

## **ROBERT WALPOLE AND THE CITY OF LONDON, 1721 – 1742**

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The background to my paper, Mr President, is the uneasy transition from the era of the Stuarts to that of the Hanoverians during the early years of the eighteenth century. With regard to the City it has been said that a record of all the instances in which the City of London has participated in the affairs of the Kingdom would amount to a history of England as seen from the windows of Guildhall and certainly during Walpole's long Ministry the City's influence was repeatedly used to help or to hinder his administration according to its assessments of its own interests.

Walpole's twenty one years in power brought great benefits to the City, but its favourable influence was never readily available to him and its hostility at the end was a factor in his final defeat by his Tory opponents.

Robert Walpole was born in 1676 by direct descent from a companion of William of Normandy. The unsettled background to his early years may have been a formative influence later manifested in his constant policy to promote prosperity at home and to preserve peace abroad. During his childhood the Monarch was Charles II. He died in 1685 and was succeeded by his brother as King James II. By the time the young Walpole was aged twelve the new King's bold actions to gain complete equality for his Roman Catholic and dissenting Protestant subjects had offended not only the Anglican clergy, but also public opinion generally and Prince William of Orange was invited to intervene. He came with an army to a welcoming country and at the end of 1688 King James fled to France with his Queen and infant son who, in later years, was referred to as the Old Pretender. From early 1689 James's Protestant daughter Mary and her husband William reigned as joint Monarchs.

Mary died in 1694 and William died in 1702. Mary's sister Anne then became Queen so by the time Walpole was age twenty six the throne had changed hands four times.

In 1700 Robert Walpole married the granddaughter of Sir John Shorter (Lord Mayor 1687) and when his father died in 1701 he inherited the family estate in Norfolk and was elected to Parliament in the Whig interest for Castle Rising a family owned pocket borough. The election which followed the accession of Queen Anne returned a Tory government, but Walpole was again elected for Lynn another family owned pocket borough and represented it throughout his Parliamentary career.

The election in 1708 returned a Whig government and Walpole, whose abilities had been noted by the Duke of Marlborough, was appointed Secretary for War and in 1710 Treasurer of the Navy. His efficiency led even his opponents to say "he does everything with the same ease and tranquillity as if he were doing nothing", but in 1712 he was

accused of corrupt receipt of money and was committed to The Tower. He had not received the funds in question and was released.

Queen Anne died in 1714 and in accordance with the Act of Settlement of 1701 which provided for Protestant succession the throne passed to the great grandson of James I and the Elector of Hanover arrived to become King George I of England. The new King maintained his love for Hanover and made frequent visits leading, in 1717, to a dispute between leading Whigs relating to the foreign policy of the King. Walpole withdrew from office and opposed his former colleagues on several measures one of which was the South Sea Act. He pointed out the fallacy inherent in the scheme to reduce the National Debt (then about thirty million pounds) by relying on the anticipated rise in stock of the South Sea Company and referred to it as an evil of the first magnitude. He was ignored and the Act was passed by a large majority in April 1720. It set off a frenzy of speculation leading to an eight-fold rise in the price of stock by mid-1721 followed by an equally steep fall and the ruin of those who had gambled their savings. Members of the Government had behaved corruptly, but Walpole had not been involved and was appointed Chief Minister. He succeeded in restoring the public credit and to some extent relieving the losses of private citizens, but this did not gain any public favour and simultaneous with his entry into office the City Corporation petitioned the House of Commons to bring relief to the situation in order that “trade may flourish, public credit be restored and justice done to an injured people”.

The City in 1721 was much the same size as now with about 160,000 inhabitants in the twenty-six Wards. It had great income from market monopolies and coal duties and therefore great patronage. The 234 Common Councilmen were consistently opposed to Walpole, but the Court of Aldermen was the executive body and its influence and power was a cause of conflict with the Councilmen because its assessments of what was in the interests of the City did not always represent the true feelings of the Councilmen or of the Citizens.

At the beginning of his Ministry Walpole had the support of eighteen of the twenty six Aldermen. The City returned four members to the House of Commons, mostly from the Aldermen, and there were other Aldermen in Parliament representing Country seats. Walpole’s steadfast aim was to increase trade at home and to preserve peace abroad, but when an outbreak of plague in France had by 1720 caused 90,000 deaths the quarantine measures proposed to protect England led to strong protests from City merchants and others urged on by Walpole’s opponents. In the outcome England remained free of plague.

In 1721 petitions to the House of Commons sought leave to bring in a Bill for the construction of a bridge at Westminster. The prospect of a rival to London Bridge caused great alarm in the City where most of the Aldermen and Councilmen were traders. The Governors of St Bartholomew’s Hospital said that their revenues would be seriously depleted and it was claimed that the River Thames would overflow the premises of St Thomas’s Hospital. The City Corporation counter-petitioned saying that “the proposed new bridge would be inconsistent with and destructive of the Rights, Properties

and Privileges of this City” and further said that “it would be a great prejudice to London and the navigation of the River Thames and that it would greatly affect the trade of the City in general and the properties of many private persons and families in particular”. The House of Commons agreed to hear the objectors and the City’s case was so ably presented that the Bill was dropped. The Westminster Bridge proposal was renewed in 1736 and the City again protested, but was unsuccessful.

King George I had little knowledge of the English language and ceased to be a regular attendee at meetings of his Cabinet. His frequent absences in Hanover left control of domestic affairs to his Ministers so Walpole was able to establish government by the House of Commons and Cabinet and thereby became Prime Minister in the modern sense. He was also the first to live at 10 Downing Street.

The Jacobite uprising in 1715 had been followed by a seven year Parliament so the 1722 election was vigorously contested, but Walpole’s Whig administration was returned with a large majority although his City opponents gained seats. In that year also he acted successfully against a new Jacobite conspiracy and this defence of the Hanoverian monarchy secured his control although the City was restless to a degree which could not be ignored. Election results were disputed, evidence of numbers withheld, unqualified voters active, scrutineers threatened and the powers of the Court of Aldermen questioned. The distrust and ill-feeling was greatly increased in the Shrieval elections in 1723 and 1724. The House of Lords criticised the City’s practice of paying expenses of appellants out of City funds and the Government decided to act, but arranged that the first move should come from the City. A petition was submitted to the House of Commons seeking relief from the animosities and divisions between citizen and citizen and also between the Magistrates and Commons of the City of London. The Common Council petitioned against the Bill and the Court of Aldermen petitioned in support of it and when it became law in 1725 a contentious feature was its prohibition of the making of an Act of Common Council without the assent of the major part of the Aldermen present. This was assumed to be a clever move by Walpole to favour his City supporters and the Common Councilmen continued to oppose it until it was repealed in 1746.

The accession of King George II in 1727, after his father’s death in Hanover, prompted the fragmented Parliamentary opposition to unite against Walpole and although City elections were now quiet his Aldermanic supporters were reduced to fifteen. Important sources of Government income, Mr President, were land tax which by 1732 had been progressively reduced to one shilling in the pound and the tax on imported tobacco which was to a large extent avoided by smuggling and by fraud in the part of both merchants and customs officers. Walpole proposed that tobacco should be imported free of tax and stored in bonded warehouses. Tax due would be collected when tobacco was released to the domestic market, but no tax would be charged on tobacco re-exported. This system had been in use since 1723 in respect of tea, coffee and chocolate and was now to be extended to tobacco and later to wine. Walpole contended that this proposed change from customs duty on entry to excise tax on release from bond would benefit planters in America and honest traders in England, but the Excise Bill 1733 was regarded by City merchants as an assault on their trade. For Walpole’s opponents this opportunity to create

fears and exploit them was used successfully not only in London, but also in the country generally. The City Corporation sent a Representation to City members of Parliament requesting them to oppose any extension of the Laws of Excise. In a less official manner City residents were stirred up by circular letters sent around the Wards summoning liverymen and tradesmen “upon their Peril to come down this day to the House of Commons”. Walpole quoted from one such letter signed by a Deputy of one of the greatest Wards. He probably referred to Farringdon Without as the Deputy and many citizens of that Ward went in a body to Westminster on that extra-ordinary day 14<sup>th</sup> March 1733 when huge crowds thronged all the rooms surrounding the chamber of the House of Commons in a manner never previously seen. The general feeling of unrest was kept alive and flared again on 4<sup>th</sup> April when the Excise Bill had its first reading. On 10<sup>th</sup> April the City Corporation’s petition against the Excise Bill was carried to the House of Commons by the Sheriffs in a procession of over two hundred coaches accompanied by a large crowd of people. The petition was presented and read, but counsel was not allowed to speak in its support and the Government majority fell to seventeen. Walpole realised that even if the Bill became Law its enforcement could not be achieved peacefully and the Bill was effectively abandoned. The City, aided by an unscrupulous campaign, had inflicted a heavy defeat on Walpole, but he still gained a majority in the general election in 1734. It is fair to say, Mr President, that Robert Walpole was not motivated to devise additional taxes. In 1732 the taxation of American colonists was suggested, but he replied “No! It is too hazardous a measure for me. I shall leave it to my successors”.

Ten Aldermen died over a period of four years and by 1738 fourteen were opponents and even the twelve nominal supporters could not be relied on.

There had been for many years disputes and fighting between Spanish coastguard vessels and English ships trading in excess of the treaty which regulated trade with Spanish colonies in South America. In 1738 City merchants petitioned the House of Commons for action to prevent destruction of their trade and the Parliamentary opposition raised a general outcry calling for war against Spain. Walpole knew that both sides had cause for complaint, but he sought a negotiated settlement in order to avoid the risk of being drawn into a wider European conflict. A Preliminary Convention was put before Parliament in February 1739 but the City Corporation, having met in Common Council, petitioned against it and urged rejection of Spain’s claim to regulate trade with their colonies. Walpole’s aim to maintain peace was matched by Spain’s desire to avoid war and the Convention was ratified by Parliament in March 1739, but it satisfied neither the traders nor the Parliamentary Opposition and when Spain failed to pay the agreed compensation the clamour for war increased. In Parliament only three Aldermen members supported Walpole and all the others were highly critical. One is reported as saying “Our countrymen in chains and slaves to the Spaniards! Is this not enough to fire the coldest? And shall we sit here debating about forms and words whilst the sufferings of our countrymen call loudly for redress?” William Pitt (then aged thirty) was fiercely critical of Walpole and step by step the Government gave way and war against Spain was declared on 19<sup>th</sup> October 1739 to great public delight and ringing of church bells.

Walpole remarked “They are now ringing the bells, but soon they will be wringing their hands”.

Walpole then survived a personal attack on his leadership and his Administration was successful in the general election in December 1741, but in February 1742 when Members returned to the House of Commons the Opposition won a narrow victory in the voting relating to an election appeal. Sir Robert Walpole resigned his offices and was created Earl of Orford. Walpole’s foreboding, Mr President, was soon justified as this war which had its origin in the demands of City traders became merged into the Europe-wide struggle of the War of the Austrian Succession.