NOTES

Grain Exports and Neutrality. A Speculative Note on British Neutrality in the War of the Polish Succession

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> "Her influence shall preserve, as her harvest sustains remote nations: For the produce of the mines of Peru is at present barter'd for that of her fields, and wealth fetched from both Indies, to enrich her Farmers'.
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> *Whitehall Evening Post*, 8 October 1734 [1]

The intention of this note is to draw attention to the great increase of British grain exports during the War of Polish Succession of 1733-5 and to suggest that one overlooked factor accounting for British neutrality in this conflict may have been ministerial determination to preserve these exports during a period of agrarian difficulties, fiscal problems and political uncertainty. Due to the absence of any series of British documents comparable to the French "Memoires et Documents" series or the minutes of the Austrian Privy Conference it is impossible to find any documentary proof for the arguments that will be advanced, and thus this note is speculative. However, similar problems with the evidence have not prevented historians from debating other possible explanations of neutrality such as fear of Jacobitism.

The War of Polish Succession began in August 1733 when Russian troops invaded Lithuania. It was not however restricted to eastern Europe. In the autumn of 1733 France, Spain and Sardinia declared war on Austria, Russia's

All dates are given in old style apart from those marked (ns).

[1] An identical piece was printed in many other British newspapers including the *General Evening Post* 8 October, *London Evening Post* 8 October, and *London Journal* 12 October 1734.

ally. Three campaigns were fought in the Rhineland and the Austrians were driven from Sicily, Naples and the Milanais. Under the Second Treaty of Vienna of March 1731 Britain was obliged to assist Austria, but the government of Sir Robert Walpole refused to do so and sought ineffectively to use its good offices to settle the conflict.[2]

The war coincided with a period of agrarian difficulties in Britain. Arable farming was badly hit by structural disequilibrium between production and consumption. The causes of this included demographic stagnation and improvements in agricultural efficiency. The situation was seriously exacerbated by a series of good harvests. There were more good harvests in the 1730's than in either of the preceeding two decades. After very bad harvests in 1727 and 1728 there were four good harvests in a row in 1730–3 followed by an average harvest in 1734. Increased production was reflected in falling grain prices. The price of a quarter of wheat in Cambridge at Michaelmas fell from a highpoint of 54 shillings in 1728, to 47 in 1729, 34 in 1730, 24 in 1731, 20 in 1732, and 21 in 1733. Prices rose in 1734 to 33 shillings and in the following year to 36, but these prices were still lower than any since Michaelmas 1725. Falling prices led to grave financial difficulties in the rural economy. Rents fell severely, and arrears were common. Jones has referred to " ruinously low prices " of wool and grain, and drawn attention to the " poor financial returns " enjoyed by major landowners.[3]

In these circumstances the massive increase of grain exports in the mid-1730's took on great significance. Agricultural historians have largely failed to explain the political background of this increase. Though figures are lacking it appears that the sustained warfare of 1733–5 badly affected grain production in several areas of the continent. One of the traditional sources of European grain exports, Poland, was badly affected by three years of conflict. The fighting in Poland was marked by guerrilla warfare and the wholesale devastation of vast tracts of the country. The protracted siege of Danzig in 1734 and the widespread destruction of bridges harmed trade. The economic consequences of the war in the Rhineland do not appear to have been profound, but in the Mediterranean the combination of bad harvests, particularly in Spain, intensive

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[2] Paul Vaucher, *Robert Walpole et la Politique de Fleury, 1731–1742*, Paris, 1924; A.M. Wilson, *French Foreign Policy during the Administration of Cardinal Fleury, 1726–1743*, London, 1936; R. Lodge, ' English Neutrality in the War of the Polish Succession ', *Transactions of the Royal Historical Society*, 4th ser., XV, 1932; J. Black, ' 1733, A Failure of British Diplomacy? ' *Durham University Journal*, LXXIV, 2, 1982.

[3] T.S. Ashton, *An Economic History of England: The Eighteenth Century*, London, 1955, p. 239; G.E. Mingay, ' The Agricultural Depression, 1730-50; *Ag. Hist. Rev.*, VIII, 1955–6, pp. 323-38; E.L. Jones, *Agriculture and the Industrial Revolution*, Oxford, 1974, pp. 27, 74; W.G. Hoskins, ' Harvest Fluctuations and English Economic History, 1620-1759,' *Ag. Hist. Rev.*, XVI, 1968, pp. 15-36; A.J. Little, *Deceleration in the Eighteenth Century British Economy*, London, 1976, pp. 25-8, 30-41.

warfare in Italy, and the preparations for war between Portugal and Spain in 1735 diminished local production of grain.[4]

The increase in British grain exports was not simply linked to the conflict in Europe. The rise in British exports preceded the outbreak of the war. The *General Evening Post* of 3 January 1734 reported that the London exportation of wheat from Christmas 1732 to Christmas 1733 amounted to 238, 520 quarters. Clearly the massive increase in British grain production, resulting from the excellent harvests of 1730-2, were already in Poland in August 1733 and in Italy in October 1733. However, it is the increase of exports during the war that attracted newspaper comment in Britain, and it is this that was of political significance. Newspapers rarely printed economic news and when they did it tended to be " spectacular ". Thus gold imports from Brazil attracted attention as did the trade to the East Indies. Agricultural news was not conspicuous in the press of the 1720's and 1730's.[5] However, during the Polish Succession War a massive amount of attention was devoted to the export of grain, particularly wheat. There were occasional comments about other agricultural activities. Thus the *London Evening Post* of 23 November 1734 reported:

" Beef and mutton bear so low a price at Smithfield that the Graziers declare they are forced to sell fat cattle as cheap as they bought them in lean; so that the Grazing farmers must abate vastly of their price, or the tenants cannot pay their rents ".

The concentration on grain exports, and the grain exports of London at that, reflected the dominance of the metropolitan press and the easy availability of the figures. It also reflected the importance of these exports. In late 1733 the combination of shortfalls in several European countries, particularly Spain and Portugal and a worsening European situation led to a perceptible spurt in grain exports. The traditional granary of Spain was Sicily, but the Austrian rulers of the island prohibited the shipment of grain to Spain. The *London Evening Post* reported in December 1733, " The Republick of Genoa was buying up all the corn which arriv'd, in order to store their magazines, apprehending that if the troubles in Italy continued, the next harvest would prove very short ".

Political complications and the availability of British grain ensured the resultant European demand was met from British sources. This demand was a considerable stimulation to the British economy, and not only to the agricultural sector. Nearly all the grain was shipped in British vessels, such as the Pelican which sank off Cadiz in December 1733 whilst taking wheat from

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[4] *Wye's Letter*, 12 December 1734.

[5] J. Black, 'Manchester's First Newspaper: The Manchester Weekly Journal,' *Transactions of the Historical Society of Lancashire and Cheshire*, 130, 1981, pp. 61-72, p. 68; J. Black, 'The British Press and European News in the 1730s: The Case of the Newcastle Courant,' *Durham County Local History Society Bulletin*, 26, 1981, pp. 38-43, p. 41.

London to Livorno. British neutrality and the absence of a substantial Italian and Iberian mercantile marine helped to ensure a boom in shipping circles. In November 1733 the *General Evening Post* noted, " the British exportation of corn into foreign countries is so great at present, that the freight is risen from 25 to 45 shillings per ton ".

The demand for British grain was not restricted to the south and east of England. In December 1733 the *London Evening Post* carried a report from Dublin, " Corn is rising, on account of the great quantities buying up for exportation ", whilst the *Universal Spectator* noted, " We hear from Bristol, that great quantities of corn are contracted for by merchants of that city, in order to be exported to foreign parts ". In the same month the *Whitehall Evening Post* reported, " The exportation of British corn to foreign parts having been lately, and continuing great, the course of exchange at Lisbon particularly is risen 12% in favour of our merchants ".

Wheat prices rose. The *General Evening Post* of 3 January 1734 noted that whereas since Michaelmas the price of a bushel of wheat at Reading market had been " little above 3s " on the last market day it had sold at 4 6d, whilst at Gloucester in the preceding week the price was 4 4d " from whence is evident the benefit of this great exportation ".

This situation persisted throughout 1734. In June the *St. James' Evening Post* reported, " Tis assur'd from credible calculations that the extraordinary exportation of corn from Great Britain, since the troubles in Poland, has been above a million of money in our favour, our navigation having receiv'd a great advantage as well as the former. Freight of corn is at present 5s a quarter to those ports, where 2s has been formerly thought a tolerable price ".

Three months later the *General Evening Post* added, " The exportation of grain to Italy, Germany and France continues, which occasions the price thereof to be kept up here ".

It is instructive to note the extensive treatment that the press devoted to this issue. For example, in the last ten weeks of 1734, newspaper references were very numerous. The *London Journal* reported on 26 October that in the fortnight of 5-19 October, 11,710 quarters of wheat, 200 of barley, 200 of beans and 100 of meal had been exported. On 7 December the same newspaper reported exports to Portugal the previous fortnight of 900 quarters of wheat, 200 of peas and 50 of beans. A fortnight later the paper reported that exports for 29 November-14 December were 5510 quarters of wheat, 600 of barley, 150 of beans and 200 of peas. On 2 November the *Craftsman* reported exports the preceding week of 4160 quarters of wheat. On 19 November the *St. James' Evening Post* reported that 2700 quarters of wheat and 800 of barley had been exported the previous week to Poertugal and the Straits of Gibraltar. On 24 December the *London Evening Post* noted that in the previous week 2450 quarters of wheat, 1110 of barley, 200 of rye, 180 of peas and 400 of malt had been exported to Spain and Portugal.

Aside from its implications for the agricultural sector this massive and well-publicised exportation of grain had fiscal and political consequences. Though the government had to spend a lot of money on the bounty for grain exports, the high level of exports helped to keep the rural economy buoyant enough to pay taxes without too much difficulty. There was no doubt that grain exports were of great significance in bringing money into the country. On 16 November 1734 *Wye's Letter*, a tri-weekly London newsletter reprinted in many provincial newspapers, reported, " Tis now computed, that the article of corn only has brought into this nation, in less than two years, above two millions sterling in specie ". This contrasted with stagnant exports in manufactured goods,[6] and was of particular significance, because of the decision to raise the land tax in 1734. In the late 1720's the sustained " cold war " between the powers of the Alliance of Hanover, including Britain, and the Alliance of Vienna, had led to expensive naval armaments and subsidy treaties, and an increase in the size of the army. The land tax rose to four shillings in the pound amid complaints that such a fiscal policy was producing an economic depression. The Treaty of Seville of November 1729 led to a cut in land tax in 1730 to 2 shillings and in the following year the figure was reduced by a further shilling. The ministerial press drew attention to these cuts and claimed that they illustrated the beneficial economic consequences of a successful British foreign policy. They also produced a fiscal crisis. The Treasury ended 1731 nearly £ 500,000 short, and the ministry was forced to increase the duty on salt in 1732 and to introduce in 1733 legislation to create an excise tax on tobacco. The failure to pass this legislation produced fiscal difficulties and these were exacerbated by the need to increase British military preparedness in the troubled international system. In 1734 the land tax was increased by a shilling, the rate of interest on borrowings by the government rose from three to four per cent and, a year in advance of their expiry, the salt duties were renewed for a further seven years as a fund for raising £ 1,000,000.[7] The increased grain exports thus served two fiscal purposes: they made it easier to pay the increased land tax, and they increased the amount of specie in the country making it easier for the ministry to borrow money in a tense international situation.

The political consequences of the grain exports are difficult to evaluate. It could be suggested that ministerial vulnerability, after the defeat of the Excise scheme, in the face of the General Election of 1734, may have made the

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[6] R. Davis, English Foreign Trade, 1700-1774,' *Economic History Review*, XV, 2, 1962-3, pp. 285-303, pp. 294-5; J.J.Mc Cusker, ' The Current Value of English Exports, 1697-1800, *William and Mary Quarterly*, XXVIII, 4, 1971, pp. 607-28. The war helped British fish exports, *Wye's Letter* 29 November 1733.

[7] W. J. Hausman and J.L. Neufeld, ' Excise Anatomized: the Political Economy of Walpole's 1733 Tax Scheme,' *Journal of European Economic History*, 10, 1, 1981, pp. 131-143; M. J. Jubb, *Fiscal Policy in England in the 1720s and 1730s*, unpublished Ph.D. dissertation, Cambridge, 1977.

government unwilling to harm the economy by honouring their treaty obligations to Austria. A declaration of war upon France, Spain and Sardinia would have made open trade difficult, if not impossible, and illicit trade would have been harmed by privateering. In November 1733 insurance premiums on all ships bound to the Mediterranean rose considerably,[8] and in February 1734 the *St. James' Evening Post* reported, "The merchants of St. Malo are said to have offered the King several millions per ann. in case of a war, for leave to cruise on the ships of Great Britain without a tax upon their booty".

The 1734 elections were a major challenge for the government. Middlesex returned a Tory and William Pulteney, the leader of the opposition Whigs; Kent returned a Tory and an opposition Whig; the Tories gained one seat each in Norfolk, Yorkshire, Hampshire, Essex, Rutland, Cheshire, Leicestershire and Worcester, and two in Gloucestershire. The Tories only lost in Sussex, Norwich and Northumberland by very narrow majorities.[9]

It is interesting to note that many of the contests were fought in the great grain-exporting areas. The principal grain-producing and grain-exporting area was East Anglia, served by ports such as Great Yarmounth, King's Lynn and Ipswich. Another important area was Sussex. Andrews was commented on "the enormous increase" of exports from Sussex in the 1720's. Major grain exporting ports in Sussex were Chichester and New Shoreham.[10] In both East Anglia and Sussex the electoral influence of the great Whig lords was important, and these areas contained the seats of the leading Whig politicians. The Duke of Grafton, his seat at Euston in Suffolk, had a powerful electoral interest in Thetford; Sir Robert Walpole, his seat at Houghton in Norfolk, had a powerful electoral interest in Great Yarmouth, King's Lynn and Castle Rising. In 1734 his son Edward was elected at Yarmouth, despite the strength of the local Tories, his brother Horatio at Norwich, after great expense, his friend Charles Churchill at Castle Rising, and Walpole himself was elected at King's Lynn. The loss of the two Norfolk county seats after unopposed Whig successes in the two previous general elections of 1722 and 1727, and despite a very expensive contest, was a major blow. Though the ministerial candidates won both seats in Ipswich they lost both at Sudbury. Whig interests were particularly strong in Sussex. Lord Abergavenny had interests in the county; the Duke of Dorset in the east of the county and at East Grinstead, the Duke of Chandos at Steyning; the Duke of Richmond, his seat at Goodwood and electoral interests at Chichester and New Shoreham; the Earl of Scarbo-

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[8] *Wye's Letter* 31 October, 3 November 1734.

[9] L. Colley, *In Defiance of Oligarchy, The Tory Party 1714-60*, Cambridge, 1982, p. 218; B.W. Hill, *The Growth of Parliamentary Parties 1689-1742*, London, 1976, p. 208.

[10] J. Andrews, *Geographical Aspects of the Maritime Trade of Kent and Sussex, 1650-1750*, unpublished Ph.D. dissertation, London, 1954, pp. 183-202; *Wye's Letter* 4 December 1733.

rough, a seat at Stanstead, and electoral interests in Arundel and Chichester; and the Duke of Newcastle, seats at Halland and Bishopstone, and the management of the Whig interest in the county.[11]

The 1734 election in Sussex was a hard-fought affair. Newcastle was informed by his brother,

"it is more uphill work than ever I expected to see in this county. The whole county about is poisoned, very little regard in the common people for the King or royal family, less for the ministry, in short, it is personal interest must carry this election, nothing else will or can".

A Tory defeated one of Richmond's candidates at Chichester, and both in the county and in Lewes Newcastle's candidates only just scraped through.[12] There is no evidence to prove that grain exports were a factor in the campaign. In the archives at London, Cambridge and Goodwood that contain the correspondence of Newcastle, Robert Walpole and Richmond the issue is not mentioned. On the other hand the opposition did make great play of their claim that ministerial policies were responsible for economic difficulties, whilst the press repeated endlessly the theme that grain exports were good for the economy. The political dimension is therefore inconclusive. In the absence of definite evidence it is impossible to state that concern about the electoral implications of rural stagnation was a factor in persuading the ministry, particularly Sir Robert Walpole, to oppose royal pressure to intervene in the conflict. It is, however, possible to suggest that this was important, and to draw attention to the key role in the production and export of grain played by some constituencies whose vote was of particular importance to leading ministers.

It is likewise difficult to reach firm conclusions about the economic importance of the grain exports. There seems little doubt that they were important in stabilising, if not raising, the price of wheat.[13] However, there is less evidence about their effect upon the prices of other grains. The figures quoted in the newspapers suggest that grain exports were dominated by wheat. Possibly the knowledge that there was a buoyant, if not totally secure, foreign market for grain helped to encourage farmers in East Anglia and other grain-exporting regions (such as Kent, Sussex and Hampshire) to plant wheat, and possibly the money earned by these exports acted as a spur to agricultural innovation. This

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[11] *The House of Commons 1715-1754* edited by R.R. Sedgwick (2 vols., London, 1970); R. Browning, *The Duke of Newcastle,* New Haven, 1975, pp. 32-35.

[12] Pelham to Newcastle, 29 September 1733, British Library, Additional Manuscripts, 32688 f. 421; Browning, *op. cit.* 70-71; B. Williams, 'The Duke of Newcastle and the Election of 1734,' *English Historical Review*, 12, 1897, pp. 448-88; L.P. Curtis, *Chichester Towers,* London, 1966.

[13] *Derby Mercury* 13 December 1733; *Wye's Letter*, 26 September, 12 December 1734.

note can advance no evidence for either suggestion, but a humble political historian may be permitted to suggest that these are matters best left to the skills of an agricultural historian. In conclusion it might be suggested that in considering the economic development of Britain in this period it would be helpful to consider short-term political developments. Much attention has been devoted to the effect of warfare upon the eighteenth-century British economy. Possibly historians might also look at the effect of warfare upon British competitors and of neutrality upon the British economy.