Britain, Free Trade, and the Irish Potato Famine

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The Irish Potato Famine was a food crisis that took place in Ireland between 1845 and 1851 and which led to the death of one million people as a result of starvation or disease[1]. This tragedy coincided with the repeal of the Corn Laws by the existing Prime Minister Robert Peel. The Corn Laws were a series of regulations introduced in Britain in the nineteenth century to protect British farmers from foreign competition by permitting grain to be imported only after the price of local wheat had risen above a specific level[2]. Because the Repeal was done in the context of the Irish crisis, it is often assumed that, had this event not happened, Britain would not have repealed the Corn Laws at that time, and thus, would not have taken steps towards free trade in subsequent years. However, long before the occurrence of the Famine, contemporaries had realised that protectionism was doing more harm than good to the British economy and therefore needed to be replaced with a free trade policy. But ultimately what aided this change in economic policy was the dire economic condition of the 1840s because it forced the adoption of Free Trade measures. As William Cunningham says 'sometimes, the political affairs of a country- its constitutional and colonial system – are readjusted to meet economic needs'[3].

It was becoming obvious by the end of 1845, that the potato crisis in Ireland was being aggravated by the restrictions imposed by the Corn Laws. Several memorials from various groups of society were sent to Peel to convince him of this and to encourage him to repeal these injurious laws. Among the people who sent these memorials were the inhabitants of Liverpool who argued that:

'we find, from our daily experience, that in all the articles which we obtain from foreign nations, and which are left to the natural operations of commerce, there is always procurable an abundant supply for the wants of the community; that we therefore believe that it is owing to the restrictions imposed by the corn and provision laws that there is not every year a store of foreign grain, ample enough to dispel the well-founded alarm which is now inseparable from a failure in our own harvests; that the operation of these laws is greatly to impoverish the people…' [4]

Normally, under conditions of free trade, there is always an abundant supply of goods for the needs of the community but these laws ensured that there was not every year a stock of foreign grain in Ireland which could have been enough to alleviate the disastrous effects of the failure of the potato crops[5]. Thus, Peel repealed these laws in 1846, seeing that they were a potential cause of human suffering. However, this event alone did not shape Peel's decision; it merely confirmed his belief that these legislations were not necessary for Britain's prosperity. In 1841, he inquired about the prices at which corn and other foodstuffs could be imported from mainland Europe, and his results revealed that they were not likely to be low enough to hurt British farmers[6]. Therefore, the Potato Famine gave him the opportunity to repeal a law he had for some time stopped to believe in. Moreover, the Corn Laws had come under attack from their very outset because not only did they fail in securing the good results which had been anticipated, but they were also injurious to British agriculture and industry[7]. One aim of these laws was to render Britain self-sufficient and independent of the risk of having to rely on an imported food supply[8]. However, enough corn was not grown to meet the requirements of the population. Britain's population grew rapidly in the nineteenth century: it went from twelve million people in 1811 to eighteen million in 1841[9]. This rapid growth of population made it necessary to import increasing quantities of wheat and also made it un-justifiable to tax those imports. In 1846, Lord Morpeth argued that, since population was increasing faster than wheat production could increase, it was

"important to secure an additional supply from abroad and as many purchasers are very poor, that this ought to be

obtained at the cheapest rate possible[10]". By doing this, scarcity could be overcome because 'the larger the space from whence supplies of any article are drawn, the smaller the chance of its deficiency'[11].

The Corn Laws were established on the assumption that the price of food regulated the rate of wages. There was a common belief that the price of labour in other countries was so low that the price of bread must be kept up in Britain to prevent wages going down to the same level[12]. But the price of bread became so high that it accounted for a high proportion of people's wages and consequently it diminished their consumption of necessities: for the man '*whose wages enable him to purchase meat, bread being at a given price – let the price of bread be increased, and he will economise by consuming less meat'*[13]. Therefore, these laws consequently made life dearer for the population and impoverished many. Yet, as well as being unfair to the consumer, they were also injurious to the producer as it reduced his profits. The price of corn was not kept to the level it was promised: the aim of the Corn Law of 1815 was to keep up the price of wheat above 80s per quarter, but it never produced that effect for in the 1930s, the average was 40s[14]. Since the Law could not guarantee to secure an acceptable price to farmers, they were often in serious difficulties.

The protection of agriculture, through the Corn Laws, injured the industrial classes as the duties on the importation of corn restricted trade with other countries and this indirectly limited employment in the manufacturing industry[15]. Richard Cobden argued that if free trade was established with other nations, it would create more regular employment in this sector. He said in 1844 that free trade would:

'increase the demand for agricultural produce in Poland, Germany and America. That increase […] would give rise to an increased demand for labour in those countries, which would tend to raise the wages of the agricultural labourers. The effect of that would be to draw away labourers from manufactures in all those places. To pay for that corn, more manufactures would be required from this country; this would lead to an increased demand for labour in the manufacturing districts, which would necessarily be attended with a rise in wages, in order that the goods might be made for the purpose of exchanging for the corn brought from abroad[16].'

The point is that since the injurious effects of the Corn Laws on many aspects of British society and economy were becoming obvious to many contemporaries, a repeal would have been inevitable; it would not have specifically required the Potato Famine. In fact, the British government accorded so little attention to the Irish Potato Famine and undertook such superficial measures to deal with it that t becomes absurd to believe that an event so neglected could possibly have fundamentally impacted on British economic policy. In a report on the relief works carried out in Ireland, the Relief Commissioners complained that either the government was not doing enough, or when it did, the measures were not efficacious in improving the situation. They stated that *we are informed that much delay and suffering is likely to be occasioned by such a degree of apathy and unwillingness to attend to the business* ' and added that '*it might be productive of many advantages if work useful to the community could be arranged*'[17].

The Corn Laws were part of a wider system of restrictive regulations established by the British government in the sixteenth century with the aim of regulating British trade to the greatest advantage[18]. This policy was called mercantilism and it stressed the 'zero-sum' nature of international power and wealth: the gains to one nation were seen as the loss to another[19]. Thus, foreign trade was controlled to produce the maximum surplus in the nation's trade balance. Some of the other aims of this policy were to enhance domestic production, especially of manufactures, thereby increasing employment and to obtain control of international shipping[20]. However the benefits gained from the numerous prohibitive duties were either minimal or non-existent and this convinced many that Britain had to revise her revenue system. The Report of the Select Committee of 1840 on Import Duties stated that '*the Tariff of the United Kingdom presents neither congruity nor unity of purpose; no general principles seem to have been applied*'[21]. Firstly, the Tariff often aimed at incompatible ends: the duties were *'sometimes meant to be both productive of revenue and for protective objects, which are frequently inconsistent with each other'* and these duties were sometimes so high that they produced little or no revenue[22]. Moreover, the inefficiency of the revenue system could be demonstrated by the fact that very few duties were actually of any benefit: in 1838-9, 17 articles out of 721 in the Tariff schedule accounted for 94.5 per cent of the Customs Revenue[23]. Apart from being inconsistent and inefficient, it also posed a burden to consumers who had to pay more for their goods:

'the effect of prohibitory duties, while they are of course wholly unproductive to the revenue, is to impose an indirect tax on the consumer, often equal to the whole difference in price between the British article and the foreign article which the prohibition excludes. On articles of food alone, [...] the amount taken from the consumer exceeds the amount of all the other taxes which are levied by the government'[24]

This ineffective system was so detrimental to the economy that the revenue, not only exhibited deficits for several years, but in 1842, it actually fell short of the expenditure for the year by two and a half million[25]. The country was facing the worst trade depression of the century: the working classes were suffering severe and unquestionable distress; population had increased to such an extent that it seemed no longer possible to find employment for them[26]. The only solution was to *'invite the entire world to become our customers, by opening our ports to their products in exchange*' as it would bring both food and employment[27]. Thus, given the failure of Britain to benefit substantially from her protectionist system, there was a move away from the *the erroneous supposition that every importation of foreign commodities occasions a diminution or discouragement of our own productions to the same extent*'[28]. This trade depression demonstrated that since commerce and industry were becoming an important source of revenue, the constitutional system of the country needed to change to adapt it to the economic change. In the seventeenth century, agriculture provided the main source of revenue and thus it was logical to make the conditions of life of the agricultural classes as favourable as possible since *they bore the main share of the public burdens*'[29]. Since the landowners assumed the main burden, it was also reasonable that they should enjoy a very large share of political power, but with the rapid development of the trading and industrial classes in the eighteenth and early nineteenth centuries, their relative importance declined[30]. Thus, it was no longer beneficial to the state to give preference to the interest of the landed classes.

In conclusion, Britain would have moved towards Free Trade in 1846-1860 even if the Irish Potato Famine had not occurred. This is because the inability of the protectionist system to benefit the British economy in any significant way encouraged many to consider the alternative approach, namely free trade. Not only were the import duties inefficient in raising revenue, but they also directly harmed consumers and were of no benefit to the manufacturing classes they sought to protect. Although the support for free trade had been growing considerably since the 1820s, the condition of the economy in the early 1840s was crucial in hastening the shift to free trade. The high rate of unemployment in the trading and industrial sectors could only be remediated through freer trade: if Britain abolished her import duties, other countries would follow suit and consequently, there would be more markets for British exports and this would increase demand and accordingly employment.

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