

Session proposal
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Economic ideas in the making of trade policy

Papers:

A ‘Sudden Outcry’ for Free Trade: Autonomy, Empire and Political Economy in the Irish Free Trade Campaign, 1779-1785

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In November 1779, the group of Irish militias known as the Volunteers rallied around a statue of King William III in Dublin protesting for free trade between Ireland and Britain. The episode kickstarted a series of political negotiations around the topic that culminated in the abortive proposal for the establishment of a free trade area in 1785. From the Irish perspective, free trade was regarded as a strategy for eliminating the restrictions and regulations, emanating from London, which had so far stifled the development of local industry. In Britain, however, the proposal faced hostilities due to the expected dislocations for established manufacturing interests. Newly appointed prime minister William Pitt tried to justify the case for free trade with Ireland before the British public by appealing to its beneficial effects for a unified and coherent imperial trade policy. This, in turn, proved unacceptable to Irish politicians and agitators, who regarded free trade as a step in the route to more – not less – political autonomy. Exploring public arguments on this topic, the paper investigates the economic and political meanings associated with free trade during the later decades of the 18th century, while discussing how these notions related to the literature on political economy circulating at the time.

Keywords: free trade, protection, British Empire, Ireland, Josiah Tucker, Adam Smith

JEL Codes: B17, F13, F54

The ‘political element’ in the Corn Law Debates, 1813–1846

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The British Corn Laws are generally presented as one of the first major policy issues in which classical political economy played a noticeable role. However, many controversies remain regarding the importance of the economists’ influence on the issue. Based on an extensive analysis of the Corn Law parliamentary debates’ rhetoric, the aim of this article is to show that a great part of these disputes rest on the shifting status and definition of political economy in the discussions. During the early debates of the 1810s, political economy was chiefly identified to the figure of Adam Smith and used to support the passing of the Corn Law, while Ricardo’s theoretical arguments were marginalised. The political setting changed dramatically with the radical thrust of the 1820s, when Ricardian political economy was integrated to dominant political languages. Following the 1830 general election, a progressive view of free trade deeply impregnated the social movements which played a decisive role in achieving the repeal of the Corn Laws. The rationale on which this view was founded, sometimes associated to the Manchester School, appears very far from Ricardo’s, and most of classical economists’ ideas. This work focuses on the gap between the economists’ developments and their use in the political arena – which Myrdal called the ‘political element’ – to show how they were adapted to political discourse and became influential as they were transformed throughout this process.

Keywords: Corn Laws, free trade, Manchester School, Adam Smith, David Ricardo, John R. McCulloch

JEL Codes: B12, B17, F13

Frank W. Taussig and the Scientific Tariff: The Political Education of an Expert Economist

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In the perennial U.S. tariff controversy, a new idea took root during the Progressive Era: the “scientific tariff.” The chairman of the first permanent U.S. Tariff Commission, Harvard economist Frank W. Taussig, was doubly dubious. Proposals for a scientific tariff gave appointed experts the discretion to modify import duties and thereby counterbalance unequal costs of production between domestic and foreign producers. Economically Taussig considered the notion worthless: applied consistently it would eliminate foreign trade. Politically he thought it undemocratic: “Nobody, however expert,” he insisted in 1919, “can settle, much less dictate, the position which the country shall take on controverted political and industrial questions.” Taussig’s vast policy experience notwithstanding, events proved his

political naïveté. It was the same Tariff Commission which Taussig had led that provided the expertise for administering the scientific tariff as inscribed in law beginning in 1921. With dismay he observed the institution that he had supposed to be “objective, non-partisan, unruffled” become a vehicle for partisanship masquerading as science. This article reveals the role Taussig played in an outcome he regretted, and what he learned.

Keywords: tariffs, trade, political economy, experts, expertise, scientism

JEL codes: B17, B27, N42, F19