
Napoleon III and the Anglo-French Commercial Treaty of 1860: A Reconsideration

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I.

For a brief, aberrant, moment in the third quarter of the nineteenth century Western Europe undertook a series of general tariff reductions which were the nearest Europe came to adopting free trade until after World War II. This Low Tariff Era was inaugurated in two stages: by Great Britain's unilateral adoption of free trade from the 1840s onwards and by the Anglo-French Commercial Treaty of 1860 which was the first of a network of tariff agreements between European governments that generalised reductions.

Though many British free traders in the debates of the 1830s and 1840s believed that it was desirable that their government institute unilateral tariff reduction and that it would be advantageous even if the British example was not followed elsewhere, many also believed that free trade doctrines were scientifically exact and would lead to greater prosperity and that Britain's new commercial policies would therefore be emulated abroad and thus usher in an era of free trade, peace and prosperity.

Continental emulation of British tariff reductions was, however, no easy process and Britain's new policy was a leap in the dark. Producer interests in Europe were for the most part in favour

of protection and politicians and journalists could argue against reductions in customs duties by pointing out that continental industry was less developed than the British and by stressing *realpolitik* considerations in a world of competing nation states. Certainly Britain's new policy in the 1840s was an example for free traders and moderates in Europe, but if many could regard it as the shining beacon that would guide Europe away from protection and prohibitions, many more could regard British commercial policy as less a beacon than a siren beckoning a less developed Europe to destruction. They could also argue that Britain could safely adopt free trade because not only was her industry technically more advanced than her rivals' but she also possessed a large empire and a well-established extra-European commerce. Adolphe Thiers described free trade as a weapon the British hoped to use to increase their domination of world markets, saying that 'si la liberté politique est la protection des faibles, la liberté des échanges est le droit du plus fort'.

Britain in fact adopted free trade in the face of repeated failure to reach commercial agreements with other European governments because her diplomatic onslaught on Western Europe since the 1820s had met with scant success.¹ The British had, for instance, undertaken protracted but abortive negotiations with France on three different occasions in the 1830s and 1840s. French reluctance to reach agreement resulted not merely from political considerations, from fear of the competition of more efficiently produced British goods but also, paradoxically, from fear of creating in France the kind of economy and society that rapid industrialisation had generated in Britain, with the attendant social problems, the severity and frequency of industrial depressions and the dependence on foreign trade and its vagaries.²

¹ For these negotiations see chapter VII, LUCY BROWN, *The Board of Trade and the Free Trade Movement, 1830-1842*, Oxford 1958; F. E. HYDE, *Mr Gladstone at the Board of Trade*, London 1935, pp. 125-126, JUDITH B. WILLIAMS, *British Commercial Policy and Trade Expansion, 1750-1850*, Oxford 1973 and *Résumé analytique des négociations commerciales suivies entre la France et l'Angleterre de 1826 à 1859*, *Papiers Baroche* 1184, « Bibliothèque Thiers ».

² PETER STEARNS had discussed one aspect of this: *British Industry through the eyes of French industrialists (1820-1848)*, « *Journal of Modern History* », vol. XXXVII,

Following the adoption of free trade in Britain, British representatives to Western European governments again met with but little success. Immediately after the repeal of the Corn Laws Cobden, one of the leading free traders, undertook a fourteen-month tour of Europe, proclaiming on his departure that he would be 'an ambassador from the free-traders of England to the Governments of the great nations of the Continent'.³ But the only leader of any import who expressed himself favourable to free trade was the Pope, who told Cobden that he would do all in his power to help promote it, 'adding modestly that it was but *little*'.⁴ Sir Louis Mallet, who was an official at the Board of Trade from 1847 to 1872, complained in 1877 that he had 'spent some of my best years in writing admirable papers of argument and facts addressed by Lord Clarendon to foreign governments, none of which produced the smallest result'.⁵ This helps to explain why, when he was setting out for Paris in October 1859 with the intention of discussing the possibility of a commercial treaty between France and Britain, Cobden wrote to John Bright:

'Governments seem as a rule to be standing conspiracies to rob and bamboozle people, and why should that of Louis Napoleon be an exception? The more I see of the rulers of the world, the less of wisdom or greatness do I find necessary for the government of mankind'.⁶

Yet the discussions he initiated led to the Anglo-French Commercial Treaty of 1860 and it was this treaty, more than Britain's earlier adoption of free trade, that was the trigger that began the series of tariff reductions by the major European powers that constituted the Low Tariff Era.

1965, pp. 50-61. Cf. KARL W. HARDACH, *Anglomanie und Anglophobie während der Industriellen Revolution in Deutschland*, «Schmollers Jahrbuch für Wirtschafts- und Sozialwissenschaften», 1971, pp. 153-181.

³ J. A. HOBSON, *Richard Cobden the International Man*, London 1918, pp. 41-42.

⁴ Richard Cobden to Mrs. Schwabe, *Reminiscences of Richard Cobden*, compiled by Mrs. SALIS SCHWABE, London 1895, p. 57.

⁵ BERNARD MALLET, *Sir Louis Mallet, A Record of Public Service and Political Ideals*, London 1905, pp. 58-59.

⁶ JOHN MORLEY, *The Life of Richard Cobden*, London 1903 (edition), p. 705.

II.

Perhaps the most difficult problem concerning the 1860 Treaty is why Napoleon III agreed to its signature when he realised that such a treaty would raise vociferous opposition from the majority of French manufacturers, hitherto strong supporters of the regime, and why such a treaty was not concluded earlier, as the constitutional provision that enabled him to do so, the *Sénatus-Consulte*, dated back to 1852. It is difficult, firstly, because tariffs are the delicate products of compromise and tariff changes involve not merely economic but also strategic and political considerations. Customs and excise, moreover, provided a substantial proportion of government revenue. Previous regimes in France had been unable and unwilling to alter policy in the face of opposition from manufacturing and agricultural interests and while the imperial constitution enabled Napoleon to reduce tariffs through reciprocity, this did not mean that he could act without running the danger of losing important support. In part, therefore, an interpretation of the 1860 Treaty must be based on an understanding of the political system of the Second Empire, the nature of its ruling élite (were the 'grande bourgeoisie' in power?)⁷ and the strength of Bonapartism. Such an understanding is made more difficult because the regime changed: in 1852 Napoleon was the absolute ruler of France, by 1870 he was a constitutional monarch divested of most of his power.⁸ The Commercial Treaty was signed in the year that saw the first steps — the political reforms of November 24 — that were to change the Second Empire from an authoritarian to a liberal regime.

A second difficulty stems from the power and the personality of Napoleon III himself. The Treaty was his decision for there can be no doubt that at this time he was still at the height of his powers. Rouher told Cobden that there was 'but one man in the Government, the Emperor, and but one will, that of the Emperor'.⁹

⁷ As has been claimed by JEAN LHOMME in his *La Grande Bourgeoisie au Pouvoir (1830-1880)*, Paris 1960.

⁸ THEODORE ZELDIN, *The Political System of Napoleon III*, London 1958.

⁹ Cited JOHN MORLEY, *op. cit.*, p. 718.

Yet, given his taciturn nature, his manner of conducting the business of government, he remained a mystery even to his intimates. Bismarck called him a sphinx, though he sardonically added that this was a sphinx without a riddle. He has remained as much an enigma for historians as he was for his contemporaries. In an age when statesmen were compulsive writers of letters, memoranda and memoirs, Napoleon III left very few written records — he was a man who spoke little, and wrote less.

The manner in which the Treaty was concluded enhances the difficulty. It was not signed in response to a campaign in favour of lower tariffs because the relatively weak pressure group, set up in 1846 to campaign for moderate tariffs and led by journalists and academics rather than business groups, had collapsed in 1850 and had not been revived.¹⁰ It was not even inaugurated by Napoleon and his Council of Ministers but by Napoleon in consultation with individual ministers and advisers and without the knowledge of the rest and it was negotiated in absolute secrecy in Paris. The first intimation the Legislative Body and the public had was the publication of Napoleon's letter on economic and social policy to his minister, Achille Fould, in the *Moniteur*, a few days before the announcement of the signature of the accord. As Gladstone later wrote, it was 'brought into the world without so much as a blue or a yellow book to describe its ante-natal stages, or even to register its birth'.¹¹

Historical interpretation of the 1860 Treaty has followed two lines. The first has been an attempt at the very difficult task of evaluating the impact of the Treaty on the French economy. The major work has been that of A. L. Dunham,¹² a believer in economic liberalism, who, writing in the late 1920s, was intent on showing that the Treaty was to the advantage of the French economy. His conclusions have been ratified by Marcel Rist who

¹⁰ Though CHARLES P. KINDLEBERGER claims that there were pressure groups at work at this time. See his *Economic Growth in France and Britain*, London 1964, p. 283.

¹¹ W. E. GLADSTONE, *Greville's Latest Journals*, «English Historical Review», 1887, pp. 281-302.

¹² A. L. DUNHAM, *The Anglo-French Treaty of Commerce of 1860 and the Progress of the Industrial Revolution in France*, Ann Arbor 1930.

agreed that no major change resulted in the structure of France's foreign trade and that industry successfully met foreign competition.¹³ But the issue has been joined by J. Coussy who points out that the French growth rate was already slowing down in the late 1850s and that this deceleration continued in the next decade.¹⁴ The second line has been to explain why the Treaty was signed. In the absence of Napoleon's papers and official sources, the most common approach has been to emphasise the role of different individuals in persuading Napoleon and British ministers to bring talks and in bringing the negotiations to a successful conclusion. The original thesis, based on English sources, was that the Treaty was essentially the work of Richard Cobden who thereby added a new dimension to his earlier rôle in the campaign for free trade in Britain.¹⁵ The antithesis was Dunham's work which, as he admitted,¹⁶ was partly written to counteract the myth that the Treaty was Cobden's single-handed achievement. Using English and French sources, Dunham insisted, instead, that it was essentially the result of the endeavours of Michel Chevalier. A new synthesis has subsequently emerged, as a result of studies of the papers of men who were Napoleon's ministers at the time. The historian, Jean Maurain, using papers at the Bibliothèque Thiers, has emphasised the part played by Jules Baroche.¹⁷ Robert Schnerb has shown that Eugène Rouher was an economic liberal who played an important part in the events leading up to the Treaty.¹⁸ The rôle of the Duc de Persigny, who at the time was ambassador in London, has also been emphasised.¹⁹ It will be our contention that the financier, Emile

¹³ MARCEL RIST, *Une Expérience française de libération des échanges au XIX^e siècle: le Traité de 1860*, «Revue d'économie politique», 1956, pp. 908-962.

¹⁴ J. COUSSY, *La Politique commerciale du Second Empire et la continuité de l'évolution structurelle française*, «Cahiers de l'Institut de Science économique appliquée», 1961, pp. 1-47.

¹⁵ The biographies of Cobden by JOHN MORLEY and JOHN A. HOBSON.

¹⁶ A. L. DUNHAM, *op. cit.*, p. 377.

¹⁷ JEAN MAURAIN, *Un Bourgeois français au XIX^e siècle; Baroche, ministre de Napoléon III, d'après ses papiers inédits*, Paris 1936, especially pp. 184-192.

¹⁸ ROBERT SCHNERB, *Rouher et le Second Empire*, Paris 1949, especially pp. 89-117.

¹⁹ GORDON WRIGHT, *The Origins of Napoleon III's Free Trade*, «Economic History Review», 1937, pp. 64-68. It has been argued, unconvincingly I feel, that the Bordeaux Chamber of Commerce played a part in bringing about the Treaty. CHARLES ALBERT, *Le Rôle du Grand Commerce bordelais dans l'évolution du système douanier français de*

Pereire, played a more important part in bringing about the Treaty than has previously been realised.

Historians have also made some effort to put the Treaty in the context of the economic philosophy and policy of Napoleon III for it was one of the weaknesses of Dunham's work that little attempt was made to put the Treaty into the context of either foreign or economic policy. Though important work has been done on some aspects of economic policy, such as that of Louis Girard on public works,²⁰ there remain lacunae and much still needs to be done on the relationship between the regime and industry and finance. What can be said, however, is that there has been a tendency to exaggerate the originality, consistency and importance of Second Empire economic policies. The coincidence of the coup d'état of 2 December with the return of prosperity and the rapid economic growth in the upswing of the cycle between 1851 and 1857, has frequently led to the linking of the two and an exaggeration of the importance of government policies. Félix Ponteil has claimed that with Napoleon III, 'l'économique a la priorité sur le politique',²¹ whatever that means, and Professor Girard talks about a 'coup d'état industriel' between 1849 and 1851 and refers to the 'économie politique du 2 décembre'. Even the much vaunted public works programme of the Second Empire, however, appears less original and less important when viewed against the outlay of the July Monarchy in the 1840s and against the background of government intervention elsewhere at this time.

In contrast to French industrialists, who at this time combined a rigorous belief in the desirability of *laissez-faire* with a belief in the necessity of protection,²² Napoleon III, in the eyes of his admirers at least, combined a belief in greater government intervention in the economy with a belief in the advantages of lower

1852 à 1860, « *Revue historique de Bordeaux* », 1960, pp. 65-88; GABRIELLE CADIER-REY, *Bordeaux et le Libre-Echange sous le Second Empire*, unpublished thesis, 3 vols., Bordeaux, n.d. [1970], vol. I, pp. 94-116.

²⁰ LOUIS GIRARD, *La Politique des Travaux publics du Second Empire*, Paris 1951.

²¹ FELIX PONTEIL, *Les Classes bourgeoises et l'avènement de la démocratie, 1815-1914*, Paris 1968, p. 269.

²² As has been shown by CLAUDE FOHLEN, *Bourgeoisie française, liberté économique et intervention de l'État*, « *Revue économique* », 1956, pp. 414-428.

tariffs and perhaps even of free trade, both of these beliefs showing in imperial policies from the beginning. Dunham, for instance, declared that though he had found no direct evidence to prove it, it was his opinion, 'after many years of investigation', that Napoleon was genuinely in favour of moderate duties by 1860 and he tried to explain away the protectionist sentiments that Napoleon had expressed in his 1842 pamphlet, *Analyse de la question des sucres*, as an appeal for popular sympathy rather than a statement of his true beliefs.²³ The origins of Napoleon's belief in moderate tariffs, have been variously attributed to his visits to England and attendance at Anti-Corn Law League meetings in the 1840s,²⁴ and to the influence of private individuals and ministers in the 1850s. There is, however, little evidence that the Emperor had any strong desire for a general reduction of French tariff levels before the end of 1859. Indeed, Dunham cites Chevalier's lament of 1852 that he had often discussed lowering tariffs with the Emperor but that the latter still inclined towards protection and when Cobden discussed tariffs with Napoleon late in 1859 he found him very ill-informed on the subject. All that can be said with certainty is that some of the men in close contact with Napoleon had strong free trade tendencies — Michel Chevalier, the Duc de Morny, Prince Napoleon, Persigny and Rouher.

With the benefit of hindsight some scholars have seen the Treaty as but the last step in a series of moves in the 1850s all pointing in the direction of moderate tariffs. During this time the government was moving towards general reform through legislative means but was finally thwarted by protectionist agitation in the Legislative Body and in the country. The experience of the 1850s, however, gives little credence to this view. To many contemporaries in favour of lower tariffs the policy of the government appeared vacillatory rather than reforming, dependent for its tariff policies on the changing personalities at the Ministry of Commerce. The changes proposed and made were for specific objects rather

²³ A. L. DUNHAM, *op. cit.*, pp. 62-63.

²⁴ On Napoleon and England, see F. C. PALM, *England and Napoleon III*, Duke University Press 1944.

than for general reform — suspension of the sliding scale for grain-stuffs in a year of poor harvests, reduction of duties on iron products to facilitate railway building.²⁵ As such they were in the tradition of the kind of changes that had earlier been introduced, such as those on iron goods in 1836, again to help early railway construction, brought in by Thiers, who was later to become the most eloquent of protectionists. It is true that in June 1856 the government did put before the Legislative Body a plan of wider reform but the changes proposed were still limited and the government must have realised that a protectionist outcry would ensue.

It has frequently been asserted that Napoleon III owed his economic policies in general and his moderate tariff policy in particular to the Saint-Simonians. Louis Girard calls him 'a Saint-Simonian Caesar', just as the time Sainte Beuve had seen him as 'Saint-Simon on horseback', and writes of a 'coup d'état industriel' on his accession, just as the Saint-Simonians had themselves proposed a 'coup d'état pacifique' in 1832. Similarly, Félix Ponteil asserts that 'la pensée saint-simonienne anime la politique économique du Second Empire',²⁶ while for Marcel Blanchard their ideas were so widely diffused that he finds the question of Saint-Simonian influence an irrelevant one.²⁷ Not only has it been claimed that the main lines of policy derived from Saint-Simonism but particular aspects as well. Thus the historian of public works in Paris, David H. Pinkney, considers it possible that Napoleon III picked up the plan for remodelling the capital from articles published in the Saint-Simonian journal, *la Clobe*, in 1832.²⁸ The commercial policy inaugurated in 1860 has also been seen to be the work of Saint-Simonians. First, there was the influence of particular Saint-Simonians, Michel Chevalier, the Pereire brothers, and perhaps Arlès-

²⁵ For the decrees of 1853 and 1855 as well as the 1855 government investigation of tariffs, *Archives nationales*, F.12.6200, Ministère du Commerce.

²⁶ FELIX PONTEIL, *op. cit.*, p. 269.

²⁷ MARCEL BLANCHARD, *La Second Empire*, Paris 1957 (edition), p. 60. On Saint-Simonians during the Second Empire, see GEORGES WEILL, *Les Saint-Simoniens sous Napoléon III*, « *Revue des Études napoléoniennes* », 1913, pp. 391-406.

²⁸ DAVID H. PINKNEY, *Napoleon III and the Rebuilding of Paris*, Princeton 1958, p. 30.

Dufour, the Lyons industrialist, and second there was the influence of Saint-Simonian ideas. J. Coussy has written that

‘Le principe d’une libéralisation des échanges français fut, sinon introduit, du moins essentiellement diffusé par des saint-simoniens ou d’anciens saint-simoniens. Leurs enseignements au milieu du XIX^e siècle se proposaient bien essentiellement une modification des structures de production et d’échanges, modification qui ne serait atteinte que par un abandon de la politique commerciale française traditionnelle’.²⁹

The source of these supposed Saint-Simonian policies has been variously ascribed to the young Napoleon’s tutor, Vieillard, who had briefly been a member of the sect in 1832, and to the influence of ex-Saint-Simoniens around him when he came to power who were, we are told, ‘à peu près le seul groupement intellectuel dont Napoleon III put disposer après son accaparement du pouvoir’.³⁰ Such policies are one aspect of a theme that recurs in Saint-Simonian historiography from the major works of Weil and Charléty³¹ onwards: the rôle Saint-Simoniens are reputed to have played in the French economy, as engineers, entrepreneurs, financiers, theorists. In large part, this rôle is mythical.

There are a number of reasons, other than the truth of the assertion, as to why it should have gained such wide currency. In their own time, the Saint-Simonian rôle was emphasised and criticised by journalists and commentators and thus kept in the forefront of public opinion. Saint-Simoniens in business, for example, were the target of a number of critics of the speculation of the so-called ‘new feudalism’ of the railway mania of the 1840s. Fourier and his disciples made a number of anti-semitic attacks on what they called ‘Jewish Saint-Simoniens’ and the best known of these was Alphonse Toussenel’s *Les Juifs Rois de l’Epoque* (1845), which was the most effective anti-semitic diatribe before

²⁹ J. COUSSY, *loc. cit.*

³⁰ H.N. BOON, *Rêve et Réalité dans l’oeuvre économique et sociale de Napoléon III*, Paris 1936, p. 103.

³¹ GEORGES WEILL, *L’École saint-simonienne: son histoire, son influence jusqu’à nos jours*, Paris 1896; SEBASTIEN CHARLETY, *Histoire du Saint-Simonisme, 1825-64*, Paris 1896, especially Book IV.

Drumont's in the 1880s. The vituperation against Saint-Simonians increased during the Second Empire when, in the 1850s, Copefigue, among others, condemned what he regarded as the nefarious influence of Jews and Saint-Simonians.³² And since the Pereires and Michel Chevalier, who had once been involved in the sect, were for a time in close contact with Napoleon III and involved in the 1860 Treaty, Saint-Simonians were attacked both in the general condemnation of the Second Empire and in the criticism of protectionists. In the Legislative Body in 1867 Pouyer-Quertier, industrialist and leading protectionist, denounced what he called 'l'influence néfaste de la secte saint-simonienne sur les destinées industrielles et financières du pays'.

Whatever the accuracy of this picture, there is no doubt that it is a picture drawn by pamphleteers and publicists using their view of Saint-Simonism as a weapon to condemn opponents. There is another aspects to the assertion: in the twentieth century the view of its widespread influence has been refurbished, above all, by a group of American historians, like David S. Landes, John E. Sawyer and Bert. F. Hoselitz who, using the entrepreneurial approach to economic growth, have seen the Saint-Simonians as a group of innovators who were a powerful influence in the dynamic orientation of French capitalism in the mid-nineteenth century. Another distinguished American scholar, Alexander Gerschenkron, using a different approach, sees Saint-Simonism as providing France with an ideology for expansive capitalism and as an example of an ideology of delayed industrialisation.³³

The validity of this widespread thesis depends on one or two things: that Saint-Simonian theories, either singly or collectively, had some originality and/or that those who had been involved in the sect before its dissolution in 1832 still constituted a group during the Second Empire. The originality and cohesion of Saint-Simonian economic theories can be questioned. Admittedly, they were enthusiastic believers in an industrial future and they showed

³² J. B. H. R. CAPEFIGUE, *Histoire des grandes opérations financières*, Paris 1860, vol. V, pp. 132-133.

³³ ALEXANDER GERSCHENKRON, *Economic Backwardness in Historical Perspective: A Book of Essays*, Harvard 1962, p. 24.

a number of insights into the manner in which the economy was to develop, especially during the Second Empire. They believed in the need for some kind of central direction of the economy. Already in 1825 they were questioning the viability of unbridled competition and, though they never completely abandoned a belief in the interplay of market forces, they moved more and more to a view of the government distributing the means of production to the most able entrepreneurs and to the growth sectors of the economy. The chief instrument by which some kind of order and planning could be imparted to the economy was a centralised banking system. This would have a dual function: it would be an anti-cyclical instrument and it would be a means by which the powers of capitalists would be reduced. The Saint-Simonians also emphasised the importance of communications not merely for the French economy but for linking Europe and the Arab world. Whilst the credit system was to be the nerve centre, ensuring the coordination of factors of production, communications, and especially railways, whose significance they early realised, were to be the arteries of expanding industry.

There are, however, important limitations to the originality of the Saint-Simonians. Sociologists have long pointed out that every economic doctrine, however 'scientific', contains some element of ideology. It might be said that in the case of Saint-Simonism it was rather the reverse: it was an ideology with an element of economic thought. The economic *aperçus* of the Saint-Simonians cannot really be raised to the status of a system. If the Saint-Simonians carried anything over into their later careers it was no blueprint of economic development. It was not even a detailed plan for a banking system³⁴ or a railway network.³⁵ Their discussions were not generally concerned with technical details or theory and their economic ideas were always just one part of their response to what they regarded as an existential crisis. Thus many of their criticisms and proposals were never fully developed and

³⁴ I have questioned the originality of Saint-Simonian banking ideas in *Some Banking Ideas in France in the 1830s: the example of the Pereires, 1830-1835*, « *Revue internationale d'histoire de la banque* », 1973.

³⁵ Cf. MAURICE WALLON, *Les Simonien et les chemins de fer*, thesis, Paris 1908.

one searches in vain, for example, for a real development of their theory of industrial crises or their view of the market mechanism. Many of their ideas, moreover, were not original but were being put forward by others of their contemporaries. It is even difficult to prove that the Saint-Simonians believed in free trade. They attacked the Corn Laws as well as protectionist arguments, like the balance of trade, and they praised J-B. Say's theories but commercial policy was never a central theme of their writings. In fact, while some later became ardent advocates of lower tariffs, others became protectionists. Paulin Talabot, who had been involved in the sect for a time, became a leading protectionist during the Second Empire, while Infantin, one-time leader of the sect, was never a thorough-going free trader, though he did welcome the 1860 Treaty. Even Michel Chevalier, who played a vital role in the Treaty, was only converted to free trade in the mid-1840s by Frédéric Bastiat.³⁶

It is not true, either, that following the dissolution of the sect, Saint-Simonians continued to constitute a group with shared memories and a common outlook. The leaders of the sect had quarrelled before the dissolution in 1832 and continued to disagree thereafter. If some Saint-Simonians turned towards successful business careers, rising to prominence during the Second Empire, these were a tiny handful and others turned in a contrary direction, towards Comtism and Fourierism, to hostility towards the capitalist economy and economic and social developments from the 1840s onwards. It is for these reasons that it is hard to believe that Saint-Simonism played any major rôle in the French economy in the nineteenth century or in the formulation of the economic policies of Napoleon III or the moderate tariff policy from 1860 onwards.

Whether or not their trade beliefs can be traced back to their earlier involvement with the sect, a number of ex-Saint-Simonians applauded the 1860 Treaty and played some part in bringing it

³⁶ J-B. DUROSELLE, *Michel Chevalier et le libre-échange avant 1860*, « Bulletin de la Société d'histoire moderne », 1956, pp. 2-5; MARLIS STEINERT, *Michel Chevalier: l'évolution de sa pensée économique, sociale et politique, 1830-1852*, Dissertation zur Erlangung der Doktorwürde der philosophischen Fakultät der Universität des Saarlandes, unpublished thesis, Saarbrücken, 1956, pp. 131-142.

about. As is well known, Michel Chevalier played a major rôle in suggesting the Treaty and in the subsequent negotiations. Arlès-Dufour, friend of both Cobden and Chevalier, played some part in preparing the ground for a commercial treaty, may well have been in on the secret of the negotiations at the end of 1859 and wrote a congratulatory letter to the Emperor, offering his services in the implementation of the new policy.³⁷ Infantin was enthusiastic about the Treaty and for a moment hoped that its signature heralded the arrival in power of a new group led by Chevalier.³⁸ However, what needs emphasising is the rôle played by Emile Pereire, the financier who had founded the *Crédit mobilier* in 1852 and had subsequently become a multimillionaire and a leading figure in the economic life of the Second Empire. In October 1859 Pereire drew up a memorandum in favour of lower tariffs which he submitted to the Emperor and which was discussed by the Council of Ministers. The existence of this memorandum was forgotten until Jean Maurain discovered a copy in the Baroche papers.³⁹ Maurain felt that Pereire had drawn up the memorandum without the knowledge of Chevalier, who was away in London, and considered that it was of some significance, pointing out that it was only a few days after the ministers' examination of it that Cobden began his clandestine negotiations in Paris and that there was a similarity between several points in the memorandum and several in the Emperor's January letter to Fould. Though the importance of the memorandum has since been questioned by Gordon Wright, who emphasised that it only appeared in October which was, he felt, late and that it suggested only unilateral tariff changes rather than

³⁷ Letters from Arlès-Dufour to Infantin, January ?, 16, 26, February 1, 2, 10, 20 and March 8, Fonds Infantin, 7687, fos. 2, 5, 6, 7, 9, 11, 12, 14. *Bibliothèque de l' Arsenal*. Arlès-Dufour's devotion to the cause of free trade has been described by MICHEL CHEVALIER, *Deux Défenseurs de la liberté commerciale: MM. Arlès-Dufour et Combes*, « *Journal des Economistes* », 1872, pp. 447-457, and by the anonymous biography, *Arlès-Dufour*, Paris, 1874, a copy of which is to be found at the *Bibliothèque de l' Arsenal*.

³⁸ Letters from Infantin to Arlès-Dufour, January 26 and 30, 1860, *Oeuvres de Saint-Simon et d' Infantin*, vol. XIII, pp. 51-54.

³⁹ *Papiers Baroche*, 1184, *Bibliothèque Thiers*, JEAN MAURAIN, *op. cit.*, pp. 184-187. There is also a draft of the Pereire memorandum in the Pereire papers: *Archives de la famille Pereire*, Dossier VII.

the bilateral treaty that was actually signed,⁴⁰ other evidence indicates that Emile Pereire played a noteworthy part in the decision to change tariff policy in 1859-1860.

The concern of both Emile Pereire and his brother, Isaac, for lowering tariff barriers antedated Chevalier's for they had begun agitating for tariff reform during their first career as journalists which lasted from 1828 to 1835. Along with friends like Adolphe Blanqui and Léon Faucher they participated in the first movement for freer trade which coincided with the prosperous years of the 1830s and with the tariff inquiry of 1834-5 initiated by Duchâtel, the Minister of Commerce.⁴¹ They interpreted the French tariff system at this time as the child of vested interests who had a powerful voice in the press and dominated the chambers — the vested interests of the large landowners and a few privileged manufacturers. Protection and prohibitions thus had been introduced and were maintained in the interests of a small section of French society and were contrary to the interests of commerce and industry and consumers in general. Emile Pereire castigated, above all, the duties and prohibitions on iron and coal for these helped to hold back the greater use of these two vital sinews of nineteenth-century industrialisation and were maintained at the behest, not of the French iron industry as a whole, but of a few proprietors of woodlands and the shareholders of the three largest coal-mining companies⁴² and those of the Anzin Company in particular which Pereire singled out for attack.⁴³

The problem was how and when this situation was to be remedied. In common with most of his fellow reformers in the 1830s and later, Pereire adopted a moderate stance: he rejected as untenable the advocacy of complete free trade which he claimed in

⁴⁰ GORDON WRIGHT, *loc. cit.*

⁴¹ MINISTÈRE DU COMMERCE, *Enquête relative à diverses prohibitions établies à l'entrée des produits étrangers, commencée le 8 octobre 1834, sous la présidence de M. Duchâtel*, 3 vols., Paris 1835.

⁴² *Projet de loi sur les douanes*, « le National », 12 February 1834.

⁴³ *Du tarif sur les charbons étrangers et du salaire des ouvriers d'Anzin*, « le National », 30 May 1833; *De la non-intervention du pouvoir en matière d'industrie, à propos des mineurs d'Anzin*, *ibid.*, 6 June 1833.

1834 was as absurd as the advocacy of prohibitions⁴⁴ and proposed instead that tariffs be lowered gradually over a period,⁴⁵ suggesting indemnities be given to those industries formed behind prohibitive barriers and likely to be injured by the adoption of more moderate duties.⁴⁶ He set as a priority the abolition of duties on raw material imports and advocated that such exotic products as coffee and sugar be freed from the system of colonial preference. Recognising Britain's lead in manufacturing, however, he recommended 'une grande réserve' in the reduction of duties of manufacturing goods⁴⁷ but was in favour of reciprocity and supported English moves for a commercial treaty, putting the question in the wider context for an Anglo-French alliance, claiming that no lasting accord could be concluded by diplomatic manoeuvring because only a trade treaty could cement a durable alliance.⁴⁸ These moderate reforms were essentially those that Emile Pereire was to advocate in his 1859 memorandum.

It should be noted that the Pereires always viewed tariffs in the wider context of indirect taxation and government revenue. They attacked indirect taxes throughout their writings because they regarded them as injurious to production, iniquitous to the lower classes and costly to raise. As early as 1832 Emile Pereire was proposing reforms intended to ensure that funds to cover government expenditure were raised in such a way as to interfere as little as possible with the productive process, that taxes fell principally on unearned income and that these taxes were raised in as inexpensive a manner as possible.⁴⁹ They were lifelong advocates of government loans, and during their more radical early years even advocated that loans replace taxation altogether. One of the aims of their *Crédit mobilier*, indeed, was the floatation of government loans and the breaking of the 'haute banque' stranglehold on floatations. The Pereires claimed that the *Mobilier* played a major

⁴⁴ *Conditions de notre navigation marchande*, « le National », 11 July 1834.

⁴⁵ *De l'Assiette de l'impôt*, « la Revue encyclopédique », 8 April 1832.

⁴⁶ *Moyen d'accélérer la réforme commerciale*, « le National », 14 December 1833.

⁴⁷ *De la réforme commerciale*, « le National », 12 June 1834.

⁴⁸ *Du Rapport de MM. Bowring et Villiers sur les relations commerciales de la France et de l'Angleterre*, « le National », 26 May 1834.

⁴⁹ *De l'Assiette de l'impôt*, « la Revue encyclopédique », 8 April 1832.

role in guaranteeing the Bineau loan of 1854, a major innovation in that the government appealed directly to the public rather than using the costly mediation of merchant banks. In the 1859 memorandum Emile Pereire proposed to raise the funds to cover the probable budget deficit resulting from his suggested tariff reductions by a loan floatation. The memorandum also made frequent references to the success of the British example of lowering indirect duties and tariffs. In the 1830s the Pereires were already impressed by Sir Henry Parnell's *Financial Reform*, published in French translation in 1832, and by moves to lower the level of indirect duties by British administration which had served to increase the tax yield.⁵⁰

The concern for lower customs duties the Pereires had shown in the early 1830s was enhanced during their later careers as financiers and entrepreneurs when they were frequently faced with the problems created by high and prohibitive tariff levels. Whilst building the Paris-Saint-Germain railway they played a part in the first breach in the tariff wall when, in 1836, Thiers agreed to discriminatory reductions in iron tariffs to facilitate railway construction. In the 1840s they unsuccessfully appealed for tariff exemption for special equipment needed for the atmospheric railway they were building. In November 1854, when the French metallurgical industry was swamped by railway orders, the government allowed their Midi Company to import a quantity of iron rails at a specially reduced rate. In October 1855 they requested and received government permission for their Compagnie générale maritime to purchase, duty free, a sailing ship and six steam vessels in Britain. And though they did not participate in the tariff reform movement during the upswing of the trade cycle of the 1840s, the Pereires continued to make their views known. Thus in his 1856 report to the Crédit mobilier shareholders Isaac Pereire advocated a European low tariff policy as a necessary accompaniment to an envisaged network of Mobilier institutions, guiding investment and opening up under-developed agricultural regions across the continent.⁵¹

⁵⁰ *Le Rendement des impôts indirects*, « le National », 16 July 1835.

⁵¹ Assemblée générale du Crédit mobilier, *Archives de la famille Pereire*, Dossier XV.

In view of their writing and experience it is not surprising, then, that the Pereires should have approved a move to reduce customs duties such as the 1860 Commercial Treaty. There are, moreover, a number of obvious indications that Emile Pereire played some part in bringing it about. His likeness appeared on the composite photo-portrait made to commemorate the signing of the Treaty. He was present, along with some fifty other partisans of lower tariffs, at Steiner's celebration dinner⁵² and he gave a splendid dinner for the negotiators at his Faubourg St. Honoré home.⁵³ The Pereires were themselves later to claim to have contributed to bringing about the treaty.⁵⁴ The clearest evidence of the Pereire rôle is the October memorandum. This, however, has two rivals, in earlier advice to reduce tariffs. In July and August 1859 Persigny had written two important letters from London, advocating a commercial treaty with Britain and a four-point programme for economic development, every point of which appeared in the Emperor's January 1860 letter to Fould. The Emperor thought enough of these proposals to call Persigny to Paris.⁵⁵ Secondly, A. L. Dunham discovered an undated and unsigned memorandum, apparently written by Chevalier at about the same time as the Persigny letters, also advocating a commercial treaty with Britain.⁵⁶ The difficulty with this last memorandum is that there is no evidence that the Emperor or anyone else ever saw this plan and only circumstantial evidence as to its authorship. Its strength is that, like the Persigny letters, it has a number of points in common with Napoleon's open letter to Fould in January 1860.

The case that Emile Pereire played a significant part in bringing about the change in policy can be based not merely on the October

⁵² WILLIAM NASSAU SENIOR, *Conversations with Distinguished Persons, 1860-63*, vol. II, p. 314.

⁵³ J. GROSSTÈTE, *Les idées des frères Pereire sur la monnaie et le crédit*, unpublished thesis, Paris 1950, p. 11.

⁵⁴ As did ISAAC PEREIRE in 1877: *Politique industrielle et commerciale, Budget des réformes*, Paris 1877, p. 17.

⁵⁵ GORDON WRIGHT, *loc. cit.*

⁵⁶ A. L. DUNHAM, *op. cit.*, appendix, pp. 369-371, and *Chevalier's Plan of 1859: the Basis of the New Commercial Policy of Napoleon III*, « American Historical Review », 1934, pp. 72-75.

1859 memorandum and the strength of its arguments but also on Pereire's previous discussions with the Emperor. The 1850s, the golden years of the empire, marked the apogée of Pereire success and influence. From 1849 onwards Napoleon regularly consulted Emile Pereire on economic and financial affairs. According to Pereire, protocol demanded that only the Emperor could initiate discussion of a topic but thereafter frankness was encouraged and contradiction countenanced. As for the principal topics of conversation.

' les voies de communications, le crédit public, le système des banques, les encouragements à l'industrie, le commerce des grains, la suppression de l'échelle mobile, les caisses d'épargne et de retraites, les pensions civiles, les associations ouvrières, les associations coopératives, les asyles, la réforme des impôts, des octrois, des douanes etc, ont été les principaux sujets que, dans une période de vingt années, il m'a été donné de traiter avec celui qui pouvait les réaliser... La liberté de commerce a été le sujet des plus grandes préoccupations, reprise vingt fois, successivement ajournée, ces longues hésitations qui m'étaient témoignées et qui devaient se produire avec d'autres dans les sortes d'enquêtes individuelles dont l'Empereur fait précéder les réformes qu'il veut introduire prouvaient à la fois l'importance qu'il attachait à la solution de cette grave question et les précautions dont il voulait l'entourer'.⁵⁷

On three separate occasions, moreover, Emile Pereire had in the autumn of 1859 discussed the state of economy and the need for tariff revision with the Emperor. In September and October he made three journeys with Napoleon, from Bordeaux to Tarbes, Tarbes to Bayonne and Bayonne to Paris. During these there took place tête-à-tête discussions dealing exclusively with the tariff question, each lasting three to four hours. In the interval between them Pereire was called upon to provide statistics to support his case, which necessitated his making two special trips to Paris. These documents, indeed, formed the basis of the unsigned memorandum that Pereire handed to Mocquard, the Emperor's secretary, on 10 October⁵⁸ and which Napoleon submitted to his Council of

⁵⁷ Pencilled, undated manuscript in the hand of Emile Pereire, *Archives de la famille Pereire*, Dossier VII.

⁵⁸ Emile Pereire to Jean Mocquard, 18 October 1859, *Archives de la famille Pereire*, Dossier VII.

Ministers on 19 October. This memorandum was discussed at two successive ministerial meetings.⁵⁹

The memorandum itself bears such a resemblance, both in suggested tariff cuts and in the method of meeting any budget deficits, to the one discovered by Dunham and ascribed to Chevalier that it is clear that there had been some collaboration in its preparation between Chevalier and Pereire. Chevalier had certainly been consulted on the arguments and statistics to be used in the Pereire proposals.⁶⁰ The arguments used in the memorandum were of a kind that would have some impact on Napoleon's thinking. It was argued, first, that the economic situation in France demanded a new set of government policies such as had helped launch the very rapid growth rates of the 1850s — a new 'coup d'état industriel' like that which was to be announced in the *Moniteur* letter of 5 January 1860 and which was intended to be the equivalent of the Bordeaux speech of 1851. Pereire had his own reasons for desiring this because, though the economic recession from 1857 had not been as severe in France as elsewhere, it had helped bring the Pereires' first important failure, the collapse of the Grand Central railway, and 1859 had been a difficult year for their railway companies as it was for all French railway companies.

The most important policy change Pereire suggested to improve the economic situation was the lowering of tariffs. France had the natural resources and geographical situation to enable her to become an industrial leader. Besides.

' Il ne faut pas qu'on dise d'elle qu'elle est la première nation quand il s'agit de faire la guerre et qu'elle n'est qu'au second rang quand il s'agit de faire de l'industrie, de l'agriculture et du commerce '.⁶¹

As did other reformers, he compared the fortune of British commerce under free trade with that of France under high protection. Not only had British exports almost tripled in value between 1845 and 1857 but this, the world's leading industrial nation, had manu-

⁵⁹ Jean Mocquard to Emile Pereire, 19 October 1859, *ibid.*

⁶⁰ Michel Chevalier to Emile Pereire, 27 October 1859, Correspondence Chevalier, *Archives de la famille Pereire*, Dossier IV.

⁶¹ Pereire memorandum, p. 15, *Archives de la famille Pereire*, Dossier VII.

factured imports twenty times the value of France's. France could begin to follow the British example for another reason: government revenue was less dependent on customs' duties than the British had been and still was. Changes could, therefore, be made without seriously imbalancing the budget.

The tariff changes proposed in the memorandum were modest — more modest than those previously put forward in the Chevalier proposal and more modest than those that were to be agreed in the 1860 Treaty. It was suggested, first of all, that the tariff system could be simplified without affecting either the French economy or government revenue. Besides, if in the arithmetic of customs one and one make not two but very often nothing, the British example had shown that the lowering of duties might mean an increase in revenue rather than a reduction. Following the lead of the highly influential Report of the 1840 Select Committee on Import Duties in Britain, Pereire pointed out that in France there were 1430 dutiable articles and only thirty produced 163 million francs, while the remaining 1400 yielded a mere 19 millions. Of these thirty articles, five, — sugar, coffee, cotton, coal and wool — produced 138 millions. The vast majority of these duties could be abolished, thus reducing administrative costs and smuggling, without any loss to the revenue. The memorandum recommended, secondly, specific changes: the suppression of all duties on raw materials for industry, except for those on iron and coal which, in the first instance, were to be retained; the abolition of duties on tea and cocoa; the reduction of coffee duties by 75% and of those on sugar by 50%. These changes would not mean a corresponding loss of revenue since increasing trade and prosperity would bring in revenue in other ways and since consumption of these goods would undoubtedly increase. Thus sugar consumption would certainly double in the near future given the low level of consumption in France, as compared with Great Britain, and given the 66% increase in consumption that had taken place in France, 1851-1858. The annual loss consequent upon all these reductions, Pereire calculated at a maximum of 50 million francs in the years immediately following, and suggested that, in view of the 2,000 millions that government had raised in loans for the Crimean and Italian wars, the government

could float a loan to make up the budget deficit. The result of these proposed reforms would be that in a short period French commerce would be doubled, the merchant marine would similarly increase, and new outlets for French industry and agriculture be found. They would mean that the poorer classes, in town and country, would be able to enjoy the sugar, coffee and tea that were already within the reach of their counterparts in Britain. Pereire concluded: 'c'est faire de la vraie économie sociale et de la bonne finance, c'est continuer la grande politique qui a inauguré le règne de l'Empéreur'.⁶²

It may be that the Pereire memorandum was only used by Napoleon to sound out his ministers' reactions to proposals for lowering tariffs and that their reaction was not encouraging and it must be admitted that there is no suggestion in it for a commercial treaty with Britain. Yet the arguments put forward in the plan, together with the evidence of the Emperor's earlier discussions with Pereire, help to explain, in part, why Napoleon was receptive to proposals from Cobden and Chevalier that France negotiate a treaty, proposals they began to make from 22 October onwards: Cobden's notes and correspondence, along with Chevalier's own letters, indicate that the Emperor required little persuasion to agree to their suggestion.⁶³ When Chevalier had his audience with Napoleon on 27 October he found him still preoccupied with the Pereire project and discussing it with an enthusiastic Haussmann.⁶⁴ Chevalier was later to claim that Rouher early gave his approval to plans for a commercial treaty chiefly because he knew the Emperor would agree to it rather than because he was for once a hardy innovator.⁶⁵ Already, then, by the time that Cobden and Chevalier arrived in Paris the Pereires had played a significant role in persuading the

⁶² Pereire memorandum, p. 19, *loc. cit.*

⁶³ *Inter alia*, A. L. DUNHAM, *op. cit.*, p. 61 and the letter from Chevalier to Price in BONAMY PRICE, *The Principles of Currency, six lectures delivered at Oxford*, London 1869, appendix II, pp. 228-240.

⁶⁴ Michel Chevalier to Emile Pereire, 27 October 1859, Correspondence Chevalier, *Archives de la famille Pereire*, Dossier IV.

⁶⁵ In a letter to Emile Pereire, on 2 June 1864, Chevalier wrote that Haussmann had said of Rouher: 'Vous le croyez un homme à principes, vous avez tort. Il a été novateur et hardi dans l'affaire de la liberté du commerce parce que l'Empereur voulait la liberté du commerce; mais hors de là il sera comme les autres'. Correspondence Chevalier, *loc. cit.*

Emperor that a new set of economic policies, and especially lower tariffs, were needed.

There is another dimension to the explanation of why Napoleon III agreed to a commercial treaty: the political. A further reason why he was so receptive to the proposal, and why some British ministers also gave their support, was that both sides felt that some political benefit would result. It might be argued that on both sides the vital ingredient in the success of proposals for a commercial treaty was political.

III.

Economic relations between states are never determined solely by economic considerations but are influenced by history, by political and by strategic considerations. Yet the political dimension of international economics has not received sufficient attention from scholars partly because, though the concept of economic man has been revealed as a fiction, the parallel concept of the economic state has lived on and, as a result, much less is known about predominant motivations in foreign economic policy-making than about, say, defence and strategic policy-making.⁶⁶ Not enough work has been done, then, to break down disciplinary barriers in the study of such multi-faceted phenomena as imperialism⁶⁷ and more work needs to be done on political aspects of capital flows, aid, so-called multinational corporations, international trade and settlement of accounts.⁶⁸ Politicians and diplomats, on the other hand, have usually attached some political importance to tariff agreements and disagreements, to customs unions and tariff wars and it might be postulated, with some justification, that political considerations have always been a necessary ingredient in tariff agreements.

⁶⁶ p. 65, SUSAN STRANGE, *International Economic Relations*, I; *The Need for an Interdisciplinary Approach*, «The Study of International Affairs», edited Roger Morgan, London 1972, pp. 63-85.

⁶⁷ Notable exceptions to this are D. C. M. PLATT, *op. cit.* and H-U. WEHLER, *Bismarck und der Imperialismus*, Cologne 1969.

⁶⁸ CHARLES P. KINDLEBERGER has made a beginning with his textbook, *Power and Money: the economics of international politics and the politics of international economics*, London 1970.

Customs unions have traditionally been regarded as having more than economic significance because they have been thought to pave the way towards political union. Some of the founders of the Zollverein, like Friedrich von Motz as early as 1818, saw it as a means to political cooperation, while some have claimed that this customs union played a part in ushering in German unification.⁶⁹ The belief that it did so lived on to influence those, like Joseph Chamberlain, who advocated a British imperial zollverein to serve more than economic ends. Those Europeans who, during World War II, began to work in earnest for a European economic community set themselves partly political goals: to counteract the dwarfing of Europe by the two superpowers, to solve the German problem by absorbing Germany into a customs union that would, it was hoped, ultimately lead to a politically united Europe. On the other hand, some proposed customs unions and agreements have failed precisely because of fears that they would have political repercussions. Plans for a Franco-Belgian customs union in the 1830s and 1840s were complicated by Belgian fears that expected economic advantages for Belgian industry would be offset by an erosion of their sovereignty and negotiations finally failed in the face of opposition from the British who believed that a customs union would be the first stage in a French absorption of neutral Belgium.⁷⁰ Similarly, suggestions for an Austro-German customs union in 1931-1932 — like Bruck's proposals in the middle of the nineteenth century — were partly, if not chiefly, motivated by political considerations and they, too, were blocked by opposition from the French, the British and members of the Little Entente, all of whom feared its political implications.⁷¹ There have also been political elements in tariff wars, such as those between Italy and France, 1888-1898, German and Russia, 1890-1894, and Austro-Hungary and Serbia, 1906-1909.

⁶⁹ See, for example, W. O. HENDERSON, *The Zollverein*, pp. 336-344.

⁷⁰ ALFRED DE RIDDER, *Les Projets d'union douanière franco-belge et les puissances européennes, 1836-1843*, Bruxelles 1932, *passim*.

⁷¹ JAN KRULIS-RANDA, *Das Deutsch-österreichische Zollunionsprojekt von 1931*, Zurich 1955, *passim*.

The Low Tariff Era had a significant political dimension. Thus throughout the nineteenth century European powers signed commercial treaties with non-European government, whereby European goods, capital and enterprise were to be admitted with little or no restraint and these agreements were in part the consequence of disparities of political power, frequently a *quid pro quo* for diplomatic recognition or alliance, more rarely, as in the case of China, the result of war and the threat of war. In 1824 Canning wrote of the commercial possibilities offered by Latin America: 'Spanish America is free; and if we do not mismanage our affairs sadly, she is English'. In 1862 Prussia signed a commercial treaty with France partly to thwart Austro-Hungary's attempt to join the Zollverein and to exercise a greater influence on German affairs. The fact that Europe had been at peace since 1815 and that even the Crimean War had been a limited war with two of the major European powers remaining neutral may have influenced tariff reductions. Peace and prosperity may have generated a greater confidence in the international system and temporarily weakened politicians' belief in the desirability of a country exporting more than it imported and their fear of foreign competition, just as later in the century rising tariffs owed something to the more rigid division of the powers into blocs and alliances and economic writing, especially those of journalists and politicians, adopted aggressive postures similar to those of political nationalists and there was talk of struggle rather than competition for markets, of tariff wars and reprisals. Jules Ferry, looking back in 1891, described free trade in 1860 as 'le fruit hâtif de trente-cinq années de paix, une page détachée de l'idylle des Etats-Unis d'Europe'. Many of the leading free traders of the day, men like Richard Cobden and Frédéric Bastiat, were primarily moralists and pacifists who regarded free trade as serving more than economic ends. Free trade would be an anodyne in international relations because it would generate a mutual dependence and a prosperity that war would endanger since war brought strife, waste of resources, higher taxes, and industrial crises. Such sentiments were certainly given wide publicity though there is little evidence that free trade or low tariffs have ever helped maintain peaceful relations and little likelihood that the diplomats and politicians

in Britain and France fully shared this optimism when they negotiated the 1860 Treaty. What is more certain is that both sides in the negotiations felt that some immediate political gain would result from a treaty of commerce.⁷² Many critics of the Treaty quickly saw it as a political move. The *Times* found the Treaty contrary to the principles laid down by Peel in 1846 and that France would gain greater economic advantages from it but saw it as 'a surer guarantee of amicable relations with England, and of a pacific feeling in Europe, than if half the Army of France were disembodied, and sent to their homes, or half the fleet disarmed'.⁷³ When Napoleon announced his intentions towards Nice and Savoy it was said in the House of Commons that the Treaty would appear to be a bribe to Britain to allow France to extend her frontiers⁷⁴ and in France the protectionist deputy, Estancelin, claimed that 'le prix de Nice et de la Savoie a été le marché industriel français livré à l'Angleterre'.⁷⁵

Both sides had reason to want to stop the deterioration in Anglo-French relations that had been taking place since the last months of the Crimean War. Though differences had been patched up during Napoleon's state visit to England in August 1857, relations became ever more strained by English fears of the French naval challenge, especially with the launching of ironclads at Brest and Toulon, and of the strength of the French army. Orsini's bombs, manufactured in Birmingham, French intervention in Rumania and rapprochement with Russia also helped the estrangement; while the Italian war of 1859 had witnessed invasion scares, the volunteer movement and anti-French outbursts in the press and parliament in Britain. The major problem that remained unsolved at the end of 1859, creating considerable diplomatic uncertainty in Europe, was the Italian question. For the British the

⁷² That the 1860 Treaty was largely political in its objectives has recently been argued, from English sources, by A. A. ILIASU, *The Cobden-Chevalier Commercial Treaty of 1860*, « Historical Journal », 1971, pp. 67-98. The groundwork still needs to be done on the diplomatic aspects of the 1860 Treaty from the French point of view.

⁷³ « Times », 17 and 23 January, 1860.

⁷⁴ « Hansard », third series, vol. CLVI, cls. 2228-2264; K. B. CLAYTON, *Anglo-French Commercial Relations 1860-1882*, unpublished M. A. thesis, Manchester 1954, p. 26.

⁷⁵ Cited ROBERT SCHNERB, *op. cit.*, p. 105.

war had demonstrated French military strength and renewed fears that Napoleon III's regime was, after all, as expansionist as his uncle's had been or, at least, that European problems would be settled without reference to Britain. For Napoleon III the Villafranca and Zürich agreements had not gone far enough towards a settlement and another war was a likelihood. At the same time Prussian mobilisation along the Rhine during the hostilities had impressed on him the need to ensure the friendship or, at least, the neutrality of Prussia and Britain, Russian neutrality having already been secured by the secret agreement of March 1859.

A number of British politicians and diplomats held the view that to increase trade between nations was to increase friendship and the chances of peace. Thus when in 1858 Lord Malmesbury became Foreign Secretary, he sent a memorandum to British diplomats which stressed that the best guarantee of peace was the increase of international trade, for which the British government was always willing to negotiate.⁷⁶ In 1843 during fruitless negotiations for a commercial treaty with France, Peel had claimed that increased trade would give 'an additional security for peace'. In the preliminaries for the 1860 Treaty it was the pacifist Cobden who most loudly proclaimed that such a treaty would be the best way to cement Anglo-French relations. Both before and after 1860 Cobden was preoccupied with improving relations between the two nations, with trying to prove to his fellow countrymen that Napoleon had no aggressive intentions towards England, and with combatting the arms race. As early as January 1852 he was writing to the editor of the *Times* to deny that there were any grounds for fearing a French invasion,⁷⁷ and as early as 1853 his friend Bright was writing that it would be a glorious revolution for England and France 'when we can scan our mutual imports and exports, instead of counting up the number of our ships of war'.⁷⁸ After the signature of the Treaty and throughout 1861 Cobden remained preoc-

⁷⁶ W. G. BEASLEY, *Lord Malmesbury's Foreign Office Circular of 8 March 1858*, « Bulletin of the Institute of Historical Research » 1950, pp. 225-228.

⁷⁷ *Reminiscences of Richard Cobden*, pp. 179-183.

⁷⁸ Bright to George Wilson, cited HERMAN AUSUBEL, *John Bright: Victorian Reformer*, London 1966, p. 59.

cupied in his correspondence with the arms race and tension between the two nations, and early in 1862 published his pamphlet, *The Three Panics*, where he argued against armaments and again denied there was a danger of war with France. In November 1859, when he was negotiating the Treaty, he told Gladstone that he would not have crossed the street merely to secure material gain but would have walked barefoot to Paris to improve the 'moral and political relations of France and England by bringing them into greater intercourse and increased commercial dependence',⁷⁹ and he described free trade to Chevalier as 'la méthode de Dieu lui-même pour produire une entente cordiale, et tout autre système ne vaut pas un liard'.⁸⁰

The difficulty, of course, is to what extent Cobden's long-held views were shared by the less sanguine members of Palmerston's government, whether they, too, believed that a commercial treaty would have any great political or diplomatic significance. What can be said is that Cobden's unofficial negotiations in Paris coincided with moves by a minority in the Cabinet, and including Palmerston, Gladstone and Russell, to bring Britain into closer alliance with France and Sardinia in order both to settle the Italian question without recourse to war and, more deviously, to prevent further increases in French power or territory. As early as September Palmerston had agreed with Persigny that an alliance between Britain and France would be desirable⁸¹ and early in January 1860 he put his plan for an alliance with France and Sardinia before the Cabinet.⁸² Though such a policy was supported neither by the majority in the Cabinet nor by the Queen⁸³ most regarded a relaxing of the tension of the previous months as desirable. Gladstone, for one, who responded the earliest and most enthusiastically to the

⁷⁹ Cited DONALD READ, *Cobden and Bright, a Victorian Political Partnership*, London 1967, p. 140.

⁸⁰ Cobden to Chevalier, 14 September 1859, cited J. A. HOBSON, *op. cit.*, pp. 244-245.

⁸¹ DEREK BEALES, *England and Italy 1859-60*, London 1961, p. 107 ff.

⁸² E. ASHLEY, *The Life of Henry John Temple, Viscount Palmerston, 1846-1865*, London 1876, vol. II, pp. 174-180; A. A. ILIASU, *loc. cit.*

⁸³ H. HEARDER, *Queen Victoria and Foreign Policy, Royal Intervention in the Italian question, 1859-60*, «Studies in International History», edited K. Bourne and D. C. Watt, London 1967, pp. 172-188.

suggestion of a treaty, seems to have believed that a commercial treaty would improve political relations. At the time he described it as a 'sedative'⁸⁴ and in 1887 wrote that the Treaty had averted a war that had been a real possibility at the end of 1859.⁸⁵ The official British attitude to the negotiations set out in the letter from Russell, the Foreign Secretary, appointing Lord Cowley and Cobden as plenipotentiaries, was that the government attached 'a high social and political value to the conclusion of a commercial treaty'⁸⁶ and that, given the prevailing uncertainty, such a treaty would demonstrate Anglo-French amity. Russell may well have hoped that the Treaty would help prevent the threatened war over Italy.⁸⁷ It may also be that Palmerston, informed as early as August 1859 of the proposed cession of Nice and Savoy to France and realising the adverse effect this would have on British public opinion, felt that a commercial treaty might act as a counterweight.⁸⁸

Napoleon III, for his part, had perhaps stronger reasons to want to improve political relations between the two countries after the Italian war and in the light of the deal he had made with Cavour for France to acquire Nice and Savoy. Cowley, the British Ambassador in Paris, reported after a private dinner with Napoleon on 6 August 1859, 'I defy anyone to listen to the Emperor when he is speaking of the English alliance without the conviction that the preservation of it is that which he has most at heart'.⁸⁹ Towards the end of the year the international situation worsened when Austro-Hungary withdrew its support for a proposed congress of the major powers to settle the Italian question, following the publication in December of the pamphlet, *le Pape et le Congrès*, strongly rumoured to have been written or inspired by Napoleon III. In this situation the Emperor felt that some understanding with Bri-

⁸⁴ Gladstone to Graham, cited DEREK BEALES, *op. cit.*, p. 132.

⁸⁵ JOHN MORLEY, *The life of William Ewart Gladstone*, London 1903, vol. II, p. 23; W. E. GLADSTONE, *loc. cit.*

⁸⁶ *Cmd.* 2605, Letter number 2.

⁸⁷ This is argued by A. A. ILIASU, *loc. cit.*, pp. 86-87.

⁸⁸ KENNETH BOURNE, *The Foreign Policy of Victorian England 1830-1902*, Oxford 1970, pp. 102-103.

⁸⁹ *The Paris Embassy during the Second Empire: from the papers of Earl Cowley*, edited by Col. the Hon. F. WELLESLEY, London 1928, pp. 187-189.

tain over Italy was vital since British support would keep Austria isolated and might even obviate the need for hostilities altogether. On more than one occasion, late in 1859, he sent out feelers to ascertain what the British attitude would be in the event of a second war between France and Austria and in January 1860 even proposed an alliance between France, Sardinia and Britain, just after a similar suggestion had been made by Palmerston and the Italophiles. It has been suggested that it was when this proposal was rejected in Britain that Napoleon finally decided to sign the treaty of commerce and run the gauntlet of protectionist opposition⁹⁰ for, as Rouher later put it, 'il y avait là un thème politique périlleux pour la popularité du gouvernement'.⁹¹

The importance of political considerations can be gauged from the testimony of those who were involved in the discussions that led up to the 1860 Treaty. Chevalier categorically denied that political factors were paramount,⁹² as has A. L. Dunham. But Cobden, who had several important interviews with Napoleon, argued in his diary and in correspondence with ministers and friends that the political situation was the most important consideration for the Emperor. It is clear that the chief preoccupation of Cobden's discussions with Napoleon was less the economic consequences of a trade treaty than the possible political repercussions. Cobden set out to convince the Emperor that such a treaty was the only way to improve relations between the countries, while the Emperor expressed greatest interest in just this problem and the first hour of their first interview in October 1859 was devoted to the anti-French feeling in Britain and the need to improve Anglo-French understanding. Cobden later confided to Charles Sumner that he felt Napoleon's motives for signing the Treaty were nine-tenths political, with the aim of cementing the alliance with Britain,⁹³

⁹⁰ A. A. ILIASU, *loc. cit.*, pp. 85-87.

⁹¹ ROBERT SCHNERB, *op. cit.*, p. 104.

⁹² Chevalier also claimed, erroneously, that the Emperor had not thought of a commercial treaty until it was suggested to him by Cobden and himself in October. W. NASSAU SENIOR, *op. cit.*, vol. II, pp. 314-315.

⁹³ Cobden to Charles Sumner, 3 December 1861, cited J. A. HOBSON, *op. cit.*, p. 348.

while Arlès-Dufour, ardent free trader and friend and confidant of Cobden, wrote of the Emperor's motives:

'Cobden... croit, comme moi, qu'il a fallu des raisons majeurs pour l'amener à signer le traité qui refoule toute velléité de guerre avec l'Angleterre si elle a existé. Il croit que la question italienne, romaine et celle d'orient y sont pour beaucoup, mais les armements monstres de l'Angleterre ont dominé...'⁹⁴

A number of French ministers were also concerned about Anglo-French relations. When Cobden had discussions with Achille Fould on 2 November, he found him preoccupied with the uneasy and hostile state of public opinion across the Channel.⁹⁵ But it was Persigny, French Ambassador to the Court of St. James, who was the staunchest supporter of a commercial treaty with Britain for political reasons. Throughout the 1850s, except for an aberrant bellicose outburst following the Orsini plot in January 1858, he had stressed the need to maintain good relations with the British. Moreover, as early as 1852 he was stating his belief that the best way to ensure good relations was to encourage Anglo-French trade. He was under the erroneous impression that the 1832 Reform Act had transferred political power to the middle classes and claimed that the best appeal for their friendship was to facilitate commerce between the two countries.⁹⁶ In July 1859 he had an interview with Russell and suggested that France might sign a commercial treaty as an earnest of her pacific intentions and he followed this up by immediately making the same suggestion to Napoleon. Persigny was speedily called to Paris to elucidate his proposals before the Council of Ministers. Though nothing came of this at the time, he played a part in the negotiations at the end of the year for when, in December, the Emperor seemed to be hesitating over the proposed treaty Persigny arrived from Paris to warn of persistent

⁹⁴ Arlès-Dufour to Enfantin, 10 February 1860, Fonds Enfantin, 7687, fo. 11, *Bibliothèque de l'Arsenal*.

⁹⁵ JOHN MORLEY, *The Life of Richard Cobden*, p. 715.

⁹⁶ *Mémoires du duc de Persigny*, publiée avec des documents inédits, un avant-propos et un épilogue par M.H. de Laire Comte d'Espagne, Paris 1896, pp. 199-217.

Francophobia, the danger of war and the need for closer ties between the two powers.⁹⁷

There are indications, therefore, that political considerations were important in the signing of the 1860 Treaty. They helped determine the timing of the Treaty and had the political situation not been as taut neither side would have been so anxious to conclude a commercial treaty. For the Italophile minority in the British Cabinet and for Napoleon III such a treaty was as near to an entente as could be reached. In the event both sides expected too much of its political repercussions because between January 1860 and the final conventions of the following October differences and hostility remained⁹⁸ and in March Napoleon gave Cowley a public dressing down in Paris.⁹⁹ However, Napoleon had other reasons for signing the Treaty because the need for a new set of economic policies to relaunch growth and the possibility of lowering tariffs without gravely injuring government finance had already been impressed on the Emperor by the time Cobden and Chevalier arrived in Paris with their suggestion for a treaty of commerce. In this Emile Pereire played an important part. It is not, however, possible to measure the relative weight of political and economic considerations in Napoleon's decision to sign the agreement.

⁹⁷ Cobden's Diary, cited JOHN MORLEY, *op. cit.*, pp. 719-720.

⁹⁸ G. PAGÈS, *The Annexation of Savoy and the Crisis in Anglo-French Relations, January to April 1860*, in A. COVILLE and HAROLD TEMPERLEY, editors, « Studies in Anglo-French History », Cambridge 1935.

⁹⁹ *The Paris Embassy during the Second Empire*, p. 201.