

# THE HEYDAY OF FREE TRADE: THE TREATY OF COMMERCE OF 1860 BETWEEN ENGLAND AND FRANCE

Stephen Goodell\*

On January 23, 1860, representatives of Britain and of France affixed their signatures to a treaty of commerce, culminating more than three months of highly secret and often irregular diplomatic negotiations. The actual text of the treaty would not be in final form until six days later, and the conventions implementing the provisions of the treaty would take another six months to negotiate, but the document signed on the 23rd was the heart of the agreement. Gladstone presented the treaty to Parliament for ratification as an integral part of the new budget on February 10, 1860, and scored one of the greatest triumphs witnessed in the House of Commons.<sup>1</sup> He used the opportunity presented by the treaty to propose and to institute the most sweeping reform of the British tariff since Peel, thus culminating the whole work of the free trade movement, with which he himself had been so deeply involved.<sup>2</sup>

Appropriately enough, one of the plenipotentiaries was Richard Cobden, the great free trade agitator, and the treaty itself was the result of a chain of events which started, partly, with a speech by John Bright, Cobden's long time comrade in agitation. From the point of view of the Anti-Corn Law League, it was a quite sentimental occasion, and it might have been more appropriate to sign the treaty in Manchester rather than in Paris.

For France the treaty marked the beginning of the liberal Empire, though it did not in itself point in the direction of a more liberal policy. The fact that it was negotiated on the English side by a Liberal government gives the subsequent era an air of symmetry.

More importantly, the treaty was the final result of nearly 150 years of diplomatic attempts by the two countries to regularize and liberalize their commercial relations. The first Anglo-French treaty of commerce was signed in 1713 at the time of the Peace of Utrecht. However, the British Parliament failed to ratify the treaty. Ironically, the Parliament balked partly because of the superiority of French manufacturing.<sup>3</sup>

The second, and more important attempt, was the Eden Treaty of 1786. This agreement was negotiated in accordance with the

\* Student in History, Towson State College.

<sup>1</sup> Charles C.F. Greville, *A Journal of the Reign of Queen Victoria, 1852 to 1860*, III (New York: D. Appleton and Co., 1887), p. 524.

<sup>2</sup> John Morley, *Life of William Ewart Gladstone*, II (New York: MacMillan, 1903), p. 24. This budget contained the first major reform of the tariff since the budget of 1853, which had also been drawn up by Gladstone, who was then Chancellor of the Exchequer in the Aberdeen government. See also Frank A. Haight, *A History of French Commercial Policies* (New York: MacMillan, 1941), p. 32.

<sup>3</sup> Haight, *A History of French Commercial Policies*, p. 11.

provisions of the Peace of Versailles which had called for the negotiation of a treaty of commerce within three years of the peace. As a result of efforts by statesmen on both sides of the Channel, an improvement in the relations of the two countries was effected. The most important provisions of the treaty were the most favored nation clause and the lowering of the British duties on French wines. Both provisions were included in the treaty of 1860.<sup>4</sup> The Eden Treaty is also similar to the one negotiated in 1860 in that the French negotiators were members of a professional bureaucracy employed by an authoritarian regime in the face of widespread popular opposition. The Eden Treaty was abrogated in 1789 by the advent of the French Revolution; there was little opportunity to gauge its results.<sup>5</sup>

In 1791 the high protectionists in France received a set-back in the Assembly when a fairly moderate tariff was passed which contained uniform rates applicable to all countries alike and only a very few prohibitions.<sup>6</sup> However, the benefits of this moderate legislation were soon lost in the series of embargoes and prohibitions resulting from Napoleon's struggles with England.

The advent of the Restoration initiated a period of increasing restriction of international trade.<sup>7</sup> Louis XVIII seemed personally inclined toward a more moderate tariff system. He was, however, even more inclined toward building up support for his dynasty among the great industrial and financial families and to thus buttress the support he already had among the great landed proprietors.<sup>8</sup>

Generally the Orleanist monarchy continued the protectionist policy of the Bourbon regime, although in 1847 Guizot led an abortive attempt at a comprehensive reform of the tariff.<sup>9</sup> It is of some significance that of three major financial backers of the July monarchy included in the government of the Second Empire, Magne, Fould and Billaut; two, Magne and Billaut were among the strongest opponents of tariff reduction and of the Commercial Treaty in 1859.<sup>10</sup>

<sup>4</sup> Haight, *A History of French Commercial Policies*, pp. 11-12. The most favored nation clause was in the treaty of 1713. A good deal of the reduction on French wines was off-set by a subsequent reduction in the duties on Portuguese wines in accordance with the preferential treatment promised Portugal in the Treaty of Methuen of 1703. In 1786, the duty on French wine was dropped from 9s.7d. to 7s. At the time of the Treaty of 1860 the tariff on wine before the new reduction stood at 5s.6d. See also Arthur L. Dunham, *The Anglo-French Treaty of Commerce of 1860 and the Progress of the Industrial Revolution in France* (Ann Arbor, Mich.: University of Michigan Press, 1930), pp. 5-6.

<sup>5</sup> It is doubtful that it would have been possible to determine the economic effects of any measure undertaken at this time. No one now really knows the magnitude of the effects of tariffs on trade and economic growth when there are plenty of fairly reliable statistics available. Most statistical concepts measuring over-all economic activity were not developed until within the past forty years, and when these various conditions are observed it can be seen that many of Dunham's conclusions have little basis in reality. This is especially so in that the Eden Treaty was in force for only three years, and it is absurd to draw any conclusions about long term trends on the basis of so short an experience. The matter is peripheral to the paper and will be ignored hereafter.

<sup>6</sup> Haight, *A History of French Commercial Policies*, p. 14.

<sup>7</sup> John Patrick Tuer Bury, *Napoleon III and the Second Empire* (London: Methuen, 1964), p. 60.

<sup>8</sup> Dunham, *The Anglo-French Treaty*, p. 9. The protective policies of the Restoration government by discouraging the use of coal and encouraging the use of charcoal, even while substantially protecting iron, significantly retarded the progress of metallurgy in France.

<sup>9</sup> *Ibid.*, p. 10.

<sup>10</sup> Bury, *France 1814-1940* (London: Methuen, 1964), p. 84.

In the period between the Restoration and the Second Empire there were a number of developments which would have later significance in the decision to liberalize France's tariff system. One was the rise of a cult of Saint Simonists including Michel Chevalier, the Talabots, the Pereires and the de Lessups.<sup>11</sup> All were to have remarkable influence in the new Napoleonic government, and Chevalier and the Pereires were to help in the successful adoption of a liberal trade policy initiated by the Treaty of Commerce of 1860.

There were several unsuccessful attempts at promoting trade between England and France by treaty in 1826, 1838, 1843, and 1852, but most of these attempts lacked serious intent on the part of France. Most of these efforts, except the first, were primarily directed at exerting pressure on Belgium in France's negotiations with Belgium on commercial questions.<sup>12</sup> It was because of the hope of eventually including France to liberalize her tariff that Peel continued the preferential English tariff on French wines. In 1843, for example, he noted that the tariff on wines would be a convenient lever in negotiating a commercial treaty with France.<sup>13</sup> The primary interest of Peel's decision in 1843 is that it provided Gladstone with a precedent to justify to himself the establishment of free trade by treaty rather than by the ideologically purer route of unilateral legislation.

During the period before the coming of Saint Simon on Horseback, there was little agitation in France for free trade. Bastiat and a group of men including Michel Chevalier formed the Free Trade Association in 1846, responding to agitation by protectionists against the proposed commercial treaty with England.<sup>14</sup> At a dinner given for Cobden by the Association, he and Chevalier met. Thus began the fateful friendship that enabled the two men to fulfill their lifelong aim through the Commercial Treaty of 1860. In 1847, the Association proposed a program of tariff reform that included the abolition of prohibitions, a maximum import duty of 20 percent, and the free entry of raw materials and foodstuffs.<sup>15</sup>

The free trade movement disappeared in the Revolution of 1848 as the free traders, frightened by the specter of socialists such as Louis Blanc and Blanqui, ran into the arms of their erst-while opponents, the prohibitionists and protectionists.<sup>16</sup> Consequently, the Republican Assembly of 1849 was highly protectionist and quite unsympathetic to proposals for tariff reform. Nevertheless, Saint Beuve was moved to introduce a bill embodying a comprehensive reform of the tariff in February of 1851. He proposed, substantially in line with the Association's program of 1847, the suppression of duties on food and raw materials, maximum duties of 10 to 20 percent, and the

<sup>11</sup> Bury, *Napoleon III and the Second Empire*, p. 51.

<sup>12</sup> Dunham, *The Anglo-French Treaty*, pp. 13-14.

<sup>13</sup> John Morley, *The Life of Richard Cobden* (London: Chamon and Hall, 1883), p. 453.

<sup>14</sup> Haight, *A History of French Commercial Policies*, p. 27; Dunham, *The Anglo-French Treaty*, pp. 15-17. Bastiat had translated and interpreted Cobden's speeches in *Cobden et la Ligue* in 1845.

<sup>15</sup> Haight, *A History of French Commercial Policies*, pp. 27-28.

<sup>16</sup> Dunham, *The Anglo-French Treaty*, p. 17.

abolition of privileges to shipping.<sup>17</sup> Ironically, the measure was denounced by Fould, who was then Minister of Finance as "smacking" of free trade. At the same time Fould did hint at a modification of the tariff along more moderate lines.<sup>18</sup> The measure was defeated overwhelmingly. Later the same year, Louis Napoleon delivered a speech at Bordeaux announcing a program of economic development and reform.<sup>19</sup>

In England, the first step toward tariff reduction was taken by Huskisson in 1825. He removed the prohibition on the importing of wool and decreased a number of other duties. This was followed in the 1830's and 1840's by the agitation of the Anti-Corn Law League and Peel's reforms of 1843 and of 1846.<sup>20</sup> Gladstone's budget of 1853, presented while he was a member of the Aberdeen government, contained the last important tariff reduction until his budget of 1860. That budget, together with the Commercial Treaty of 1860 completed the job.<sup>21</sup>

In 1856, at the conclusion of the Crimean War, Michel Chevalier wrote to Cobden suggesting that a British reduction in wine duties would aid considerably in the reduction of the French tariff, and would bring about an appreciable improvement in the relations between the two countries. Cobden arranged for Clarendon and Chevalier to meet in Paris, which they did. But the project was overturned by Palmerston, who apparently was reluctant to forego the considerable revenue brought in by the wine duty.<sup>22</sup> Despite the failure of this project, the French government did attempt a thorough tariff reform and the abolition of the system of prohibitions, and such a bill was introduced in the *Corps Legislatif* by Rouher.<sup>23</sup> However, the bill was referred to a committee consisting principally of protectionists, and the opposition to the bill was so great that it was withdrawn by the government without a vote. Napoleon III was forced to promise not to attempt the removal of any prohibition for five years.<sup>24</sup> It seems at least likely that Anglo-French cooperation in the Crimean War and the introduction of tariff reform by the French government

<sup>17</sup> Haight, *A History of French Commercial Policies*, p. 29.

<sup>18</sup> Dunham, *The Anglo-French Treaty*, p. 18.

<sup>19</sup> Charles Poor Kindleberger, *Economic Growth of France and Britain 1851-1950* (Cambridge: Harvard University Press, 1964), p. 186.

<sup>20</sup> Dunham, *The Anglo-French Treaty*, p. 11; Morley, *Gladstone*, II, p. 24.

<sup>21</sup> Sidney Buxton, *Mr. Gladstone as Chancellor of the Exchequer* (London: John Murray, 1901), p. 26: "Two import duties only were repealed between 1853 and 1860, namely, the import duty on window and shade glass and that on liquorice root, the two duties together involving a loss of revenue of £2,198 . . ."

<sup>22</sup> Letters, Chevalier to Cobden, February 7, 1856; Chevalier to Cobden, February 16, 1856; Chevalier to Devinch, April 26, 1867; Dunham, *The Anglo-French Treaty*, pp. 45-47.

<sup>23</sup> Robert Schnerb, *Rouher et le Second Empire* (Paris: Librairie Armand Colin, 1948), pp. 101-102. Baroche was rather unenthusiastic about the reform (*ibid.*). At the same time, when the measure was introduced Louis Napoleon had just recently told Clarendon, who was in Paris at the time, that he, the Emperor, was a free trader (Greville, *Journals*, p. 520).

<sup>24</sup> Haight, *A History of French Commercial Policies*, p. 30. There were a substantial number of officials in high position who were quite favorable to tariff reduction. Michel Chevalier was a member of the Council of State, which was the principal policy making body during the Second Empire. See Robert Binkley, *Realism and Nationalism 1852-1871* (New York: Harper and Row, 1941), p. 143. Rouher, who had replaced Magne as Minister of Commerce in 1855, was known to favor reform and the reductions on iron and coal in 1853, on machinery in 1855, on raw wool in 1857, and the free admission of shipbuilding materials in 1855. De Persigny, who had been Minister of Commerce until 1853, Fould, de Morny, Prince Napoleon, and Brennier were all strongly in favor of tariff reduction. See Dunham, *The Anglo-French Treaty*, pp. 19-20.

were more than a coincidence. One of the principle objectives of Louis Napoleon was the maintenance of English amity in order to permit him a free hand in Europe. It must have been apparent that tariff liberalization would have great appeal in England where free trade almost had the appearance of a universally accepted religious dogma. This seems all the more likely in light of the fact that the government of the Second Empire was intensively pre-occupied with its foreign policy throughout its history.<sup>25</sup>

In the summer of 1859, after the fall of the Derby government, Palmerston again became Prime Minister. Gladstone was moved by Palmerston's agreement with the Liberals on the Italian question to join the Palmerston government. This was done in spite of his tremendous personal animosity toward Palmerston, whom he regarded as the worst man ever to hold public office.<sup>26</sup> This action marked the end of Gladstone's long self-exile from public office, which had lasted since his resignation of the post of Chancellor of the Exchequer in 1855, the post he now resumed. Cobden was also offered the Presidency of the Board of Trade. He refused, citing his past criticism of Palmerston, which was certainly much less severe than Gladstone's criticism.

One of the hallmarks of Palmerston's ministry was Palmerston's hostility toward France, which was happily in harmony with the invasion scare that swept England in the summer of 1859. Palmerston believed that the recent interest exhibited by France in iron-clad naval vessels, and in the construction of a Suez canal, signaled the revival of anti-English designs. He regarded this as merely the most recent manifestation of a deep-seated and permanent Anglophobia on the part of the French people. Consequently, he lent material aid in the form of rifles to the volunteer movement of 1859, which was directed at repulsing the expected French invasion.<sup>27</sup> Hostility against France was undoubtedly increased by apprehension over Napoleon III's designs in Italy.

It was within this context of official and of widespread popular hostility toward France that John Bright delivered his famous speech of July 21, 1859. In this speech Bright condemned the hysterical attacks on France and on the Emperor in the newspapers, and suggested that relations between the two governments could be improved by the mutual reduction of tariffs on one another's products. Palmerston and Russell asked Bright if he were proposing a commercial treaty, to

<sup>25</sup> Bury, *France 1814-1940*, p. 84. The defeat in 1856 on tariff reform serves to illustrate rather well how far from an effective autocracy the Second Empire was. The majority of the members of the Corps Legislatif had been sponsored by the government, but this did not mean that the government had any real control over them. In fact most of the government candidates had been singled out for government support because of their standing in their communities, rather than for the amount of support they had shown for the regime. Many had been strong supporters of the Orleanist regime. The Corps was lent influence by the very prestige of its members. See Theodore Zeldin, *The Political System of Napoleon III* (London: MacMillan, 1958). At least one historian considers the Corps Legislatif to have been an almost completely impotent body (Binkley, *Realism and Nationalism*, pp. 142-143).

<sup>26</sup> Sir Philip Montefiore Magnus, *Gladstone* (New York: E.P. Dutton Co., 1964), p. 139.

<sup>27</sup> Ernst Llewellyn Woodward, *The Age of Reform 1815-1870* (Oxford University Press, 1962), p. 178; Morley, *Cobden*, p. 455. Lord Tennyson contributed a poem to the movement, which this writer has been unable to find. It is perhaps sufficient to note that most of the poetry written by Tennyson in this period is generally considered to be inferior to his earlier works.

which Bright replied that he was not.<sup>28</sup> The next day the French ambassador, de Persigny, suggested that England and France enter into a commercial treaty in order to improve the deteriorating relations between the two countries.<sup>29</sup> Russell, who received the suggestion from de Persigny, was not overly encouraging. The day before Bright's speech de Persigny had written to Napoleon outlining a comprehensive program for economic development, featuring a far-reaching liberalization of the tariff.<sup>30</sup> Thus the ambassador's proposal to Russell was quite natural in the light of Bright's speech. It presented de Persigny with the chance of killing two or more birds with one stone. De Persigny was immediately summoned to Paris to present his plan to the Cabinet. At the meeting, attention was soon directed to reform of the customs system. Rouher asserted that reform could only be accomplished by means of a commercial treaty, which could be instituted by Imperial decree without the intervention of the uncooperative *Corps Legislatif*.<sup>31</sup> After de Persigny returned to England he continued to press the Emperor on the matter of sounding out the British about the Commercial Treaty.

In these circumstances the informal and highly tentative negotiations began.<sup>32</sup> In August of 1859 Chevalier again suggested to Cobden, as he had in past years, that a commercial agreement might lead to an amelioration in Anglo-French relations. Cobden was either sufficiently alarmed by the deterioration in Anglo-French relations or believed that Chevalier had some official backing, and wrote Gladstone on September 5 to request an interview on the subject. The two met at Gladstone's estate on September 12, and Gladstone immediately jumped at the idea of a commercial treaty. Although Gladstone was opposed, as was Cobden, to tariff reform by treaty, he decided that the practical implications of such an agreement between England and France outweighed the theoretical arguments against it.<sup>33</sup> The most important consideration was the supposed improvement in Anglo-

<sup>28</sup> Dunham, *The Anglo-French Treaty*, pp. 49-50. Ironically, the previous Palmerston government had been thrown out of office upon defeat on the Conspiracy Bill of February, 1858, a bill which was considered a friendly gesture toward France (Magnus, *Gladstone*, p. 132).

<sup>29</sup> Morley, *Cobden*, letter, p. 452; T.A.B. Corley, *Democratic Despot* (New York: Clarkson Potter, 1961), p. 226; de Persigny to Napoleon, August 1, 1861, Gordon Wright, "Origins of Napoleon III's Free Trade," *Economic History Review*, IX (1938), pp. 65-66.

<sup>30</sup> Corley, *Despot*, p. 220; Wright, "Free Trade," p. 65. It seems doubtful that Russell rejected de Persigny's proposal outright, or else the matter would not have been pursued. Dunham evidently was unaware of de Persigny's activities when he wrote his work on the treaty. Thus he makes the claim that the Emperor's letter to Fould on January 15 and the treaty were based on a plan he discovered in the French archives, and which he believes was written by Chevalier unknown to anyone else at the end of July, 1859. See appendix II of this paper. The discoveries by Wright render it highly unlikely that Chevalier undertook his approach to Cobden and Gladstone solely on his own initiative and without the knowledge of Rouher (Dunham, *The Anglo-French Treaty*, p. 357). It must be admitted that there is no proof that Rouher had knowledge of Chevalier's mission, but circumstances render it unlikely.

<sup>31</sup> Corley, *Despot*, pp. 221-222; Wright, "Free Trade," p. 65.

<sup>32</sup> Throughout the negotiations both governments were very reluctant to commit themselves to anything until the last possible moment. Thus Cobden had no official standing in Paris until the end of December. Napoleon, as usual, had everyone wondering if he really intended to go through with the reform until the treaty was signed, and never hesitated to contradict his representatives in the negotiations.

<sup>33</sup> The argument against reciprocal trade agreements is that they create the false impression that a country does not benefit from removing impediments to trade unless its trading partner also removes impediments. In fact, if two countries both benefit from trading with one another, then removal of impediments by one country will benefit that country as well as the country or countries dealing with it. This may be clearly demonstrated by exposition of the theory of comparative advantage, which may be found to be clearly explained by any introductory text in economics.

French relations that the treaty would bring about. The second consideration was that such a treaty would form a basis for completing Peel's work of bringing free trade to Britain. This would be accomplished by making the proposed treaty the central element of the coming budget of 1860. It was the first consideration that decided Cobden, who believed that England already possessed all the prosperity she could handle.<sup>34</sup>

On October 9 Chevalier arrived in England and was met by his friend Cobden. Four days later, Chevalier met Cobden's partner, John Bright.<sup>35</sup> On the 15th Chevalier finally met with Gladstone. During the discussion Chevalier insisted that tariff reduction in France was impossible except by treaty. Gladstone apparently accepted Chevalier's word and the two worked out the broad outlines of the treaty. Chevalier told Gladstone that he believed that the Emperor would accept the abolition of prohibitions and a maximum duty of 30 percent. For his part, Gladstone offered a heavy reduction in the wine duties, the abolition of the duties on silk products, and the abolition of the duties on a few other products.<sup>36</sup> This, of course, turned out to be a fairly accurate outline of the final treaty, with the important addition of coal and iron. In light of Chevalier's belief that there would be no great difficulty in instituting the reforms he proposed to Gladstone, it is difficult to believe that Chevalier's mission was undertaken without the knowledge of Rouher or the Emperor. The next four months were to be spent working out the details of the agreement.

Meanwhile Cobden sought out Palmerston and Russell to receive their permission to explore the possibilities of a commercial treaty in an unofficial and private manner. Since there were actually no unsettled matters between the two governments, and Cobden's mission was not of a nature to commit the government to any particular course of action in advance, he received the reluctant blessing of the two Liberal patriarchs. Shortly afterwards Russell informed Gladstone that he might bring the matter before the Cabinet whenever he wished.<sup>37</sup>

<sup>34</sup> Morley, *Gladstone*, II, 20-21; Morley, *Cobden*, p. 453; Dunham, *The Anglo-French Treaty*, pp. 51-52, letter, Cobden to Chevalier, September 14, 1859. The day of his conversation with Cobden, Gladstone informed Palmerston of their meeting and of Cobden's intentions (letter, Gladstone to Palmerston, September 12, 1859, Philip Guedella (ed.), *Gladstone and Palmerston, being the Correspondence of Lord Palmerston with Mr. Gladstone 1851-1865* (New York: Harper and Brothers, 1928), p. 11. This is the more significant of the two pieces of correspondence exchanged between Palmerston and Gladstone touching on the matter of the treaty. Altogether the two men do not seem to have exchanged a dozen sentences on the matter.

<sup>35</sup> Cobden had become by this time acceptable enough to the ruling class to be offered the Presidency of the Board of Trade by Palmerston. Bright was not considered for the post after Cobden refused it because, as Palmerston told Cobden, that demagogue Bright had attacked a whole class rather than individual personalities, the latter of which would not have disqualified him in Palmerston's eyes. Chevalier wrote his wife of his meeting with Bright, mentioning that Bright's interest in reducing wine duties was purely a result of his belief in free trade, since Bright himself drank only water (Dunham, *The Anglo-French Treaty*, p. 53).

<sup>36</sup> Morley, *Cobden*, p. 455; letter, Chevalier to Gladstone, June 19, 1872, Dunham, *The Anglo-French Treaty*, p. 54.

<sup>37</sup> Morley, *Cobden*, p. 455; Dunham, *The Anglo-French Treaty*, p. 54. Clarendon claimed that Russell had no mind of his own in the area of foreign policy and did whatever Palmerston told him to do since Russell was completely ignorant of foreign affairs and that was Palmerston's specialty (Greville, *Journal*, pp. 506-509). Clarendon also suspected the French of preparing to take naval and military action against England.

On October 18, 1859, Cobden and his family arrived in Paris, ostensibly and primarily for the Cobden women to empty the shops of Paris, the trip having been planned well before the idea of the treaty came up.<sup>38</sup> On the next day Napoleon read to his Cabinet a memorandum and statistics concerning the tariff prepared by Pereire, which was later given to Baroche by Rouher.<sup>39</sup> The amount of recent activity concerning reform of the tariff must have made it obvious to those present that some change in the tariff was under consideration. The day after that Chevalier saw de Persigny, who was on his way to see the Emperor, and informed him of the proposed negotiations.<sup>40</sup> On the 23rd Cobden called on Cowley, the British ambassador, and Chevalier saw Rouher to arrange a meeting with Cobden.<sup>41</sup>

Finally, two days later, Cobden, Chevalier, and Rouher had dinner together to discuss the prospects for an agreement. Rouher was sympathetic but claimed that he was merely an instrument of the Emperor and could do little on his own initiative.<sup>42</sup> In any case, it was arranged for Chevalier and Cobden to have separate interviews with the Emperor two days later on October 27. In the meantime Chevalier consulted Fould and Baroche.<sup>43</sup> Thus, all those who were to be parties to the negotiations were aware of what was afoot even before the interviews with Napoleon. It hardly seems likely that so many people would have been informed of the proposed negotiations and the Foreign Minister kept ignorant of the proceedings unless those involved had some idea that the Emperor would wish that the matter be kept concealed from Walewski.

In the morning Chevalier saw the Emperor and secured his approval for the project.<sup>44</sup> That afternoon Mr. Cobden called on the Emperor. Napoleon started off the interview by complaining about the British press and by asserting his undying friendship for England. At the same time Napoleon asked Cobden why he, Louis Napoleon, was so ill-treated. Cobden replied in his usual sturdy manner, chiding the Emperor for his secrecy as to his aims in Italy and reminding him that his uncle had been unpopular in England. Cobden then exhorted Napoleon to adopt the beneficent system of free trade. The Briton explained how free trade could be accomplished by attacking the protective system at its keystone, iron. The Emperor, for his

<sup>38</sup> After the announcement of the treaty some of the press descriptions of the negotiations were rather ingenious, especially that of Cobden's arrival in France of the previous October. The Paris correspondent of the *Augsburg Gazette* writes: "I gather from one of the managers of the *Chemin du Nord* that when Mr. Cobden arrived some months ago from England, his luggage weighed about 13,000 kilogrammes, that is to say 13 tons. It was immediately forwarded to St. Cloud. This parcel contained patterns of every kind of English produce. The Emperor went with Mr. Cobden over the whole of these articles, comparing quality, cost of production, and prices with that of the corresponding articles of French manufacture. At that time nobody in Paris had an idea of Mr. Cobden having established a depot of English goods in the Palace of St. Cloud, and was studying economical reforms with the Emperor as he had with Sir Robert Peel. The Emperor made a good use of this opportunity to acquire commercial knowledge, and he thus became enabled to meet and conquer the deputations of the Prohibitionists on their own ground." *The Times* (London), January 31, 1860.

<sup>39</sup> Schnerb, *Rouher et le Second Empire*, p. 103.

<sup>40</sup> Dunham, *The Anglo-French Treaty*, p. 55.

<sup>41</sup> Morley, *Cobden*, p. 455; Dunham, *The Anglo-French Treaty*, p. 57.

<sup>42</sup> Morley, *Cobden*, pp. 455-456.

<sup>43</sup> Dunham, *The Anglo-French Treaty*, pp. 60-61.

<sup>44</sup> *Ibid.*

part, expressed his wish to improve the condition of his people by liberalizing trade. Napoleon explained that his hands were tied by the ability of the protectionists to block reform. Cobden thought this analysis an exaggeration of the opposition's strength and that it reflected a lack of character, a lack which seemed to be characteristic of all Frenchmen except Michel Chevalier.<sup>45</sup> Later Fould informed Cobden that the Emperor had been pleased with the interview and was willing for negotiations to proceed.<sup>46</sup>

In the meantime Chevalier left Paris to be with his family. For the next few days nothing happened, or so it seemed to Cobden, who was unoccupied at Paris.<sup>47</sup> Cobden saw Fould a few times and found to his chagrin that no decision had been reached as to when the negotiations would begin. Fould was quite nervous and fearful that they might not be able to keep word of the negotiations from leaking out before they were complete. On November 2 Cobden called on Lord Cowley, who was scheduled to dine with Fould that evening, and informed him of the unsettled state of affairs.<sup>48</sup>

Finally on November 7 Chevalier was able to tell Cobden that the situation now looked promising. The next day Fould saw Cobden and told him that the Emperor was eager for negotiations to get underway and had ordered various documents to be prepared in order to assure that the proposed changes would be in the public interest, whatever that was.<sup>49</sup> Prospects for the treaty received another boost on November 10 when the *Times* published an article by Michel Chevalier which had appeared in the *Journal des Debats* on November 8 and 9. The article defended England against rising French criticism and explained English concern over French naval preparations.<sup>50</sup> The same day that this article appeared in the *Times*, Cobden arrived back in England.

From this point negotiations would move forward with comparatively few difficulties. There was no open opposition within the British government to reform of the tariff itself nor any substantial opposition to the idea of a commercial treaty with France. Free trade had long since become, ostensibly at least, a universally accepted principle among the major competing groups in British politics. While it seemed that few politicians were interested in actively seeking to liberalize trade, none dared to oppose such a policy strongly. In April, the *Times* itself had officially condemned the continuance of the protectionist regime in French commercial policy and expressed

<sup>45</sup> From Cobden's diary (Cobden kept a diary of the negotiations) (Morley, *Cobden*, pp. 456-458); letter, Cobden to Palmerston, October 29, 1859; Dunham, *The Anglo-French Treaty*, pp. 58-59.

<sup>46</sup> Morley, *Cobden*, p. 459; Dunham, *The Anglo-French Treaty*, pp. 64-65.

<sup>47</sup> Letter, Cobden to Chevalier, October 31, 1859; Dunham, *The Anglo-French Treaty*, pp. 64-65.

<sup>48</sup> Cobden's diary for November 2, 1859 (Morley, *Cobden*, p. 461). Morley has Cobden departing for England on November 3. This appears to be impossible since Cobden wrote Gladstone from Paris on November 6 that it was impossible for him to leave Paris at that time.

<sup>49</sup> Cobden's diary for November 8, 1859 (Dunham, *The Anglo-French Treaty*, pp. 65-66); letter, Cobden to Lord Cowley, November 8, 1859; Henry R.C. Wellesley, Lord Cowley, *Secrets of the Second Empire* (New York: Harper Brothers, 1928).

<sup>50</sup> *The Times* (London), November 10, 1859. The invasion hysteria remained almost unabated in England and was a matter of great concern to Cobden who took every opportunity to try to alleviate it (Cobden to the Liverpool Financial Reform Association, November 28, 1859, published in the *Times*, December 2, 1859).

the hope that France would adopt a liberal trade policy.<sup>51</sup> Thus, when Cobden managed to see Palmerston while in England in October, the hoary old septuagenarian was unable to oppose him. Palmerston was forced to admit that there were no unsettled problems between England and France, but still expressed alarm over French naval and military preparations.<sup>52</sup>

Now that it was finally decided to continue negotiations with the French on a commercial treaty, there were several problems facing the British negotiators as to what would constitute acceptable terms. First they were faced with the problem of setting a wine duty. It would have to be sufficiently low to be acceptable to the French and thus enable them to garner public support for the treaty in their wine regions. At the same time, the duty would have to be sufficiently high so as not to upset the British revenue too severely. Fear that this might occur had blocked lowering of the wine duties in past years. The second problem was to get the French to make a substantial reduction of enough items, especially coal and iron, to make the treaty appear acceptable to the British public. In addition, Cobden personally wished to see the maximum duty set by the French to be driven as low as possible, well below the maximum which Gladstone considered acceptable. Apparently, Gladstone was less concerned with the treaty's impact on the French tariff than was Cobden.

On the French side, in addition to getting an opening wedge for comprehensive reform of the tariff, the aim was to get the greatest possible reduction in the wine duty. In such a case the wine regions would be the one sure source of support for the treaty. The French also wanted the treaty to appear to be a diplomatic victory for France. A comprehensive plan of economic reform and expansion was still another French goal. Finally, the French negotiators sought to lighten the treaty's blow to protected industries through a system of subsidies for industry and agriculture.

By the time the negotiators began in earnest, the small group of advocates of tariff reform within the French government were extremely well prepared and tightly organized. Baroche, Fould, Rouher, de Persigny and Chevalier were all parties to the negotiations. The only prominent person among the reformers who was not participating in some capacity was Prince Napoleon. Soon the industrialist Jean Dollfus was to play a fairly active role. Pereire had already lent his voice to those advocating reduction. On the British side Lord Cowley, who seemed on rather close terms with the Emperor than most members of the diplomatic community, lent every assistance to Cobden.

One of the peculiarities of the negotiations was the close similarity of the views of Cobden and the views of his French counterparts. Cobden seemed to be negotiating with the British Cabinet for

<sup>51</sup> *The Times* (London), April 13, 1859. In view of this it is surprising that Bright would accuse the *Times* of being opposed to free trade. He did just that in his speech before the Liverpool Financial Reform Association on December 1, 1859 (*The Times* (London), December 2, 1859).

<sup>52</sup> Morley, *Cobden*, p. 461.

the French. This situation is particularly evident on the issue of the wine duties. Cobden's views were perhaps exaggerated by his hope to make Englishmen more cosmopolitan by getting them to drink French wines.<sup>53</sup> Both the early part of the negotiations and Cobden's discussions with Gladstone were dominated by the question of the wine duties, though not to the total exclusion of other questions. As early as October 29, 1859, Gladstone requested that Cobden meet him in England to discuss the wine duty. Gladstone had been alarmed by Cobden's letter of October 26 hinting that Cobden had already committed himself to a more substantial reduction in the wine duty than Gladstone was willing to support.<sup>54</sup> Cobden replied on November 6 that he could not at that time return to England. Further, he expressed the fear that the whole wine question might move outside the scope of the unofficial proceedings and into more official channels unless Gladstone backed him up. Such a development would have impeded progress on the other issues and might have endangered the whole treaty. Cobden had been offering the French a one shilling per gallon rate on all French wines. At this point, Cobden may have felt that his rash actions on this issue were placing both the treaty and his position in danger of being disavowed. Gladstone proceeded to warn Cobden that he was greatly exceeding his authority, and that neither he nor the government would be bound by offers which exceeded the limits that had been set.<sup>55</sup>

The day after he arrived in England in November Cobden wrote Gladstone and told him what he thought would be the necessary concessions on the part of the British. They were: the abolition of the remaining duties on articles of French manufacture; the reduction of the wine duty from 5s. 6d. per gallon to 1s. per gallon; and the reduction of the duty on spirits from 15s. per gallon to 8s. He insisted that it was essential for the Emperor to receive these concessions in order to have enough support in Paris, Lyons, and the wine regions to offset the opposition in the rest of the country to a general reduction of the tariff.<sup>56</sup> Paris and Lyons were the only important centers where articles were manufactured which were exportable and on which there still remained a significant British tariff. The next day Cobden again wrote to Gladstone. He admitted that he had exceeded his authority, and that Rouher realized that Cobden's personal commitment was not binding on the British government. Rouher believed, however, that Cobden's prestige was great enough to carry the British government. Cobden reiterated his feeling of personal responsibility on the question of the wine duties, and threatened to launch another agitation on the model of that of the Anti-Corn Law League to get the reduction of the wine duties.<sup>57</sup> Gladstone replied that he was eager to cooperate with Cobden, but that it was impossible to grant a uniform duty on wines lower than three shillings per gallon on wines, and ten shillings per gallon on spirits. Then Gladstone suggested the

<sup>53</sup> Ian Bowen, *Cobden* (London: Duckworth, 1935), p. 124.

<sup>54</sup> *Ibid.*, pp. 129-130.

<sup>55</sup> *Ibid.*, p. 130.

<sup>56</sup> Letter, Cobden to Gladstone, November 11, 1859; Dunham, *The Anglo-French Treaty*, pp. 66-67.

<sup>57</sup> Letter, Cobden to Gladstone, November 12, 1859; Bowen, *Cobden*, p. 131.

means whereby the question could be resolved. His plan was to establish a classification of wines based on alcoholic content. Gladstone's plan also included a scale of duties ranging from 1s. 6d. on ordinary table wines up to 3s. 6d. for wines containing 40 per cent alcohol.<sup>58</sup> This was essentially the scheme used in the final treaty, though the determination of the cutoff points of the various classes and the actual duties were to be subjects of much debate. It was not clear at that point whether the proposed wine duties were to be included within the terms of a treaty or were to be enacted separately.

On November 17, 1859, Cobden returned to Paris and immediately went to bed with a severe cold.<sup>59</sup> This, however, did not block negotiations. On November 20, Rouher, Fould, and Chevalier came to see Cobden and requested his views as to what he thought the British government expected of the French in the treaty. Cobden suggested that raw materials be admitted free; that semi-manufactured goods be admitted at six to eight per cent; that mass consumption goods be admitted at ten to fifteen per cent; and that a maximum duty of twenty per cent be established. Rouher and Fould seemed inclined to agree with him except that Fould believed that the maximum should be twenty-five per cent *ad valorem*. In return Cobden offered to abolish the duties on French manufactured goods and to admit wines containing less than 10 per cent alcohol at a rate of one shilling per gallon.<sup>60</sup> In making this offer Cobden was obviously exceeding his authority, and was later to wring even further concessions out of Gladstone with some degree of success. Evidently Cobden was confident that Gladstone would permit him to go pretty far before thinking of repudiating him for concessions made in his name without his permission.

During the next few days Cobden and Chevalier experimented with Gay-Lussac's alcoholometer to determine the alcoholic content of ordinary table wines. At first the wines seemed to be well within the range established by Cobden for the lowest class of wines. However, it was discovered within a few days that Gay-Lussac's instrument was highly inaccurate.<sup>61</sup> The problem of measuring alcoholic content continued to present difficulties throughout the negotiations. The proof spirits used by the two countries were considerably different, as were the measuring devices.

Meanwhile, the reformers in France continued to exert their pressure to hold Napoleon to the adoption of the treaty. From England de Persigny wrote the Emperor that the treaty was the best way to give the English people striking proof of the Emperor's good intentions and show them that he was not plotting an invasion of England.<sup>62</sup>

<sup>58</sup> Dunham, *The Anglo-French Treaty*, p. 67. The current duty on wines was 5s.6d. and on spirits 15s. The proposals of Gladstone were still substantial reductions. The excise on British spirits was 8s. per gallon, thus Gladstone's proposals were really not too far from the demands of Cobden and of the French negotiators.

<sup>59</sup> Morley, *Cobden*, p. 463. Cobden's illness was announced in the *Times*. See *The Times* (London), November 26, 1859.

<sup>60</sup> Cobden's diary for November 20, 1859 (Dunham, *The Anglo-French Treaty*, p. 67).

<sup>61</sup> Bowen, *Cobden*, pp. 124-125.

<sup>62</sup> Letter, De Persigny to Napoleon, November 21, 1859; Wright, "Free Trade," p. 65.

On November 25, 1859, Chevalier brought Cobden a document which he said was Cobden's proposals to Rouher of the 20th. The document was drawn up so as to permit Rouher to propose alterations which would make it appear that the French negotiators had the advantage in the negotiations. Cobden gave his approval and the document was put on file.<sup>63</sup>

During the rest of the negotiations, Rouher, with the aid of Chevalier and a Mulhouse cloth manufacturer, Jean Dollfus, drew up a complete program of tariff reform. He made every effort, in line with the semi-spurious draft of Cobden's proposals, to make it appear that only a part of Cobden's demands were granted while the French negotiators wrung great concessions from him.<sup>64</sup> Rouher's work was kept as secret as possible, with Rouher locking himself in his room when he worked and sending Chevalier out to the library to obtain the relevant information lest Rouher arouse suspicion by personally taking material out relating to tariffs. By December 9 the work was completed and Chevalier notified Cobden that the plan was ready to be presented to the Emperor.<sup>65</sup> De Persigny had come over from England to exert what influence he could with Napoleon in favor of the treaty.<sup>66</sup>

In the meantime Cobden sought to wring still further concessions from Gladstone on the subject of the wine duties. In a letter of December 5, 1859 he suggested the following schedule of duties: Nine pence a gallon for wines under ten per cent alcoholic content; one shilling six pence for wines under twenty per cent and two shillings six pence for wines under forty per cent. This proposal reduced Gladstone's proposals by half and was unacceptable.<sup>67</sup>

On the day before Rouher was to see the Emperor, Cowley sought out Cobden and told him that the Emperor had begun to waver in his support for the treaty, even though, earlier the Emperor had been strongly in favor of the plan. Cowley also informed him that he had just received a letter from Palmerston expressing strong doubts about the value of the treaty.<sup>68</sup> Cowley's doubts about the steadfastness of the Emperor proved needless for the time-being. On the next day when Rouher presented his program, Saint-Simon-on-Horseback professed himself satisfied and announced his intention to publish a letter to Fould deploring the backwardness of the French in tariff matters. It was decided to withhold publication of the letter for a while, and to inform Walewski, the Foreign Minister, of the still unofficial negotiations.<sup>69</sup> At the same time that Cobden was relaying this information to Gladstone, the Chancellor sent off a letter to Cobden rejecting the nine pence wine duty suggested by Cobden ten days earlier. Gladstone insisted that all mention of wine duties be excluded from the instrument of the treaty.<sup>70</sup>

<sup>63</sup> Cobden's diary for November 25, 1859 (Dunham, *The Anglo-French Treaty*, p. 68).

<sup>64</sup> *Ibid.*, pp. 68-69.

<sup>65</sup> Morley, *Cobden*, p. 463.

<sup>66</sup> *Ibid.*

<sup>67</sup> Letter, Cobden to Gladstone, December 5, 1859; Bowen, *Cobden*, p. 125.

<sup>68</sup> Letter, Cobden to Gladstone, December 12, 1859; Dunham, *The Anglo-French Treaty*, p. 69.

<sup>69</sup> Letter, Cobden to Gladstone, December 16, 1859; *ibid.*, p. 70.

<sup>70</sup> Bowen, *Cobden*, p. 125.

On the 17th, Rouher informed Walewski confidentially of the negotiations and showed him the text of the agreement as it then stood. De Persigny and Fould were assigned to winning Magne over to the scheme, a task they performed with no success.<sup>71</sup> The next day Walewski and Cobden agreed that negotiations had reached the point where a diplomatic instrument should be prepared with as much speed and secrecy as possible. Cobden wrote Gladstone that someone having official authority should take over negotiations, and informed Cowley of what had passed between him and Walewski.<sup>72</sup>

On December 19 Cobden informed Gladstone of the terms which he had made in Gladstone's name. They were: the abolition of all duties on articles of French manufacture; the reduction of the duty on ordinary table wines to one shilling per gallon; and the reduction of the duty on spirits to the level of the excise on British spirits. In short, virtually the same proposals Cobden had put to Gladstone on November 11, except that Gladstone's plan of classification of wines by alcoholic content had been adopted.<sup>73</sup> Two days earlier Gladstone had informed Cobden that it was impossible to include the reduction in wine duties within the text of the treaty itself, because of the great cost that the duties entailed. He suggested instead that the wine duties be reduced by a separate act of Parliament immediately after presentation of the treaty for ratification. Cobden was to persuade the French to trust Gladstone to do this.<sup>74</sup>

On December 21, 1859 Cobden had his second interview with Napoleon and received quite a surprise. Napoleon brought up a series of objections to a radical reform of the tariff which had been voiced to him by the protectionist Finance Minister, Magne, and by the Minister of the Interior, Billaut. Cobden answered these arguments as best as he could. Then Napoleon presented Cobden with the new French proposals, which were quite different than those that had been negotiated with Rouher and Fould. First, raw materials and agricultural goods were not to be mentioned in the treaty. Only manufactured goods, coal and iron were to be mentioned. Second, rather than the twenty per cent maximum agreed to with Rouher, duties were to range between ten and thirty per cent. Although Cobden was severely disappointed by the high maximum duties, and throughout the remaining part of the negotiations sought every possible means of bringing down the maximum, the high maximum was quite acceptable to Gladstone and did not impede adoption of the treaty. The main purpose of the meeting was to find out if the French government was settled on the principle of the treaty. It was,

<sup>71</sup> Schnerb, *Rouher et le Second Empire*, p. 105.

<sup>72</sup> Dunham, *The Anglo-French Treaty*, p. 70; Letter, Cobden to Lord Cowley, December 19, 1859; Cowley, *Secrets*, p. 193. There is no basis for the rumor related by Clarendon to Greville, that Cowley was completely taken by surprise when Walewski confronted him with Cobden's activities (Greville, *Journals*, III, 519).

<sup>73</sup> Letter, Cobden to Gladstone, December 19, 1859; Bowen, *Cobden*, pp. 125-126.

<sup>74</sup> Dunham, *The Anglo-French Treaty*, pp. 89-90. Peel had promised wine dealers in the 1840's that if wine duties were reduced by treaty they would be compensated. Gladstone felt bound by Peel's promise, but believe that the Cabinet would not agree to indemnification on top of the loss of revenue from the reduction in the duties. It is peculiar that Gladstone felt bound by the letter of Peel's promise but not by the spirit. Gladstone was noted for his ability to draw fine distinctions.

thus enabling Gladstone to proceed with his preparation of the budget.<sup>75</sup>

With the basis laid for official negotiations to begin, Lord Cowley wrote Russell requesting the necessary diplomatic powers. Lord Cowley suggested privately that Cobden be named one of the official negotiators, since he had already done so much of the work.<sup>76</sup> That same day Gladstone wrote Cobden outlining the concessions he was willing to make to the French. He accepted all of the proposals of Cobden sent him on the 19th with the following qualifications: the duty on the lowest class of wines would be lowered to one shilling per gallon eventually rather than immediately; this would be done by separate acts of Parliament rather than by treaty; the duty on brandy and other spirits would be nine shillings per gallon, one shilling above the excise and one shilling below Gladstone's proposals of November 11.<sup>77</sup> Gladstone was fearful that the last point would spark a row in the Cabinet, but all the same he had yielded to Cobden most of his points. Two days later, on Christmas, Gladstone again wrote Cobden insisting that the wine duty not be mentioned until it was proposed in Parliament.<sup>78</sup>

On December 24 the French Cabinet had a row which undoubtedly exceeded that which Gladstone was expecting in the British Cabinet. A majority of the Cabinet, led by Magne and Billaut, were opposed to the treaty. Walewski was undecided. Rouher supported the treaty strongly and offered to accept the responsibility for signing the treaty if Walewski refused to do so. Furthermore, Rouher offered to be the victim if a sacrifice had to be made to the protectionists.<sup>79</sup> After the meeting Napoleon remained determined to continue with the treaty, but he was fearful that the protectionists might soon be alerted as to what was afoot. Consequently, the Emperor ordered the negotiations to be speeded up. He told Cobden that he would like to see the negotiations completed within three or four days. Consequently, from December 26 to December 28 there were frequent meetings between Cobden and the Ministers. Cobden had still not given up his hope of bringing the maximum French duty down to twenty per cent and, to this end, suggested to the French that they take as long as three years to complete their reductions. In any case, Rouher's rough draft of the French terms in the treaty, which came out of these meetings followed generally Napoleon's proposals to Cobden of December 21, 1859. The French would establish a maximum rate on English manufactured goods, abolish prohibitions, and make an immediate reduction of the duty on coal to the rate on Belgian coal, with promises of further reductions to the rate of Prussian coal.<sup>80</sup> As small as they were, these changes in the French tariff constituted a radical alteration of the French commercial system as it had evolved since the time of the Restoration. Napoleon's government had un-

<sup>75</sup> Dunham, *The Anglo-French Treaty*, pp. 71-72; Cobden's diary for December 21, 1859; Morley, *Cobden*, pp. 464-465; letter, Cobden to Bright, December 29, 1859; Morley, *Cobden*, p. 466.

<sup>76</sup> Dunham, *The Anglo-French Treaty*, p. 72.

<sup>77</sup> Letter, Gladstone to Cobden, December 23, 1859; *Ibid.*, p. 73.

<sup>78</sup> Letter, Gladstone to Cobden, December 25, 1859; Bowen, *Cobden*, p. 125.

<sup>79</sup> Dunham, *The Anglo-French Treaty*, pp. 73-74.

<sup>80</sup> *Ibid.*, pp. 74-75.

successfully tried to abolish prohibitions for seven years. The wine duty continued to block progress in completing negotiations. In order to compensate for the problem presented by Gladstone's refusal to include reduction of the wine duty in the treaty, Cobden proposed to Gladstone at Chevalier's suggestion a plan whereby the duty would be levied at the rate of one penny per degree of alcohol, thereby admitting wine that contained ten degrees of alcohol at the rate of ten shillings per gallon.<sup>81</sup> As we shall see, this still would not have met growing French dissatisfaction with the arrangements which had been made with respect to wine.

In the meantime, on December 27, 1859 Russell sent Cowley instructions naming him and Cobden as official representatives in the negotiations. For the first time since discussion of the treaty began, Cobden had the official backing of the British government. Up to this time his official status had been strictly that of a private person.

At a second meeting of the French Cabinet on the question of the treaty on January 3, 1860, Magne made an attack on the project by accusing the Emperor of breaking his promises to the protectionists, and by maintaining that the differences in the manner of ratification by the two countries put the Emperor at a disadvantage. Rouher and de Persigny defended the manner of ratification stating that the Emperor had ample constitutional power to implement the treaty by decree, that it was well known that a tariff reform could not possibly get by the *Corps Legislatif*, and that consequently the English would reject out of hand any proposal to place the matter before the Chambers.<sup>82</sup> De Persigny and Rouher were quite accurate in their estimation of Cobden's reaction. On January 9 Rouher asked Cobden if he would object if the treaty were brought before the *Corps Legislatif*. Cobden believed that Rouher was suggesting that the Chambers be permitted to discuss and reject various clauses of the treaty while Chevalier thought he was merely proposing to have the Chambers ratify the treaty after signing. In either case Cobden threatened to rupture the negotiations over the issue and the matter was dropped.<sup>83</sup>

Shortly after the cabinet meeting, Baroche, who was temporarily taking the place of Walewski, who had been dropped from the Foreign Ministry, called on Cobden to make the final arrangements for the treaty. This laid to rest the apprehension aroused by Prince Napoleon's warning that the Emperor might yield to pressure from Billaut and abandon the treaty.<sup>84</sup>

Other than the question of the wine duty, the only major threat that now appeared was from France's Italian policy. On January 7 Cobden heard a rumor that the Emperor was considering making the treaty conditional upon an alliance between England and France in

<sup>81</sup> Letter, Cobden to Gladstone, December 29, 1859; Bowen, *Cobden*, p. 126.

<sup>82</sup> Dunham, *The Anglo-French Treaty*, p. 74.

<sup>83</sup> *Ibid.*, pp. 80-82.

<sup>84</sup> Letter, Cobden to Lord Cowley, January 5, 1860; Dunham, *The Anglo-French Treaty*, p. 76; Cobden's diary for January 4, 1860 (Morley, *Cobden*, pp. 467-468). Cobden dined with Prince Napoleon on January 4 and found him a strong advocate of free trade. It was then that Cobden learned that Walewski had been removed from his post as a result of disagreement over the Italian policy. Plon-plon also said that the Emperor might waver on the treaty just as he had abandoned Rouher four years earlier on the tariff reform.

Italy. Cobden was infuriated and wrote Gladstone that he was in favor of abandoning the treaty in the face of such blackmail. When Gladstone received Cobden's letter, Russell asked De Persigny about it and learned all that had been discussed within the government was that if France were involved in a renewal of the Italian war they would not be able to pay the promised compensation to French industry but that such a war could be averted by an English alliance in Italy. Gladstone informed Cobden that he did not believe that the treaty was about to be connected with any extraneous matters, and this ended the crisis.<sup>85</sup>

The problem of the wine duty continued to slow conclusion of the treaty. On the day that Baroche called on Cobden, the latter informed Gladstone that the French were insisting that the treaty would be impossible without including wine duties in the treaty. The next day, before receiving Cobden's letter, Gladstone was writing him that he assumed Cobden's silence implied that the French were willing to trust the British government to introduce the wine duty separately.<sup>86</sup> Of course, Gladstone was completely misled, and the French were quite consistent in their insistence that wine be included, for it had always been a major part of every proposed commercial arrangement between the two countries since 1713, and it would have been ridiculous for the French to rely on vague promises in view of the hostile state of English feeling toward France at that moment. When Gladstone received Cobden's letter, he was unpleasantly surprised by the French insistence on the inclusion of wines. In the meantime Cobden received Gladstone's letter and immediately telegraphed the Chancellor suggesting that the Emperor announce that he had been informed that the British Parliament proposed to reduce the duties on wine. This satisfied Gladstone, who reiterated the impossibility of including the wine duties in the treaty. However, the French were not at all satisfied and were demanding to know just when the British proposed to have the reduction take place. Finally, on December 11, 1859, Gladstone yielded and after consultation with the Cabinet permitted the wine duties to be inserted into the treaty.<sup>87</sup> This removed that last genuinely important impediment to French acceptance of the treaty although there were to be further negotiations over the classification of wines. But this was to be of minor importance in comparison to the issues which had already been dealt with and would not block the signing of the treaty.

Meanwhile, on January 7, 1860, Russell and Gladstone began preparation of full powers and formal instructions for Cowley and Cobden to act as plenipotentiaries of the Queen in the formal negotiation of the Treaty. On January 10, 1860 the negotiations were brought to the official attention of the Cabinet for the first time since Gladstone and Chevalier had met nearly three months before. There was no actual opposition, except from Lewis, the Home Secretary and Wood, the Secretary for India. They both objected that they did not want

<sup>85</sup> Letter, Cobden to Gladstone, January 7, 1860; Morley, *Cobden*, p. 468; Russell to Gladstone, January 8, 1860, and Gladstone to Cobden, January 9, 1860; Dunham, *The Anglo-French Treaty*, pp. 76-78.

<sup>86</sup> Letter, Cobden to Gladstone, January 5, 1860 and Gladstone to Cobden, January 6, 1860; Bowen, *Cobden*, pp. 126-127.

<sup>87</sup> *Ibid.*; Dunham, *The Anglo-French Treaty*, p. 90.

to bind themselves to the loss of revenue entailed by the treaty without first having more complete estimates on the budget. Although a majority, by Gladstone's own estimate, was either indifferent or mildly opposed, the Cabinet approved the treaty at the urging of the few zealots in favor of it. Palmerston was indifferent to the plan, and Lord John was greatly in favor of it.<sup>88</sup> There were several factors aside from the one mentioned which made the Cabinet as a whole rather unenthusiastic about the treaty, and most of them turned on Gladstone's personality. First of all, there was still fear in England of a French invasion, and Gladstone had made himself extremely unpopular by opposing the panic and by opposing the resulting increased expenditures for fortifications. Secondly, Gladstone was personally isolated by the Cabinet for the same reasons of temperament and social origin that made him out of place in Whig social circles. Finally, Gladstone was in constant conflict with Palmerston, whom he despised.<sup>89</sup>

While this was going on Gladstone ordered Cobden to get the French to move up implementation of their tariff reductions to an earlier date to make the treaty more palatable to the British public. Cobden himself was more interested in getting a lower maximum duty and, as we have seen, had earlier encouraged the French to delay as long as they wished in instituting the reforms in hopes of getting the lowering of the maximum duty. Cobden also attempted to get a firm promise on what the minimum duty would be but was unsuccessful and no minimum duty was mentioned in the treaty. On the issue of greater importance to Gladstone, that of advancing the date of the reforms, Cobden held a series of meetings with Baroche, Rouher, Fould, and Chevalier without much success, except in advancing the date of the reductions in linen. Napoleon's promise of 1856 not to abolish prohibitions before 1861 blocked the possibility of accelerating the date of most of the more important items on the tariff. Finally, Lord Cowley intervened and succeeded in getting the French to advance to an earlier date the reductions on iron, coal, and machinery.<sup>90</sup>

The final disagreement was touched off when Cobden and Cowley received their formal instructions and official negotiations began on January 18. The dispute was as to what degree of alcoholic content would constitute the maximum alcoholic content in the lowest class of wines, subject to a maximum duty of one shilling per gallon. Evidently, Cobden had not kept the French and Gladstone fully informed of the positions on this issue. The formal British proposal was that

<sup>88</sup> Letter, Gladstone to Mrs. Gladstone, January 11, 1860, and January 13, 1860; Morley, *Gladstone*, II, pp. 21-22. Dunham combines these two letters with one another in his version, and with Gladstone's letter to Cobden of January 12. By close attention to the footnotes it is possible to separate the letter to Cobden from the letters to Mrs. Gladstone, but not the letter to Mrs. Gladstone from each other. Dunham's text alone would lead the reader to believe that it was all taken from a single letter to Cobden. There are enough phrases common to both Morley and Dunham to show that they are both publishing selections from the same letters.

<sup>89</sup> Magnus, *Gladstone*, pp. 140-143. The fact that Gladstone had married into an old Whig family did not seem to overcome in Whig social circles the barriers posed by his tradesman background, his High Church views, and his intellectuality. See also the letter, Gladstone to Cobden, January 12, 1860; Dunham, *The Anglo-French Treaty*, pp. 87-88.

<sup>90</sup> Letter, Cobden to Gladstone, January 11, 1860; Cobden to Gladstone, January 13, 1860; Cobden's diary for January 16, 1860; Cobden to Gladstone, January 20, 1860; Dunham, *The Anglo-French Treaty*, pp. 94-99.

the maximum alcoholic content of the lowest class of wines would be 12 degrees as measured by the Sykes hydrometer. The French immediately objected that 12 degrees as measured by the Sykes hydrometer would exclude nearly all of the French wines from the lowest duty. Cobden, who had hoped at the beginning of the negotiations in October to get all wines admitted at the rate of one shilling, sided with the French in their objections. On January 19, 1860, Cobden telegraphed Gladstone demanding the one shilling rate on wines up to 15 degrees.<sup>91</sup> On the day before, de Persigny had received a telegram in cipher from his government ordering him to see Gladstone, Palmerston, and Russell and to get them to raise the maximum alcoholic content of the first class of wines. De Persigny was unable to reach Gladstone, but he did see Palmerston and Russell who refused to consider the matter, citing the needs of the budget and their unwillingness to increase the income tax any further.<sup>92</sup> Meanwhile Gladstone replied to Cobden's telegram on the same day that he received it and gave him permission to go as high as fourteen degrees but only in exchange for greater concessions by the French. The next day Gladstone wrote Cobden that he could go no higher than twelve degrees because most of the Cabinet thought he was being too rash as it was.<sup>93</sup>

On the same day that the Chancellor was writing his apologia to Cobden, Cobden wrote the Chancellor of a new development. The French that day had pointed out that the proof spirits used by the English for measuring alcoholic strength were a good deal weaker than those used by the French. Therefore, in order to fulfill their original aim of admitting common table wines at the one shilling rate, the maximum of the first class would have to be set at least at 18 degrees. Gladstone retorted that the French must have already known about the difference in the standards and refused to yield his ground. The treaty was signed on January 23, 1860, in spite of the dissatisfaction of the French on the wine issue.<sup>94</sup> Gladstone did relent sufficiently so as to raise the maximum to fifteen degrees. This change was received in time to be inserted into the revised draft signed on January 29, 1860.

Meanwhile, a good deal of feeling had been stirred up in France by the publication of the Emperor's letter to Fould on January 15, 1860, announcing a comprehensive program of economic reform and development including sweeping reform of the tariff, subsidies to industry and agriculture, building of a transportation network, and reform of certain administrative procedures. The proposals were extremely unpopular in France, but they were quite favorably received in England. On the same day, a two day inquest was begun in Paris by the government on the desirability of abolishing prohibitions. The inquest was strictly *pro forma*, since prohibitions would be abolished as a result of the treaty. The treaty served to out-

<sup>91</sup> Bowen, *Cobden*, p. 128.

<sup>92</sup> Letter, Minister of Foreign Affairs to de Persigny, January 18, 1860, and de Persigny to the Minister of Foreign Affairs, January 19, 1860, both telegrams in cipher; Dunham, *The Anglo-French Treaty*, p. 92.

<sup>93</sup> Bowen, *Cobden*, p. 128.

<sup>94</sup> *Ibid.*

maneuver the protectionists in the government who pointed out to Louis Napoleon that he had promised four years earlier that he would not abolish prohibitions without an inquest.<sup>95</sup> There were some surprises in the reaction to the treaty. The two principal steel manufacturers, De Wendel and Schneider, told the Emperor that they were quite pleased with the treaty.<sup>96</sup> Evidently, the reduced cost of coal more than offset the increased competition from British steel.

The treaty had wide implications for the whole European commercial system, laying the basis for a general reduction of tariffs throughout Europe through a system of commercial treaties and most favored nation clauses.<sup>97</sup> The changes brought about in the commercial relations between England and France as a result of the treaty and its subsequent conventions were later increased by the radical liberalization of France's Navigation Laws in 1866.<sup>98</sup>

The negotiations of the Treaty of Commerce of 1860 is unique in several respects. First, the negotiations were concealed from the French Foreign Ministry until they were substantially complete. The British Foreign Office played a relatively peripheral role in the matter. Second, the negotiators Cobden, Rouher, and Fould seemed to be in closer agreement with one another most of the time than with their respective governments. Third, while the treaty was directed at improving the relations between the two countries, it is a superb example of the enactment in both countries of a domestic program through foreign policy. This is appropriate since in both countries the major political figures directed most of their attention to foreign affairs.

Cobden and Chevalier obviously were of immense importance in bringing about the treaty, but the treaty would not have been possible without the presence of Gladstone. He was the only one to see all the possibilities of the treaty in affecting every aspect of government policy. He used the treaty to complete the work of tariff reform, as a weapon to combat the rising level of military expenditure by making the cost of such expenditures more directly felt, and as an instrument for binding Britain closer to France. He shared these aims with Cobden. But Gladstone might well have been the only man in Parliament at that time with sufficient prestige to carry the measure over the thinly veiled hostility of his colleagues. Also, he had the technical competence to make it an inseparable part of one of the most brilliant fiscal reforms in that era.

The relative importance of Rouher, de Persigny, and Chevalier in the treaty is extremely difficult to assess because they usually kept their roles merged with that of the Emperor, who himself liked to keep everyone in the dark about what was going on. It is safe to say that the roles of Rouher and de Persigny in the negotiations have been severely underrated in the past, mostly because of Dunham's work.

The paper has not attempted to deal with the interconnections between the treaty and events in Italy, although there were many links which would bear a good deal of investigation.

<sup>95</sup> Morley, *Cobden*, pp. 469-470; Greville, *Journal*, III, p. 520.

<sup>96</sup> Kindleberger, *Economic Growth*, p. 283.

<sup>97</sup> S.H. Zebel, "Fair Trade: an English Reaction to the Breakdown of the Cobden Treaty System," *Journal of Modern History*, XII (1940), p. 162.

<sup>98</sup> J.H. Clapham, *The Economic Development of France and Germany 1815-1914* (Cambridge: University Press, 1961), p. 261.