

Book review

Cheryl Schonhardt-Bailey *From Corn Laws to Free Trade: Interests, Ideas, and Institutions in Historical Perspective*, The MIT Press, Cambridge, Mass(2006).426 \$47.50

Richard Cobden (1804–1865) a central figure in repeal of the Corn Laws in 1846 “believed repeal to be the most important event in history since the coming of Christ” (quoted on page 102 in the book under review). Cobden’s hyperbole aside, repeal of the Corn Laws in Britain does constitute a momentous and a turning point in the history of international trade policies. It involved a dramatic and unexpected shift from protectionism to free trade — a shift that has baffled political scientists and economic historians for the past 150 years. After the Napoleonic wars ended, grain prices fell sharply in Britain, which led to the enactment of the Corn Laws in 1815. The Laws intended to protect farmers from declining grain prices and consumers from the possibility of rising grain prices. To those ends, the Laws “allowed free entry when the price of corn was above 80 shillings per quarter and prohibited entry when the price fell below 80 shillings.” David Ricardo opposed the Laws and in 1822 proposed “a fixed duty of 20 shillings” to be lowered annually “by 1 shilling until it reached 10 shillings where it would then remain.” Some politicians, referring to Ricardo as a “cold-blooded political economist,” offered their own alternative that involved a “sliding scale” of duty on grain prices.

The decisive moment in the repeal of the Corn Laws arrived when Prime Minister Robert Peel and a third of his fellow conservative Members of Parliament (Peelites) who had historically been protectionist reversed their stance and embraced free trade. It is this change of mind and vote that has been the subject of much study in political science and economic history. In *From Corn Laws to Free Trade*, the book under review, Cheryl Schonhardt-Bailey presents past studies on repeal, often in details, and concludes Peel was quite concerned that without repeal Britain might have experienced “a revolution similar to that seen in France in 1848.” The book rests on the thesis

that interests drove repeal to the doors of Parliament, ideas inspired constituents and legislators alike to endorse free trade and institutions shaped *and* shaped by the interests and ideas that drove repeal. In short, repeal must be understood as the product of interests, ideas, *and* institutions. (p. 28, italics original)

Schonhardt-Bailey discusses the roles of interests, ideas, and institutions in the context of the demand for and supply of the votes for repeal. Conservative Members of Parliament (MPs) represented two groups: agriculturalists, who demanded protectionism, and manufacturers, who were “either borderline protectionists or leaning towards free trade.” Prior to 1846, the MPs representing manufacturers voted for protectionist bills in order to maintain the party unity on this issue. But when Peel defected to the free trade camp, these MPs seized the opportunity and voted for repeal to reflect the interests of their constituents. Schonhardt-Bailey argues, however, that “interests could not have prevailed without recourse to ideas.” And no one spread the idea of free trade more effectively than Richard Cobden who, with John Bright, led the Anti-Corn Law League.

A decisive event in the triumph of repeal was the founding of the Anti-Corn Law League in 1836 in London, which then moved its base to Manchester in 1838. Cobden used the League to promote free trade. His rhetoric, a sample of which was presented at the beginning of this review, combined economics, morality, and religion. Cobden had an incredible knack for exaggeration and superlative language. He went as far saying that “There is no human event that has happened in the world more calculated to promote the enduring interests of humanity than the establishment of the principles of free trade.” He even resorted to the ‘what-Jesus-would-do’ argument to advance his cause, “If the Corn Laws had been in existence when Jesus Christ was on earth He would have preached against them.” Such arguments were bound to be effective in the middle of the nineteenth century Britain.

Schonhardt-Bailey believes that interests and ideas succeeded in repeal of the Corn Laws because the “institutions of parliamentary of democracy in the 1840s had become far more conciliatory to liberal reform than they had been just a

few decades before.” The author concludes that “economic interests led Britain to repeal, but ideas and institutions delivered the final outcome.”

In addition to utilizing the literature in political science, Schonhardt-Bailey draws on the writings of many economists including (but not limited to) Mancur Olson on collective actions, Douglas North on institutions, Charles Kindleberger on economic history, and Jacob Viner on the specific-factors model. In this regard, an inevitable question crosses an economist’s mind: Why was there no reference to the theory of comparative advantage in the debate on repeal? This question becomes more puzzling when we find out that the leading economists of the time including David Ricardo, Nassau Senior, and John Ramsey McCulloch participated in the debate. Why did they *not* invoke comparative advantage to argue for free trade? Given the centrality and potency of comparative advantage in the theory of international trade and policy, this question should have been analyzed. But the phrase ‘comparative advantage’ does not even appear in the book.

Nonetheless, this book is an example, par excellence, of scholarship. Economists interested in history and historians interested in economics should read this book and assign it to their graduate students.

Farhad Rassekh
Barney School of Business, University of Hartford, United States
E-mail address: rassekh@hartford.edu.