

Edmund Burke and the Political Economy of Empire

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The political and economic life of the eighteenth-century European world is notable for many things, not least among which were two phenomenon that increasingly preoccupied the minds of many European thinkers and rulers.

One was the emergence of Britain as a global power with an empire. Many people, from North America to the Indian sub-continent, were starting to regard and treat that empire as a cohesive whole. The second was a more intellectual development: the beginning and spread of sustained criticisms of the mercantilist economic arrangements that had dominated Western economic life and policies since the end of the Middle Ages, and which had helped drive the impetus for world empire, starting with Spain and Portugal in the sixteenth century followed by other European states, most notably the Dutch Republic, France and Britain.

In many cases, the new arguments for free trade narrowed in on the beggar-thy-neighbor logic that underpinned what Adam Smith's *Wealth of Nations* called "the mercantile system." Ideas such as the efficiencies which arise from the division of labor as well as the importance of what later generations would call comparative advantage threw into question the mercantilist assumption that countries grew wealthy at other nations' expense. Smith and others taught that the mercantilist notion that wealth was strongly correlated with the acquisition of precious metals reflected a serious misapprehension of the nature of wealth. A nation's wealth was not wrapped up with how much gold it possessed. Instead wealth concerned the ability of a nation's economy to satisfy the needs and wants of consumers.

The intellectual challenge to mercantilism grew. The challenge could not be limited to economic thought and policy. It had direct implications for the ways in which the leaders of European nation-states viewed the world in political terms. If, for example, wealth lay not in possessing more gold and silver than others, then part of the argument for conquering wide swathes of the earth in order to acquire more quantities of such metals no longer made sense. Equally shaky was the rationale that the acquisition of colonies was vital if nations wanted to grow their markets. For if trade was mutually beneficial to the parties to an exchange across borders, then it made little economic sense for the political leaders of a country, say France, to try and encourage people in France via tariffs or other preferential arrangements to focus their trade upon French colonies, while simultaneously discouraging them from trading with Spaniards, Prussians, or Neapolitans.

EMPIRES ARE COMPLICATED THINGS

Both domestic politics and the conduct of foreign policy, however, embrace considerations which go far beyond the economic aspects of trade questions. Statesmanship involves understanding the realities which nations confront as much as it concerns the pursuance of objectives designed to transform the political and economic status quo into a better state of affairs.

Though economics forms an important part of that calculus, the legislator has to take many other factors into account. What, for example, are the extra-economic consequences of trading with nations ruled by regimes that are focused on suborning other countries? Does the government's responsibility to uphold national security have implications for what type of goods and services are freely exchanged between, for instance, British (or American) merchants and those living in Revolutionary France (or China)?

Three factors created specific complications that no responsible late-eighteenth British statesman could ignore or avoid. The first was that Britain *did* possess an empire. That empire had been acquired at a considerable spillage of blood and treasure over several decades. This made it highly unlikely that any parliament or government would even consider suddenly abandoning colonies and territories located in every continent, no matter how compelling the economic case for doing so might be.

A second consideration was that, despite growing inclinations to see the empire as one interconnected whole, the economic and political arrangements of this empire differed significantly from place to place. The economic conditions and political systems of the free-spirited American colonies, which considered themselves linked to Britain by a common language, history, religious bonds, and allegiance to the person of the monarch (rather than the binding authority of the King-in-Parliament), were vastly dissimilar to those prevailing in the Indian possessions controlled via that most mercantilist of outfits, the British East India Company.

Further complicating matters was a third factor. For better or worse, other European powers, most notably Bourbon and then Revolutionary France, had foreign policy ambitions that, if realized, would result in diminishment of both Britain's global influence and its desire to maintain a balance of power in Europe.

Such were some of the most salient facts facing successive eighteenth-century British administrations when they had to consider questions of economic policy. These only grew in importance following Britain's comprehensive victory over France in the Seven Years War (arguably the first truly world war) and its ensuing addition of vast possessions across the globe to an already large overseas empire. They also created significant and perhaps irresolvable political and economic dilemmas.

What, for instance, should London do if (as frequently occurred) the East India Company ran into financial difficulties? Should London (pressured by parliamentarians, merchants, and government officials who held shares in "John Company") regulate trade in ways that sought to encourage American colonists to buy tea from the Company, despite the disadvantages this would visit upon independent colonial American tea-importers and despite American doubts as to whether Parliament even possessed the authority to legislate in such a manner? Or should London undertake a sustained effort to engage in substantial reform of the East India Company, a task that would involve confronting numerous interest-groups, many of whom numbered among one's own parliamentary supporters? Such an undertaking would require the expenditure of a considerable amount of political capital.

IMPERIALIST OR FREE TRADER?

One of the many strengths of Gregory Collins' *Commerce and Manners in Edmund Burke's Political Economy* (2020) is that it brings further into the light how Edmund Burke's deep appreciation of the arguments for domestic and international liberalization and his willingness to try and promote greater commercial freedom within the Empire and even between Britain and other nations was conditioned by the factors highlighted above. And, like any politician, Burke's involvement in these matters was shaped by legislative maneuvering and deal-making that were—and are—part-and-parcel of parliamentary and political life.

The picture that emerges is one of an economic reformer and liberalizer who was nonetheless deeply attuned to the political realities in which he had no choice but to move if he wanted to realize specific economic policy goals. This is especially evident in Collins's analysis of Burke's approach to questions of foreign trade. Burke's most well-known and specific treatment of economic questions, his *Thoughts and Details on Scarcity* memorandum of 1795 is notable for its strong advocacy of economic liberty and free exchange. Collins points out, however, that the context of this document is (1) domestic and (2) focused on a specific market: i.e., farmers and laborers in Britain's domestic grain market (p. 209).

There is a long-standing debate as to how closely Burke's view of foreign trade tracked this approach to domestic economics. Some have argued that Burke represents a type of mercantilism which gradually moderated over time towards a clearer free trade position (Stevens 1975, p. 204) that eventually became more solidified by the time he penned *Thoughts and Details*. Others have presented Burke as a vigorous free trader from the very beginning of his political career (Cobban 1960, p. 193).

Collins's interpretation differs from both these positions. He argues that, "because of his defense of the British Empire and the political constraints imposed on him as an elected legislator," Burke "was not what we today would call a champion of 'free trade' absolutism" (p. 211). Yet Burke was far from neutral about such matters. Collins holds that the evidence suggests that "Burke leaned strongly, though not wholly, in favor of liberal commercial intercourse between nations—particularly those within the British Empire—throughout his adult life, even prior to his entry into Parliament in 1766" (Ibid.). Moreover, Collins suggests that there are clear parallels between Burke's largely free trade positions and key ideas expressed in *Thoughts and Details* concerning the moral, material, social and political benefits of free exchange.

At the same time, Collins argues that Burke's willingness to defend Britain's possession of an empire overlapped with the favorable view that mercantilism held of colonial expansion, even though Burke disputed basic presumptions of mercantilist thought (p. 212). There were also, Collins points out, occasions when Burke willingly subordinated trade considerations to the Empire's other needs, such as its security but also its integrity. By "integrity" Collins means the demands of the moral law and upholding the rightfulness of imperial authority in the Empire's disparate parts (Ibid.).

Taken as whole, Collins' picture of Burke adds up to a firm political commitment to the Empire on Burke's part combined with an equally strong endorsement of the moral and economic case for commercial liberty. But Collins also clarifies that it was not a question of Burke trying pragmatically to navigate his way between two competing poles. Instead, we are presented with a Burke who wants to advance simultaneously a nexus of economic, political and moral principles—a nexus that he believed to be integral to his role as a legislator—in the far from perfect circumstances in which he, like every other political actor in history, found himself.

ECONOMIC STATECRAFT

To my mind, Collins' nuanced portrait of Burke vis-à-vis questions of foreign trade is supported by the evidence. Collins' presentation shows Burke using policy debates to educate his fellow parliamentarians, government officials, and the reading public about the arguments in favor of greater commercial liberty at a time when, as Collins stresses on numerous occasions, the modern economic case for fewer restrictions on trade was still at an early stage of development and influence. In that sense, Burke was practicing a type of economic statecraft from which contemporary legislators and policymakers today could learn a great deal.

A good example concerns Burke's involvement in the first Rockingham ministry's drafting and promoting of the Free Ports Act, passed by Parliament on June 6, 1766. It is worth reflecting upon this insofar as it shows Burke seeking to move the needle towards more commercial liberty in ways that reflected a political commitment to the Empire's cohesion and the overall well-being of all its members.

Burke invested considerable energy in promoting the Free Port Act. The law created free trade ports in the British Caribbean: specifically four such ports in Jamaica and two on the island of Dominica. It also diminished the scale of trade regulation between Britain's North American possessions and British, French,

and Spanish colonies in the West Indies. The Act thus represented a shift away from the regulatory policies of George Grenville's ministry which had sought to protect existing West Indian monopolies by restricting European rights of navigation and foreign imports.

One remarkable feature of the Act is that, as Collins underscores (p. 238), its drafting involved extensive consultation with merchants—including merchants who presumably imagined that the expansion of free ports in the Caribbean might represent a threat to their monopoly positions. Such consultations were not common practice, and the Rockingham ministry was criticized by some at the time for soliciting the views of merchants (p. 241). Burke himself made a point of consulting merchants, even to the point of convening meetings to gauge their thoughts on the likely effects of the 1766 Act (p. 240).

The Act embodied a number of compromises that maintained some mercantilist regulations. A major reason for some of the compromises, no doubt, was the discussions held with merchants involved in foreign trade and associated with different parts of the Empire. But Collins points out that overall it did amount to "conscious movement in the direction of freer commercial intercourse" (p. 238). Burke claimed that as a consequence of the Act, "The trade of America was set free from injudicious and ruinous Impositions—Its Revenue was improved, and settled on a rational Foundation—Its Commerce extended with foreign Countries; while all the Advantages were extended to Great Britain" (Burke 1766/1981, p. 55).

Written in the aftermath of the Act and the short-lived first Rockingham ministry, it's fair to say that Burke may have been exaggerating his case. Plenty of regulations that free traders would generally oppose remained in place. In later life, Burke himself wrote in his *Letter to a Noble Lord* that he would have liked to have gone further in pushing for the expansion of commercial liberty "if more had been permitted by events" (Burke 1796/1991, p. 159). By this, Burke appears to have meant the pressures exerted by West Indian merchants who generally opposed free trade, the Rockingham ministry's focus upon repealing the Stamp Act and passing the Declaratory Act, and the significant divisions within Rockingham's Cabinet which plagued the ministry's one year and two weeks on the Treasury benches.

For all Burke's retrospective frustration, the words and deeds of his involvement in the passing of Free Ports Act reveal a great deal about his way of weaving together his pursuits of political and economic objectives. One benefit of the consultations with merchants, in Burke's view, was that it helped to establish sufficient support for the Act in the West Indian and North American colonies by reconciling the interests of different parts of the Empire (Burke 1766/1981, pp. 55-56). For all its limitations, the agreement helped to free up French and Spanish trading with the Empire, thereby serving the long-term interests of Britain and its colonial possessions. Just as importantly, the process of drafting, debating and legislating the Act had generated wider reflection in political and commercial circles upon the mercantilist policies and practices of the time. This helped to facilitate a process of educating people living in different territories of the Empire in what Burke plainly believed to be the strong case for economic liberty over and against the zero-sum outlook that underpinned mercantilist positions.

PRUDENCE IN ACTION

Therein perhaps lies the essence of Burke's approach to the economic issues that loomed large in his time and became even more important in the decades leading up to and beyond the nineteenth century. His was a position that combined awareness of political facts, a commitment to what might be called the regime of the Empire, a belief that mercantilism was flawed, a confidence in the generally positive effects of free trade, and a willingness to invest time and energy in shifting political and commercial opinion in an economic direction that he thought would serve the interests of the Empire as a whole. What one might see throughout all of these pursuits, however, is a deep attachment to the idea and practice of prudence.

Burke's prudence should not be understood as pragmatism, let alone *realpolitik* or a penchant for deal-making. It was more a reflection of what Collins calls Burke's "political temperament." In the realm of economic policy, this was actuated, in Collins' words, "by a purposeful attempt to move towards realization of a principle and yet tolerate, however regrettably, the policy results that followed given the constraints of

political circumstances” (p. 247). Clearly, Burke is neither an ideologue adhering to simplistic formulations nor someone content to manage a mercantilist status quo and personally profit (as many parliamentarians did). Instead Collins’ rich account of Burke’s approach to the political economy of Empire provides us with edifying material in the study of how Burke engaged in the practice of virtuous statesmanship.

NOTES

- 1 <https://www.acton.org/about/staff/samuel-gregg>

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