

# Free Trade

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Exchanging commodities by commercial transaction is one of the most direct forms of transferring cultural and intellectual capital. Historically, however, international trading relationships have been complicated by national rivalries, opposing economic interests, and the desire of nation-states to protect domestic industries as a guarantee of economic power and military strength. Against these restrictive influences, the acceptance of free trade has varied according to time, place, and circumstance. This article examines the international and ideological trajectory of the idea and considers the structural and economic influences which shaped policy development and outcomes, as well as the historical context within which it occurred.

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## Introduction

The notion of free trade in international commerce has a long history, but only in the 18th century did an increasingly liberal view of the practical benefits and economic efficiency of free international commerce emerge in scholarly work. Most notably, *The Wealth of Nations* (1776) by Adam Smith (1723–1790) (→ Media Link #ab) saw free international commerce as a prerequisite for the wealth creation of expanding capitalist economies through the division of labour and the removal of artificial barriers to trading relationships. Smith's work was the catalyst for free trade theory, and despite the obstinate survival of protectionism, notably in emerging nation-states anxious to protect domestic industries as a guaranty of national strength, free trade theory was increasingly accepted as underpinning progressive, modern policy-making.

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## Early Modern Conceptions of Trade

Since ancient times, mercantile activity often had disreputable associations and was frequently considered a dishonourable activity. The primitive state of communication (→ Media Link #ae), localism, xenophobia, and religious (→ Media Link #af) and cultural divisions all conspired to promote fear of foreigners and, by extrapolation, activities involving foreigners were tainted with suspicion and even hostility. That commerce could create wealth was nevertheless acknowledged, and the great medieval city-states and commercial markets of Ghent, Antwerp and Brussels were examples of this process. Yet by the 18th century these markets had been swept away by civil strife and the religious wars, though Lombardy and Tuscany survived as enlightened, prosperous areas of commercial activity.

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The commercial success of the Dutch Republic (→ Media Link #ah) in the 17th century inspired an interesting analysis which identified free commerce as an important cause of that success. The Dutch economist and businessman Pieter de la Court (1618–1685) (→ Media Link #ai), a leading figure among a group of Amsterdam merchants attempting to break the trading monopoly of the Dutch East India Company, cited free competition and republican government as two central components in the economic wealth and prosperity of the Republic. In his book *Interest van Holland* ("The Interest of Holland", 1662), de la Court also described naval power as complementary to Dutch commercial activity and success. With his theoretical arguments that were based on his experiences, de la Court provided a link between the previous definition of free trade relating to the monopoly rights and exclusive commercial privileges of the 16th and 17th centuries, and the broader conception of the relationship between commercial policy of free trade and wealth creation which would become prevalent in the 18th century.

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In the medieval and early modern period, opposition to exports was the predominant sentiment among thinkers and the general populace. Yet the opposite tendency, fear of a glut or "fear of goods", also gained ground, leading to protective state policies directed against imports.<sup>1</sup> The economic ideology which emerged out of this insular mentality was mercantilism. The mercantilist age is commonly held to have lasted from the early decades of the 17th century up to the 1780s. In different guises, mercantilism existed across Europe, but its ideological home was England, where the theory was most fully formulated.

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The content of mercantilist doctrine was relatively straightforward: Firstly, it aimed at securing a favourable trade balance for maximal capital accumulation. Secondly, it stipulated that foreign policy must be foremost preoccupied with securing resources, especially precious metals. Thirdly, subsidies and bounties were given to manufacturers, and cheap raw materials and low interest rates were used as incentives to promote investment and employment in domestic industry. The fundamental policy objective of mercantilism was to secure a commercial advantage over rival powers.<sup>2</sup> For mercantilists, the total amount of global commerce was finite and the idea of increasing global wealth was "wholly alien to them".<sup>3</sup> Its corollary was that national wealth could only be augmented by military force and astute diplomatic activity. It was thus vital to secure a favourable trade balance, with exports exceeding imports.<sup>4</sup> Mercantilists did not disparage commercial activity, as was often mistakenly claimed, but their attitude to it did not encompass ideas of mutual beneficence.

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In the 17th century, economic writers were often businessmen whose policy prescriptions might reflect their own economic interests. Sir Thomas Mun (1571–1641) (→ Media Link #am) wrote the classic work on the subject: *England's Treasure by Forraign Trade, or, The Ballance of our Forraign Trade is the Rule of our Treasure* (1664).<sup>5</sup> It identified mercantilist policies with maintaining national power and military strength, and its influence was widespread. For theorists such as Jean-Baptiste Colbert (1619–1683) (→ Media Link #an), international commerce was war by economic means, a "perpetual combat in peace and war among the nations of Europe as to who will gain the upper hand".<sup>6</sup> Similarly, Sir Josiah Child (1630–1699) (→ Media Link #ao) assumed that human behaviour was governed by self-interest and consequently viewed trade as a form of warfare (→ Media Link #ap), for "[f]oreign trade produces riches, riches power, power preserves our trade and religion".<sup>7</sup>

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A minority of writers like Henry Martyn (died 1721) (→ Media Link #aq) and Jacob Vanderlint (died 1740) (→ Media Link #ar) argued that protective policies were economically inefficient and could lead to a retaliatory cycle of tariffs.<sup>8</sup> Some mercantilists adopted an intellectual position approximating to a free trade position as well, but did so to further their own particular commercial or economic objectives. There were few "pure" free trade arguments advanced before Adam Smith.<sup>9</sup>

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## Mercantilism and Liberal Political Economy

The actual beginning of modern free trade doctrines arguably predated Smith. In the 1750s, the French Physiocrats argued for the extension of internal trade without barriers and enunciated the slogan *laissez faire, laissez passer* ("let them proceed, let it pass") to promote reducing export prohibitions on agricultural (→ Media Link #as) products. The Physiocrats argued that the economy should be self-regulating, free from governmental intervention, and that only agriculture could produce a surplus.

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Anne-Robert-Jacques Turgot (1727–1781) (→ Media Link #at), a leading Physiocrat, argued that a capital surplus was necessary in order to provide economic growth. As a philosopher, administrator and economist, his influence was great, and he attempted to encourage a free-market environment within France. He notably pre-empted Smith in identifying the importance of a division of labour. While he was the Finance Minister of France between 1774 and 1776, Turgot applied the principle that there should be free grain trade inside France. Nevertheless, he was still against imports except during a period of drought, with further provisions protecting consumers and producers.<sup>10</sup>

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The Physiocrats, however, were not the direct precursors of the free trade movement because their main objective was to promote greater agricultural output, and it is doubtful that they would have argued for the same policies if France had possessed a different socio-economic profile. The Physiocrats did not assign much importance to international trade; for them, *internal* trade was the key element, and their limited view of the economy could not provide the basis for emergent theories of commercial liberalism in an international context.<sup>11</sup>

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A far more important influence on Smith was the philosophical literature inspired by Thomas Hobbes' (1588–1679) (→ Media Link #au) book *Leviathan or the Matter, Form and Power of a Commonwealth Ecclesiastical and Civil* (1651).<sup>12</sup> Hobbes had argued that because self-interest ruled the passions of men, they would delegate authority to a powerful state to regulate affairs. This theory led to a wide-ranging debate as to how the economic self-interest of individuals could conform to the wider interests of society. The Scottish philosopher Francis Hutcheson (1694–1746) (→ Media Link #av) tried to bridge the gap between moral philosophy and economic behaviour by arguing that natural feelings for others provided a moral sense that tempered self-interest. Josiah Tucker (1712–1799) (→ Media Link #aw) was equally influential by postulating the harmony of private and public interests in the economic arena and by claiming that the government was to harness and channel self-interest into socially desirable directions.

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Smith's conceptual approach combined these two positions of self-interest and the operation of the "Invisible Hand" in open markets.<sup>13</sup> He was able to construct a system by drawing upon different strands of arguments and proposals made by previous writers and thinkers. His fundamental proposition was that free trade should be pursued independently of the policies of other countries and that it was applicable to all countries regardless of their economic development – a contention hotly disputed by later writers.<sup>14</sup>

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To Adam Smith and his followers, mercantilist policies were a misallocation of resources, because they were used to endorse and fortify restrictive practices (→ Media Link #ax).<sup>15</sup> Smith famously described the pernicious influence of mercantilist doctrine in uncompromising terms:

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By such maxims as these, however, nations have been taught that their interest consisted in beggaring all their neighbours. Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss. Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity.<sup>16</sup>

Smith demonstrated the economic inefficiency of mercantilism and denounced its apparatus of governmental regulation. While challenging the ramparts of mercantilist doctrine, Smith provided an analysis of economic conditions at that time and the development of a capitalist economy.<sup>17</sup> Smith argued that the division of labour was related to the extent of the market and that surplus produce could be exchanged for the produce of other men's labour, thus providing mutual prosperity. According to this concept of "Universal Economy", the distribution of goods throughout the world would benefit all nations and called for commercial relations which would facilitate exchange.<sup>18</sup>

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Still, the practical application of free trade ideas challenged powerful vested interests, and politicians generally evinced neither the conviction nor the will to depart from long-established mercantilist policies. Commercial negotiations between 1783 and 1787 did produce some significant results, though, with tariff reductions between numerous European countries. The most important was the

1786 Anglo-French Treaty of 1786<sup>19</sup> whose liberalism in commercial policy certainly gave some currency to Smith.<sup>20</sup>

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Despite this ideological progress, in practical terms the Treaty was predominantly concerned with particular economic sectors rather than propagating a new set of commercial policy principles. Until the end of the Napoleonic Wars (→ Media Link #ay), "there was little contemplation of free trade policies". In Britain, re-exports and colonial (→ Media Link #az) trade gave rise to new manufacturing industries, which were not yet sufficiently developed to seek new markets through freer commerce.<sup>21</sup> Protection thus remained the basis of commercial policy, allowing emergent industries to develop within a secure domestic market. For example, the silk and linen industries in Britain and Ireland, it has been argued, constitute "fairly clear examples of infant industries reared to maturity under protection".<sup>22</sup> Still, it is not surprising that free trade theories should be most clearly formulated in Britain, for, as Smith pointed out, Britain's social and economic infrastructure made her peculiarly suited for commercial activity and expansion.

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The Revolutionary and Napoleonic wars subsequently damaged the progress of commercial liberalisation and made tariff reductions in the post-war era highly unlikely. Dependence on foreign countries was still viewed as dangerous. For example, the Corn Laws restricting wheat imports were passed in Britain in 1815 (see below).<sup>23</sup> Recent wartime measures, such as the French Continental System and the British Orders in Council, provided some justification for quasi-autarkic policies.

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The necessity to check the drain of specie and maximize revenue further fuelled Britain's wish for protection from foreign competition.<sup>24</sup> The strength of protectionism was not merely a reflection of the power of internal economic interests, but there were powerful theoretical arguments as well, especially the *Report on Manufactures* (1791)<sup>25</sup> by Alexander Hamilton (1757–1804) (→ Media Link #bo). Protectionism was thought appropriate for a country which was striving for national and economic independence. Besides, the popularity of protectionism in less industrially-developed and politically-integrated European states such as the German kingdoms and, to some extent, the Austrian Empire, alongside the strength of the high-tariff regime in France, created an increasingly protectionist international environment after 1815.

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## The Emergence of Free Trade in Europe

During the Napoleonic and Revolutionary wars, an increasing volume of free trade literature circulated. Despite these intellectual currents, however, mercantilist notions continued to inform commercial negotiations through to the mid-19th century, with reciprocal tariff reductions made on the basis of negotiation and diplomacy. Commercial policy decisions therefore were part of political (→ Media Link #b1) bargaining and diplomacy (→ Media Link #b2) rather than being the expression of economic ideas.

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In the realm of theory, much was added to Smith's original exposition of the operations of a free-market economy. From 1750 to 1870, a number of predominantly British economists used Smith's work as the basis for a more detailed analysis of production, distribution and exchange of goods. This age became known as the period of the Classical Economists. For instance, David Ricardo (1772–1823) (→ Media Link #b3) argued (→ Media Link #b4) that trade between nations would lead to a division of labour and harmonious international relationships based on mutual needs:

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Under a system of perfectly free commerce, each country naturally directs its capital and labour to such employments as are most beneficial to each. By stimulating industry, by rewarding ingenuity, and by using efficaciously the peculiar powers bestowed by nature, it distributes labour most effectively and economically; while, by increasing the general mass of productions, it diffuses benefit, and binds together, by one common interest and intercourse, the universal society of nations throughout the civilized world.<sup>26</sup>

In 1817, Ricardo published a work seeking to discover the "laws" regulating "rent, profits, and wages". These were projected by the theory of international comparative advantage, according to which a country might benefit from free trade even though it had an absolute cost disadvantage in the production of commodities.<sup>27</sup> A broad idea of commerce as a union of interests capable of diluting

national passions and rivalries had existed for some time, but Ricardo's conception of open commerce on the basis of comparative advantage added material interest, which potentially had universal appeal.

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Ricardo was far more zealous in supporting free-market capitalism than Smith had been, and his work led to further advances in political economy. His followers included John Stuart Mill (1806–1873) (→ Media Link #b5), who restated and refined his theoretical position in *Principles of Political Economy with some of their Applications to Social Philosophy* (1848).<sup>28</sup> Mill claimed that the "laws" of political economy were not merely measures relating to current economic conditions but represented a critical, progressive science which in time would remove the remaining vestiges of feudalism and monopoly from the capitalist system.

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Despite these bold theoretical claims, the application of free trade ideas varied across Europe. There were widely different rates of industrial development and political stability, and the economic damage caused by conflict left much of Europe prostrated after 1815. Nevertheless, significant economic developments occurred in the immediate post-war period. Most notable was the formation of the Prussian Commercial Union in 1818, which had the aim to create a free trade customs zone among German states. The Prussian tariff system of 1818 was the lowest tariff schedule in Europe, with duty-free imports of raw materials. The liberalism of this tariff zone sparked discord among Prussian manufacturers, and a protectionist movement was formed in 1819.<sup>29</sup> The scheme was extended in 1834 with the formation of the *Zollverein* (confederation of German states organized into a customs union), in order to remove customs barriers between member-states and creating a larger free-trade area.

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In the 1830s, many German states joined the *Zollverein*.<sup>30</sup> As the largest member state, Prussia effectively led the organisation, but member states continuously struggled over tariff levels. Since Prussia considered her tariff mainly in fiscal terms, the *Zollverein* tariff did not protect the Silesian linen industry from British competition, and Prussia consistently rejected demands from South German textile manufacturers for higher duties. Although those favourable tariff rates augured well for commercial liberalisation, British suspicions that Prussia would use the *Zollverein* to exclude British products were particularly apparent in the 1830s. This was exacerbated by the failure of rival customs unions in northern and southern Germany.<sup>31</sup> Britain concluded a commercial treaty with Frankfurt, largely to keep it out of the *Zollverein*, but eventually Frankfurt, being surrounded by *Zollverein* territory, joined in 1836.<sup>32</sup>

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Prussia was also active in pursuing a revision of tariffs throughout Europe. After the Anglo-Prussian Convention had expired in 1834, Prussia attempted to force a change in British commercial policy, especially in relation to Prussian corn and timber imports.<sup>33</sup> As the 1824 Convention only related to shipping duties and had no implications for tariffs, Henry John Temple, 3rd Viscount Palmerston (1784–1865) (→ Media Link #b6), denied linkage of these issues and followed the view that George Canning (1770–1827) (→ Media Link #b7) had expressed eight years earlier: that vital national considerations connected with the Corn Laws (1815) meant that this question must be decided by the legislature rather than the executive in negotiations with foreign countries.<sup>34</sup>

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The attempts by Prussian statesmen to reform the British tariff provided important practical examples and arguments for commercial reformers in Britain. The political economists at the Board of Trade regarded the *Zollverein* as a response to the Corn Laws which, by means of high import duties, were meant to protect British corn producers from foreign competition. The Board maintained that a repeal of the Corn Laws would result in the *Zollverein* re-directing resources and investment towards agriculture.<sup>35</sup> The Parliamentary Report on the *Zollverein* (1840) held the view that industrialisation (→ Media Link #b8) and protectionism in Germany were responses to British protectionism, and the parliamentary Select Committee on Import Duties argued in the same year that tariff liberalisation would be reciprocated by foreign nations.<sup>36</sup> The European states, however, did not always act accordingly. For example, Austria resisted further tariff reductions as she was dissatisfied with her subordinate task of supplying raw materials and produce to Britain.<sup>37</sup>

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Although it provided a mass of statistical and anecdotal evidence for free traders, the nature of the Anglo-*Zollverein* commercial relationship was not a simple free trade / protection dichotomy. Instead, contested notions of commercial policy existed alongside national and imperial interests. In the 1840s, for example, facing demands for protectionism from German ironmasters at the influx of British iron, the *Zollverein* gave preferential treatment to Belgium. Thus, the antagonistic Anglo-German relationship was fuelled by an economic rivalry just as intense as the Anglo-French relationship.<sup>38</sup>

After 1815, France's failure to keep pace with Britain in industrial terms was apparent. At the same time, the implementation of the tariffs of 1816, 1820 and 1822 in France consolidated protection of the domestic market, partially as a means towards promoting industrial development.<sup>39</sup> The French economy militated against extensive support for free trade, for it was not export-led, and few sectors had much to gain from commercial liberalisation. The prospects for reform appeared bleak, not least because protectionists dominated the Chamber of Deputies after the 1830 July Revolution (→ Media Link #b9).<sup>40</sup> Nevertheless, a British commercial mission was dispatched to France between 1831 and 1834, which was conducted by the politicians and diplomats John Bowring (1792–1872) (→ Media Link #ba) and George William Frederick Villiers, Earl of Clarendon (1800–1870) (→ Media Link #bb). Their goal was to "promote a more liberal intercourse by attempting to induce France to diminish their restrictive duties on imports of foreign commodities."<sup>41</sup>

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Yet, evidence of prices raised by tariffs had little impact on the widespread protectionist mentality of French society, for the majority of French writers attributed British prosperity to protectionism and viewed with suspicion the attempts of "perfidious Albion" to promote freer trade.<sup>42</sup> Pre-existing national prejudices presented another considerable obstacle for freer trade. Surveying French commerce, the Commissioners disparagingly pointed to the prohibitions and protective duties that characterized the French tariff. Central to their argument was the damaging effect of tariffs on the entire French economy. A broad range of imported goods were prohibited for often irrational reasons.<sup>43</sup> Many tariffs were justified on the basis of the superior, cheaper products of foreign nations, especially Britain. As a result, smuggling increased considerably, damaging native industries and government revenue. Citing the Report of the Budget Committee of 1832, the Commissioners noted the Committee's statement on imported wheat: "Therefore let us own, that there are objects which a State ought always to produce, and with respect to which the theory of free-trade is inapplicable." Emulation of Britain was viewed as the means towards enhancing French prosperity and manufacturing progress:

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Let us act like her ... let us not lower our Tariffs until our manufactures shall have been developed and perfected; let us beware of sacrificing the interests of our country to the pretended welfare of the world.<sup>44</sup>

This argument was taken a step further with the claim that Britain's liberalism was bogus, for "far from renouncing her system, she fortifies and consolidates it".<sup>45</sup> In fact, Britain's refusal to equalize French and Portuguese wine duties lent some substance to this claim.<sup>46</sup>

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## Repeal of the British Corn Laws

Although the politician William Huskisson (1770–1830) (→ Media Link #bd) became the leading figure in promoting reciprocal commercial relations, protectionism notably persisted within British commercial legislation. Despite further relaxations in the Navigation Laws, reciprocity and retaliation were central to Huskisson's commercial policy strategy, and in many areas, the mercantilist / protectionist structure was not only maintained but extended.<sup>47</sup>

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The Anglo-Prussian relationship was an important component of contemporary international commercial diplomacy. By playing a part in breaking up the mercantilist navigation system and highlighting the iniquities of the British Corn Laws, it had some influence on the commercial reforms in Britain during the 1840s.<sup>48</sup> Engaging Britain in commercial negotiations, Prussia sought a reduction in timber duties to reduce Canadian preference and to place Prussian shipping on the same footing as British shipping. Determined to retain imperial preference and grant strict reciprocity, Britain rejected these proposals, claiming they would constitute "a gratuitous concession" to Prussia, and not a "just equivalent".<sup>49</sup>

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Britain thus acted in conformity with the existing provisions of the Navigation Acts. Further Prussian attempts to foster a commercial agreement in the 1820s foundered because Britain seemed determined to be guided by her national interests. A diplomatic spat in 1825/1826 proved to be an early example of arguments later effectively used by British free traders. Prussian statesmen argued that until facilities were granted for Prussian corn and timber imports, Anglo-Prussian commercial relations would not be reciprocal,

accompanying this observation with a veiled threat that Prussia's geographical position made her capable of obstructing commerce.<sup>50</sup> The Board of Trade replied that imperial commitments ruled out any agreement and that Prussia wanted more than reciprocity. In demanding concessions over timber and corn, Prussia had attacked one of the central pillars of the protective system, thus prompting an eloquent and comprehensive rejection of any proposal by a foreign government to alter the Corn Laws.<sup>51</sup> In response, Prussia protested that British prohibition of Prussian corn imports was connected with the decline of British manufacturing exports to Prussia, and even threatened retaliation.<sup>52</sup>

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For Huskisson and the British legislature, freer trade consisted of balanced growth, expansion of manufacturing employment, and imperial union.<sup>53</sup> He did not rule out reforming the contentious Corn Laws, stating as his primary objective the need "to remove as much, and as fast, as possible, all unnecessary restrictions upon trade".<sup>54</sup> Yet the actual extent of liberality in the British tariff regime continued to be debated. Critics charged that protective duties on corn inhibited commerce with foreign nations, including the United States, where the emergence of a highly protectionist woollen goods sector was claimed to be a response to the exclusion of American corn from British markets. After the 1830s, this critique became increasingly focussed on the Corn Laws.<sup>55</sup>

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Classical economists were opposed to their interference with free trade. Ricardo viewed the Corn Laws as an encouragement to production which would make agriculture inefficient, eventually leading to a "stationary state". Others stated that the Corn Laws boosted aristocratic political power, perpetuating feudal social relations as well as economic and political inequality. For political scientists, as a result of structural changes in the British economy, the Corn Laws needed to be repealed, thus forcing economic actors to see free trade as part of their rational economic interests:

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Under a two-sector model, free trade comes when the abundant factor acquires political power and moves to eliminate restrictions imposed in the interest of the scarce factor which has lost power.<sup>56</sup>

While it was true that the industrial and commercial bourgeoisie had increased their political power, it was the Conservative Party, a predominantly agricultural party, under Sir Robert Peel (1788–1850) (→ Media Link #be), which eventually repealed the Corn Laws in 1846. From 1842, Peel's government had ceased negotiations with foreign states and conducted commercial policy unilaterally. The Peel government used a strategy of political detachment from economic policy-making. This was an important facet of a new approach to commercial policy, but public interest and pressure groups were arguably increasingly important when considering commercial policy.<sup>57</sup>

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The role of the Anti-Corn Law League (→ Media Link #bf) was hardly negligible, and the League managed to identify and exploit forces within British society favourable to free trade, such as evangelical religion and export-led manufacturing industries.<sup>58</sup> During the Corn Law struggle, the businessman and activist Richard Cobden (1804–1865) (→ Media Link #bg) carefully delineated the parameters of the League's activity: "We expressly limit ourselves to Corn & provisions – if we go beyond we do not know what to stop at".<sup>59</sup> Although it would be incorrect to generally identify Corn Law Repeal with free trade,<sup>60</sup> Cobden was an ardent free trader and clearly adopted the approach of separating issues as a tactical manoeuvre.

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It is however almost certainly wrong to argue that those supporting repeal saw it as a measure that would transform European commercial relationships. Most viewed it in consumerist terms as a means to reduce domestic prices and promote the competitiveness of the British manufacturing industry. The momentum behind repeal was not primarily internationalist. Nationalist advocates of protectionism saw their claims vindicated that unilateral tariff reductions would not be reciprocated by foreign nations.<sup>61</sup>

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## The Rise of Free Trade in Europe

British dominance of the world economy, as the "workshop of the world", was at its height in the third quarter of the 19th century. Free traders attributed economic growth, wealth creation and national prosperity to free trade. Cobden even viewed free trade as the central element in an international system in which states would become progressively bound together by commercial interdependence – to the extent that war between them would be impossible. Citing Ricardo's conception of comparative advantage, Cobden described free trade as a Divine Law, echoing the "Universal Economy" argument of earlier years. Goods being distributed throughout the world were, he argued, a "proof that, according to the Divine Order of things, men should fraternize and exchange their goods and thus further Peace and Goodwill on earth".<sup>62</sup>

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The claims of free traders sounded quasi-religious since, in their view, the complementary interests of mankind would lead to redemption. Cobden expected that Corn Law repeal "would have a powerful moral influence over the whole world, and would be a lesson to all nations – it would unite and draw them together as friends of one family and of one country".<sup>63</sup> However, the relationship between economic theory and practice was still complicated, due to fiscal, diplomatic, economic and political pressures which largely defined the nation-states commercial policy.

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In Europe and the United States, free trade advocacy was far less well-established than in Britain, and many notable economic writers opposed it.<sup>64</sup> The Corn Law struggle had been followed across Europe, and a Free Trade Congress had been called in Brussels between 16 and 18 September 1847, provoking predictable derision and ridicule from Karl Marx (1818–1883) (→ Media Link #bi).<sup>65</sup> The expectation that European nations would reduce their tariffs following the British repeal stemmed from a belief that the Corn Laws had inhibited general commerce and forced European nations to industrialise prematurely. Repeal, it was hoped, would lead to a Europe in which nations would exploit their comparative advantages by embracing free trade.

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British free traders wanted to make the attempt, and Cobden embarked on a European tour from 1846 to 1847.<sup>66</sup> He informed a friend on 12 July 1846 that he would be "an ambassador from the Free Traders of England to the governments of the great nations of the Continent", but he soon realised that there would be no rapid European conversion to free trade.<sup>67</sup> Travelling to Spain, Italy, Prussia, Saxony and the Hanseatic (→ Media Link #bj) cities, Cobden praised the efforts of enlightened (→ Media Link #bk) despots who had adopted liberal commercial policies, but searched fruitlessly for free-trade movements. Popular agitation in Europe was limited. In France, for example, a small group of liberals led by Frédéric Bastiat (1801–1850) (→ Media Link #bl) responded to the moral appeal and emancipatory rhetoric of the Anti-Corn Law League, by forming the *Association Pour le Libre Échange* ("Association for Free Exchange") at Bordeaux in February 1846. Due to inexperience and political turmoil in France, however, they were unable to exert much influence as a pressure-group.<sup>68</sup>

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At governmental level, before and after the Revolution of 1848, French officials were suspicious of British motives, while the conservative Spanish monarchy opposed any concessions to liberalism. Commercial liberalism had made some progress in France among economists and academics, and for obvious pragmatic reasons among leading export trades, such as Bordeaux (wine), and Lyon (silk), although those in government who supported a simplification of tariff schedules did so for pragmatic fiscal or political rather than ideological reasons. At the same time, political turbulence and powerful protectionist interests remained, and free trade was submerged after 1848 by socialist "National Workshops" and a protectionist revival. Cobden's presence thus failed to provide the necessary impetus towards establishing a broad-based free trade movement.<sup>69</sup>

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In France and Spain, industries had developed and prospered under protection and, fully cognisant of their interests, were well-organised and well-connected. French industrialists and the Catalan textile industry proved far too strong for the nascent free trade movement of liberal intellectuals. In Italy at least, Cobden found that the national question facilitated support for free trade, because it was identified as a liberal, progressive policy apposite for an emerging nation. In Austria and Germany however, Cobden discovered widespread support for Friedrich List (1789–1846) (→ Media Link #bn) and his "national system" of political economy, incorporating "protection to native industry".<sup>70</sup>

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Feelings for free trade were diffuse and fragmented, with European nations politically divided along traditional lines: The conservative elites and entrenched protected industries were opposed, while liberal political economy gained converts from the intelligentsia, cosmopolitan merchants and export industries. The 1848 Revolutions destroyed any hope of a rapid adoption of free trade, leading to a short-lived revival of protectionism bolstered by populist nationalism and socialism. Nevertheless, a progressive European movement did gradually emerge.<sup>71</sup>

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In the period between 1846 and 1870, industrialisation meant that many European nations had an interest in procuring cheap raw materials which were needed for new infrastructures. Thanks to a rich tradition of skilled artisans and mercantile activity throughout Europe, industrialisation proceeded at a rapid though variable rate. The power of the state was used to promote industrial development.<sup>72</sup> The international commercial framework was accordingly modified, with Spain, Portugal, Norway and Sweden all reforming commercial policy in a liberal direction in the 1850s. However, there were few signs that European nations would follow the British unilateralist model of free trade. Consistent with her unilateralist approach, Britain relied primarily upon her own example of prosperity, and though more may have been done at an official level, this would almost certainly have involved concessions on revenue duties. This was dangerous territory, with the potential to involve Britain intimately in European politics. Besides, it would mean shifting the tax burden further towards direct taxation.<sup>73</sup>

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Political instability and the threat of war in 1859 provided an impetus for progress.<sup>74</sup> An Anglo-French treaty had long been considered a way of reforming the French tariff and providing an example for other nations, although this meant that it would be necessary to solve geopolitical disputes.<sup>75</sup> Napoleon III (1808–1873) (→ Media Link #bo) could thus secure an agreement as a means of allaying British opposition to his designs for Nice and Savoy, as well as his struggle with the Austrian domination of Northern Italy. For Britain, reforming the French tariff and avoiding war were vital factors.<sup>76</sup> The terms of the controversial treaty, with concessions made by both sides, were generally acknowledged as favourable to France.<sup>77</sup>

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Economic opposition came from particular industries, and doctrinaire free-traders condemned the treaty as representing a return to bilateral bargaining and negotiation. They demanded a bill that was the result of enlightened ideas and subsequent policy making. Despite this opposition, a paradigm shift ensued because an interlocking network of commercial treaties could now be established across Europe. These were characterised by tariff reductions on particular commodities combined with a most-favoured nation (MFN) clause, which meant advantages Britain gave to France were extended to all countries. Although France was not under a similar obligation, she extended the MFN clause to Prussia who then signed MFN treaties with Austria, Italy and Belgium.

▲ 48

By combining specific tariff reductions and the MFN status, this European treaty system inaugurated an era of unprecedented liberalism, effectively the "cornerstone of a new international trading system".<sup>78</sup> Even hitherto highly protectionist states such as Austria and Russia moved slowly away from prohibition and protection,<sup>79</sup> although, for example, Russia's lowering of import duties in 1857 and 1868 was done in order to aid industrial development and did not represent a permanent departure from protectionism.<sup>80</sup>

▲ 49

Treaties were an instrument to advance commercial liberalism, but they required the influence of statesmen who in many cases retained traditional prejudices. Many politicians supposedly supportive of free trade were guided towards it by other policy objectives. Under the leadership of the chancellor Otto von Bismarck (1815–1898) (→ Media Link #bp) for example, Prussia used free trade as a policy instrument to attain hegemony over Austria in the *Zollverein* and German Confederation. Prussia encouraged the movement towards free trade, and despite Austrian attempts at tariff reform, Prussia successfully excluded her by lowering *Zollverein* tariff rates, while ignoring protests from South German industrialists for more protective tariffs.<sup>81</sup>

▲ 50

Alongside this spread of free trade agreements, the British Foreign Office clearly promoted its geopolitical interests by traditional strategic and diplomatic means, especially in negotiations with France and Austria, whose governments showed little inclination to accept free trade doctrines. While the ideology of economic liberalism was diffused through Europe by Cobdenite enthusiasts,<sup>82</sup> political economists and Board of Trade officials wanted to introduce free trade as a means of actually hampering Continental manufacturing. In an earlier period, legislation had been aimed at protecting British industrial advantages. Until 1824, artisans had been

prohibited from leaving the country and until 1843, the export of textile machinery was illegal.<sup>83</sup> After the Corn Law repeal, Europe, and especially the *Zollverein*, would be induced to invest more in agriculture, thus undermining the development of their manufacturing industry.<sup>84</sup>

▲ 51

Among the Europeans that were still suspecting free trade to be Britain's latest method of ensuring continental subservience and dependency to British political and economic hegemony,<sup>85</sup> the German economist List was the most forthright spokesman, and his scepticism with regard to British motives was heightened by British economic dominance.<sup>86</sup> He argued for "infant industries" to be protected in order to foster domestic industrial development. It was a theory which received qualified support from unlikely quarters. Adam Smith noted that the policy might succeed, but considered it only justifiable as a means of securing an equal footing in the domestic market in cases in which foreign produce had gained an advantage.<sup>87</sup> John Stuart Mill, in turn, famously argued that a policy of protection for infant industries did not contradict the main propositions of classical trade theory, as long as it was short-lived.<sup>88</sup>

▲ 52

However, List based his arguments not upon economic analysis but on historicist grounds by arguing that "the appropriate commercial policy of a country depended on its particular stage of economic development".<sup>89</sup> He advocated protection only for the purpose of elevating manufacturing in countries where particularly suitable geographical and climactic conditions existed, and which had arrived at a particular stage of economic development.<sup>90</sup> Significantly, List's work was not translated into English until 1885, over 40 years after it had first been published and widely-circulated in Continental Europe.

▲ 53

Further qualified support for tariffs came from the Classical Economists. John Stuart Mill supported the argument of Robert Torrens (1780–1864) (→ Media Link #bq) that trade situation of a country could be improved by adopting tariffs. Mill and Torrens postulated that under certain circumstances, tariff reductions could lead to deteriorating terms of trade and that a country undertaking tariff reductions could suffer a net economic loss. Although critics charged that a retaliatory cycle could ensue, this theory was as a valid proposition. Still, it was a reaction to unilateral free trade, not free trade itself.<sup>91</sup>

▲ 54

Alongside residual mercantilist notions, these theoretical qualifications to free trade provided further arguments for protectionist movements across Europe. Generally, however, technological and intellectual developments still provided a favourable environment for the expansion of commercial liberalism. The moral and material benefits of liberal political economy were demonstrated by the 1851 Great Exhibition (→ Media Link #br), and the invention of communication tools promoted the concept of global (→ Media Link #bs) markets and economic expansion (→ Media Link #bt). The establishment of the International Telegraph Union in 1865 and the General Postal Union in 1874 were examples of an international commercial communications network.

▲ 55

International commercial activity required stable financial conditions of currency exchange. The financial device which facilitated international commercial transactions was the Gold Standard, a system in which the central bank or government of each country made its currency freely convertible into gold at a fixed price. Exchange rates thus could not shift further from parity than the limits set by transaction costs for shipping gold between different countries, which was usually a very small percentage of its value. The Gold Standard regulated the quantity and growth rate of a country's money supply, thus ensuring that the money supply and price level would not fluctuate much. As a result, the Gold Standard caused price levels around the world to move together, thus ensuring long-term price stability.

▲ 56

Britain had adopted the Gold Standard in 1819, and after the mid-19th century, a large number of European nations joined, thus creating a stable monetary basis for international commercial transactions. London became the great capital market and its growth as a centre of international commerce, especially after 1870, was associated with the increasing use of sterling as an international currency. A plethora of institutions, consisting of discount houses, merchant banks, insurance companies and specialist financial organisations provided essential services for a rapidly expanding international economy.

▲ 57

From the 1870s onwards, the Gold Standard gradually became the dominant monetary system in the world, replacing the bimetallic or silver standard which had been in use across much of Europe. In 1865, the Latin Monetary Union, consisting of France, Belgium, Switzerland and Italy, agreed to regulate their currencies jointly, and the following decade witnessed the spread of the Gold Standard, partly facilitated by the fall in the international price of silver, which threatened considerable monetary inflation. The Latin Monetary Union effectively adopted the Gold Standard from 1878. Holland, Norway, Sweden, Denmark, Austria and Russia all adopted gold, and by the end of the century, the United States and Japan had done the same.

▲ 58

19th-century Europe, it has been suggested, witnessed a "unique period of monetary stability".<sup>92</sup> The distribution and exchange of gold was regulated, and balance of payments equilibrium and price stability were achieved because they were ensured by the "price-specie flow mechanism". This meant that an undervalued currency would promote exports, reduce imports and allow more gold to flow into the country, with the opposite effect produced for an overvalued currency. Briefly, there appeared the prospect that the commercial treaty system and financial and monetary convergence could advance commercial freedom to the point of establishing a free European market, but then political and economic pressures resulted in a powerful surge of economic nationalism in the 1870s.

▲ 59

## The Revival of Protection in Europe

Protection, at the end of the 19th century, was often adopted by countries strong enough to be independent of British commercial and industrial power, and as such was promoted as a vital element of national sovereignty.<sup>93</sup> Following the theories of List and to some extent Hamilton's and Henry Carey's (1793–1879) (→ Media Link #bu), European states increasingly turned back to protection. Besides, there were also powerful "real economy" influences, for the revival of economic nationalism was provoked by the onset of falling prices, declining exports, overproduction and unemployment, all features of the "Great Depression" of 1873–1896.

▲ 60

The intellectual challenge to free trade would have been much more difficult to sustain without the economic downturn which affected the entire European economy. In searching for causes, free trade was an obvious target, because cheap foreign imports damaged domestic industries and created dependency on other states. The "Great Depression" fatally troubled attempts to construct a new framework for commercial relations based on the "natural rationality" of the market. After 1873, European governments, on their own initiative or through market or political pressures from below, terminated internal and external free trade.<sup>94</sup>

▲ 61

The forces forging a revival of economic nationalism were manifold: national rivalry, war, state debts, economic depression and territorial imperialism prompted a return to higher tariffs as a central component of "national" economic policies.<sup>95</sup> More widely, support for economic nationalism was fuelled by a belief in the advantages of government intervention. Across Europe, powerful coalitions were constructed and mobilised on the basis of economic grievances, and the liberal vision of European progress (based on free trade, peace and democracy) was undermined by the changing political complexion of Europe after the mid-1860s. As Cobden had indicated in his earlier campaign, a close relationship existed between peace and free trade, and the Austro-Prussian War of 1866 and Franco-Prussian War of 1870 clearly endangered the treaty system.

▲ 62

If the interlocking nature of the treaty system was its strength, its weakness lay in its vulnerability to any one participating nation breaking ranks, which was likely to have a cumulative effect as other countries would retaliate. Another inherent weakness lay in the limited duration of treaties, which thus subjected commercial relations to national political vicissitudes. In the aftermath of the Prussian victory in the war of 1870, France was compelled to grant Germany permanent most-favoured nation status, transforming an instrument of voluntary association and friendship into a hostile imposition. Simultaneously, domestic support for free trade declined because it came to be associated with the past Second Empire, and the political instability of the French Republic undermined any prospect of further tariff reductions.

▲ 63

For nearly a century after the publication of the *Wealth of Nations*, the proponents of the mercantile system had been in the defence. At the end of the 19th century, however, it re-emerged refurbished and modernised in ways which reflected concerns over the changing global economic balance of power. Whereas the free trade ideas in the late 18th and early 19th century tended to be transmitted from Britain to Europe, with the revival of protectionism, the direction of transfer was now largely reversed. The new mercantilist ideas were first formulated and popularised by German historical economists, the so-called *Kathedersozialisten* ("socialists of the lectern", i.e. university professors with political goals). The English theorist William Cunningham (1849–1919) (→ Media Link #bv) and the German economist Gustav von Schmoller (1838–1917) (→ Media Link #bw) have been termed the "outstanding actors" in this context.<sup>96</sup>

▲ 64

The advocacy for economic nationalism encompassed a re-definition of the role of the state. Classical political economy was attacked, for failing to address wider national interests, aside from individual self-interest. Equally, it was argued that the military foundations of nation-states were better served by tariffs which harnessed national resources and protected a broad economic base. The essential element in all these policy suggestions was a higher degree of state intervention.

▲ 65

For fiscal and political reasons, Germany imposed higher protective tariffs in 1879. This act showed a particularly notable reconciliation between two hitherto opposing economic sectors. This alliance between large industrialists and agriculturists reconfigured economic interests within the German state and provided the basis for national unity.<sup>97</sup> For Bismarck, the tariff issue was secondary to the national question, and his aims were "far more political than economic".<sup>98</sup> The German protectionist movement also witnessed theoretical refurbishment. With List's theories no longer being strictly applicable to a mature industrial economy, the emphasis shifted towards securing the domestic market for the national industry and rejecting the concept of an international community of interests.

▲ 66

In the context of a Europe-wide depression, this new emphasis on nationality was common. Many nations had accepted free trade rather out of expediency than due to ideological commitment, and their return to protectionism had long been implicit. Even in Britain, movements emerged calling for an end to "one-sided" free trade. In especially concentrated, specialised industries, the notions of comparative advantage and displacement of labour were contested. The sugar and silk industries in particular had been adversely affected by the 1860 Anglo-French Treaty and the volume of French exports of these goods which followed it, and both industries featured prominently in protectionist movements.<sup>99</sup>

▲ 67

The British sugar industry in particular revealed the entrenched orthodoxy of government officials towards commercial policy. The interests of both colonial planters and domestic refiners were damaged by the abolition of imperial preference and foreign export subsidies ("bounties") on beet and refined sugar.<sup>100</sup> Ultimately, movements in Britain which challenged the rigid application of Ricardian comparative advantage failed, but elsewhere in Europe the construction of alliances on the basis of economic grievances was far more successful.<sup>101</sup> Europe was not unique, for throughout the world, protection proved attractive for colonial nationalists struggling for freedom from imperial control. Indeed, the popular rhetorical trappings of protectionism in Australia were not dissimilar to those in the United States earlier in the century.<sup>102</sup> In the United States, protection remained very powerful. Politicians invoked Carey's views of domestic economic interdependence and continued the tradition of Hamilton and List in equating political independence with national economic policies.

▲ 68

## Free Trade in Decline

Any notion of free trade ideas continuing to spread throughout Europe was undermined by the fierce national rivalries of the early 20th century. The universality of the free trade idea succumbed to international, colonial, economic and national rivalries whereas domestically, liberalism was increasingly challenged by collectivist and socialist (→ Media Link #bx) doctrines. Until 1914, free trade remained unscathed only in Britain. This was possible because of financial and political imperatives as well as the centrality of consumer interests, with customs duties being applied only for revenue purposes. In fact, free trade was robustly defended against a campaign for tariff reform led by Joseph Chamberlain (1836–1914) (→ Media Link #by) from 1903. Free traders did not accept that an economic decline was happening, as it was described by tariff reformers, except insofar as they admitted that other countries were bound to exploit their comparative advantage and might harm the national industries.

The longevity and tenacity of Cobden's ideas was still apparent, as Ralph Norman Angell (1872–1967) (→ Media Link #bz) demonstrated in *The Great Illusion* (1910). Angell argued that, given the economic ties of interdependence forged by free trade, war was next to impossible. The outbreak of war in 1914 was therefore "the greatest falsification of the Cobdenite belief that the greater economic interdependence of nations would result in peace".<sup>103</sup> The war encouraged politicians to take protectionist measures, for example the 1915 McKenna duties, which restricted imports to free shipping space and raised revenue, effectively breaching Britain's free trade apparatus and representing a highly significant portent. Fiscal crisis and mass unemployment in the inter-war period resulted in further erosion in a now highly-protectionist world, for the duties were retained after the war, and the United Kingdom's Safeguarding of Industries Act (1921) imposed high duties on products of industries deemed essential to national defence.

▲70

Almost immediately after the end of the war in 1918, the changing nature of the intellectual landscape of European economic life and ideas became apparent. During the war and the absence of European manufacturing competition, "infant industry" protectionist movements emerged in countries like Japan, Australia and India. New European states struggling to achieve economic stability adopted protective policies as well. Across Europe, tariffs increased, with agricultural self-sufficiency being a notable leitmotif, and protection being extended from defending particular industries to a more holistic economic approach, as protecting the balance of payments against declining export prices became increasingly important.

▲71

Currency instability was a factor in the use of tariffs and other restrictions such as licensing, quotas and exchange control. During the war, the Gold Standard was effectively made non-operational. Yet the United States returned to gold in 1919, and between 1925 and 1928, the reconstruction of the international monetary mechanism was substantially completed. By early 1926, 39 countries had returned to gold. However, these developments did not represent a return to the pre-1914 world. The financial landscape had changed, for London had lost its financial pre-eminence, and New York and Paris were now major financial centres and clearing houses, thus encouraging movement of funds. This process was further exacerbated by economic and political instability.

▲72

In the inter-war period, Western economies were controlled by government regulation and interventions aimed at market stabilisation. National economies attempted to combine centralised economic decision-making with private ownership, extensive regulation and taxation.<sup>104</sup> The various responses to the difficulties of post-war reconstruction drew upon ideology, political culture, and economic and national interests within prevailing financial and monetary constraints.

▲73

The restoration of the capitalist system to its pre-1914 condition was the aim of many governments, and at least Sweden, France, Germany and Britain witnessed a reconstruction of their political and economic life. Between the extremes of deflationary cost-cutting monetary orthodoxy and the quasi-Marxist model of public ownership and state planning, many variants and policy options were used, such as protectionism with an element of mercantilism, involving devaluation, tariffs and market regulation, a formula largely based on classical economic theory. Another model was demand stimulus, which by boosting demand through deficit spending, transfer payments, etc. represented a break with economic orthodoxy.<sup>105</sup>

▲74

As stated above, there was greater fluidity and instability in the financial and economic structure of inter-war Europe. The restored Gold Standard was far less stable, with under- and over-valued currencies not susceptible to the balance of payments correction mechanism of price-specie flow. Higher tariffs and far less flexible wages and prices exacerbated the prospects for financial equilibrium. Autarkic tendencies became more notable, as nations tried to create a better balance between different economic sectors and placed barriers to competitive imports in an effort to protect their economies from external market volatility.<sup>106</sup>

▲75

The financial collapse which began with the Wall Street Crash of 1929 soon engulfed Europe, with banking failures in Germany and Austria causing collateral damage to Britain. The Gold Standard was abandoned and a deep depression ensued which fundamentally changed monetary, financial and economic structures and practices. European responses to fiscal and monetary crisis varied. Demand

stimulus only came into its own after 1945, but in the inter-war period, Nazi Germany, Social Democratic Sweden and New Deal America all practised it to some degree.

▲ 76

In Germany, an orthodox deflationary regime was maintained until 1933, but demand stimulus policies of extensive public works and government purchases were instituted thereafter. Exchange controls and trade restrictions curtailed imports and effectively devalued the currency while maintaining its nominal value.<sup>107</sup> These policies represented a reversal of the Weimar government's aim to integrate Germany into the international trading system of the global economy, but the heavy industry and agricultural sectors welcomed a more protectionist, insular and autarkic set of policy preferences.<sup>108</sup> Sweden's implementation of demand stimulus, at the same time, was a mutual trade-off between Social Democratic and agrarian interests, and it was later followed by Denmark and Norway.

▲ 77

Others were more cautious of radical measures. Britain followed an orthodox deflationary path until 1931 when the financial crisis enforced a break and she adopted currency devaluation and a general tariff, but no demand stimulus. The 1932 Import Duties Act imposed domestic protective duties and imperial preference was re-established, effectively destroying the concept of a self-regulating free market economy.<sup>109</sup> France eventually followed the same path as Britain, via a brief interlude of demand stimulus in 1936–1937 under the Popular Front government. Still, in France the pressure of the financial crisis converged with historical policy predilections based on the economic composition of the country, as most French industry was small, labour-intensive and protectionist and relatively few businesses supported an open, internationalist strategy.<sup>110</sup>

▲ 78

Throughout much of Europe, the debate of free trade versus protectionism was based on traditional political alliances and rivalries between liberals and conservatives. The neo-orthodox policies of protecting domestic producers and satisfying domestic demand represented a paradigm shift from purely deflationary policies of economic orthodoxy.<sup>111</sup> Symptomatic of the new realities and tendencies of the 1930s was the attitude of the United States which, unlike Britain, the hegemon of the 19th century, did not seek to convince other nations of the benefits of open markets and a liberal internationalist order.

▲ 79

In 1930, the United States passed the highly protectionist Smoot-Hawley tariff which, by exacerbating the rapid decline in domestic incomes and production, only served to further reduce American purchases of foreign goods, thus damaging debtor countries. In retaliation, other countries, particularly primary producing countries, whose raw material exports had been affected by the tariff, raised duties on American goods. Here was the debilitating impact of the retaliatory cycle of tariffs, in limiting and damaging the extent of commercial activity. The United States suspended gold payments in 1933, effectively ending the Gold Standard. Moreover, the Smoot-Hawley Act of 1930 was not altered despite the onset of New Deal economic thought from the mid-1930s onwards.<sup>112</sup>

▲ 80

In the 1930s, tariffs were used as a means of creating employment by setting up domestic manufacturing industries. Although efforts were made to reverse the protectionist trend by international cooperation, instigated by the League of Nations (→ Media Link #co), these efforts largely failed, and tariffs continued on a consistently upward trajectory throughout the 1930s. The inter-war period witnessed the spread of import quotas and other forms of quantitative controls over trade, especially in Europe. Import quotas were adopted to remedy currency over-valuation after currency devaluation and depreciation elsewhere. They were used as a device within national economic recovery programmes and were potentially more damaging than tariffs, for the direct limitations they imposed operated independently of the price mechanism which influenced tariffs. Their usage was justified by the depth of the crisis of the Depression years, for only import quotas could provide the strict limitations needed against distress sale of foreign goods.

▲ 81

Despite attempts to restore free and open markets, a fundamental change had occurred, because the state had assumed a more powerful role in economic planning and regulation:

▲ 82

What was different about German economic policy of the thirties, and that of other European states to a lesser degree, was that it constituted a partial abandonment of the notion that such intervention consisted essentially of temporary responses to an emergency, regrettable intrusions into what should be, and ordinarily is, a self-regulating mechanism.<sup>113</sup>

Wartime (→ Media Link #c1) government intervention between 1938 and 1945 only exacerbated an existing trend, but after 1945, although the vision of a liberal international order was very far removed from contemporary political realities, a formal international commitment to free commerce was made. This free trade, however, was regulated as well, most notably in the 1947 General Agreement on Tariffs and Trade (GATT). Its original idea was to establish free trade under the auspices of a new international organisation. In some ways, it was an attempt to recreate the mid-Victorian world of free commerce and accordingly commended by *The Times* as aiming "to reinstate the broad principles and flexible practices of the system of world commerce ushered in by the events of 1846".<sup>114</sup>

▲ 83

## Conclusion

The architects of the post-war system wanted to avoid a repetition of the inter-war trade policies of restriction and exclusion. They succeeded, at least in the Western world. The GATT system of negotiated reciprocal tariff reductions has generally worked well. Reciprocity bolstered by international institutional cooperation has proved to be a more realistic means of advancing international commercial policy than that of unilateral free trade, given the complex and varied influences on commercial policy.

▲ 84

Historically, there were simply too many variables working against international acceptance of a cosmopolitan commercial policy. Strategic and military considerations clustered around the concept of national independence were inextricably linked with industrial, political and societal considerations within each nation, to make up a complex skein of factors militating against simple acceptance of free trade as the most appropriate policy for vastly different economies at different stages of development.

▲ 85

A number of instruments were used in the attempt to promote free trade. The formal exchange of ideas (through governmental representations, contacts and treaties) and the informal exchange (by individual contact, ideological and sectorial identity, and the written and spoken propagation of free trade ideas) have, however, only achieved limited success for a brief period. The fiscal and military pressures of the European state system, fuelled by political, military and economic ambitions and rivalries, led to the re-emergence of "national" economies, characterised by protective tariffs, higher military expenditure, and territorial and colonial expansion. Nevertheless, the association between free trade, economic growth and international morality remains powerful, but European tariff history indicates the complexity of cultural (→ Media Link #c2) and intellectual transfer when exposed to economic and political international rivalry within a context of commercial and industrial expansion.

▲ 86

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▲ 87

▲ 88

## Appendix

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## Notes

1. ^ Heckscher, *Mercantilism* 1969, p. 27.
2. ^ Gomes, *Ideology of Free Trade* 2003, pp. 3f.
3. ^ Heckscher, *Mercantilism* 1969, pp. 25–26.
4. ^ *ibid.*

5. ^ Mun, England's Treasure 1664. <http://archive.org/details/englandstreoomuntuoft>
6. ^ Economides, Economic Factor 2002, p. 36.
7. ^ Child, Treatise 1681, p. 29.
8. ^ Irwin, Against the Tide 1996, p. 59.
9. ^ Viner, International Trade 1937, p. 92. <http://mises.org/document/4314/>
10. ^ Groenewegen, Eighteenth Century Economists 2002.
11. ^ Irwin, Against the Tide 1996, p. 67.
12. ^ Hobbes, Leviathan 1651 <http://archive.org/details/hobbessleviathanooohobbuoft>.
13. ^ Irwin, Against the Tide 1996, pp. 69–71.
14. ^ *ibid.*, pp. 82–86.
15. ^ Gomes, Ideology of Free Trade 2003, p. 4.
16. ^ Smith, Wealth of Nations 1869, p. 68.
17. ^ Coleman, Heckscher 1969, p. 93.
18. ^ Despite being the pioneer theorist of free-market capitalism and free commerce, Smith did not believe in a *laissez-faire* economy. For example, he supported the Navigation Acts, which excluded foreign ships from carrying British trade, as necessary for national defence, stating: "As defence, however, is of much more importance than opulence, the Act of Navigation is, perhaps, the wisest of all commercial regulations of England". (Smith, Wealth of Nations 1869, p. 38 <http://www.gutenberg.org/ebooks/3300>.)
19. ^ O'Brien, British Hegemony 1992, p. 93.
20. ^ Crowley, Neo-Mercantilism 1990, p. 340.
21. ^ Berg, Age of Manufactures 1994, p. 124.
22. ^ Davis, Rise of Protection 1966, p. 316.
23. ^ Although war was at an end, "even in peace, the habitual dependence on foreign supply is dangerous" (Huskisson, A Letter 1827, p. 8 <http://babel.hathitrust.org/cgi/pt?id=hvd.hnaul2;view=2up;seq=6>).
24. ^ Williams, British Commercial Policy 1972, pp. 223ff.
25. ^ Hamilton, Report 1904 <http://oll.libertyfund.org/title/1381/64338>.
26. ^ Ricardo, Principles of Political Economy 1821, p. 139 <http://www.econlib.org/library/Ricardo/ricP.html>.
27. ^ Irwin, Against the Tide, 1996, pp. 91f.
28. ^ Mill, Principles 1884.
29. ^ Williams, British Commercial Policy, p. 199.
30. ^ Henderson, Zollverein 1984, pp. 36f.
31. ^ Clapham, Navigation Acts 1910, pp. 488–489; Williams, British Commercial Policy 1972, pp. 201–204.
32. ^ *ibidem*, p. 203.
33. ^ Heinrich von Bülow to Viscount Palmerston, Correspondence with Foreign Powers, 29 May 1834, in: House of Commons, Parliamentary Papers 1839, XLVI [204], pp. 37–40.
34. ^ The latter had argued that vital national considerations connected with the Corn Laws must be decided by the legislature rather than the executive in negotiations with foreign countries. Finally, hinting at the Zollverein as a vehicle for Prussian aggrandisement, Palmerston proposed two alternative potential objectives of the Zollverein: Firstly, he considered it as a means of promoting European trade, or secondly, as a means of excluding those countries outside the limits of an "arbitrary circle" of states. (Palmerston to Bülow, 10 July 1834, *ibidem*, pp. 40–44.) By 1847, Palmerston was convinced the Zollverein was "formed for the purpose of excluding by high duties the importation of British manufactures into Germany" (cited in Howe, Liberal England 1997, p. 81).
35. ^ Kindleberger, Rise of Free Trade 1975, pp. 33f.
36. ^ Report on the Prussian Commercial Union, in: House of Commons, Parliamentary Papers, 1840 XXI (225), pp. 2 and 13; John Bowring to Palmerston, 7 August 1839, *ibidem*, pp. 285–287; Report from the Select Committee on Import Duties 6 August 1840, in: House of Commons, Parliamentary Papers, 1840, V (?) [601].
37. ^ Williams, British Commercial Policy 1972, p. 211; Brown, Board of Trade 1958, p. 119.
38. ^ Gordon, Zollverein Iron Duties 1969, pp. 75–87; Williams, British Commercial Policy 1972, p. 208.
39. ^ Clough, France 1939, p. 92; Levasseur, Commercial Policy of France 1892, pp. 23–24.
40. ^ Brown, Board of Trade, 1958, p. 119.
41. ^ The Times, 2 November 1833, p. 2a. In his instructions, the Vice-President of the Board of Trade, Charles Poulett Thomson, Baron Sydenham (1799–1841), expected powerful opposition, especially among the highly-protected cotton and iron industries. And indeed, in 1822, French iron-masters managed to raise the tariff from 15 to 25 francs per 50 kilograms on foreign iron, and by 1828, the Commission d'Enquête found French bar iron to be more than twice as expensive as English iron. (First Report on the Commercial Relations between France and Britain, in: House of Commons, Parliamentary Papers 1834, XIX [64], 1, pp. 29f.)
42. ^ General Statement of Prohibited Goods from Foreign Countries, in: House of Commons, Parliamentary papers, 1834 XIX [64], p. 26; for Proudhon opposing Britain's "insidious economic penetration", see: Hoselitz, Socialism 1949, pp. 230f.
43. ^ *ibid.*, pp. 39–43 and 45.

44. ^ 26 November 1832, Report of the Committee on the Budget, p. 74.
45. ^ *ibid.*, pp. 75f.
46. ^ With the 1823 Reciprocity of Duties Act, Britain had abandoned her traditional mercantilist policy of seeking exclusive advantages in favour of a policy offering bilateral reciprocal treaties to other countries in order to obtain tariff concessions for exports and shipping. The Act granted equality of duties on goods and shipping to any country agreeing to grant the same to Britain, while reserving the right of retaliation against those retaining discriminatory duties. The policy resulted in 27 reciprocity treaties by 1844. Nevertheless, these treaties did not use the pursuit of common commercial interests as justification, and France exposed the limits to British concessions by requesting equalisation of wine duties as the price of a reciprocal agreement. Britain refused on the basis of her long-established preference to Portugal. (McKeown, *Hegemonic Stability* 1983, p. 82.)
47. ^ Not only was Canadian timber, as a legacy of the closure of the Baltic during the war, granted preferential treatment, but Prussian attempts to reduce the differential were rejected. Canadian corn was granted similar preferential treatment in 1825, effectively extending imperial preference and provoking demands from Prussian and Germanic agrarian interests for a reduction in British grain tariffs.
48. ^ Clapham, *Navigation Acts* 1910, p. 485. Nevertheless, it remains questionable to what extent Prussia's actions incorporated notions of nation-building, in the same way as the abolition of internal customs duties in Britain and France facilitated national unity through uniform administrative practices.
49. ^ Wilhelm von Humboldt to Viscount Castlereagh, Correspondence with Foreign Powers, 9 February 1818, in: House of Commons, *Parliamentary Papers* 1839, XLVI [204], pp. 4ff.; Castlereagh to Humboldt, 1 May 1818, *ibidem*, pp. 7–9.
50. ^ Baron Bogislow von Maltzahn to George Canning, Communications from the Prussian Minister in London, 25 December 1825, in: House of Commons, *Parliamentary Papers* 1839, XLVII [203], p. 5.
51. ^ Canning to Maltzahn, Correspondence with Foreign Powers, 6 February 1826, in: House of Commons, *Parliamentary Papers* 1839, XLVI [204], pp. 22f.
52. ^ Maltzahn to Canning, 9 May 1826, *ibidem*, pp. 29–32.
53. ^ Howe, *Restoring Free Trade* 2002, pp. 199f.
54. ^ Foreign Commerce of the Country, 25 March 1825, House of Commons Debate, in: Her Majesty's Stationery Office, *Parliamentary Debates*, series 2, vol. 12 (1825), c. 1222. <http://hansard.millbanksystems.com/commons/1825/mar/25/foreign-commerce-of-the-country>.
55. ^ Irwin, *Against the Tide* 1996, pp. 93–97.
56. ^ Kindleberger, *Rise of Free Trade* 1975, pp. 20–55.
57. ^ The extent to which popular agitation and pressure influenced Peel continues to interest and divide historians. See Schonhardt-Bailey, *Corn Laws to Free Trade* 2006; McCord, *Anti-Corn Law League* 1958; Pickering, *People's Bread* 2000.
58. ^ Howe, *Liberal England* 1997, pp. 8ff.
59. ^ Cobden to J.B. Smith, 28 March 1841, in: J.B. Smith Papers, Manchester Central Library, MS923.2 S333, III, 422.
60. ^ Nye, *War, Wine, and Taxes* 2007, p. 94.
61. ^ Customs Bill, 25 June 1846, House of Lords Debate, in: Her Majesty's Stationery Office, *Parliamentary Debates*, series 3, vol. 87 (1846), cc. 961–964. <http://hansard.millbanksystems.com/lords/1846/jun/25/customs-bill>
62. ^ Schwabe, *Reminiscences* 1895, p. VIII.
63. ^ Speech at Manchester Free Trade Hall, The Anti-Corn-Law Movement–Meeting at Manchester, in: *The Times*, 17 January 1846, p. 6.
64. ^ Irwin, *Against the Tide* 1996, p. 98.
65. ^ See Engels, *Free Trade Congress* 1847, including a reprint of the speech Marx was not permitted to give at the Congress (first published in *The Northern Star*, 9 October 1847). <http://www.marxists.org/archive/marx/works/1847/09/30.htm>
66. ^ Taylor, *European Diaries* 1994; Howe, *Letters* 2007.
67. ^ Cobden to Salis Schwabe, in: Schwabe, *Reminiscences* 1895, p. 2.
68. ^ Tyrrell, *La Ligue Française* 2006, pp. 99–116.
69. ^ Howe, *Liberal England* 1997, p. 76.
70. ^ *ibid.*
71. ^ *ibid.*, pp. 86–87.
72. ^ Anderson, *Ascendancy of Europe* 1985, pp. 133ff.
73. ^ Commercial Treaties and Free Trade, in: *The Economist*, 28 January 1860, pp. 85f.
74. ^ Howe, *Liberal England*, 1997, pp. 94f.
75. ^ The abortive Anglo-French Commercial Treaty of 1852, in: Foreign Office Papers, National Archives, N.A., F.O. 881/551; O'Brien *British Hegemony* 1992, p. 99.
76. ^ Dunham, *Anglo-French Treaty of Commerce* 1930, p. 118.
77. ^ For debate on the extent of protection, see Nye, *Myth* 1991, pp. 23–46; cf. Irwin, *Free trade* 1993, pp. 146–152.
78. ^ O'Brien, *British Hegemony* 1992, p. 100.
79. ^ Howe, *Liberal England* 1997, p. 103.

80. ^ O'Brien, *British Hegemony* 1992, p. 102.
81. ^ Fischer, *German Zollverein* 1960, pp. 82f.
82. ^ O'Brien, *British Hegemony* 1992, pp. 102f.
83. ^ Gomes, *Ideology of Free Trade* 2003, p. 210f.
84. ^ For evidence of this tendency in the thought of British free traders, see: Kindleberger, *Rise of Free Trade* 1975, pp. 33f. It is possible that Cobden also thought in terms of an agricultural Europe and industrial Britain, for he spoke of his regret at the development of European industrialisation: "The factory system would, in all probability, not have taken place in America and Germany. It most certainly could not have flourished, as it has done, both in these states, and in France, Belgium, and Switzerland, through the fostering bounties which the high-priced food of the British artisan has offered to the cheaper-fed manufacturer of those countries." (Cobden, *England, Ireland, and America* 1878, p. 65.)
85. ^ Cain, *Capitalism*, 1979, p. 243; a view strenuously denied by *The Economist*; 11 September 1847; for the view of British as a "hegemonic" power, see McKeown, *Hegemonic Stability* 1983, pp. 73–91.
86. ^ List, *National System* 1856, p. 437 <http://oll.libertyfund.org/title/315>.
87. ^ Smith, *Wealth of Nations* 1869, vol. 2, pp. 35–40 <http://www.gutenberg.org/ebooks/3300>; Irwin, *Against the Tide* 1996, pp. 118–119.
88. ^ Mill, *Principles of Political Economy* 1852, vol. 2, p. 508 <http://www.econlib.org/library/Mill/mlP.html>.
89. ^ Irwin, *Against the Tide* 1996, p. 124.
90. ^ *ibidem*, p. 126. For List, the commodity composition of trade and manufacturing was vital, for he saw it as a fact that "a nation is richer and more powerful, in proportion as it exports more manufactured products, imports more raw materials, and consumes more tropical commodities." (List, *National System* 1856, p. 77 <http://oll.libertyfund.org/title/315>.)
91. ^ Irwin, *Against the Tide* 1996, pp. 110–114.
92. ^ Landes, *Unbound Prometheus* 1969, p. 360.
93. ^ Cain, *Capitalism* 1979, p. 243, note 3.
94. ^ Rosenberg, *Great Depression* 1943, pp. 65f.
95. ^ Landes, *Unbound Prometheus* 1969, p. 244.
96. ^ Coleman, *Heckscher and Mercantilism* 1969, pp. 93f. For these men, the economic and political philosophy of mercantilism, especially its emphasis on a proactive, interventionist state, seemed an attractive and appropriate remedy for the malaise supposedly induced by liberal individualism: "All the German and English economic historians who found in mercantilism the complete subordination of economic to political considerations seem themselves to have been sympathetic to the subordination of the individual to the state and to the exaltation of vigorous nationalism characteristic of mercantilism, and to have been hostile to nineteenth-century liberalism and its revolt against the residues of mercantilist legislation." (Viner, *Power versus Plenty* 1969, p. 64.)
97. ^ Rosenberg, *Great Depression* 1943, p. 65; Schonhardt-Bailey, *Parties and Interests* 1998, pp. 293–296; Böhme, *Big-Business Pressure Groups* 1967, pp. 218–236.
98. ^ *ibid.*, p. 235.
99. ^ Green, *Crisis of Conservatism* 1995, pp. 109f.; Marrison, *British Business* 1996, pp. 110ff.
100. ^ An extensive campaign was mounted for the implementation of countervailing duties as a means of checking bounties and maintaining employment, but to no avail. The Board of Trade saw countervailing duties not as an ameliorative measure to restore a competitive market but as a species of protection. In these terms, job losses in the sugar-refining trade were a problem of "the displacement of capital and labour", but for those losing their jobs, there was little comfort in hearing that free trade was the most economically efficient policy for the entire country.
101. ^ Brown, *Tariff Reform Movement* 1943, p. 15; Chalmin, *Sugar Giant* 1990, p. 36.
102. ^ Most apparent in Syme, *Outlines* 1876.
103. ^ Howe, *Liberal England* 1997, p. 296.
104. ^ Gourevitch, *Politics in Hard Times* 1986, p. 127.
105. ^ *ibid.*, p. 128.
106. ^ Landes, *Unbound Prometheus* 1969, p. 392.
107. ^ Gourevitch, *Politics in Hard Times* 1986, p. 147.
108. ^ *ibid.*, p. 142.
109. ^ Howe, *Liberal England* 1997, p. 296.
110. ^ Gourevitch, *Politics in Hard Times* 1986, p. 156.
111. ^ *ibid.*, p. 160.
112. ^ *ibid.*, p. 150.
113. ^ Landes, *Unbound Prometheus* 1969, p. 399.
114. ^ *Free Trade and Full Employment*, in: *The Times*, 26 June 1946, p. 5.

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**Eingeordnet unter:**

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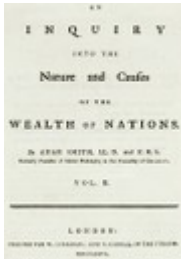
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- Francis Hutcheson (1694–1746) VIAF (<http://viaf.org/viaf/51735420>) DNB (<http://d-nb.info/gnd/118775367>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118775367.html>)

#### Link #aw

- Josiah Tucker (1712–1799) VIAF (<http://viaf.org/viaf/49294922>) DNB (<http://d-nb.info/gnd/118802925>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118802925.html>)

#### Link #ax



- <http://www.econlib.org/library/Smith/smWN.html>  
An Inquiry into the Nature and Causes of the Wealth of Nations, 1776, at the Library of Economics and Liberty

#### Link #ay

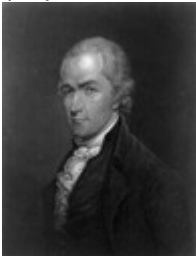
- Revolutionary and Napoleonic Wars (<http://www.ieg-ego.eu/en/threads/alliances-and-wars/war-as-an-agent-of-transfer/frederick-c-schneid-the-french-revolutionary-and-napoleonic-wars>)

#### Link #az

- Colonialism and Imperialism (<http://www.ieg-ego.eu/en/threads/backgrounds/colonialism-and-imperialism/benedikt-stuchtey-colonialism-and-imperialism-1450-1950>)

#### Link #bo

- Alexander Hamilton (1757–1804) VIAF (<http://viaf.org/viaf/66496514>) DNB (<http://d-nb.info/gnd/118545302>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118545302.html>)



- <http://www.ieg-ego.eu/en/mediainfo/alexander-hamilton-175720131804>  
Alexander Hamilton (1757–1804)

#### Link #b1

- Politics (<http://www.ieg-ego.eu/en/threads/backgrounds/politics/politics-ueb>)

#### Link #b2

- Diplomats (<http://www.ieg-ego.eu/en/threads/europe-on-the-road/diplomats/diplomats-ueb>)

#### Link #b3

- David Ricardo (1772–1823) VIAF (<http://viaf.org/viaf/34462180>) DNB (<http://d-nb.info/gnd/118600214>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118600214.html>)

#### Link #b4



- <http://www.econlib.org/library/Ricardo/ricP.html>  
On the Principles of Political Economy and Taxation at the Library of Economics and Liberty

#### Link #b5

- John Stuart Mill (1806–1873) VIAF (<http://viaf.org/viaf/100189299>) DNB (<http://d-nb.info/gnd/118582461>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118582461.html>)

#### Link #b6

- Henry John Temple, 3rd Viscount Palmerston (1784–1865) VIAF (<http://viaf.org/viaf/51698419>) DNB (<http://d-nb.info/gnd/118739069>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118739069.html>)

#### Link #b7

- George Canning (1770–1827) VIAF   (<http://viaf.org/viaf/7443935>) DNB  (<http://d-nb.info/gnd/118668234>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd118668234.html>)

#### Link #b8

- Industrialization (<http://www.ieg-ego.eu/en/threads/backgrounds/industrialization/richard-h-tilly-industrialization-as-an-historical-process>)

#### Link #b9

- 1830er Revolution (<http://www.ieg-ego.eu/de/threads/europaeische-medien/europaeische-medienereignisse/1830er-revolution/julia-schmidt-funke-die-1830er-revolution-als-europaeisches-medienereignis>)

#### Link #ba

- John Bowring (1792–1872) VIAF   (<http://viaf.org/viaf/29681156>) DNB  (<http://d-nb.info/gnd/119459078>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd119459078.html>)

#### Link #bb

- George William Frederick Villiers, Earl of Clarendon (1800–1870)  (<http://viaf.org/viaf/20433988>)

#### Link #bd

- William Huskisson (1770–1830) VIAF   (<http://viaf.org/viaf/52625958>) DNB  (<http://d-nb.info/gnd/124555993>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd124555993.html>)



-  (<http://www.ieg-ego.eu/en/mediainfo/william-huskisson-177020131830>)  
William Huskisson (1770–1830)

#### Link #be

- Robert Peel (1788–1850) VIAF   (<http://viaf.org/viaf/64803600>) DNB  (<http://d-nb.info/gnd/118790129>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd118790129.html>)



-  (<http://www.ieg-ego.eu/en/mediainfo/sir-robert-peel-178820131850>)  
Sir Robert Peel (1788–1850)

#### Link #bf



-  (<http://www.ieg-ego.eu/en/mediainfo/meeting-of-the-council-of-the-anti-corn-law-league-1847>)  
Meeting of the Council of the Anti-Corn Law League 1847

#### Link #bg

- Richard Cobden (1804–1865) VIAF   (<http://viaf.org/viaf/66539206>) DNB  (<http://d-nb.info/gnd/119230011>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd119230011.html>)



- <http://www.ieg-ego.eu/en/mediainfo/richard-cobden-180420131865>  
Richard Cobden (1804–1865)

#### Link #bi

- Karl Marx (1818–1883) VIAF (<http://viaf.org/viaf/49228757>) DNB (<http://d-nb.info/gnd/118578537>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118578537.html>)



- <http://www.ieg-ego.eu/de/mediainfo/karl-marx-181820131883>  
Karl Marx (1818–1883)

#### Link #bj

- The Hanseatic League (<http://www.ieg-ego.eu/en/threads/european-networks/economic-networks/margrit-schulte-beerbuehl-networks-of-the-hanseatic-league>)

#### Link #bk

- Enlightenment Philosophy (<http://www.ieg-ego.eu/en/threads/models-and-stereotypes/the-versailles-model/peter-jones-enlightenment-philosophy>)

#### Link #bl

- Frédéric Bastiat (1801–1850) VIAF (<http://viaf.org/viaf/2466087>) DNB (<http://d-nb.info/gnd/119430460>) ADB/NDB (<http://www.deutsche-biographie.de/pnd119430460.html>)



- <http://www.ieg-ego.eu/en/mediainfo/frederic-bastiat-180120131850>  
Frédéric Bastiat (1801–1850)

#### Link #bn

- Friedrich List (1789–1846) VIAF (<http://viaf.org/viaf/22206527>) DNB (<http://d-nb.info/gnd/118573489>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118573489.html>)



- <http://www.ieg-ego.eu/en/mediainfo/friedrich-list-178920131846>  
Friedrich List (1789–1846)

#### Link #bo

- Napoleon III of France (1808–1873) VIAF (<http://viaf.org/viaf/88934487>) DNB (<http://d-nb.info/gnd/118586416>) ADB/NDB (<http://www.deutsche-biographie.de/pnd118586416.html>)

#### Link #bp

- Otto von Bismarck (1815–1898) VIAF   (<http://viaf.org/viaf/46772111>) DNB  (<http://d-nb.info/gnd/11851136X>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd11851136X.html>)

#### Link #bq

- Robert Torrens (1780–1864)  (<http://viaf.org/viaf/64076499>)

#### Link #br

- Weltausstellungen (<http://www.ieg-ego.eu/de/threads/crossroads/wissensraeume/alexander-c-t-geppert-weltausstellungen>)

#### Link #bs

- Globalization (<http://www.ieg-ego.eu/en/threads/backgrounds/globalization/ulrich-pfister-globalization>)

#### Link #bt

- Economic Networks (<http://www.ieg-ego.eu/en/threads/european-networks/economic-networks/christian-marx-economic-networks>)

#### Link #bu

- Henry Charles Carey (1793–1879) VIAF   (<http://viaf.org/viaf/37030177>) DNB  (<http://d-nb.info/gnd/117672963>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd117672963.html>)



- (<http://www.ieg-ego.eu/en/mediainfo/henry-charles-carey-179320131879>)  
Henry Charles Carey (1793–1879)

#### Link #bv

- William Cunningham (1849–1919) VIAF   (<http://viaf.org/viaf/18288410>) DNB  (<http://d-nb.info/gnd/128907487>) ADB/NDB   (<http://www.deutsche-biographie.de/pnd128907487.html>)

#### Link #bw

- Gustav von Schmoller (1838–1917) VIAF   (<http://viaf.org/viaf/17346852>) DNB  (<http://d-nb.info/gnd/118609378>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd118609378.html>)

#### Link #bx

- Sozialistische Internationale (<http://www.ieg-ego.eu/de/threads/transnationale-bewegungen-und-organisationen/internationale-soziale-bewegungen/bernd-rother-die-sozialistische-internationale>)

#### Link #by

- Joseph Chamberlain (1836–1914) VIAF   (<http://viaf.org/viaf/76324934>) DNB  (<http://d-nb.info/gnd/119173425>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd119173425.html>)

#### Link #bz

- Ralph Norman Angell (1872–1967) VIAF   (<http://viaf.org/viaf/51708094>) DNB  (<http://d-nb.info/gnd/118637711>) ADB/NDB  (<http://www.deutsche-biographie.de/pnd118637711.html>)

#### Link #co

- Völkerbund (<http://www.ieg-ego.eu/de/threads/transnationale-bewegungen-und-organisationen/internationale-organisationen-und-kongresse/isabella-loehr-voelkerbund>)

#### Link #c1

- World War II (<http://www.ieg-ego.eu/en/threads/alliances-and-wars/war-as-an-agent-of-transfer/a-w-purdue-the-transformative-impact-of-world-war-ii>)

#### Link #c2

- Cultural Transfer (<http://www.ieg-ego.eu/en/threads/theories-and-methods/cultural-transfer/wolfgang-schmale-cultural-transfer>)

