

# British Protectionism Through the Ages

An Interview with David Todd

*By Ophélie Siméon*

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**As Brexit looms, some predict that protectionism will once again haunt Britain. In this context, historian David Todd reassesses the significance of an ideology which has profoundly impacted British history from the Empire up to the present day, thus reflecting on the deep bonds between politics, economy and national identity.**

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David Todd is a Senior Lecturer in World History at King's College, London. He is also an associate research fellow of the Centre for History and Economics of the Universities of Cambridge and Harvard. Having published *L'identité économique de la France. Libre-échange et protectionnisme, 1814-1851* on the history of French economic nationalism (Grasset, 2008), and an English-language version, *Free Trade and its Enemies in France* (Cambridge University Press, 2015), he is currently working on the French contribution to nineteenth-century globalisation and the relationships between the French and British empires between 1815 and 1914.

**Books & Ideas:** Even though Britain has long been a mercantilist nation, it is not the cradle of protectionism. Your research shows that the latter actually originated in France, Germany and the United States precisely as a reaction against Britain's economic power. Can you tell us more about how this came to be?

**David Todd:** Starting with Oliver Cromwell, who was in power between 1649 and 1658, England wholeheartedly embraced mercantilism. There is no single definition of the word "mercantilism" but in this context, it can be understood as policies designed to minimise imports and maximise exports. To that end, England relied on a wide-ranging legal apparatus that included extremely high tariffs, the Navigation Acts (which only allowed English ships to carry out England's trade) and bounties for the export of manufactured goods. The desire to be part of that system and gain access to the English home and colonial markets was a prime motive behind Scotland's agreement to the Act of Union, which led to the creation of Great Britain in 1707. The tools of that mercantilist policy did prefigure modern protectionism, but they did not stem from national popular enthusiasm. Mercantilist legislation was designed and implemented by the upper-class and merchant oligarchies which dominated British political life until the early 19th century.

My research shows that protectionism, as an ideology that is capable of shaping popular understandings of the economy and political culture, originated among Britain's main competitors after 1820. These rival states were France, but also the young American Republic and the soon-to-be unified Germany. Their protectionism was also a case of political nationalism but in an emancipatory sense, reminiscent of French Revolution-era nationalism. The most influential figure among protectionism's early ideologists was Friedrich List (1789-1846), a staunch nationalist who envisioned customs union as a first step towards the unification of the German states. But List was also a genuine democrat and his nationalism was not exclusive. After being expelled from the highly conservative Germanic Confederation in 1825 due to his liberal ideas, he became economic adviser to the Democratic US President Andrew Jackson and struck a friendship with French progressive thinkers based in Paris. There he wrote his *National System of Political Economy* around 1840. His works inspired various strategies of economic independence, from Meiji-era Japan to Nehru's India. List's protectionism aimed at providing an economic foundation for the political autonomy of nations. It was a form of nationalism, but with a liberal, internationalist flavour.

**Books & Ideas:** Great Britain embraced economic liberalism in the 19th century, a move that is epitomised by the repeal of the Corn Laws in 1846. Yet protectionism came back to the fore

in the 1890s, especially in relation to Joseph Chamberlain's new imperialism. How do you explain this evolution?

**David Todd:** A spectacular movement in favour of free trade did emerge among the British middle-classes after 1830. The Anti-Corn Law League, founded in Manchester in 1838, organised demonstrations that attracted several hundred thousand supporters. The pressure helped repeal tariffs on cereal imports (the Corn Laws mentioned above) in 1846 and the Navigation Acts in 1849. The popularity of free trade had little to do with the abstract theories of an economist such as David Ricardo's notion of comparative advantages. It was, on the other hand, decidedly messianic—John Bowring, one of the League's founders, declared in 1841 that "Jesus-Christ is free trade; and free trade is Jesus-Christ". Free trade also had democratic undertones, since those who benefited from the Corn Laws were a few thousand aristocratic families with a landowning monopoly. In France and Western Germany, a large, independent farming class subsisted, which gave a very different social and political significance to customs protection in favour of the farming sector. Today, the British public's visceral hostility towards the EU's Common Agricultural Policy, which still largely benefits the country's old aristocracy, owes much to this original debate.

It is true that support for free trade declined after 1890. Competition from the US and especially Germany lost the British industry significant market shares, even at home. After the US, Germany and France increased their tariffs in the 1860s, 1870s and 1880s respectively, a movement emerged in Britain's manufacturing districts to replace *free trade* with *fair trade* (tariff retaliation). Joseph Chamberlain was a charismatic and—in the eyes of his detractors—demagogic Birmingham industrialist who had left the Liberals for the Conservative party due to his own hostility to both free trade and the Irish Home Rule. In 1903, and with unprecedented means, he launched a campaign in favour of an imperial customs union. This was the economic dimension of a wider project aimed at turning the British Empire into a federation of white settlement nations. But as shown by Frank Trentmann's book *Free Trade Nation* (2009), the practical result of Chamberlain's tariff reform crusade was a rift within the Conservative party, which in turn brought the Liberals back into power after their landslide victory in the 1906 general election. Free trade was associated to social and democratic progress, and remained too popular among the middle- and working classes. Chamberlain may be seen as a failed Donald Trump, yet he still fuels the admiration of some populist and patriotic-minded Conservatives such as Nick Timothy, Theresa May's chief advisor until 2017, and the author of *Our Joe* (2013), a deferential biography of Chamberlain.

And yet, the defenders of free trade were no anti-imperialists. From the 1850s onwards, some free trade enthusiasts even embraced the Empire as a means to open up new markets for

Western capitalism. Bowring, who likened free trade to the Messiah in the 1840s, was later appointed governor of Hong-Kong. There he launched the Second Opium War (1856-1860) to force China's integration into global markets. Winston Churchill, who was a staunch defender of British imperial power, temporarily left the Tories for the Liberals in 1904 because he was a firm believer in free trade. Insofar as the issues of international trade and the Empire overlapped, the debate opposed those who wanted an open empire, and those who would rather keep it shut.

**Books & Ideas:** In 1832, the Ottawa Agreement implemented what you call a “system of imperial preference” between Great Britain and its colonial empire. Does this international dimension question the analogy that is commonly established between protectionism and nationalism?

**David Todd:** Joseph Chamberlain's ideas did experience a posthumous triumph, but only up to a point, as the preferential tariffs agreed on in Ottawa were much more limited than the autarchic policies implemented by the other major powers in the 1930s. This era saw the end of the free trade consensus, but imperial preference failed to gain widespread support, both in the UK itself and the settlement colonies. And contrary to Chamberlain's federation project, the strengthening of economic links came at the expense of greater political autonomy for the dominions. Ottawa was a response to the 1931 Statute of Westminster, which had granted these dominions full sovereignty over their home affairs. Eventually, the 1930s tolled the knell of the Greater Britain project, even though these preferential agreements were only repealed when the country joined the Common Market in 1973. As recently shown by David Edgerton, my esteemed colleague at King's College London in his *Rise and Fall of the British Nation* (2018), the interwar period was rather a time of national affirmation, coupled with a loss of interest for imperial issues.

The 1930s actually tend to confirm that in any democratic society, protectionism is inseparable from a certain degree of political nationalism. This makes sense, as customs protection has important redistributive effects, between regions and social classes alike; only a very strong collective identity can make this bearable for the losing side(s). In that sociological sense, when understood as the affirmation of group cohesion, nationalism also serves as the foundation for other major wealth redistribution mechanisms, such as progressive taxes and social insurance. Here is a counter-example to illustrate this point—even though the European Union has been the most functional multi-national political organisation since the end of Empires, it has chronically failed to organise significant transfers between its member-states, with a budget stagnating at around 1% of its GDP.

For Great Britain, the 1930s were a time of unlearning and hesitation in terms of political economy. In “National Self-Sufficiency” (1933), his own farewell to free trade, John Maynard Keynes explained that our values and worldview are somehow always a step behind economic and political realities:

“It is a long business to shuffle out of the mental habits of the pre-war nineteenth-century world. It is astonishing what a bundle of obsolete habiliments one's mind drags round even after the centre of consciousness has been shifted. But to-day at last, one-third of the way through the twentieth century, we are most of us escaping from the nineteenth; and by the time we reach its mid-point, it may be that our habits of mind and what we care about will be as different from nineteenth-century methods and values as each other century's has been from its predecessor's.”<sup>1</sup>

Keynes's analysis was spot on. Indeed, after the Second World War and within the cooperative framework of the 1944 Bretton Woods Agreement, Great Britain embraced a radically new, political and economic consensus based on a welfare state that was at least as ambitious as the one set up in post-war France.

**Books & Ideas: Is Brexit signaling the return of British protectionism? And if so, it is a form of imperial nostalgia, or the expression of a more Anglo-centric populism?**

**David Todd:** Many historians see Brexit as the return of a repressed imperial mindset, due to its arrogance and xenophobic overtones. I personally feel that this is rather lazy thinking. As shown by the success of many Europhobe and anti-globalisation political movements, there is no need to have had a vast empire to be arrogant and xenophobic. Britain reluctantly let go of its imperial status, committing notable atrocities in the process, especially in Kenya and Malaysia. But France behaved far worse in Algeria, and it has shown its imperial nostalgia much more openly through the close, asymmetrical relations that it has maintained with its former colonies in Sub-Saharan Africa. British nationalism (and even English nationalism alone) is enough to explain Brexit. If there is a link with the imperial past, it is more indirect: the existence of an English-speaking world at least as vast as Europe, or what some neo-conservative writers call the “Anglosphere”, may have encouraged Euroscepticism in Britain. French politicians would no doubt also have been more hesitant about European integration if North America, while still producing a quarter of the world's wealth, were home to 350 million Francophones.

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<sup>1</sup> John Maynard Keynes, “National Self-Sufficiency”, *The Yale Review*, vol. 22, n°4, June 1933, p. 755-769.

In my opinion, Brexit mostly signals the end of the Thatcherite consensus. As this political and economic model was mostly about submitting to the discipline of global markets, we may say that Brexit is a way of rejecting free trade, even though other aspects of globalisation, such as anxiety about migration, have played a more important part than hostility to the free circulation of goods in shaping the results of the 2016 referendum.

Being only a historian, I won't be so bold as to predict that protectionism may indeed return. Some ultra-Conservative Brexiteers are daydreaming about a hyper-Thatcherite model of deregulation and maximum openness to global markets. On the other hand, during the 2017 general election, the Conservative party campaigned in favour of tax rises for the first time since the 1970s, while the Labour party put forward a plan reminiscent of the programme once shared by the French Socialist and Communist parties in 1977. With these election manifestos, the two government parties combined won 83% of the votes, compared to 65% in 2010. Beyond the vicissitudes of Brexit, I have the intuition that the current hesitations and turmoil will eventually bring about a more dirigiste and redistributive model, which will therefore be less open to global markets. Cromwell's policies and Keynesianism both show that in contrast to a widespread prejudice, the British are not genetically predisposed to unfettered competition. But to paraphrase Keynes, most of us haven't shuffled out of the mental habits predating the shock of the 2008 Great Recession, hence the sense of confusion and political chaos we live in.

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