



*The economics of conservatism
or the case for mercantilism reassessed*

Hollman Guy

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The economics of conservatism or the case for mercantilism reassessed

Guy Hollman

Université Blaise Pascal, Clermont-Ferrand.
Guy Hollman est enseignant-chercheur à l'université Blaise Pascal de Clermont-Ferrand. Sa thèse portait sur la criminalité dans l'Angleterre du dix-huitième siècle et évoquait les problèmes sociaux, économiques, juridiques et institutionnels qui s'y rattachent. Il travaille toujours sur ces mêmes questions, avec un intérêt plus particulier pour la politique économique, par exemple l'étude des questions fiscales et monétaires dans les rapports qu'entretenaient la Grande-Bretagne et ses colonies nord-américaines. D'une façon plus générale, son attention se porte sur les contrastes entre les politiques interventionnistes et la politique économique libérale prônée ici ou là. Son dernier article avait pour thème les aspects du libéralisme économique chez J. S. Mill et s'intitulait: "J. S. Mill's *On Liberty* and the Legacy of Liberal Thought".

Un mauvais procès semble avoir été intenté au mercantilisme, perçu comme pratique économique rétrograde qui ne pouvait qu'être le prolongement de choix politiques nationalistes et égoïstes. Or, il apparaît qu'au contraire la zone économique anglo-saxonne façonnée par le mercantilisme favorisa non seulement l'essor économique de la Grande-Bretagne mais aussi celui de ses colonies nord-américaines. Ce n'est que lorsque la métropole eût décidé d'accroître la pression fiscale sous forme directe, et non plus uniquement indirecte comme c'était jusqu'alors la règle, que les relations entre métropole et colonies se sont singulièrement dégradées. La législation dite "intolérable" visant à accroître le revenu de la Couronne a par ailleurs certainement servi d'alibi aux radicaux qui ne voulaient plus "conserver les choses en l'état" dans les rapports entre la métropole et les colonies. Si les choses devaient changer radicalement en termes politiques après la sécession américaine, elles demeurèrent singulièrement semblables en termes économiques. La perte de souveraineté politique et de revenus fiscaux fut largement compensée par la forte reprise des échanges et des revenus de la croissance rapidement retrouvée. La métropole profitait désormais amplement des avantages commerciaux sans avoir à supporter le coût d'une tutelle politique.

In the speech marking the bicentennial of the American Revolution, Queen Elizabeth was heard to declare, somewhat apologetically, that "we (the British) had lost the American colonies because we lacked the statesmanship to know the time and the manner of yielding what it is impossible to keep."¹ The statement probably astounded the more conservative British members of the audience who certainly would have preferred to hear less of a national self-indictment. Yet, the various directions in which the eighteenth-century British prominent men lost their political bearings or allegedly 'lacked leadership' and acumen merit some investigation. With the benefit of historical hindsight, it is easy to claim that repeated faux-pas, if not regular blunders, were committed notably in terms of fiscal and monetary policies. However, a wholesale condemnation of mercantilist practices certainly deserves reassessment. It must first be recalled that such policies, however egotistical and short-sighted as they might be perceived today, were universally believed to be the only correct ones by the major European powers of the time. The economic self-interest of the mother-country on the one

¹ Queen Elizabeth II. Independence Bicentennial. Philadelphia, July 6th, 1976.

hand, the preservation of the empire's territorial integrity on the other were indeed the only major concerns of the British Parliament. Economics and politics were closely linked, as always. That one should even think of questioning their sovereignty both in economic and political affairs was anathema to the British parliamentarians who also happened to be men of economic substance. Their conservatism meant that it was quite simply *lese-majesty* to consider flouting the authority of the "King in Parliament" by refusing to abide by *their* law-making, be it in fiscal matters or otherwise. Thus it was that the king as well as his Members of Parliament, almost to a man, failed to heed American complaints whilst at the same time refusing to contemplate a possible parting of the ways until, as George III put it, "blows were to decide" otherwise.

It will therefore be the purpose of this paper to examine the role played by the enforcement of mercantilist tenets in the souring of the relations between the mother-country and its American colonists. The much decried doctrine of mercantilism can be held as illustrative of conservative economic policies at their worst, in so far as they did first and foremost seek to increase the revenue of the crown. Conservative it was because such policies fostered and furthered what were considered to be the fiscal vested interests of the British state. Mercantilism can also be viewed as the natural economic consequence of a conservative political rationale that meant to "conserve things as they were,"² that is that meant to preserve the integrity and cohesiveness of the Empire. Yet, it will be seen that some aspects of mercantilism were not only far from being as detrimental to the American — but still British — subjects as they claimed but also that the other options available were rare and few. Thus, a possible rehabilitation of the notorious doctrine will be attempted, in an endeavour to find out whether the momentous revolutionary events were precipitated by it and whether they would have occurred anyway.

Though the Tory party was as much as demised at least in terms of political influence in the period under study, that is after the French threat had been eliminated at the end of the Seven Years' War, the overwhelming majority of the members of the House of Commons favoured not only a tough stand on American unruliness but also insisted on the colonists' shouldering their share of the very costly war that had after all essentially been fought on their behalf. The mood in the House as well as in public opinion at large ranged from regular acrimony to a more moderate but none the less firm approach. Arch conservatives would make no bones about things. Dr. Johnson for one discarded American libertarian views as not only totally ludicrous but equally totally unfounded. He sarcastically pointed out that their outrageous demands "which suppose dominion without authority and subjects without subordination" would unfailingly end in a contest between "English superiority and American obedience" which obviously the English would not fail to win. If as they clamoured the colonists were enslaved, then it was strange that "the loudest yelps for liberty" should be heard "among the drivers of Negroes."³ For his part, William Knox, another champion of the status quo and noted pamphleteer, reasserted that the sovereignty of Parliament was indisputable, nothing short of this was tolerable, it was indeed salutary that British subjects, wherever they were, should be reminded about some self-evident truths:

The Parliament of Great-Britain has a full and complete jurisdiction over the property and person of every inhabitant of a British colony [...] the colonial assemblies derive their legislative authority from the mere grant of the Crown only.⁴

Conservative thought held it that the law of the land applied everywhere, it was "carried over" by Englishmen wherever they settled, be it on the other side of the Atlantic. Hence the

² Mrs. Thatcher's oft-times repeated definition of conservatism.

³ Dr Johnson, "Taxation no tyranny," in *An Answer to the Resolution of the American Congress*, (1775), microfiche 961, Main Library. Berkeley, p. 186.

⁴ W. Knox, *The Claims of the Colonies to an Exemption from Taxes imposed by Parliament examined* (1765), microfiche 961.

Declaratory Act passed in 1766 and heralded by the British as a healthy reminder of what traditional parliamentary authority was and always should be. The emphatic conservatism of the piece of legislation was barely noticed by the colonists, bent as they were on celebrating the repeal of the Sugar Act. And yet, when it came to the American colonies, what was conveyed in the wording was the epitome of conservative thought, thoroughly devoid of needless niceties:

Parliament had, hath, and of right ought to have, full power and authority to make laws and statutes of sufficient force and vitality to bind the colonies and people of America [...] in all cases whatsoever.⁵

Semantics came to the rescue and added strength to the cause of the “preservation of things as they were.” What was it to be a good patriot, fumed the King himself, if not to be faithful and loyal to one’s sovereign. The noble term “patriot” was being abused, the very self-same who “pretend(ed) to be Patriots, instead of acting agreeable to such sentiments, avow(ed) the unnatural doctrine of encouraging the American colonies in their disputes with their mother country.”⁶ In keeping with their “unnatural” conduct, they paradoxically bullied those American subjects who chose to be loyal to their king. When doing so, the so-called Sons of Liberty violated the basic liberties, that is the natural rights of British subjects. American loyalists, and they were quite a few especially among the more affluent colonists, were thus conservative in their political views since they pledged allegiance to their King. Since they also chose to abide by his laws, including those of a commercial nature, they were equally conservative from an economic standpoint, finding it difficult to believe mercantilist regulations should be sufficient reason to openly rebel and secede from the metropolis. Indeed, the regulation of trade, in spite or perhaps even because of its very tariffs and duties, also had its benefits which could be enjoyed on both sides of the Atlantic. If mercantilism was to be enforced the way the Parliamentarians had planned it, there was nothing to fear for the members of the Empire itself, in fact there was something in it both for the mother-country and her American colonies. Those who had everything to fear were foreign nations. In the words of Joshua Gee who in his own way was enquiring into the wealth of nations: “the surest way for a nation to increase in riches is to prevent the importation of such foreign commodities as can be raised at home.”⁷

Within the Empire, there was to be therefore a kind of distribution of the economic tasks and responsibilities, in the manner Ricardo was to recommend in the earlier nineteenth century. There was to be a kind of competitive and “comparative advantage” conferred to each member of the Empire, each making the most economically of what it was best at, thus reaping the financial benefits of its own competence and excellence in such and such a field. For instance, the colonists made the most of their ship-building industry for which they found ready British clients and at the same time, they could have easy access to inexpensive British manufactures for the purchase of which they could find ready credit from British financiers. If monopoly there was, it ran both ways; there were indeed quite a few privileges to being dependent, not the least of it being spared the burden of defense on the high seas. The sharing-out of economic responsibilities could be thus considered as national economic efficacy organized rationally within the empire, “a national concern in many ways far more scientific than the blind trust to the instincts of individual selfishness which characterized the English theory of the nineteenth century.”⁸ The American colonies and Great-Britain therefore were

⁵ Hansard, *Parliamentary History of England*, London, 1806, p. 612. Cited in Bernard Bailyn, *Ideological Origins of the American Revolution*, Cambridge, Mass., Harvard University Press, 1967, p. 202.

⁶ Fortescue, *The Correspondence of George III*, letter 1361, London: Macmillan, 1928.

⁷ The title of the tract is: *The Trade and Navigation of Great-Britain considered, showing the surest way for a nation to increase in riches, is to prevent the importations of such commodities as may be raised at home*, printed for S. Bladon, in Paternoster Row, London, 1761.

⁸ H. E. Egerton, *The Causes and Character of the American Revolution*, Oxford: Clarendon Press, 1923, p. 55.

meant to form a kind of huge economic zone, protected by regulations from foreign competition, trade itself thus creating a kind of indissoluble bond between Englishmen here in Europe and there in America. "British subjects in Europe and America are the same people and all equally participate in the adversity or prosperity of the whole."⁹ Thanks to the mercantilist framework trade was the "bulwark" not only of England but also of her American colonies, it was trade that was, to borrow Defoe's terms, to make their merchants both "rich, numerous, their poor able to maintain themselves, [... England] great, strong, terrible abroad, and busy at home."¹⁰

At any rate, the rationale behind the colonial system thus defined was that all trade within the Empire should benefit the Empire itself and not any outsider, let alone any sworn enemy such as France. If there was any integration sought, it was much more of an economic nature than of a political one. Hence the phrase and concept of "commercialized politics" which recurs again and again in the multiple studies made about the controversial period and that aptly describes what seems to have been the political mood of the age. The relationship with America was essentially one of a commercial nature. What was long at stake was reciprocal self-interest, the Empire being perceived as a self-sufficient economic unit rather than one open to contest for a kind of political power that would allegedly have been brutally asserted by the British parliamentarians back at home. What was to be preserved and abided by was the rule of merchants both English and American, the latter having not denied as yet their Britishness. That there was any deliberate plan of political enslavement or indeed regular tyranny on the part of the King and his Parliament, as clamoured by the American radicals, is also questionable. It seems on the contrary that colonial policies were as haphazard as judiciary policy was. They were no more rationally planned or deliberate than numerous criminal laws being piled upon one another — the so-called "bloody code" — had been. The relationship with America was pragmatic, open, untidy and as such reflected eighteenth-century politics at large. Until Lord North determined to take matters into firmer hands, there was no agenda, there were no priorities except those of issues that as far as most English public men were concerned cropped up somewhat out of the blue and had to be addressed because they could no longer wait to be dealt with. If and when legislation was passed by Parliament on the matter, it was negligently, almost absent-mindedly, the law-makers never quite realizing what even the short term consequences might be. Hence at times the urgent need to repeal an Act that had but recently been passed. The Stamp Act for instance was very short-lived, barely a year had elapsed before it was repealed (October 1765–March 1766). As J.C.D. Clark remarked pointedly: "successive British ministries seemed almost blind to what was going on; not so much aware of the fact as incapable of formulating a predictive theory of constitutional developments on the basis of them [...] as far as most Englishmen were concerned, the Stamp Act crisis came out of a clear blue sky."¹¹ For quite a while indeed, there seems to have been far more neglect than callousness, whether the former term was to prove "salutary" in the long term is of course questionable. Nor, contrary to what was claimed, does there seem to have been *no* representation whatsoever of American interests in the British Parliament in London. The interests of the British merchants in the North American colonies were such that they made sure that the buying power of their commercial partners over the Atlantic was not affected by tariffs passed in Parliament. In the words of Sir Lewis Namier: "between the British merchants and the agents in charge of colonial interests in Great Britain a system of co-operation was established so close that at certain junctures the

⁹ Whateley, Grenville's secretary cited in *The Privileges of Dependence*, p. 18.

¹⁰ Defoe, "Trade, The Bulwark of England," May 1, 1711, in *The Best of Defoe's Review: An Anthology*, ed. by W. L. Payne, New York, Columbia University Press, 1951.

¹¹ J. D. C. Clark, *Revolution and Rebellion, State and Society in England in the Eighteenth Century*, Cambridge: Cambridge University Press, 1986, p. 127.

London merchants trading to America came even to form quasi-constituencies for these quasi-representatives.”¹² When it comes to the issue of representation however, there is some truth in saying that in the longer run, neither the colonists nor their cousins across the Atlantic were too keen on any form of it. The Americans were bent on their own representative bodies on their soil and the British wanted to preserve not only the sovereignty but the integrity of their Parliament, the presence of the “northern thanes” from Scotland after 1707 had been an experience they did not want to renew with the Americans.

All in all therefore, the situation either in economic or institutional terms was not as bleak and desperate for the Americans as they made it to be. Mercantilism *per se* was not to be blamed for the souring of relations. The economic protection and safeguards against foreign competition that it ensured was not limited to the benefit of the mother-country, it also came as a commercial incentive for the whole Anglo-Saxon economic unit referred to earlier on.¹³ What was it then that went so badly wrong to cause its very beneficiaries first to rebel then to resort to arms and eventually to secede? Attempting to answer this question comes down to asking whether mercantilism and fiscal legislation were one and the same thing, whether mercantilism was to be equated with those Intolerable Acts denounced by those who were required to tolerate them *i.e.* pay up and increase the revenue of the kingdom, thus demonstrating their loyalty in tangible terms. The purpose of mercantilist principles was merely to regulate trade to everyone’s benefit. There was nothing that was deemed tyrannical in the enforcement of such principles. There was nothing new about London imposing tariffs and regulations in order to control trade, the colonies had been long used to such practices and had so far not objected to them. The customs duties were indirect or *external* taxes. Benjamin Franklin himself, testifying before Parliament in his capacity as colonial agent in London, had clearly answered in the negative when asked whether the “Americans ever disputed the controlling power of Parliament to regulate commerce.”¹⁴ But there was, he hastened to add, a clear distinction to be made between an external and an *internal* tax:

I think the difference is very great. An external tax is a duty laid on commodities imported; that duty is added to the first cost and when it is offered to sale, makes a part of the price. If the people do not like it at that price, they refuse it, they are not obliged to pay for it. But an internal tax is forced from people without their consent, if it is not laid by their own representatives.¹⁵

The distinction, though it may appear rather spurious today since after all all fiscal measures, whether internal or external, were imposed by London without consent anyway, was of consequence to eighteenth-century colonists. The Stamp Act, the arch internal tax as far as they saw things, was a kind of violation of their properties since it detracted from the value added to their products “by the sweat of their brows,” thus causing their selling price to rise artificially. Such was at least the definition that Locke had given of true property, the preservation of it being the hallmark both of a man’s liberty and that of the legitimacy of any government.¹⁶ We know that the English philosopher’s writings were much heeded and much quoted by the American colonists:

the labour of his body, and the work of his hand, are properly his. Whatsoever [...] he has mixed his labour with makes it his property. It being by him removed from the common state nature placed it in, hath by his labour something annexed to it, that

¹² Sir Lewis Namier, *England in the Age of the American Revolution*, London: Macmillan, 1963, p. 251.

¹³ This point is taken up by Emmanuel Todd in a recent book that denounces the dire evils of hardcore liberalism. See: *L’illusion économique, essai sur la stagnation des pays développés*, Paris: Gallimard, 1998, especially pp. 190–193.

¹⁴ Cited by D. Cook, in *The Long Fuse: How England lost the American Colonies*, New-York: Atlantic Monthly Press, 1995, pp. 97–98.

¹⁵ *Idem, ibidem*.

¹⁶ Locke, *The Second Treatise of Government*, (c. 1681), chapter I, § 3: “Political power I take it to be a right of making laws with penalty of death for the Regulating and Preserving of Liberty.”

excludes the common right of other men. For this being the unquestionable property of the labourer, no man can have a right to what that is once joyned to.¹⁷

This celebration of work, the outcome of which was thus being upgraded to rightful ownership that no one can be despoiled of, foreshadowed the celebrated work ethic that still prevails in the Protestant New World. It was and still is closely associated with the right of each and everyone to make good through one's hard work.¹⁸

An internal tax such as the Stamp Act was therefore not only an infringement of a man's right to reap the benefit of his labours, it was also a violation of his freedom as a subject, the preservation of his property thus defined being also the preservation of his liberty. But the Stamp Act, together with the other internal, therefore "intolerable" acts, did more than that. They were also notorious because they had to be paid, and this time mercantilist dogmas were at fault, in precious metal, namely silver. If one recalls the acute shortage of specie that American traders were laboring under, it is no wonder that they should have hated a tax which not only robbed them of part of their labor but on top of that crippled their means of exchange, that is their trade. Hence the colonists' temptation to issue their own legal tender paper money, a temptation that was suppressed by the Currency Act of 1764. There is no doubt that the struggle for the creation of a common currency that the English hoarding of bullion necessitated, also fostered the economic and political union of the originally independent colonies.¹⁹ Something had to be done; the British assuredly were sneaking unbearable taxes on them, this novel revenue of theirs was introduced as it were by stealth, such fiscal innovation did not belong to the good old — and generally accepted — regulation of trade.

Yet, it is also true that in the wake of the very costly Seven Years' War, the British badly needed revenue to attempt to reverse the tide of a staggering budget deficit. It is indeed one of the paradoxes of the period that they should have hiked taxes in every direction and that their economy should have continued to boom, though the consuming power of their subjects was considerably affected. If the American subjects had some ground to complain in the matter, their British counterparts should have been far more vociferous about it since they were far more burdened with all sorts of excise taxes and duties. In the words of John Brewer, they were run over by a kind of "excise juggernaut" and yet there was no meltdown of the economy, which is a fact difficult to account for:

It is estimated that by the first quarter of the 18th century Englishmen were paying 17.6 livres *per capita* in annual taxes, while the equivalent figure in France was only 8.1 livres. By the 1780's, annual taxes cost each Englishman 46 livres to each Frenchman's 17: the discrepancy between tax incidence in the two nations was widening.²⁰

If tax collection was as stupendous and as effective as that in Great Britain, there was no reason, as far as most Englishmen saw things, why the American British subjects should not play their fiscal part in the conservation of things as they were, in short, in the conservation and the security of the Empire. As we well know however, as far as the latter were concerned, conserving fiscal matters as they were signified refusing to be imposed what they had not consented to. They were happily willing to continue to share in the general profit-making thanks to thriving exchanges back and forth from both sides of the Atlantic but would not be compelled to add unnecessarily to the King's revenue. In other words, they wanted *their* share of the economic sovereignty, being on the other hand well aware that a booming trade did also

¹⁷ Locke, *ibid.*, chapter V, § 27.

¹⁸ See in this respect the recent abstract of "An Enquiry into the Weber Thesis" by M. H. Lessnoff, in *The Journal of Economic History*, June 1997, p. 578.

¹⁹ As a matter of fact, the Americans began to print their own money in 1775. See Joseph Dorfman, *The Economic Mind in American Civilization, 1606–1865*, New York, Viking Press, 1946, p. 179, and Miller, *Origins of the American Revolution, the Economic Background*, New York: Brown Books, 1943, p. 20.

²⁰ John Brewer, *The Sinews of Power*, London: Hyman, 1989, pp. 89–113.

mean increased revenue for the mother-country. In other words, the King's increased revenue was in turn used to strengthen the fiscal sinews of the state, so desperately required to increase its military might, if only to construct men-of-war and hire mercenaries. "Trade, trade and more trade, both at home and abroad meant that Britannia ruled not only the waves but the financial and commercial competition that underlay military success."²¹ There was always indeed the much dreaded possibility that military clout thus reinforced might be used precisely against those very British subjects across the Atlantic that participated in the booming trade. Thus, their economic achievements might prove counterproductive in political terms since it would help Parliament back in London to assert its sovereignty and there was some ground to believe that it was likely at some stage to do so brutally. The dismay and fears of the Americans in this respect were voiced in their newspapers. It was obvious that the actual differences between the two parties were perceived more accurately by the American subjects than by their British counterparts back in England. The flexing of muscles and the sabre-rattling on the part of the British did not go unnoticed. The *Charleston Gazette* in South Carolina, drew its readers' attention to the fact that:

From the particular attention that has, for some time past, been paid to putting the barracks in order, it has been surmised by some, that they were preparing to receive at least a regiment of troops. Whether these surmises have any foundation or not, our advices do not authorize us to say, though they intimate that the Government back at home seems more determined than ever that the Revenue Acts to operate in America, shall be enforced.²²

Hence, a few years later, the plea to Governor Hutchinson by an American subject writing to the editor of the *Boston Gazette*:

Tell the ministry, tell the King, that the plans which are being pursued to tax the colonies and subject them to arbitrary power, will end in the destruction of the nation, that civil wars and ruin will be the final issue. Tell them they are sapping the foundations of the kingdom, that the Americans murmur, complain of oppression, and are determined they will not much longer bear the burdens and insults that are heaped upon them, that the day is fast approaching wherein the union between America and Great-Britain, on which the existence of the kingdom depends, will be dissolved.²³

Such somber but prophetic words were echoed by Benjamin Franklin himself who rather sarcastically had spelled out what he thought would be the rules that would not fail to cause what had been predicted by the letter to the editor quoted above. In his *Rules for reducing a Great Empire to a small one*,²⁴ he stressed that "when told of discontent in the colonies, one should never believe they are general." He added that it would also be an excellent idea to take "all your informations of the state of the colonies from the governors and officers in enmity with them." Obviously, to cap it all and thus make sure that the recipe works wonders, one should "suppose all their complaints to be invented and promoted by a few factious demagogues, whom if caught and hanged, all would be quiet." Such totally erroneous and rather complacent perception of reality was confirmed in the writings of English pamphleteers who seemed to consistently underestimate both the seriousness of the situation and the resolve of the colonists. Thus, Joshua Gee could quite happily contend that if what he believed to be a minority of "turbulent" Americans refused to abide by the law of the land and persisted in resorting to illicit trading practices then "a small squadron of light frigates would entirely cut

²¹ Nancy Koehn, *The Power of Commerce: Economy and Governance in the First British Empire*, New York: Cornell University Press, 1994, p. 6. As also noted by W. W. Rostov in *How It All Began, Origins of the Modern Economy*, it is not indifferent to recall that "English naval expenditures remained high throughout the period, while the French naval outlays diminished relatively with the passage of time" (New York: McGraw-Hill, 1960, p. 93).

²² *Charleston Gazette*, July 25th, 1766. Berkeley Library, microfiche 601.

²³ *Boston Gazette*, August 13th, 1771.

²⁴ First published anonymously in the *Public Advertiser*, 1793, Rule XVI.

off their trade, and if that did not do, the government would be forced, contrary to their practice, to do what other nations do of choice, viz. place standing forces among them to keep them in order, and oblige them to raise money to pay them.”²⁵

On the whole, the overwhelming majority of the British commentators either did not care to see things as they were likely to become or refused to believe what they were told. Some rare but prominent voices were raised however advising caution and giving a more insightful perception of the state or, perhaps more accurately put, the predicament of the Empire. Had they been heeded, these views might have at least postponed if not averted an outcome which in Queen Elizabeth II’s opinion seemed inevitable: less rigid statesmanship might after all have preserved the union. Edmund Burke for instance, certainly no revolutionary, would have liked his countrymen to adopt a more elevated approach to the world of politics. In his *Speech on Conciliation with America*, he pleaded for a less narrow, less constricted perception of politics. A little less grabbing and a little more magnanimity might be more effective in the long run than all the standing armies of the world. To conserve things as they were between the mother-country and her colonies required a little more spirit than matter, more lofty ideals than rank acquisitiveness. There are “a sort of people who think that nothing exists but what is gross and material, and who, therefore, far from being qualified to be directors of the great movement of Empire, are not fit to turn a wheel in the machine.”²⁶ How could such base-minded men ever realize that their true interest is to grant the colonists that “freedom which they can have from none but you. This is a commodity of price, of which you have the monopoly. This is the true Act of Navigation that secures the wealth of the world.”²⁷ It comes as no surprise that the eminent orator should have chosen to mix the abstract and the concrete in an attempt to have a greater impact on prosaic parliamentary ears. It is also true to point out that such terms as “monopoly” and “Act of Navigation” were normally not associated with freedom but increasingly, as matters stood, with obedience and submission.

Another parliamentarian also attempted to shake his colleagues out of their complacency regarding America. Colonel Isaac Barre’s words were blunt, his tone Shakespearean but eventually to very little avail. On March 27, 1771, he began his speech thus:

Since I had the honour, or rather dishonour, of sitting in this House, I have been witness to many strange, many shameful transactions [...]. Listen, for if you are not totally callous, if your consciences are not sealed, I will speak daggers to you.²⁸

Neither the fiery colonel, who also happens to be the author of the celebrated “Sons of Liberty,” a phrase that “came to be heard around the world,” nor Burke himself had much following among other parliamentarians. Most were bent on not having what they considered to be their prerogatives in the least questioned. Parliamentary obduracy when it came to the issue of the Americans was near total.²⁹ One must admit that the British self-delusion as regards the determination and resilience of their American cousins is somewhat surprising; they ought to have known better: they were of the same stock. Adam Smith’s accurate perception of American traits and premonitory words would also fail to draw sufficient attention:

They are very weak who flatter themselves that, in the state to which things have come, our colonies will easily be conquered by force alone. The persons who now govern the resolutions of what they call their continental congress feel in themselves

²⁵ J. Gee, *The Trade and Navigation of Great Britain considered, showing that the surest way...*, p. 130.

²⁶ Edmund Burke, *Speech on Conciliation with America*, March 22, 1775. Main Library, Berkeley, microfiche 601.

²⁷ *Idem*.

²⁸ *Minutes of the House of Commons*, March 27, 1771. Berkeley’s Main Library, Government Archives, microfilms, 18th century reels.

²⁹ For instance, a motion put forward by Burke advocating more caution and conciliation and “censuring the conduct of the present Administration with respect to the affairs of America” was dismissed overwhelmingly: Ayes 79 / Noes 199. *Minutes of the House of Commons*, n° 789, “Lord North to the King,” May 9, 1770.

at this moment a degree of importance which perhaps the greatest subjects in Europe scarce feel. >From shopkeepers, tradesmen and attorneys, they are become statesmen and legislators, and are employed in contriving a new form of government for an extensive empire, which, they flatter themselves, will become and which indeed seems very likely to become one of the greatest and most formidable that ever was in the world.³⁰

Yet, once again, the political rigidity concerned far more the issue of the crown's revenue than mercantilist policies at large, at least in the earlier stages of the Anglo-American crisis. If the latter came to a head, and we may wonder whether it was not bound to happen whatever the policies pursued, it was essentially over the issue of direct, 'internal' taxation, in which domain the British government decidedly loomed too large. For, as regarded the regulation of trade itself, it was not only little questioned but commercial exchanges resumed at a brisker pace than ever once the conflict was over. This proves that the Anglo-Saxon economic zone remained a privileged economic unit for exchanges between the former mother-country and the brand-new united and henceforth independent states of America. Such a happier turn of events, at least from a commercial angle, than could have been envisaged had been predicted by the more clear-sighted political thinkers who precisely belonged to the conservative school. If from a political stance things were indeed greatly altered, it was back to business as usual when it came to economic matters; as far as trade was concerned, things had been not only preserved but indeed improved. It is somewhat ironical that it should be one of the most acrimonious and vocal adherents of political conservatism that should have chosen to point to a new and paradoxical direction. Dean Josiah Tucker considered that since the Americans, when their self-interest was at stake, would trade with anybody, their bitterest enemies included, one might as well make the most of an unpleasant situation and enjoy the economic benefits of their commerce without the expenses of their government. This was indeed being pragmatic and a typical instance of economic conservatism best understood. It was therefore advisable to sever political links and no longer insist on keeping things that could not be kept politically-speaking, as long as in the longer term commercial interests were not affected. Hence the rather harsh but realistic words written in *The Respective Pleas and Arguments of the Mother-country and the Colonies distinctly set forth*:

We [the English] are to be the first adventurers, the first drudges; we are to run the first risks, and to bear the primary expenses, then, when matters are brought to bear and the trade has succeeded, they (the Americans) are to commence our rivals and competitors [...]. If we shall still persist in caressing our colonies for putting these indignities daily upon us (for instance persistent and shameful smuggling), if we are still to submit to be fleeced, taxed and insulted by them, instead of throwing them off, and declaring ourselves to be unconnected with, and independent of them, we shall become and indeed are becoming a monument of the greatest infatuation.³¹

There was no doubt that the "mercantile saints of Boston" and elsewhere, as they were labeled in the *London Gazette* of November 30, 1770 knew how to do business, how to evade taxation and what their best political self-interest was. It comes as no surprise that it should be an opponent of the mercantilist doctrine that should have denounced the kind of nationalistic political self-deception the British were labouring under when they deluded themselves into believing that they possessed an empire. Prior to 1776 when his *Wealth of Nations* was published, Adam Smith had expressed the view that "the rulers of Great-Britain have amused the people with the imagination that they possessed a great empire on the west side of the Atlantic. This empire, however, has existed hitherto in imagination only. It has hitherto been

³⁰ A. Smith, *Wealth of Nations* (1776), book IV, § 7, pt 3.

³¹ J. Tucker, *The Respective Pleas and Arguments of the Mother-country and the Colonies distinctly set forth and the Impossibility of a Compromise of Differences or a mutual Concession of Rights, plainly demonstrated*, printed by R. Raikes, London (1775), British Library, microfilm 683.

not an empire, but the project of an empire; not a gold mine, but a project of a gold mine.”³² There was no reason therefore why the mother-country should fight tooth and nail to stem what seemed to be an inevitable and very costly course. America had to be left to fend for herself to chart her own political course; from an economic stand-point, if Britain was to conserve her commercial interests, such was the best option, paradoxical as it may appear. What had been lost in political power was amply made up for by economic gains: “this was a great example of the successful development of complementary economies without political subservience.”³³

A decade before Adam Smith’s masterpiece was published, William Knox had already predicted that if things were really to turn for the worse in the relationship between Great-Britain and her American colonies, that is if the former eventually “lacked the statesmanship to know the time and the manner of yielding” the latter, then there might be an unexpected outcome. It had not failed to occur in the past: “we have beheld with wonder, and comfort, that our shipping and commerce, have, at the return of each successive peace, been invariably more extensive than during any preceding period.”³⁴ This was indeed confirmed by hard economic facts after the Treaty of Paris had been signed in 1783. What was politically a disaster proved to be an economic success. What was probably unavoidable, that is the loss of an American empire, was more than compensated for by renewed and thriving commercial relations. Thanks to or because of mercantilism, which amounted to Britain treating her American colonies with the status of what the United States today term “the most favored nation,” Britain had achieved a hegemony in which a competitive advantage in free trade could later be enjoyed.³⁵ The fiscal incompetence, the illiberal policies not loosened early enough in terms of revenue gave the Americans numerous alibis to declare their independence, then to go to war, and eventually secede. The succession of the so-called coercive laws gave them the repeated chance to form a “more perfect union,” a feat the various colonies had found difficult to achieve during the period of “salutary neglect.” Yet, the loss of revenue due to the retrograde and ineffective fiscal measures called internal taxes then must not conceal the increase in income that mercantilism had long permitted before the war. Similarly, the loss of territory after the war does not mean that there was a concomitant loss of trade for the British, since it is indeed the opposite which occurred. What did happen however was that henceforth the British would ‘conserve things’ differently, there would be a shift in the very concept of empire which would from now on be much rather of a *commercial* character than of a territorial one.³⁶ Contrary to what had been claimed by the Queen, the lesson had been learnt, at least partially.

³² The concluding words of *The Wealth of Nations*, book V, chapter 3.

³³ Peter Mathias, *The First Industrial Nation*, London: Methuen, 1969, p. 268.

³⁴ W. Knox, *Claims of the Colonies*, p. 254.

³⁵ A point made by M. A. Keliher in her article “Mercantilism Reappraised,” <<http://www.economics.tcd.ie/ser/1996/mkeliher.htm>>.

³⁶ An idea offered by Paul Langford in *A Polite and Commercial People, England 1727–1783*, London: Oxford University Press, 1989, p. 619.