

William Huskisson and Liberal Reform

An Essay on the Changes in Economic
Policy in the Twenties of the
Nineteenth Century

Second Edition

Alexander Brady

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 **Routledge**
Taylor & Francis Group
LONDON AND NEW YORK

Published by
Routledge
2 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN
by arrangement with Oxford University Press.

First Edition	1928
Second Edition	1967

Transferred to Digital Printing 2006

ISBN 0-7146-1456-4

Publisher's Note

The publisher has gone to great lengths to ensure the quality of this reprint but points out that some imperfections in the original may be apparent

INTRODUCTION
TO THE
SECOND EDITION

THE first edition of this monograph has been out of print for many years. There is still a demand for it. Copies seldom enter the market and are then highly priced. In view of these circumstances reprinting was thought desirable, even though revision and enlargement of the text was not practicable. It is, therefore, presented in its original form as an essay on the significant changes in commercial and imperial policy in the 1820's with which the name of Huskisson was associated.

Since the first edition of this book two volumes on Huskisson have appeared and are mentioned here as useful supplements: *The Huskisson Papers*, edited by Lewis Melville (London, 1931) and *Huskisson and His Age* by C. R. Fay (London, 1951). *The Huskisson Papers* is a selection of the statesman's correspondence, from his stay in Paris during the early period of the French Revolution to his death in 1830. In one respect the selection is disappointing: it contains few letters on the critical measures of policy with which he was concerned and which were debated intensely in the houses of parliament. It contains, however, some revealing letters on political practice in the pre-Reform era, the winning of elections, the formation of ministries, the distribution of patronage, and the constant intrigues and jealousies involved in the contests for place and power among members of the governing class. It also has letters showing Huskisson's wide and acute grasp of finance and commerce and the high opinion of his judgment on these matters entertained by colleagues. On Huskisson's

political milieu and associates, however, more information is found in A. Aspinall's essay, "The Canningite Party", *Transactions of the Royal Historical Society*, Fourth Series, volume XVII (1934). Professor Aspinall traces in much detail the fortunes and misfortunes of the Canningite group within the Tory ranks. He illustrates convincingly a point cited in the introductory chapter of the present book that not until 1823 did Huskisson's intimate connection with Canning permit him to obtain a ministerial position which in the next four years enabled him to achieve distinguished reforms. It is fair to admit, however, that had Huskisson come to the Presidency of the Board of Trade much earlier it hardly follows that he could have carried the same measures. The temper and circumstances of the time now favoured the kind of enactments he sought. A period of reform succeeded a period of reaction; the social environment and currents of opinion in the 1820's were notably changing.

The late C. R. Fay, a memorable personality to academic friends in both England and Canada, acquired an impressive knowledge, perhaps unequalled in his day, of British commercial and imperial policy in the first half of the nineteenth century. His chief hero was Huskisson, whose life and times he undertook to write in two volumes. *Huskisson and His Age*, the only volume completed before his death, is at once fascinating and puzzling. It almost totally ignores the conventional rules of biography. No discernible logic but only a wayward fancy seems to dictate the order and arrangement of its contents. It opens with the dramatic death of Huskisson and only in the tenth chapter discusses his youth and education. The book illustrates again the comment of Fay's friend, Maynard Keynes, on an earlier volume that "in its immense disorder there are the qualities of a work of art". It is scarcely suitable for the undergraduate, at least until he has first acquired a knowledge of the period and perhaps read an earlier book by Fay, *The Corn Laws and Social England*. But with this reservation it is to be strongly recommended as a rewarding study. Most of

its chapters are separate and enlightening tours in the social, political, and economic byways of Huskisson's age. Fay did not neglect the permanent officials who contributed to the story of reform. He paid special tribute to the formidable figure of James Deacon Hume, Huskisson's trusted ally and admirer at the Custom House, whose codification of the custom laws facilitated their reform.

Fay's gleanings in manuscripts turn up interesting items. He finds, for example, a discerning contemporary assessment of Huskisson's major reforms by Kirkman Finlay in a letter of 1826 to John Gladstone, William Ewart Gladstone's father: "It is very cruel in Baring and some other persons who ought to know better to press the Government and mainly Mr. Huskisson with the attacks they do . . . that the present ministers have done more good to trade and manufactures by the new principles they have introduced and acted on than any Ministry which has preceded them, no rational man can deny. But the rational men are quiet and say little, while the noise and nonsense get possession of the fools, who will in all kingdoms form an immense majority".

It is hardly necessary to re-emphasize that Huskisson's reforms when President of the Board of Trade were directly related to deep changes in British commercial and industrial life, the progress of inventions, the growing political power of the middle class, and a fresh outlook on the assets and liabilities of colonies which was influenced not merely by the mounting pressures within Britain's Second Empire, but indirectly by the disruption of the Spanish and Portuguese empires in South America and the opportunities thus afforded for British trade. These and allied factors continued to exert an influence in the twenty odd years after Huskisson left Wellington's ministry.

The chief governing idea in Huskisson's statecraft was that of an imperial economy, sustained not as in the past by monopoly but by preferential tariffs, and bolstered by regulations that would permit both colonies and met-

ropolis to augment their wealth through trade with other nations on a basis of reciprocity. The idea had critics among those who wanted no interference with long-established regulations and those who wanted different devices more favourable to their own vested interests. But the British and colonial commercial classes generally welcomed the reforms. A Halifax newspaper saw the new colonial freedom introduced by Huskisson as creating "a generous flame of enthusiastic and patriotic joy". Yet the important fiscal preferences, such as those on timber, corn, and sugar, primarily benefited the products of the British North American and West Indian colonies. They were not extended to the then small and remote settlements in Australia and South Africa, although in 1825 Mauritius was granted the same preference for its sugar as the West Indies. Some preferences were more prized in the colonies than others. The timber preference was not merely highly controversial in Britain but evidently for Canada a mixed blessing. There its critics asserted that it led to ill-planned and wasteful exploitation of the forest and discouraged the best forms of settlement.¹

In the quarter century after Huskisson's major measures British and colonial opinion on policy was in a state of flux. The dynamism of economic growth and change was creating a variety of new pressures and new views. In the advanced colonies the growing impulse for self-government produced an insistent demand for regulation of their tariffs and trade, not by the imperial parliament, but by the colonial legislatures. The colonists generally had no quarrel with the Huskisson idea of an imperial economy, but with the manner whereby it was run. They protested that their interests were impaired by the fiscal and other restraints imposed by the authorities in London. In response to these requests, Lord Stanley, then Secretary

¹ See Adam Shortt, *Imperial Preferential Trade* (Toronto, 1904), 25-6; also Klaus E. Knorr *British Colonial Theories 1570-1850* (Toronto, 1944), 325-9.

of State for the Colonies in Peel's ministry, in a despatch to the West Indian colonies of July 30, 1842, declared that since the Government was satisfied with the results of Huskisson's legislation it intended to give fuller effect to the spirit in which it was conceived. This it did, not by conceding control to the colonies, but by removing certain restrictions on colonial industry, reducing duties on colonial imports, and thus helping to fortify the commercial bonds between colonies and metropolis. In the same spirit it revised in the Canada Grain Act of 1843 the old sliding scale of duties so as to admit Canadian wheat and flour at nominal rates. Flour derived from American wheat imported to and ground in Canada was admitted at the same rate, a concession that quickly helped to double the milling capacity of the Canadas and increased traffic on the St. Lawrence waterway.

In the early 1840's, therefore, the Huskisson system was still substantially intact. Its few modifications might be considered as extensions in harmony with its ethos. Yet by 1850 its basic features were being swept away by the rapid march of free trade. For the North American colonies and especially for the particular interests that benefited from the preferences, the abolition of the Corn Laws in 1846 was a decisive shock that made them realise a new era in empire economics had begun. The chapter opened by Huskisson and his associates was now being closed, and a different type of imperial economy was to develop. The colonists perhaps should not have been so surprised and staggered by what had happened. The progress of preferences in recent years was but the logical forerunner of a fuller free trade. Significantly on the heels of the abolition of the Corn Laws, Lord John Russell's Government in 1846 permitted the colonies to repeal the restrictions on their commerce under the Possessions Act and three years later itself repealed the Navigation Act. The colonists could henceforth trade where they liked, with whom they liked, and in whatever ships they liked. These new freedoms were some compensation for the preferences they lost.

It is scarcely relevant here to probe the influences underlying this profound change in imperial policy or to speculate on whether some elements of the Huskisson system might advantageously have been retained. We may simply add that in Britain the fervent advocacy of free trade tended to reduce interest in the empire. In so far as such an interest survived among fiscal reformers it was expressed in the opinion that the material welfare of the colonies could best be achieved through the removal of protection. What was beneficial for Britain was beneficial for them. The advocates of this view looked to the day when members of the empire would all be amicably bound together, not by imperial preferences, but by imperial free trade. Their vision was never, of course, to be realised, for the larger colonies soon discovered that they needed protective tariffs to nourish their own industries even at the expense of Britain. The maintenance of a satisfactory preferential system would doubtless have encountered more and more difficulty in reconciling the diverse interests of colonies and metropolis. There the matter must be left. This book concerns only the initial steps to freer trade and the imperial preferences and other devices whereby it might become a reality. It is the story of a transition.

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July 13, 1966.

PREFACE TO THE FIRST EDITION

THIS book does not profess to be a biography of William Huskisson. It is an 'essay'—an attempt to survey the changes in economic policy with which Huskisson, more than any other public man, was intimately connected. I am concerned with showing their character and the influences which brought them about. The importance of these changes lies in the fact that they formed an integral part in the fall of British mercantilism.

I should like to acknowledge the help which I have received from many friends. Among these I would specially mention Professor W. P. M. Kennedy, University of Toronto, who first suggested the subject and has helped me throughout; Professor R. M. MacIver, Professor C. R. Fay, and my other colleagues in the University of Toronto; Mr. Kenneth Bell, Balliol College, Oxford; the librarians and archivists of various libraries where I have worked, especially those of the Dominion Archives, Ottawa. I need scarcely say that for the conclusions and defects I take full responsibility.

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January 1928.

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I

POLITICAL CAREER AND PARTY ALINEMENTS

THE career of William Huskisson contained no strands of drama. Few incidents of his life touch the imagination. His character in action had nothing of Canning's glittering *éclat*. Nor had his career the interest that may be found in that of Peel, who from the outset seemed to move along a road of brilliant accomplishments. The biographical sketch of Huskisson in this chapter is valuable, not for dramatic incidents, but in illustrating how events influenced the development of his ideas, and how party alinements shaped his accomplishments.

Son of a country gentleman, not above the middle class, Huskisson was born in 1770 near Wolverhampton. It is of slight interest that as a boy he attended the schools of Brewood in Staffordshire, Albrighton in the same county, and Appleby in Leicestershire. More interesting is it that he early gave evidence of excellent mathematical ability, later to mature into an enviable capacity for the handling of financial questions. His departure to Paris in 1783 was the one event of prime importance in his boyhood. In the French capital his education was directed by a celebrated and somewhat odd uncle, Dr. Gem, who had wide intellectual pursuits and a keen interest in political and social movements. Among his many acquaintances in France were the distinguished Americans, Franklin and Jefferson. It was in many respects fortunate that Huskisson should come under the tutorship of the versatile Gem in the electric atmosphere of pre-revolutionary France. In Gem's home he came into contact with men of ideas, and in the French capital he found a veritable furnace of political discussion. From 1783-89 the tottering French monarchy was adopting every available expedient to stall off bankruptcy. Such an event provided Parisians with the

occasion for political thinking, and the exchange of ideas could not but influence young Huskisson's mind. In the opening stages of the Revolution he was not merely an interested spectator, but in a very slight degree an actor. He was elected a member of an association of moderates, the 'Club of 1789'. No evidence exists to prove that he took an absorbing part in the club's discussions, but he at least read before it a paper which has the interest of being the first statement of his ideas on public finance, a field later to become peculiarly his own.¹ The argument was not elaborately developed. Its general conclusion was the inexpediency of establishing a paper currency, a position from which Huskisson never retreated in his later career. The famous Report of the Bullion Committee in 1810, in part the work of Huskisson, was an expanded treatment of the theme of his juvenile paper. As a youth in revolutionary France he had thus grappled with an important question later to engage his energies as a prominent English parliamentarian, and his view then was quite as emphatic as that later adopted in the House of Commons. So strongly was he opposed to a paper currency that on the issue of the assignats he withdrew from the 'Club of 1789'. His interest in the Revolution ceased on his conviction of the fallacy in its political economy. Soon after this, in 1791, he became secretary to Lord Gower, British ambassador to France, and thereby laid the basis of a friendship that proved helpful in his future political career. On Gower's recall to England in August 1792 Huskisson accompanied him, and his nine years sojourn in France closed.

The precise influence of France upon Huskisson is difficult to determine. But it is not a little significant that one of the men destined to assist in guiding Great Britain into a new future should have been the spectator in France of events which aided in making the new future imperative. His residence in a country suffering, among other ills, from financial disorders, drove him to think upon currency and kindred problems, later to absorb much of

¹ Huskisson, *Speeches*, iii, pp. 641 ff. (3 vols. London, 1831).

his attention in British public life. His brochure read before the 'Club of 1789' is evidence of the fact. In addition, the hectic atmosphere of pre-revolutionary and revolutionary Paris could not but provide a political tutorship of supreme value. Huskisson witnessed a state passing rapidly through the shocks of revolutionary change. He saw elaborate experiments in legislation built on revolutionary logic. He was the spectator of efforts to attain definite social and political adjustments along lines of prescribed principles. He had the opportunity of seeing the latent weakness in the devastating method of revolution. Upon an impressionable mind such experience would inevitably leave its impress. It taught him the value of constructive reform and contributed greatly to the development of his reforming mind. It gave him a direction and a method. Too mentally balanced, perhaps too Anglo-Saxon, to be unduly swayed by the idealism of the Revolution, he yet learned from the drama of those intense years the meaning and need of a sober statesmanship. Later in his career he declared that, 'it is the business of a statesman to move onwards with the new combinations which have grown around him'. He must be prepared 'to make himself acquainted with facts—to watch events—to understand the actual situation of affairs, and the course of time and circumstances, as bearing upon the present state of his own country and the world'.¹ He must satisfy political needs as they arise, and not shrink from reform merely because it was innovation. Neither must he build upon abstract ideas, with no consideration of pre-existing interests or settled sentiments. The French Revolution had taught Huskisson that real statesmanship consisted in preserving and destroying; pruning away all that was decayed and invigorating what remained.

Soon after his return from France Huskisson began an apprenticeship in British politics. For a time he remained in the household of Lord Gower, where he made the acquaintance of Pitt which opened his political future. Through Pitt's influence he obtained a new office created

¹ *Speeches*, iii. 437.

under the Alien Act for making arrangements with French *émigrés*. About the same time he met the brilliant man with whose name and party he was later associated, George Canning. Canning with his tinselled and sterling talents—he possessed an abundance of both—had in 1793 made his *début* in the Commons and was already giving promise of political success. In winning Canning's friendship Huskisson fixed his future party connexions. Under the great name of Pitt he made his entrance to politics and underwent training in the political questions of the time. With Pitt's lineal successor, Canning, he was even more closely associated, and with him he was destined to carry on those traditions of reform which Pitt left as an inheritance to his successors. In 1795 Pitt moved him into the Under Secretaryship at War, vacated by Sir Evan Nepean. The office was not a sinecure. Dundas was the nominal secretary, but Dundas's energies were absorbed in the work for which he had singular capacity—the control of the Commons and the disposal of patronage. The most noteworthy of Huskisson's labours was the direction of arrangements for Sir Charles Grey's unfortunate expedition to the West Indies. The efficiency with which he accomplished his task won him the praise of his colleagues.

In 1796 Lord Carlisle procured him the representation of Morpeth, and his parliamentary career began. At first he failed to make any noticeable display in Parliament. Indeed, it appears that he did not deliver his maiden speech until February 1798. The fact is that he had few of the oratorical talents requisite at the time for parliamentary success and was content to make no attempts to acquire them. He pursued with diligence his secretarial duties until in 1800 on Pitt's resignation over the Catholic question, he retired from office, and the first period of his administrative career closed. Up to this date the one political fact of importance was his association with Pitt and his friendship with Canning. In 1802 he unsuccessfully contested Dover, and as a consequence remained out of Parliament until 1804. In this year Pitt drew him into his second ministry as Secretary to the Treasury, where

under the Prime Minister he obtained a careful training in public finance. Pitt's second ministry, although strong on the Treasury bench, had little consistency and crumbled when Pitt died. During the brief and bizarre career of the Ministry of all the Talents Huskisson and his associate, Canning, moved aimlessly in opposition, but on the formation of the Portland Government in 1807 he was again in office as Secretary to the Treasury, with Canning as Minister for Foreign Affairs. All readers of English history know the vexatious events culminating in the dissolution of the Portland Cabinet: the differences between Castlereagh and Canning over the Convention of Cintra, the attack on the Duke of York, the expedition of Sir John Moore, and the future of Portugal. The climax was reached with the historic, if unedifying, duel between Canning and Castlereagh. Huskisson, although not directly implicated in the quarrel, followed his colleague from office, a demonstration of his close political association with Canning. We may indeed consider the two men as already leaders of the Liberal wing of the Tory party.

The division of the Tories into two bodies of opinion was one of the most important facts respecting party organization between 1810-30. Within parties, cleavage on policy is an inevitable and ordinary phenomenon. Frequent readjustment of principles to changing needs is necessary if a party is to exercise a vital influence on the life of a state. But there are always those ready to prevent an alteration in principles, as there are those desirous of accelerating change. The one group, clinging to those things which formerly won triumphs for the party, maintains obsolete watchwords and threadbare shibboleths. The other section, weary of worshipping old gods, is eager to shed much of its past and to enter the wilderness to win for the party a rebaptism, a new name and a new creed. The followers of Canning were such a group. During the war the differences between them and the larger wing of Tory opinion were not pronounced. Issues then were war issues. The triumph of British arms was the objective sought by all elements. Yet even before the close of the