Slowly the imports of cotton from other areas increased, and it was of kinds that required more labor for being worked into textiles. Thus, employment increased more than output, and the position of the working class improved somewhat. Early in 1864, Ashworth said that cotton imports were sufficient to keep the mills operating three days a week and that by the end of the year they would be working four and a half days. It has been said that the Emancipation Proclamation stiffened the pro-Northern views of the English working class, made it willing to bear the hardship of unemployment, and hence prevented the British government from intervening on the side of the South. Lincoln issued the Proclamation in September 1862, and it was made effective at the start of the next year. The Chamber held its annual meeting in January 1863, and the report shows there was much restiveness among both the employers and the workers over the policy of the British government. In 1864, when the mills were operating at from one-half to three-fourths capacity, the restiveness had subsided, the criticism of the government was negligible, and there was no talk of intervention. Whether the freeing of the slaves in itself prevented British intervention, one cannot say. One can say that the act had much greater force in England as raw cotton came in larger quantities from outside America.

Cobden died in 1865, and with his death there went, according to the *Spectator*, "the most sensitive insight into the true spirit of commercial liberty, which the 'pure middle class' has ever produced." Disraeli was much nearer the truth when in his eulogy he said Cobden was "close, coherent, sometimes even subtle." A few years later there was a noticeable decline in those ideas of the Manchester School which he represented. During his life he kept alive and vigorous the opposition to an aggressive foreign policy, to the balance of power, to colonies, and to imperial expansion. The pacifists drew upon his influence to advance their program for disarmament and the arbitration of international disputes, and it was to this program that he gave more attention and to which he put more effort than to any other among the multitude of

causes with which he was associated after 1846. Yet he never was able to secure from the businessmen the support for pacifism that they gave to free trade. One can follow the logic of free trade to its eventual outcome in a peaceful, stateless world. The logic needs some time to work itself out, and businessmen, like governments, live in the present; and their interests (again like those of governments) often can be advanced by an aggressive foreign policy. Being dependent on imports of raw materials and the foreign demand for their product, their interests were more often promoted by men like Palmerston than like Cobden. I have described how the Chamber repeatedly called upon the government to turn its foreign policy toward promoting the textile industry, except in the matter of the corn laws. It could be bold enough, indeed brazen, when there was no danger of provoking a great domestic interest like the landed proprietors. It displayed no timidity at all when, for example, it asked the foreign office to lift the Danish blockade of the Elbe so that British goods could get through. In *The Manchester Politician*, Gerald B. Hertz described the consistency between the ideas of foreign policy expressed by the Manchester businessnessmen and their economic interests. He would have us believe that the school's ideas were dictated entirely by those economic interests, and that is making far too much of them because the businessmen alone did not direct the school. He was, however, altogether right in saying that *their* ideas were trimmed to their statements of profit and loss. They did not always get from the government the policy they wanted, but they usually asked for it. It is paradoxical that the most famous of the Manchester politicians, Cobden, should have been so unlike Manchester on an issue—pacifism—which he repeatedly said directed his public conduct. Hertz noticed the anomaly, but thought it of no importance. There is a visible expression of it in Manchester on St. Ann's Square. At one end there is a statue of Cobden and at the other end a war memorial. Each has its back to the other, and whoever placed them there was remarkably obtuse or very subtle.

Bright survived Cobden by 24 years, and continued to be directed by "the ulterior measure" just as surely as he was during the free-trade campaign. It was to increase the political power of "the people . . . the middle and industrious classes." 15 In the House he put forward the radical view of parliamentary reform, but accepted the gradual measures of Gladstone. He saw aspects of the franchise in almost every problem to which he turned after the repeal of the corn laws, as he had seen it there. He advised the workers that unions were useless and even mischievous if the workers did not have political representation. He would not commit himself on the principle of an income tax, and would only say that it was the inevitable result of limiting political power to the extravagant rich. Even on the troublesome problem of emigration he saw a solution in the franchise. Emigration, he said, would be unnecessary in a country that was well governed, and for that the franchise was essential. His ideas were called "democratic" or "republican," at a time when those words had a subversive connotation. His biographer, Trevelyan, tried very hard to show they were undeserved. His subject was not, Trevelyan said, a "low Jack Cade" (a notorious rebel in early English history). There was, however, reason for his contemporaries to think his opinions were, to say the least, advanced. "The class which has hitherto ruled in this country has failed miserably. It revels in power and wealth, whilst at its feet, a terrible peril for its future, lies the multitude which it has neglected," he said. He spoke of the House of Lords as that "exalted place" populated by "exalted persons,"

and declared that it must be abolished. As he enlarged upon the aristocracy, he disclosed (should anyone have wondered) that "I have no great opinion of Bishops," and he spoke of "fat, sleek deans." His anticlericalism was made known in his effort to disestablish the Irish (Anglican) Church. He came to be regarded as an opponent of the monarchy, and occasionally was spoken of, only half in humor, as the first President of Great Britain.

I for my share do not learn from history that everything has been wisely done that has been done by monarchs and statesmen. On the contrary, almost all the greatest crimes of history have been committed, and all the greatest calamities have been brought upon mankind, through the instrumentality of monarchs and statesmen. I would rather have the judgement of an intelligent and moral people informed as to their interest and their duties. 16

Bright's views kept him out of Palmerston's Liberal cabinet in 1859, and Palmerston wanted to offer him a Privy Councilorship as some recompense. The Queen would not hear of it. She wrote to Palmerston: "It would be impossible to allege any service Mr. Bright has rendered, and if the honour were looked upon as a reward for his systematic attacks upon the institutions of the country, a very erroneous impression might be produced as to the feeling which the Queen or her Government entertain toward these institutions." 17 Bright himself did not believe his views were radical. In fact, he professed to think them conservative, because if put into practice they would strengthen the country by granting the mass of people their rights and so secure their loyalty. "I assure you," he told the Tories, "that resistance is not always Conservative. I profess to be, in intention, as Conservative as you." 18

Among the ideas of the Manchester School, it was the franchise that was carried forward most successfully after 1865. Bright's great adversary in the House was Robert Lowe, the Conservative Chancellor of the Exchequer, the most notable advocate of free enterprise in the history of the House of Commons. If history conformed to any reasonable sort of presupposition, he would have been the leader of the Manchester School instead of being the leader of the opposition to its leader. Bright and Lowe did not contest each other on free enterprise. It was John Stuart Mill who engaged Lowe on the issue. Lowe said that the principles of political economy decreed certain absolute rules of policy. Mill rose and said with some anger, "I do not know in Political Economy a single practical rule that must be applicable to all cases." 19 Mill sat behind Bright in the House, and worked closely with him on the franchise.

The free-trade idea fared less well than the franchise. The businessmen themselves began to question free trade only four years after Cobden's death. Some of them then supported the Reciprocity Association whose purpose was to increase exports by reciprocity treaties and imperial preference arrangements. In 1886, it was moved in the Chamber of Commerce "that, having waited in vain forty years for other nations to follow the Free Trade example of England, the chamber thinks the time has arrived to reconsider that position." The motion was defeated 22 to 21. So it was that in less than half a century, Manchester economics passed from a commanding position to one which had to be held tenaciously. What remained was an impression—never

clearly perceived—of what some good men had fought for and what well-meaning people still should want. When Logan Pearsall Smith was a student at Balliol in 1889, he was invited to breakfast with Jowett who had some great persons as his other guests. "Then they got to talking about Free Trade," Smith wrote in his diary, "and most of them turned out to be Protectionists, which in England is a fad of the intellectually incompetent." Jowett was pained. "They wagged their foolish heads, and said how hardly Time had treated the high hopes of the early Free Traders and how prosperity was immediately to arrive, and how Cobden had said that in 40 years the name of Protection would be obsolete." 20 Foolish or not, they were right, and Jowett's distress was the wishfulness of an older generation.

Protection was more than the enthusiasm of dullards. It was a growing force, and in part was the consequence of a dissatisfaction with the policy of laisser faire with which free trade, mistakenly as it happens, was associated. The fact that the Manchester School never enunciated a coherent policy of laisser faire—the fact that laisser faire at the very most was a subordinate interest of its leaders—did not save it. The enemies of liberalism believed it had, and that was enough. The enmity showed itself in many ways. The state enlarged its power over the domestic market, and as it did it understandably wanted to control foreign trade also. Some of the critics went much further and repudiated the ethical premises of liberalism. To them the remedy was not adding another industry to the scope of the factory acts or subsidizing the output of some sort of raw materials in India. The remedy was to sweep away the premises from which the classical economists began, or were thought to have begun. Hence, Ruskin in analyzing Mill's Principles refused to accept his definition of wealth, insisting it was not the sum of products but the quality of a people's happiness, that what mattered was not income but what men did in order to earn it. By 1870, he was at last a force to be counted, and people came to understand what he had meant 20 years before when he turned away from art and announced he would devote himself henceforth to political economy. "He says a great many things that are worth being remembered," Bright said of Ruskin, "and I must say—I hope he will forgive me—he says a great many things that ought to be forgotten."21 Ruskin was a dedicated enemy of liberalism in all of its aspects, and it was he more than anyone who set it on its long decline, not excepting Carlyle and not excepting Marx. "Taken as a whole, I perceive that Manchester can produce no good art, and no good literature; it is falling off even in the quality of its cotton; it has reversed and vilified in loud lies, every essential principle of Political Economy; it is cowardly in war, predatory in peace," he wrote in *Fors Clavigera*, and was in time listened to. It is strange that he should have been responsible. Yet, it was so. "To some men brought up in the traditions of the Manchester School, the dawn of a change might have come first from poetry— . . . but, above all, from Ruskin," Alfred Hopkinson wrote. 22 Why this should have been is an interesting point but beyond the net of this study. It is especially interesting because the ruling motives of the Manchester leaders were not as distant from Ruskin's as he thought.

The decline of the school had its ironic side. By 1884, liberalism had fallen so far that Spencer, in *The Man versus the State* (one of the very few expositions of laisser faire ever written), was able to list several scores of laws that abridged in a fundamental way, he believed, the freedom of the individual. Among the victims of the change

were some of the liberals themselves. As an instance, Spencer quoted from a work called "On the Value of Political Economy to Mankind," in which it was declared that "the truth of Free Trade is clouded over by the *laissez-faire* fallacy" and that "we need a great deal more paternal government—that bugbear of the old economists." It was written by A. N. Cumming, and it won him the Cobden Prize Essay award for 1880.

Notes

NOTES TO INTRODUCTION

NOTES TO CHAPTER 1

NOTES TO CHAPTER 2

NOTE TO CHAPTER 3

NOTES TO CHAPTER 4

NOTES TO CHAPTER 5

NOTES TO CHAPTER 6

Bibliography

In order to make the bibliography more convenient to use, the works have been grouped according to four of the topics of the book. Some contain information on more than one topic, and they have been classified according to that topic on which they contain the most specialized information.

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- [17.] Trevelyan, *The Life of John Bright*, p. 283.
- [18.] Speeches . . . by John Bright, p. 328.
- [19.] Quoted by MacGregor, *Economic Thought and Policy*, p. 86.
- [20.] A portrait of Logan Pearsall Smith, drawn from his letters and diaries and introduced by John Russell [London, 1950], pp. 48-49.
- [21.] Speeches on the Public Affairs of the last Twenty Years, 2d ed. (London, 1869), p. 7.
- [22.] In the preface to Gerald Berkeley Hertz, *The Manchester Politician 1750-1912* (London, 1912), p. 6.