Imperial Crises and British Political Ideology in the Age of the American Revolution, 1763-1773

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ABSTRACT

The Seven Years’ War and the resulting Treaty of Paris of 1763 represent a watershed in British domestic and imperial histories. Not only did the war result in Britain acquiring vast new territories and rights in North America and South Asia, but it also saddled Britain with a national debt of over £140,000,000. The challenge for British politicians in the post-1763 era was not only finding a balance between the need to secure territorial gains while searching for a means to reduce costs and raise revenues to pay down the debt, but rather to do so without infringing on the constitutional rights of colonists and chartered companies. The political ramifications of the Treaty of Paris were equally important. Disputes over the terms of the Peace tore apart the Newcastle-Pitt coalition, resulting in the dissolution of the Whig Broadbottom. With the Duke of Newcastle and his allies in opposition alongside William Pitt, the political situation was thrown into turmoil. Although the confused state of politics in the short-term undoubtedly resulted in an opposition which acted, as Namier suggested, on the basis of self-interest rather than on principles, it can also be said to have provided the matrix within which historians can observe the genesis of new policies of domestic and imperial governance. It was precisely the lack of ideological identification in politics at the accession of George III that allowed British political ideologies in the age of the American Revolution to so quickly develop alongside the formulation and implementation of, as well as in the opposition responses to, the new challenges facing British parliamentarians in the governance of the Empire. This work therefore traces the development of distinct imperial ideologies among British politicians as they emerged in response to the various imperial crises of the 1760s and 1770s. Additionally, it will be shown that the new and unprecedented crises in both American and Indian affairs were brought about primarily as a means of obtaining revenues for the Treasury. The interrelated nature of the imperial problems in the east and the west, as well as the attempts of British politicians to resolve them, will be examined primarily through the policies made surrounding the article of tea.
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INTRODUCTION

INTRODUCTION: THE IMPERIAL DIMENSION IN BRITISH POLITICS IN THE EARLY YEARS OF THE REIGN OF GEORGE III

A good starting point for redressing this balance would be an understanding of the practical realities governing parliamentary debate about imperial issues. In short, it proved no different from discussion on any domestic problem. Indeed, for the participants, problems concerning British citizens, whether in Calne, Calcutta, or Chicoutimi, were domestic issues – Philip Lawson 1

Historians writing on eighteenth century Britain have too often separated the study of imperial and domestic politics and political culture. Throughout much of the twentieth century, historians of Britain and the British Empire seemed content to ignore the interrelated nature of their fields. Just as domestic historians paid little close attention to the historiographical trends affecting historical discourse on empire, many imperial historians chose to relegate the metropole in their analysis of the periphery. There are certainly advantages to focusing on the study of imperial peripheries in their own right, and the field owes a great deal to those historians who focused on a certain region or group of regions within the Empire; but through such narrow analyses, one is unable to grasp a concept of the whole. For in the case of the British Empire, and perhaps any empire, the scholarly consensus suggests that the whole represents far more than the sum of its parts. In other words, there is something significant to be gained from a broad study of the whole Empire which simply cannot be obtained from a narrow national or regional study of a periphery or, for that matter, of the metropole itself.

Within the past few decades, attempts have been made to address this issue through the construction of various transnational imperial narratives. Historians have

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begun to consider different parts of the Empire as members of an Atlantic or Oceanic system of trade and negotiated power relations. Empire, considered as a whole at the turn of the twenty-first century, is not merely undergoing a cyclical return to the self-congratulatory Whiggish imperial narratives of the nineteenth, in which Britain thoroughly dominated the peripheries. The influence of history-writing from the peripheries in the twentieth century has led to an acknowledgement of the necessity of understanding the terms of the fluid and varying negotiated settlements which underpinned British rule and authority throughout the Empire. In what can certainly be seen as both an influence of, and a challenge to, many works of postcolonial scholarship, imperial historians have begun to acknowledge the extent to which British expansion overseas often involved not only the consent, but also the active participation, of sectors of the indigenous populations. The study of this negotiated authority often places emphasis on the contact points between British officials and indigenous elites in the colonies themselves. The place of Westminster in these narratives is largely downplayed or ignored. But viewing the Empire as a whole necessitates the study of Britain itself as a constituent part (albeit the central constituent part) in which all other such negotiations were analysed, debated, and enforced. Studies of the Empire must acknowledge that Westminster was the fulcrum, not only of domestic, but of American and Indian achievements.

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Indeed, broader decisions governing the Empire, although informed by officials ‘on the ground,’ were debated amongst a small governing elite and their supporters in Parliament at Westminster.

The signing of the Treaty of Paris in 1763 can be seen as a starting point for the truly global conceptions of territorial empire in Britain. The treaty put an end to the nearly decade-long conflict between Britain and France and their respective allies. It resulted in Britain securing control over a significant amount of territory in both North America and India—both of which included a large number of subjects effectively ‘alien’ to the British constitution. Such unprecedented circumstances caused much reflection and debate on the nature of the British Empire: was it to continue to be an ‘empire of liberty,’ as many had previously characterised the relationship between the metropole and the mainland American colonies? Or, with the East India Company’s rule in Bengal, was Britain to become indirectly associated with the ‘Asiatic despotism’ feared by so many? These debates, both in Parliament and among the wider political nation, took place within the context of the domestic political convulsions of the early years of the reign of George III. The various personal parties and their leaders, as well as the countless pamphleteers, cartoonists, and newspapermen did not systematically separate the domestic issues from the imperial; neither should historians. Far more may be gained from a historical approach which acknowledges the interconnected nature of Britain and the various parts

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9 Ibid., 49. 
of its Empire, economically, culturally, politically, and philosophically. Indeed, it is the contention of this study that Parliamentarians, with preconceived, but by no means monolithic or accepted, notions of the British constitution and its appropriate application to the Empire, encountered numerous domestic and imperial crises between 1763 and 1776 which challenged the ideological and constitutional foundations of their authority. Such a broad analysis, building upon the foundations laid by scholarship on Britain as well as on the peripheries themselves, is essential to a greater understanding of the nature of empire in the third quarter of the eighteenth century.

Before proceeding it is necessary to lay out a brief analysis of the relevant domestic and imperial historiography of British politics in the 1760s and 1770s. The modern study of British politics in the period can be said to begin with the establishment of the infamous Whig interpretation of British history during the 1860s, in the works of Erskine May and Sir George Otto Trevelyan.\(^\text{11}\) It was not until the plethora of publications containing the correspondence, memoirs, and personal papers of key politicians of the early years of George III’s reign in the 1830s and 1840s that the Whig interpretation began to dominate as the received wisdom of the age. The publication of memoirs such as those of Horace Walpole and Lord Waldegrave as well as the correspondence of such figures as George Grenville, William Pitt the Elder, and Lord Hardwicke added a significant amount of fuel to the fire of the Whig accusations of the unconstitutional conduct of George III in the 1760s.\(^\text{12}\) The publication of the papers of so

\(^{11}\) The historiography can, of course be traced further back, to the late eighteenth century, but that is beyond the scope of this work. Since Lewis Namier was primarily responding to the Whig historians of the late nineteenth century it appears prudent to begin there. See Brewer, *Party Ideology and Popular Politics at the Accession of George III* (Cambridge: Cambridge University Press, 1976), especially Chapter II. The Victorian understanding of the period is also carefully reconstructed in Brian Young, *The Victorian Eighteenth Century: An Intellectual History* (Oxford: Oxford University Press, 2007).

many politicians who were either adversely affected by or simply vehemently opposed the conduct of George III and his Favourite, alongside the absence of published papers of their supporters, was bound to turn uncritical historical opinion decidedly in favour of the Whig propagandists.\textsuperscript{13} These new Whig narratives are also characterised by an anachronistic transposition of nineteenth century constitutional norms, on issues such as the sovereignty of Parliament, modern party connections, and ministerial responsibility, into an eighteenth-century context.\textsuperscript{14} It was precisely this interpretation which, in the mid-twentieth century, Sir Lewis Namier and his students sought to deconstruct.\textsuperscript{15} Namier tempered the conspiratorial rhetoric of the Whig interpretation by suggesting that George III, far from coming to power with the intent of rupturing the smooth development of the British constitution and recovering the powers of the Crown, “carried on, to the best of his more than limited ability, the system of government which he had inherited from his predecessors.”\textsuperscript{16} It was the unique circumstances which prevailed at the accession of George III which provided him with a greater opportunity to choose his ministers than had existed under his two Hanoverian predecessors.\textsuperscript{17} These conditions, according to Namier, were the result of a loss of ideology and a corresponding rise in the use of royal patronage in the governance of the Whig party. Sir Robert Walpole, who had a virtually uninterrupted tenure as First Lord of the Treasury from 1721 to 1742, had a coherent ideology and used patronage to implement it. Henry Pelham, on the other hand

\textsuperscript{13} Of the supporters of the King and Court, the correspondence of Sir Gilbert Elliot was published in 1874, that of George III himself in 1927, and the Jenkinson Papers in 1949. The papers of Lord Bute unfortunately remain largely unpublished.

\textsuperscript{14} Butterfield, \textit{George III and the Historians}, 151.


who essentially succeeded Walpole at the Treasury, had less of a coherent ideology and placed more emphasis on patronage. On the death of Henry Pelham, when his brother the Duke of Newcastle became First Lord of the Treasury, Namier claimed that there was very little trace of ideology.\(^\text{18}\) Namier suggested that the Duke of Newcastle, in controlling patronage and providing offices to individuals on account of their loyalty to him as an individual, rather than on the basis of their adherence to a Whig ideology, created the conditions for the practical demise of the traditional two-party system in the early reign of George III. By weakening the ideological links within the party, Newcastle opened the door for the new king to choose his ministers based on personal preference. When the wartime coalition fell apart, the various politicians formed personal factions which characterised the nature of politics from the 1760s to the 1780s.

The eighteenth century House of Commons was the focus of much of Namier’s research and in this field he completed several works of remarkably intensive and extensive archival work in collective biography and structural analysis.\(^\text{19}\) In these works he developed his idea that the House of Commons could be divided into roughly four groups: the Administration group, which included placemen and civil servants who depended on the government in power; those Whigs who typically supported the government; the discontented independent Whigs (usually made up of those who were out of office); and the Tories and independent members—many of whom are indistinguishable from one another.\(^\text{20}\) Although Namier clearly saw that it was expedient to refer to individuals as Tories or Whigs, he did not believe that one could determine a

\(^{18}\) Ibid., 65.


Whig-Tory two-party system as continuing into the 1760s. The Duke of Newcastle’s Broadbottom ministry had, according to Namier, effectively rendered negligible the ideological differences between the two parties. In attempting to explain the crises in the age of the American Revolution, Namier believed that their answers could be found in studying the personalities attempting to gain power and the largely self-interested factions gathered around them. The practicalities determined by the peculiar structure of politics at the accession of George III essentially “promoted political expediency rather than political principle.” Consistent and coherent ideology in the political structure of eighteenth century Britain was, to Namier, yet another anachronistic product of the Whig narrative needing to be deconstructed.

In doing so, however, Sir Lewis probably unwittingly fell into one of the chief dangers affecting the historiography of the early years of George III’s reign, namely that of “overreaction against previous scholarly assumptions.” Certainly Sir Herbert Butterfield felt that Namier had gone too far in claiming that political ideas only had importance as post-rationalisations. Butterfield, the first major critic of Namier’s conclusions, is known for his promotion of a modified Whig interpretation of the nature of politics in the 1760s. As a result, he was equally critical of the propagandist and conspiratorial Whig narrative extending from the mid-nineteenth century. In doing so,

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22 Linda Colley, “The Politics of Eighteenth-Century British History,” *Journal of British Studies* 25, no. 4 (October 1986): 369. It must be acknowledged that Linda Colley would perhaps not agree with the extension of this quote to Namier. She wrote a biography of him, and in it suggested that his works had been subject to the same kind of scholarly overreaction. See Linda Colley, *Lewis Namier* (London: Weidenfeld and Nicolson, 1989).
24 His work, *George III and the Historians* sought primarily to expose the inherent bias in the Whig and Tory narratives of the period.
however, Butterfield was not afraid to identify, on a more limited scale, the value and continuity of ideas in history. He claimed, for example, that Namier dissolved “too thoroughly the continuity of history,” resulting in what he termed the ‘atomisation’ of the study of the eighteenth century in Britain.\textsuperscript{25} Butterfield also gave more weight to the efforts of the Rockinghamite Whigs in the mid-1760s to form a coherent party ideology, made famous by Burke’s publications. Indeed, he accused Namier of countering the anachronisms of the Whig narrative with anachronisms of his own when he suggested that “if it is anachronistic to imagine the two-party system existing in 1760, it is equally anachronistic to measure the combinations of those days by the standards that are used for modern party.”\textsuperscript{26}

Several scholars still adhere to Namier’s general conclusions regarding the factional politics of the 1760s and the lack of a coherent ideological basis for both domestic and imperial policy.\textsuperscript{27} Although Peter Thomas, Namier’s last research student, claimed that the Namierite political framework allows for the examination of policies and principles in his works on the American Revolution, he generally continues his supervisor’s pessimistic views on the nature of politics.\textsuperscript{28} He suggests that there was a “unanimity of mind” among politicians dealing with the American crises of the 1760s.\textsuperscript{29} The implication of this view is that there was no legitimate opposition critique of the government’s actions. If there was a crisis then it was simply a crisis in the politics of

\textsuperscript{25} Butterfield, “Some Reflections on the Early Years of George III’s Reign,” 99; see also George III and the Historians, 290.
\textsuperscript{26} Ibid., 99.
\textsuperscript{27} The most prominent and outspoken of these is P.D.G. Thomas, who has published on both domestic and imperial politics (with many works mixing the two). What follows is a very brief account of some of their important contributions to the historiography.
interest, not one of ideology. Unlike many of his Namierite colleagues, Thomas remains sceptical of the existence of an identifiable Tory party between approximately 1714 and 1760. For Thomas, the word Tory was merely used to stigmatise those views which “threatened liberty, or elevated the power of the Crown.” The revival of the Tory party in historical works on the early eighteenth century and the identification of consistent and coherent ideologies during the 1760s and 1770s, is, according to Thomas, “little more than an attempt to impose dubious terminology on political behaviour about which there is no dispute.”

Ian Christie, another prominent follower of Namier, published extensively on both domestic and imperial politics from the 1750s to the 1780s. Christie did not take quite as hard a line as Thomas on the concepts of ideology, but his distinct conception of politics still stands as a legitimate challenge to the ideas of more recent materials on Atlantic and Oceanic approaches to British imperial history. While allowing that, to some extent, a Tory party could be identified into the 1750s and that Tory support for the domestic crises surrounding the affairs of John Wilkes was an indication of their attitudes carrying through into the 1760s, he still adheres closely to the Namierite conception of personal parties forming the nature of politics in the 1760s and 1770s. As John Brewer rightly points out, however, Christie “is willing to accept, in a way that Namier probably would not have done, that ideas, political ‘myths’ as he calls them, may well be an important

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30 This is found in the works of Linda Colley and Eveline Cruickshanks; see Colley’s *In Defiance of Oligarchy: The Tory Party 1714-1760* (Cambridge: Cambridge University Press, 1982). For Thomas’s critique of this view, see his “Sir Roger Newdigate’s Essays on Party, c. 1760,” *The English Historical Review* 102, no. 403 (April 1987): 394-400.


part of political reality." This acceptance of the importance of ideas is extremely significant, because it effectively renders the disagreement between Christie and many other post-Namier scholars one of semantics rather than of substance. Whether one calls political groupings factions or parties, if one is willing to concede that a group adheres to a relatively consistent and coherent ideology then the difference is almost entirely semantic—unless of course one is using the term ‘party’ in an anachronistic modern sense.

In the imperial sphere, however, Christie suggests that “British colonial policy between 1763 and 1783 makes perfect sense if it is considered apart from the domestic issues concerning Wilkes and the press.” Although he acknowledges that contemporaries linked these two events, Christie claims that they only did so in order to condemn the government on every issue. This seems, however, to be yet another example of the pessimistic Namierite conception of politicians as entirely cynical and self-interested actors. It is far more difficult to justify the fact that all of the politicians, pamphleteers, and newspapermen who linked the domestic and imperial political crises were acting entirely in self-interest than to simply acknowledge that the connection was a valid one and was based on common ideas held by a significant number of people.

Christie’s views, although they provide hints at encouraging a historical discussion on the importance of ideas and ideology in both the domestic and imperial spheres, stop short of doing so and remain primarily within a Namierite paradigm.

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36 Ibid., 75.
There are several other prominent historians who, since the mid-1970s, have published a number of works emphasising the extent to which it is possible to pinpoint elements of ideas and ideology within the factional politics of the 1760s and 1770s. Frank O’Gorman was among the first and remains among the most significant advocates of this approach. In his *Rise of Party in England*, O’Gorman tracks the development of the Rockingham Whigs as an example of a ‘personal faction’, as identified by Namier, exhibiting what we might consider the embryonic structures of a political party. At no point does O’Gorman argue for the existence of fully-fledged party politics, even in the 1780s and 1790s. He suggests, rather that the experiences and attitudes of the Rockingham Whigs from 1760 to 1782 “established the framework, both political and ideological, within which the [later] Whig parties of Portland and…Fox were to exist.”

O’Gorman, therefore, does trace an ideological trend from the Duke of Newcastle’s Whigs, to Rockingham’s and subsequently to those under Portland and Fox. Since O’Gorman, quite rightfully, sees party organisation as “the effect, not the cause of party,” he is required to identify the origins of party organisation which he defines as coherence to a set of ideological principles.

Although agreeing with O’Gorman on a number of issues, including the relative ideological coherence of the Rockingham Whigs compared with many of the other contemporary political factions, John Brewer is far less cautious in his identification of parties and party ideology in the 1760s. Like H.T. Dickinson, Brewer concerns himself with understanding the relationship between ideas and political action—between the

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structure of politics and the structure of ideas.\(^{41}\) Both authors also conceive of politics being composed largely of two opposing views. While Brewer emphasises the extent to which opinion was split between a “royal view” and a “ministerial case,” largely over the issue of ministerial responsibility and the powers of the Crown;\(^{42}\) Dickinson chooses not to focus on any single issue, but rather on opposing ideologies that he calls “conservative” and “radical” respectively.\(^{43}\) Although he emphasises the existence of ‘party’ through the Rockinghamite Whigs, Brewer does not ascribe his ‘royal view’ or ‘ministerial case’ to any particular party’s ideology. Dickinson’s views, on the other hand, are more Namierite in the sense that he is hesitant to ascribe the ideologies he identifies to the factional politics of the period. But the views of both authors contain significant implications not only for domestic politics but also for those of the imperial sphere. The extent to which they adhere to a simplistic Whig-Tory or administration-opposition dichotomy may be quite restrictive in this sense. Although neither deal extensively with imperial crises in the Americas or India, it is unclear how they would reconcile the various, and oftentimes multifaceted, political opinions and forms of discontent into a binary ideological system.\(^{44}\) Both Brewer and Dickinson, however, do attempt to reconcile parliamentary politics with those of the wider political nation and, in Brewer’s case, with what he calls the “alternative structure of politics”—the press.\(^{45}\)

\(^{44}\) If such a binary system proves unable to account for the multifaceted and sometimes inconsistent arguments on the imperial and domestic spheres then it would appear that such a seemingly arbitrary dissection of politics is unhelpful.
represents a significant historiographical leap which has been picked up in a number of more recent studies of both domestic and imperial politics.\(^46\)

It is clear that many of these post-Namierite works on British politics in the eighteenth century, especially those which emphasise ideas and ideology, relegate imperial issues to minor tangents within their larger narratives. In more recent works, however, scholars such as Linda Colley and Philip Lawson have encouraged discussions of the ‘imperial dimension’ in Hanoverian politics and its reciprocal relationship of influence upon the domestic sphere.\(^47\) When Lord North, stood up in the House of Commons in 1768 and declared that there were “two great national questions, the state of the East India Company and the affairs of America,” it seems rather odd that historians, in general, have refused to take up the interconnected nature of the two issues.\(^48\) This is further emphasised in Colley’s recent works when she stresses the extent to which Britons conceived of the conflict with the American colonies as a civil war, and how the eventual loss of these colonies affected their sense of Britishness.\(^49\)

Perhaps one of the major reasons why very few studies until the turn of the twenty-first century attempted to engage with these issues is the scepticism about the very existence of a ‘British’ colonial policy. P.J. Marshall convincingly argued that the available evidence pointed to a “lack of coherent policy-making” on imperial issues, and

\(^{46}\) Perhaps the best recent examples are those of Eliga Gould in his *Persistence of Empire: British Political Culture in the Age of the American Revolution* and Troy Bickham in his *Making Headlines: The American Revolution as Seen Through the British Press* (Northern Illinois University Press, 2008).


H.V. Bowen followed him in stressing the fitful and haphazard nature of colonial governance from Westminster. However, *even if* it is granted that colonial policy was incoherent, inconsistent, or just simply uninformed, it does not follow that historians should ignore the various political principles that were held in Parliament and the ways in which they were influenced by the crises as they emerged in the 1760s and 1770s. Indeed, if historians were only to study what was neat, orderly, and systematic then arguably the study of British politics before the nineteenth century (some might say the entire study of history) would be a barren field. Without arguing that its study is in any way neat or orderly, this work seeks to show that there was more coherence and consistency in British political ideology at the accession of George III than has typically been allowed by historians of the period.

As P.J. Marshall said in his pioneering study *The Making and Unmaking of Empires*, despite the advancements delivered through the field of Atlantic history, “British imperial history still needs a wider canvas.” Linda Colley repeated these criticisms in a review article in 2006, suggesting that “the biggest flaw in the mighty conception of ‘Atlanticism’ lies in its inability to account for developments elsewhere in the world, most notably in Asia.” The Atlantic approach is certainly helpful in understanding issues which primarily or exclusively involved the Atlantic world. But when the British Empire is understood to be a global phenomenon, Atlanticism can hardly strive to be the historical tradition representative of such a broad conception of the Empire. By not connecting the issues from across the entire breadth of the Empire, those who follow the Atlantic tradition are not only missing vital interactions between different

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52 Linda Colley, quoted in Bowen, Mancke, Reid (eds.) *Britain’s Oceanic Empire*, 3.
parts of the Empire, they are ignoring the fact that many contemporaries themselves recognised and understood that the various parts of the Empire constituted a global network. Contemporaries did not clearly distinguish between imperial and domestic issues.\textsuperscript{53} In fact, many British politicians were struck with fear at the possibility of their Empire forcing them to make unwanted concessions which might negatively influence the domestic constitution.\textsuperscript{54} With the Americans raising serious concerns about the issue of parliamentary sovereignty and the accumulation of large tracts of territory containing millions of non-British subjects in Quebec and India, it is hardly surprising that British politicians, committed to the Revolution Settlement of 1688, would be extremely concerned with the potential impact of imperial crises on the domestic sphere. These issues could not be effectively separated from the fact that the imperial question had the potential to profoundly influence the domestic constitution. In fact, most British politicians did not conceive of a distinction between the British constitution at home and the constitution as it was transplanted overseas. Thus, the questions of American taxation as well as disputes over the governance of Bengal may be seen, as Robert Travers has suggested, as part of a crisis of imperial sovereignty in the 1760s and 1770s.\textsuperscript{55}

This work seeks to emphasise the genesis of one major theme in the imperial crises which struck mid-eighteenth century Britons and their fellow imperial subjects, namely, the exhaustive search for additional revenues from America, from India, and from the British Isles itself. It will be argued that many of the domestic and imperial political crises which shook British politics in the 1760s and 1770s can be attributed, in part, to the obsessive search for revenues made necessary by the results of the Seven

\textsuperscript{53} Lawson, \textit{The Imperial Challenge}, ix; and Connors, “Philip Lawson, an Appreciation,” 17.
\textsuperscript{54} Travers, \textit{Empire and Ideology in Eighteenth-Century India}, 49.
\textsuperscript{55} Ibid., 24.
Years’ War as well as the question of whether or not Parliament had the right to levy the necessary taxes. Further, it will be argued that these events had significant ideological implications upon British party politics in the first decades of George III’s reign. Indeed, it was in response to these crises, from the American Duties Act of 1764 to the East India Company inquiries in 1767 and 1773, that the new personal party structures, which had developed upon the dissolution of the Newcastle-Pitt war coalition, gained ideological definition and, in some cases, their very raison d’être. Thus, the importance of the political crises of the period from 1763 to 1774 lies not merely in their obvious influence upon the structural development of the British Empire, but more importantly in the extent to which they forced British politicians to confront new ideas and to engage with various imperial and constitutional issues for the first time. Although these issues were not entirely new,\(^{56}\) namely, the object of obtaining greater revenue from the colonies, questions over representation and the right of the Westminster Parliament to legislate for the whole Empire, and the role of Crown charters in a quickly evolving and expanding Empire, they each came to prominence as major political issues in the aftermath of the Seven Years’ War as never before. In response to riotous behaviour in the Americas and a vehement defence of property rights among East India Company proprietors, and the petitions decrying Parliament’s destruction of the electoral rights of the freeholders of Middlesex, some British parliamentarians began to form relatively clear and consistent ideologies through which they could analyse and respond to similar issues affecting not

\(^{56}\) Such an argument, that the colonial policies pursued in the aftermath of the Seven Years’ War were products of a consistent posture, adopted since at least 1748, to more closely regulate and consolidate Britain’s imperial possessions, will be discussed in more detail below. It has been developed in detail by Jack P. Greene, in his “The Origins of the New Colonial Policy, 1748-1763” in Jack P. Greene and Jack R. Pole (eds.) Companion to the American Revolution (Oxford: Blackwell, 2000): 101-109 as well as his article “‘A Posture of Hostility’: A Reconsideration of Some Aspects of the Origins of the American Revolution,” Proceedings of the American Antiquarian Society 87, no. 1 (1977): 30.
only the British Isles but also Britain’s imperial possessions throughout the globe. It was precisely in response to this particular issue of imperial ideology in the age of the American Revolution, that the brilliant Sir Lewis Namier claimed that “conscious opinions and professed views” have far less value in assisting the historian in understanding the so-called “imperial problem,” than “the very structure and life of the Empire.”

However, in light of recent historiography on the British Empire, one simply cannot analyse its structure without reference to the conscious opinions and professed views of those in both the metropolitan centre as well as in the periphery. For it is in these very “conscious opinions and professed views,” found littered throughout parliamentary debates and transoceanic public and private correspondence, that the structure of empire—in the absence of any centralised administrative apparatus—was defined, negotiated, and, in America, ultimately ruptured. In short, the structure of empire in the early years of George III’s reign constituted little more than the transoceanic political and ideological exchange between British subjects throughout the imperium. It is upon this basis that this dissertation will focus on an analysis of British policies and responses concerning crises in the Empire.

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58 P.J. Marshall has argued that the British politicians’ engagement with empire took place not through well-developed administrative structures, but through the institution of Parliament. This view is particularly developed in his “The Eighteenth Century Empire,” 197.
The first chapter of this work seeks to identify the consolidation of distinct ideological positions taken up in response to the new problems of imperial governance occasioned by the Peace of Paris of 1763. It is argued that many of the imperial problems both in America and India were the product of the immense debt incurred by the British state through its contesting in a ‘great war for empire’ for nearly a decade. During this exhaustive search for revenues the relationship between Westminster and its colonies was fundamentally questioned. The state had provided enormous sums in defence of the American colonies as well as the East India Company’s possessions during the war and it increasingly sought to protect those interests. The result was a dramatic increase in spending which meant that Parliament would require contributions from the colonies. Thus, in the period covered by the first chapter, Parliament not only formulated plans for a peacetime army and for taxation to pay for its expenses in America, but it also began to encroach upon the affairs of the East India Company, both of which had lasting consequences that are traced throughout the remainder of the work. More importantly, however, in response to the new imperial problems in the post-1763 period and following the confusion occasioned by the dissolution of the Newcastle-Pitt war coalition, British politicians came to reconfigure their political alliances along ideological lines. Imperial and ideological consolidation thus occurred simultaneously in the early years of George III’s reign.

The second chapter begins where the first leaves off in the American context, picking up the narrative at the development of the Grenville ministry’s plans to tax America in 1764 in support of the new peacetime army and carrying it through to the

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North ministry’s decision to repeal all of Charles Townshend’s American duties but the one on tea in 1770. It focuses on the Parliamentary debates and ideas surrounding the various attempts to tax America, the colonial reactions, and then upon the movements for repeal. It is argued that the debates over American taxation between 1764 and 1770 reveal the genesis and coalescence of distinct views towards the Empire among the personal parties which characterised the British Parliamentary scene in the early years of George III’s reign. With Grenville, North, Rockingham, and Chatham each leading parties which, it will be shown, held distinct and increasingly coherent views on the British Parliament’s right to tax the American colonies, it is difficult to argue that politics in the period was not characterised, at least to some extent, by political principles, ideas, and to a more limited degree, by imperial ideology.

The final chapter follows a similar timeline to the second but examines the British political debates concerning the East Indian problem. After tracing the acquisition of the diwani rights by Lord Clive on behalf of the East India Company and the accompanying ‘revolution’ in Bengal politics, the chapter traces the lingering implications of that fateful event. The new political and financial circumstances of the East India Company in Asia contributed significantly to Lord Chatham’s decision in 1767 to attempt to obtain for the British state a share of the Company’s newly acquired revenues in Bengal. Parliament’s encroachment into the East India Company’s affairs and finances drew them inevitably into yet another inquiry in 1773 when the very existence of the Company was at stake. With the Company facing bankruptcy, the North ministry took it upon itself to provide financial assistance but only under the condition that the Company submit to a thoroughgoing reform of its affairs. The subsequent debates in the British Parliament
show a significant amount of ideological coherence and consistency among the political parties between the two East India Company inquiries of 1767 and 1773. Just as in the American context, the personal parties that characterised the period took up principled positions in response to the rapidly developing circumstances of the East India Company. The chapter will conclude with an explanation of the role of tea in defining the imperial relationship between Britain and its colonies in America and India. The article of tea, more importantly provides a rare glimpse of the interface between British political ideology towards India and towards America.

The attempt to analyse the role played by the various imperial crises of the 1760s and 1770s in shaping political ideologies at Westminster is one which clearly fills a current void in the existing historiography. The works on domestic politics focus too little on the imperial issues which raged at the time. When they do treat them, it is almost entirely from the standpoint of British enforced rule in the colonies. As we have seen, this is only partially the case. Recent trends have acknowledged the extent to which British authority in the colonies was often a negotiated authority and that this was indeed the cause of many of the constitutional disputes of the period. Many of the histories focusing on the Empire, on the other hand, are characterised with a kind of scholarly ‘tunnel vision.’ They have tended to focus on distinct national or regional narratives within the Empire rather than on the Empire as a whole. While acknowledging the need to understand the domestic crises of the early years of George III’s reign, the project of analysing the relationship between imperial crises in both America and India remains clearly in line with current historiographical trends of analysing the ‘Oceanic’ breadth of the British Empire.
ONE

THE PEACE OF PARIS, BRITISH POLITICAL IDEOLOGY, AND THE GENESIS OF THE IMPERIAL PROBLEMS AT THE ACCESSION OF GEORGE III

“When the national expenses are reduced to the necessary Peace establishment. Let it be considered that Ireland and our Colonies are members of the British Empire, and a...policy adopted which shall consider every member as a part of the same body and equally obliged to contribute to the public service in proportion to their ability.” – [William Knox?]61

“The true way to relieve all is to make all contribute their proper share.” – George Grenville.62

The necessity of tapping new revenue sources in order to service the vast increase in the national debt and to help offset the mounting costs of maintaining Britain’s newly won possessions at the close of the Seven Years’ War (1756-63),63 became, in the words of one eminent historian of the period, a national obsession.64 And, indeed, in reviewing the figures involved, it is not difficult to understand why. By the close of the war in 1763, first minister and Chancellor of the Exchequer, George Grenville, reported that Britain’s debt had reached the dangerously high figure of almost £140,000,000.65 The annual interest on that debt alone was costing the government nearly £5,000,000, and when the Crown could only count upon total revenues of approximately £8,000,000 it was clear to

63 Officially the war began in 1756, but hostilities in the North American theatre between Great Britain and France had begun as early as 1754. The result was that the two nations had exhausted their finances and manpower through nearly a decade of conflict in Europe, at sea, and in colonial theatres across the globe.
many contemporaries that maintaining the status quo was simply unsustainable.\(^{66}\) The constant fear of renewed hostilities with the Bourbon powers of France and Spain ensured that for the next decade and a half British politicians would go to great lengths to attempt to restructure the nation’s finances and to place them on a footing in which they would be capable of engaging in yet another war—this time largely in defence of the vast possessions won at the Peace of Paris in 1763. In the House of Commons debate of 4 March 1763, William Pitt, the so-called ‘Great Commoner’ and leader of the late war coalition largely credited by contemporaries with the British success in the Seven Years’ War, called the Peace nothing but an armed truce and claimed that Britain needed to maintain a war-footing.\(^ {67}\) Many contemporaries, including those in the administration, agreed with Pitt, and serious plans were developed between the King and his chief minister and favourite Lord Bute to maintain an army in North America.\(^ {68}\) The need to secure newly won colonies from foreign invasion and the necessity of reducing the national debt were seemingly mutually exclusive goals; but a delicate balance was sought.\(^ {69}\) Since current revenues from Britain alone were insufficient to fulfil these crucial goals, it seemed to contemporaries that Britain needed to look beyond the British Isles and raise significant new revenues in order to restore faith in public credit and to maintain its military presence in the newly acquired territories.\(^ {70}\)


\(^{67}\) Commons Debate, 4 March 1763 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America 1754-1783 Vol. I., 441.


The object of this opening chapter is to highlight the central importance of the outcome of the Seven Years’ War and the resulting Peace of Paris of 1763 in influencing the imperial and ideological consolidations occurring concurrently in the minds of British politicians in the early years of George III’s reign. The exhaustive search for revenues occasioned by the immense debts accumulated during the war led British politicians to consider the relationship between the metropole and the periphery in a different light than which they had previously. While developing schemes to safeguard the American colonies from foreign invasion through the development of a standing peacetime army there, the King and his leading ministers simultaneously began inquiring into the possibility of raising a revenue from America capable of paying the costs of that force and thus lessening the burden on the British taxpayer. Ministers also sought to reduce the costs of colonial administration by consolidating the British North American colonies along the eastern seaboard. To do so, they promulgated the Proclamation of 1763 that created a demarcation line across which western expansion into the continental interior was prohibited. Additionally the government began to increasingly perceive the newly won territories of the East India Company as national assets, worthy at least of being safeguarded by the state. There is little doubt that the acquisition in territory following the Seven Years’ War was a watershed moment for British imperial consciousness. This chapter examines how British politicians, fresh from the dissolution of the Newcastle-Pitt war coalition, slowly reconfigured their political alliances among ideological lines which corresponded to the principles they held towards the most important political crises of the time, almost all of which concerned the relationship between Britain and its colonies in the east and the west.
The issue of raising revenues from far-flung regions of the British Empire after the Peace of Paris in 1763 was one which engaged British politicians like almost no other. It inevitably raised questions concerning the right of Parliament to engage in such an exaction of the private property of its colonial subjects. This is not to suggest that prior to 1763, Parliament had not raised revenues from the colonies, but rather that whenever a revenue had previously been raised, it was as a by-product of a measure designed primarily for another purpose—either in the form of customs and excise duties (such as the Navigation Acts) or for services, as in the case of the Post Office.\(^71\) In both cases, the revenue was shown by contemporaries, as well as by historians, to have been paltry, bordering on non-existent.\(^72\) The various crises precipitated by the novel attempts at raising funds from American colonists, East India Company proprietors, and various segments of the British public after 1763, more than any other issue, galvanised the ideological coalescence of British Parliamentarians into recognisable parties or factions. This particular phenomenon was rendered possible by the relative confusion in the structure of British party politics at the accession of George III defined so cogently by Sir Lewis Namier.\(^73\) Although historians disagree about when (or even if) the Whig-Tory dichotomy ceased to have any practical meaning in describing British politics,\(^74\) it is generally accepted that after the dissolution of the Newcastle-Pitt coalition in 1761-2, which had governed Britain over the course of the Seven Years’ War, British party politics had devolved into a series of personal parties—the structure which would

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\(^72\) In the Commons Debate, 3 February 1766, Richard Hussey refers to the lack of a revenue deriving from the Post Office in North America. See Simmons and Thomas (eds.) *Proceedings and Debates of the British Parliaments Respecting North America 1754-1783* Vol. II., 141. With respect to the revenues from American customs in 1763, the Customs Board estimated them to be no more than £1,800. See Thomas, *British Politics and the Stamp Act Crisis*, 44.

\(^73\) See Namier, *Structure of Politics at the Accession of George III*.

\(^74\) A brief discussion of this issue may be found in the introductory chapter.
characterise Parliament for much of the following two decades. Parliamentary politicians, confused by the dissolution of former political combinations, faced with new issues concerning both the domestic and imperial spheres, were always very likely to define their political ideology in a seemingly reactionary manner as these new issues arose. And it is in response to the various attempts to raise new revenues from the colonies as well as from Britons of various social strata, discussed below, that the new personal parties first developed their (albeit relatively weak) ideological underpinnings. It was the outcome of the Seven Years’ War and the Peace of Paris in 1763 that served as the most obvious catalyst for the series of revenue measures pursued by British administrations in the early years of George III’s reign. In order to understand the perceived political necessity upon which contemporaries based their ideas for raising revenues from the colonies, it is thus necessary to analyse the politics of war and peace in the early 1760s.

The Treaty of Paris of 1763 brought to a conclusion a decade long conflict in which Britain and France and their respective allies had engaged with one another in almost every corner of the globe. Its resulting provisions provided Britain with what can only be described as a vast expansion in territorial possessions and zones of influence, not only in the Atlantic but also in the Indian Ocean region. The war was an unprecedented success for British arms, not so much in Europe, but in the colonial

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75 It must be noted here that a weakness of the following discussion, and indeed any discussion, barring perhaps those which deal strictly with the calculations of structural analysis, is that by focusing upon ideology and ideas, it is almost impossible to take into account the views of the majority of eighteenth century parliamentarians who happened to be largely politically independent. They constitute a relatively silent majority, especially when it comes to appearances in political correspondence and parliamentary debates, the major sources used for this study. However, since independents were by far the most likely members to be swayed by the course of debates in Parliament, it is possible that the records of debates and the outcomes of votes, taken together, may provide some possibility of recapturing the voice of this relatively silent majority.

theatres of North America and India, due in large part to the dominance of the Royal Navy and the British state’s ever increasing ability to finance its global military operations.\(^{77}\) Despite Britain’s military successes, or perhaps because of them, significant discussion was focused on the terms of peace as early as 1761—although it is clear that from his accession in October 1760, George III and Lord Bute had endeavoured to put an end to the ‘bloody and expensive war.’\(^{78}\) It was precisely in the discussions revolving around the issue of peace during the conflict that the famous war coalition of William Pitt, the popular wartime leader, and the Duke of Newcastle, the renowned patronage dispenser of the eighteenth century, disintegrated in the face of differing opinions on the terms a treaty might take. The disintegration of the war coalition, as previously mentioned, caused a paradigmatic shift in the notion of party politics in mid-eighteenth century Britain. It also resulted in the coming to power of such individuals as the Earl of Bute and George Grenville, both of whom would have a significant impact upon the search by British parliamentarians for alternative sources of revenue throughout the colonies. It is in the years immediately following the dissolution of the Newcastle-Pitt administration that historians can identify the development of a clear pattern of legislation, if not a coherent programme, aimed at consolidating the Empire and increasing the revenues it should bring to the mother country.\(^ {79}\) Thus, it will be shown


\(^{79}\) Historians have disagreed significantly on the issue of whether or not the British Parliament’s legislation in the post-1763 era can be considered as a ‘programme’ of measures. It seems impossible to claim, as many American colonists did, that each of the ministries which held office under George III in the 1760s held to a single ‘programme’ aimed at subverting the liberty of Britain’s colonial subjects. However, historians such as Ian Christie in his “British Politics and the American Revolution,” *Albion* 9, no. 3 (Autumn 1977): 214, and Neil York in his “When Words Fail: William Pitt, Benjamin Franklin and the Imperial Crisis of 1766,” *Parliamentary History* 28, no. 3 (2009): 345, appear willing to discuss the
that in the politics surrounding the Peace of Paris can be found the catalyst for the novel
efforts to raise revenues from the American colonies as well as for the increased
encroachments into the affairs of the East India Company.

In tracing the origins of the confused state of politics which characterised the first
years following the Peace of Paris, it is necessary to take into account what may be
term the ‘structural’ changes\textsuperscript{80} that led to the circumstances within which policies of
imperial consolidation began to be formed and implemented. And these changes cannot
be understood without reference to the rapid rise to power of John Stuart, the 3\textsuperscript{rd} Earl of
Bute, in the early years of George III’s reign. Lord Bute began his political career in the
court of Frederick, the Prince of Wales and father of the eventual George III. After a
short tenure as an inactive Scottish representative peer and one of Frederick’s Lords of
the Bedchamber, it appeared that after the untimely death of the Prince in 1751, Lord
Bute’s political career had reached its zenith and that he would be relegated to relative
obscurity.\textsuperscript{81} By 1754, however, Lord Bute had been reappointed to a position at Leicester
House\textsuperscript{82} at the behest of the Princess Dowager of Wales, who was now responsible for
raising her son, the young Prince of Wales, George. Very quickly, Lord Bute asserted

\textsuperscript{80} In other words, those changes resulting from an alteration in personnel in the administration.
\textsuperscript{81} James Lee McKelvey, \textit{George III and Lord Bute: The Leicester House Years} (Durham: Duke
\textsuperscript{82} Leicester House was the traditional home of the Hanoverian heirs apparent. It often took the form of
an opposition Court which surrounded the Prince of Wales, typically made up of those individuals who
found themselves out of favour at the King’s Court at St. James’s Palace.
himself as the Princess’s “most trusted confidante and advisor”\(^\text{83}\) as well as Prince George’s principal tutor.\(^\text{84}\) Indeed, it was during this time that Lord Bute attained such a degree of power that, in disgust, Sir George Lee, who considered himself “the advisor” to the Princess Dowager, resigned his post,\(^\text{85}\) and Lord Waldegrave made the first of his (apparently baseless\(^\text{86}\)) accusations of the illicit relationship between Lord Bute and the Princess Dowager which would be so memorialised in the works of Horace Walpole, John Wilkes, and the numerous political pamphlets and cartoons of 1762-3.\(^\text{87}\) Having obtained control of Prince George’s education, Lord Bute succeeded in impressing upon the young Prince an immense affection for, and dependence upon, his teacher such that George might exclaim “I will exactly follow your advice, without which I shall inevitably sink.”\(^\text{88}\) Although Sir Lewis Namier and John Brooke focused on pinpointing the psychological and emotional aspects of the interactions between the young Prince and his tutor, which no doubt played a significant role in the development of their relationship,\(^\text{89}\) John Bullion has made a convincing case for political or ideological aspects having also played a crucial part.\(^\text{90}\) And it is this particular interpretation of their relationship that proves far more helpful in understanding their subsequent goals and actions toward the


\(^\text{85}\) McKelvey, George III and Lord Bute, 48.

\(^\text{86}\) Many historians, including J.C.D. Clark, P.D.G. Thomas, and J.L. McKelvey have weighed in on this issue, all suggesting that there is no evidence to substantiate Waldegrave’s allegations. Although the present author agrees that there does not appear to be any evidence, one cannot help wondering precisely what evidence historians hoped to find in order to definitively prove the allegations. Indeed, any claim made by a courtier, such as Waldegrave, can be dismissed as a result of mere jealousy.

\(^\text{87}\) Clark (ed.) Memoirs & Speeches of James, 2nd Earl Waldegrave 1742-1763, 64.

\(^\text{88}\) “George III to the Earl of Bute” 1 July 1756 in Romney Sedgwick (ed.) Letters from George III to Lord Bute 1756-1766, 3.


development of British politics upon George’s accession to the throne in 1760. Although, as noted by Peter Thomas, Lord Bute may well have successfully educated the Prince in the general outlines of the constitution, it is certain that he also passed on his contempt for George II’s ‘Hanoverian propensities’ as well as of the Whig oligarchy which the young George was led to believe had severely curtailed the prerogatives of the Crown.

Each of these two major facets of thought was to have significant implications in helping to generate the confusions in party politics in the early years of George III’s reign. Lord Bute’s instruction had a noticeable effect on the Prince, who, from as early as 1756, professed to be moved by the same idealistic vision of the politics of the new reign as his tutor. In this vision, a confident British King would put an end to the proscription of the Tories—and thus the oligarchy of the Whigs—with the intention of freeing the monarchy and restoring a perception of balance to the constitution. Even the plan by which this was to be achieved was developed within only a year of Bute’s arrival at Leicester House. According to this plan, Lord Bute was to become first Lord of the Treasury in

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92 Thomas, George III: King and Politicians, 3. It is also important to note, however, that in more recent historiography, this view of George II as a King imprisoned by the power of a Whig oligarchy has been severely curtailed. Indeed, if the Whig oligarchy of the early eighteenth-century was a conspiracy, it was a conspiracy which George II and his father consciously sought to uphold in order to protect the Hanoverian succession. See J.C.D. Clark, The Dynamics of Change: The Crisis of the 1750s and the English Party System (Cambridge: Cambridge University Press, 1982): 448; and John Brewer, Party Ideology and Popular Politics, 4.
93 It can quite reasonably be stated that George III and Lord Bute, in proposing a non-party experiment in government, were outlining the embryonic concept of a ministry of ‘all-talents’.
94 ‘George III to the Earl of Bute’ [?] December 1758 in Sedgwick, Letters from George III to Lord Bute 1756-1766, 19-20. In this letter George laments Bute’s thoughts of refusing the Treasury. He later suggests that Lord Bute had consented to take up the Treasury two years ago—placing the date of their plan to some time in 1756.
95 This cabinet position was roughly equivalent to the modern post of Prime Minister. In most informal lists of ‘Prime Ministers of the United Kingdom’, those who held the post of First Lord of the Treasury from Sir Robert Walpole (1676-1745) onwards, are typically listed as ‘Prime Ministers.’ For the sake of consistency, I will continue to use the contemporary terms, First Lord of the Treasury or simply ‘the Minister’, in preference to the anachronistic ‘Prime Minister’.
the new reign and assist the monarch in bringing about these profound changes in the nature of politics.\textsuperscript{96}

Even before the accession of George III, there is evidence of Lord Bute acting in some sense as a ‘minister behind the curtain’—that is, a minister wielding power in the councils of state but with no responsibility to Parliament, and no following of members there to maintain the confidence of the House outside of royal favour. Indeed, at this point, Lord Bute did not even have the favour of the reigning monarch; for his political power and influence he was entirely reliant on his close—even exclusive—relationship with the young heir apparent, which he rarely failed to mention in his letters, far more than a subtle hint to his correspondents of the power that lay behind his pen.\textsuperscript{97} Such was the power of Lord Bute and Leicester House in 1758, that they were able to organise a rather disastrous raid on St. Malo on the French coast apparently without the knowledge of any ministers. In response, Lord Hardwicke noted that when “wild” and “unauthorised” projects were being organised without the knowledge of any ministers “it reflects some dishonour upon the Prince and the Adviser.”\textsuperscript{98} Thus, even without his pupil on the throne, Lord Bute had clearly interfered with the war policies in the first years of the Newcastle-Pitt administration. When General Bligh returned from the St. Malo raid in disgrace, and the Court treated him with coldness, Lord Bute complained to William Pitt. On this occasion, however, Pitt responded rather coolly, explaining that the Duke of Newcastle had nothing to do with the prosecution of General Bligh. This, in turn,

\textsuperscript{96} Bullion, “The Prince’s Mentor,” 48.
\textsuperscript{98} Earl of Hardwicke quoted in Sedgwick (ed.) Letters from George III to Lord Bute 1756-1766, 15-16.
provoked an angry response from Lord Bute, in which he claimed that Pitt was constantly giving in to the Duke of Newcastle and his so-called ‘German war,’ and thereby privileging Hanoverian concerns at the expense of British interests. It was in the context of this chilling of relations between William Pitt and Lord Bute that Pitt announced that he would not participate in a government that excluded the Duke of Newcastle, with the clear implication that he was no longer willing to countenance the prospect of Lord Bute coming to the role of First Lord of the Treasury upon the accession of George III. Lord Bute’s attempts to reconcile himself with William Pitt over the next several years ended in failure; the alliance which had provided Leicester House with its hopes of forming a ministry in the new reign had dissolved, Lord Bute’s carefully orchestrated diplomacy from 1755 to 1758 had arrived at an unsuccessful conclusion. It is clear that what prevented Lord Bute from attaining the Treasury upon the accession of George III was not a lack of desire or ambition, as some historians have argued, but rather a lack of necessary ‘friends.’

99 This is a reference by Bute to the military and financial assistance provided by Britain to the King of Prussia to assist him in his continental war variously against France, Austria, and Russia. It also shows a consistency of motive from his teachings to the King. As stated above, Lord Bute instilled in the young prince a detestation of his grandfather’s obsession with the Electorate of Hanover. And indeed, it was the protection of the Electorate which was widely perceived as the reasoning behind the large amount of support, provided in both troops and in financial grants, to the King of Prussia. Bute’s insistence on putting an end to the ‘German war’ would have a significant influence upon the resignation of the Duke of Newcastle in 1762, as discussed below.


opportunity. However, with the nation still engaged in war, Lord Bute was unwilling to shoulder the burdens of a war minister (in place of William Pitt), of financier and patronage dispenser (in place of the Duke of Newcastle), and still implement the idealistic vision of non-party government envisioned by the King—it cannot be difficult to understand why. The failure of their political diplomacy in these years forced King George III and Lord Bute to take the fateful approach of placing Bute as a Minister ‘behind the curtain’ upon the King’s accession, an approach which generated anger among their opponents and provoked general allegations of the unconstitutional and sinister influence of a royal favourite.\footnote{There is some evidence to suggest that George III anticipated the negative reaction to Lord Bute’s acting as Minister without taking the role of First Lord of the Treasury, see ‘King George III to Earl of Bute,’ 19 December 1758 in Sedgwick (ed.) \textit{Letters from George III to Lord Bute, 1756-1766}, 21. In light of this evidence, it is difficult to square the Namierite view that according to the constitutional norms of the time, the King could hold as his advisers those who did not hold ministerial office. The concept of ministerial responsibility, as John Brewer maintained, certainly had some currency in official circles in the mid-eighteenth century.}

By early 1761, having already taken part in cabinet councils and in some sense directed the affairs of the Newcastle-Pitt administration, Lord Bute was named Secretary of State for the Northern Department in place of Lord Holderness. Bute’s appointment had the support of the Duke of Newcastle and the Earl of Hardwicke, who claimed that Lord Bute “would be more tractable and more dependent when he was in a responsible office.”\footnote{“[Entry of] January 16, 1761” in Brown and Schweizer (eds.) \textit{The Devonshire Diary, 72.}} Lord Bute’s promotion had undoubtedly created increased tensions among the members of Cabinet. Indeed, there is proof that the Duke of Newcastle had hesitated to provide his consent to such a move for several months, no doubt fearing that by helping to bring Bute into Cabinet it might be perceived by Pitt as a scheme for either turning him...
out of office or making him a cypher.\textsuperscript{105} To these tensions must be added the stresses of negotiations regarding the possibility of peace. The cabinet council was split over the issue of peace, with the Dukes of Newcastle, Bedford, and Devonshire, as well as the Earl of Hardwicke expressing a willingness to concede to the French on terms such as the rights to the Newfoundland fisheries,\textsuperscript{106} whereas William Pitt and Earl Temple held opinions which were quite the opposite and wished to grant almost no concessions, in line with Britain’s increasing successes in the conflict.\textsuperscript{107} Throughout the summer of 1761, Lord Bute was presented with the prospect of supporting one side of the cabinet or the other—his support being the key determining factor as to which policy for peace would ultimately be adopted.\textsuperscript{108} For much of the summer, Bute took a stance clearly in favour of stronger terms, especially regarding the Newfoundland fishery, placing him firmly on the side of William Pitt.\textsuperscript{109} However, in the face of arguments from those favouring concessions, which claimed France would not consent to part with the fisheries due to their great value, Lord Bute shifted his position. He proposed a policy by which Britain would attempt to obtain the sole possession of the fisheries at the bargaining table without making it a \textit{sine qua non} of peace.\textsuperscript{110} It is worthy of note that during the same summer in 1761, Lord Bute, in a letter to the Duke of Bedford, suggested that Britain, in the course of the Peace negotiations, attempt to maintain a conquest which might “bring

\textsuperscript{105} ‘George III to Earl of Bute,’ Middle of November 1760 and ‘George III to Earl of Bute,’ 13 March 1761 in Sedgwick (ed.) \textit{Letters from George III to Lord Bute 1756-1766}, 49-50, 52. See also Namier, \textit{England in the Age of the American Revolution}, 283.


\textsuperscript{108} Ibid., 41.


in a clear and certain additional revenue, to enable them [posterity] to pay the interest of
the enormous debt we have by this most expensive war laid upon them.” 111 In this same
letter he questioned the economic, if not the strategic, value of maintaining the conquest
of Québec, and drew attention to the crucial issue of the national debt. Significantly,
before peace was even concluded, we have proof of British ministers searching the
imperial sphere for revenue sources to service and eventually begin to pay down the
British debt. It is also clear that the increasing levels of debt had been among the most
pressing concerns in the mind of George III in the months before he came to power in
October 1760.

If the issue of the Newfoundland fisheries caused a disagreement in the cabinet,
the possibility of Spain’s entrance into the war on the side of France caused an outright
crisis. As the prospect of war with Spain grew, it became the determination of Pitt to pre-
empt any Spanish declaration of war by an immediate commencement of hostilities. He
brought the issue before the cabinet on several occasions, with Lords Granville,
Devonshire, Hardwicke, Mansfield, Bute and Newcastle taking positions against it, and
again, only he and Lord Temple in favour. 112 During that cabinet meeting, Pitt gave a
speech and in it claimed that it was impossible for him to continue in office. Four days
later, Pitt waited upon the King and resigned the seals of his office. 113 Although it would
appear foolish for Lord Bute to engineer the defeat of the popular wartime leader while
the war was not yet finalised, and, indeed, was even beginning a crucial phase with the

111 ‘Earl of Bute to the Duke of Bedford’ 12 July 1761 in Correspondence of John, Fourth Duke of
Bedford Vol. III, 32.
112 ‘Duke of Newcastle to Duke of Bedford’ 2 October 1761 in Russell (ed.) Correspondence of John,
113 ‘Duke of Newcastle to Duke of Bedford’ 6 October 1761 in Russell (ed.) Correspondence of John,
entrance of Spain, Earl Temple among others began to circulate rumours which suggested he did just that. Temple claimed that “the favourite [Bute] united with the Minister of numbers [Newcastle], bore down the Minister of measures [Pitt], and by that means in effect removed him from the King’s Council.”114 A rather dispirited Lord Bute, on the other hand, sent a letter to George Grenville, then Treasurer of the Navy, informing him of the “perilous situation” into which Pitt’s resignation had left the Cabinet. Bute even suggested that he had considered his own resignation and recommending that the King form a new administration.115 However melodramatic Bute’s claim to be on the verge of resignation, especially in light of his close confidante Charles Jenkinson’s letter (also to Grenville, on that very same day!) thanking God for Lord Bute’s calmness “on the occasion,”116 it is far more trustworthy than Temple’s claim in his letter to Wilkes. This is because, as John Brewer and Karl Schweizer have both eloquently pointed out, upon Pitt’s resignation and his receipt of certain rewards from the Crown in recognition of his service to the state, a smear campaign was launched against him in the press, one which essentially rested on the accusation he had accepted a bribe for his resignation.117 It is difficult to consider Temple’s letter to Wilkes, a political journalist and Member of Parliament with whom he had already organised many publications, as anything other than a part of the press war being engaged in defence of Pitt. According to Pitt himself,

117 Brewer, Party Ideology and Popular Politics, 226; see also Schweizer “Lord Bute and the Press: The Origins of the Press War of 1762 Reconsidered,” in Schweizer (ed.) Lord Bute: Essays in Reinterpretation, 83-91. These two historians disagree fundamentally on who began the press war in 1761. A question that is less relevant than the fact that they both participated in it. Schweizer goes so far as to deny Lord Bute’s involvement at all, which is difficult or impossible to believe given the extensive evidence supplied by Brewer in that work as well as in his “The Misfortunes of Lord Bute: A Case-Study in Eighteenth-Century Political Argument and Public Opinion,” The Historical Journal 16, no. 1 (March 1973): 3-43.
his resignation was caused simply by a difference of opinion in the Cabinet over “measures to be taken against Spain”, since he did not wish “to remain responsible for measures which [he] was no longer allowed to guide.” Thus, it seems quite certain that Lord Bute did not intentionally push Pitt to resign—he wanted him to stay for at least the remainder of the war. Regardless, the resignation of Pitt and the entry of Spain into the war had two significant consequences for British politics. Firstly, the Peace process was broken off, as France regained confidence with the entrance into the war of a new ally that had not been weakened by close to a decade of conflict. Secondly, and perhaps more importantly in the broader perspective, is that Lord Bute had succeeded in separating Pitt from Newcastle, creating a lasting personal resentment between the two as well as confusion among their followers. The Newcastle-Pitt administration, the last bastion of the old Whig Party of the early eighteenth-century was effectively dissolved by the resignation of Pitt—a move that would be further confirmed by the resignation of the Duke of Newcastle several months later.

Without Pitt in office alongside him, the Duke of Newcastle began to feel increasingly uneasy about his position in the Cabinet. He continued to complain about the monopolisation of royal favour by Lord Bute, especially with regard to the dispensation

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121 By this I mean only to suggest that William Pitt had become an essential pillar upon which the Duke of Newcastle and his remaining allies could maintain power. Of course, Pitt was not himself a Court Whig, but he provided their only lasting means of forming a stable government following the death of Henry Pelham in 1754.
of offices (Newcastle’s coveted pastime). More importantly, he complained of Bute’s confining of business to a small section of Cabinet Council made up of Newcastle, Grenville, Egremont and Bute; this deprived Newcastle of his allies Hardwicke and Devonshire and ensured that Newcastle would be overruled if he disagreed with the Favourite. Not only did Lord Bute intend to take control of the dispensation of royal patronage, he also aimed to ‘adopt’ Newcastle’s friends by ensuring that their “attachment to the King’s person is stronger than any friendship they may seem to have with him.” By May of the following year it had become absolutely clear that Newcastle could no longer remain in office with Lord Bute. They had been in disagreement for several months over the continuation of the financial assistance which Britain was providing to the King of Prussia in order for him to continue his war on the continent. Putting an end to the ‘Prussian subsidy,’ and thus to the greater part of the British contribution to the war in Europe, or at least severely curtailing it, had been an object of Lord Bute and the King since the beginning of the reign. Without Pitt firmly in control of war policy, Bute could begin to pursue his plans of fiscal retrenchment and the pursuit of “a Peace such as the bulk of the nation have a right to expect from such a triumphant war.” The Duke of Newcastle had remained firm in the belief that Britain should continue to fund the Prussian military operations on the continent, and that £2 million would be a sufficient amount to fund Britain’s obligations for the next year of the

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war. However, Lord Bute had managed to obtain papers and information from Samuel Martin, one of the Treasury Secretaries, in order to show that £1 million would be a sufficient amount, especially if the Prussian subsidy were discontinued. Upon hearing of this, Newcastle felt he had been “caballed against, even in his own office” by Lord Bute. In spite of threats to resign, Newcastle continued in office and attended Cabinet when the issue of renewing the Prussian subsidy arose at the end of April 1762. The Cabinet was split on the issue, with Newcastle, flanked by his allies the Duke of Devonshire and Lord Hardwicke on one side, and Lords Bute, Egremont, Granville and Bedford, as well as George Grenville on the other. Lord Mansfield reportedly refused to take a side. With this division, the Duke of Newcastle was overruled on the vote of credit for the war, the Prussian subsidy was to be ended. Effectively, Newcastle had lost his ability to direct the affairs of his own department, just as had occurred with William Pitt in October 1761. In both cases, Lord Bute and the King were leading the majority in Cabinet opposing the policies of Pitt and Newcastle respectively. In the case of the Duke of Newcastle, unlike that of Pitt, there is some evidence to suggest that Lord Bute had deliberately engineered his resignation. The noted historian Peter Thomas has pointed to a letter from Lord Mansfield in which he told Newcastle that Lord Bute had been pushed into driving him out of office by the Princess Dowager, George Grenville, and Sir Gilbert

129 ‘Duke of Newcastle to the Marquess of Rockingham’ 4 May 1762, Sheffield Archives WWM/R/1/238.
130 Both Newcastle, in the above reference, and Lord Bute corroborate this fact, see ‘Earl of Bute to Duke of Bedford’ 1 May 1762 in Russell (ed.) Correspondence of John, Fourth Duke of Bedford Vol. III., 76-77.
Elliot. Additionally, Lord Bute, upon Pitt’s resignation, had referred to Newcastle as a “crazy old man” who he thought it “better to let...tide over a year or two more of his political life.” It was clear that Lord Bute had begun to feel that the Duke of Newcastle was expendable and there is evidence to suggest that Bute even admitted that he was trying to break the loyalty of Newcastle’s friends in order to bring them into the “King’s service.” Indeed, the Duke of Newcastle certainly felt Lord Bute had deliberately forced his resignation. When the Duke of Devonshire and Lord Mansfield discussed the subject of Newcastle’s resignation with Lord Bute, they were reportedly told that “the Duke of Newcastle was determined” to resign; but Newcastle himself claimed to have never spoken to Lord Bute about the issue. The Duke of Devonshire was allegedly given the very same answer from the King himself. The extant evidence seems to suggest that even if Lord Bute did not deliberately engineer the resignation of the Duke of Newcastle, he certainly did nothing at all to prevent it, and through his actions at the Treasury, left the Duke with no choice but to resign. With the Duke of Newcastle’s resignation, the King and Lord Bute had successfully dissolved the great war coalition from the inside. The old Whig Party, which had supposedly shackled King George II, had been dismantled as they planned.

131 Thomas, George III: King and Politicians, 59. The source of this information is the Newcastle Papers in the British Library, Add. MS. 32942 f. 114.
133 Ibid., 396.
134 ‘Duke of Newcastle to the Marquess of Rockingham’ 14 May 1762, Sheffield Archives WWMM/R/1/240a.
135 Although it seems quite certain that Lord Bute did not intend for the resignation of Pitt when it occurred in October 1761, as Philip Yorke, the 2nd Earl of Hardwicke later pointed out in his ‘Memorial of Family Occurrences from 1760 to 70 inclusive’, it was widely perceived that Bute did play Newcastle and Pitt “off one against the other”. See B.L. Add MS. 35428, f. 3.
finalise the Peace and use its passage through Parliament as a test to determine the loyalty of the placemen who had been the foundation for the power of the Court Whigs.

Even with William Pitt and the Duke of Newcastle out of office, the road to peace was far from simple. Lord Bute continued to push for peace, but only one which would reflect the important military and strategic triumphs which Britain had achieved during the war. In fact, the allegation that Lord Bute had pushed for peace at all costs must fundamentally be laid to rest by the evidence of his stance in the late summer of 1762. The Duke of Bedford had been sent to France on September 6 for the purpose of negotiating a peace. This was no doubt among the causes of the accusations that peace would be obtained at any cost, as Bedford was by some margin the Cabinet member most in favour of conceding to the demands of the French.\textsuperscript{137} The two Secretaries of State, brothers-in-law Lord Egremont and George Grenville,\textsuperscript{138} consistently pushed for harder terms in the negotiations.\textsuperscript{139} They frequently came into conflict with Lord Bute over the peace terms and, more significantly, the official instructions sent to Bedford to guide him in his negotiations in Paris.\textsuperscript{140} Although Richard Rigby, one of Bedford’s closest political allies, was able to inform his patron that “Lord Bute laughed at George Grenville’s lawyer-like distinctions” upon discrepancies between the transaction of Bedford’s negotiations and his instructions, he was not able to deny that “Grenville’s fears…operated upon him [Bute]” and caused him to alter the official instructions.


\textsuperscript{138} Lord Egremont had replaced William Pitt as Secretary of State for the Southern Department in October 1761; George Grenville had replaced Lord Bute as Secretary of State for the Northern Department when Bute became First Lord of the Treasury in May 1762.


\textsuperscript{140} ‘Mr. Grenville’s Narrative’ in Smith (ed.) The Grenville Papers Vol. I., 450.
Grenville’s fears, it was made clear, were that the Duke of Bedford would go to “too
great lengths to bring the peace to bear.” This alteration, which effectively limited his
discretion at the negotiating table, Bedford perceived as a lack of trust in his abilities and
in his integrity. It contributed significantly to the cooling of relations between Bedford
and Bute, a state of affairs which devolved dramatically, such that in later years Bedford
considered the exclusion of Lord Bute from power as a necessary precondition of his
holding office. To make matters worse for relations between the two over the peace,
the British capture of the major Spanish port of Havana, the news of which arrived in late
September, led to increased expectations of British gains in the Peace negotiations. Even
Lord Bute, who had attempted to maintain a middle-ground between Grenville and
Bedford in order to ensure that the negotiations did not break off, began to hold a stance
in favour of strong terms. Discussing Havana with Bedford, the Earl of Bute stated that
“this rich acquisition must not be ceded without satisfaction in the [Newfoundland]
fishery, and some material compensation: this is so much the opinion of all the King’s
servants, that…notwithstanding all the disadvantage and perplexities that attend the
continuation of the war even these difficulties are preferred to ceding an iota more than is
done in the articles now sent.” Even the King, who had sat on the throne with the
conviction that an end must be put to the “bloody and expensive war”, took the trouble
to write to the Duke of Bedford, “to declare…with my own pen, that after weighing every

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141 ‘Richard Rigby to the Duke of Bedford’ 29 September 1762 in Russell (ed.) Correspondence of
142 Evidence of this can be seen especially during the last months of the Grenville administration, see
‘Duke of Bedford to the Duke of Marlborough’ 19 May 1765 in Russell (ed.) Correspondence of John,
144 ‘Earl of Bute to the Duke of Bedford’ in Russell (ed.) Correspondence of John, Fourth Duke of
145 Thomas, George III: King and Politicians, 42.
consequence, I am determined either to make the peace I now send you or to continue the
war.” 146 There was a growing sense in which the Bute ministry would stand or fall on the
prospect of achieving a Peace to present to Parliament before the end of the year. 147 And
it was upon this particular hard-line stance towards its achievement that peace would
ultimately be concluded over the coming months.

In the meantime, as the prospect of peace drew near, the King and his ministers
began to prepare for the event of the preliminary peace treaty coming under the scrutiny
of Parliament. In order to ease the ratification of the peace proposals in the House of
Commons, Lord Bute enlisted the support of Henry Fox to replace George Grenville as
his leader in that House. 148 The reasoning behind this decision was not that Henry Fox’s
skills as a leader in the House of Commons were much superior to Grenville’s, who, if
the extant records are in any way representative, always cut a strong figure in
parliamentary debates, rather it was Grenville’s lack of support for some of the
particulars of the Peace which rendered him “half unable, half unwilling” to lead their
passage through the Commons. 149 It is clear that Grenville refused to quietly support the
Peace as it stood. In particular, he highlighted Guadeloupe and St. Lucia, two valuable
islands in the Caribbean, as conquests he would not have given up. 150 It should hardly be

146 ‘King George III to the Duke of Bedford’ in Russell (ed.) Correspondence of John, Fourth Duke of
Bedford Vol. III., 139-140.
147 ‘Duke of Devonshire to Marquess of Rockingham’ 2 August 1762, Sheffield Archives
WWM/R/1/271.
148 ‘Duke of Newcastle to the Earl of Hardwicke’ 21 October 1762 in Yorke (ed.) Life and
Correspondence of Hardwicke Vol. III, 423.
149 ‘Henry Fox to the Duke of Bedford’ 13 October 1762 in Russell (ed.) Correspondence of John,
150 ‘George Grenville to the Earl of Egremont’ 24 October 1762 in Smith (ed.) The Grenville Papers
Vol. I., 493. See also ‘Lord Barrington to Duke of Newcastle’ 13 October 1762 Sheffield Archives
WWM/R/1/309 which, though merely speculation, seems to corroborate this view. Eminent historian of the
period, Peter Thomas has also come to this conclusion about the nature of Grenville’s replacement by
Henry Fox as leader of the House of Commons. He claims it was “Grenville’s hard-line stance to push for a
surprising to historians of the period, that when Grenville was having difficulties conceding on a point of principle, one of Sir Lewis Namier’s favoured politicians, the cynical Henry Fox, stepped in to fit a particular role in return for royal favour.151

Those in administration were not the only ones having difficulty in maintaining a stance on the Peace terms. In fact, it can be said that the opposition was thrown into turmoil following the resignations of Pitt and Newcastle. Indeed, it is in the narrow context of the confusions faced by opposition in the immediate aftermath of the dissolution of the Newcastle-Pitt administration that Sir Lewis Namier’s analysis of politics and political action as devoid from ideas or principles seems to briefly ring true.152 Without the ideas and policies which would spring up largely in response to the problems of empire in the post-1763 era, opposition to the Peace preliminaries could be described as arbitrary, factious, and quite possibly hypocritical. Indeed, upon his resignation the Duke of Newcastle was famously ambivalent about his intentions of supporting or opposing the King’s measures. He noted to the Marquess of Rockingham that he felt “at liberty to act, as I think proper upon every occasion, that may happen.”153 When the King asked him about his intentions, the Duke simply bowed, and said nothing, thinking “it was best to be absolutely silent, As I had twice declared to the King, that I could make no Promises, nor enter into any Engagements upon that Head.”154 The King, for his own part, interpreted such statements from the Duke of Newcastle to be “the

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152 In fairness to Namier, he only completed thorough monographs of the period from roughly 1760 to 1763. He wished eventually to write a work called the Rise of Party in which some of his former views may have needed revision.
153 ‘Duke of Newcastle to the Marquess of Rockingham’ 14 May 1762 in Sheffield Archives WWM/R/1/240a.
language every man that opposes uses.”

Although the King expressed his pleasure at being able to conduct business with Lord Bute without the interference of Pitt and Newcastle, Lord Bute, on the other hand, felt some unease at the prospect of Newcastle and Pitt forming an opposition to the ministry. As a result, he made several attempts over the summer of 1762 to lure Newcastle back into Cabinet in the position of Lord Privy Seal. Newcastle roundly rejected these offers from Bute and was still undecided about whether or not to enter into opposition—waiting to seize any issue through which to engage with the Administration. George III provided Newcastle with this opportunity by dismissing the Duke of Devonshire from Cabinet due to his habitual absence from meetings of the Council. Responding to the news of Devonshire’s dismissal, Newcastle exclaimed “We shall never have so proper an occasion as this of the usage of the D[uke] of Devonshire.” Indeed, when the Duke of Newcastle and his patron the Duke of Cumberland chose to engage in opposition to the Bute ministry it was not on the grounds of principle, but of places—it was not on the grounds of measures, but of men.

The opposition thus began with a request by the Duke of Newcastle that some of their friends resign their offices in protest of Devonshire’s dismissal. However, the issue

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158 ‘Duke of Newcastle to the Earl of Hardwicke’ 1 November 1762 in Yorke (ed.) *Life and Correspondence of Hardwicke* Vol. III., 428. Devonshire was not attending the meetings of the Cabinet Council due in part to ill-health, but also to Newcastle’s request to his friends to remain in office but to not attend Cabinet meetings, see ‘Duke of Newcastle to the Earl of Hardwicke’ 10 May 1762 in Yorke (ed.) *Life and Correspondence of Hardwicke* Vol. III., 354.

159 ‘Duke of Newcastle to Marquess of Rockingham’ 1 November 1762, Sheffield Archives WWM/R/1/320.
simply did not grip the political nation as Newcastle believed it would; indeed, as Frank O’Gorman has noted in his *Rise of Party in England*, only seventeen of the thirty-three individuals to whom requests of resignation were sent actually did resign their offices, and many of those who did, resigned reluctantly.\(^{160}\) Presumably in response to a negative comment by Rockingham that the resignations taking place resembled a “slow firing”, the Duke of Devonshire appears to ascribe to the hesitancy with which the resignations were taking place, a method or purpose when he claimed that “a number of resignations at one time wou’d make a great Bustle; but their coming at proper distances keeps up the attention of the Public better, & will in the end prove more effectual.”\(^{161}\) It is difficult to believe that the hesitation displayed by the resignations was deliberate. If requests were sent to thirty-three individuals, as O’Gorman claims, then it would have been a massive show of strength on the part of the opposition for them to obtain thirty-three resignations all at once. The hesitancy simply showed the weakness of the opposition, or certainly the weakness (even perhaps the absence) of the ideological grounds of their opposition to the Bute ministry. The King and Lord Bute certainly took the resignations in their stride, with Bute reporting the King’s reaction as: “will more great men follow [in resigning], let Them. I prefer six open Enemies to two secret ones, to one false friend.”\(^{162}\) Indeed, it seems the resignations may have even emboldened the King, who was now apparently prepared to take his part and “meet the sword.”\(^{163}\) One of the most striking features of the resignations over the Duke of Devonshire’s dismissal, however, is the language contained in the letters written by the Marquess of Rockingham, one of the King’s Lords of the

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\(^{161}\) ‘Duke of Devonshire to the Marquess of Rockingham’ 17 November 1762, Sheffield Archives WWM/R/1/330.

\(^{162}\) ‘Earl of Bute to Richard Rigby’ 30 October 1762, B.L. Add. MS. 36797 f. 18.

\(^{163}\) ‘Earl of Bute to George Townshend’ 2 November 1762, B.L. Add. MS. 36797 ff. 16-17.
Bedchamber and a political ally of the Duke of Newcastle. In his letters to Lord Granby and the Duke of Cumberland, Rockingham uses the typical language of the Court Whigs of the mid-eighteenth century to justify his actions. This stands in stark contrast to the language of ‘principles’ he would continuously expound as a party leader from the mid-1760s onwards. At this point, he refers only to the fact that “those who had hitherto deservedly had great weight in their Country [undoubtedly referring to the ‘Great Whig families’]—were now to be marked out rather as objects of displeasure—than of favour.”

The only principle in Rockingham’s two letters is that of aristocratic privilege—and even that limited to a few families deemed to be of a political pedigree worthy of governing. The entire reliance of opposition upon objections to men rather than measures, was hardly going to stir up support inside or outside of Parliament. Those who wished to adhere to principles would be unimpressed, and those who were guided by self-interest alone would no doubt have found a more propitious avenue in courting the favour of the King and his favourite. By the end of the month, Rigby reported to the Duke of Bedford that the “measure about resigning…is all stopped.”

Following their poor showing in the resignations, the next step taken by the opposition was an assault on the newly signed Peace Preliminaries, which were introduced to Parliament in early December 1762. As early as September, there is proof of discussions between the Dukes of Newcastle, Devonshire, and Cumberland as well as Lord Hardwicke about possible modes of conduct to hold towards the Peace when it entered Parliament. In considering such evidence, however, when Newcastle outlined the

164 ‘Marquess of Rockingham to Lord Granby’ 4 November 1762, Sheffield Archives WWM/R/1/321b. ‘Marquess of Rockingham to the Duke of Cumberland’ 5 November 1762, Sheffield Archives WWM/R/1/323.

possibility of the administration concluding separate peaces with France and Spain as one of the best “grounds upon which the opposition might act against the Ministry,” their prospects for success did not look particularly high.\textsuperscript{166} It is not difficult to understand why the lords in question might find it onerous to come up with a coherent position in opposition to the Peace Preliminaries.\textsuperscript{167} Recall that each of them were consistently on the side of the Duke of Bedford in favour of very conciliatory peace terms and that Lord Bute had on almost every occasion argued for higher terms than them in proportion with Britain’s successes in the conflict. It would be particularly hypocritical for them to oppose the Peace as it was being developed in the second half of 1762, especially considering the hard-line stance taken by Lord Bute and the King after the conquest of Havana became known.\textsuperscript{168} But Newcastle was also concerned with knowing whether his “friends are gone over to My Lord Bute”, in the aftermath of his resignation, adding “I much doubt it.” As a result, he tasked the Marquess of Rockingham to “engage all our good gentlemen friends to be at the Town [London] the first day of the session.”\textsuperscript{169} Essentially the Duke wanted to know for certain whether the loyalty of his friends was to him personally and his principles or whether it was to his former position as First Lord of the Treasury and the patronage dispensing power which came with the position when

\textsuperscript{166} ‘Duke of Newcastle to the Marquess of Rockingham’ 20 September 1762, Sheffield Archives WWM/R/1/302.

\textsuperscript{167} See Hardwicke’s advice to Newcastle, quoted in Namier, \textit{England in the Age of the American Revolution}, 361. In his advice, Hardwicke urged Newcastle to await the outcome of events before deciding on whether or not to engage in an opposition to the Peace. It was possible that the Peace could be completed entirely upon the stance they had taken while in the ministry, but also that it might be concluded upon other grounds. The fact that the Peace had not been decided upon meant that Hardwicke would not advise Newcastle to pre-emptively take a stance in opposition to it.

\textsuperscript{168} Hardwicke admitted as much to Newcastle on 15 November, when he stated “I find people in general, and even our most particular friends, much inclined to peace and determined not to oppose on that head [the peace], providing it comes out to be admissible. They allege that in this point they followed your Grace when in…and they cannot contradict themselves.” See ‘Earl of Hardwicke to the Duke of Newcastle’ B.L. Add. MS. 32945 f. 337.

\textsuperscript{169} ‘Duke of Newcastle to the Marquess of Rockingham’ 23 October 1762, Sheffield Archives WWM/R/1/315.
combined with royal favour. As a result, he needed an issue upon which to engage the Ministry, and it was obvious that the Peace Preliminaries would be the major issue of the upcoming session of Parliament.

It was well known, that even if Newcastle could maintain the loyalty of his large body of ‘friends’ in the House of Commons, that Pitt’s support and leadership would be required to achieve success against the ministry.\(^{170}\) It is clear that approaches were made to Pitt, through the persons of Thomas Walpole and Thomas Nuthall.\(^{171}\) Although it was reported that Pitt was willing to work with the Duke of Newcastle and that he opposed the terms of the Peace, he had serious reservations about the consistency of Newcastle, Devonshire, and Hardwicke, who, while in office, had pushed so strenuously for peace.\(^{172}\) Despite Pitt’s reluctance to engage in opposition with Newcastle and his friends, rumours of an opposition coalition had spread through the City. A young and relatively unconnected Edmund Burke wrote home to Ireland that Pitt had been prevailed upon “to enter into the coalition; which is now so perfect in all its parts, and of such strength, that it threatens to all appearance a more powerful and determined opposition than has perhaps ever been known before.”\(^{173}\) Just two days later, however, when it came to discussing the King’s Speech at the opening of Parliament and the customary Address in response, the result was a “very unanimous Dutiful and loyal address from both houses of


\(^{173}\) ‘Edmund Burke to Charles O’Hara’ 23 November 1762, in Copeland (ed.) The *Correspondence of Edmund Burke* Vol. I., 155.
Subsequent events would prove that Burke’s initial assessment of the opposition coalition was naively optimistic. Although it is possible that they simply did not want to make a show of strength (or weakness) before the preliminaries were officially presented to Parliament, there is evidence to suggest that the opposition, especially the Duke of Newcastle and his supporters, were in a considerable state of confusion. Indeed, the Duke himself reflected that “I have long doubted, both from observation, and reflection, whether it would be advisable for us to give any opposition to the Peace. The evident reasons against it are, the fear of acting inconsistently with ourselves; and that affects me more particularly…as I declared my opinion so strongly, that peace was absolutely necessary; and, as I am quoted for it, by the King, and all his Ministers and speakers in Parliament.”

Notwithstanding this evidence of an attempt to maintain the principle of consistency in political action so often denied the Duke of Newcastle, within a week of the Preliminaries’ presentation in Parliament, even the leaders of the opposition were unsure about how to proceed. The Ministry, however, was extremely confident, the showing at the beginning of the session had convinced Henry Fox that “the opposition to the Peace will be very trifling” and that “the opposition would never divide sixty.”

When the Preliminaries came to be voted upon in the House on 9 December, the opposition still had not firmly decided on a stance to take upon the Preliminaries. In the event, the Duke of Newcastle and Hardwicke in the Lords, as well as some of their

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176 ‘Richard Rigby to the Duke of Bedford’ 26 November 1762 in Russell (ed.) Correspondence of John, Fourth Duke of Bedford Vol. III., 161. In this same letter, Rigby also raises significant doubts over the existence of an opposition coalition, saying “I believe Pitt confined himself to measures, and their thoughts are all about men.”
supporters in the Commons did take a stance against the Ministry’s Peace Preliminaries, the results of which, however, left much to be desired. The first vote on the issues was taken on 9 December to determine whether to undertake a vote of thanks to the King for concluding the Peace, the Ministry carried its motion 321 to 67—by a massive majority of 254.\textsuperscript{177} It is reported that even William Pitt, who appeared in the House of Commons on crutches, gave a three and a half hour long speech against the Preliminaries, before walking out and thus not registering a vote.\textsuperscript{178} The vote on the contents of the Address to the King the following day resulted in a division of 229 to 65 in favour of the Ministry—the opposition were utterly routed on the floor of the Commons, and the Lords failed to even register a division.\textsuperscript{179} By 14 December, Newcastle admitted that Henry Fox had been right when he claimed that “My Lord Bute has got over all the Duke of Newcastle’s friends.”\textsuperscript{180} Indeed, Newcastle felt betrayed as the reality was revealed to him that so many of those whom he had considered ‘friends’ were only friends of the power of the Crown, and thus only his friends insofar as he was in a position to wield that power. He had been in such a position of power for so extensive a period that it is quite likely that he was no longer able to distinguish between loyalty to him as an individual and loyalty to his position, as First Lord of the Treasury.

The political world was shocked, however, when, far from resting on the comfort of a vast Commons majority, Lord Bute and the King engaged in a campaign to remove every office-holder who had voted against the Preliminaries. Further, even the family

\textsuperscript{179} Ginter (ed.) \textit{Voting Records of the British House of Commons} Vol. V., 5-6.
\textsuperscript{180} ‘Duke of Newcastle to the Earl of Hardwicke’ 14 December 1762 in Yorke (ed.) \textit{Life and Correspondence of Hardwicke} Vol. III., 439.
relations of those who voted against the Preliminaries, holding smaller offices and not even sitting in the House of Commons, were removed in the campaign which came to be known as the ‘Massacre of the Pelhamite Innocents.’\textsuperscript{181} Lady Temple, perhaps with a hint of hyperbole, reported to her husband that “it is believed, and given out, that even to a hundredth cousin of those that have not behaved well are to march out of the most trifling places”.\textsuperscript{182} Upon hearing of the ‘Massacre’ of his followers—quite literally the destruction of his life’s work in politics—Newcastle was distraught. He even went so far as to declare that the mass-dismissals were “such a stretch of power as is hardly constitutional.”\textsuperscript{183} Although Hardwicke respectfully disagreed that the dismissals themselves were a breach of the constitution, he asserted that they had never before been carried through to such a considerable and thorough extent. He stressed to add that any Minister who would so advise the King “might justly be suspected of most dangerous invasions of the constitution”, and the Duke of Devonshire agreed.\textsuperscript{184} By the end of December, the remnants of Newcastle’s Whig party were edging towards the possibility of entering into a systematic opposition to the Ministry, once again on the basis of men rather than measures.\textsuperscript{185} As the preceding narrative of structural changes in the Ministry has made clear, the nature of politics that emerged following the Peace of Paris cannot be

\textsuperscript{181} This name, of course, is a reference to the biblical massacre of the innocents. Pelham being the family name of the Duke of Newcastle (Thomas Pelham-Holles) and the ‘innocents’ in this case are those followers who were relieved of their positions supposedly without cause—or certainly without adequate cause. See John Brewer, \textit{Party Ideology and Popular Politics}, 44.
\textsuperscript{183} ‘Duke of Newcastle to the Earl of Hardwicke’ 19 December 1762 in Yorke (ed.) \textit{Life and Correspondence of Hardwicke} Vol. III., 440. See also: ‘Duke of Newcastle to Marquess of Rockingham’ 19 December 1762, Sheffield Archives WWM/R/1/334.
\textsuperscript{184} ‘Earl of Hardwicke to the Duke of Newcastle’ 1 January 1763 in Yorke (ed.) \textit{Life and Correspondence of Hardwicke} Vol. III., 452.
\textsuperscript{185} Ibid.
adequately understood without reference to the rise of Lord Bute and the disintegration of the Newcastle-Pitt administration. The dissolution of the great war coalition resulted in a confused opposition that refused to cooperate with one another and focused on issues related to men and loss of places in the administration rather than on measures and principles. The hypocritical and indecisive actions of the Duke of Newcastle and his allies in this period suggest that they entered opposition not upon different principles to those who drafted the Peace, but rather in a vain attempt to regain their places in the Ministry. It will now be shown that the political changes of this period and the confused state of the opposition in the years immediately following the Peace of Paris of 1763 provided the matrix within which historians can observe the genesis of new policies of domestic and imperial governance. In other words, British political ideologies in the age of the American Revolution evolved primarily in the formulation and implementation of, as well as in the opposition responses to, the new challenges facing British parliamentarians in the governance of the Empire.

Before engaging in an analysis of the role of the Peace of Paris of 1763 as a catalyst for the emerging problems of imperial governance, especially in America and India, it is necessary to briefly discuss a historiographical quibble related to my use of the word new when referring to the colonial policies developed by the British Parliament in the post-1763 period. It has been convincingly demonstrated by the historian Jack Greene, and largely corroborated by such historians as P.J. Marshall, G.M. Ditchfield, and Keith Mason, that from 1748 the colonial policies emanating from London began to shift from a “posture of accommodation and conciliation” to “a policy of strict
supervision and control.”186 Although it may well be true that the activities of the Earl of Halifax and the Board of Trade in the period 1748 to 1756 “constituted a major transformation in metropolitan behaviour towards the colonies”, it was also a period characterised by initiatives that failed to gain enough traction to become the subjects of debate in Parliament.187 What Greene succeeded in doing was not showing that the ‘new’ colonial policies that were debated and adopted in the post-1763 period were in some way ‘old’, but rather, as the title of his article suggests, that these policies were not developed in a vacuum and that they had ideological precedents in the peace between the War of the Austrian Succession and the Seven Years’ War.188 P.J. Marshall has probably stated the solution best when he claims that the genesis of the imperial policies developed after 1763 involved both “a catching-up with old problems, such as the due enforcement of the Navigation Acts, and a response to urgent new ones, notably to the pressure of a huge debt incurred in wartime and the need to provide for the government and defence of new conquests.”189 Indeed, the Seven Years’ War, as Keith Mason has pointed out, precipitated not only a “temporary shelving of the imperial reform programme” but also an intensification of the “impulses that had lain behind it.”190 It is thus maintained that, imperial and ideological consolidation occurred simultaneously as a result of the far more

187 Ibid., 109.
188 This claim provides no less of an important addition to our understanding of the imperial problems and the development of British policies towards the empire in the mid-eighteenth century.
“frequent resort to Parliament” in the post-1763 period and the emergence of new problems in the governance of the Empire.\textsuperscript{191}

The first and certainly the most obvious of these new imperial problems in the years immediately following the Peace of Paris of 1763 is the ideological struggle between economy and imperial consolidation which was focused on the North American colonies. This struggle was characterised, in short, by the need to tackle the dual issues of maintaining a solid administration and a standing army to protect the colonies while finding a means of reducing the crippling national debt. The new circumstances present in the thirteen North American colonies at the conclusion of the Seven Years’ War, were of course precipitated by the conquest of Québec and thus the removal of the direct French threat from the continent. Indeed, it was predominantly for reasons of security that the British cabinet chose to retain Québec rather than the profitable sugar island of Guadeloupe at the Peace negotiations.\textsuperscript{192} With the removal of the French threat to the security of the North American colonies, it was no doubt assumed that they would expand, economically and demographically, and thus bring renewed benefits to the mother country through trade and customs revenues. However, the conquest of Québec raised new challenges for the structure of imperial governance in North America. It quickly became apparent that Québec could not be governed in a manner similar to the other North American colonies, which were, as David Armitage has pointed out,

\textsuperscript{191} Marshall, “The Eighteenth Century Empire” in Black (ed.) \textit{British Politics and Society from Walpole to Pitt}, 197.

\textsuperscript{192} Namier, \textit{England in the Age of the American Revolution}, 276. For the view that the Canada-Guadeloupe controversy was merely a myth, see Philip Lawson, “‘The Irishman’s Prize’: Views of Canada from the British Press, 1760-1774.” \textit{Historical Journal}, 28 (1985): 577. Historian Charles Stevens, in a recent unpublished essay on the topic, has noted that it could be considered a myth in the sense that by 1762 it was no longer a controversy.
considered to be “Protestant, maritime, commercial and free.” Québéc, of course, was composed primarily of a large population of French speaking Catholics who were unfamiliar with British legal norms. As Philip Lawson, P.J. Marshall, and, most recently, Stephen Conway have noted, the governance of a population consisting of a large majority of Catholics was something that the British had some experience of. It has been noted that Britain had significant experience in governing Catholics, most notably in Ireland, but also in the Mediterranean island of Minorca, which was composed primarily of Catholic Catalans. Stephen Conway has argued convincingly that British politicians drew heavily upon their experiences in governing other parts of the Empire in the formulation of policy towards the governance of Québéc. It is clear that although they initially favoured a model of governance based on the Irish model (i.e. through the medium of a protestant landowning class), the impracticalities of this solution resulted in a hesitant and gradual shift to a policy resembling that which had been adopted in Minorca—that of largely authoritarian rule by a governor and council, while maintaining local and traditional structures of governance.

The major impact of Québéc upon British imperial policies at this time, however, was the decision to reorganise and restructure the governance of North America through the Royal Proclamation of October 7, 1763. Indeed, not only did the Royal Proclamation replace the temporary Articles of Capitulation in organising the government and laws of

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196 Ibid., 154.
Québec, it also provided measures preventing the westward expansion of settlement across the Appalachian Mountains. It has been established that these policies were aimed towards a single goal—that of peopling the newly ceded territories of Québec and the two Floridas with Protestant colonists in order to eventually implement a similar form of governance by local assemblies to that found in the other British North American colonies.\(^{197}\) Regarding the governance of Québec itself, it was found that, since the Articles of Capitulation of 1760 were not recognised by the Treaty of Paris of 1763, that there needed to be an official confirmation of its contents in order to form a framework for the government of the province. Such a framework included the controversial toleration of the Catholic religion as well as the right of the *Canadiens* to sell their lands and migrate within eighteen months,\(^{198}\) as well as notoriously vague statements about the establishment of English law.\(^{199}\) The promises contained within the Proclamation, most notably the establishment of elected assemblies and English law, were supposedly made in order to provide for the “speedy settling our said new governments.”\(^{200}\) However, it is nonetheless also true that these promises could not be kept if the “speedy settling” of Protestant colonists did not occur. First Lord of the Treasury Lord North made it clear a decade later that an assembly could not be granted unless it was composed of Canadian Catholics—for there was simply no established Protestant elite upon which to rest the

\(^{197}\) Philip Lawson, *The Imperial Challenge: Quebec and Britain in the Age of the American Revolution*, 40; see also Conway, “The Consequences of the Conquest,” 151.

\(^{198}\) ‘[Cabinet Minutes] At the Duke of Cumberland’s late Lodgings, 8 July 1763.’ B.L. Add. MS. 57834, f. 17.


\(^{200}\) ‘Royal Proclamation of 1763,’ 16.
governance of Québec.\textsuperscript{201} Thus, it is clear that British politicians proclaimed these promises not only as a means of attracting settlement to the newly ceded provinces, but more importantly as a necessary condition for the success of their plan to govern Québec in a similar manner to Ireland.

The policy of restricting North American settlement westward along the lines of the Appalachian Mountains was also intended to facilitate the “speedy settling” of the newly acquired lands in Québec and the Floridas to assist in the plans for Anglicisation. Not only would it increase the security of the British colonies along the eastern seaboard by ceding the western lands (albeit temporarily\textsuperscript{202}) to the Native peoples, the measure, it was believed, would cause inter-colonial migration to the north and south that might otherwise have overextended British settlements west into the continent and thus out of the protection of the military.\textsuperscript{203} In economic terms, limiting the expansion west also allowed the possibility for the British military forces to abandon their costly forts in the west and consolidate their position on the eastern seaboard.\textsuperscript{204} It has been observed by many historians—although perhaps never quite emphasised enough—that the restricting of colonial expansion westward led to a significant amount of resentment towards the British among the American colonists.\textsuperscript{205} It would be unwise for historians to discount the

\begin{flushright}
\textsuperscript{201} Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America 1754-1783} Vol. IV., 445.
\textsuperscript{202} Conway, “The Consequences of the Conquest,” 151.
\textsuperscript{203} ‘Royal Proclamation of 1763,’ 18; see also, the formulation of this policy for the Indian territory in ‘[Cabinet Minutes] At the Lodgings at St. James’s late the D. of Cumberland,’ 16 September 1763, B.L. Add. MS. 57834; for the continued development of British policy towards the Native peoples, see Peter Marshall, “Colonial Protest and Imperial Retrenchment: Indian Policy 1764-1768.” \textit{Journal of American Studies} 5, no. 1 (April 1971): 1-17.
\textsuperscript{204} Charles R. Ritcheson, \textit{British Politics and the American Revolution} (Norman, OK: University of Oklahoma Press, 1954): 63-4; Pontiac’s Rebellion in 1763 kept the British military engaged in conflict in the West for over a year and significantly disrupted these plans.
\end{flushright}
extent to which such restrictions on expansion into the interior may have influenced the nature of the imperial problem in the age of the American Revolution. The eventual failure of the policies intended to create a government of Québec on the Irish model and their final abandonment in the Quebec Act of 1774 contributed significantly to the imperial problem as it was conceived in the minds of Britain’s American subjects. It is obvious that the genesis of Britain’s Québec policy occurred in the context of political discussions on economy and imperial consolidation which were developed in the months following the Peace of Paris of 1763.

In addition to the issue of westward expansion, the idea formulated in 1762-3 by the King and Lord Bute to maintain a standing army of ten thousand British regulars for the defence of the American colonies caused a great deal of resentment in America. One historian has even gone so far as to find in the formulation of this policy “the origins of the American Revolution.”206 It is perhaps going too far—and interpreting a procession of events with a hint of teleology—to claim that in any given event can be found the origins of the American Revolution;207 however, it is certain that in the formulation of policies which aimed at imperial consolidation and revenue reform, of which the issue of the standing army forms a significant part, can be found the beginnings of crisis in Anglo-American relations which happened to culminate in the ultimate separation

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207 Likewise, it is not “fair to say”, as Bullion suggests, “that the revolution began with the plan formulated by the King and Bute”, for this would imply that something particularly ‘revolutionary’ occurred with this policy. Certainly the King and Bute’s plan did not imply a ‘revolution’ in Anglo-American relations. The plan to raise a revenue from America in order to offset the costs of the army caused a genuine constitutional conflict in Anglo-American relations but, especially in light of Greene’s tracing of the origins of the ‘new’ colonial policy, it cannot be called ‘revolutionary’ in itself. Nor could the American responses to taxation in the early period be considered ‘revolutionary’ behaviour. A revolutionary mentality developed over time and in response to many more events. It is a dangerous thing indeed for historians to attempt to read into 1763 the attitudes and mentalities of 1776.
between the colonies and the mother country. What is certain however, is the intimate role played by the King in the development of this policy. It is simply not true that, as Richard Johnson claims “nowhere is there evidence of [George III’s] having taken the initiative in formulating colonial policy.”\textsuperscript{208} Indeed, in a letter from the King to Lord Bute he says “I have been some days drawing up a state of the troops for the Peace, and hope to send it this evening, by which the ten regiments raised at the beginning of the war remain, and yet the expence [sic] will be some hundred pounds cheaper than the establishment of them in 1749.”\textsuperscript{209} John Bullion, having had the opportunity to look through the Bute papers housed on the Isle of Bute, has uncovered further evidence of the King’s comparisons between the army in 1749 and the plans for the army in 1763. In the letter, the King writes “I have not put down the ten thousand in America, as [it is] proposed that being no expense to Great Britain.”\textsuperscript{210} This particular correspondence took place mere weeks before the plan to tax America became official government policy—suggesting that the King’s role in the development of at least this piece of imperial policy, was crucial.\textsuperscript{211}

The policy for the standing army was formulated as a result of the distinct conditions (political, diplomatic, financial, etc.) present at the conclusion of the Seven Years’ War. Even if, as John Bullion rightly suggests, these did not determine the


\textsuperscript{209} ‘George III to the Earl of Bute’ 13 September 1762, in Sedgwick (ed.) \textit{Letters from George III to Lord Bute, 1756-1766}, 135 (emphasis is my own).

\textsuperscript{210} ‘George III to the Earl of Bute’ [early February 1763], Bute Papers, Correspondence with George III, no. 414, quoted in Bullion, “The Ten Thousand in America,” 649. It must also be noted that the off-hand manner in which the King mentions the ‘ten thousand in America’ appears to presuppose a familiarity with the concept among the author and its intended recipient (Bute). This seems to suggest that the plan was developed in the period between September 1762 (see above note) and February 1763. The plan for the army was only finalised in late February as can be seen in ‘Richard Rigby to the Duke of Bedford’ 23 February 1763 in Russell (ed.) \textit{Correspondence of John, Fourth Duke of Bedford} Vol. III., 210.

\textsuperscript{211} Bullion, “The Ten Thousand in America,” 650.
specific policy chosen by the King and Lord Bute towards the army, the conditions within which the decision was made were no less important to its formulation.\textsuperscript{212} Conditions such as the political confusion in the aftermath of the ‘Massacre of the Pelhamite Innocents’, the vast increase in British colonial territory at the close of the Seven Years’ War, and the “national obsession” to search for new ways to pay down the growing national debt could not but have had a significant influence on the decisions taken by the Ministry—to downplay them is to cast judgement without utilising the majority of evidence available. It is certain that the decision to maintain a standing army in America was at least in part, influenced by concerns over the security of the old colonies along the eastern seaboard. Secretary at War, Welbore Ellis, in presenting the government’s plans for the post-war army to the House of Commons, claimed that “the French propose keeping a great force in their islands, [and that] this is a sufficient reason for our keeping a great force in America.”\textsuperscript{213} The size of the French force in the West Indies has been estimated by historians to have been upwards of 20,000 men, an amount which could pose a major invasion threat, especially at the beginning of a war.\textsuperscript{214} It is a clear sign of new post-war developments in British attitudes towards the Empire that at precisely the time when American colonists saw little need for a British army in North America following the acquisition of Québec, British politicians at Westminster determined that the security of the colonies necessitated a standing army when it had not been deemed necessary in the past.\textsuperscript{215} The reasons behind this, however, can be found in

\begin{itemize}
\item \textsuperscript{212} Bullion, “Security and Economy,” 509.
\item \textsuperscript{213} Commons Debate, 4 March 1763 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America 1754-1783} Vol. I., 440.
\end{itemize}
the British perceptions on the nature of the Peace and are reflected in their plans for the American army.

The plan for the post-war army developed by the King and Lord Bute was presented in the House of Commons by Welbore Ellis on March 4, 1763. In his speech, Ellis outlined the basis of the plan as well as the accompanying cost-saving measures. The intention was to formulate an American army of 10,000 troops in twenty battalions. The plan was thus to maintain a larger number of battalions, fully staffed with commissioned officers but not with enlisted men.²¹⁶ This would essentially provide a skeletal framework upon which a much larger army could be quickly raised during wartime. The battalions would simply be augmented by enlisted men who would serve under the commissioned officers already in place. Such plans provided the possibility of maintaining a much cheaper peacetime force while remaining vigilant towards the French threat by creating the “bottom of an army easily to be augmented.”²¹⁷ It is clear that such a plan was formed in response to contemporary views on the nature of the Peace of Paris of 1763. Indeed, it was not only in the thoughts of the King and Lord Bute, but also among many in the Parliamentary opposition to their ministry, that the peace signed in 1763 was a potentially ephemeral one.²¹⁸ This was thought to be the case from the significant territorial gains obtained by Britain in return for its military successes during the war. These gains were thought to be so considerable that France and Spain would surely engage in a war of revanche in order to recover lost territory.²¹⁹ Thus, in the effort

²¹⁷ Ibid.
to consolidate and secure the Empire in the post-war years of fiscal restraint, the King and his ministers formulated plans aimed at keeping costs low while recognising the possibility that before long France and Spain might seek to renew hostilities in order to reclaim lost possessions and to restore national honour.

While the King could announce that the peacetime army in mainland Britain would be “some hundred pounds cheaper than the establishment of them in 1749”, this number did not include the proposed ten thousand troops to be stationed in America. This number would, of course, vastly increase the expense of the British military and push it well above the costs of 1749. The solution, as Secretary at War, Ellis, succinctly put it, was that the “American force was intended to be paid for a future year by America.” In essence, this meant that in 1764, a tax would be imposed upon America in order to defray the expenses Britain would incur from maintaining an army in their defence. Thus, it becomes clear that the decision to raise a tax in America was intimately linked with the unique set of circumstances and assumptions held by British politicians in the months surrounding the Peace of Paris in 1763. Although it was George Grenville who was tasked with ultimately deciding upon and passing modes of taxation upon America, his policies were, in effect, the strongest legacy of the Earl of Bute’s ministry. That the King supported Grenville’s taxation policies is hardly surprising considering the fact that he himself drew up the considerable plans for the post-war military establishment that rendered necessary (and perhaps justifiable) the attempts to

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tax the American colonies after 1763.\textsuperscript{223} Regardless of whether the Bute ministry had the wherewithal or acuity necessary to successfully formulate and execute the taxation measures pursued by Grenville is irrelevant in comparison to the fact that, in the unique conditions of the post-war months, they drew up plans and announced to Parliament one of the most significant eighteenth century alterations in British imperial policy.

Historian John Shy claimed that the possibility of the standing army being used against the American colonies was considered by the ministers in order to put “teeth in the imperial system;”\textsuperscript{224} however, John Bullion quite rightly states that there is no evidence that such a factor occurred to them during the formulation of the policy.\textsuperscript{225} I will go further still and suggest that such a claim, that a British army could be used to suppress conflict in the American colonies, simply does not fit in the political and ideological context of 1763. Of course, it cannot be denied—as this work affirms—that the plans to raise an army in America and to raise an American tax to offset its cost were developed concurrently; it also cannot be denied—and indeed will be duly affirmed in the following chapters—that such attempts to raise a revenue from America were an important factor precipitating the crisis in Anglo-American relations and that the reactions to the attempts to tax the Americans did actually result in the army being deployed in American cities. What simply must be denied, however, is the idea that British politicians foresaw the violent reactions of the Americans against their policy to

\begin{footnotes}
\item[225] Bullion, “Securing the Peace,” 21; see also: Bullion, “The Ten Thousand in America,” 650; see also Thomas, \textit{George III: King and Politicians}, 82.
\end{footnotes}
raise a tax in the colonies.\textsuperscript{226} Lacking such foresight, there is no justification for historians to assume that the origins of a policy of coercion through military force were ultimately derived from the decision to maintain a standing army in America. Indeed, to do so would be to put the cart before the horse, as it were. It was not initially the decision to tax the Americans that required an army for enforcement; but rather it was the decision to maintain a standing army that required a tax in order to defray its expense.

The decision to tax America in order raise the revenue necessary to offset the costs of the American army for Britain was a direct result of the great awareness of the necessity of reducing the national debt. Indeed, in the prevailing political climate, the Ministry did not believe that Parliament would accept their plans to station a large army in America without some means of defraying the expense.\textsuperscript{227} In this sense they were largely correct. Leaders in the opposition, most notably William Pitt and H.B. Legge (former Chancellor of the Exchequer and ally of the Duke of Newcastle) each made objections to the ministry’s plan to raise an army and the principle of taxing America in order to pay for it. The lack of coordination, in both manpower and principles, between the opposition factions developing around these individuals (Pitt and Newcastle, respectively) meant that the Ministry was able to carry its measures through Parliament with little difficulty. Nonetheless, a debate did ensue in the House of Commons, and it is worth noting the objections of the opposition parties, for their views have some

\textsuperscript{226} Even such well-informed Americans as Benjamin Franklin, in London at the time of the Stamp Act, did not foresee the violence with which the American colonists reacted to the measure. This argument will be developed further in the coming chapters and is a crucial element of the theory that political ideologies in Britain developed in response to the imperial crises as they arose.

significance when related to the further attempts to extract revenues from the Empire.\textsuperscript{228} William Pitt had even stronger views than the ministry when it came to the transitory nature of the Peace—he saw it as no more than an “armed truce.”\textsuperscript{229} Although he agreed “for œconomy” that there needed to be a “high establishment of officers, and low of men”, he believed that “the estimate [i.e. the number of troops] too little, by so much as it is lower than that of the last Peace.”\textsuperscript{230} Pitt rejected his ally William Beckford’s views concerning the army providing new openings for patronage and thus dangerously increasing the influence of the Crown, claiming “the Crown can acquire no influence by means of that force” since “the American Force is hardly sufficient for so large an extent of country.”\textsuperscript{231} Pitt’s plan to increase the numbers of troops would surely increase the influence of the Crown and, as a result, it is difficult to understand how he and Beckford could have resolved their differences on this front.\textsuperscript{232} In Pitt’s plan to raise even more troops, of course, the expense of the army would increase. Although he does not comment directly on the taxation of America, he does suggest that revenue could be increased by preventing smuggling and by “improvements”—although what he meant by improvements was perhaps deliberately vague.\textsuperscript{233} It is certain that the prevention of smuggling could never come close to covering the costs of the American army.\textsuperscript{234}

\textsuperscript{228} For the later developments in attempts to extract revenues from the colonies see chapters II and III respectively for America and India.
\textsuperscript{229} Commons Debate, 4 March 1763 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments respecting North America 1754-1783 Vol. I., 440.
\textsuperscript{230} ‘Charles Jenkinson to the Earl of Bute’ [4 March 1763], Bodleian Library, North MSS, B. 6., f. 95.
\textsuperscript{231} Ibid., f. 95.
\textsuperscript{233} ‘Charles Jenkinson to the Earl of Bute’ [4 March 1763], Bodleian Library, North MSS, B. 6., f. 96.
\textsuperscript{234} Peter D.G. Thomas, “The Cost of the British Army in North America, 1763-1775,” The William and Mary Quarterly 45, no. 3 (July 1988): 510-516.
Nonetheless, Pitt had offered an alternative to the direct (or ‘internal’\textsuperscript{235}) taxation of America, which was an object he would consistently argue against throughout his political career. If Pitt cannot be accused of inconsistency in this regard, however, he certainly can be seen as placing security ahead of economy, as John Bullion has argued.\textsuperscript{236}

The other major opposition position, expressed in this debate by H.B. Legge (on behalf of the Duke Newcastle’s friends), focused primarily on “economy, by which alone this Country can be saved.”\textsuperscript{237} Since France is “making greater Reductions than ever”, claimed Legge, “we should follow her example.”\textsuperscript{238} In addition to reducing the size of Britain’s military forces in line with those of France and thereby reducing the expense, Legge also recommends “the improvement of our Revenue by lowering some of our Taxes, which would both increase Our Trade, and augment the Revenue.”\textsuperscript{239} Unlike Pitt, Legge did not specifically discuss the issue of American taxation. Being in favour of a decrease in a customs duty in order to increase revenue \textit{and} trade, was not, strictly speaking, establishing any position towards the right or propriety of Parliament taxing America. It is also in line with the ambivalent position consistently held by the Newcastle and subsequently Rockingham party towards the issue of American taxation. Although it is unlikely that the decrease in taxes would result in a large enough revenue to offset the

\begin{itemize}
\item \textsuperscript{235} Internal taxes typically refer to forms of direct taxation such as a tax on income, or property, or on a particular luxury commodity. On the other hand, external taxation refers to taxes raised incidentally through customs and excise fees, import and export duties—they are most famously characterised in the period by the Navigation Acts.
\item \textsuperscript{236} Bullion, “Security and Economy,” 506. Although it works as a generalisation of the views on this topic, Bullion’s analysis of the principles on the question of the standing army and taxation as being between ‘security’ and ‘economy’, does not take into account the ways in which the principles held towards the question of taxing America were adhered to by the individuals in question to a surprisingly consistent extent.
\item \textsuperscript{237} Charles Jenkinson to the Earl of Bute’ [4 March 1763], Bodleian Library, North MSS, B. 6., f. 97.
\item \textsuperscript{238} Ibid.
\item \textsuperscript{239} Ibid., f. 97-98.
\end{itemize}
costs of an American army, the position defined by Legge did also request cuts in the size of that force. It was therefore not only a slightly less vague argument than that used by Pitt, but was also far more likely to come closer to defraying the costs of whatever army was decided to be maintained in America. Notwithstanding the arguments made by the opposition, the questions were put and the plans to maintain an army and to raise taxation in America were passed without opposition.240

This is simply the first of many examples in the period which show that an examination of the extant divisions lists, showing the voting records of the House of Commons, cannot alone tell us the story of party politics in the period. In this case, the divisions list informs us that the Parliament was unanimously in favour of the measure to raise an army and to tax America, or at least that there was no opposition to the measure. However, through an analysis of the accounts of Parliamentary debates, it is found that both William Pitt and H.B. Legge offered competing, but no less significant opposition to the plans. Yet it can also be said that from the debates alone one would have expected to find members voting in opposition to the plans for the army. The divisions list thus gives an account of the state of confusion in which the opposition found itself in the aftermath of the ‘Massacre of the Pelhamite Innocents.’241 The story of why the opposition failed to register votes against the Ministry’s plan for the army in February 1763 appears to be twofold. Firstly, it was reported that “the House of Commons has seldom more than a hundred members in it, and they have little to do.”242 The thin attendance suggests that neither the government nor the opposition were planning any significant divisions on the

240 Ibid., f. 99.
241 ‘Duke of Newcastle to the Marquess of Rockingham’ 5 February 1763 in Sheffield Archives WWM/R/1/363.
issues then before the Parliament. It also reflects the caution and sense of weakness in the opposition, underlined by the Duke of Devonshire when he wrote to Rockingham that “if we can get Leaders & a tolerable Corps of Troops I am for Battel [sic], but I am against appearing in a weak opposition as we shall make an insignificant figure, prejudice our Friends & do no good.”

Secondly, and on a note very much related to the Duke of Devonshire’s comments, the opposition were still looking to form an alliance with William Pitt in opposition to the Ministry. Although Richard Rigby considered that their negotiations once again had ended in failure, the Duke of Newcastle, after reporting on a meeting with Pitt and Earl Temple, seemed far more positive about the prospects of a united opposition. As a result of their attempts to court William Pitt, having found that he disagreed with them over the plans for the American army, it is not surprising that they did not force a division on the issue which would have exposed their differences. Perhaps more importantly, it would have further revealed the weakness of the opposition to the Ministry which would have the effect of undermining any further attempts to oppose their measures for the remainder of the Parliamentary session. The major significance of the issue concerning the plans to maintain a standing army in America and the concurrent plan to raise a tax in the colonies in order to defray its costs, lies in the role it played in precipitating the major conflict in Anglo-American relations in the age of the American Revolution. Placing it within its correct political context, however, it becomes clear that the decision to maintain a peacetime army in America, as

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244 Recall that they had tried without success to gain Pitt’s support in opposition to the Peace Preliminaries in late 1762.
246 ‘Duke of Newcastle to the Marquess of Rockingham’ 5 February 1763 in Sheffield Archives WWM/R/1/363.
well as the opposition objections to that plan, were products of the unique set of political, diplomatic, and economic conditions emanating from the dissolution of the Newcastle-Pitt administration and the Peace of Paris of 1763.

In addition to the problems emerging in the governance of North America in the years following the conclusion of the Seven Years’ War, it is of equal importance to acknowledge the development of problems in the East—in the lands for which the East India Company was granted a chartered monopoly over British trade. It is now accepted, thanks to the ground-breaking work of Philip Lawson, H.V. Bowen, and P.J. Marshall, that the imperial issues occurring simultaneously in America and India are best understood when considered together, as each forming an integral part of what Lawson aptly termed the “imperial dimension in Hanoverian Britain.”247 It must be acknowledged, especially for this early period in the years immediately surrounding the end of the Seven Years’ War that, although historians may identify important ideological and sometimes legal connections between empire in the East and the West, contemporaries only gradually came to link them into a unified concept of empire. However, historians have begun to trace the development of a “new sense of empire” in the 1760s—which no doubt arose in response to the growing concern of Parliament, and thus the wider British public, in the affairs of America and the East India Company.248 Since the East India Company only formally acquired sovereignty over territory in India in 1765, with the acquisition of the diwani, or revenue collection rights in the province of Bengal, it is hardly a mystery why so many contemporaries did not recognise the British

presence in the East as part of the same imperial project which planted settlers on the shores of North America. Indeed, even when the East India Company became a sovereign power in India, it was, for all intents and purposes, the *Company*, and not Britain itself, which had made the acquisition. Thus, even by 1765 it was unclear to what degree Britain’s imperial governance and responsibility extended to the East. What is important, however, is that even in the period leading up to the formal acquisition of territory in 1765, British politicians and ministers had begun to recognise the increasingly important role played by the East India Company in British military, diplomatic, economic, and political interests.\footnote{For the argument that the East India Company increasingly posed a political problem in domestic politics see Philip Lawson, *The East India Company: A History* (London: Longman, 1993).}

The military successes in the Seven Years’ War marked a distinct turning point in British conceptions of empire in the East. Whereas British interests in India had previously been largely confined to trading activities around their three bases of operation, or ‘presidencies’, on the subcontinent (Bombay, Madras, and Calcutta), the global scale of the conflict between 1756 and 1763 brought British and Company troops stationed in the presidencies into conflict with the French and their allies in India. Indeed, the Indian theatre became seen as one of vast importance for the protection of British interests overseas. Over twenty-thousand Royal and Company troops were stationed in India during the war for the defence of existing British interests there—this was not an army designed or intended to engage in territorial acquisition.\footnote{See Bruce Lenman, *Britain’s Colonial Wars 1688-1783* (London: Longman, 2001): 83-113.} The British secured a number of important victories against the French and their Indian allies which resulted in
the destruction of French interests on the subcontinent. More important, however, for the purposes of this discussion, was the political turmoil in Bengal caused by a dispute between the Company and the Nawab of Bengal, Siraj-ud Daula. In short, the Company had built up fortifications at Calcutta in response to the French threat in India. This led the Nawab to attempt to expel the British from Bengal. His troops succeeded in capturing Fort William from the Company and a number of Company servants were imprisoned in what is now rather infamously known as the ‘Black Hole of Calcutta.’ Regardless of the authenticity of the contemporary accounts of the ‘Black Hole’, a young Colonel in the Company’s service, Robert Clive, used the opportunity provided by the turmoil at Calcutta to engage in conflict with the Nawab. At the battle of Plassey, Clive secured a decisive victory against the forces of the Nawab and engaged in a project known to contemporaries as a ‘revolution’ in the government of Bengal. In this ‘revolution’, Clive replaced the sitting Nawab with Mir Jafar who, it was believed, would be more friendly to the interests of the Company in Bengal. As Clive rather casually noted to William Pitt from Calcutta, “the success of the English arms, and the vast advantages gained by the Company by a treaty concluded in consequence thereof, have, I observe, in

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252 The most famous contemporary account of the deaths of over one hundred individuals from the cramped conditions of the dungeon in Fort William (which became known as the ‘Black Hole’) is J.Z. Holwell’s “A Genuine Narrative of the Deplorable Deaths of the English Gentlemen, and Others, who were suffocated in the Black-Hole in Fort William, at Calcutta, in the Kingdom of Bengal; in the Night succeeding the 20th Day of June 1756,” in his work *India Tracts by Mr. Holwell, and Friends* (London: T. Becket and P.A. de Hondt, 1764): 251-276. The authenticity of Holwell’s account of the ‘Black Hole’ has long been a subject of debate among historians, with Nicholas Dirks and Partha Chatterjee being perhaps the most recent to comment, see Dirks, *The Scandal of Empire: India and the Creation of Imperial Britain* (Cambridge: Harvard Belknap Press, 2006): 4; and Chatterjee, *The Black Hole of Empire: History of a Global Practice of Power* (Princeton: Princeton University Press, 2012).

some measure engaged the public attention.”254 Indeed, the notable results of Clive’s victory at Plassey were twofold. Firstly, Plassey and Robert Clive took on a status somewhat akin to that of the Plains of Abraham and James Wolfe in the popular imagination—both were considered heroes and symbols of British success overseas. Even the King, who had made Clive a baron in the Irish peerage upon his return to Britain in 1760, several years later, could not help but note the “great obligations” the nation and the proprietors of the East India Company owed to Clive.255 Secondly, the ‘treaty’ to which Clive referred, in his letter to Pitt, involved, among other things, the assumption, by Clive, of the Jagir, or annual revenue grant, of £27,000 from a particular district of Bengal.256 In time, the issue of Clive’s right to such a ‘gift’ would be questioned by many within the East India Company’s directorate in London. However, for the time being, serious question marks were being raised about whether a trading company had the authority to overthrow and replace Indian rulers, to engage in diplomacy with other Indian powers, and to accept a position as revenue-gatherers under the Mughal regime. As Philip Lawson has astutely observed, these were merely presented as a fait accompli to the directors of the Company in London.257 Clive himself saw these problems better than anyone. In his letter to Pitt, it is clear that he already had his eye on the acquisition of the diwani for the Company. More importantly, however, Clive submitted to Pitt his opinion that “so large a sovereignty may possibly be an object too extensive for a mercantile company,” suggesting as a solution that it may “be worthy of

257 Lawson, The East India Company, 93.
the government’s taking it into hand.”

Thus, as early as 1759, Robert Clive had not only transformed the nature of the East India Company’s presence in the subcontinent, but had eerily foreshadowed—even invited—the later encroachments of successive British governments into the affairs of the Company. Considering this correspondence, it is hardly likely to have been a coincidence that, when he came to the head of a ministry in 1766, William Pitt (by then the Earl of Chatham) launched the first serious Parliamentary inquiry into the rights of the Company’s territorial acquisitions on the subcontinent.

There is no doubt, as Robert Travers has recently pointed out, that “new conquests pushed Company directors and servants into the wider orbit of British and imperial politics during the turbulent early years of George III.” Nowhere is this more apparent than in the negotiations for Peace in 1762-3. The Peace of Paris in 1763 marks the first time that the government had taken upon itself the role of negotiating on behalf of the East India Company. The discussions took place between representatives of the British and French governments and thus the provisions in the peace settlement belonged primarily to Britain, and only incidentally to the Company. It must be emphasised, however, that the government did not simply dictate terms to France on behalf of the Company. The orders given to the Duke of Bedford as he was negotiating with French representatives in Paris show that there were several meetings between the Earl of Egremont and the directors of the East India Company. More importantly, the content

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259 Robert Travers, Ideology and Empire in Eighteenth-Century India: The British in Bengal, 39.
of those instructions, as Bedford was well aware, was the result of discussions between ministers and the Secret Committee of the Company. Significantly, the Company itself was divided on the issue of the Peace. In fact, the debates over the peace settlement precipitated what has been termed “the Great Civil War in the Company.”

The divisions on the Peace in the East India House on Leadenhall Street bore a remarkable resemblance, and in many ways were an extension of those already discussed at the national level in Parliament. The ministry of Lord Bute and the opposition led, at least nominally, by the Duke of Newcastle each had factions of supporters at East India House. That these factions existed at East India House was not a result of a deliberate plan to extend the partisan structure of the House of Commons to another arena, but rather the product of shrewd politicians at the East India House who recognised they could increase their influence by attaching themselves to those with power at Westminster. Upon Clive’s return from India, he had allied himself with the Duke of Newcastle, no doubt assuming that the Bute administration could not last and that the old Court Whigs would be back in power before long. Laurence Sulivan, on the other hand, the most prominent of the East India Company’s directors in London, through his connections with Lord Shelburne and later Henry Fox and Lord Bute, drew on the support of the administration. It was upon these alliances that the two divided against each other over the terms of the

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263 Sutherland, “The East India Company and the Peace of Paris,” 190. It must be emphasised that however important the Peace of Paris was as a catalyst for the ‘Civil War’ in the Company, the conflict between Clive and Sullivan would more than likely have taken place regardless of the disagreements on the peace terms. The importance of the Peace for the purposes of this work is as a catalyst for the encroachments into the Company’s affairs. The encroachments became intertwined with the ‘Civil War’ in the Company, but would more than likely have occurred nonetheless. Indeed, this chapter has shown that they had begun before the ‘Civil War.’


Peace. Lord Clive and his supporters, like the Newcastle Whigs, voted against the Peace Preliminaries, albeit without success. Laurence Sulivan, although persuaded by the Bute administration to accept lower terms than he had initially sought, voted for them. By early February of 1763, Henry Fox, still leader in the House of Commons, was able to congratulate Bedford on the successful conclusion of the Peace, including the articles concerning the East Indies, despite the Company having changed its mind “more than once” due to internal divisions. These internal divisions at East India House reflected the new prominence given to India and the East India Company in British politics in the early years of George III’s reign. As a result of the new prominence given to East India questions in British politics, historians can trace the development of what Lawson has termed another “alternative structure of politics.” Yet, at this early stage, if the East India House did constitute an alternative structure of politics, it was decidedly one in which MPs at Westminster and proprietors at Leadenhall Street engaged in what was at least believed to have been a symbiotic relationship in order to augment their respective power and influence. For want of the major constitutional issues that would later surround the Company, its politics and divisions at both Leadenhall Street and Westminster between 1762 and 1764 were characterised, in Namierite fashion, by interest rather than by any firmly held principles. Such an analysis will become clearer in light of the progression of the ‘Civil War’ in the Company and its role in precipitating further encroachments into the Company’s affairs by governments at Westminster. These

266 Sutherland, “The East India Company and the Peace of Paris,” 181.
267 Thomas, George III: King and Politicians, 86.
269 Lawson, The East India Company, 96. The initial phrase “alternative structure of politics” was coined by John Brewer in his brilliant Party Ideology and Popular Politics at the Accession of George III in order to refer to the place of the press and the political nation in the political culture of mid-eighteenth century Britain.
encroachments, taken to their logical conclusion in the years after 1765, would precipitate major crises in the East India Company’s affairs and it was in reaction to them and the ‘growing influence of the Crown’ that firmly held principles would arise among the parties at Westminster.

Shortly after the vote on the Peace Preliminaries at East India House, the factions associated with the persons of Lord Clive and Laurence Sulivan, began to muster their forces and court the assistance of their allies at Westminster in preparation for the annual election of Company directors. There is evidence that Sulivan had received the support of government as early as 1761 and Clive had courted the support of Pitt and Newcastle from at least 1759. The major difference, however, between the contest for the directorate in 1763 and previous Company struggles was the innovation of the widespread use of stock-splitting in order to create votes. The mechanism is rather simple, but it was not put into widespread use until the election of 1763, the most heavily contested in the Company’s history to that date. It is hardly surprising that the innovation developed so late in the Company’s history, when the election of directors in 1758 was the first contested since 1735. Indeed, 1757 would be the Company’s last uncontested election. The minimum amount of stock required for a proprietor to be eligible to vote in the East India Company’s General Court was, before 1773, £500 and, as Huw Bowen has pointed out, “a larger holding did not bring greater voting power. So an individual who held several thousand pounds of East India stock would have the

270 ‘Laurence Sulivan to the Earl of Shelburne’ 2 November 1761 in B.L. Add. MS. 88906/3/24 f. 60.
271 Sutherland, The East India Company in Eighteenth-Century Politics, 103.
273 Ibid., 860.
same voting strength in the General Court of the Company as one holding only £500—unless that stock was divided among friends prior to an election. For example, an individual with £10,000 of East India stock could create an additional nineteen votes through the splitting of their stock into parcels of £500 each. It is needless to point out how vastly this practice could increase their influence at the East India House. Typically, after the ballot the stock would be returned to its original owner to avoid stock fluctuations and financial loss. It was largely through the innovation of stock splitting by wealthy proprietors on the sides of both government and opposition that the divisions at Leadenhall Street were fought in the 1760s and 1770s. The election of directors in 1763 was among the clearest examples. According to an analysis of the India Office Records by Lucy Sutherland, the practice of stock-splitting created 160 votes for Sulivan, among which over 100 were produced by the government.\footnote{Sutherland, \textit{East India Company in Eighteenth Century Politics}, 107.} Indeed, Henry Fox alone, using the funds from the office of Paymaster of the Forces, purchased and split £19,000 of stock, thus providing 38 votes. The supporters of Clive have been found to have created 220 votes, no fewer than 33 of which were provided by his Parliamentary allies. Clive himself was rumoured to have split an enormous £100,000.\footnote{Thomas, \textit{George III: King and Politicians}, 86.} Despite the widespread attention drawn to stock-splitting by this contest, the election was ultimately decided by the vast majority of genuine proprietors in favour of Sulivan’s friends, who carried all ten places contested.\footnote{\textit{Ibid.}, 86.} Within mere weeks of coming into the directorate, Sulivan and his friends drafted a letter to Bengal ordering the Governor and Council to prevent Clive’s receipt of
payments from his *Jagir*.\(^{278}\) Whereas the government may have been willing to step out of East India affairs having helped Sulivan to victory, the violent contest over Clive’s right to his *Jagir* ensured that the government was brought back, perhaps inescapably, into the Company’s internal affairs.

Although Sulivan and his supporters had been very successful in the election of 1763, it was quite clear that the support of the government provided the votes necessary to obtain victory. Although it has not been mentioned by historians, perhaps because it is incalculable, the support of government could do more than merely create votes through splitting of stock purchased by the Pay Office or the Treasury. It is quite likely that, just as independents in the House of Commons and the House of Lords tended to vote with the administration, the independent proprietors at Leadenhall Street, upon hearing of the outward support of government for a particular figure (in this case, Sulivan), might swing their vote to them if they were otherwise undecided. Although incalculable, this theory does take into account the fact that the majority of support for Sulivan came not from split-votes, but from actual proprietors. It can also help explain the dramatic shift that occurred concurrently in national politics and those at the East India House between 1763 and 1764. In April of 1763, Lord Bute finally undertook his long-expressed wish to resign.\(^{279}\) Upon his resignation he passed the reins of government to what Horace Walpole described as the ‘triumvirate’ of George Grenville, the Earl of Egremont, and

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\(^{278}\) In what was probably a simple typographical error, Lucy Sutherland in her *East India Company and Eighteenth Century Politics* (p. 111), dates this letter as having been sent in April of 1764, this is surely meant to be April 1763 when Sulivan’s friends claimed victory with the assistance of government. As will be shown, the election of 1764 ended quite differently and it is unlikely that such a directorate would have drafted the said letter.

the Earl of Halifax.\textsuperscript{280} Shortly thereafter, in September 1763, the Earl of Shelburne, who, it will be remembered, had connected Laurence Sulivan with Bute, also announced his resignation.\textsuperscript{281} Thus, both the minister who had made it an official policy to intervene in the internal affairs of the East India Company as well as the individual who had linked the ministry with the Sulivan faction at Leadenhall Street were now out of government. Of those who provided government assistance to Sulivan in early 1763, only Henry Fox remained.\textsuperscript{282} Fox’s ability to influence the direction of affairs, however, was greatly diminished under the Grenville administration. The further encroachment of government into the affairs of the East India Company was in doubt—at least until a major financial crisis struck the London markets. It was in the wake of this crisis that the issue of Clive’s \textit{Jagir} subsumed all other issues at the election of directors in 1764.

It was, first and foremost, a severe international credit crisis emanating from Amsterdam that brought George Grenville to follow his predecessor in concerning himself in the affairs of the East India Company.\textsuperscript{283} Throughout the financial crisis, Grenville was in regular contact with a prominent East India director, Joseph Salvador. The communication between Grenville and Salvador took place largely through the medium of Charles Jenkinson, the Secretary to the Treasury and a significant remnant of the Bute ministry.\textsuperscript{284} The financial crisis, it was believed, was so severe that the very

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\item \textsuperscript{281} ‘Earl of Bute to the Earl of Shelburne’ 4 September 1763 in B.L. Add. MS. 88906/1/6 ff. 127-128.
\item \textsuperscript{282} Sutherland, \textit{East India Company in Eighteenth Century Politics}, 110.
\item \textsuperscript{283} Lenman and Lawson, “Robert Clive, the ‘Black Jagir’, and British Politics,” 810.
\item \textsuperscript{284} The correspondence between Jenkinson and Salvador can be traced in Jucker (ed.) \textit{The Jenkinson Papers}, 209-292. That Charles Jenkinson was merely a remnant of the Bute ministry is something of a misnomer. As described in Namier and Brooke, \textit{The House of Commons 1754-1790} Vol. II, 674-675, Jenkinson was politically attached to Grenville in the 1750s and it was Grenville who recommended him to Lord Bute’s service. Jenkinson’s close association with Lord Bute, having served as his private secretary, means that to label him a ‘remnant’ of the Bute administration, is not at all misleading, especially in the
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survival of the Company was at stake. During the late summer, Grenville collaborated with Salvador to secure a loan from the Bank of England in order to ease the situation of the Company. By mid-October, Salvador could congratulate “Mr. Grenville’s success in reconciling the East India Company with the Bank.” Indeed, the loan was so successful in re-establishing the financial security of the Company, that the directors decided by mid-November, that they did not require further assistance from the state, and that the full amount from the Bank of England would not need to be employed. Grenville had simply done what virtually any First Lord of the Treasury would have done in assisting the East India Company through a financial crisis. It was in taking up the cause of Lord Clive’s Jagir for reasons which can only be described as self-interested and unprincipled, that Grenville made the crucial decision for the government to once again interfere with the internal affairs of the Company.

After a failed attempt to overthrow the Grenville administration in August 1763 and place William Pitt at the head of the administration, Lord Clive, acknowledging that his friends were unlikely to return to power in the near future, began courting the support of George Grenville. It is even quite possible that George Grenville and Clive came into contact through Joseph Salvador, who was a strong supporter of Clive’s quest to

context of examining an element of continuity of policy towards the East India Company between the Bute and Grenville ministries.

maintain his *Jagir.* In their first correspondences, Grenville agreed to take on the role of mediator between Clive and the Court of Directors of the Company. Clive’s proposal that he or his heirs should receive the *Jagir* payments for at least ten years in exchange for his offering no opposition to the current Directors, was unanimously rejected in December 1763. But why had Grenville offered to assist Clive? And why did he continue to push for his success at the election of Directors in April 1764? Clive, at the close of one of his letters to Grenville provides some evidence: “you may be assured that my poor services, such as they are, shall be dedicated for the rest of my days to the King, and my obligations to you always acknowledged, whether in or out of power.”

Indeed, it seems certain that Grenville assisted Clive not from any particular principles at stake, but simply to secure his support in Parliament. The next step for Clive was to see if his cause might be brought before Parliament; however, there is no evidence that Grenville responded to Clive’s request. It was clear that the Grenville ministry did not wish to take up the cause there. Grenville prided himself on possessing “not one shilling of that stock” and, as Lawson and Lenman have shown, held a relatively consistent stance toward non-interference in Company affairs. The term *relatively* is used here because,

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292 Sutherland reached the same conclusion in her *East India Company in Eighteenth Century Politics,* 123. The support Grenville received from Clive in return for his assistance in East India Company affairs was not limited to Clive’s vote in the House of Commons alone, but also extended to the handful of seats which Clive came to control through his vast wealth, accumulated from service in India.


294 Sutherland, *East India Company in Eighteenth Century Politics,* 114.

although it is certain that Grenville consistently decried bringing the internal affairs of the East India Company into the House of Commons, his actions in 1764 suggest that he was certainly willing, as his predecessor before him, to employ the influence and power of the ministry to interfere in the internal proceedings of the Company at Leadenhall Street. It is difficult, if not impossible, to hold that Grenville’s canvassing as First Lord of the Treasury and Henry Fox’s splitting of stock for Clive in the election of the directors in 1764 constituted—strictly-speaking—‘private’ dealings with the East India Company. Grenville therefore appears as either slightly inconsistent in this respect or he adhered to a rather academic distinction between Company affairs coming before Parliament and Parliament interfering in the Company’s affairs at Leadenhall Street. Nonetheless, by replicating the actions of his predecessor Lord Bute, in interfering with the Company’s election of directors in 1764, and once again in 1765, Grenville was setting important precedents establishing the government’s right to interfere in the internal affairs of the East India Company.

In assisting Lord Clive and his friends at the election of the directorate for 1764, largely for personal reasons, George Grenville merely confirmed the fact that, at this early stage in the relationship between the Company and the state, there were no thoroughgoing and widely-held principles dividing British politicians over East Indian issues. The ministry of Lord Bute, in which Grenville took a considerable part, assisted Laurence Sullivan against Clive in the Company election of 1763; the ministry of

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296 Although the interference in 1765 was of a lesser degree, Grenville still requested that Henry Fox (now Lord Holland) would split his substantial stock in favour of Clive’s friends, see: ‘George Grenville to Lord Holland’ 8 February 1765 in Tomlinson (ed.) Additional Grenville Papers, 244.
297 It must be acknowledged that, as Lenman and Lawson point out, Grenville assisted Clive’s friends at the election of directors in order to enable Clive to return to India, ostensibly for the purpose of stabilising the price of East India stock. However, even this cannot be considered a principle upon which further action could be based.
Grenville, seemingly without contradiction, lent its assistance to Lord Clive rather than Sulivan. The outward appearance of an ideological volte-face is, in this case, undermined by the lack of any ideological basis to the government’s support of Sulivan and Grenville. In fact, as we have seen, there is considerable proof to suggest that personal connections and self-interest played a much more significant part. What remains clear is that following the military successes in the Seven Years’ War, there were repeated and increasing encroachments by the government into the East India Company’s affairs. From the negotiation at the Peace of Paris on behalf of the Company, to the major efforts of Bute and Grenville to influence the course of the elections at East India House, there is a clear and distinct trend towards increased government involvement in the Company’s affairs that would reach its zenith in the Parliamentary inquiries of 1767 and 1773. What is more, it is clear that in the period between the battle of Plassey in 1757 and the acquisition of the diwani in 1765, principled divisions over East India issues were either considerably muted or non-existent. The final chapter of this thesis reveals that it was only in response to the constitutional issues that emerged after the acquisition of the diwani that British political factions began to develop principled responses to the problems of empire in India. It was precisely these issues, along with those concerning America and the constitution at home that were picked up by government and opposition alike in order to carve out ideological positions which distinguished one group from another, determined the course of government policy, and deeply affected the structure of politics in the age of George III.
This poor country seems doomed to the worst species of ruin, that wrought by her own hands; by oppressing as foolishly as cruelly, the source of our greatness, the devoted colonies. How pregnant is error! And what a fatal progeny one false step in policy, the stamp duty, has brought forth. – Earl of Chatham.  

I never thought America should be beat backwards and forwards as the tennis ball of faction. – Edmund Burke.

The events surrounding the Peace of Paris undoubtedly provided both the matrix within which new imperial policies were developed by British ministers as well as the major impetus behind their immediate pursuance. The plan for retaining an American peacetime army was settled and the government was engaged in increasing encroachments into the East India Company’s financial and political affairs. There is now little doubt among historians that, by the 1760s, a distinct effort towards imperial consolidation was occurring in the minds of many British politicians, if not actually taking place in the colonies themselves. The plans for maintaining a peacetime army in North America and for raising colonial taxes in order to defray the costs for the British taxpayer represented nothing less than an effort to put the ideas of imperial consolidation into action. This transformation—for as a whole it must be considered as such—in the relationship between the metropolis of the Empire and its outlying peripheries, was sure to challenge the underlying principles to which politicians on both sides of the Atlantic

299 Commons Debate, 24 April 1769, in B.L. Egerton MS 219 ff. 286-309.
adhered.\textsuperscript{301} The ideas, arguments, and beliefs of the Americans who challenged British legislation and the authority of the Westminster Parliament have been studied in great detail by North American scholars.\textsuperscript{302} As for the ideas of the British politicians debating colonial policies in Westminster, they have been largely either ignored or explained away as political expedients.\textsuperscript{303} Perhaps because of the “narrow range of philosophical ideas underlying [their] partisan positions”,\textsuperscript{304} or perhaps because of the vast influence of the work of Sir Lewis Namier, political ideas concerning the American problem have been described as mere \textit{ex post facto} rationalisations.\textsuperscript{305} In contrast, it is the argument of this chapter that despite—or perhaps \textit{because of}—the political and ideological confusion of the period immediately following the Peace of Paris of 1763, new ideologies towards empire emerged concurrently with the new political factions or parties. These ideologies were developed piecemeal and often in response to colonial resistance to imperial legislation. It is not argued that British politicians or political factions entered the post-1763 era with coherent ideas of empire and the nature of its governance; it will be established, however, that their views were developed, altered, or solidified throughout the course of the American crisis into quite distinct and identifiable attitudes towards the

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\textsuperscript{301} Paul Langford has at times highlighted the importance of the principles underlying the actions of British politicians, see his “Old Whigs, Old Tories, and the American Revolution,” \textit{The Journal of Imperial and Commonwealth History} 8, no. 2 (1980): 108.
\textsuperscript{303} A major distinction is implied here between ideas and policies. Unless one is prepared to believe that policies of government emerged from an ideological vacuum, that no politician at the time carried any preconceived ideas \textit{at all} about the nature of the empire, and that all decisions were quite literally \textit{determined} by the course of events at home and overseas, then one \textit{must} acknowledge the existence of political ideas and that they had a role in determining the outcome of the domestic and imperial crises of the 1760s and 1770s.
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colonies and the place of the Westminster Parliament in the emerging imperial system. Far from being a Whiggish attempt to uncover consistency and coherence among the views of politicians, or a trajectory of liberal and conservative principles upon which to found the nineteenth-century two-party system, this work merely seeks to trace the extent to which the exhaustive search for American revenues to defray the growing costs of empire influenced British political ideologies and thus the parties and policies which centred around them in Parliament.

Even many historians, including Frank O’Gorman and Paul Langford, who have attempted to examine the ideological foundations of British policy concerning America have often found a distinct absence of disagreement over fundamental issues. First and foremost among these particular issues is the eighteenth century debate over the sovereignty of the British Parliament. It has been rightly pointed out by numerous historians that almost all major British politicians accepted the fact that the sovereignty of Parliament was established by the Glorious Revolution and extended not only to the British Isles but, as Lord Mansfield exclaimed, to “the whole British empire”, having the “authority to bind every part and every subject without the least distinction.” Even Lord Chatham, who has been named as the only major exception to this rule, can be seen

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306 Any coherence found among the views of the Rockinghamites, Grenvillites, etc., is incidental, and although important to the theory that ideas did lay behind political actions, is not an attempt to discount the more ‘structural’ interpretations of Namierite scholarship. In fact, in many ways, the politics of interest and ideas cannot be fully understood in absence of one another.

307 This refers to both domestic and imperial sovereignty, since, in the minds of most Britons, the two were indistinguishable.

to adhere to the concept of Parliamentary sovereignty on most occasions. Although he may have been willing to limit the sovereignty of Parliament in the case of directly taxing the American colonies, Chatham frequently stressed that submission of questions to Parliament was necessary for legitimate political action to be taken—the clearest example of this, the East India Company inquiry of 1767, will be examined in the subsequent chapter. The argument, however, that the widespread agreement about the sovereignty of Parliament renders the ideological positions taken up by the British politicians in some way insignificant is not particularly convincing, for not only does it ignore a vast amount of evidence to the contrary, it is a position that holds weight only if the views of Parliamentarians are compared with their American counterparts across the Atlantic. It is no doubt true that the views of American colonists were more radical in scope than those of politicians at Westminster. It is also true that, to a considerable extent, the American colonies had developed a distinct sense of their place within the Empire—what Jack Greene has aptly termed, an ‘imperial constitution’—that particularly minimised the role of the Westminster Parliament in the governance of the Empire. However, none of these transatlantic comparisons undermine the obvious fact that British politicians conceived of the American problem primarily “in their own English terms,” and that there were indeed principled ideological distinctions between British politicians over the

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correct means of dealing with the American problem in the age of the American Revolution. 313

Following the ministry’s success in gaining parliamentary approval for its plans to maintain a standing peacetime army in America, they had given themselves one year to produce their much-anticipated American revenue, which was intended to defray the cost of the troops. However, there is evidence that as early as 1762, perhaps during the very same cabinet discussions in which the decision to maintain the American army was finalised, the Ministry had touched on a plan of taxation. When in March 1763 King George III rebuked Charles Townshend, who had recently come to the head of the Board of Trade, for proposing to lower the duty on the importation of molasses, he was not only angry that Townshend had let the cat out of the bag, as it were, on the government’s plans to raise a revenue from the colonies; he was also annoyed with his ministers, Grenville and Fox, who knew of the plan to raise a tax in the next session, it “having been thought of this whole winter”, and yet remained silent in the face of Townshend’s plans. 314 However, this could also be in part because, as we have already seen, the plans to tax the colonies and raise an American revenue were developed by the King and Lord Bute—indeed, in this case it is quite likely that the King knew more of the development of policy than some members of his cabinet! Nonetheless, the duty on molasses which Charles Townshend proposed to lower, was indeed the same duty that George Grenville,

313 John Brewer, Paul Langford, and Ian Christie have each acknowledged the extent to which ideological divisions did exist between the British political parties or factions concerning America. None of them, however, made a point of examining these views in any particular detail. See: Brewer, Party Ideology and Popular Politics, 64, 202; Langford, “Old Whigs, Old Tories, and the American Revolution,” 108; and Christie, “British Politics and the American Revolution,” 224.

when he took control of the ministry in 1763, decided to put forward to Parliament.\textsuperscript{315} These plans revolved around the duty of sixpence (6d.) a gallon on molasses imported from the French West Indian Islands into the North American colonies that was contained in the Molasses Act of 1733 (6 G. II, c. 13).\textsuperscript{316} Townshend suggested lowering the duty to 2d. per gallon, because he felt “the high duties produce nothing by driving all people to smuggle from the enormity of the gain.”\textsuperscript{317} And there is substantial evidence to back up Townshend’s claims.\textsuperscript{318} The Molasses Act was not created as a revenue measure but rather as a prohibitive one aimed at providing a better market in North America for molasses from the British held West Indian sugar islands.\textsuperscript{319} Although later politicians and even historians would go on to cite the Act as a precedent for taxing the colonies, it could be, and was, considered a form of “external taxation” undertaken for the purpose of regulating the trade of the Empire. No British politician in the period was willing to give up Westminster’s control over imperial trade as well as the statutory authority of Parliament embodied by the Navigation Acts. It was when Townshend’s plan to lower the duty gained ground that Grenville was forced to defeat the bill in Committee.\textsuperscript{320} What is clear, however, is that Grenville did not defeat the bill out of any great ideological opposition to it, but simply because it was not in the plans of the government to introduce such a bill that session. Indeed, Grenville, when First Lord of the Treasury, wrote in reply

\textsuperscript{315} This is further proof of Philip Lawson’s and Peter Thomas’s assertion that Grenville inherited the policies which were to define his political career. However, it is also very clear, from his later activities in opposition, that he did not merely inherit these plans, he sincerely believed them and they became the foundations of his policies towards America. See Lawson, \textit{George Grenville: A Political Life}, 191; and Thomas, \textit{British Politics and the Stamp Act Crisis}, 39.

\textsuperscript{316} Sedgwick (ed.) \textit{Letters from George III to Lord Bute, 1756-1766}, 201.


\textsuperscript{318} Lawson, \textit{George Grenville: A Political Life}, 191.

\textsuperscript{319} Ian Steele, “Metropolitan Administration of the Colonies, 1696-1775,” in Greene (ed.) \textit{Companion to the American Revolution}, 11.

\textsuperscript{320} Thomas, \textit{George III: King and Politicians}, 84.
to Horace Walpole, that the American revenues “amount to between £1,000 and £2,000 a-year, [while] the collecting of which cost upon the establishment of the Customs in Great Britain between £7,000 and £8,000 a-year.” Grenville attributed this largely to the absence of customs officers, most of whom (like Walpole’s cousin) had simply held the offices as sinecures in Britain—it is hardly surprising then, that the smuggling of molasses in America was so prevalent.\(^{321}\) Within the next session, Grenville would himself target the duties on molasses as a potential source of state revenue.

On 9 March 1764, George Grenville introduced in the House of Commons the American Duties Bill of 1764.\(^{322}\) He began by reminding the House that the resolution to raise revenue in America emerged from the necessity of having America pay for its own defence—for the costs of the British peacetime army that would be stationed there. The “great object” of this project, he claimed, was “to reconcile the regulation of commerce with an increase in revenue.” And, since many colonies were benefitting from an illegal smuggling trade with the French West Indies valued at around £400,000 per year, most prominently in molasses to supply the North American rum industry, Grenville announced his intention of preventing smuggling and thereby raising a revenue.\(^{323}\) Additionally, Grenville pointed out that his plan to order the customs officers to their posts in North America had been attended with some success—with a small increase in the revenue. Since so much additional revenue was required to offset the costs of the army in America, which Grenville estimated to be £359,000 per year,\(^ {324}\) he proposed that

\(^{322}\) This is also variously known as the Sugar Act of 1764 and the American Revenue Act of 1764.  
\(^{324}\) *Ibid.*, 489; see also Thomas, “The Cost of the British Army in North America, 1763-1775.”
the duty on molasses be lowered from 6d. per gallon to 3d. The figure of 3d. per gallon, he claimed, was a compromise between the views of the West Indians, who proposed lowering it to 4d. and the North Americans who, like Charles Townshend, suggested that it should be lowered to 2d.\textsuperscript{325} Lowering the duty to 3d. per gallon would, Grenville informed the Commons, raise a revenue of “perhaps £40, 50, or 60,000.”\textsuperscript{326} Grenville’s plan was, therefore, primarily to raise a revenue to offset the costs of the army in North America, but it was undertaken through the regulation of a particular trade, an object which, most in America and perhaps all in Britain could agree that Parliament had the right to undertake. Since Grenville couched his plan in terms which he claimed would be beneficial to the trade of the West Indies and America, it was not likely to be a bill which would arouse much controversy on either side of the Atlantic.\textsuperscript{327} G.M. Ditchfield has claimed that the American Duties Act of 1764 “amounted to an \textit{ad hoc} response to an immediate problem and not to the emergence of a new type of imperial ideology.”\textsuperscript{328} It is perhaps unfair to call Grenville’s measure \textit{ad hoc}, considering he had implemented a similar policy against smuggling while First Lord of the Admiralty in early 1763.\textsuperscript{329} On the other hand, there is good reason for accepting the fact that Grenville’s measure did not constitute, by itself, a thoroughgoing change in imperial ideology. It was simply an amendment to an existing and ineffective statute passed under the auspices of the Navigation Acts that established Parliament’s supremacy over imperial trade. The change in imperial ideology (certainly not confined to the mind of George Grenville) was

\textsuperscript{325} Commons Debate 30 April 1766 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783}, Vol. II., 376.


\textsuperscript{327} Derry, \textit{English Politics and the American Revolution}, 55.

\textsuperscript{328} Ditchfield, \textit{George III: An Essay on Monarchy}, 121.

\textsuperscript{329} Lawson, \textit{George Grenville: A Political Life}, 189.
occurring, not so much in the bill itself, but in the purpose for which the American Duties Bill was proposed. An army in America, sending officials to America for the purpose of preventing smuggling, attempting to collect previously neglected revenues from America, and the regulation of colonial paper currency: all of these measures developed within the years immediately following the Peace of Paris confirm that there was a growing sense in the minds of British politicians that in order to maintain the Empire, it must be more closely consolidated financially, militarily, and politically.

Not surprisingly, opposition to the bill in Parliament was very weak. But the debates in Parliament are particularly revealing in that they tend toward the development, among certain political groups, of distinct perspectives on the issue of taxing America. Of course, George Grenville and his followers in administration had committed themselves to the project of taxing America through the presentation of this bill. The Duke of Bedford and his followers, who were also in the administration at this time had at least acquiesced in the formulation and presentation of the American Duties Bill, and this is in no way inconsistent with their later hard-line stance on the question of American taxation. Although William Pitt was ill and did not attend this session of Parliament, it is clear from his views prior to this session that he supported measures to prevent


332 It must be acknowledged, however, that Grenville did not merely inherit these policies since he happened to be in government. Grenville was in cabinet when the plans for the American army and its payment through American taxation were developed and it is clear from both his private correspondence and public debates that he firmly adhered to the principles behind these measures.
smuggling. By 1765, however, it appears that Pitt had lumped the issues of preventing smuggling in America together with the decision taken by Grenville to raise an additional tax (the infamous stamp duty—discussed below). In discussions to form a new administration in 1765, Pitt told the King that he opposed “the taxation of the Colonies…and the measures taken against smuggling in America.” Despite this potential inconsistency, historians also cannot rely on the views of William Beckford, a friend and ally of Pitt, in determining what stance the ‘Great Commoner’ may have taken towards the American Duties Bill. Recall that Pitt had already disagreed with Beckford over the necessity of maintaining an army in America, it is in no way certain that they would have agreed on this issue either. On the issue of the American Duties Bill, Beckford, as a West Indian sugar planter, was for the Bill and on the side of government; on the additional proposal of a stamp duty, however, he was very much against. Pitt’s stance, therefore, must for the time being, remain a mystery for historians.

The only opposition to the bill, however slight, came from those individuals gathered around the Duke of Newcastle. It was not a concerted opposition to the ministry and there are several particularly good reasons for that. They, like every other political group in Parliament, were willing to accept the British Parliament’s right to tax the

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334 ‘Mr. Grenville’s Diary’ [Entry for Wednesday, 26 June 1765] in Smith (ed.) The Grenville Papers, Vol. III., 203. The significance of this entry, outlining Pitt’s views on America in 1765 has been neglected by historians of the Stamp Act’s repeal. Indeed, many have stated that Pitt had given no indication of his views on America prior to his speech in January 1766. However, this evidence from Grenville’s papers shows that he had indeed expressed a dislike of American taxation, and had done so months before the news of the violent reactions in America had reached British soil.

Their opposition in the House of Commons was taken up by the prominent merchant Sir William Baker. Despite agreeing “perfectly to our right to tax the colonies”, Baker opposed the duty on molasses at 3d. per gallon as being too high. He claimed that the higher duty would “throw the trade into other channels” and therefore proposed to lower the duty to 2d. Since the opposition did not dislike the lowering of the duty on molasses, and that their opposition was based entirely on it being lowered further, it is hardly surprising that they did not force a vigorous debate in Parliament. There is some proof that the opposition to the ministry at this time was in communication with Charles Townshend. And it is perhaps in consequence of this that they took the same line as him on advocating a lower duty. However, Peter Thomas’s suggestion that, as a result, Newcastle and his friends “had embraced a willingness to support the advocacy of more taxation by Charles Townshend”, is slightly unwarranted and perhaps rather unfair.

Charles Townshend was advocating for a lower duty on molasses in order to increase revenues. To suggest that Newcastle and his friends therefore wanted more taxation is thus quite misleading. The lowering of the duty in order to increase the revenue was a line the Rockingham Whigs would take in 1766 (see below) and is thus consistent with their stance here. This is not to mention the fact that lowering the duty was precisely the move championed by the North American interest at Westminster. If anything, this episode shows that Newcastle and his friends can be said to have harboured an early (if

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unintentional) sympathy with the American colonists on the issue of taxation.\textsuperscript{340} In addition to the opposition of the Newcastle Whigs, John Huske, typically a supporter of government, lent his weight to the arguments against Grenville’s proposed American Duties Bill. Huske was born and raised in America to a merchant family and spoke confidently about the state of smuggling in the American colonies. He told Parliament that “smugglers of molasses instead of being infamous are called patriots in North America. Nothing but a low duty can prevent it”, adding that he was in favour of a 2d. per gallon duty. This lower duty, he claimed, would bring in a revenue of about £58,000; whereas Grenville’s 3d. duty would produce less than £25,000—less than half of what Grenville himself predicted it would raise.\textsuperscript{342} This would have added significantly to the opposition’s argument against the 3d. duty. However, when the vote came up, the Commons divided in favour of the 3d. duty 147-55, by a large majority of 92. In summing up the two sides on the question, parliamentary diarist James Harris, speaking from the side of government, noted that “we had the traders to the last joined with the Coterie against us, but the West Indians with us.”\textsuperscript{343} To say that the Newcastle Whigs failed “to take up a definite line on the question of the American trade” is, considering

\textsuperscript{340} Even if Thomas is correct that the Newcastle Whigs also wished to criticise Grenville for postponing the Stamp Act, his argument is still largely irrelevant for the following two reasons: firstly, the act of an opposition criticising the government for not following through with its proposals (i.e. the stamp duty) does not necessarily imply that they thereby must have supported the said act—it is a common tactic of political opposition to accuse government of indecisiveness; secondly, even if the Newcastle Whigs, at this stage, supported the proposed American stamp duties, and there is no indication that they in fact did, they can hardly be called inconsistent for later altering their views in the face of American hostility to the measures. Call it timidity or prudence, the Newcastle/Rockingham Whigs held a consistent stance in being unwilling to force the colonies to accept Parliamentary taxation.

\textsuperscript{341} Namier and Brooke, \textit{The House of Commons 1754-1790} Vol. II., 658-662.


\textsuperscript{343} Commons Debate [American Duties Bill Committee, Harris Diary] in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783}, Vol. I., 508. The ‘coterie’ referred to in this comment was a common way of describing the opposition members around the Duke of Newcastle.
the evidence, perhaps going too far.\textsuperscript{344} However, it is certainly true that they did not vigorously oppose Grenville’s measures because their line was not so very different from Grenville’s own; it was hardly an issue upon which they could hope to seriously challenge the ministry. Slight differences in policy, however, would begin to emerge from the positions taken up during the debates over the American Duties Act of 1764. Indeed, it was the legacy of Grenville’s promise to produce “some further tax…to defray the expense of North America” of which, he claimed, “Stamp duties [would be] the least exceptionable” that would solidify the views of British politicians and to a large extent determine the ideological distinctions between them in the later 1760s and 1770s.

Before discussing the Stamp Act, however, it is more prudent to first focus upon the reaction of the Rockingham Whigs to Grenville’s American Duties when they briefly came to power in the years 1765-66. It will be shown that the distinct views on the question of American taxation identified in the debates surrounding the American Duties Act of 1764 were carried on despite the coming into power of the opposition under the Marquess of Rockingham and Grenville’s removal from office. This argument challenges the views of Peter Thomas, who, in an effort to undermine the power of ideas in determining political action has argued that “any politicians in office in the years immediately after 1763 would have acted towards America in much the same way as Grenville and his colleagues did.”\textsuperscript{345} In fact, their ideological positions were \textit{not} caused by the “sheer accident of who happened to be in government and opposition between

\textsuperscript{344} Lucy Sutherland, “Edmund Burke and the First Rockingham Ministry,” \textit{The English Historical Review} 47, no. 185 (January 1932): 54-55.

1763 and 1766.” The Newcastle-Rockingham Whigs would have created a lower duty on molasses than Grenville in 1764 because they had widely divergent conceptions of the nature of the Empire and the role of Britain within it. These may not have been as broad as the views of the American colonists. But the relative narrowness of their principles and ideas should not obscure to historians the significant differences that existed between British politicians themselves. It would be a wild conjecture indeed (not to mention an unaccountable act of counterfactual history) to suggest that, had George Grenville been in opposition rather than government between 1763 and 1765, he would have taken a different stance on the issue of taxing America. The remarkable consistency of Grenville on the issue of colonial taxation, whether in opposition or in government, does much to dismiss the argument that their views on the Empire can be minimalized as ad hoc or piecemeal, without any underlying principles or ideas about the nature of empire.

Following their struggle to repeal the Stamp Act (discussed below) the Rockingham Whigs, now in administration, with the assistance and support of the North American and West Indian mercantile interests in London and other major British trading cities, attempted to carry through their plans to further lower the duty on the importation of molasses. By 1766, there was some recognition, based on the examination of witnesses in Parliament and the small amount of revenues collected, that Grenville’s alteration of the duty on foreign molasses to 3d. from 6d. had been a failure. As a result of pressure from the merchants, and buoyed by their success in repealing the Stamp Act, the Rockingham Whigs pursued their original stance in favour of lower duties on foreign molasses—an object pleasing to the North American merchants but not so much for the

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346 Ibid., 2.
West Indian sugar planters. This caused a clear division between the two sides who were each attempting to persuade the government to enact commercial reforms in their favour.  

However, Lord Rockingham had always favoured the American cause, and it was with the American merchants (primarily Barlow Trescothick) that he rallied the mercantile support in favour of the repeal of the Stamp Act only months earlier. Indeed, in a drafted but ultimately undelivered speech, Rockingham declared that “We suffer ourselves to be monopolised by the W[est] I[ndies].” It was thus never in doubt that the Rockingham Whigs would attempt to lower the duty on molasses to 1d. per gallon, a figure lower than they had proposed in 1764 and lower also than the Americans had requested at that time. By 1766, however, the American interest in London had also been pushing for a reduction to 1d. as shown by their testimonies in the Parliamentary examination of witnesses. In order to determine just how this disagreement over the American Duties Bill reflected a real difference of opinion among British politicians on the subject of the system of imperial trade embodied by the Navigation Acts, their particular arguments in private correspondence and parliamentary debates must be examined in some detail.

According to Edmund Burke, who was now the private secretary to the Marquess of Rockingham and the Member of Parliament perhaps most closely connected with the government plans to alter the commercial structure of the Empire, the Rockingham ministry was engaging in a “compleat revision of all the Commercial Laws, which regard

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350 See the testimonies of Mr. Kelly, Mr. Watson, Mr. Wentworth, and Mr. Hale on 27 March 1766 in Simmons and Thomas, Proceedings and Debates of the British Parliaments Respecting North America 1754-1783, Vol. II., 360-365.
our own or the foreign Plantations, from the act of Navigation downwards.\textsuperscript{351} Indeed, not only had the Rockinghams committed themselves to lowering the American Duties, but for some time had been examining the possibility of opening Free Ports in Dominica, and to a certain degree, also in Jamaica.\textsuperscript{352} These free ports would be released from the protectionist trading restrictions ordinarily imposed by the Navigation Acts.\textsuperscript{353} It would allow for the importation to Dominica of various foreign colonial products free of the regular duty from where they could be imported as domestic products to anywhere other than Britain itself.\textsuperscript{354} Although some historians have claimed that the object of obtaining a free port in the West Indies was a ‘novel’ project of the American merchants,\textsuperscript{355} there is evidence to suggest that ideas for a free port had been pitched to the Bute ministry by both colonial officials and combinations of English merchants as early as 1762.\textsuperscript{356} Although their plans were not identical those taken up by the Rockingham Whigs in 1766,\textsuperscript{357} the general idea behind them, of the necessity of modifying the Trade and Navigation Acts in order to respond to new dynamics in imperial commerce and thereby expand “the trade of all our Colonies to the Mother Country”, remained consistent throughout.\textsuperscript{358} It is thus clear that the Rockingham Whigs were responding not to a ‘novel’ project of the American merchants in 1766 but rather to a more general trend

\textsuperscript{351} ‘Edmund Burke to Charles O’Hara’ 4 March 1766, in Copeland (ed.) \textit{The Correspondence of Edmund Burke}, Vol. I., 240.

\textsuperscript{352} ‘Marquess of Rockingham to King George III’ 9 May 1766 in Fortescue (ed.) \textit{Correspondence of King George the Third from 1760 to December 1783}, Vol. I., 306-7.

\textsuperscript{353} Philip Lawson, “George Grenville and America: The Years of Opposition, 1765 to 1770,” \textit{The William and Mary Quarterly} 37, no. 4 (October 1980): 564.

\textsuperscript{354} Thomas, \textit{British Politics and the Stamp Act Crisis}, 270.

\textsuperscript{355} Ibid., 256.

\textsuperscript{356} See ‘Lieutenant Colonel Campbell Dalrymple to the Earl of Bute’ 27 February 1763, in Fortescue (ed.) \textit{Correspondence of King George the Third from 1760 to December 1783}, Vol. I., 45; see also, ‘Merchants of Whitehaven to Charles Jenkinson’ 23 December 1762, in Jucker (ed.) \textit{The Jenkinson Papers}, 107.

\textsuperscript{357} The merchants of Whitehaven requested a free port at the newly gained island of Grenada.

\textsuperscript{358} ‘Lieutenant Colonel Campbell Dalrymple to the Earl of Bute’ 27 February 1763, in Fortescue (ed.) \textit{Correspondence of King George the Third from 1760 to December 1783}, Vol. I., 45
toward freer trade, and one which had not been taken up by either the Bute or Grenville ministries despite their clear knowledge of its existence. The fact that Lord Northington, the Lord Chancellor, wrote to Rockingham in response some of the provisions that would come to make up the Free Port Bill as early as October 1765, shows that it was an early object of the Rockingham ministry, one which predated the decision to repeal the Stamp Act as well as their concerted action with the American merchants.\textsuperscript{359} As a result, the commercial regulations put forward at the end of the Rockingham ministry cannot be dismissed by historians as a mere appendage to the more important repeal of the Stamp Act. It was a project of long-standing,\textsuperscript{360} it was consistent with their previous stance on the Grenville ministry’s American Duties Bill of 1764, and, more importantly, it can be seen as a significant breach in the commercial system which for many embodied the very \textit{raison d’être} of the Empire.

It is thus hardly surprising that the opposition to the Rockingham ministry, consisting primarily of the followers of William Pitt and George Grenville, took issue with the rather significant changes to Britain’s commercial system proposed by the administration. The opposition provided by William Pitt and his followers to the ministry in the House of Commons focused primarily on the issue of the free port. Although Pitt’s ally, William Beckford, was among the most vigorous opponents of the Rockingham ministry’s decision to further lower the molasses duty, it was not an issue to which Pitt

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\textsuperscript{359} ‘Earl of Northington to the Marquess of Rockingham’ 23 October 1765, in Sheffield Archives WWM/R/1/513.

\textsuperscript{360} In addition to the evidence that William Dowdeswell, Rockingham’s Chancellor of the Exchequer, had been looking into the provisions of the Free Port Bill concerning the trade in bullion between Jamaica and New Spain, Edmund Burke also reports to his intimate friend Charles O’Hara that “This you see will find me at least as much Business as the Evidence on the Stamp Act; but it is a Business I like,” in ‘Edmund Burke to Charles O’Hara’ 4 March 1766 in Copeland (ed.) \textit{The Correspondence of Edmund Burke}, Vol. I., 240. Some of the fruits of this research regarding the necessity of modifying the Navigation Acts may be found in a document from Rockingham’s papers entitled ‘Notes by [Edmund Burke] on the main points included in 12 Charles II c. 18 (1660), Navigation Acts’ in Sheffield Archives WWM/R/1/548.
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himself was particularly opposed. Beckford, a West Indian sugar planter, had been a supporter of Grenville’s 3d. duty on foreign molasses, which would still allow molasses from British colonies (which faced an import duty of 1d.) to be competitive.\footnote{Paul Langford is one of the few historians to pick up on the all-important fact that even molasses imported from British West Indian colonies was facing a duty of 1d. per gallon, see Langford, The First Rockingham Administration, 202.} However, Beckford argued that the Rockingham ministry, by lowering the duties on molasses, were developing a scheme for the benefit of the North American merchants and the French at the expense of the Great Britain and the West Indies, since it would allow the French colonies to undersell the sugar coming from the British West Indian islands.\footnote{Commons Debate, 30 April 1766 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America 1754-1783, Vol. II., 376.} Although it is clear that William Pitt and his friends viewed the commercial regulations of the Rockingham ministry as “a question of such importance”,\footnote{‘Thomas Nuthall to William Pitt’ 8 May 1766, in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham, Vol. II., 418.} Pitt himself wrote to his close friend Thomas Nuthall “as to molasses, I have little to say: I think a penny best.”\footnote{‘William Pitt to Thomas Nuthall’ 11 May 1766, in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham, Vol. II., 420-421.} In a speech to Parliament, on the same day as William Beckford’s opposition to the Rockinghamite American Duties, Pitt only slightly altered his rhetoric, stating that there was “No danger in lowering the molasses duty. But it was an inadmissible reason that [the Americans] did not like it. He was for the reduction, only to raise it.”\footnote{Commons Debate, 30 April 1766 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America 1754-1783, Vol. II., 377.} Pitt’s reaction to the American Duties, therefore, was not \textit{strictly-speaking} one of opposition. He appeared to support the lower duties insofar as they would be able to reduce the amount of smuggling, after which he would be in favour of raising them again. Pitt had taken a distinct stance against smuggling in 1764, and it is only through a single
document from the hand of George Grenville that we hear of Pitt being against Grenville’s efforts to curb smuggling in North America.

The followers of Pitt, however, were fully united in opposition to the Free Port Bill. Even Charles Townshend, who can be seen gravitating toward the figure of William Pitt in 1765-66, and who had rejected a position in Cabinet under the Rockingham ministry in the (we now know rather astute) belief that it would not last, stood in opposition to the Free Port Bill, in practice, if not in principle. Of course, Townshend supported the lowering of the American Duties, which was a measure he had championed since he was at the head of the Board of Trade in 1763. On the subject of the free port, however, Townshend noted its “vague determination” and claimed that pursuit of the measure would be “improper to the highest degree unless Great Britain was sure that every article of import and export was in her favour; which in fact is directly otherwise.”

Thus, his views coincided with those of Pitt and his followers. Pitt himself claimed that Britain’s sugar colonies were “being sacrificed to a speculative project” in free trade, adding that he hopes “this unsolid idea of a free port is quite rejected and exploded.”

Beckford went one step further, and during the examination of witnesses in the American Committee of the House of Commons on 6 May 1766, he brought in and examined a merchant from Jamaica named “Mr. Collett.” Thomas Collett opposed both the lower duty of 1d. per gallon and the idea of a free port in Dominica which he described as “a most pernicious thing, as it would open a scene to smuggling, worse than

366 Ibid., 377.
the Isle of Man, and which no restrictions could prevent.”368 At this point, it was clear that Collett agreed with Pitt and Beckford about the Free Port Bill. However, just two days later he lent his name to a compromise agreement between American and West Indian merchants in support of the government’s measures on free ports.369 Although it fits nicely in a certain narrative of the politics of interest, there is no convincing evidence that William Pitt altered his views on the free ports. The supposed loss of his support certainly does not appear to be the reason behind the decision of the West Indian merchants to come to a compromise with the Rockingham ministry.370 Nonetheless, the opposition of Pitt was quite guarded, and certainly less principled than that of George Grenville, who—quite rightly—saw the American Duties and Free Port bills as an affront to the measures pursued during his administration.

Grenville not only opposed the lowering of the duty on foreign molasses, but also took a principled stand against the notion of a free port within the British Empire. He was quick to remind the House of Commons that his policy of a 3d. per gallon duty was in fact not an arbitrary one but was actually reached through a compromise between the West Indian and American merchants. Grenville added that the lowest the Americans

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369 This agreement is printed in Sutherland, “Edmund Burke and the First Rockingham Ministry,” 71.
370 The eminent historian Paul Langford, in an attempt to further support his view that the Rockingham ministry was almost entirely dependent upon the views of Pitt and that they were too timid to act without him, has pointed to a comment made by Pitt in the Commons debate of 30 April 1766 that he wished to hear expert evidence about the merits of the free ports as proof that he no longer opposed the scheme. It is this evidence he uses to brush aside the letter he sent to Thomas Nuthall (quoted above) on 11 May in which he indicates that he still detests the idea of free ports. However, during the very same debate (of 30 April) quoted by Langford, Pitt also indicates that he is “against the free port. Wishes it to go off, to die. Preposterous to send it to the Board of Trade.” This suggests that in both public debates and private correspondence, Pitt in fact did not change his mind on the issue of free ports—in both he continued to vigorously oppose it. As a result it also undermines the theory that the Rockingham ministry would not have gone ahead with their proposals without the support of Pitt. For Langford’s analysis see his The First Rockingham Administration, 204; and for the debate in which Pitt continues to oppose the free port scheme, see Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America 1754-1783, Vol. II., 377.
themselves had requested in 1764 was 2d. and therefore he believed the Rockingham ministry’s plans were going too far.\footnote{Commons Debate, 30 April 1766, in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783}, Vol. II., 376.} He noted that “a penny per gallon and five farthings was what they usually paid for cheating [i.e. smuggling].”\footnote{\textit{Ibid.}, 376.} But surely in order to curb smuggling, having an import duty that is lower than the penalty one would incur for being caught smuggling is absolutely essential. Nonetheless, Grenville was harshly critical of the supposed influence of the North American merchants upon the policies of the Rockingham ministry, publicly denouncing the “overbearing and delegation of administration to a Club of North American Merchants at the Kings Arms Tavern.”\footnote{‘J. West to the Duke of Newcastle’ 30 April 1766, B.L. Add. MS. 32975 f. 58 quoted in Sutherland, “Edmund Burke and the First Rockingham Ministry,” 66.} To Grenville, the result of this was higher taxes for Britons while America continued to be defended against paying its share. Grenville’s strong opposition to the lowering of the molasses duties can even be seen in the very narrative of the debates in the House of Commons. Since the primary source for these debates is the parliamentary diary of James Harris, a strong supporter of Grenville both in and out of office, one can read of the “heavy and confused” manner in which William Dowdeswell supposedly introduced the plan, not to mention its description as “a further favour to the rebellious Americans” that is “confessedly destructive to this country.”\footnote{Commons Debate, 30 April 1766, in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783}, Vol. II., 376.} Harris himself, in a rare description of his own actions, notes that he opposed the free port in Dominica since it would simply open the door for smugglers.\footnote{Commons Debate, 9 May 1766, in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783}, Vol. II., 389.} Grenville’s own critique of the Free Port Bill, however, was, in ideological terms, by far the most serious. To him, the creation of a free port was no less
than a breach of the “sacred Act of Navigation.” By removing the protectionist measures provided by the Acts of Navigation, the Free Port Bill could be seen as a dangerous precedent, but also called into question the very purpose for which Britain engaged in the imperial project. Grenville and his closest advisor in American affairs, Thomas Whately, discussed the dangers of freeing the trade without creating the necessary restrictions. It is clear that Grenville’s faith in the system of trade defined by the Navigation Acts determined his policies to ignore calls for free trade in 1764 and to maintain the higher protectionist duties on foreign molasses; it is no less clear that it was the same principles which guided his opposition to the Rockingham ministry’s American Duties Act of 1766 and its accompanying Free Ports Act. Notwithstanding Grenville’s opposition, the American Duties Act and Free Port Bill each passed through Parliament with little difficulty and very low attendance.

There still looms an important question: was there really a difference of opinion or imperial ideology that occurred over the American Duties Acts of 1764 and 1766 and the Free Ports Act of the same year? Historians are largely split on the issue. Some have claimed that the American Duties Act of 1766 was a direct continuation of Grenville’s fiscal policy, whereas others have claimed that the commercial measures pursued by the Rockingham Whigs towards the end of their tenure in office constituted “the most

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378 Lawson, “George Grenville and America: The Years of Opposition, 1765 to 1770,” 563.
fundamental changes of the century in British trading policy.”\textsuperscript{381} How can this apparent discrepancy be resolved? Perhaps it cannot. But the views of contemporaries about what they thought they were doing by proposing or opposing these policies must be given serious consideration. It is obvious that the Rockingham ministry understood well the gravity of the measures they were proposing. Edmund Burke noted that “we are, it is true, demolishing the whole Grenvillian Fabrick.” His fear was not that too much damage would be done to the Navigation system as championed by Grenville, but that too much “will remain in spite of all our Labours”\textsuperscript{382} For the Rockingham ministry, the Navigation Acts as they stood were not in any way sacred, for nothing sacred could want correction in the manner required of the Navigation Acts.\textsuperscript{383} This is not merely rhetoric. If the major provisions of the two Rockinghamite Acts are examined side-by-side, it can be seen that they both remove the protectionist measures provided by the Navigation Acts, even if they do not fundamentally alter the fact that the main beneficiary of the imperial system is Britain.\textsuperscript{384} Although it is obvious that the Free Ports Act removed protectionist measures and allowed importation of certain foreign goods at the same duties charged to other British colonies, it is not so easy to determine how the American Duties Act of 1766 accomplished the same end. Rather than lowering the duty on foreign molasses to 2\textit{d.} per gallon, the Rockingham Whigs lowered it to 1\textit{d.} which made it exactly the same

\textsuperscript{381} Sutherland, “Edmund Burke and the First Rockingham Ministry,” 59; see also Langford, \textit{The First Rockingham Administration}, 207.

\textsuperscript{382} ‘Edmund Burke to Charles O’Hara’ 23, 24 April 1766, in Copeland (ed.) \textit{Correspondence of Edmund Burke} Vol. I., 252.


\textsuperscript{384} Martyn Powell has argued that the Rockingham imperial policy “represented a continuing assumption in London that the interests of the empire remained subordinate to those of the mother country.” Using that formula, one could argue that even the 19th century free trade movement was in no way divergent from the old Navigation System, which seems absurd. Was it an entirely new system established in 1766? No. But it did represent a ground-breaking effort to look for measures beyond the traditional protectionist system in order to expand imperial trade.
duty which was required of molasses from British colonies, thus removing, in part, the
privileged trading status of British colonies within the Empire. In that way, both Acts
could be, and were, seen as a distinct breach in the “old imperial system.” Since the
Rockingham Whigs had removed the protectionist measures attached to the duties on
molasses, it has been convincingly argued by several eminent historians that the Act was
no longer a trade regulation but was “a revenue duty, pure and simple.” This is often
mentioned in an attempt to either point out the inconsistencies in the Rockingham party’s
position on America or in an effort to deny that any real differences existed between
British politicians on the subject. As the evidence presented here should make quite clear,
the Rockingham Whigs were not inconsistent over the issue of American taxation—they
never denied Parliament’s right to do so. In fact, they positively affirmed Parliament’s
right to do so through the Declaratory Act (discussed below), and managed to pass an
uncontroversial revenue duty on molasses that resulted in raising revenues of
approximately £20,000 per annum, by far the largest revenue derived from the American
colonies by the Westminster Parliament. More importantly, however, it has been
shown that there were distinct differences between the various political factions over the

385 George Grenville quoted in Thomas, British Politics and the Stamp Act Crisis, 253.
386 Thomas, The Townshend Duties Crisis, 9; see also Langford, The First Rockingham Administration, 208.
387 P.D.G. Thomas reports that there was little or no colonial protest against the Rockingham ministry’s
alteration to the molasses duty. Indeed, it would be surprising if there was a protest. They lowered the duty
further than the Americans had asked in 1764. And, more importantly, unlike Townshend’s subsequent
distinction between internal and external taxes, the Rockinghams never portrayed their alterations to the
duty as a revenue measure, it was discussed and conceived as a regulation on trade which happened to raise
a revenue. Alongside the repeal of the Stamp Act, it is not difficult to see why Americans did not protest
and conceived it as a reaction to the American policies of George Grenville.
388 Langford, The First Rockingham Administration, 207.
American Duties Bill and the Free Ports Act that were not merely an accident of who happened to be in power at a given time.\(^{389}\)

In order to complete this analysis of the ideas of British political groups on the American problem in the years 1765-66 it is necessary to examine the formulation and repeal of the Stamp Act as well as the Rockingham ministry’s decision to enact a Declaratory Bill concerning Parliament’s right to tax and legislate for the American colonies. As George Grenville reported following his introduction of the American Duties Bill of 1764, “some further tax will be necessary to defray the expense of North America.” He added that stamp duties would be “the least exceptionable” mode of taxation since “it requires few officers and even collects itself.”\(^{390}\) Although he proceeded with the American Duties that year, Grenville postponed discussion of the Stamp Act until the following year, 1765, in order “to gain all possible information and to give Americans an opportunity of conveying information to this House.”\(^{391}\) The idea of stamp duties was not a novel one when Grenville presented it to the House in 1764. Indeed, Britain itself had been subject to stamp duties on legal documents since the reign of William III,\(^{392}\) and these had since been extended to cover newspapers, pamphlets, playing cards, and many other articles.\(^{393}\) Stamp taxes were also not unheard of in America. The colonial assemblies of New York and Massachusetts had in the past attempted to impose stamp duties and both measures ended in failure due to their

\(^{389}\) It is clear that the Rockingham party brought into government certain assumptions and principles which guided their conduct while in opposition; Grenville’s party on the other hand fought in opposition for the principles they defended while they were in office.


unpopularity among the populace. Perhaps British politicians should have been far more cautious of attempting to implement such an unpopular measure from across a vast ocean; but the evidence points to the fact that stamp duties were regularly proposed to British ministers as a possible form of colonial taxation—they had been proposed at least half a dozen times since 1722. The only innovative aspect of the Stamp Bill proposed by George Grenville in 1765 was the fact that it was the first time a British government had committed itself to implementing such a plan.

In presenting the idea of the stamp duty to Parliament in 1764, Grenville, presumably to pre-empt the opposition, brought up the question of the right of Parliament to lay an internal tax on the colonies. He said that “he is convinced this country have the right to impose an inland tax.” Far from being “uneasy” about the constitutionality of his actions as some historians have suggested, Grenville challenged the House, stating “if any man doubts the right of this country, he will take the opinion of the Committee immediately.” The opposition, not surprisingly, did not take up his challenge—indeed they focused almost exclusively on the more immediate American Duties Bill as described above. Grenville, therefore, postponed the discussion of stamp duties and the issue lay dormant until early 1765. Historians, however, have considered this postponement an issue of great importance. E.S. Morgan and P.D.G. Thomas have expressed considerably different views on the subject. Morgan relied on the correspondence of colonial agents with their assemblies in America to support his theory

394 Derry, English Politics and the American Revolution, 54.
395 Thomas, British Politics and the Stamp Act Crisis, 69.
396 Commons Debate, 9 March 1764, in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783, Vol. I., 489. The historian who has most famously, and doubtfully, claimed that Grenville exercised caution and uneasiness over the constitutionality of his actions is Jack Greene, see his Constitutional Origins of the American Revolution, 68.
that Grenville acted in bad faith toward the colonies by postponing the stamp duties in order that they might propose a means to raise the taxes themselves before subsequently changing his mind. Thomas, on the other hand, denies that Grenville ever made such a proposal to the colonial assemblies and claims that he did not change his mind. For his evidence, Thomas relies on the Parliamentary diaries of Nathaniel Ryder and James Harris. And indeed, Thomas’s view is significantly strengthened by the fact that James Harris was not only seated beside George Grenville when he delivered his speech introducing the stamp duties, he was also one of Grenville’s lords of the treasury, and thus would have been well acquainted with Grenville’s plans. It appears, in the light of extant evidence, that Thomas’s interpretation is the only one which can seriously be held by historians. Morgan requires proof of Grenville’s supposed volte face and it is simply lacking in the second-hand accounts and post-facto justifications of American agents. As we have seen above, Grenville himself in both 1764 and 1765 claimed that the reason for the postponement was to gather the necessary information before drafting the Bill and presenting it to Parliament.

398 Thomas, British Politics and the Stamp Act Crisis, 72. Thomas’s line of reasoning has been supported by other eminent historians, see Ian Christie and Benjamin W. Labaree, Empire or Independence 1760-1776: A British-American Dialogue on the Coming of the American Revolution (New York: W.W. Norton, 1976): 38-39; and Lawson, George Grenville: A Political Life, 196-197.
399 There is an account of Grenville’s discussions with colonial agents by Israel Mauduit, brother of the colonial agent for Massachusetts Bay, Jasper Mauduit, found in the papers of Charles Jenkinson. It was clearly written several years after the events (discussing the resistance to the Stamp Act and its repeal in 1766) and, as a result, can hardly stand up to critical scrutiny when strict interpretation of exact quotes is necessary. See Jucker (ed.) The Jenkinson Papers, 306-307.
400 Thomas in his British Politics and the Stamp Act Crisis, 79, doubts this reasoning since little change was made to the bill after 1764 despite the information gathering. However, this could mean either that the information merely served to corroborate the view already held about the propriety of the proposed stamp duties, or that Grenville was simply unwilling to engage in two concurrent projects of colonial taxation, which would surely have angered the colonies further. This is, of course, merely conjecture but is as plausible, considering the paucity of evidence, as many of the other theories outlined by historians.
George Grenville picked up on the idea of a colonial stamp duty in order to defray the expenses of the government and security of North America through an idea submitted by Henry McCulloh. McCulloh had previously submitted three proposals to the Duke of Halifax, who was president of the Board of Trade, in 1751, 1757, and 1761.\textsuperscript{401} It was while Charles Jenkinson, Grenville’s secretary to the treasury, was working on the provisions of the amendments to the Molasses Act in July 1763 that he received a proposal from McCulloh for a colonial stamp duty.\textsuperscript{402} In his proposal, McCulloh stated that a stamp duty could raise upwards of “sixty thousand sterling per annum; or, if extended to the West Indies, would produce double that sum.”\textsuperscript{403} It appears that Grenville and Jenkinson both warmly approved the idea and began the process of formulating the Bill shortly thereafter. By February of 1765 Grenville could proclaim confidently to the House that “the officers of the revenue have done their duty in gaining all possible knowledge of the subject.”\textsuperscript{404} Despite their increased knowledge, however, Grenville had heard objections from the colonies to the proposed stamp duties during the year’s postponement and thus wished to avoid a debate about the British Parliament’s right to tax them. It was here that Grenville presented his controversial concept of virtual representation, through which he argued that the entire Empire, including many parts of the British Isles, that did not \textit{actually} send representatives to Westminster, were

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\textsuperscript{401} Jack Greene, “‘A Dress of Horror’: Henry McCulloh’s Objections to the Stamp Act,” \textit{Huntington Library Quarterly} 26, no. 3 (May 1963): 254.
\textsuperscript{404} Commons Debate, 6 February 1765, in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America 1754-1783}, Vol. II., 9.
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represented there *virtually* and therefore could be taxed.\(^{405}\) Grenville argued that the Navigation Acts, the American Post Office, and the Molasses Act were all examples of Parliament exercising its legal right to tax the colonies. With the Empire suffering under the mountain of debt accumulated during the past war, Grenville stated that “the true way to relieve all is to make all contribute their proper share.”\(^{406}\) Since Britain itself was experiencing new taxes in the form of the cider tax and the extra shilling on the land tax, the only reason for which the stamp duties could be considered improper was from an inability of the colonies to pay them. Since their debts were low and their taxation thus far light, Grenville concluded that they could not possibly experience an inability to pay the rather paltry sums expected to be raised through the stamp duties.\(^{407}\) Indeed, he believed it would not be burdensome either to the British or the Americans. It would collect itself since any unstamped legal documents would be considered null and void and the revenue collected from it would only increase in proportion to the wealth of the population. Grenville brought his arguments to a close by stating that he had not heard any response from North America suggesting an alternative to the stamp duties.\(^{408}\) Grenville was supported in this debate, the only significant debate recorded on the Stamp Act, by such important figures as Lord North and Charles Townshend. North, who would be First Lord of the Treasury himself between 1770 and 1782, praised the prudence and caution of Grenville’s ministry in postponing it for a year, having supposedly heard no


\(^{408}\) *Ibid.*, 11; This statement perhaps gives credence to Philip Lawson’s claim that one of the reasons Grenville chose to postpone the stamp duties was to obtain the views and, presumably the approbation, of the colonial assemblies. See Lawson, *George Grenville: A Political Life*, 197.
complaints from the colonies. Charles Townshend, who, it will be remembered, opposed Grenville on the molasses duties in 1764 and 1766, praised the assertion of Parliament’s right to tax the colonies. In short, he felt that “if America looks to Great Britain for protection, she must enable her to protect her. If she expects our fleets, she must assist our revenue.” Even Charles Yorke, who is often associated with the Rockingham Whigs because of his family connections, but who was currently providing his nominal support to the ministry in the hopes of obtaining office, spoke in favour of the Stamp Act. He accepted Grenville’s arguments in favour of virtual representation and the sovereignty of the Westminster Parliament over the Empire. Importantly, however, Yorke cited the case of Ireland as a precedent for behaviour towards America. He described Ireland as “our principal colony” and noted that Parliament had voted to maintain 12,000 troops there and these were to be paid for by Ireland itself. Indeed, Grenville had gained an enormous amount of support in favour of his American stamp duty, obtaining a vast Commons majority of 196 (245 for, 49 against) in the only vote taken during its passage through Parliament.

The rather meagre opposition to Grenville’s Stamp Act in 1765 powerfully reveals the state of British imperial political ideology at the time concerning imperial affairs and of party divisions in general. For the Newcastle and Rockingham Whigs, the American stamp duties do not appear to have been an issue of any real significance. As

410 Ibid., 13.
Peter Thomas has noted, even the voluminous correspondence of the Duke of Newcastle in the months of February and March 1765 makes no mention of the stamp duties.\textsuperscript{414} Indeed, in the Parliamentary debates, only Sir William Meredith and, to a lesser extent, Rose Fuller stood in the House to offer criticism of Grenville’s proposed stamp duties on behalf of the Newcastle-Rockingham connection. Both Meredith and Fuller pointed to the impropriety rather than the constitutionality of the stamp duties as the reasons for their opposition.\textsuperscript{415} Although he came close to questioning the constitutionality of taxing America, Sir William Meredith rested his argument on an awkward suggestion that America could only legitimately be taxed if Britain was also taxed.\textsuperscript{416} In light of the comparatively heavy tax burdens faced by Britons at home, it is hardly surprising why this particular argument failed to move British parliamentarians. Fuller noted that the stamp duty was a different kind of tax to that of the Post Office (presumably in that it did not set up a necessary service) and he worried that the duties may cause “discord and confusion.”\textsuperscript{417}

How can historians account for this lacklustre opposition to the Stamp Bill when it was this same group of politicians who pushed through its repeal only a year later? Several reasons can help account for the poor showing of opposition in Parliament against the stamp duties. The first and perhaps most obvious was the sheer popularity of Grenville’s measures. The opposition would not have been able to defeat the ministry’s American measures even if they had a particular reason to do so—the proof of this lies in

\textsuperscript{414} Thomas, \textit{British Politics and the Stamp Act Crisis}, 86.
\textsuperscript{416} \textit{Ibid.}, 13.
\textsuperscript{417} \textit{Ibid.}, 13.
the fact that the opposition only forced one division against the Stamp Bill, and in it they
were utterly crushed by the extremely high numbers for the ministry. But if one
examines the stance of the opposition on American issues from 1763 and 1764, it
becomes clear that they had no particular reason to oppose the stamp duties at the time.
They had previously taken positions supporting lower duties on molasses for the purpose
of raising greater tax revenue. There is evidence, through Meredith’s and Fuller’s
speeches in the House of Commons, that members of the opposition were apprehensive
about the propriety of raising internal taxes in the colonies. Importantly, however,
nobody among the Newcastle-Rockingham connection went so far as to question the
right of Parliament to raise such taxes. In short, it is only when one views the events of
the passage of the Stamp Act through Parliament in 1765 with an eye to its subsequent
repeal a year later that the actions of the opposition appear to be surprising. There was no
apparent crisis in Anglo-American relations in early 1765. The opposition to the
American Duties Act of 1764 in America was relatively muted when compared to the
subsequent response to the Stamp Act. But nobody in administration, nor in opposition
was prepared for the violent reaction of the North American colonies towards the stamp
duties. Even prominent and well-informed colonists then in London, such as Benjamin
Franklin and Jared Ingersoll, did not anticipate such a response as they pushed for close
friends and family members to receive the new sought-after posts of stamp distributors. If
Peter Thomas is correct in suggesting this as a good reason to believe that under such
circumstances “Grenville’s administration cannot be blamed for lack of foresight,” then

418 Thomas, British Politics and the Stamp Act Crisis, 20.
419 Derry, English Politics and the American Revolution, 55.
surely the same can be said of the opposition.\textsuperscript{420} Neither the government nor the majority of opposition MPs can be said to have anticipated the crisis which resulted from the passage of the Stamp Act, and, as a result, it is not surprising to see that in 1765 they had not pre-emptively developed a response to such a crisis. Indeed, it would be a mistake for historians to read back into the actions of the opposition in 1765 any consistency or inconsistency on their ideas towards America, for they developed fundamentally in response to the crisis which emerged in the wake of the Stamp Act.

The other section of the opposition, roughly gravitating around the person of William Pitt, were more strenuous in their criticisms of the Stamp Act, and even of Parliament’s right to levy such an ‘internal’ tax, but they were no more successful than their counterparts in the Newcastle-Rockingham connection. Just as in 1764, Pitt himself was not present at the Parliamentary debates on the Stamp Act, and so his personal opinion is difficult to gauge.\textsuperscript{421} It is also important to note that although members of the Newcastle-Rockingham connection were still trying to obtain an opposition alliance with William Pitt, by late 1764 he had refused all connection with the Duke of Newcastle and his friends, an act which was reinforced in March 1765.\textsuperscript{422} Indeed, by this time, Newcastle exclaimed that “the opposition is dwindled down to nothing”, providing

\textsuperscript{420} Thomas, \textit{British Politics and the Stamp Act Crisis}, 100.

\textsuperscript{421} Marie Peters, “The Myth of William Pitt, Earl of Chatham, Great Imperialist Part II: Chatham and Imperial Reorganisation 1763-1778,” \textit{The Journal of Imperial and Commonwealth History} 22, no. 3 (1994): 395. In this work Peters seems to suggest that Pitt had chosen not to attend the meetings concerning American issues because he did not feel they were of adequate importance. However, it is well-known that Pitt was a life-long sufferer from gout and this kept him out of parliamentary business for extended periods of time. This same impression of Pitt using his illness to escape difficult parliamentary issues is found in P.D.G. Thomas, “‘The Great Commoner’: The Elder William Pitt as Parliamentarian,” 154.

\textsuperscript{422} See ‘William Pitt to the Duke of Newcastle’ [14 November 1764] in Sheffield Archives WWM/R/1/440; ‘Duke of Newcastle to the Duke of Portland’ 12 December 1764 in University of Nottingham, Manuscripts and Special Collections, Pw F 7464.
Grenville with a “champ libre.” Nonetheless, Pitt’s allies William Beckford and Isaac Barré provided strong arguments in opposition to Grenville’s proposed stamp duties. Speaking first, Beckford provided the first exposition of what would become the famous Pittite distinction between internal and external duties. While maintaining his approval of the American Duties raised in 1764, Beckford claimed that they were not the same as internal, or direct taxation such as the proposed stamp duties. He asserted his belief that the Americans also made such a distinction between the two forms of taxation and that, since there had been no precedent for such direct taxation of the colonies, it would be dangerous to attempt. Barré, in his characteristically acerbic manner, suggested that Parliament exercise caution “lest power be abused, the right subverted, and 2 million of unrepresented people [be] mistreated and in their own opinion slaves.” He went on to call the proposed stamp duties “inflammatory and dangerous” and claimed that the colonies “tremble at it.” Like others, however, Barré focused his criticism on the propriety of the proposed taxation rather than the right of Parliament to promulgate it. He appeared to recall with some nostalgia the supposed period of ‘salutary neglect’ when he exclaimed to the House of Commons that the colonies had “flourished not by our care but by our neglect. They have increased while we did not attend to them. They shrink under our

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423 ‘Duke of Newcastle to the Marquess of Rockingham’ 26 March 1765 in Sheffield Archives WWM/R/1/447.
424 Gauci, William Beckford: First Prime Minister of the London Empire, 120-122.
427 ‘Salutary neglect’ refers to the period from roughly the mid-1720s to 1763, in which British ministers are thought to have made a deliberate policy of ‘neglecting’ to interfere in the internal policies of the colonies, and this included taxation. However, this period has been revised through the research of Jack Greene to be applicable (if at all) only up until 1748, see Mason “Britain and the Administration of the American Colonies” in Dickinson (ed.) Britain and the American Revolution, 22; the extent to which the neglect can even be considered ‘salutary’ is questioned in Eliga Gould, The Persistence of Empire: British Political Culture in the Age of the American Revolution, 109.
hand.”⁴²⁸ From the diary of George Grenville, we know that William Pitt did indeed oppose the taxation of America at this time, but his particular arguments were not brought forward to Parliament.⁴²⁹ It is perhaps revealing, however, that Pitt would later take up the distinction between internal and external taxation championed in this case by Beckford.

The Parliamentary opposition’s meagre and unsuccessful criticisms of the American Stamp Act were completely overshadowed by the violent response of the Americans later in 1765. Indeed, the optimism displayed in the correspondence of Charles Jenkinson in the months after its passage was cast into doubt as evidence of riots, protest, and even violence began to reach Britain.⁴³⁰ In the meantime, for reasons which have nothing to do with his American policies, the ministry of George Grenville was replaced by one under the Duke of Cumberland, the King’s uncle, but nominally under the leadership of the Marquess of Rockingham.⁴³¹ The ministry was now effectively headed by those who had shown little enthusiasm for Grenville’s Stamp Act, but nor had they gone to any great lengths to oppose it. This change of administration was all the more important as by the late summer and early autumn of 1765, reports began to arrive in Britain of serious disturbances throughout the North American colonies related to the

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⁴³⁰ For Jenkinson’s optimism see ‘Charles Jenkinson to George Grenville’ 19 June 1765 in Jucker (ed.) The Jenkinson Papers, 365.
⁴³¹ For the explanations of the downfall of Grenville’s ministry, which have nothing to do with America and thus are not within the scope of this work, see Derek Jarrett, “The Regency Crisis of 1765,” The English Historical Review 85, no. 335 (April 1970): 282-315; and G.M. Imlach, “Earl Temple and the Ministry of 1765,” The English Historical Review 30, no. 118 (April 1915): 317-321. For the view that the Duke of Cumberland was the effective head of the Rockingham ministry in its early months, see Langford, The First Rockingham Administration, 42-43.
Stamp Act. These reports variously detailed the inability of the appointed stamp officers to conduct their duties in the face of protest and violence in numerous colonies. During the generally politically quiet months of autumn, the newly formed Rockingham ministry, under the guidance of the Duke of Cumberland, faced a significant choice: to respond with firmness and pursue the enforcement of the Stamp Act through whatever means necessary; or to engage in a risky political campaign to repeal the Act.

The indecisiveness of the Rockingham ministry in the face of reports of colonial discontent has been the subject of much controversy among historians. The main concern of this debate revolves around various interpretations of the circular letter sent to the colonies by the Secretary of State, Henry Seymour Conway, in response to the news of American disturbances. Paul Langford argues that Conway, in this letter, did intend for the colonial governors to use the military to enforce the Stamp Act. Peter Thomas, on the other hand, suggests that Conway’s orders were not intended to be put into force, and that the “instructions were a piece of face-saving promulgated to avoid any subsequent charge of negligence.” In light of the extant evidence, it appears that Thomas’s view, more recently corroborated by John Bullion, is more plausible. The first orders from the Rockingham administration to America came from the Treasury, which told Governor Bernard of Massachusetts Bay “to take care that His Majesty’s Revenue suffers no

432 A number of letters which describe riots, the burning of stamp distributors in effigy, the destruction of property, and more can be found in Rockingham’s political papers. See ‘Martin Howard to ‘Sir’ 9 October [1765] in Sheffield Archives, WWM/R/1/501; ‘Governor Thomas Boone to the Marquess of Rockingham’ 8 November 1765 in Sheffield Archives, WWM/R/1/522; and ‘N. Sparhawk to [Rockingham?]’ [c. November 1765] in Sheffield Archives, WWM/R/1/532. A list of such disturbances as were reported to the Secretary of State’s office can also be found among the Supplementary Grenville Papers, B.L. Add. MS. 57835, ff. 99-100.

433 Langford, The First Rockingham Administration, 80-83. Langford blames this policy on the Duke of Cumberland, who he claims possessed a willingness to enforce the Stamp Act in the colonies. However, even Langford admits that the evidence of Cumberland’s political views in 1765 is lacking since the Duke burned his personal papers “at regular intervals.” See Ibid., 43.

434 Thomas, British Politics and the Stamp Act Crisis, 138.
Detriment, or Diminution” and to “inforce a due Obedience to the Laws.”435 On 22 October, the Privy Council came to the decision that “Sec.[retary] Conway do immediately write letters to the several governors of his m.[ajesty’s] colonies in N.[orth] Am.[erica] Signifying his m.[ajesty’s] pleasure to in their respective provinces provide by all prudent & proper methods for the support of the Honour and Safety of government & use all legal means to preserve peace & good order by a full Exercise of the civil Power…[if] it should be necessary to procure the aid of the military in support of the Civil Power that for that purpose the Governors of the Provinces do apply it.”436 When writing to General Thomas Gage, the Commander in Chief of the British forces in America, Conway warned “the Disturbances…will probably create Applications to You, in which the utmost Exertion of your Prudence may be necessary, so as justly temper your Conduct between that Caution and Coolness, which the Delicacy of such a Situation may demand, on one hand, & the Vigour necessary to suppress Outrage & Violence, on the other.”437 There are two common threads running through all the evidence compiled by historians on the subject which can be of use in interpreting the reasoning of the Rockingham ministry at the time. The first is that no document makes any specific reference to enforcing the Stamp Act, nor of any particular law. They discuss upholding the “Civil Power” and suppressing violence. Only the note from the treasury talks of enforcing “a due Obedience to the Laws” but that is also the only piece that does not at all mention the military. Secondly, in each reference to the military there are substantial qualifiers made upon its use. The instructions to the governors advise them to use

“prudent and proper methods” and “all legal means”; those to General Gage suggest that he use caution, coolness, and delicacy. Several months later, Conway explained his instructions in front of Parliament, claiming that they contained “everything proper to be done except that measure which he never could consent to, of enforcing the Stamp Law by a military force.”\textsuperscript{438} Perhaps it is excessive to suggest that the instructions were only face-saving measures; however, it is clear from the contemporary correspondence and Parliamentary speeches that they sought to avoid the use of force by all means, and only in the face of violence and insurrection were the ministers prepared to condone its use. The Rockingham ministry were \textit{not}, it seems, prepared to send troops to enforce the Stamp Act but they were ready to have them uphold the authority of the governors and the peace and order of the colonies.

When the instructions were sent the Rockingham ministry had not yet developed a response to the Stamp Act.\textsuperscript{439} In sending the instructions they were responding directly to the reports of violence and lawlessness emerging from the colonies. Within a month of these instructions and the untimely death of the Duke of Cumberland on 31 October, Rockingham had become the sole leader of the administration and a distinct policy towards the Stamp Act began to emerge.\textsuperscript{440} Indeed, in November both Rockingham and Conway made comments suggesting that they were heavily in favour of conciliatory

\textsuperscript{438} Commons Debate, 3 February 1766 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783} Vol. II., 135.
\textsuperscript{439} ‘Thomas Whately to George Grenville’ 17 October 1765 in Smith (ed.) \textit{The Grenville Papers}, Vol. III., 100. This letter suggests that the Rockingham ministry ordered Governor Bernard of Massachusetts Bay to “enforce the execution of the law vigorously” but that they were “undetermined about the measures to be taken and the mode of proceeding if the tumult continues.” Grenville obviously took these allegations from a trusted friend and advisor very seriously as less than a year later in Parliament he accused Conway of ordering force against America and called his instructions to the governors “specious and delusive directions.” See Commons Debate, 3 February 1766 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783}, Vol. II., 145.
\textsuperscript{440} Although it is certainly possible that the Duke of Cumberland’s death resulted in the development of a more conciliatory policy on the part of the Rockingham ministry, it is little more than conjecture to claim for Cumberland any particular views towards the enforcement of the Stamp Act.
measures towards America. With Rockingham claiming he “would give his Interest to repeal 100 Stamp Acts, before he would run the Risque of such Confusions, as would be caused by Enforcing it” and Conway stating that, because of his former opposition to the Stamp Act, he would find dealing with the American disturbances “doubly difficult, unless we find lenity the plan.” It is clear, then, that while Rockingham was drafting plans to work with merchants trading to North America to at least make amendments to the Stamp Act, he was indicating his willingness to repeal rather than enforce it. By early December, and with Rockingham’s support, the Committee of London Merchants Concerned with North American Trade sent petitions to the other major trading towns in Britain in order to draw up support to “procure the relief and encouragement of the North American trade” in the face of “increasing Embarrassments which threaten the loss of our depending property there as well as to annihilate the Trade itself.” This gathering of merchants was the product of secret negotiations between Rockingham and Barlow Trecothick. Shortly after these plans had gotten underway, the ministry received letters from General Gage, informing them that opposition to the Stamp Act had spread and that “unless the Act will from it’s own nature at length enforce itself, nothing but a very considerable Military force can do it.” If the cabinet as a whole were wavering on the issue of the Stamp Act, these developments can be said to constitute a turning point. Certainly Rockingham himself had been in favour of amending or repealing the Stamp

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Act as early as November, but following the meeting of the Cabinet on 12 December 1765 the Lord Chancellor, Northington, reported to the King that they were “fixed unanimously to yeild [sic] to the Insurrections & Clamours & not to support the Stamp-Act.” Northington himself, a close confidante of the King rather than a follower of Rockingham, claimed to be the lone voice in favour of sterner measures.445

Northington’s claims of unanimity among the Rockingham ministry, however, were grossly exaggerated. Although his own views on enforcement were not shared by any member of the Rockingham ministry—indeed, they would have been more at home among Grenville’s friends—there were important members of the Rockingham ministry who differed significantly when it came to opinions about the Stamp Act. Rockingham himself, as well as Conway, have been shown to have favoured conciliatory measures towards America. Conway, in fact, was the only member of the Rockingham ministry who had actually voted against the Stamp Act in early 1765.446 The Duke of Newcastle, who served as Lord Privy Seal in the Rockingham ministry, as early as October, expressed his views in favour of not enforcing the Stamp Act with any vigour.447 Other members of the Rockingham ministry, on the other hand, especially Charles Yorke and Charles Townshend, were in a difficult position.448 Indeed, both of them had spoke in favour of the Stamp Bill under the Grenville ministry and had not abandoned their

445 ‘Earl of Northington to King George III’ 12 December 1765 in Fortescue (ed.) The Correspondence of King George the Third, Vol. 1., 428-429. It is important to note that Northington had been consistently in favour of enforcing the Stamp Act. Indeed, for the Cabinet meeting that was called off due to the Duke of Cumberland’s death on 31 October, Northington had prepared a strong statement proposing the use of military force to achieve that end. See Thomas, British Politics and the Stamp Act Crisis, 139-140.


447 ‘Duke of Newcastle to the Marquess of Rockingham’ 12 October 1765 in Sheffield Archives WWM/R/1/504. This letter is important for it appears to show Newcastle inclining towards not enforcing the Stamp Act at an earlier date than that allowed by Langford. He still presents both sides and characteristically claims to be “at a loss in my own opinion what to do” but his arguments tend towards the view that more harm would arise from enforcing it.

448 Langford, The First Rockingham Administration, 126-127.
principles with regard to American taxation. Taking any action against the Stamp Act, whether amendment or repeal, was going to be a difficult task for any administration; but to do so with such eloquent speakers from their own ministry against them would make the task near impossible to fulfil on the floor of the House of Commons. During the Christmas recess, the chief members of the Rockingham administration gathered on several occasions to discuss policy towards America.\footnote{Evidence of these meetings can be gathered from Newcastle’s complaints to Rockingham in not having been included. See ‘Duke of Newcastle to the Marquess of Rockingham’ 1 January 1766 in Sheffield Archives WWM/R/1/550.} It was during these meetings that they came up with the decision which would provide, in the words of the Duke of Newcastle, both “\textit{authority & relief.}”\footnote{‘Duke of Newcastle to the Marquess of Rockingham’ 3 January 1766 in Sheffield Archives WWM/R/1/551} Although the question still remained about whether to repeal or amend the Stamp Act, the Rockingham ministry had decided to accompany this measure with a declaration, through new legislation, of the right of the British Parliament to tax the colonies. This determination came about as a result of the views of Charles Yorke, who pushed for a declaration of the right of Parliament. It is important to note that the subsequent Declaratory Bill was not an inconsistent measure of the Rockingham administration, they had never previously denied the right of Parliament and it was upon the basis of the Declaratory Act that they continued to act toward colonial taxation, as one can observe in their actions towards the American Duties Act of 1766 and the Townshend Duties of 1767.

Now that some kind of an imperial policy had been agreed upon by the Rockingham ministry it was necessary for them to defend their views in Parliament. This began, in earnest, on 14 January 1766, when the King’s speech was read at the opening of the parliamentary session. Charles Yorke had been responsible for penning the speech, in
which he said “you will find that the King cannot say less…as relates to the American disturbances.”451 The plan of the ministry, therefore, was to approach the upcoming session with caution in order to get a sense of the House before introducing their Declaratory Bill and the bill to repeal the Stamp Act. During the debates on the King’s speech and Address the ministry kept conspicuously silent.452 Secretary of State Conway, being the ministry’s leader in the House of Commons said a few words in support of Pitt’s sentiments against the Stamp Act, but the ministry largely left the debate to Pitt and Grenville.453 The first debate on the subject of the Stamp Act was an accidental one when on 27 January George Cooke, the Member for Middlesex, introduced the petition of the Stamp Act Congress to the House.454 This produced an unexpected debate when Pitt supported the receiving of the petition. Dowdeswell and Conway, at the head of the ministry, opposed receiving it but also wished not to reject it and so they moved for the order of the day “a Parliamentary way of getting rid of a question”, which was adopted without a division.455 The Rockingham ministry did not wish to be drawn into a debate on the Stamp Act before they had a chance to put their proposed resolutions before Parliament and before they had an opportunity to follow through with their concerted plan with the merchants to bring evidence before the House of Commons of British economic distress supposedly resulting from the Stamp Act. By the beginning of February they had formulated five resolutions which were to become the basis of the

451 ‘Charles Yorke to the Marquess of Rockingham’ 30 December 1765 in Sheffield Archives WWM/R/1/544.
453 Ibid., 82.
454 ‘Henry Seymour Conway to King George III’ 28 January 1766, in Fortescue (ed.) Correspondence of King George the Third, Vol. I., 246-247.
Declaratory Bill. These resolutions recognised that “Tumults & insurrections of the most dangerous nature” have occurred in North America “in manifest violation of the laws & legislative authority of this Kingdom”; that these revolts had been “encouraged & inflamed” by resolutions passed in “assemblies of the said provinces”; that directions be given to governors of the American provinces to bring to “deserved Punishment the Authors, Abettors and perpetrators [sic] in the said tumults & insurrections” and that the “assemblies…make proper recompence to those who have suffer’d in their persons and Property in consequence” of them; and most importantly, “that the Parliament of G.[reat] Britain had, hath, & of right ought to have full power, & authority to make laws & statutes of sufficient force & validity to bind the colonies of this Kingdom & people of America, subjects of the Crown of G.[reat] Britain in all cases whatsoever.”\textsuperscript{456} It was on the basis of these resolutions that the Rockingham ministry began the difficult process of overturning Grenville’s Stamp Act.

Although the Rockingham ministry had decided on a strategy of declaring the right of Parliament to tax the colonies and yet repealing the unpopular Stamp Act, there was some private disagreement among leading ministers. Indeed, the Duke of Newcastle, in particular, was against the “strong words” he found in the Declaratory resolutions, wishing that they could be left out. But seeing that Rockingham “is Tenacious in holding to Charles Yorke’s Resolution[s]” he did not wish to “imprudently” vote against them and divide the ministry.\textsuperscript{457} Henry Seymour Conway, although he stopped short of denying “the legal right” admitted that “he never was nor ever shall be a friend to internal

\textsuperscript{456} ‘Resolutions to be put in Parliament’ [c. 1 Feb 1766] in Sheffield Archives WWM/R/1/568.

\textsuperscript{457} ‘Duke of Newcastle to the Duke of Portland’ 28 January 1766 in University of Nottingham, Manuscripts and Special Collections, Pw F 7491.
taxation in America.” Later in the same debate, Charles Yorke defended his colleague’s distinction, highlighting the “wisdom” of separating “the question of right from the question of expediency”—in other words, separating the question of Parliament’s right to tax the colonies from the particular expediency of asserting that right in the case of the Stamp Act. In this way, the Rockingham ministry were able to justify, with relative consistency, their newly developed imperial policy. Edmund Burke lent further weight to the issue when he declared that “there is a real distinction between the ideal [or one might say, theoretical,] and the practical right of the constitution.” Burke also agreed that the Stamp Act should be considered separately, since it has caused mischief in the present, the Declaratory Bill should be supported, however, “because it might be of use in future.” Indeed, William Dowdeswell, the Rockingham ministry’s Chancellor of the Exchequer, claimed that if Parliament repealed the Stamp Act without asserting the right of Parliament, the colonies “would conclude that Parliament has given up the right absolutely.” Thus, for the Rockingham ministry, the process of declaring Parliament’s right to tax the colonies and of repealing the Stamp Act were inseparably linked. There was nothing particularly inconsistent or surprising about the Rockingham Whigs declaring Parliament’s right to tax while admitting the inexpediency of enforcing the Stamp Act against colonial resistance—indeed, such views

459 Ibid., 137.
461 Commons Debate, 3 February 1766 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783 Vol. II., 144.
would become the cornerstone of the Rockinghamite imperial policy in the following years.  

Alongside the Declaratory Act, which passed without any divisions in the House of Commons, even the members of the Rockingham ministry who had previously voted for the Stamp Act spoke in favour of repeal. Charles Townshend, for example, felt it was right to separate the two issues. While he disagreed with Conway in that he claimed to be an advocate of an internal tax in America, Townshend also declared the disturbances caused by the Stamp Act to be “extremely dangerous” and required a “proper plan…[for] quieting them at present and for the future.” This plan could only have been repeal, which Townshend eventually supported in light of the evidence presented by merchant witnesses of “the inability of the colonies to pay the tax.” Although Townshend chose to avoid the fact that he had voted for the Stamp Act, Charles Yorke freely acknowledged it, stating that he had wished to “ease this country without burdening America.” He also admitted to initially favouring modification, rather than repeal, of the Stamp Act. But he announced that he had come to the realisation that the alterations would not be sufficient, “would show our weakness…and make ourselves less able to enforce the little remains of the Bill which would be then left.” As a result, Yorke concluded, “the repeal of this Act

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463 See ‘Marquess of Rockingham to Joseph Harrison’ 2 October 1768 in Sheffield Archives WWM/R/1/1100; and ‘Marquess of Rockingham to William Dowdeswell’ [Late May 1774?] in Sheffield Archives WWM/R/1/1492; in both of these letters Rockingham declares himself in favour of the right of Parliament and states that the Declaratory Bill “is what I must & shall ever adhere to.” Great Britain, however, “should be magnanimous & generous & should not exert all the rights she had.”


466 American Committee: Examination of Witnesses, 11 February 1766 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America 1754-1783, Vol. II., 184. For a discussion of the examination of the witnesses in the American Committee, see Thomas, British Politics and the Stamp Act Crisis, 214-223.
Edmund Burke summed up the Rockingham ministry’s concept of the Empire when he pointed out “how wrong we are in our present newly adopted system of plantation policy,” referring, no doubt, to the measures introduced under Grenville, “and how right our ancestors were than we who are either less busy or less wise.” Indeed, even if the period of salutary neglect to which Burke was referring was a myth, it represented an ideal which Burke and many of the Rockingham Whigs wished to pursue by acknowledging the right while refusing to exercise it for reasons of political expediency.

The nature of William Pitt’s response to the American disturbances and the government’s plans to repeal the Stamp Act and pass a Declaratory Act is rather complex. It would be a misnomer at this time to suggest that Pitt was, strictly speaking, in opposition to the Rockingham ministry. After the death of the Duke of Cumberland, the Rockingham administration had made considerable efforts to obtain the support of Pitt by inviting him into the ministry—even going so far as to offer him the leading role. Unsuccessful attempts were made to bring Pitt to the head of the ministry in January and February of 1766; these were occurring in the background as the debates raged in Parliament about the right to tax America. One thing is certain, it was not ideological differences which prevented Pitt from joining the ministry. Several factors were named in an untitled and undated memorandum in Rockingham’s papers: that the King had no

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468 Ibid., 284.
469 For the earliest attempts to bring Pitt into the ministry see ‘Charles Jenkinson to Sir James Lowther?’ 16 November 1765 in Jucker (ed.) Jenkinson Papers, 391.
470 The events of January can be effectively followed in Fortescue’s Correspondence of King George the Third Vol. I., 210-238. Those of February can be seen in the correspondence between Rockingham and William Pitt in Sheffield Archives WWM/R/1/581, WWM/R/1/582, WWM/R/1/583, as well as letters between William Pitt and Lord Shelburne in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham, Vol. III., 7-8, 12.
desire to place Pitt at the head of his affairs and, just as important, that Pitt’s insistence on
the removal of the Duke of Newcastle was unacceptable. Ideological factors did not
play a role in Pitt’s not joining the ministry because Pitt was among the strongest
supporters of the Stamp Act’s repeal. Although Pitt would oppose the Declaratory Act on
a point of principle, his position was hardly distinct from that of Henry Seymour
Conway, who clearly accepted it only as a means of repealing the Stamp Act.

William Pitt’s opposition to the Rockingham ministry over the Stamp Act repeal
was limited entirely to his distaste for the Declaratory Bill. However, in his opposition to
the Bill, he focused on only one small—albeit essential—section of it. Indeed, on the first
day of the session of 1766, Pitt announced that he would repeal the Stamp Act and
accompany it with a “Bill declaratory of their own high rights and privileges over that
country… But… That House had no right to lay an internal tax upon America, that
country not being represented.” Pitt thus made the distinction between Parliament’s
right to legislate for the colonies and Parliament’s right to lay an internal tax upon them.
On the resolutions of the Declaratory Bill, William Pitt seconded his ally Isaac Barré’s
motion to have the words “in all cases whatever” left out of Parliament’s right to bind the
colonies. Pitt claimed that Parliament had no right to lay an internal tax on the colonies
because, quoting John Locke, he argued that taxation and representation have historically
gone together. Since America had no representatives in the British Parliament, the British
Parliament had no right to lay a tax upon them. To do so would be to take away their

471 ‘Memorandum’ in Sheffield Archives WWM/R/1/557.
472 Commons Debate, 14 January 1766 in Simmons and Thomas (eds.) Proceedings and Debates of the
British Parliaments Respecting North America, 1754-1783 Vol. II., 82.
property without the possibility of their consent. Lord Camden followed Pitt’s lead in the House of Lords, again using the principles of John Locke to support the theory that taxation and representation are “inseparably united.” Camden simply dismissed George Grenville’s concept of virtual representation as “so absurd as not to deserve an answer.” William Pitt and his followers, therefore, opposed a particular, yet crucial section of the Declaratory Bill, through which they made the distinction between taxation and legislation as well as the distinction between internal and external taxation. Pitt and his followers allowed that the British Parliament might legislate for the colonies as well as lay external taxes upon them—which also explains his lukewarm support for the American Duties Act of 1766. But in making such a distinction, Pitt was able to deny the right of Parliament to lay an internal tax upon the colonies and it was upon this ground that he was able to push for the repeal of the Stamp Act. However constitutionally dubious, Pitt’s stance at this stage was remarkably consistent and was clearly distinct from that of the Rockingham ministry and the followers of Grenville and others in opposition.

The opposition of George Grenville to the Rockingham ministry’s attempt to maintain the right of Parliament while repealing his American legislation was unsurprisingly the most violent. At the very outset, he had told the King that he understood “the plan of his new Administration was a total subversion of every act of the former.” Further, he warned, “if any man ventured to defeat the regulations laid down for the Colonies, by a slackness in the execution, he should look upon him as a criminal and

the betrayer of his country.” Grenville reacted to the Address at the beginning of Parliament, which discussed the “important occurrences” that had happened in America, by proposing an amendment to the effect that the “Provinces were in Rebellion,” comparing the situation to the Rebellion of 1745. Grenville was clearly determined to defend and advocate for the enforcement of his imperial legislation. The result of Grenville’s peculiar position was that his opposition was focused almost entirely upon the repeal of the Stamp Act. It is true, he provided some opposition to the Declaratory Bill; however, he did so, not on a point of principle, for he agreed with the declaration of Parliament’s right to tax the colonies, but rather that it was being passed in conjunction with the repeal of the Stamp Act. He claimed that the Declaratory Bill would be made “frivolous” if it was followed up by the Stamp Act’s repeal. Grenville’s close ally Alexander Wedderburn denied the distinction made by William Pitt between the “right of taxation…[and] all the other parts of the legislative authority” arguing that they “stand on the same foot.” According to Grenville and his followers, then, if Parliament were to give up the right to tax the colonies, as William Pitt was proposing, they would give up the entire legislative authority over the Empire. Earl Temple, newly reconciled with his brother George Grenville, summed up their position well when he stated that “I found all

476 ‘Henry Seymour Conway to King George III’ 17 December 1765 in Fortescue (ed.) The Correspondence of King George the Third Vol. I., 201-202. See also ‘George Cooke to William Pitt’ 17 December 1765 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. II., 350-352.
477 This was, indeed, a common view, even among those who knew him best, see ‘Charles Jenkinson to Sir James Lowther’ 15 December 1765 in Jucker (ed.) The Jenkinson Papers, 401.
479 Commons Debate, 3 February 1766 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America 1754-1783 Vol. II., 142-143.
my opinions upon the Spirit of the declaratory act But unless that act be inforced [sic]...all the founding expressions in It are fruitless & ineffectual.”

In opposing the repeal of the Stamp Act, however, Grenville was far more animated. In addition to denying the distinction between taxation and legislation, arguing that “taxation is a part of the sovereign power...It is one branch of the legislation”, Grenville also refused to acknowledge the distinction between external and internal taxes. He claimed that these forms of taxation “are the same in effect, and only differ in name.” Grenville claimed that he would repeal the Stamp Act himself if he found it to be improper, but he wondered whether the claims of its impropriety from the ministry “may not be a cover for timidity” in the face of American resistance. Grenville rejected the evidence provided by the merchant witnesses and allies of the Rockingham ministry during February 1766. He argued that there was no causal connection between the Stamp Act and the economic downturn in the British and American economies. Responding to arguments such as those of Charles Townshend, Grenville claimed that the colonies’ ability to pay off their war debts was proof that the meagre sums proposed to be raised by the Stamp Act could be borne with ease. Grenville thus opposed the repeal of the Stamp Act at every opportunity. He saw it, along with the American Duties and Free Ports Act of 1766 for what they were: in effect, a complete overhaul of the concept of empire which he had attempted to implement from 1763. Grenville, with arguably more...
consistency than any of the other personal parties in the early years of George III’s reign, pursued a line of policy aimed at consolidating the Empire. And it was through his imperial policies more than any other factor, that Grenville maintained his followers in the House of Commons following his dismissal from office in 1765.  

At this point it is possible to distinguish, albeit slightly, the actions of the followers of the Duke of Bedford from those of George Grenville. The reason this division had been obscured in previous years was the fact that the Duke of Bedford and a number of his close associates held office under the Grenville ministry. While in office under Grenville, the Duke of Bedford had supported his measures on America and he continued to do so in opposition to the Rockingham ministry. Indeed, in the first debates in the House of Lords on the Address in December 1765, it was the Bedford group, including the Earl of Sandwich and Earl Gower, who pushed strenuously for the enforcement of the Stamp Act in order to maintain the dependence of the colonies. Like Grenville, the Bedford group also pushed for stronger terms for the Declaratory Bill and in this they achieved some measure of success. In the debates concerning the declaratory resolutions drafted by the Rockingham ministry, the Bedford group were among the strongest supporters of the amendments through which they defeated the ministry in successive days in the Lords by three and four votes respectively. The loss of two votes in the Lords back-to-back caused serious alarm in political circles and it was widely doubted that the Rockingham ministry would be able to pass the repeal of the

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485 See Lawson, *George Grenville: A Political Life*, 224. Lawson hints at this conclusion but does not pursue it directly, or in reference to any other political groups of the period. Importantly, however, he approximates the number of MPs who followed Grenville after his dismissal at seventy-four.

Stamp Act. In these votes the Bedfords worked closely with the Earl of Bute, who had come out of a supposed (but widely disbelieved) political retirement in order to oppose the measures of the Rockingham ministry. Indeed, Lord Bute had asked the permission of the King for him and a number of his followers—known collectively as the King’s Friends—many of whom were office-holders, to be allowed to vote against the ministry over the American legislation and the King had given his consent. Moreover, following their success in these votes, the Duke of Bedford proposed to the King that he would be happy to offer his services to form an administration in pursuit of the “Modification instead of the total Repeal of the Stamp Act.” However, just as he had pushed Rockingham to remain First Lord of the Treasury rather than hand his ministry to Pitt in January, the King rebuffed Bedford’s offer, explaining that “I do not think it Constitutional for the Crown personally to interfere in Measures which it has thought proper to refer to the advice of Parliament. Even though George III had made public the fact that he favoured amendments to the Stamp Act rather than repeal, it is to his great credit that he earnestly continued to support the Rockingham ministry despite their pursuit of total repeal. Their offer thus rejected, the Bedfords maintained their stance in

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488 On the myth of Lord Bute’s continued influence in British politics see Frank O’Gorman, “The Myth of Lord Bute’s Secret Influence,” in Schweizer (ed.) Lord Bute: Essays in Re-interpretation, 57-83. It must be admitted, however, that all accounts of the Bute myth fail to acknowledge the longevity of the animosity held towards the Scotch Earl, which lasted into the late 1770s.


490 ‘Memorandum by the King’ [18 February 1766] in Fortescue (ed.) The Correspondence of King George the Third Vol. I., 272.

491 ‘King George III to the Duke of York’ 18 February 1766 in Fortescue (ed.) The Correspondence of King George the Third Vol. I., 273.

492 ‘Memorandum by the King’ [11 February 1766] in Fortescue (ed.) The Correspondence of King George the Third Vol. I., 269.
opposition to the repeal of the Stamp Act, acting in concert with George Grenville and his
friends, on the one hand, and Lord Bute and his friends, on the other.\footnote{There is even
evidence that the Duke of Bedford and Lord Bute met with George Grenville at Wotton, see ‘Unsigned Letter to the Marquess of Rockingham [January/February 1766] in Sheffield Archives WWM/R/1/570; see also ‘Mr. Grenville’s Diary’ [Entry for 12 February 1766 in Smith (ed.) The Grenville Papers Vol. III., 363.} Despite their
vigorous opposition, the Rockingham ministry passed the repeal of the Stamp Act 275-
235 and 276-168 on the two votes recorded upon its journey through Parliament.\footnote{See Ginter (ed.) Voting Records of the British House of Commons Vol. I., 1. It is important to note that the votes on the Stamp Act stand out as some of the highest attended votes in the period, highlighting the importance of the American issue in British politics at the time.}

The Stamp Act thus repealed, and the American Duties due to be modified in the
following months, distinct positions towards the Empire had emerged among the various
personal parties in Parliament. It is true that they all rested on a common idea of the
sovereignty of the British Parliament within the structure of the Empire. But it is
fundamentally misleading, however, to argue, based on this fact, that there were no \textit{real}
distinctions between British politicians on the issue of Parliament’s right to tax the
American colonies. Clear and relatively coherent ideas of the nature of Parliament’s
relationship with the colonies had begun to emerge in the face of mounting debts at home
and colonial resistance to taxation. It was, to a considerable extent, these positions on
imperial issues which distinguished the parties from one another in the age of the
American Revolution. Indeed, many of these same positions were carried on when,
shortly after passing their American Duties Act of 1766, the Rockingham ministry was
replaced by a new administration to be formed under William Pitt, who was raised to the
peerage as the Earl of Chatham. Chatham’s administration, unsurprisingly considering
their similar ideological views in the previous session of Parliament, was not intended to
be a complete overhaul of the Rockingham ministry. As the Duke of Bedford wrote to his
close ally Earl Gower when considering taking part in the ministry himself, “Lord Chatham’s idea was a great and conciliating plan” in which he did not intend “to turn out those, who should be willing to act with the present administration.”\textsuperscript{495} Despite this push for a “great and conciliating plan” the Duke of Bedford reassured his long-time ally in American measures, George Grenville, that he was unwilling to enter administration at this time, given that he had “opposed the totality of the measures proposed by the last [Rockingham] and supported by the present [Chatham] Administration.”\textsuperscript{496} Recent historians, most notably Peter Thomas, have used this evidence, that Chatham formed his ministry from a “coalition of his own followers with the rump of the Rockingham administration,” to deny that the ministry was an experiment in “non-party government.”\textsuperscript{497} However much it might appear in reality as a simple coalition of necessity between two relatively like-minded factions, to deny that it was an experiment in non-party government is in fact to argue against the evidence. Indeed, the King himself expressed his confidence that Chatham would “zealously give his aid towards destroying all party distinctions, and restoring that subordination to Government, which can alone preserve that inestimable blessing, Liberty, from degenerating into Licentiousness.”\textsuperscript{498} As seen in other parts of the King’s correspondence, the retaining of a “rump” of the Rockingham ministry was a carefully considered part of the conciliatory plan aimed at

\textsuperscript{495} ‘Duke of Bedford to Earl Gower’ 17 August 1766 in Russell (ed.) \textit{Correspondence of John, Fourth Duke of Bedford} Vol. III., 342.

\textsuperscript{496} ‘George Grenville to Earl Temple’ 20 August 1766 in Smith (ed.) \textit{The Grenville Papers}, Vol. III., 304. With this statement, the Duke of Bedford was undoubtedly referring to the American legislation of the Rockingham ministry which was supported (for the most part, as we have seen) by the followers of William Pitt.

\textsuperscript{497} Thomas, \textit{British Politics and the Stamp Act Crisis}, 283.

encouraging a non-party ministry. Why is this important? Because the fact that the Chatham administration was an intentional experiment in non-party government goes some way to explaining why it, more than any other ministry in the period, experienced deep (even irreconcilable) divisions over imperial issues which surfaced not only in the confines of Cabinet meetings but on the very floor of the House of Commons.

In the wake of the Stamp Act’s repeal and the failure of the American Duties of 1766 to precipitate controversy in America, the question of American taxation receded temporarily into the background. It is true that during this time the issue had come up in Cabinet discussions, and the Secretary of State for the Southern Department Lord Shelburne was attempting to collect information from the colonies about the possibility of raising a revenue from thus-far unpaid quit rents upon American lands. It is clear that the Chatham ministry did indeed wish to collect some form of revenue from the American colonies, but the mode had certainly not been settled, according to Shelburne, for lack of the required information. It came as a considerable shock to the Cabinet when Charles Townshend announced in the House of Commons that “he should bring into the House this sessions some propositions that he hoped might tend in time to ease the people of England” of the expense of the army stationed in America and yet would “not be heavy in any manner upon the people of the colonies.” Precisely “of what nature these propositions are he did not disclose.” Several historians have argued that Charles Townshend’s promise to bring to the House a mode of raising a new revenue from the

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500 ‘Earl of Shelburne to Earl of Chatham’ 1 February 1767 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham, Vol. III., 185. There is evidence that this ‘wild’ scheme was being considered as early as October 1766, see ‘Thomas Whately to George Grenville’ 20 October 1766 in Smith (ed.) The Grenville Papers Vol. III., 334.
American colonies could not have been “the complete shock to his cabinet colleagues portrayed by Grafton in his Autobiography.”\textsuperscript{502} The suggestion that Grafton’s “shock” was an \textit{ex post facto} fabrication aimed at portraying his administration as pro-American is simply not convincing in light of the other evidence. Lord Shelburne, who was the minister responsible for America and who had himself been researching alternative modes of taxation, wrote to Chatham claiming “what [Townshend] means, I do not conceive” adding that he had only heard specifics of Townshend’s ideas “from general conversation” not from any official discussions in Cabinet or in private with Townshend himself.\textsuperscript{503} Even if Townshend had not “pledged the Cabinet to a policy they disapproved” as Lewis Namier and John Brooke have contended—since the Cabinet had discussed raising a revenue from North America—Townshend still shocked his colleagues by announcing a timeframe in which he would present measures, the contents of which they were only vaguely aware.

In February 1767, Charles Townshend rose in the House of Commons to provide more information on his plans for America, including the withdrawal of troops from the interior forts of North America in order to reduce expenses. More importantly, however, he foreshadowed his later actions by acknowledging that he differed from Lord Chatham on the issues of internal and external taxation. Townshend claimed that it was a distinction “not founded in reason but proper to be adopted in policy” since it was made by the Americans themselves.\textsuperscript{504} In making these policy announcements, Townshend


\textsuperscript{503} ‘Earl of Shelburne to Earl of Chatham’ 1 February 1767 in Taylor and Pringle (eds.) \textit{Correspondence of William Pitt, Earl of Chatham}, Vol. III., 185.

\textsuperscript{504} Commons Debate, 18 February 1767 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783} Vol. II., 428-429.
drew the sharpest criticisms from his colleagues, suggesting that Grafton’s *Autobiography* has more than a little basis in reality.\(^{505}\) Indeed, the Duke of Grafton at the time stated that Townshend’s “behaviour, on the whole, was such as no cabinet will, I am confident, ever submit to.”\(^{506}\) Shelburne seconded such comments about Townshend, expressing his “surprise” at Townshend’s “excessive conduct” with regard to American taxation.\(^{507}\) It was not until 13 May that Townshend fully opened his plans for America to the House of Commons. He did so during a discussion of the disobedience of several American colonies towards the Mutiny and Quartering Acts. Townshend announced that it was essential for “the judges and magistrates who are now in many colonies dependent every year for their salary or at least a part of it on the Assembly…to be made independent.” For this purpose, he announced that he would create a Customs Board in North America in order to raise revenue through new import duties on fruit, wine, oil, glass, lead, and, most fatefuly, upon tea.\(^{508}\) Although all of Townshend’s resolutions were carried without any alteration, it is important to note that several members of the administration, including Henry Seymour Conway, now the Secretary of State for the Northern Department, opposed his fellow minister’s proposals.

There was clearly a considerable amount of tension within the Chatham ministry over the issue of American taxation. The part played by Chatham himself, however, has been a subject of much controversy among historians. This is largely because of a distinct


\(^{507}\) ‘Earl of Shelburne to the Earl of Chatham’ 13 March 1767 in Taylor and Pringle (eds.) *Correspondence of William Pitt, Earl of Chatham* Vol. III., 235.

lack of evidence detailing his views on the subject of Townshend’s plans.\textsuperscript{509} It is important to note that there would be nothing particularly inconsistent in Chatham allowing his ministers to exercise the right to lay external duties upon the American colonies. The only distinction that Chatham would certainly have taken issue with in Townshend’s duties was the fact that Townshend acknowledged that his duties were being created for the purpose of raising a revenue from America; whereas Chatham had previously argued that an external duty must only raise a revenue \textit{incidentally}.\textsuperscript{510} By conflating the issues of the American disobedience of the Munity Act with Townshend’s duties, historian Robert Chaffin finds that Chatham changed his views on American taxation when he came into power.\textsuperscript{511} It is true that there is evidence of Chatham urging the enforcement of laws in America while in office; however, this is no different from the language he held during the debates on the Stamp Act.\textsuperscript{512} There is simply no proof that he changed his views on American taxation at this time. Further, it is difficult to hold this view in light of the evidence Chaffin also provided about the Duke of Grafton withholding permission for Townshend to present his duties to the Commons because he did not know Chatham’s thoughts on the subject.\textsuperscript{513} Lord Chatham had been ill for some time and was not attending meetings of the Cabinet; by the spring of 1767 he was not even accepting correspondence on official business, leading Grafton to describe him as

\textsuperscript{509} Namier and Brooke, \textit{Charles Townshend}, 173-174. See also Thomas, \textit{The Townshend Duties Crisis}, 21n.
\textsuperscript{510} Commons Debate, 14 January 1766 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America 1754-1783} Vol. II., 89.
\textsuperscript{511} Chaffin, “The Townshend Duties of 1767,” 101-102.
\textsuperscript{512} Pitt said “Throw the rod away and shame them to submission; if that will not be effectual, you must use the power of this country to force them to obedience.” See, Commons Debate, 21 February 1766 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783} Vol. II., 284.
\textsuperscript{513} \textit{Ibid.}, 111.
“invisible.” Chatham’s illness at this time has obscured his views upon Charles Townshend’s duties—to suggest that we know he changed his views at this time is impossible to sustain under close analysis. Indeed, it seems quite unlikely that Chatham did change his views considering the fact that upon his return to politics he would advocate for the total repeal of Townshend’s duties. What we do know is that Charles Townshend pushed forward his plans for taxing America against considerable resistance from his Cabinet colleagues at a time when the nominal leader of the ministry, who may well have opposed them himself, was unable to direct the affairs of his administration.

The parliamentary opposition to Charles Townshend’s duties was, understandably, quite limited. Townshend even admitted that he was intending to exercise this mode of taxation by exploiting a loophole that the ‘Americans’ themselves had admitted—that of import duties, or external taxation. It was part of the evidence tacitly accepted by the Rockingham Whigs, that, despite passing the Declaratory Act, the mode of taxation most prudent to be imposed upon America was through import duties. They had themselves exercised this right by making alterations through the American Duties Act of 1766 and were therefore responsible for raising a revenue from the colonies. When Charles Townshend came around to introducing his American duties the

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514 Anson, Autobiography and Political Correspondence of Grafton, 124.
515 ‘Earl of Chatham to the Marquess of Rockingham’ [March/April 1770?] in Sheffield Archives WWM/R/1/1290.
516 The distinction between internal and external taxation had been most famously propagated by Benjamin Franklin while he was called as a witness during the Rockingham ministry’s attempts to repeal the Stamp Act in early 1766, although there is evidence of William Pitt using the distinction in January prior to the examination of witnesses. In the historiography there has been some debate about whether or not Franklin misrepresented the American position in his testimony. E.S. Morgan, in his “Colonial Ideas of Parliamentary Power, 1764-66,” The William and Mary Quarterly 5 (1948): 324, states that the ‘Americans’ made no such distinction between internal and external taxes. Neil York, on the other hand, in his “When Words Fail: William Pitt, Benjamin Franklin and the Imperial Crisis of 1766,” argues, rather astutely, that since there was not a single coherent American view of colonial rights any more than there was a British view, “Franklin could not misrepresent what did not exist.” I might add, that if one such well-connected American as Franklin did hold the view that there was a distinction between internal and external taxes, then Morgan’s view is simply untenable.
Rockingham Whigs largely ignored them in Parliament and focused on the measures to be taken against the Americans’ disregard for the Mutiny Act.\textsuperscript{517} Indeed, considering the evidence that Townshend’s duties were partially based on plans made by William Dowdeswell as Chancellor of the Exchequer in 1766, it would have been particularly inconsistent for them to have vigorously opposed them.\textsuperscript{518} Edmund Burke, showing a continued disregard for the ‘sacred’ nature of the Navigation Act, argued that the only objection to Townshend’s Duties was the fact that very little had changed since the merchants testified that America was unable to bear such a tax.\textsuperscript{519} The Rockingham Whigs, in not offering opposition to Townshend’s duties were not acting in any way surprisingly or inconsistently, and thus there is no need to suggest, as Derek Watson has, that they came to their position on the duties to placate Townshend himself or to maintain closer ties with the Grenvillites.\textsuperscript{520} Indeed, in the negotiations between Rockingham, Grenville, and Bedford that took place later in the year, the ultimate reason behind their inability to come to terms was the unwillingness of the Rockingham and Grenville parties to alter their views towards America.\textsuperscript{521} There was simply no particular principled or


\textsuperscript{521} This is a controversial view on this episode, considering most historians accept the views of the Bedfords and the Duke of Newcastle (who truly wished for union with the Bedford group at this time) that the negotiations broke off on account of Rockingham’s insistence on keeping Henry Seymour Conway in office. See Lawson, George Grenville, 252; and Thomas, British Politics and the Stamp Act Crisis, 311. This was the reason for which the Rockinghams and Bedfords failed to come to terms. But there were, crucially, three parties in these negotiations, because, although closely tied by ideology, the Grenvilles and Bedfords entered the negotiations as allied but separate entities. The negotiations between Rockingham and Grenville never got past the American question, and thus it can be argued that it was imperial issues and it was ideology which led to the breaking off of the negotiations between the Rockingham and Grenville.
ideological reason for the Rockingham Whigs to oppose Townshend over his duties and thus it should not be surprising to historians that they failed to put up any significant opposition to the measure.

There was even less of a reason for George Grenville and his followers to oppose Townshend’s duties. Grenville continued to lament the repeal of the Stamp Act and pushed for Parliament to establish its right to tax the American colonies out of necessity, since no revenue had yet been found to cover the expenses of the army stationed in North America. Charles Townshend and Grenville were in agreement over the distinction between internal and external duties. However, whereas out of principle Grenville would not exploit the distinction in order to maintain the undisputed sovereignty of Great Britain to legislate and tax the colonies in whatever way it saw fit, Townshend was happier to do so in order to raise a revenue which, he believed, would be less objectionable to the Americans than the Stamp Act. When Townshend introduced his duties in Parliament, Grenville claimed that his plan was “liable to some great objections” but that he would “accept it if no better can be found out.” To this end, Grenville proposed a tax on paper currency, a plan which had been circulating since the time of his own ministry. To this proposal, Townshend responded favourably, claiming that

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“paper currency will bear a tax very well and…may be a very proper measure.”

That Townshend did not long survive the passage of his duties also meant that he was unable to pursue this shared project with Grenville. As much as Grenville did not appreciate the mode of taxation chosen by Townshend, there was nothing among his principles towards America which would have justified his opposition to the measure. As a result, we see that, alongside the Rockingham Whigs, the followers of George Grenville chose not to oppose the passage of the Townshend Duties. Additionally, there is nothing to suggest that the Duke of Bedford’s followers or those of Lord Bute (even had he the influence over the King he once enjoyed) would have had any principled reason to oppose Townshend’s measures. Not surprisingly, they therefore passed through Parliament without even a hint of the opposition they were to receive on the other side of the Atlantic.

The response to the Townshend Duties in America was markedly similar to their response to the Stamp Act. Although they occurred far more belatedly, most major ports in North America did eventually agree to partake in a non-importation agreements similar to those which affected British merchants and industry in 1765-66. Additionally, the merchants did not receive the active support and encouragement of the administration, and thus the movement in favour of repeal did not gather quite the same momentum out-of-doors as it had during the Stamp Act crisis. Indeed, the very characterisation of the administration at this time has eluded consensus among historians. Precisely when the Chatham administration became the Grafton administration is notoriously difficult to

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524 Ibid., 465.
525 ‘Nathaniel Rogers to the Marquess of Rockingham’ 23 October 1769 in Sheffield Archives WWM/R/1/1241.
526 Thomas, Townshend Duties Crisis, 123.
pinpoint. Although Chatham officially resigned in mid-1768 alongside his ally Shelburne, he had been forced out of political affairs through illness since the beginning of his administration. By March of 1767, writes Grafton himself, we can find “the end of [Chatham’s] Administration.” Grafton had reportedly told Lord Shelburne late in 1767 that he felt “bound from his office, since Lord Chatham’s illness to take the lead” However, the confusion of the ministry was not limited to its leader. Since mid-1767 the Duke of Grafton had been searching for individuals to help strengthen the administration. This led to the fruitless negotiations (mentioned above) between Rockingham, Bedford, and Grenville but ultimately to the Bedfords alone joining the Grafton administration before the end of 1767. By early 1770, under pressures that had little to do with the imperial situation, the Duke of Grafton resigned and was replaced at the head of the ministry by Lord North, who had served as Chancellor of the Exchequer since the death of Charles Townshend. Beyond North’s accession, however, the ministry remained virtually intact in the transition between Grafton and North. Although the North ministry can be seen as a continuation of the non-party experiment in government begun under Chatham in 1766, by 1770 the ministry bore almost no resemblance in personnel or in principles to that of its initial incarnation.

527 For some contemporary reactions to Chatham’s resignation see ‘Earl of Mansfield to Marquess of Rockingham’ 16 October 1768 in Sheffield Archives WWM/R/1/1103; and ‘Lord John Cavendish to Marquess of Rockingham’ 21 October 1768 in Sheffield Archives WWM/R/1/1104.  
530 ‘Duke of Grafton & the Earl of Northington to King George III’ 2 July 1767 in Fortescue (ed.) *The Correspondence of King George the Third* Vol. I., 495.  
531 According to Thomas Whately, this also resulted in Grafton entering “with eagerness into the opinions of the Duke of Bedford concerning America.” See ‘Thomas Whately to George Grenville’ 1 January 1768 in Smith (ed.) *The Grenville Papers* Vol. IV., 246.  
532 ‘King George III to Lord North’ 23 January 1770 in Fortescue (ed.) *Correspondence of King George the Third* Vol. II., 126.
The American response to the Townshend Duties included popular resistance and protest as well as official letters and petitioning—most famously the Massachusetts circular letter which denied the right of Parliament to tax the colonies. In reaction to this unrest, the Earl of Hillsborough, appointed to the newly created third Secretaryship of State responsible for the colonies, issued his own circular letter urging the governors to prevent this “open opposition to and denial of the authority of Parliament” through the prorogation or dissolution of the assemblies if necessary. By mid-year, Hillsborough had also ordered troops to Boston in response to increased resistance. After a period of distraction from American issues, notably by the general election of 1768 and, perhaps more importantly, by the controversy over the return of John Wilkes and the Middlesex election, with America still in a considerable state of confusion from the British perspective, the ministry had let out that it would consider the repeal of the Townshend Duties in the following session—1769. This promise brought on the first Parliamentary debate over the possibility of repeal and also prompted the cabinet decision which would ultimately determine the policy of the North ministry towards the American colonies in the coming years.

Debate on the Townshend duties was initiated in 1769 by Thomas Pownall, the former governor of Massachusetts Bay. He began by stressing the distinction between internal and external taxation, seeing it as a “distinction grounded upon every reason

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533 Thomas, *The Townshend Duties Crisis*, 78.
537 Thomas, *Townshend Duties Crisis*, 137.
which ought to be the reason of your policy” in addition to being found in the charters that created the American colonies.\textsuperscript{538} He blamed the American opposition to the Townshend Duties (a form of external taxation) upon the arguments made by Grenville and even Townshend himself, when they asserted that there was no distinction between the two and that Parliament has the right to exercise both.\textsuperscript{539} Claiming, with some justification, to be connected with no party, Pownall announced his views on the Townshend Duties. Whereas enforcement would likely lead to civil war, Pownall argued that for the interest of the public the Townshend Duties must be repealed based on purely commercial considerations.\textsuperscript{540} He did not deny the right, but he did claim that the Declaratory Act was imprudent since it attempted to fix Parliament’s right over the colonies, which is “not capable of determination because it is not intuitive.”\textsuperscript{541} First and foremost, however, Pownall argued that the Townshend Duties did not accomplish the task for which they were formulated: they did not bring in the revenue expected of them, they were damaging to British manufactures, and they had once again brought Britain into a conflict with the American colonies over Parliamentary sovereignty.

In the ensuing debate, the positions of the major political groups were aired for the first time with regard to the potential repeal of the Townshend Duties. Lord North, answering for the Grafton ministry, claimed that coming to a resolution about repeal at the present time would be “another instance of haste, impatience, levity, and fickleness

\textsuperscript{538} Commons Debate, 8 February 1769 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783} Vol. III., 89.
\textsuperscript{539} It is unlikely that the influence was as one-sided as Pownall suggests. It is far more reasonable to consider that the same reasons which led the Parliamentary hard-liners such as Grenville and Townshend to argue that there was no distinction between internal and external taxation caused American radicals to make the same argument in order to throw off Parliamentary authority altogether.
\textsuperscript{540} Commons Debate, 19 April 1769 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783} Vol. III., 148-149.
\textsuperscript{541} \textit{Ibid.}, 149.
unbecoming Parliament.” Foreshadowing his later policies towards the Townshend Duties, North dismissed the duties on several objects and mentioned only that he saw “nothing uncommercial in making the Americans pay a duty upon tea.”\textsuperscript{542} North refused to be baited into promising the repeal of the duties by Isaac Barré, stating rather that people should recall “the precedent of the Stamp Act” before coming into a conclusion about “revision.”\textsuperscript{543} Those attached to the Rockingham party, notably Barlow Trecothick and William Burke were generally in favour of repeal. However, it was Edmund Burke that outlined the general problem encountered by those attached to the Marquess of Rockingham. Burke denounced the Townshend Duties, stating that “absurdity itself never did concerted such a plan of taxation. He [Townshend] was driven upon it, having promised to bring American taxation.” On the other hand, he pointed out that “every Revenue Act we make about America touches the whole American system…The Americans have made a discovery, or think they have made one, that we mean to oppress them. We have made a discovery, or think we have made one, that they intend to rise in rebellion. Our severity has increased their ill behaviour. We know not how to advance, they know not how to retreat.”\textsuperscript{544} In this speech, Burke acknowledged that the Rockingham Whigs had in the past stood up for Parliament’s right to lay external duties on the colonies as an expedient form of taxing America. Thus, he claimed, if the case was a simple one of “repeal or enforce, I have no doubt to repeal.” In repealing the Townshend Duties the Rockingham Whigs would be acting inconsistently with regard to their views on the expediency of external taxation, but on the other hand would be acting in perfect

\textsuperscript{542} Ibid., 150.
\textsuperscript{543} Ibid., 152 (Emphasis my own) It is important to note here that North uses the term revision rather than repeal, another indication that he intended to maintain part of the Act.
\textsuperscript{544} Ibid., 151.
consistency with their hesitance to enforce a tax upon unwilling colonial subjects. Such was Burke’s implicit acknowledgement, and it resounds in the contradictions of his speech. Henry Seymour Conway and William Beckford, who concurred in what might be called the Chathamite view, claimed that there must be a “middle way” in which America is only taxed “in all that regards their trade” but not “for the purpose of revenue” which the Townshend duty unapologetically was.545 George Grenville simply challenged either side, government or opposition to take a stand—to “form a system” towards America. He challenged the opposition to repeal it now if it was what they intended; and, in what was clearly a gibe towards Lord North, questioned how far the ministry meant “to go repealing bit by bit by compulsion?”546 His own views were clear, he remained in favour of strong measures towards enforcing Parliament’s right to tax the colonies, and therefore he would oppose the repeal of the Townshend Duties.547 The considerable debate terminated, however, when Lord North carried a motion for the Order of the Day—effectively postponing debate on the Townshend Duties until the next session of Parliament in early 1770.

Immediately following the close of the Parliamentary session of 1769, the Grafton ministry’s Cabinet met in order to formulate a policy towards American taxation. It was decided that concessions on the Townshend Duties would be made at the beginning of the next session of Parliament. However, there was considerable disagreement over how far the concessions should go. The Duke of Grafton proposed “including the articles of Teas, together with all the other trifling objects of Taxation, to be repealed on the opening of

545 Ibid., 152.
546 Ibid., 153.
547 Grenville appears to have stopped short of announcing that he would oppose the repeal of the duties in Parliament, but Thomas Whately had reportedly told Burke Grenville’s views, see ‘Thomas Whately to George Grenville’ 7 September 1769 in Smith (ed.) The Grenville Papers Vol. IV., 449.
the next session.\(^{548}\) The majority of Cabinet, however, favoured the retention of the tea duty in a 5-4 decision. The experiment in non-party government, as one might expect, was divided upon roughly partisan lines: the Duke of Grafton, Lord Camden, Lord Granby, and Conway (all Chathamites by sentiment)\(^{549}\) were in the minority; the majority included Lords Hillsborough, North, Rochford, and the two Bedfordites—Gower and Weymouth. Thus, we find, even within ministries, principles being adhered to with surprising consistency. For example, Lord Hillsborough had been president of the Board of Trade under Grenville and had consistently pushed for tough measures in favour of Parliament’s authority over the colonies.\(^{550}\) Lord North, too, had been a member of the Bute administration, spoke in favour of the Stamp Act under Grenville, and voted against its repeal, it is not surprising to find him proposing the retention of the Tea duty. It should also come as no surprise to see the Bedford portion of the ministry voting in favour of stern measures towards America. Grafton had been overruled by his own administration on this issue. He was merely the figurehead of a non-party ministry and he did not have a significant following of his own, being for some time himself an ally of Chatham. When the time came to discuss the repeal of the Townshend Duties in early 1770, Grafton, Granby, and Camden had resigned from the ministry and Lord North took up Grafton’s position as First Lord of the Treasury.

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\(^{548}\) Anson (ed.) *Autobiography and Political Correspondence of Grafton*, 229.

\(^{549}\) The decision to name Conway among the Chathamites is a deliberate one, though potentially controversial. He never fully attached himself to that party—or any party for that matter—but he did express views distinctively Chathamite with regard to the American problem. For a short but detailed exposition of his activities in politics see Namier and Brooke, *The House of Commons, 1754-1790* Vol. II., 244-247.

\(^{550}\) According to Hillsborough himself, he had opposed the Stamp Act as being ‘inexpedient’ and had apparently voted for its repeal—his name does not appear on the lists in Ginter’s *Voting Records of the British House of Commons* and thus I have been unable to verify his claims. See Thomas, *Townshend Duties Crisis*, 114-115.
In March 1770, North began discussions on the Townshend Duties. He agreed with Pownall’s arguments from the previous year that many of the duties (excepting, of course, that on tea) were founded on “anti-commercial principles”, as they were duties upon British manufactures.\(^{551}\) Since the tea is “not the manufacture of British commodities [and] [i]t is an object of luxury[,] [i]t is of all commodities the most proper for taxation.”\(^{552}\) Since he was repealing the duties on commercial grounds, North saw no particular reason to also repeal the duty on tea. He argued that by giving up the duty on tea, along with the preamble of the Act, which declared Parliament’s right, they would be giving up the right to tax the colonies which North stressed “I own I cannot consent to give up.” North was well aware that the partial repeal would not appease the Americans, but he argued that the repeal of the Stamp Act produced only a “fallacious kind of calm.” If there was any symbolic gesture in North’s legislation, then, it was not the retention of the tea duty, which was at least successful in raising a revenue, but rather in the repeal of the other ‘trifling’ duties.\(^{553}\) North was attacked during the debate, however, by his own MPs. Both Welbore Ellis and Lord Barrington criticised Lord North for offering concessions to the ministers. Even though he agreed the duties other than tea were “against commercial principles” Ellis criticised North for acting differently last year, and accused him of caving in to American violence.\(^{554}\) Following an earlier idea of Lord Hillsborough, Lord Barrington argued that the Duties should be kept in force in the colonies that have resisted them and was for the “repeal [of] all those duties with regard

\(^{551}\) Commons Debate, 5 March 1770 in Simmons and Thomas (eds.) *Proceedings and Debates of the British Parliaments Respecting North America, 1754-1783* Vol. III., 210-211.

\(^{552}\) *Ibid.*, 212.

\(^{553}\) Thomas, *Townshend Duties Crisis*, 137.

\(^{554}\) *Ibid.*, 225.
to the colonies that have submitted.” Ellis and Barrington found themselves in the awkward position of voting not only against the opposition’s amendment to add tea to the list of repealed duties but also against their own ministry’s conciliatory plans. Just as in the Chatham ministry, then, the North administration found itself dividing against itself on the floor of the House of Commons.

The Rockingham Whigs, when it came to the debates on the repeal of the Townshend Duties, were oddly quiet. As the largest faction in opposition one would expect them to produce a large number of speakers in the debate, but the extant records of debates in the House of Commons show that their two major speakers, Edmund Burke and William Dowdeswell made no contributions to the debates. Indeed, the Rockingham Whigs were represented in the debates only by Sir William Meredith. He argued that the threat to British commerce was not worth risking simply to keep the preamble of Townshend’s Revenue Act, which he said, quite rightly, was unnecessary since the Declaratory Act remained on the statute book. Meredith echoed the arguments of his leader Lord Rockingham when he accused the ministry of keeping the tax only to support the customs officers they appointed in North America and thus increasing the strength of the prerogative. Considering the hesitancy of Edmund Burke on the subject in 1769, it is not difficult to understand why the Rockinghams were unwilling to highlight their potential inconsistency, having themselves implemented uncontroversial external duties in 1766 and also having passed the Declaratory Act asserting Parliament’s right to tax the

555 Ibid., 226; for Hillsborough’s thoughts, see ‘Earl of Hillsborough to King George III’ 15 February 1769 in Fortescue (ed.) Correspondence of King George the Third Vol. II., 83-84.
colonies. William Dowdeswell himself admitted that an issue over the ‘principle’ of Parliament’s right had been agitated by Townshend’s “foolish tax upon our own manufactures.”

Perhaps this is what Burke was referring to when he reported to Thomas Whately that although he would not oppose the repeal of Townshend’s Revenue Act, “most probably he should absent himself; for his friends, many of them agreed in his principles, and some of them did not go so far.” Although both Dowdeswell and Burke certainly believed in the total repeal of the Townshend Duties, they chose to act in Parliament in March 1770 with their votes rather than speeches.

The Chathamites did not face the same troubles with potential inconsistency as the Rockinghams on the subject of the Townshend Duties. This is perhaps surprising if one considers that the duties themselves were passed under the auspices of the Chatham administration. Chatham himself had not altered his views toward America since the Peace of Paris, he was consistently against taxing America. The only exception to his rule would be a revenue *incidentally* drawn from the Navigation Acts. Townshend’s Revenue Act of 1767, however, was a blatant attempt to exploit the distinction between internal and external taxes in order to raise a revenue to support the courts and administration of America. For this reason, Chatham rose in the House of Lords and dismissed Townshend’s Duties as “ill-judged.”

He did, however, warn America that if they were to “disengage themselves from the laws of trade and navigation…as much of an American as I am, they have not a more determined opposer than they will find in me.

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560 Historian Robert Chaffin has significantly confused this situation with the erroneous and unsupported claim that Chatham changed his mind over the issue of American taxation in 1766.

They must be subordinate. In all laws relating to trade and navigation especially." Chatham separated the issues of taxation and legislation. He was willing to countenance the possibility of not taxing America; but the thought of America disregarding all British authority consistently pushed him to stress the potential use of force to keep the colonies dependent upon Great Britain. Despite this warning, Chatham joined the Rockinghams in favour of the total repeal of the Townshend Duties. Beckford, perhaps Chatham’s closest political ally, had also consistently opposed the taxation of America upon the same principles. When Townshend introduced his legislation in 1767, Beckford opposed it on the floor of the House of Commons. By 1770, Beckford was one of the strongest supporters of Pownall’s amendment for the total repeal of the Townshend Duties. He did so, not only because it was against his principles, but also because the duty on tea was created in what he considered was a breach of faith with the East India Company, a matter which will be discussed in the following chapter. Nonetheless, Chatham, like Beckford, could say that he had consistently opposed American taxation since the Stamp Act in 1765. Chatham’s allies in Isaac Barré and Lord Shelburne largely followed his lead on this issue, and they too pushed for the repeal of the Townshend Duties. Despite the combined strength of the Chathamite and Rockinghamite opposition, the amendment

562 Ibid., 206.
563 It is precisely this distinction between taxation and legislation made by Chatham throughout his political career that has led some historians to the conclusion that he wished also to enforce taxation upon unwilling Americans.
564 ‘Earl of Chatham to Marquess of Rockingham’ [March/April 1770?] in Sheffield Archives WWM/R/1/1290.
565 Gauci, William Beckford: First Prime Minister of the London Empire, 129.
to add the tea duty to the repeal was rejected 142-204. Following this, the main question, of the repeal of the other duties, was passed without a division.\textsuperscript{567}

George Grenville and his followers continued to oppose the ministry. However, their opposition, like that of Lord Barrington and Welbore Ellis, was that the ministry had no plan and that they were enacting half-hearted conciliatory measures in the face of American violence.\textsuperscript{568} They also took issue with the stance of the Rockingham Whigs on this question. Both Grenville and his ally Alexander Wedderburn arraigned those who had brought in the Declaratory Act by stating “you declare that you have a right [to tax the colonies], and at the same time declare, that the exercise of that right is impolitic and unjust. You [therefore] declare, that you have a right to act unjustly with regard to America.”\textsuperscript{569} It had perhaps sufficed at the time of the repeal of the Stamp Act for the Rockinghams to state that the act itself was impolitic. But having approved of external taxes themselves in 1766, they could hardly argue the case with any consistency against the Townshend Duties. Indeed, this is perhaps why the major Rockingham speakers chose to assist the cause with their votes alone rather than their voices on this occasion. Grenville pushed for a plan toward America—he stressed for consistency in order to clarify Britain’s position in the eyes of the American colonists. And with some justification he found little consistency of action in the administration (composed, as it was, by individuals with widely differing principles) and he found less than one might expect among the Rockinghams who appeared to be wavering on the declaratory principle they had adopted while in government.

\textsuperscript{567} Ibid., 228.
\textsuperscript{568} Ibid., 221-223.
\textsuperscript{569} Ibid., 226.
The debates over the American duties and the Stamp Act in 1765-1766 reveal the genesis and coalescence of distinct views towards the Empire among the personal parties which characterised the British Parliamentary scene in the early years of George III’s reign. These policies were developed largely in response to the practical realities of attempting to govern a diverse empire from London. In the case of Grenville’s policies this reality was the necessity of paying down the alarming national debt and the urgent necessity of consolidating imperial control from Westminster; in that of the Rockingham Whigs it was rather the need to pursue measures to which the Americans themselves would willingly consent, than push for enforcement at the expense of trade and commerce and potentially the very dependency of the colonies upon the mother country. These views were largely confirmed in the debates over Charles Townshend’s controversial duties in 1767, which revealed the differences between the followers of Lord Rockingham and those of Chatham. The Rockinghams defended the right of Britain to tax the colonies through their Declaratory Act, but believed it was improper to exercise such a right in the face of colonial resistance. As a result, their favoured mode of taxation was external duties, through which they successfully and uncontroversially raised a revenue from 1766 onwards. For Chatham, however, raising a deliberate revenue through import duties was contrary to the laws of trade and navigation and was thus unacceptable. During the debates on the repeal of the Townshend Duties, in the face of American resistance, the Rockingham position began to unravel slightly, but was ultimately maintained by Burke’s claim “for a right of taxation which it was impolitic to exercise.” The object of controversy at the close of these debates was tea. The leaf from China would prove to be the major link between Britain’s Empire in the east and

west. Not only did the retention of the duty on tea ultimately cause the spark which
ignited yet another round of crisis in Anglo-American relations, tea would also
characterise the nature of the state’s relationship with the East India Company as it
sought salvation from its debt not only among the pocketbooks of American colonists but
among the fruits of conquest in the East.⁵⁷¹

⁵⁷¹ See also Richard Connors, “A Storm in a Tea-Cup: Tea and the British Atlantic in the Age of the
the Atlantic World 1759-1830 (Fredericton: Acadiensis, 2010): 179-205.
THREE

“To Dress Taxation, That Father of American Sedition, in the Robes of an East India Director”: British Politics and the East India Company 1765-1773

The example of the East India Company may shew us that neither the faith of Parliaments nor the sanction of charters, is held sacred when violating them may serve the purposes of corruption and arbitrary power – Stephen Sayre. 572

The Doctrine of doing Every Thing by force, prevails now Every Where, the E. India Company is to be forced. Our Colonies are to be forced. I hope in God, none of our Friends will give into any of these unjust, & most dangerous measures – Duke of Newcastle. 573

Just as Lord Chatham did in his letter to Lord Shelburne on 3 February 1767, “I shift the unpleasing scene from the west to the east; which, though not so bad, is not over flattering.” 574 Indeed, as Lord Chatham pointed out, in a similar manner to the American crisis, it is clear that the Peace of Paris of 1763 ushered in a period of substantial change in the relationship between the state and the East India Company. Beginning with Lord Bute and continuing under George Grenville, we have seen how various governments came to perceive the Company and its affairs as an object of national interest and, therefore, also of political interference from Westminster. In the context of 1763-64, however, there was no reason for British politicians to question the nature of the imperial project in the east. Indeed, although Robert Clive oversaw a ‘revolution’, in Bengal politics which dramatically altered the East India Company’s position in the subcontinent, it did not make them rulers in any direct sense. The Company installed Mir Jafar as the new Nawab and, for a time, governed indirectly through him and the existing indigenous forms of government. Henry Vansittart, who had succeeded Clive as

572 Quoted in Maier, From Resistance to Revolution, 186-187.
574 ‘Earl of Chatham to the Earl of Shelburne’ 3 February 1767 in B.L. Add MS 88906/1/6 f. 56.
Governor in 1760, replaced the Nawab Mir Jafar with Mir Kasim in order to protect British interests. By the time Grenville had secured Clive’s return to India in 1765 the British had once again overthrown the Nawab, defeating his forces along with those of the Mughal emperor at the battle of Buxar in 1764 and further secured the position of the East India Company in Bengal.\textsuperscript{575} It was upon his return to India that Clive was able to follow up on his earlier plan, as he explained it to Pitt in 1759, to obtain “the absolute possession of these rich kingdoms; and that with the mogul’s own consent, on condition of paying him less than a fifth of the revenues thereof.” In 1759, Clive had also warned that “so large a sovereignty may possibly be an object too extensive for a mercantile company; and it is to be feared they are not of themselves able, without the nation’s assistance, to maintain so wide a dominion.”\textsuperscript{576} By 1765, however, Clive did not appear to have such inhibitions. Either that, or he intended to essentially force the British government into “taking [the sovereignty or governance of Bengal] into hand” by placing the Company in an untenable position.\textsuperscript{577} Clive did, no doubt, have the added incentive of protecting his own fortunes through the preservation of the Company’s prosperity. Regardless of his motivations, in August 1765 Clive signed treaties with the Mughal Emperor recognising the East India Company as the \textit{Diwan}, or revenue collector, of Bengal, Bihar, and Orissa.\textsuperscript{578} This move effectively transformed the nature of the

\textsuperscript{575} Bowen, \textit{Revenue and Reform: The Indian Problem in British Politics 1757-1773}, 5-7; see also Bayly, \textit{Indian Society and the Making of the British Empire}, 53.


\textsuperscript{577} \textit{Ibid.}, 390.

\textsuperscript{578} Bowen, \textit{Revenue and Reform}, 6-7.
Company’s position from one of indirect de facto rule to a far more direct rule recognised both in law and in fact.579

The assumption of the Diwani also occasioned a dramatic change in the trading practices of the East India Company in Bengal. Although during the period from the battle of Plassey in 1757 to the assumption of the Diwani in 1765 one can observe the Company’s trade being “reorganised as a channel through which ‘tribute’ could be transferred from India to Britain,” the change after 1765 was no less dramatic.580 Having gained control of a large surplus of revenues through the diwani, the East India Company had to find a way to transfer this surplus into commodities to be shipped to Britain. The Company’s decision to attempt the transfer of these revenues primarily through tea was to prove costly for the British Empire in the east and the west.581 In the meantime, when Clive sent official reports home of his dealings in India and the acquisition of the diwani, they were met with praise from the Rockingham ministry and the King.582 Unofficially, however, Clive sent notes to his friends not only reporting the assumption of the diwani but also advising them to purchase India stock before the inevitable rise in prices upon the news of his achievements being publicised.583 Additionally, Clive ordered his

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579 Marshall, “The Eighteenth Century Empire” in Black (ed.) *British Politics and Society from Walpole to Pitt*, 188.
582 ‘Marquess of Rockingham to King George III’ 21 April 1766 in Fortescue (ed.) *The Correspondence of King George the Third* Vol. I., 294; and ‘King George III to the Marquess of Rockingham’ 21 April 1766 in Fortescue (ed.) *The Correspondence of King George the Third* Vol. I., 294.
attorneys to invest all of his money in India stock, sending a shipment of gold along with the letter which he also wished to have invested in stock.\textsuperscript{584} Clive sent over fifteen letters to friends and acquaintances reporting that the acquisition of the \textit{diwani} would raise between £2,000,000 and £4,000,000 annually, with military expenses fluctuating between £700,000 and £1,000,000 in times of war. The Company’s Court of Directors and the Rockingham ministry received similar reports.\textsuperscript{585} As H.V. Bowen has noted, Clive’s reporting of his exploits in India had two significant consequences. The first being the outbreak of speculation in East India stock when the reports became public in the late spring of 1766. The second and more important consequence, however, was that it “awakened ministerial interest in the Company as an untapped source of income.”\textsuperscript{586}

Coming as it did, at a time when the Rockingham ministry had just repealed the Stamp Act, the potential of vast profits from the east must have seemed to British politicians like an excellent method of paying down the national debt.

Within months of the arrival of Clive’s reports, the Rockingham ministry was replaced by that under Lord Chatham. This change of ministry would have significant consequences for the future of Britain’s possessions in the east. Although it is likely that any ministry in power at the time would have attempted to obtain some share of the Company’s newly acquired Bengal revenues, Lord Chatham seemed more enthusiastic than most. It is likely that he had been inspired in this regard by Lord Clive’s letter to him in 1759 which had identified the possibility of a revenue of £2 million from the


\textsuperscript{586} Bowen, “Lord Clive and Speculation in East India Company Stock, 1766,” 911.
acquisition of the diwani.\textsuperscript{587} Chatham, who had so strenuously opposed the taxation of the American colonies based on a questioning of Parliament’s right to do so, saw in the East India Company’s revenues a potential solution to the problems of post-war public finance that had caused the disturbances with the American colonies.\textsuperscript{588} Additionally, Chatham had no particular affinity with the East India Company, and some of his closer political allies such as William Beckford and Isaac Barré had consistently attacked the Company’s monopoly status, its close ties with the government, and the rapaciousness of its activities in India.\textsuperscript{589} Beckford, who himself had substantial interests in the West Indies, suggested that government should “Look to the rising sun” in order to ease its financial burdens, adding that “Your Treasury coffers are to be filled from the east, not the west.”\textsuperscript{590} It should come as little surprise then, that under the circumstances, the Chatham ministry had begun discussions with the chairman and directors of the East India Company as early as August regarding the possibility of examining before Parliament the Company’s right to its territorial revenues in Bengal.\textsuperscript{591} News that the Chatham ministry had decided to open an examination into the Company’s affairs had become public knowledge by September and, according to the prominent London businessman and MP Thomas Walpole, had “given a new bias to the minds of men;

\textsuperscript{588} Sutherland, \textit{East India Company in Eighteenth Century Politics}, 149.
cooled the inflamed hopes of some, relieved the fears of others; and added weight to those who have no further views than the just security of their property.”

This sense of unanimity, however, was either fundamentally misleading or very quickly transformed into acts of defiance among the East India proprietors and certain individuals within the Chatham ministry. Indeed, the proprietors voted “by a great majority”, and against the advice of the government and the East India Company’s directors, to increase their stock dividend to its highest level in the history of the Company. More troubling, from Lord Chatham’s perspective, was the disagreement of Charles Townshend with his proposals to examine the affairs of the East India Company in Parliament. Townshend reportedly claimed that “nothing could be more absurd than to think of taking away any of [the Company’s] acquisitions, or sharing the power in India between them and the Crown.” He was prepared only to consider that “some regulations might be made at home with respect to the management of the General Court.”

Equally significant was that when the motion for an inquiry into the Company’s affairs was presented in the House of Commons in November 1766, it was introduced by William Beckford and not by either of the ministry’s two leading spokesmen in the Commons, Charles Townshend or Henry Seymour Conway. It soon became clear that Conway, too, opposed Chatham’s inquiry in the Company’s affairs. Although Beckford’s introduction of the motion may well have “struck fear into the hearts of all those closely

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592 ‘Thomas Walpole to the Earl of Chatham’ 9 September 1766 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. III., 63-64.
593 ‘Earl of Shelburne to the Earl of Chatham’ 5 October 1766 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. III., 93.
connected with the Company”, it also revealed the fundamental weakness of the government’s position in the House of Commons. The King himself, however, displayed a keen interest in the government’s efforts to enter into an examination of the East India Company’s affairs. He was evidently unaware of the extent of a split in the Cabinet over the issue when on 6 December he noted to Conway that “my great reliance on the success in the House of Commons is on your abilitys & Character & I am certain I can rely on your Zeal at all times to carry on my Affairs.” Evidently, after several further days of debate on the East India Company, the King had come to realise that both Conway and Townshend were unwilling to work with the ministry to bring the Company’s affairs before Parliament. Nonetheless, he was steadfast in his belief that obtaining a share of the revenues “is the only safe method of extracting this Country out of its lamentable situation owing to the load of Debt it labours under.” Although the King may have remained committed to his measures, Lord Chatham had left London for Bath because of a recurrence of gout by December and there even were rumours that he had done so out of embarrassment at the divisions in his government over the East India Company affair. One thing that cannot be doubted, however, is the fact that divisions in his own ministry and the prospect of opposition from the Grenville and Rockingham parties, made it clear that Chatham’s plans to bring the question of the East India

596 Bowen, Revenue and Reform, 19.
597 ‘King George III to Henry Seymour Conway’ 6 December 1766 in B.L. Egerton MS 982 f. 26.
598 ‘King George III to the Duke of Grafton’ 9 December 1766 in Fortescue (ed.) Correspondence of King George the Third Vol. I., 424.
599 For these rumours see ‘Duke of Newcastle to the Duke of Portland’ 21 December 1766 in University of Nottingham Manuscripts and Special Collections Pw F 7547. It is unlikely that Chatham left because of such embarrassments considering his lifelong affliction with gout. However, Newcastle’s letter remains important because it reveals the extent to which the opposition were keenly aware of the divisions within the ministry over the East India Company. The effect of these rumours on the administration can be seen in ‘Duke of Grafton to the Earl of Chatham’ 8 February 1767 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. III., 194, where he writes “There is no interpretation that the ill-wishers of the present system do not endeavour to give to your absence.”
Company’s right to the territorial revues of Bengal before the House of Commons would be far more politically dangerous than he could have imagined.

The eminent historian P.J. Marshall has described this first parliamentary examination of the East India Company’s affairs as little more than “a predatory raid on the Company’s new riches.” It is difficult to disagree. But if it was a ‘predatory raid’ it was one which had important consequences for the continuing encroachments of parliamentary sovereignty over the Empire and more specifically into the East India Company’s affairs. The Chatham administration’s objective was certainly to obtain money to help pay down the growing national debt; the impact their inquiry had upon the Company’s future sovereignty appears to have been somewhat incidental, although any consideration by Parliament of the Company’s right to its territorial revenues was certain to cause such questions to be raised in the future. Chatham’s plan to secure the revenues for Parliament was quite simple in theory, but proved to be immensely difficult to implement in practice. The plan involved opening a Parliamentary inquiry into the affairs of the East India Company. During this inquiry a question would be posed, presumably by William Beckford, about the right of the Company to its territorial revenues and possessions in Bengal. The expected outcome of this question, of course, would be a decision of Parliament in favour of the Crown possessing the right to the territories and revenues of India. Once this principle was established, Parliament would permit the Company to maintain its position in India in return for annual payments. To Charles Townshend, Chatham worded his objective even more forcefully, describing the intended

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settlement as “whatever portion of the revenue shall be left by Parliament to the Company” rather than as a form of annual payments.\textsuperscript{602} The resulting situation would be an ideal one for Parliament. They would receive a significant annual payment (estimated to be between £400,000-500,000 during the negotiations) without necessarily being drawn into direct participation in the intricacies of imperial governance in the east.\textsuperscript{603} There is an interesting, albeit perplexing, distinction between Chatham’s views towards America and towards the East India Company. It may be true that Chatham pursued his method of obtaining a portion of the revenues of the Company in order to leave America undisturbed by taxation. However, in acknowledging a limit to Parliament’s power over America he was creating, in a sense, an \textit{imperium in imperio}. This was something that he was unwilling to allow in the case of the East India Company in Bengal. It could be argued that Chatham’s distinction between taxation and legislation would allow him to hold these views without contradiction, since the portion of the East India Company’s revenues which would be given to Parliament was not, strictly-speaking, a form of taxation. If Parliament had an unlimited legislative authority within the Empire then Parliament’s taking a share of the Company’s revenues could \textit{technically} be allowed. On the other hand, if the American colonies had an exclusive right to internally tax their own citizens, it would seem inconsistent to suggest that the East India Company did not have the right to collect taxation at the behest of the Mughal Emperor from the inhabitants of Bengal. Ultimately, the issues of America and India at this early stage remained rather separate pieces of the Empire in the minds of most contemporaries, even if the nature of

\textsuperscript{602} ‘Earl of Chatham to Charles Townshend’ 6 January 1767 in Taylor and Pringle (eds.) \textit{Correspondence of William Pitt, Earl of Chatham} Vol. III., 158.

\textsuperscript{603} For excellent discussions of this subject see Lawson, “Parliament and the First East India Inquiry, 1767,” 101; Bowen, \textit{Revenue and Reform}, 49; and Bowen, “A Question of Sovereignty? The Bengal Land Revenue Issue,” 155.
the American problem and the East Indian problem in the early years of George III’s reign were intimately linked.

In bringing up the question of the right of the East India Company to its territorial revenues and possessions in Bengal, Lord Chatham and his Cabinet became embroiled in a complex legal problem emanating from the Pratt-Yorke opinion of 1757. Indeed, as H.V. Bowen has pointed out, the inquiry of 1767 came to be dominated by this legal question over the rights to the revenues “to the exclusion of all other aspects of the Indian problem.”⁶⁰⁴ The Pratt-Yorke opinion of 1757 was delivered in response to a petition from the East India Company by then Attorney and Solicitors General Sir Charles Pratt (later Lord Camden) and Charles Yorke respectively. The opinion stated that “In respect to such Places as have been or shall be acquired by treaty or Grant from the Mogul or any of the Indian Princes or Governments Your Majestys Letters Patent are not necessary, the property of the soil vesting in the Company by Indian Grants subject only to your Majestys Right of Sovereignty [sic] over the Settlements as English Settlements…[whereas] In respect to such places as have lately been acquired or shall hereafter be acquired by Conquest the property as well as the Dominion vests in your Majesty by virtue of your known Prerogative & consequently the Company can only derive a right to them through your Majestys Grant.”⁶⁰⁵ Therefore they differentiated between territories and possessions acquired by treaty or negotiation and those acquired by conquest. Only in cases of acquisition by conquest would the Crown obtain

⁶⁰⁴ Bowen, Revenue and Reform, 49.
⁶⁰⁵ Quoted from Jack M. Sosin, “The Yorke-Camden Opinion and American Land Speculators,” The Pennsylvania Magazine of History and Biography 85, no. 1 (Jan 1961): 38-39. As the title of this article suggests the Pratt-Yorke legal decision was also applied to North America, providing yet another example of how imperial governance in 18th century Britain cannot be understood in an exclusively Atlantic or Pacific vacuum.
sovereignty and possession of the land. This rather ambiguous legal decision could be seen to bolster the arguments of either those defending the Company’s rights as well as those in the Chatham administration supporting the claims of the Crown.606 As it happened, the two legal minds in question, Lord Camden and Charles Yorke, stood on opposite sides of the question in 1766. With Yorke supporting the rights of the Company and Camden, as Lord Chancellor in the Chatham Cabinet, supporting his Minister.607 There were reasonable arguments to be made on either side. For example, it could be argued that the grant of the diwani by the Mughal Emperor meant that the Company’s acquisitions fell within the category of treaties and negotiations, and thus beyond the grasp of the Crown. On the other hand, the ministry argued that the diwani had only been obtained following a protracted period of war and conquest to which the state contributed a significant amount of resources. Chatham’s own position was very clear. For him the recent acquisitions of the East India Company were the product of conquest and belonged, for that reason, to the Crown.608 There were merits on both sides of the question, and the “equivocation” of the lawyers who delivered the opinion of 1757 only heightened the complexities of the issue and led to the eventual abandonment of Chatham’s plans to bring the question of the right before Parliament.609

The other, and perhaps far more significant factor leading to the abandonment of Chatham’s favoured plan for securing the revenues of the East India Company for the Crown was the opposition within his own Cabinet from Charles Townshend and Henry

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606 Bowen, Revenue and Reform, 54.
607 Ibid., 55.
608 ‘William Beckford to the Earl of Chatham’ 27 January 1767 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. III., 177-178. This letter shows that Beckford was conducting research on Chatham’s behalf in order to ‘prove’ that the new acquisitions were a product of conquest.
609 Edmund Burke, Speech to the House of Commons, 23 March 1773 quoted in Bowen, Revenue and Reform, 55.
Seymour Conway. As we have seen, both of these ministers opposed Chatham’s plans to bring the East India Company’s affairs before the House of Commons from the very outset. Indeed, just prior to his leaving London for Bath in December, Lord Chatham wrote to the Duke of Grafton “Mr. C. Townshend’s fluctuations and incurable weaknesses cannot comport with his remaining in that critical office.” Accusing him and others of damaging the prospect of “the redemption of a nation, within reach of being saved at once by a kind of gift from heaven.” ⁶¹⁰ According to Grafton, Townshend and Conway “saw the management of the E. India business in a very different light from what Lord Chatham had wished. They were for waving [sic] the decision on the right, and for bringing forward a negociation [sic] with the Company, without entering on this essential point, which Lord Chatham, together with the rest of the Cabinet, wanted to see decided in the first instance.” ⁶¹¹ In other words, they agreed with the object (i.e. obtaining a share of the Company’s Bengal revenues) but disagreed with the means of obtaining it.

Although Townshend had spoken for Beckford’s motion to bring the affairs of the Company before Parliament on 9 December, afterwards he made approaches to the directors of the East India Company. His plan was to convince the Company to formulate proposals to be sent to the ministry which would then become the basis of the negotiations that, Townshend hoped, would render unnecessary the Parliamentary inquiry and especially any decision on the question of right. ⁶¹² In a draft of an unsent letter to Chatham we find Townshend’s opinions clearly stated, for he wished “to avoid the necessity of a parliamentary decision upon so very new, mixed, and judicial a question, ⁶¹⁰ ‘Earl of Chatham to the Duke of Grafton’ 7 December 1766 in Anson (ed.) Autobiography and Political Correspondence of Grafton, 110.
affecting so large a body of men.” He noted the “impracticability of substituting the public in the place of the Company in the collecting, investing, conducting and remitting the revenue” but also the “inability of the Company to uphold such an empire by their own power.”613 The distinctions between Townshend’s and Chatham’s plans were highlighted in the sharp exchange between the two which occurred at the beginning of January 1767 after the directors of the East India Company had submitted their first proposals to the ministry. Charles Townshend’s push for an “amicable” negotiated solution between the administration and the Company was contrasted with Chatham’s continued insistence on “assuming or deciding the question of right.”614 With Chatham ill in Bath, Charles Townshend was able to pursue his measures in Indian affairs with the same vigour and success which he achieved over his Cabinet colleagues in passing his American duties. Grafton’s excuse was that “Lord Chatham did never open to us, or to the Cabinet in general, what was his real and fixed plan.”615 However, it is certain that they knew about his plans to raise the question of right in a Parliamentary inquiry.616 Townshend had simply taken the initiative in his plan to contact the Company directors and had correctly predicted the timidity of his Cabinet colleagues in the absence of their leader. By having the Company submit proposals to Parliament, Townshend succeeded in having the inquiry repeatedly postponed, and even when it did occur, the question of the

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613 ‘Charles Townshend to the Earl of Chatham’ c. 18 December 1767 in Buceleuch MSS quoted in Namier and Brooke, Charles Townshend, 161-162.
614 See the letters between Charles Townshend and Lord Chatham from 1-6 January 1767 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. III., 149-158.
615 Anson (ed.) Autobiography and Political Correspondence of Grafton, 110.
right was shelved.\footnote{For Lord Chatham’s agreement that the inquiry should be postponed, see ‘Earl of Chatham to the Earl of Shelburne’ 16 February 1767 in B.L. Add MS. 88906/1/6 f. 65. For Chatham’s admission that the question of right would not be supported due to Townshend’s negotiations with the Company, see ‘Earl of Chatham to Earl of Shelburne’ 31 January 1767 in B.L. Add MS. 88906/1/6 ff. 53-54.} Chatham believed that any proposal from the Company would be inadequate and would therefore provide strength to his views on the question of right.\footnote{Ibid., f. 54.}

It is clear, however, that events in his absence had overtaken Chatham’s plans. Even though the majority in Cabinet rejected the proposals of the Company in early March as a basis upon which further negotiation could take place, this rejection did not mean that negotiations would cease entirely. It was well known in opposition circles that once again it was Townshend and Conway who had disagreed with the majority of the Cabinet over the East India affair.\footnote{‘Marquess of Rockingham to the Duke of Newcastle’ 5 March 1767 in University of Nottingham, Manuscripts and Special Collections Pw F 7555; and ‘Edmund Burke to Charles O’Hara’ 7 March 1767 in Copeland (ed.) The Correspondence of Edmund Burke Vol. I., 298. For the memorandum sent by Conway to the King detailing his opinion, see ‘Memorandum by Lieut.-Gen Conway’ 4 March 1767 in Fortescue (ed.) Correspondence of King George the Third Vol. I., 458-459.}

It was at this time that Chatham attempted to have Charles Townshend replaced as Chancellor of the Exchequer by Lord North. North, however, under the circumstances, refused the offer.\footnote{Lord North was to become Chancellor of the Exchequer in September 1767 following Townshend’s death.} Knowledge of this affair no doubt buoyed Townshend and he again set about working with the Company’s directors to draft another set of proposals for the Cabinet. By the end of March 1767, Chatham’s plan to determine the right in Parliament was all but abandoned in favour of Townshend’s preferred method of treating directly with the Company without considering the question of right. On 27 March the Cabinet ordered Conway, Grafton, and Townshend to proceed in negotiations with the Company.\footnote{Namier and Brooke, Charles Townshend, 168.} When the final agreement was decided in May and June it received little opposition in either House. It passed as the East India Company Act, 1767 (7 Geo. III, c. 57) and created a two year agreement by which the Company maintained its
territorial possessions in exchange for paying the Treasury the annual sum of £400,000. As Sir Lewis Namier has pointed out, just as in the question of American taxation, Townshend “was able, through Chatham’s illness and the weakness of his Cabinet colleagues, to nullify Chatham’s [favoured] policy” towards the East India Company.\(^\text{622}\) An important question remains, however, as to why the Act received so little opposition in Parliament. It will be seen that the answer is strikingly similar to their lack of opposition to the Townshend Duties.

Obtaining precise information on the stances of the opposition parties, most particularly the Grenville and Rockingham groups in Parliament, is rendered particularly challenging since most of the activity on the East India Company question in 1767 took place outside of the halls of Westminster. What little of the Parliamentary inquiry that did take place in the House of Commons in early 1767 did not concern the central question of the right of the Company to its territorial revenues but focused rather on a simple examination of witnesses and of the papers of the Company. From the extant (and admittedly fragmentary) records of Parliamentary debates and in private correspondence, it is possible to discern three major facets of the opposition to Chatham’s East India measures. The first was simply a strong aversion to the use of “force” against the East India Company.\(^\text{623}\) Force in this case, did not refer to military force, as it was often used in the American context, but rather to the fact that Chatham’s plan would involve Parliament stripping the East India Company of their possessions and revenues without their consent, and worse, even against their will. It was a line most commonly used by the Duke of Newcastle, but was also stressed in the House of Commons by Edmund Burke,

\(^{622}\) Ibid., 172.  
\(^{623}\) ‘Duke of Newcastle to the Marquess of Rockingham’ 23 February 1767 in Sheffield Archives WWM/R/1/756.
George Grenville, and his ally Alexander Wedderburn. In a similar manner, both the Rockingham and Grenville parties made objections to the legality of Chatham’s plans. The concept of Parliament adjudicating the question of the Company’s right to its territorial revenues and possessions was abhorrent to many in opposition, especially Edmund Burke and Alexander Wedderburn. Burke expressed his “contempt at the manner of this proceeding” stating that “[we] are to set ourselves up as Judges upon a point of Law, to decide between the Subject and the Crown a matter of property of the greatest concern and magnitude without the least colour of right; at once Judge and party!” Burke evidently felt that the Parliament itself had an interest in granting the right to the Crown and thus could not be a neutral judge of the question. Grenville himself had made a similar point when he urged in the House of Commons that the question of right not be decided in Parliament but rather in a court of law. In the same speech, he claimed that the only legitimate case in which the government might determine the right to possessions in India would be during the negotiations for a renewal of the charter. Grenville’s stipulation of the East India Company’s charter as a sacred

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625 Wedderburn was a lawyer by profession and would go on to become Solicitor General under North in 1771 and Lord Chancellor under William Pitt the Younger.


627 Henry Seymour Conway to the Earl of Chatham’ 24 January 1767 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. III., 175.

628 As early as September, Grenville had emphasised the Company’s charter as a measure providing protection for them against encroachments by the government. See ‘George Grenville to Earl Temple’ 21 September 1766 in Smith (ed.) The Grenville Papers Vol. III., 323. It is possible for one to detect a contradiction in Grenville’s stance towards charters in the context of the East India affair. Just as Chatham was willing to recognise an imperium in imperio in the American context but not in India; it seems Grenville did the opposite, arguing for unlimited Parliamentary sovereignty over America (despite the existence of chartered colonies) but accepting limits upon Parliament’s powers over the East India Company. However, Grenville’s stance on the taxation of the East India Company (see below) would seem to suggest that his views were more consistent than has hitherto been recognised.
document, upon which Parliament did not have the authority to encroach, was to be an important line of argument not only against Chatham’s inquiry of 1767 but in all later attempts of the government to involve itself in the regulation of the Company’s affairs. Indeed, it was a line quickly adopted by the Rockingham Whigs, who, presumably in the same debate, defended the chartered property rights of the Company against invasion by Parliament.629

It is clear that the two major opposition parties in Parliament, under Grenville and Rockingham, each opposed Chatham’s plans to determine the question of the Company’s right to its Bengal revenues in Parliament. It is not true, however, that they opposed the scheme of obtaining a share of the Company’s new revenues in general. Indeed, Edmund Burke repeatedly acknowledged that “the E. India Company is a great resource” but that it “requires great management to make it subservient to the national advantage.”630 If Parliament were to get anything from the East India Company in the course of the affair, Burke suggested that it must have both the “acquiescence” and “concurrence of the Company.”631 Going further, George Grenville made the rather characteristic assertion that rather than attempting to obtain the legal right, the administration should simply tax the revenues of the East India Company.632 Grenville likened Chatham’s scheme of taking the Company’s revenues “by violence” to a form of oriental despotism and claimed that, instead, “anything might be taken by legal taxation.”633 The opposition thus aimed almost entirely at Chatham’s means of obtaining the revenues, rather than the

633 Ibid., 126.
object itself. It is not a coincidence that the same words were used to summarise the views of Townshend and Conway on the issue. The views of Townshend and Conway were in accord with the opposition, and this was neither lost upon Lord Chatham nor on the Marquess of Rockingham. Indeed, Rockingham himself fancied in early March that his allies may once again come to form an administration if “Charles Townshend & Conway should come to us.”

Thus, when Chatham’s plan came to be abandoned and the ministry pursued the negotiations that had been initiated by Townshend, it is not particularly surprising that their opposition to that agreement was minimal. They could not, in good conscience, form an opposition to an agreement which had the support of a majority of the Company’s proprietors. The opposition had thus played a significant part, alongside the divisions within the ministry itself, in occasioning the abandonment of Chatham’s initial plan to declare the right to the territorial revenues and possessions in favour of the Crown. Although the resulting agreement with the East India Company was only a temporary one, and the question of the right remained unresolved, as other historians have noted, the inquiry and its debates remain important because many of the arguments identified above, were held consistently when the East India Company became the subject of a second, and far more considerable, inquiry in 1773.

Before coming to discuss the inquiry of 1773, however, it is necessary to examine the alterations made to the legislation regulating the East India Company’s trade in tea, which were passed alongside the Townshend Duties during the East India Company inquiry of 1767. The tea leaf provides the essential link in this period between the British empires in the east and west, suggesting that historians examining the politics of the

634 ‘Marquess of Rockingham to the Duke of Newcastle’ 5 March 1767 in University of Nottingham, Manuscripts and Special Collections Pw F 7555.
635 Sutherland, *East India Company in Eighteenth Century Politics*, 155-156.
period can treat them in isolation at their own peril. Whether the politicians themselves knew it or not, the legislation they passed in regulation of the Company’s tea had a significant impact on the situation in the American colonies, which were seen as potential saviours of the Company’s financial affairs. The American responses to the Townshend duties, meanwhile, dramatically affected the fortunes and threatened the very existence of the East India Company. Recall that, following the second ‘revolution’ in Bengal politics, when Lord Clive secured the *diwani* rights for the East India Company, the Company had gained control over vast new territory and the accompanying revenues. The means of transferring these revenues to Britain, however, proved to be a troublesome exercise. They could not simply export specie to Britain, for not only was that a particularly dangerous journey, it would also have effectively drained Bengal of currency, thus rendering the system unsustainable and affecting the other trading operations of the Company on the subcontinent. The Company chose tea as the main product through which they would essentially ‘transfer’ the Bengal revenues to Britain, but this would require a significant increase in domestic tea sales. There can be no question that a seemingly unquenchable market existed in Britain and in its colonies for teas of various kinds. However, as H.V. Bowen found, by 1765 there was already a surplus of tea in the Company’s London warehouses which stood at 3,150,446 pounds. Contemporaries were no less wary about the prospect of such an accumulation of unsold product. As Alexander Wedderburn told Grenville in the immediate context of the inquiry of 1767, the directors deemed the teas “of no value ’till they were actually sold”

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stating further that they “consider their stock of tea as a distressing circumstance, because it could not all be brought to market it one year.”

The prospect of importation levels of tea exceeding the sales was one which continued to plague the Company after 1765. Eventually it accumulated in the physical structure of what quite literally became a ‘mountain’ of unsold tea, a far more than metaphorical representation of the dire financial straits in which the Company found itself prior to the inquiry of 1773. Acknowledging the severity of the situation at a relatively early stage, the East India Company included in its proposals to the Chatham ministry a plan that would allow them to sell their tea in the colonies at a rate competitive with that which was often smuggled from the Netherlands.

The Chatham ministry took the proposal very seriously and, no doubt in an effort to secure for themselves the £400,000 per annum share of the Bengal revenues, obliged the Company by drafting legislation which would, they hoped, alleviate the Company’s mountainous financial difficulties. This legislation, known as the Indemnity Act of 1767 (7 Geo. III, c. 56), lowered the inland duty on tea consumed in England, thereby allowing it to be sold cheaper on the domestic market. Upon teas to be exported to America, the Indemnity Act gave the Company a full drawback of the customs duties charged upon its entry to England. This drawback effectively lowered the price of the most popular Bohea tea from 2s. 9d. to 2s. 1d. which allowed the Company’s tea to compete with the smuggled Dutch tea in the colonies.

This arrangement, it was believed, would enhance the legitimate tea trade with the colonies while simultaneously

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640 Bowen estimates the amount of tea to have been 17,500,000 by 1772, certainly worthy of the title ‘mountain.’ See Bowen, “Tea, Tribute and the East India Company, c. 1750-1775,” in Taylor, Connors, and Jones (eds.) Hanoverian Britain and Empire, 171.
642 Ibid., 13, 20. See also Bowen, Bowen, “Tea, Tribute and the East India Company, c. 1750-1775,” in Taylor, Connors, and Jones (eds.) Hanoverian Britain and Empire, 169.
easing the financial burdens of the East India Company, allowing them to more successfully transfer their profits from Bengal to Britain and thus to provide the British government with their share of the revenues. Charles Townshend did not stop there, however. He could not have been particularly happy that, in order to stimulate the legitimate colonial tea trade, Parliament had to cut duties such that they would lose ninepence on every pound of tea sold in America. Although the agreement between the government and the Company stipulated that the Company were to pay for any loss of public revenues arising from the plan, Townshend must have recognised that placing such an onerous burden on the Company might jeopardise the government’s receipt of its portion of the Bengal revenues. Therefore, he strove to add a duty of 3d. upon the importation of tea to America. It was announced to the House on 13 May that duties on tea were being contemplated in addition to those on glass, fruit, wine, lead, etc., but that “as matters were in a way of accommodation with the East India Company, [they] could not then with propriety be offered to consideration.” There is little doubt, then, that it was the proposals of the East India Company and the government’s decision to remove the duties on the importation of tea to Britain that led to Charles Townshend including tea on the list of articles to be taxed in his Revenue Act of 1767. Benjamin Labaree is correct in seeing the combination of the Revenue and Indemnity Acts of 1767 as removing a duty

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643 References to this stipulation by the government in 1767 are somewhat lacking in other narratives of the East India Company inquiry of 1767. However, the text of the act itself is clear: “the united company of merchants of England trading to the East Indies are willing and desirous to indemnify the public, in such manner as is hereinafter provided, with respect to any diminution of the revenue which shall or may happen from this experiment.” See also North’s speech in Commons Debate, 12 February 1772 in Simmons and Thomas (eds.) Proceedings and Debates of the British Parliaments Respecting North America Vol. III., 408.

collected in England with a smaller duty collected in America. On paper, the plans would have the dual effects of resolving a financial crisis among Britain’s corporate empire-builders in the east while raising a revenue from Britain’s recalcitrant North American colonies, all the while securing for the Crown a significant share in the revenues to be collected in Bengal. In the mind of Charles Townshend, as well as the majority of the British political nation, it must have seemed like an act of imperial statesmanship beyond compare. The reality, however, could hardly have deviated further from the ideal. Although the first years of the tea duty (1767-8) saw a dramatic increase in the purchase of legal tea in the colonies to upwards of 1,400,000 pounds, Townshend’s seeming triumph was not to last. As described in the previous chapter, the American colonies did, albeit belatedly, band together to form non-importation agreements, and tea was among the foremost articles on their lists of banned commodities. In the two years following the formation of the non-importation agreements, the amount of legal tea sold in the colonies fell to 446,000 and it would continue on a downward trend. The Company responded to the American resistance by importing far less tea to the colonies, thereby contributing exponentially to their financial woes in the early 1770s. Tea continued to be an article singled out by the Americans for the simple reason that it was the article chosen by Lord North to be retained in 1770 to support the continued assertion of Parliament’s sovereignty over the North American colonies. Notwithstanding North’s valid arguments that the tax on tea was the only one of Townshend’s duties based on commercial principles, by choosing to retain it he had inadvertently made the East India

648 H.V. Bowen notes that tea legally imported to the colonies decreased from 868,792 pounds in 1767 to only 108,629 pounds in 1770. See Bowen, *Revenue and Reform*, 122.
Company the sacrificial lamb of the British Parliament’s quest to retain *de facto* as well as *de jure* sovereignty over the American colonies.\(^{649}\) The attempts of British politicians to obtain revenues from their imperial possessions in the east and the west while also seeking to assist legal commerce led to an exacerbation of the already troubling circumstances prevailing in both parts of the Empire.

By the summer of 1772, however, it was not merely the British government who found itself struggling under particularly onerous debt levels. Indeed, the financial difficulties of the East India Company, caused by far lower than expected returns on its Bengal revenues as well as its inability to sell as much tea in Britain or in America as was being imported, were exacerbated by the occurrence of a sharp pan-European credit crisis.\(^{650}\) The appearance of the credit crisis meant that, when the Company applied for new loans from the Bank of England in order to repay existing financial obligations, they were refused.\(^{651}\) Faced with the inability to pay its pre-existing debts to the Bank, its several obligations to the British Crown, and its bi-annual dividend payments to its proprietors, the East India Company had no choice but to seek the aid of the North administration. Likewise, the Treasury, faced with the prospect of substantial unpaid debts to the Bank of England, the loss of a significant amount of annual funds through the East India Company, not to mention the potential of the Company’s imminent collapse, was forced to consider legislative action to bail the Company out of its dire circumstances. By 1770, Harry Verelst, Clive’s successor as Governor of Bengal, reported to the directors of the East India Company that the benefits derived from the


\(^{650}\) See Bowen, *Revenue and Reform*, 103; and Sutherland, *East India Company in Eighteenth Century Politics*, 222-223.

\(^{651}\) Bowen, “Investment and Empire in the Later Eighteenth Century,” 190.
The acquisition of the diwani “have been exaggerated beyond all bounds.” The agreements made between the Company and the Government in 1767 and renewed in 1769 had proceeded on the assumption that Clive’s estimates of the proceeds of the Bengal revenues were at least somewhat accurate. Although various figures at the time had expressed concern at the Company’s ability to transmit its revenues, nobody appears to have believed, on the basis of substantial evidence, that Clive’s predictions were quite as fanciful as they did indeed turn out to be. The over-optimistic assessments of the Company’s Bengal revenues as well as the mistaken views that the Company’s tea would be bought in much larger quantities in Britain and America after 1765 led to the East India Company paying substantial amounts to the British Crown. Not only did they pay £400,000 per annum to the Crown as a portion of the predicted Bengal revenues, but they also incurred payments to make up for Parliament’s removal of the duties on tea exported to America as a part of the 1767 Indemnity Act—an expense that added an extra £500,000 over five years to the Company’s debts. The financial situation of the Company in 1772-3 can be attributed to Clive’s over-optimistic accounts of the potential benefits from the acquisition of the diwani, the mismanagement of the ‘transmission’ of the revenues to Britain through the article of tea, and the pressures placed on the Company’s finances by agreements with the British Crown from 1767 onwards. There is thus little doubt that H.V. Bowen is correct in noting that “as in 1767, financial

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considerations, above all else, prompted government intervention in the Company’s affairs” in 1773.655

So distressing were the financial affairs of the East India Company that Lord North saw fit to call the Parliament together before Christmas.656 The Company was reported to be “pretty near its last gasp” and “the Business of Parliament [was] to be entirely upon Indian Affairs.”657 By 25 November 1772, Lord North was ready to meet Parliament and had developed the strategy of creating a Secret Committee to investigate the affairs of the Company.658 The King fully supported North’s administration in its proposed dealings with the East India Company. He felt that a firm stance needed to be taken or else the inquiry would prove to “be disgraceful to [North] and destructive to the Public.”659 The Address to the King’s speech, the language of which was deliberately softened, passed without a division in the House. No doubt the opposition did not wish to reveal their hand until tangible measures had been proposed by the North administration. The first division, however, arose over a movement within the Company to send out another commission to India in a rather belated attempt to rectify their administration in

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655 One might also argue that Burgoyne’s Select Committee, which elected its members in April 1772 for the purposes of investigating abuses of the Company’s servants in India, was also partly responsible for the attention the East India Company received from the North administration in 1773. As much as it captured the attention of the public at large, the Burgoyne Committee cannot be said to have influenced the ministry’s actions towards the East India Company to anywhere approaching the same extent as the deepening financial crisis.

656 ‘Lord North to the Earl of Guilford’ 5 October 1772 in North MSS, Oxford Bodleian Library d. 24 f. 177. ‘Beaumont Hotham to the Duke of Portland’ 15 October 1772 in University of Nottingham, Manuscripts and Special Collections Pw F 5367. Parliament was generally only called upon before Christmas in times of emergency. It was called early in 1765 after the reports of American disturbances over the Stump Act. It was also called early in 1766 in response to a dearth of corn, see Lawson, “Parliament, the Constitution, and Corn: The Embargo Crisis of 1766,” Parliamentary History 5 (1986): 17-37.

657 ‘Beaumont Hotham to the Duke of Portland’ 24 October 1772 in University of Nottingham, Manuscripts and Special Collections Pw F 5368.

658 ‘King George III to Lord North’ 26 November 1772 in Fortescue (ed.) Correspondence of King George the Third Vol. II., 408.

659 ‘King George III to Lord North’ 25 November 1772 in Fortescue (ed.) Correspondence of King George the Third Vol. II., 407.
Bengal internally. The debate brought out the inevitable questions from opposition members about whether or not Parliament had the right to interfere in the internal affairs of the Company and whether it was expedient for Parliament to take upon itself the power of reviewing a charter provided by the Crown. North argued that the interference of Parliament in the Company’s at this stage was not “wanton” but rather was “light.” The present “situation of the Company” had made it the “duty of Parliament to interfere now.” Lord North added that while Parliament had set up a Secret Committee to investigate the Company’s affairs, it would be ridiculous to allow the Company to send a commission which could in time effectively “thwart & defeat the purpose of Parliament.” After a relatively short but lively debate, the bill to prevent the Company from sending commissioners to India while the Secret Committee was deliberating passed 114-45. With the preliminary considerations established in Parliament, and the Company prevented from taking any unilateral action in consequence of its distressed state of affairs, the ministry chose to await the considerations of the Secret Committee before again engaging upon the East India question.

At the same time, however, the directors and the proprietors of the East India Company took action in other ways to alleviate their financial situation. In late December they voted to lower the dividend payments to proprietors to six per cent, which would not

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660 The previous commission, that was sent out in 1769 and included the former Governor of Bengal Henry Vansittart, was lost at sea with all hands, also lost were the new instructions for the Company’s servants in Bengal. See Sutherland, *East India Company in Eighteenth Century Politics*, 200. For the commission of 1772 see Bowen, *Revenue and Reform*, 138-139.

661 Commons Debate, 7 December 1772 in B.L. Egerton MS. 243 f. 83-85.

662 *Ibid.*, f. 119. There was a humorous episode as the 45th member in opposition to the bill cast his vote. It was Richard Oliver, the Sheriff of London. He was a former supporter of John Wilkes who had raised money to pay off his debts through the Bill of Rights Society; however he had since broken these ties and publicly opposed Wilkes, adding to the irony that he would be the 45th member who voted in opposition—the No. 45 being the infamous issue of Wilkes’s *North Briton* which saw him outlawed and tried for seditious libel. Oliver’s vote occasioned a laugh in Parliament.
only save the Company £208,000 in annual dividend payments but would also, according to the agreement made with the government in 1769, mean that they were no longer obligated to pay the £400,000 to the Crown.\textsuperscript{663} The directors also approached the administration with several schemes which they felt might also alleviate the Company’s financial woes. The first of these, which was quickly abandoned, was a proposal to request permission to sell the stockpile of teas in London in continental European markets. The second, and more vigorously pushed was a proposal to have the Townshend duty on tea removed in the hopes that Americans would resume the legal purchase of tea. Even with all these measures, however, the Company were still compelled to request from the North administration a short-term loan of £1,500,000 at 4 per cent interest in order to continue operations.\textsuperscript{664} North, in response, offered no assistance to the Company with regard to the selling of tea—either on the Continent or in America. However, he did suggest that the administration was willing to consider a loan to the Company but that it would have to be tied to the issue of reform in the Company’s governance. Unlike Chatham in 1767, North was not only encroaching upon the East India Company’s affairs in order to secure for the British state a portion of the benefits of empire in the east, he was making any government assistance to the Company contingent on a thoroughgoing reform of the Company’s administration both financially and politically.\textsuperscript{665} When announcing this intention to Parliament in early March 1773, North was cautious not to enter into any specifics. He would not even confirm that the situation of the Company

\textsuperscript{663} Bowen,\textit{ Revenue and Reform}, 151.

\textsuperscript{664} Ibid., 152-153.

\textsuperscript{665} It is likely that at least some of the impetus behind North’s reforms came from the popularity of Burgoyne’s Select Committee and its findings of maladministration in India. North would have no doubt pushed for some kind of reform in order to stabilise the Company’s finances, but political and judicial reforms were inspired by Burgoyne’s committee.
was a result of mismanagement until it was proven by the Secret Committee. Any reform enacted by Parliament, he observed, would be “in the nature of experiment...[but] we must make the best we can” since “the situation is so new.”

Despite stipulating that financial assistance would need to be enacted alongside proposals for administrative reform, Lord North nonetheless proceeded to discuss the propriety of providing a loan to the Company while the Secret Committee continued to analyse the Company’s papers in order to produce their reports and before the directors had provided the ministry with proposals for reform. To this end, unlike Lord Chatham in 1767, he was willing to put aside the question of right in order to tackle the immediate problem of the Company’s financial sustainability. Like Charles Townshend, however, North favoured a negotiation with the Company, a compromise between the interests of the Company and those of the state. Lord North was willing to provide a loan for the Company since “without the assistance of P.[arliament] they would be bankrupt” but he would not do so without fixing the Company’s dividends at six per cent until they had reduced their bond debt to £1,500,000. This, of course, meant giving up for a time the state’s right to a portion of the Bengal revenues; but as soon as the Company found itself in a better financial position and began to raise its dividends (as a private company would be sure to do) the state would once again be in receipt of a portion of the Company’s profits. By stipulating that the dividend be fixed, North argued that Parliament was only doing what was fair in the interests of the public, since they had loaned the money to keep the Company afloat. Indeed, he believed that Parliament would be “deem’d the restorers, preservers, and the best benefactors of the Company”, not as plunderers and

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666 Commons Debate, 9 March 1773 in B.L. Egerton MS. 244, f. 295.
667 Bowen, Revenue and Reform, 162.
668 Commons Debate, 23 March 1773 in B.L. Egerton MS. 245, ff. 52-54.
despots attempting to increase the prerogative powers of the Crown as the opposition attempted to depict them.\footnote{669\textit{Ibid.}, ff. 64-66.}

As far as regulatory proposals went, Lord North waited several months for the East India Company to send their ideas for reforms. By 3 May, however, he declared to the House that he had still not received any proposals from the Company and proceeded to announce the outline of a plan formulated by himself, and to a considerable extent, by his ‘man-of-business’ in the Treasury, John Robinson.\footnote{670\textit{Ibid.}} North began by pointing out serious flaws in the election of directors. He proposed that they be elected for longer terms because by the time any orders are sent to Company servants in Bengal there will have been a new election and the directors responsible for those orders may no longer be in office. The annual elections, he claimed, also lead to an instability in policy-making with potentially different plans being formulated every year. A remedy for this, he said “is to give to the Directors a longer term” of four years, with annual elections for six of the twenty-four directors.\footnote{671\textit{Commons Debate, 3 May 1773 in B.L. Egerton MS 246, f. 38.}} It was also proposed that the minimum voting qualification in the Company’s General Court be raised to £1,000 of stock from £500 in order to ensure that those who vote in the Company’s elections are more “earnest for the flourishing state of the Company” because they have a higher stake in it.\footnote{672\textit{Ibid.}, f. 39.} In India, North said that there “must be some superiority lodged in one of their presidents…in certain cases over others…that will be most properly lodged at Bengal, the great, and important seat of the English power in India.”\footnote{673\textit{Ibid.}, f. 40-41. It is also important to note that North recommended Warren Hastings, the then present Governor of Bengal to continue in his role with the new and extended powers.} To assist the Governor, North proposed

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\item \textit{Ibid.}, ff. 64-66.
\item For information on Robinson’s significant role in creating the proposals which became the Regulating Act of 1773, see Christie, \textit{Myth and Reality in Late Eighteenth Century British Politics}, 153.
\item \textit{Commons Debate, 3 May 1773 in B.L. Egerton MS 246, f. 38.}
\item \textit{Ibid.}, f. 39.
\item \textit{Ibid.}, f. 40-41. It is also important to note that North recommended Warren Hastings, the then present Governor of Bengal to continue in his role with the new and extended powers.
\end{itemize}
that there be created a council of “four, or five…invested with extraordinary power.”\textsuperscript{674}

Finally, North proposed the creation of a new supreme court in India with a chief justice and three other judges appointed by the King.\textsuperscript{675} North acknowledged that such regulations would represent a breach of the Company’s Charter by Parliament, but stated that it was “obviously for the service of the Company” and did not affect the “great privileges” granted by the Charter.\textsuperscript{676} Thus, North was willing to engage in a breach of the Charter which he felt was justified not only by the circumstances of the Company, but more importantly the fact that the Company had petitioned Parliament for financial assistance. As Lucy Sutherland astutely saw, if the Company were to refuse to accept Parliament’s loan because of the Regulating Act, North would have to shift his ground.\textsuperscript{677}

Faced with parliamentary opposition to his measures to reform the East India Company, North stated that “I do not think [the Regulating Bill] is of itself sufficient remedy of the evil of which we complain, or that I can promise ourselves it will secure us against danger…[but] It will procure a degree of stability. It will give us a shadow of Parliament in the General Court, it will afford us further information, and possibly redress.”\textsuperscript{678} The parliamentary opposition to the Regulating Bill was not the only source of pressure upon North’s administration. Indeed, the reaction of the East India Company proprietors was perhaps even more disturbing and disruptive for the ministry. The Regulating Bill had passed its third reading in the House of Commons on 10 June, the same day that the Loan Bill received its first. However, although the Company had petitioned Parliament for the receipt of a loan, they had not agreed to the specifics of the

\textsuperscript{674} Ibid., f. 42.  
\textsuperscript{675} Ibid., f. 44.  
\textsuperscript{676} Ibid., f. 38.  
\textsuperscript{677} Sutherland, \textit{East India Company in Eighteenth Century Politics}, 259.  
\textsuperscript{678} Commons Debate, 10 June 1773 in B.L. Egerton MS. 250, f. 243.
reforms outlined by North in Parliament. In fact, there arose a significant opposition to them in the General Court of the East India Company. Their opposition to the terms of the Regulating Act as well as to the possibility of the Company’s refusal of a loan provided on the basis that such reforms would be implemented was highlighted by an opposition victory in the General Court on 15 May 1773. The motion, which proposed to petition the House of Commons to pass a bill that would incorporate the Company’s own proposals for reform rather than those of the Regulating Act, passed 319 to 149. In a letter to North in response to this event, George III expressed the same willingness to force the Company to accept the government’s terms as he had with Chatham in 1766-7.679 North, to a far greater extent, realised that if the Company were to oppose the loan, the major justification for the ministry’s breaching the Charter would be eliminated. Just one day after the House of Commons passed the Regulating Act and began to consider the Loan Bill, the East India Company petitioned Parliament for the withdrawal of their previous petition for a loan on the grounds that they did not accept the terms of the Regulating Act.680 From North’s perspective, however, it was clear that the ministry had gone too far to turn back. The Regulating Bill was well on its way to receiving royal assent, meaning that the House of Commons had already, in theory, breached the Company’s Charter. Without the loan the Company would surely face bankruptcy before the next session of Parliament and it was far too late in the session to begin proceedings on another bill to reform the East India Company. North’s ministry, then, was left with three potential choices: they could allow the Company to refuse the loan and risk the

679 ‘King George III to Lord North’ 15 May 1773 in Fortescue (ed.) Correspondence of King George the Third Vol. II., 484.
680 Sutherland, East India Company in Eighteenth Century Politics, 264; Bowen, Revenue and Reform, 182.
possibility of its collapse; they could pass the Loan Bill and have the friends of the ministry in the House of Lords defeat their own Regulating Act—thus effectively abandoning the project of tying financial assistance to administrative reform; or the ministry could simply force the Company to accept the loan and justify such actions through appeals to public necessity. Unsurprisingly, the North ministry chose the latter course. The House of Commons rejected the petition of the Company to withdraw their previous petition for a loan in the face of a spirited speech by Charles Cornwall, who had previously supported the Company’s right to refuse financial assistance from the government, but who now argued on the basis of the rights of unrepresented East India proprietors and creditors as well as public necessity that the loan be made obligatory.

In order to persuade some of the mild opposition to government at Leadenhall Street to support the Loan Bill, North made several changes, the most significant of which involved the removal of any reference to the question of right over the Bengal revenues. These changes served their purpose and the Loan Bill was rushed through Parliament before the session ended at the beginning of July. North had thus removed what was clearly an attempt to use the dire financial circumstances of the Company in 1772-3 to determine the question of the right to the Bengal revenues in favour of the Crown in return for the government’s providing financial assistance to the Company. The circumstances had no doubt changed between 1767 and 1773, indeed the Company required financial assistance in order to remain afloat and the prospect of assisting the Company without stipulating major reforms was hardly feasible after the very public

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682 Sutherland, *East India Company in Eighteenth Century Politics*, 264-265.
revealing of corruption and rapine among the Company’s servants brought up in the proceedings of Burgoyne’s Select Committee. Throughout the whole affair, however, Lord North and King George III kept their focus solely on the interests of the public and the continued optimism that the public finances may come to benefit from the Bengal revenues.\(^{683}\) The fact that North gave up on making any determination on the question of right was a significant concession forced by the very real possibility of the ministry’s legislation, although it was coordinated with the Company’s directors, being rejected by the opposition in the General Court. Despite the differing circumstances, then, North’s major object in proceeding as he did with the East India Company inquiry in 1773 was to safeguard the Company’s position in the East Indies and to retain the possibility that the fruits of empire in the east might come to the rescue of the debt under which Britain continued to labour. Such a position was not markedly different from Chatham’s in 1767, and this should come as little surprise since, in 1769, North had extended the government’s deal with the Company over the territorial revenues. Clearly, throughout the early years of George III’s reign, revenue remained the major impetus behind the state’s involvement in imperial affairs, whether those of America or India.

Before moving on to discuss the only organised opposition to the East India legislation passed by the North ministry in 1772-3, it is necessary to examine the rather ambiguous views of the Chathamites during the East India Company inquiry of 1773. Complicating the position of the Earl of Chatham and his followers in 1773 was the fact that it was under the Chatham administration in 1767 that the government engaged in its first official inquiry into the affairs of the Company. The similarities between the

\(^{683}\) See especially ‘King George III to Lord North’ 3 May 1773 in Fortescue (ed.) *The Correspondence of King George the Third* Vol. II., 480; also ‘King George III to Lord North’ 11 June 1773 in Fortescue (ed.) *The Correspondence of King George the Third* Vol. II., 501.
positions taken up by North and Chatham are not merely the conjectures of historians, but were in fact immediately recognised by contemporaries as soon as word spread about the possibility of an inquiry into the Company’s affairs.684 Lord Shelburne, recollecting events with unrivalled clarity claimed that “the great public seem as little occupied with the state of general credit, as they were with that of the India Company five years since; and if the same causes are likely to produce the same effects, the public may, in a short time, find itself in the same situation with the India Company now.”685 Even on the floor of the House of Commons, Isaac Barré took occasion to defend the administration of 1767 and the actions of William Beckford against the criticisms of Edmund Burke.686 Barré, rather than defending the East India Company Act of 1767, as it developed under the guidance of Charles Townshend, spoke up for the “wisdom and comprehensiveness of the measures then intended [by Chatham] and their probable consequences, had they had fair play.”687 The Rockingham Whigs challenged the followers of Chatham to define their stance relative to the North administration and in consequence of the actions they had taken towards the Company in 1767. Lord Chatham and his followers, however, appeared more than happy to have retained relatively consistent views and supported the North administration or at least abstained from voting in key divisions throughout the East India Company inquiry of 1773.688

686 William Beckford had been elected to a second term as Lord Mayor of London but died in 1770, a particular blow for the Chathamite presence in the House of Commons.
688 See ‘William Dowdeswell to the Marquess of Rockingham’ 20-22 December 1772 in Sheffield Archives WWM/R/1/1419; ‘Frederick Montagu to the Marquess of Rockingham’ 8 December [1772] in
Barré’s speech is crucial for understanding the public views of the Earl of Chatham towards the East India Company at this time. Indeed, Chatham himself, rather vainly yet revealingly, saw the speech as “another copious source of self-flattering reflection to me; for my vanity leads me to trace, in all the principles and sentiments of it, an entire conformity to my own views and way of thinking, with regard to this complicated and momentous object.” Nor was this simply empty rhetoric. Barré welcomed the reports of the Secret Committee, which, although they did not make any particular proposals, greatly increased the information available to MPs concerning the East India Company, and it is known that Barré, Shelburne, and Chatham all read the reports. In his response, Lord Chatham echoed Barre’s comments, stating “I like the spirit of it as well; as it does ‘nothing extenuate, nor set down aught in malice.’”

Neither Chatham nor Barré were unreservedly friendly to North’s East India inquiry. Barré was acutely wary of the possibility of North’s reforms resulting in the revenue and East India Company patronage being brought directly under the auspices of the Crown, a circumstance which he claimed would be “dangerous to the constitution” and that “the strong hand of government would ruin all.” Chatham once again used a similar language in reference to North’s proposals for reforming the Company’s administration, stating that “the reformation of them, if pursued in a pure spirit of justice, might exalt the nation, and endear the English name through the world; but the generous purpose is no sooner conceived in the hearts of the few, but by-ends and sinister interests taint the

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Sheffield Archives WWM/R/1/1416; and ‘Earl of Shelburne to the Earl of Chatham’ 26 June 1773 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. IV., 282.

689 ‘Earl of Chatham to the Earl of Shelburne’ 14 April 1773 in B.L. Add MS. 88906/1/7 f. 22.

690 ‘Earl of Shelburne to the Earl of Chatham’ 17 January 1773 in Taylor and Pringle (eds.) Correspondence of William Pitt, Earl of Chatham Vol. IV., 239.

691 ‘Earl of Chatham to the Earl of Shelburne’ 22 January 1773 in B.L. Add MS. 88906/1/7 f. 17.

execution, and power is grasped at, where redress should be the only object.”693 Although he did not agree with the opposition’s emphasis on chartered rights, he did feel that “too much tenderness…can not be used, in touching Charters without absolute necessity [and] for this reason, therefore, I should not be willing to innovate, in the annual election of Directors or the qualifications of votes according to present charters.”694 Chatham also had inhibitions towards North’s idea of creating a Governor General and Council responsible for superintending all of the Company’s activities in India but he agreed that there needed to be Crown-appointed judges serving in India. Chatham made his rather ambivalent feelings towards North’s proposed reforms exceedingly clear when he claimed that “defective and faulty as the Regulations appear to me, I can not help thinking nevertheless, that an attempt towards reformation in a case so urgent, does some honour to a minister, and is far more praiseworthy, in my poor judgement, than barring all redress, by the unhappy misapplication of a respectable sound, chartered rights, to the most flagrant and ruinous abuses” as he believed the Rockinghamite opposition had done.695 The followers of Lord Chatham, therefore, did not oppose the North administration’s attempts to reform the Company in 1773. Indeed, they simply could not do so and remain consistent in their views towards the East India Company. As much as Chatham might have respected the Company’s chartered rights, he was himself, in 1767, willing to breach them in order to secure for the Crown access to a portion of Bengal’s territorial revenues. Chatham was also willing, therefore, not to oppose North’s reforms in the interests of rescuing the Company from its flagrant abuses which, he believed, threatened the possibility of the Crown’s maintaining access to its portion of the

693 ‘Earl of Chatham to the Earl of Shelburne’ 17 June 1773 in B.L. Add MS. 88906/1/7 ff. 26-27.
694 Ibid., f. 27.
695 Ibid., ff. 28-29. Underlined text in original.
territorial revenues. He continued to feel that the revenues should be divided between the state and the Company, but that ultimately the Company only held its portion in trust for the public.\textsuperscript{696} He was therefore consistent with his view from 1767 that the question of the right to the Bengal revenues should be decided in favour of the Crown.\textsuperscript{697} As a result, despite some reservations about specific policies, the followers of Lord Chatham gave their general support to the North administration’s policies on India.

The only significant parliamentary opposition to the measures emanating from Lord North’s East India Company inquiry of 1773 came from the Rockingham Whigs. Although their numbers in Parliament never seriously threatened the Ministry with defeat over its East Indian measures, the line taken by the Rockinghams in the debates was a significant one for the development of their distinct ideas towards the East India Company. Like the followers of Chatham, the Rockingham Whigs were seemingly bound to act in a certain way due to the stance they took during the first East India inquiry of 1767. Comments by several members of the Rockingham connection, however, seem to suggest that they did not feel so bound. Edmund Burke, in a letter to Rockingham, stated that “I am not governed in my present opinions by any Idea of our being tied down to a servile adherence to the Maxims which we supported in 1767. Since it is obvious, that when we have no Interest one way or another in the point, we might be allowd, without any suspicion of deseriting our principles, to alter an opinion upon six years experience, if

\textsuperscript{696} Earl of Chatham to the Earl of Shelburne’ 24 May 1773 in B.L. Add MS. 88906/1/7 ff. 24-25. 
\textsuperscript{697} Marie Peters, in her “Myth of William Pitt, Earl of Chatham, Great Imperialist Part II,” 403, argues that Pitt had not expressed the idea that there be a ‘mixed right to the territorial revenues between the state and the Company, as joint captors’ in 1767. Lucy Sutherland makes a similar claim utilising the same evidence in her \textit{East India Company in Eighteenth Century Politics}, 242-243. This claim, however, is only partially true, Chatham qualified his view by stating that the Company would only hold their portion of the revenues ‘in trust’ for the public. As a result, he had evidently not changed his views on the question of the right. The right to the Bengal revenues, for Chatham, always belonged to the state, even if the Company might hold it in trust for reasons of practicality—the state simply was not able at this time to take over the role of the East India Company in India.
six years experience had given us reason to change it.”698 Evidently, for Burke, six years
of experience on the question did not change the fundamental principles to which the
Rockingham party adhered on that question. He claimed that the Rockinghams had never
opposed the superintending of the Company’s affairs which was wholly distinct from the
proposals of the North ministry that involved breaking into its charter “in order to
regulate it...[and] in order to rob it.” Although they sought to ensure that the Company
did not abuse its Charter privileges, they were consistently opposed to Parliament
breaching the Company’s Charter in order to force their rate of dividends and to “seize
their revenues into the hands of the Crown.” He concluded by stating “[t]hese I am sure
were our opinions then; and I see no sort of reason for altering them since that time.”699
The Duke of Portland also expressed a willingness to adhere to “the principles of our
union as a Party” despite the fact that “immediate popularity may be risked” in the
process.700 Portland’s observation showed an acute awareness that public opinion was on
the side of the North ministry due, in large measure, to the instances of rapine and abuse
committed by the Company’s servants in India as revealed by Burgoyne’s Select
Committee. However, just as in their attempts to repeal the Stamp Act, the Rockingham
party clearly did not shy away from taking the more politically difficult path in order to
stand by their principles. Indeed, some members, most notably the Duke of Richmond,
were fearful that their decision to oppose the ministry over the East India Company affair
might appear to be taken primarily “for the sake of opposition and to get ourselves into

698 ‘Edmund Burke to the Marquess of Rockingham’ 23 November 1772 in Sutherland (ed.)
Correspondence of Edmund Burke Vol. II., 384-385.
699 Ibid., 385.
700 ‘Duke of Portland to the Marquess of Rockingham’ 21 November 1772 in Sheffield Archives
WWM/R/1/1413.
Place” which would thereby be seen as factious. Such inhibitions about the prospects of opposition to the North ministry’s East Indian measures would further hinder the already dismal prospects of the Rockingham party in the Parliamentary session of 1772-3.

It may appear somewhat surprising, at least initially, that the biggest debate among the leaders of the Rockingham party in late 1772 and early 1773 was not centred on the nature of their opposition to the North ministry but rather about whether to even attend Parliament. It is obvious that the Rockinghams had serious and principled objections to the North ministry’s stance towards the East India Company. As early as April 1772, Lord Rockingham himself had surmised that the ministry would use the findings of the Burgoyne Committee to take upon themselves “the Super Direction of the E:[ast] I:[ndia] Company’s affairs” and what was worse, the “Lucrative Offices and appointments” of the Company will, as a result, “virtually fall into the Patronage of the Crown.” Prior to the opening of the new session in November 1772, serious questions were raised about the propriety of attending Parliament in opposition to the expected measures of the North ministry respecting the East India Company. The Rockinghams were sure that the East India Company affair was to be the only major business before Parliament in the upcoming session; yet more troubling for their political purposes was the fact that they were even more “sure of being defeated” in Parliament.

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701 ‘Duke of Richmond to Edmund Burke’ 2 December 1772 in Sutherland (ed.) Correspondence of Edmund Burke Vol. II., 390.
702 ‘Marquess of Rockingham to Charles Turner’ [c. 7 April 1772] in Sheffield Archives WWM/R/1/1402.
703 ‘Edmund Burke to William Dowdeswell’ 27 October 1772 in Sutherland (ed.) Correspondence of Edmund Burke Vol. II., 349; ‘Marquess of Rockingham to Edmund Burke’ 24-28 October 1772 in Sheffield Archives WWM/R/1/1408.
704 ‘Edmund Burke to William Dowdeswell’ 27 October 1772 in Sutherland (ed.) Correspondence of Edmund Burke Vol. II., 352.
Burke, and Richmond had each come to the conclusion that an early attendance was not necessary and that a temporary secession from Parliament might actually be desirable in that it would show their thorough disapproval of the North ministry’s East India measures. The problem with such a measure, however, as Richmond aptly pointed out, was that such a measure could only prove effective if it was adopted by everyone affiliated with the Rockingham party.\textsuperscript{705} If some members refused to join the secession from Parliament, then the party had to attend and “give a warm opposition.”\textsuperscript{706} William Dowdeswell and the Duke of Portland raised serious objections to the prospect of a secession from Parliament and it was largely on the basis of their arguments that Rockingham and Burke agreed to plan for an opposition. Both Dowdeswell and Portland argued that the current political circumstances did not warrant a total secession from Parliament.\textsuperscript{707} As a result, although Rockingham and Richmond remained away from London at the opening of the session, Edmund Burke and William Dowdeswell were present to represent the Rockingham party and express their dissatisfaction with the North ministry’s proposals as they came up.

The first measure contested was the ministry’s bill to block the East India Company from sending supervisors to attempt reforms of their own while their affairs were being analysed by the Parliamentary Secret Committee. William Dowdeswell and Edmund Burke along with several proprietors of the Company, most notably George Johnstone, argued against the North ministry’s bill on the grounds of it being a breach of


\textsuperscript{706} \textit{Ibid.}, 153.

\textsuperscript{707} ‘Edmund Burke to William Dowdeswell’ 6, 7 November 1772 in Sutherland (ed.) \textit{Correspondence of Edmund Burke} Vol. II., 362; ‘Marquess of Rockingham to Edmund Burke’ 20 November 1772 in Sutherland (ed.) \textit{Correspondence of Edmund Burke} Vol. II., 379.
the Company’s charter. Stopping short of saying that the Company’s commission was “right & ought to go,” Dowdeswell argued that he “had rather the commission should go than interposing an act of the Legislature to rescind a measure the Proprietors themselves had determined upon.”708 In a more aggressive tone, Burke argued that with the East India Company under investigation by the Secret Committee, “the whole powers of their Charter are suspended.”709 He went on to suggest that it was the interference of Parliament in 1767 that brought on the present crisis in the Company’s affairs, and argued that at the present rate of intervention it would not be long before he could declare that “We [i.e. Parliament] are become the E.I.C.”710 The division on this question, 114-45, revealed the weakness of the Rockingham opposition on the question of the East India Company’s affairs. As Burke stated, it could be attributed partially to the failure of a number of key figures within the Rockingham connection to attend the opening of Parliament.711 But, far more alarmingly for the party itself were the contrary positions taken up by several key members. George Germaine, Thomas Townshend, and Charles Cornwall all took a different line to the rest of the Rockingham party on this issue in support of Lord North, resulting in their permanent separation from the connection.712 In addition, one of Rockingham’s most influential and trusted advisors, Sir George Savile was well known to be opposed to “the whole system of India affairs” stating that “he could not reconcile himself to be a secondary Instrument in the attempt of governing a Country, which He was sure, neither God or nature ever meant should be governed by

708 Commons Debate, 7 December in B.L. Egerton MS. 243 f. 90.
709 Ibid., f. 98.
710 Ibid., f. 103.
711 ‘Edmund Burke to the Marquess of Rockingham’ 7-10 January 1773 in Sutherland (ed.) Correspondence of Edmund Burke Vol. II., 403.
this Country."\textsuperscript{713} It is clear that the stance taken by the followers of Rockingham in opposition to the North ministry’s East India measures cost them dearly not only in terms of public opinion but also in much-needed support in the House of Commons.\textsuperscript{714}

Nonetheless, the Rockinghams stepped up their opposition to North’s measures as he proceeded to introduce the Loan and Regulating Bills. After the Christmas recess, Rockingham was adamant that his friends gather to coordinate a policy of opposition after the troubling short session of December 1772.\textsuperscript{715} The Rockinghams did succeed in rallying around the principles laid down by Dowdeswell and Burke in 1772, but as the only group in opposition they never posed a particular threat to the North ministry’s legislative program. When the Company proprietor and Rockingham ally James Adair reiterated the arguments against the proposed reformation of the Company’s affairs, Dowdeswell took the opportunity to clarify the position of the party on the issue of Charter rights. He claimed that “I am not one of those who will take upon me to say that Charters are inviolably sacred but…I will take upon me to say this alteration is not one of those wh.[ich] the conduct of the Company calls for. It will not be pretended that the safety of the Company calls for it.”\textsuperscript{716} Dowdeswell felt that the difficult situation of the Company was being used by the North ministry to provide a pretence for their attempts to

\textsuperscript{713} ‘Charles Cornwall to the Earl of Shelburne’ 17 April 1773 in B.L. Add MS. 88906/3/6 ff. 133-134; see also ‘Edmund Burke to William Dowdeswell’ 6-7 November 1772 in Sutherland (ed.) Correspondence of Edmund Burke Vol. II., 362. Savile did not break with the Rockingham party, but he did refuse to participate in Indian affairs.

\textsuperscript{714} See Elofson, “The Rockingham Whigs in Transition,” 965. It must be admitted however, that Warren Elofson’s assertion that the Rockingham Whigs behaved like a country party in their opposition to the North ministry’s East India measures is particularly questionable. Yes, they argued against the increasing influence of the Crown, but they did so by supporting the chartered rights that granted a monopoly to the East India Company, a move that would be particularly abhorrent to any true country party. The most that can be maintained is that the Rockingham Whigs held certain views in common with traditional eighteenth century country party ideology. See O’Gorman, Rise of Party in England, 473.

\textsuperscript{715} ‘Marquess of Rockingham to the Duke of Portland’ 8 January 1773 in University of Nottingham, Manuscripts and Special Collections Pw F 9064.

\textsuperscript{716} Commons Debate, 25 May 1773 in B.L. Egerton MS. 249 ff. 73-74.
increase the prerogative powers of the Crown.\textsuperscript{717} It was only when the Regulating Bill reached its third reading that Dowdeswell finally articulated the Rockingham party’s opposition to the individual aspects of the Bill. Dowdeswell outlined his opposition to the disenfranchisement of three quarters of the East India Company proprietors by the voting qualification being raised from £500 to £1,000.\textsuperscript{718} Additionally, despite praising “some very good regulations…made [to] the established judicature” Dowdeswell opposed the Bill for reserving the right of the Crown to appoint judges. By allowing the directors to sit for a number of years, he argued that the connection between the proprietors and the directors was severed. He went further, stating that they would still canvas each year, to promote six men with views similar to their own and thus the regulation would not even achieve its stated aim of preventing instability at election time.\textsuperscript{719} In conclusion, however, Dowdeswell stated that even if the reforms proposed in the Regulating Bill would have been perfect, he would ultimately have still opposed it since it represented a Parliamentary breach into the Company’s affairs.\textsuperscript{720}

The Rockingham party opposed both the Loan Act and the Regulating Act in 1773, but due to the divisions in the opposition and the unpopularity of their measures, they were ultimately unsuccessful in threatening the progress of North’s East India Company measures. The Loan Bill was opposed for reasons similar to the Rockingham party’s opposition to the East India inquiry of 1767. Although they may have agreed that the public should come to the assistance of the Company following its petition for a loan, Rockingham himself felt that forcing the Company to take the loan would be a “very

\textsuperscript{717} Ibid., f. 75.
\textsuperscript{718} Commons Debate, 10 June 1773 in B.L. Egerton MS. 250 f. 122.
\textsuperscript{719} Ibid., ff. 126-127
\textsuperscript{720} Ibid., f. 136.
Violent Act.” Additionally, Edmund Burke argued that the government’s prescribing the terms of the Company’s relief was unjustified. Rockingham himself went further, suggesting that the government’s providing relief was made dependent upon “a complete surrender” of the Company’s rights. The terms of the relief, of course, were the provisions of the Regulating Act of 1773. Thus, the Rockinghamite opposition to the Regulating Act and the Loan Act were linked through the common argument of the Company’s charter rights providing protection against unnecessary Parliamentary intrusion. Their opposition in 1773 was also, therefore, based upon the same principles through which they had opposed the East India Company inquiry of 1767. Without the support of the followers of George Grenville and the Duke of Bedford which they had enjoyed in 1767, the Rockingham Whigs were unable to do more in opposition to North’s measures than ensuring that their voices were heard in the halls of Parliament and their votes were recorded in the negative.

During the East India Company inquiry of 1773, while the vast majority of British politicians and Company proprietors were focused on the provisions of the Regulating Act and the terms of the Loan Act, the issue of the Company’s trade in tea once again arose. The consequences of the debate over the Company’s tea for the future course of

721 ‘Marquess of Rockingham to William Dowdeswell’ 30 November 1772 in Sheffield Archives WWM/R/1/1415a.
722 ‘Edmund Burke to the Marquess of Rockingham’ 29 October 1772 in Sutherland (ed.) Correspondence of Edmund Burke Vol. II., 354.
723 ‘Marquess of Rockingham to James Adair’ 5 February 1773 in B.L. Add MS. 50830.
724 George Grenville had died in November 1770 and most of his supporters in the House of Commons were enticed to join North’s ministry in the months and years following his death. See Lawson, George Grenville, 291-293. The Duke of Bedford’s followers, who, as we have seen, joined with the government in 1768, continued to support Lord North after the Duke’s death in 1771.
725 The Duke of Richmond and James Adair coordinated a spirited opposition to the government’s measures throughout 1773 and 1774 in the Company’s General Court. They succeeded in embarrassing the ministry over the Loan Bill which resulted in the government making the loan obligatory for the Company. Their opposition, being extra-parliamentary and based upon the same principles outlined above, is beyond the scope of this work. However, a good discussion of this episode may be found in Sutherland, East India Company in Eighteenth Century Politics, 265-267.
the British Empire cannot be overstated. The debate that took place on 26 April 1773, largely between Lord North and William Dowdeswell not only provides an essential link between the respective American and Indian policies of the North ministry and the Rockingham Whigs but was also to prove a fateful moment for Britain’s Empire in the east and the west. The issue of tea was brought up in a petition from the Company to Lord North. The proprietors of the General Court voted to request permission from the North administration to export their tea to America free from any British duties.\footnote{It is important to note, however, that the Company did not request the removal of the Townshend duty on tea. See Thomas, \textit{Lord North}, 74.} North presented the petition, which also included the Company’s application for a loan, to the House of Commons on 2 March but did not get around to discussing tea until 19 March. On this day, North explained that the Indemnity Act of 1767, which had taken some of the British duties off tea to be exported to America in order to assist the Company’s transmission of its Bengal revenues, had been a failure. Both the Company and the public, he announced, were losers from the bargain.\footnote{Commons Debate, 19 March 1773 in Simmons and Thomas (eds.) \textit{Proceedings and Debates of the British Parliaments Respecting North America} Vol. III., 477.} The Company had not been able to sell as much tea as they had anticipated, and this was partially due to the fact that the government passed the Townshend duties on tea after making the bargain with the Company. The resulting protests of non-importation in America resulted in the failure of the Company’s attempts to trade in tea to the colonies and only exacerbated the issue of their ever-growing mountain of unsold teas in London. By 1773, however, the tea mountain remained and the Company owed a further £500,000 in indemnity fees to the state in lieu of the former import duties on tea. The problem thus being stated, served to
aid the North ministry’s arguments in favour of the necessity of providing the Company with a loan.

The issue of tea was tackled mostly in the debate of 26 April 1773. On this day the House of Commons examined the specific motion concerning the Company’s request to export teas duty-free to America. Lord North introduced the motion and argued that “if the American market can be gained for the East India Company it would add undoubtedly to that mass of money, the revenue, [in] which henceforward the public and [Company] will participate.”728 In order to gain the American market, Lord North was willing to implement two important measures. First he would empower the Company “to pursue the export of the tea free f.[rom] all duties, both importation duties and taxes.” And second, he would allow the Company itself to pursue the sale of tea in America, whereas previously they had been required to sell the tea to merchants in Britain who would export it to America.729 These measures, North claimed, would allow the East India Company to make some profit from what would otherwise be a great loss to hold on to the mounting and depreciating asset of tea in their London warehouses. William Dowdeswell, with one eye very clearly focused on the policies already in place in America pointed out that “the noble lord has made no proposition with regard to the duty laid upon tea imported into America. If the noble lord intends to leave that duty as it is he will not serve the East India Company at all in admiting a drawback in America.”730 Dowdeswell argued that it was not the price of teas which prevented its successful import to America, but rather the principle of the Townshend duty of 3d. per pound which was raised upon its import to America. In strong language, Dowdeswell urged North to

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728 Commons Debate, 26 April 1773 in B.L. Egerton MS 246 ff. 1-2.
729 Ibid., f. 2. See also Thomas, Townshend Duties Crisis, 251.
730 Commons Debate, 26 April 1773 in B.L Egerton MS. 246 ff. 4-5.
“[t]ake off that duty upon tea imported there. Without that [you are] doing nothing at all […] I tell the noble lord now, if he doesn’t take off the duty, they won’t take the tea.” Dowdeswell was not requesting that North take off the Townshend duty to appease the Americans, for as we have seen the Rockingham party had not altogether renounced the principle of American taxation. He argued, rather, that North should remove the duty to support the East India Company. North, however, no doubt recalling the opposition attempts to remove the Townshend duty on tea in 1770, replied that he was “unwilling to give up that duty upon America upon which the [colonial salaries] are charged. If the East India Company will export tea to America, they will very much increase that duty, and consequently very much facilitate carrying on government in that part. I see no reason for taking it off. I must see every substantial reason before I part with a fund so applicable to the support of the civil [government].” North’s goal, it was clear, was to once again attempt to solve the issues of revenue in America and the successful transmission of the Bengal revenues through tea in a single piece of statesmanlike legislation. Dowdeswell simply responded that North appeared willing to risk the sale of £2,000,000 worth of tea for an American revenue of £400. Surely, however, he was well aware of the symbolic importance North placed on retaining the tea duty in America. It is more likely that Dowdeswell attempted to avoid the question of the right of Parliament to tax America in order to prevent his party from being caught in the potentially embarrassing position of reaffirming Parliament’s right to tax the colonies, and yet once again calling for the repeal of a tax on the grounds of inexpediency or imprudence. Lord North closed the only

731 Ibid., ff. 5-6.
732 Ibid., f. 6.
733 Ibid., f. 9.
debate on the issue by stating that “unless I find it absolutely necessary to take off the duty, I shall be very unwilling to touch that string. I know the temper of the people there is so little deserving favour from hence, unless the reasons are very great.” The Bill had an otherwise uneventful passage through Parliament and was signed into law on 10 May 1773 as 13 Geo. III, c. 44—more popularly known as the Tea Act of 1773. This Act not only failed to provide the intended relief for the East India Company, but it also managed to incite the American colonists into their most direct and violent pre-revolutionary confrontation with Britain. Philadelphia, New York, and Charles Town impounded the East India Company’s tea and forced it to be sent back to England. The Bostonians, on the other hand, in what become known as the Boston Tea Party, destroyed almost 90,000 pounds of dutied tea, worth, according to Benjamin Labaree’s estimate, about £9,000.

In terms of events, the Tea Act of 1773 can be seen as having incited a new round of hostilities with America, and one which would lead to that fateful breach and tragic loss of life occasioned by the Revolutionary War; all the while it failed to provide any relief for the East India Company’s precarious situation. More importantly, however, on the ideological level, in the debates over the Tea Act, we find the interface between the ideologies of empire in the American and the Indian context. Lord North, it is clear, was unwilling to remove the Townshend duty on tea even if it would assist the East India Company. He was adamant that the Company would be able to find a market for its tea in America, and that in doing so he would raise the revenues upon which he could pay for the civil establishment of North America. North’s plans, on America and on India, clearly

735 Ibid., 492.
represented a stubborn adherence to the imperial reforms envisioned by Charles Townshend in 1767. Lord North retained Townshend’s tea duty in order to reinforce British sovereignty in America despite heavy opposition in 1770 and 1773. He also negotiated the continuation of Townshend’s agreement with the East India Company in 1769 securing the state’s annual portion of the Bengal revenues, and he only considered Townshend’s Indemnity Act a failure when it was simply undeniable in March 1773. Not only has Townshend’s impact upon the future of Britain’s Empire in both America and India been somewhat neglected by historians, so too has the ideological consistency of Lord North when his imperial policies are considered together. It is true that he was forced to concede in regard to the other “uncommercial” Townshend duties on glass, paper, painters’ colours, etc. in 1770, but he maintained the principle behind them in what can only be seen as an honest and ingenious—yet ultimately unsuccessful—attempt to solve the problems of empire in the east and in the west in one fell swoop. The Rockingham Whigs, on the other hand, held a position dichotomous to North’s. They had in the past, in the face of American resistance, advocated for the total repeal of Townshend’s duties. It is hardly surprising that they would do so again during the debates on the Tea Act of 1773 when the removal of the tea duty might potentially have had the dual effects of calming the Americans and providing much needed financial relief for the East India Company. Although the Rockinghamite stance towards the East India Company in the inquiry of 1773 might seem to suggest that they opposed the plans to provide the Company with financial relief, they only opposed the Company being forced to accept the relief and the North ministry’s dictating of the terms of such relief. Thus, it can be seen as entirely consistent with their previous views on India that they would be
willing to lower taxes on tea in America in order to create a market to assist the financially strapped Company. It is clear that the views of the Rockingham Whigs were based on an entirely different vision of the Empire. One which embraced the supreme sovereignty of Parliament but acknowledged that the arbitrary use of such powers, whether it be for the purpose of taxing the American colonies against their will or encroaching upon the chartered rights of the East India Company, was imprudent and even constitutionally dangerous. The views of Lord Chatham and his followers on the Tea Act are difficult to determine, but as Marie Peters has pointed out, they too, it seems, foresaw the potential dangers which could arise from Lord North’s attempting to use empire in the west to solve the problems of empire in the east, and vice-versa. Imperial trade in tea brought the Empire together in the 1760s and 1770s in ways that no other product or issue could sustain. In a tragic twist of fate it would be the same article which would tear the Empire apart in the later 1770s and force Britons to fundamentally rethink the nature of the imperial relationship.

CONCLUSION

Between the years 1763 and 1773, there can be no doubt that the relationship between Great Britain and its colonies had fundamentally changed. Partially, this can be ascribed to the particular circumstances in which Britain found itself at the close of the Seven Years’ War. Indeed, from the Peace of Paris of 1763 Britain had gained a number of significant territories and rights, the most important of which, for the development of a new imperial consciousness in the 1760s and 1770s were most certainly the acquisition of Québec in North America and the new powers resulting from the ‘revolution’ which took place in Bengal. Britain also acquired a national debt which totalled over £140,000,000, the annual interest payments upon which were costing the Treasury almost sixty per cent of its revenues. Both of these issues have been shown to have had a significant impact on the ways in which Britons saw their emerging Empire. The importance of the new territorial acquisitions and the perceived temporary nature of the Peace in 1763 meant that the King and his ministers saw fit to dramatically increase peacetime expenditure in order to safeguard their possessions in the case of another war. On the other hand, the immense debt-load meant that in order to remain solvent or at least to retain faith in public credit, British politicians needed to take actions towards the alleviation of its dire financial circumstances. Different groups of politicians, however, had different ideas on what actions should be taken towards the defence of the colonies and the alleviation of the debt. It was certainly not a case of those in power wishing to formulate or maintain taxes and those in opposition simply opposing whatever taxes are proposed by the government—the example provided of the Rockingham and Grenville parties, especially
on the issue of American taxation, show that there is no basis to this theory.\textsuperscript{738} In the period immediately surrounding the dissolution of the Newcastle-Pitt war coalition and the signing of the Peace of Paris, however, there was such a confused state of politics that Sir Lewis Namier’s analysis of politics and political action as devoid from ideas or principles seems to briefly ring true. Without the ideas and policies which would spring up largely in response to the problems of empire in the post-1763 era the positions of either the administration or opposition in the period might easily be described as arbitrary, factious, and quite possibly hypocritical. Although this confused state of politics in the short-term undoubtedly resulted in an opposition which acted on the basis of men rather than measures, and places rather than principles, it also can be said to have provided the matrix within which historians can observe the genesis of new policies of domestic and imperial governance. It was precisely the lack of ideological identification in politics in this period which allowed British political ideologies in the age of the American Revolution to so quickly develop alongside the formulation and implementation of, as well as in the opposition responses to, the new challenges facing British parliamentarians in the governance of the Empire.

Once the major imperial issues began to be discussed, it becomes increasingly clear that the personal parties which came to characterise the politics of the period—emerging as they did from the confused state of politics described above and articulated so well be Namier—developed relatively sophisticated and surprisingly coherent principles and policies towards the colonies. It is perhaps not going too far to suggest that embryonic imperial ideologies began to emerge. George Grenville’s is no doubt the first which can be discerned, and it has been shown that he held to his principles much more

\textsuperscript{738} This theory was suggested by Peter Thomas in his \textit{Townshend Duties Crisis}, 2.
closely than many of his contemporaries. Grenville not only inherited the policies of the Bute administration concerning the creation of a standing army in America and the taxation which was to pay for its maintenance, he unreservedly embraced them and made them his own. To this end Grenville introduced and succeeded in passing two important measures to defray the costs of the standing army in North America, these were the American Duties Act of 1764 and the Stamp Act of 1765. In the following year, when the Marquess of Rockingham had replaced him in administration we find Grenville standing as the most vigorous opponent of their repeal of the Stamp Act and also their significant alterations to the American Duties Act of 1764. It cannot be said that he opposed them without principle. He felt that the repeal of the Stamp Act involved the surrender of Britain’s right to tax the colonies and that the alterations to the molasses duty constituted a significant breach of the Acts of Navigation upon which Britain’s system of trade and sovereignty over the colonies was primarily based. Nonetheless, Grenville did not oppose the Rockingham ministry’s Declaratory Act, because he supported its principles. He criticised it in the House of Commons because he believed it was rendered useless by being passed alongside the Stamp Act’s repeal. In 1767, Grenville did not oppose Charles Townshend’s infamous American duties even while he was strenuously criticising the government for their encroachments upon the chartered rights of the East India Company. When the issue came to repealing the Townshend Duties in 1770, Grenville opposed the North ministry’s plans to repeal all of the duties except for that on tea. He did so because he felt that the ministry had no plan and that they were acting in the same way as the Rockingham administration had in 1766, through timidity in the face of American opposition.739 Grenville’s policies on America can be shown to be thoroughly consistent

739 Commons Debates, 5 March 1770 in Simmons and Thomas (eds.) Proceedings and Debates of the
throughout. He was a strong advocate of Parliamentary sovereignty over the colonies and thus supported the British Parliament’s right to tax them. On India, his opposition to the Chatham ministry’s measures in 1767 is slightly more dubious, since it has been shown that he himself ordered Henry Fox to use the money of the paymaster in order to influence the elections of the General Court to provide a favour for his friend Lord Clive. Grenville died before the East India Company inquiry began in 1773 but it is doubtful whether he would have altered his position from his defence of chartered rights in 1767.

The Rockingham Whigs, as we have seen, held a slightly more nuanced but hardly less consistent view towards the imperial issues of America and India. They had not denied Parliament’s right to tax the American colonies in response to the American Duties Bill of 1764 and the Stamp Act. Indeed, while in government in 1766 they passed the Declaratory Act which explicitly affirmed Parliament’s right to legislate for the colonies “in all cases whatsoever.” Simultaneously, however, they held the view that it was imprudent and inexpedient to attempt to pursue a tax to which the Americans would not willingly consent. Since enforcement, for the Rockingham Whigs, especially after the death of the Duke of Cumberland, was not an option they considered, repeal coinciding with an affirmation of Parliament’s right appeared to be the only method of preserving peace in America as well as the dignity of the Westminster Parliament. They, therefore, acting consistently with their views from 1764, endeavoured to pass an alteration of the molasses duty which would see it drop from 3d. to 1d. per gallon and would thereby remove the privileged status of molasses from the British West Indian sugar islands. The American Duties Act of 1766 was passed by Parliament with the full knowledge that it

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740 ‘Resolutions to be put in Parliament’ [c. 1 February 1766] in Sheffield Archives WWM/R/1/568.
constituted a breach with the system of Navigation Acts which had thus far not only defined the relationship between Britain and its colonies but provided its very *raison d’être*.

The Rockingham Whigs also did not oppose the passage of Charles Townshend’s American duties in 1767. Indeed, it would have been entirely inconsistent for them to do so following their alterations to the molasses duty.

At the same time that the Rockinghams provided no opposition to Townshend’s American duties, they opposed, alongside George Grenville, the Chatham ministry’s attempt to acquire a portion of the East India Company’s Bengal revenues for the state. They did so, however, upon much firmer ground than Grenville. The Newcastle and Rockingham Whigs had participated in East India Company politics in opposition to the government in the early 1760s. But not having been in administration during the times when the state employed money from the paymaster’s office to influence Company elections, cannot be seen as complicit in this practice. They participated, rather, as private individuals in the stock-jobbing affairs that came to define the East India Company’s politics by the mid-1760s. Furthermore, there is no evidence that the Rockingham ministry, while in power, participated, as the Bute and Grenville ministries had before it, in attempting to influence the affairs of the Company through the use of public funds.

For this reason their parliamentary assault on the Chatham ministry, for breaching the chartered rights of the Company by claiming for the state a portion of the Bengal revenues, was a far more consistent position than when it was taken up by George Grenville. The Rockingham Whigs during the East India Company inquiry of 1773 took up the same principles in defence of the Company’s chartered rights when the North

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742 Sutherland, *East India Company in Eighteenth Century Politics*, 134.
ministry attempted to force reforms upon the Company in exchange for financial assistance. Their position towards the Company, however uninformed, remained consistent but their opposition in 1773 was a futile one, as Grenville had since died and Lord Chatham and his followers supported North’s measures.

The real difficulty for the Rockingham Whigs came during the debates upon the repeal of the Townshend Duties. The Rockingham Whigs had offered no opposition to Townshend’s Revenue Act in 1767 and there was no particular reason why they should have. They supported—even positively affirmed—Parliament’s right to tax the American colonies. Yet they had also established a precedent of deeming taxation to be inexpedient or imprudent in the face of tough colonial opposition and non-importation agreements that might affect British trade and manufactures by their justification for the Stamp Act’s repeal. Thus, when the North ministry promised the repeal of the ‘uncommercial’ Townshend Duties while retaining the duty on tea and several opposition politicians began a campaign for total repeal, the Rockingham Whigs found themselves in a particularly difficult situation. They could remain consistent with their stance on the right to tax America and support the North ministry. This, however, would have destroyed any credit they had with the American colonies. Alternatively, the Rockingham party could support the opposition’s motions for the repeal of all of Townshend’s duties. This action, on the other hand, would effectively renounce Parliament’s right to levy taxation from the colonies through external taxes, a practice which they themselves had endorsed by passing the American Duties Act of 1766. In choosing either option they would seem to be inconsistent in some way. The Rockingham Whigs, rather, chose to silently support the motions for total repeal, with their votes rather than their voices.
The course of Lord Chatham’s principles towards empire in India and America is a far more difficult one to follow. Indeed, having initially criticised the ministry for not retaining a strong enough peace time army, he consistently opposed measures to tax the Americans. There is evidence that he opposed Grenville’s measures to help prevent smuggling and to place a stamp duty on certain articles in America even though he was not in Parliament to declare it publicly. When he did return to Parliament in 1766 he strongly supported the Rockingham ministry’s measure to repeal the Stamp Act. However, at the same time, he vigorously opposed their Declaratory Act, claiming that the British Parliament did not have the right to internally tax the American colonies. He did not support the Rockingham ministry’s attempt to tax the colonies through the American Duties Act of 1766, and there is no evidence whatever that Chatham supported Charles Townshend’s Revenue Act in 1767 which was passed while he was still the nominal head of the ministry. Upon his return, after a long illness, Lord Chatham advocated for the total repeal of the Townshend duties, adding significant weight to the argument that he had not anomalously altered his views in 1767 with regard to American taxation. On the issue of American taxation, Chatham remained remarkably consistent. If his views were constitutionally dubious, that can take little away from the fact that on the issue of taxation, his views and those of his followers stood closer to those of the Americans than any other British political group. Indeed, Jack Greene could perhaps argue that Lord Chatham had a vision of the imperial constitution that corresponded significantly with that of many American colonists.743

Towards the East India Company, Chatham seemed to hold no particular interest until he came to power in 1766. Once at the head of the ministry, however, he made

743 See Greene, Constitutional Origins of the American Revolution.
obtaining a share of the Bengal revenues for the state his first priority. Perhaps influenced by reports sent to him by Robert Clive in 1759; but perhaps even more so by the pressing need to obtain revenues for the state in the wake of failed attempts to tax the North American colonies. Nonetheless, Chatham pursued the project of obtaining the right to the Bengal revenues for the state, after which they would be held in trust for the state by the East India Company for an annual fee. The question of right was left undetermined by the Chatham ministry as Charles Townshend wrestled control of the negotiations with the East India Company from his cabinet colleagues and secured a simple annual payment to the state. Chatham, it is clear, had few qualms about breaching the Company’s chartered rights, and he continued in this position in 1773 when he chose not to oppose the North ministry’s Regulating Act and Loan Act. Moreover, with regard to the East India Company, it is difficult to deny the consistent stance of Chatham and his followers.

In terms of the other political groupings in Parliament at the time, it is clear that the Duke of Bedford and his followers consistently pursued harsh measures towards America. They had participated in the Grenville ministry and thus had supported the Stamp Act. The Bedfords continued to support Grenville in opposition to the Rockingham ministry’s repeal. By 1768, they had joined with the North ministry and can be found, when in office, supporting the retention of the tea duty. Towards the East India Company the Bedfords did not put forward any particular position in 1767, but by 1773, while in the North ministry, they doubtless provided unwavering support for his measures. The views of North himself towards America and India are not so difficult to discern. He followed the policies established by Charles Townshend in both the American and the Indian contexts until he was forced by external circumstances to back
down in each. Indeed, he supported Townshend’s Revenue Act of 1767 until American
non-importation agreements made it expedient for him remove the majority of the duties.
He refused to remove the tea duty in principle, for he believed the removal of all duties
toward America would be seen as a complete renunciation of the British Parliament’s
right to tax the colonies. Similarly, in the Indian context, Lord North renewed, in 1769,
the agreement made between the East India Company and Charles Townshend. Only
when the Company faced an unprecedented financial crisis and a parliamentary select
committee began to reveal instances of severe maladministration by its servants in India
did North pursue the inquiry of 1773 which resulted in granting the state a much more
significant role in the affairs of the East India Company. Lord North was no doubt a
conservative politician by nature but, faced with imperial crises, was capable of
statesmanlike activity with wide-ranging ramifications for the British Empire in the east
and west.

In examining the Parliamentary debates and private correspondence of many of
the major politicians and political groups in the early years of George III’s reign, it has
been found that to a greater extent than many historians have been prepared to
acknowledge there existed relatively consistent principles and positions held towards the
newly emerging imperial issues. These principles and ideas towards empire in the east
and the west have been obscured by a number of factors. They emerged and developed
piecemeal and in response to imperial issues which were unique to British politics in the
post-1763 era. Being at times inconsistent, it has been maintained, as a result, that
thoroughgoing political ideology did not exist in the period. As historians, we must
remember, however, that we are studying politicians, not philosophers. Our expectations
of their consistency may be well served by the acknowledgement of this fact. Political ideology in the age of the American Revolution developed alongside the politics of interest, of sinecures, pensions, and familial ties so masterfully unravelled by Sir Lewis Namier. To truly understand the forces at play during the period one must acknowledge that the existence of Namier’s self-interested and cynical politician does not preclude the existence and influence of principles in the politics of the age.

In a broader sense, however, it has been made clear that the imperial policies of the British Parliament towards America and India were not developed in a vacuum. Indeed, as Philip Lawson suggested, British politicians treated the issues concerning America and India no differently than any other domestic political crisis. Very few were prepared to concede that the Westminster Parliament did not have the constitutional competency to legislate for and tax its colonies. New and unprecedented crises in both American and Indian affairs were occasioned primarily by the exhaustive search among British politicians of the period for a means of alleviating the crippling national debt under which Britain laboured at the end of the Seven Years’ War. In other words, American taxation and the inquiries into the East India Company’s affairs were each brought about primarily as a means of obtaining revenues for the Treasury. In pursuing such common objects from empire in America and in India, it is hardly surprising that ministers might seek to resolve imperial problems in the east by recourse to those in the west and vice-versa. This is most clearly demonstrated in Charles Townshend’s Indemnity Act of 1767. Often conflated with the Townshend Duties, it was in fact an agreement with the East India Company to help provide a market for its tea in the North American colonies. Passed alongside the fateful duty on the importation of tea into the
American colonies it became a noxious combination that exacerbated the problems of empire in the east and the west.\textsuperscript{744} It can certainly be said that Charles Townshend’s influence upon the future course of the British Empire in the short few months during which he was able to wrestle control of the affairs of the Chatham ministry has not been acknowledged to the extent that is perhaps warranted. Although more work is certainly required to elucidate the vast importance of the imperial dimension in British politics, it is hoped that this work goes some way towards highlighting the interrelated nature of imperial and domestic politics in the age of the American Revolution.

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