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Free Trade: Conclusion

Commercial Policy

Let us now turn to the material interests of the country,—its commerce, its industry, its productive energies. How were these treated by a close and irresponsible government? and how by a government based upon public opinion, and striving to promote the general welfare and happiness of the people? Our former commercial policy [416] was founded on monopolies, and artificial protections and encouragements,—maintained for the benefit of the few, at the expense of the many. The trade of the East was monopolised by the East India Company: the trade of the Mediterranean by the Levant Company:(1) the trade of a large portion of North America by the Hudson's Bay Company.(2) The trade of Ireland and the colonies was shackled for the sake of English producers and manufacturers. Every produce and manufacture of England was protected, by high duties or prohibitions, against the competition of imported commodities of the like nature. Many exports were encouraged by bounties and drawbacks. Everyone sought protection or encouragement for himself,—utterly regardless of the welfare of others. The protected interests were favoured by the state, while the whole community suffered from prices artificially raised, and industry unnaturally disturbed. This selfish and illiberal policy found support in erroneous doctrines of political economy: but its foundation was narrow self-interest. First one monopoly was established, and then another, until protected interests dominated over a Parliament in which the whole community were unrepresented. Lord North and Mr. Pitt, generally commanding obedient majorities, were unable to do justice to the industry of Ireland, in opposition to English traders.(3) No power short of rebellion could have arrested the monstrous corn bill of 1815, which [417] landowners, with one voice, demanded. But political science and liberty advanced together: the one pointing out the true interests of the people: the other ensuring their just consideration.

Progress of Free Trade

It was not until fifty years after Adam Smith had exposed what he termed 'the mean and malignant expedients of the mercantile system,' that this narrow policy was disturbed. Mr. Huskisson was the first minister, after Mr. Pitt, who ventured to touch protected interests. A close representation still governed: but public opinion had already begun to exercise a powerful influence over Parliament; and he was able to remove some protections from the silk and woollen trades,—to restore the right of free emigration to artisans,—and to break in upon the close monopoly of the navigation laws. These were the beginnings of free trade: but a further development of political liberty was essential to the triumph of that generous and fruitful policy. A wider representation wrested exclusive power from the hands of the favoured classes; and monopolies fell, one after another, in quick succession. The trade of the East was thrown open to the free enterprise of our merchants: the productions of the world were admitted, for the consumption and comfort of our teeming multitudes: exclusive interests in shipping,—in the colonies,—in commerce and manufactures,—were made to yield to the public good. But above all, the most baneful of monopolies, and the most powerful of protected interests, were overborne. The lords of the soil, once dominant in Parliament, had secured to themselves a monopoly in the food [418] of the people. To ensure high rents, it had been decreed that multitudes should hunger. Such a monopoly was not to be endured; and so soon as public opinion had fully accepted the conclusions of science, it fell before enlightened

statesmen and a popular Parliament.

The fruits of free trade are to be seen in the marvellous development of British industry. England will ever hold in grateful remembrance the names of the foremost promoters of this new policy, of Huskisson, Poulett Thomson, Hume, Villiers, and Labouchere,—of Cobden and Bright,—of Peel and Gladstone: but let her not forget that their fruitful statesmanship was quickened by the life of freedom.

Financial Policy

The financial policy of this period was conceived in the same spirit of enlightened liberality; and regarded no less the general welfare and happiness of the people. Industry, while groaning under protection, had further been burdened by oppressive taxes, imposed simply for purposes of revenue. It has been the policy of modern finance to dispense with duties on raw materials, on which the skill and labour of our industrious artisans is exercised. Free scope has been given to productive industry. The employment and comfort of the people have been further encouraged by the removal or reduction of duties on manufactured articles of universal use,—on glass, on bricks and tiles, on soap and paper, and hundreds of other articles.

The luxuries of the many, as well as their food, have also been relieved from the pressure of taxation. Tea, sugar, coffee, cocoa,—nay, nearly all articles [419] which contribute to the comfort and enjoyment of daily life,—have been placed within reach of the poorest.(4) And among financial changes conceived in the interest of the whole community, the remarkable penny postage of Sir Rowland Hill deserves an honourable place. Notwithstanding extraordinary reductions of taxation, the productive energies of the country, encouraged by so liberal a policy, have more than made good the amount of these remissions. Tax after tax has been removed; yet the revenue,—ever buoyant and elastic,—has been maintained by the increased productiveness of the remaining duties. This policy,—the conception of Sir Henry Parnell,—was commenced by Lord Althorp, boldly extended by Sir Robert Peel, and consummated by Mr. Gladstone.

To ensure the safe trial of this financial experiment, Sir Robert Peel proposed a property-tax [Income Tax], in time of peace, to fall exclusively on the higher and middle classes. It was accepted: and marks, no less than other examples, the solicitude of Parliament for the welfare of the many, and the generous spirit of those classes who have most influence over its deliberations. The succession duty, imposed some years later, affords another example of the self-denying principles of a popular Parliament. In 1796, the Commons, ever ready to mulct the people at the bidding of the minister,—yet unwilling to bear their own proper burthen, refused to grant Mr. Pitt such [420] a tax upon their landed property. In 1853, the reformed Parliament, intent upon sparing industry, accepted this heavy charge from Mr. Gladstone.

Increase in Expenditure

The only unsatisfactory feature of modern finance has been the formidable and continuous increase of expenditure. The demands upon the Exchequer,—apart from the fixed charge of the public debt,—were nearly doubled during the last ten years of this period.(5) Much of this serious increase was due to the Russian, Chinese, and Persian wars,—to the vast armaments and unsettled policy of foreign states,—to the proved deficiencies of our military organisation,—to the construction of the navy,—and to the greater costliness of all the equipments of modern warfare. Much, however, was caused by the liberal and humane spirit of modern administration. While the utmost efficiency was sought in fleets and armies, the comforts and moral welfare of our seamen and soldiers were promoted, at great cost to the state. So, again, large permanent additions were made to the civil expenditure, by an improved administration of justice,—a more effective police,—extended postal communications,—the public education of the people,—and the growing needs of civilisation, throughout a powerful and

wide-spread empire. This augmented expenditure, however, deprived the [421] people of the full benefits of a judicious scheme of taxation. The property tax, intended only as a temporary expedient, was continued; and, however light and equal the general incidence of other taxes, —enormous contributions to the state were necessarily a heavy burden upon the industry, the resources, and the comforts of the people.

Good Government Promotes Content and Discourages Democracy

Such have been the legislative fruits of extended liberty: wise laws, justly administered: a beneficent care for the moral and social welfare of the people: freedom of trade and industry: lighter and more equitable taxation. Nor were these great changes in our laws and policy effected in the spirit of democracy. They were made slowly, temperately, and with caution. They were preceded by laborious inquiries, by discussion, experiments, and public conviction. Delays and opposition were borne patiently, until truth steadily prevailed; and when a sound policy was at length recognised, it was adopted and carried out, even by former opponents.(6)

Freedom, and good government, a generous policy, and the devotion of rulers to the welfare of the people, have been met with general confidence, loyalty, and contentment. The great ends of freedom have been attained, [422] in an enlightened and responsible rule, approved by the judgment of the governed. The constitution, having worked out the aims, and promoted the just interests of society, has gained upon democracy; while growing wealth and prosperity have been powerful auxiliaries of constitutional government.

To achieve these great objects, ministers and Parliaments have laboured, since the Reform Act, with unceasing energy and toil. In less than thirty years, the legislation of a century was accomplished. The inertness and errors of past ages had bequeathed a heavy arrear to lawgivers. Parliament had long been wanting in its duty of 'devising remedies as fast as time breedeth mischief.'(7) There were old abuses to correct,—new principles to establish,—powerful interests and confirmed prejudices to overcome,—the ignorance, neglect, and mistaken policy of centuries to review. Every department of legislation,—civil, ecclesiastical, legal, commercial, and financial,—demanded revision. And this prodigious work, when shaped and fashioned in council, had to pass through the fiery ordeal of a popular assembly,—to encounter opposition and unrestrained freedom of debate,—the conflict of parties,—popular agitation,—the turmoil of elections,—and lastly, the delays and reluctance of the House of Lords, which still cherished the spirit and sympathies of the past. And further, this work had to be slowly wrought out in a Parliament of wide remedial jurisdiction,—the Grand Inquest of the nation. Ours is not a council of [423] sages for framing laws, and planning amendments of the constitution: but a free and vigorous Parliament, which watches over the destinies of an empire. It arraigns ministers: directs their policy, and controls the administration of affairs: it listens to every grievance; and inquires, complains, and censures. Such are its obligations to freedom; and such its paramount trust and duty. Its first care is that the state be well governed: its second that the laws be amended. These functions of a Grand Inquest received a strong impulse from Parliamentary Reform, and were exercised with a vigour characteristic of a more popular representation. Again, there was the necessary business of every session,—provision for the public service, the scrutiny of the national expenditure, and multifarious topics of incidental discussion, ever arising in a free Parliament. Yet, notwithstanding all these obstacles, legislation marched onwards. The strain and pressure were great, but they were borne;(8) and the results may be recounted with pride. Not only was a great arrear overtaken: but the labours of another generation were, in some measure, anticipated. An exhausting harvest was gathered: but there is yet ample work for the gleaners; and a soil that claims incessant cultivation. 'A free government,' says Machiavel, 'in order to maintain itself free, hath need, every day, of some new provisions in favour of liberty.' Parliament must be watchful and earnest, [424] lest its labours be undone. Nor will its popular constitution again suffer it to cherish the perverted optimism of the last century, which

discovered perfection in everything as it was, and danger in every innovation.

Even the foreign relations of England were affected by her domestic liberty. When kings and nobles governed, their sympathies were with crowned heads: when the people were admitted to a share in the government, England favoured constitutional freedom in other states; and became the idol of every nation which cherished the same aspirations as herself.

This history is now completed. However unworthy of its great theme, it may yet serve to illustrate a remarkable period of progress and renovation, in the laws and liberties of England. Tracing the later development of the constitution, it concerns our own time, and present franchises. It shows how the encroachments of power were repelled, and popular rights acquired, without revolution: how constitutional liberty was won, and democracy reconciled with time-honoured institutions. It teaches how freedom and enlightenment, inspiring the national councils with wisdom, promoted the good government of the state, and the welfare and contentment of society. Such political examples as these claim the study of the historian and philosopher, the reflection of the statesman, and the gratulations of every free people.

Footnotes.

1. This Company was wound up in 1826.—6 Geo. IV. c. 33.
2. The charter of this Company expired in 1859.
3. Supra, p. 320.
4. In 1842, the customs tariff embraced 1,163 articles; in 1860, it comprised less than 50, of which 15 contributed nearly the whole revenue.
5. In 1850, the estimated expenditure was £50,763,583; in 1860 it amounted to £73,534,000. The latter amount, however, comprised £4,700,000 for the collection of the revenue, which had not been brought into the account until 1856. In the former year the charge of the public debt was £28,105,000; in the latter, £26,200,000. Hence an expenditure of £22,658,683 at one period, is to be compared with £42,634,000 at the other.
6. M. Guizot, who never conceals his distrust of democracy, says: 'In the legislation of the country, the progress is immense: justice, disinterested good sense, respect for all rights, consideration for all interests, the conscientious and searching study of social facts and wants, exercises a far greater sway than they formerly did, in the government of England: in its domestic matters, and as regards its daily affairs, England is assuredly governed much more equitably and wisely.'—Life of Sir R. Peel, p. 373.
7. Lord Bacon; Pacification of the Church.
8. The extent of these labours is shown in the reports of Committees on Public business in 1848, 1855, and 1861; in a pamphlet, by the author, on that subject, 1849; and in the Edinburgh Review, Jan. 1854, Art. vii.

[End of the main text. Supplementary Chapter (1861-71) follows.]

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