

The Chatham ministry I. The year of Charles Townshend (1766–1767): India and America

On 7 July 1766 George III summoned William Pitt to form a ministry in accordance with ‘the opinion you gave on that subject in Parliament a few days before you set out for Somersetshire’.¹ On that occasion, 24 April, diarist James Harris recorded Pitt as wishing for ‘such a ministry at the King himself should choose, the people approve, and who should be eminent above others for their ability and integrity. That the people grow weary of our divisions’.² The King had noted this signal, expressing an opinion, so he now told Pitt, ‘entirely ... consonant’ with his own ‘ideas concerning the basis on which a new administration should be erected’.³ And he soon ascertained from Camden, through Northington, that Pitt was ‘ready to come if called upon, that he meant to try and form an administration of the best of all party’s [*sic*] and an exclusion to no descriptions’.⁴ Pitt’s ministry has therefore traditionally been depicted as a famous experiment in non-party government. It was nothing of the kind. No meaningful offer was made to the Bedfordite group, and none at all to Grenville. Pitt at first merely sought to construct a ministry from an alliance of his own small band of followers with some Bute men and a rump of Rockinghamites. That arrangement was one of the two alternative possibilities envisaged by political observers. The other would have been a ministry based on Pitt’s brothers-in-law Lord Temple and George Grenville, together with the Bedford party, an arrangement that would in some opinions have led to a more efficient ministry than the one Pitt created. That was not a practical idea, for, quite apart from policy differences, it depended on Grenville’s willingness to serve as a mere Chancellor of the Exchequer: he had refused to do so earlier under Bute, and would never now accept such a demotion.⁵

Far from being a successful attack on the ‘factions’, the new ministry was soon opposed by all three of them, and ironically the only political group that dissolved was the one to which George III would not have affixed such a stigma, that hitherto owing allegiance to Bute. Pitt did what Rockingham had refused to do, pleasing the King by concessions to Bute’s friends. He restored Bute’s brother Stuart Mackenzie to his post as Lord Privy Seal of Scotland, and obtained a Dukedom for the Earl of Northumberland, father-in-law of one of Bute’s daughters. By the end of the year other men associated with Bute had returned to the government fold: Charles Jenkinson was at the Admiralty Board; Robert Nugent President of the Board of Trade; and Hans Stanley both ambassador designate to Russia and Cofferer of the Household. Pitt approached such men directly without consulting Bute, whose quarrel with George III over this issue in August 1766 ended his political career. Those personally associated with him merged into the general body of the Court Party, and ‘the King’s Friends’, though surviving as a myth in the minds of George III’s critics, ceased to exist as a political entity.⁶

Arrangements for the new ministry were not completed until the end of July.⁷ After Temple, unwilling to be a figurehead, had as expected refused the Treasury, Pitt insisted that the thirty-year-old Grafton should take that post, and then bullied Charles Townshend into being Chancellor of the Exchequer.⁸ Camden became Lord Chancellor, with Northington moving to be Lord President. Shelburne was the new Southern Secretary, but Conway remained as Northern Secretary, and also as Commons Leader: for Pitt revealed that he was taking a peerage, as Earl of Chatham, and the non-executive post of Lord Privy Seal. This he did on 30 July, when Grafton, Camden and Townshend formally took office: soon afterwards Lord Granby joined the cabinet as army Commander-in-Chief. Grenvillite Harris cynically noted that ‘Pitt, having by this arrangement a cabinet place void of business, interferes in measures just as far as he pleases, while both the responsibility of office, and the drudgery of it fall totally upon others’.⁹

Pitt’s decision to take a peerage baffled contemporaries, for he thereby forfeited both popularity and his power base in the House of Commons. Lord Villiers noted in his diary for 30 July. ‘Much discontent in general, and particularly in the City, upon Mr Pitt’s peerage, and a great deal of abuse in the public papers upon him’.¹⁰ His nickname was the obvious one of ‘Lord Cheat-em’. Fellow politicians deemed foolish his retirement from the Commons. Lord North commented to his father, ‘I should have thought administration more steady with him in the House of Commons’.¹¹ That old political hand

Lord Chesterfield was puzzled by Pitt's decision 'to withdraw in the fullness of his power, ... from the House of Commons (which procured him his power, and which alone could insure it to him) and to go into that Hospital of Incurables, the House of Lords'.¹² Historians have generally echoed this contemporary opinion, but a recent biographer has argued that the peerage was not the blunder it seemed, since his power as Prime Minister came from the Crown rather than the Commons.¹³ That opinion retains validity only while he was in office. Return to opposition was to show that he was indeed the shorn Samson Choiseul thought on news of the peerage.¹⁴ The shrewd Chesterfield lighted on the most immediate consequence. 'Charles Townshend has now the sole management of the House of Commons; but how long he will be content to be only Lord Chatham's vice-regent there, is a question which I will not pretend to decide.'¹⁵

Pitt, lacking sufficient followers to form an administration, but also because of the principles he had laid down, was disposed to retain those office-holders who wished to stay. This chimed in with the Rockinghamite attitude, as Lord Villiers noted. 'It seems to be the plan of those in the late Administration who disapproved of this change, to remain in their places unless turned out, but not to accept others nor to give any assurances of support.'¹⁶ Rockingham and Newcastle obviously had to go, and not only because their offices were needed. Their dismissal was an essential public demonstration that the old Whig corps, in power since the days of Sir Robert Walpole and Henry Pelham, was now out of favour. Others left whom Chatham wished to retain. Charles Yorke resigned as Attorney-General on 28 July, incensed by news of Camden's appointment to the post of Lord Chancellor he himself had been promised the previous year. Dartmouth resigned on 30 July, after refusal of his request to have his post as President of the Board of Trade upgraded to cabinet rank as a Secretaryship of State for the Colonies. When Dowdeswell refused it Hillsborough returned to the office he had held under Grenville, albeit briefly.

A more important vacancy occurred on 13 August, when Lord Egmont resigned the Admiralty, being annoyed at Chatham's dictatorial attitude and critical of his proposed foreign policy.¹⁷ Grafton's confidant Lord Villiers noted that on this resignation 'it becomes necessary for the Ministry to call in a new set of men, not as a party, but only to enlarge the foundation. Which this set should be is under consideration'.¹⁸ Grafton suggested the Duke of Bedford should be sounded, and saw his son the Marquess of Tavistock on 15 August, to

offer the Admiralty to Lord Gower. Lord Tavistock asked ‘whether this was the full extent of the proposal to be made to me’, so Bedford reported to Gower, ‘or whether my other friends were likewise to be considered. The reply was that this was the only offer to be made at present, but that Lord Chatham’s idea was a great and conciliatory plan, but not to turn out those, who should be willing to act with the present administration, but that time was requisite to bring it about.’¹⁹ Bedford left the decision to Gower, who refused the post on 20 August, ‘saying he should be quite *isolé* if he was the only man of his Party to take so responsible a post’.²⁰ This refusal of the Bedfordites to come into office except as a group was an early omen of the failure of Chatham’s attack on party. The Admiralty was meanwhile given to one of Chatham’s favourite admirals, Rockinghamite Sir Charles Saunders, promoted from within the Board.

The attitude of Rockingham and Newcastle to this ministerial arrangement was ambivalent and unrealistic. It stemmed from the concept of a Whig party in which Chatham was just another leader, whom they would keep under control by surrounding him with their friends. ‘We think ourselves perfectly safe in your hands and the Duke of Grafton’s’, Newcastle wrote to Conway on 29 July.²¹ Yet the first allegiance of both these men was to Chatham. Resignations were accordingly discouraged, Newcastle noting on 24 July that ‘the remaining of our friends in employment, is the surest way to support the party, and the cause’.²² Rockingham was irate when Lord John Cavendish resigned from the Treasury Board.²³ This bizarre political strategy survived even a personal quarrel. Pitt totally ignored Rockingham when constructing his ministry, a snub so marked that Conway persuaded him to visit the Marquess on 27 July, only for Rockingham to refuse to see him.²⁴ The disinclination of Rockingham and Newcastle to oppose Chatham was surrendering to him, not surrounding him. The outcome might well have been the disintegration of their own following into a rump, while Chatham emerged as leader of a Whig and Court Party entrenched in power, if he had not thrown down the gauntlet three months later.

‘Measures not men’ had always been Chatham’s political maxim, and his ministry was not only a supposed experiment in non-party government but also a launching pad for policy initiatives. Moves for closer control by Britain over America, India and Ireland can be construed as a grand imperial design, and in European diplomacy Chatham pursued his own ideas. All of this was to be almost as much a failure as his ‘attack on party’ within Britain.

As befitting his past career, it was foreign policy to which Chatham gave priority, with an early initiative to achieve his favourite project of a northern alliance. The concept was impractical. Northern Secretary Conway echoed the fear of George III the previous year that news of it would alienate Austria: and Chatham's idea of sending Hans Stanley as a special envoy, first to Berlin and then to St Petersburg, was the wrong way round to go about the negotiation.²⁵ Chatham's overweening self-confidence brushed aside all doubts and difficulties, whereas his return to office made Frederick II even more wary of being involved in an Anglo-French war by the defensive alliance on offer. In two interviews with the British ambassador to Berlin, Sir Andrew Mitchell, he made his hostility to the idea so clear that by the end of 1766 the British cabinet accepted the futility of any such approach, Mitchell's advice being that only a prior Anglo-Russian treaty might cause Frederick to change his mind. Chatham's health had by then collapsed, and nothing more was heard of that diplomatic initiative.²⁶ The whole scheme, moreover, was counter-productive in its consequence for the Anglo-Russian relationship. Offence was given to Russia by both the initial approach to Prussia and a subsequent failure to inform Russian minister Panin until April 1767 that Stanley's journey had been cancelled. There was in any case no prospect of an alliance, for Panin had bluntly told British ambassador Macartney that 'we wanted Russia more than Russia could ever want us'.²⁷

Confrontation with the Bourbon Powers of France and Spain was the motive behind this search for allies, and Chatham never lost sight of that seemingly perennial circumstance. At this very time another ground for dispute arose from the establishment in 1766 of a British settlement in the Falkland Islands, envisaged by Lord Egmont at the Admiralty as a base for Pacific trade, and named after him. This idea had been approved by the Rockingham ministry, seeking to follow up Grenville's browbeating of the Bourbon Powers. Two years earlier France had established a base in an island group named Les Malouines. Spain promptly protested that the 1713 Treaty of Utrecht gave her a monopoly of settlement in the South Atlantic, and Choiseul agreed to cede to his ally the settlement in what Spain renamed the Malvinas Islands. Realisation gradually dawned in Europe that this was the same group as the Falklands. Britain did not accept the Spanish claim to all uninhabited islands, and Choiseul, afraid that Chatham would seize any pretext for a war, told Spanish Minister Grimaldi that France would not be able to fight for another three years. But Chatham, belying his imperial reputation, was disposed to

accept a French proposal to link the two Anglo-Spanish disputes over the Manila Ransom and the Falkland Islands. That policy was agreed at a cabinet meeting of 15 November 1766, Egmont having already resigned over this and other issues. Southern Secretary Shelburne pursued the idea throughout 1767, for payment of the Manila Ransom would bring, he thought, enough diplomatic prestige to outweigh any concession over Port Egmont. But no firm financial offer was made by Spain, and concern with India and America pushed the issue lower down the ministerial agenda. Only the threat of war would cause Spain to pay up, and by October 1767 the Bourbon Powers were convinced that Britain's imperial problems and ministerial weakness precluded any such possibility. In February 1768 Spain finally disclaimed any responsibility, and no compensation was ever to be made for the Manila Ransom.²⁸ Spain had been playing for time, intending to locate and seize Port Egmont: on 25 February 1768 Governor Bucareli of Buenos Ayres was instructed to expel any British settlement there without further orders. A Falkland Islands crisis was postponed only by Spanish failure to find the British base before this dispute was in 1768 temporarily overshadowed on the international scene by the Corsica question and the outbreak of a Russo-Turkish war.²⁹

The failure of British foreign policy during the Chatham ministry can be ascribed to internal factors as well as the unfavourable international scene, the distractions of party politics at home and the need to devise measures for India and America. Yet when the new Parliamentary session began in November, only one of the three political groups out of office intended to oppose the ministry. The ambiguity of the Rockinghamite position, with many supposed adherents still in post, was reflected by their large-scale attendance at the pre-session meetings of administration supporters.³⁰ And in October the Duke of Bedford was deep in negotiations with Chatham. On 24 October, after preliminary soundings by Northington, Chatham visited the Duke 'to express his desire, that I and my friends would take hands with administration', so Bedford noted in his diary. Chatham soft-soaped Bedford over policy, stating his wish for peace in Europe: declaring he was against 'foreign alliances', but with a possible qualification over Russia; and even promising 'that measures for the proper subordination of America must be taken'. Bedford stolidly replied that he would adhere to measures adopted in office and supported in opposition, evidently meaning a tough line on America, but he stated that 'we did not desire opposition'. At a second meeting on 31 October, after Gower, Weymouth and Rigby had approved

Bedford's stance, Chatham clarified his colonial policy by saying he should not be understood 'to intend any violent measures towards the Americans at this time'. When Bedford raised the, to him, key question of posts for his friends, Chatham regretted that there were hardly any vacancies, repeating what he had told the Duke in August: 'the King having determined on a conciliatory plan, those who would continue and act with them should not be removed'. The only offer Chatham made was that Weymouth could be Joint Postmaster, with later prospects of office for Gower and Rigby. The next day the Bedford group unanimously rejected this proposal as inadequate, but 'we parted on good terms', so thought the Duke.³¹ In Parliament the Bedfordites adopted a stance of watchful neutrality, having, as Horace Walpole put it, 'openly advertised themselves for sale'.³²

When Parliament met on 11 November only the Grenville faction was openly in opposition, at a time when there was a strong constitutional case to argue against the ministry, arising out of the government reaction to widespread food riots of 1766. The Rockinghamite legislation of February prohibiting the export of corn had expired on 26 August. The harvest was again poor, some 20 per cent below average, but much worse in Europe, and large-scale exports thence of corn began. News of this led to disturbances at over a hundred places in central and southern England, caused by the hardship of high prices and the fear of starvation.³³ George III was much concerned about both this 'licentiousness' and the distress of his people. He and Chatham favoured an export embargo, and that was agreed unanimously by the Privy Council on 24 September, a Royal Proclamation being issued on 26 September prohibiting corn exports until three days after the meeting of Parliament.³⁴ This action, taken under the royal prerogative, met with general approval, earning the King some popularity and producing an abatement of the disturbances: even though prices did not fall, there was no longer a sense of public alarm and indignation. But the first provision of the Bill of Rights in 1689 had declared that 'suspending of laws, or the execution of laws, by royal authority, ... is illegal'. Lord Chancellor Camden had used the argument of necessity, '*salus populi suprema lex*'; but there remained an obvious question mark over its legality. Some merchants initiated prosecutions of custom officials who prevented corn exports, while Grenville's opinion was that Parliament should have been recalled to take action.³⁵

On 11 November the ministry obtained Parliamentary consent to extend the embargo, pending the appropriate legislation, which

passed by 27 November.³⁶ But its previous legality was debated in both Houses of Parliament after the King's Speech stated that 'necessity' had caused him 'to exert my royal authority for the preservation of public safety'. In the Lords Chatham, making his first speech as a peer, conceded that the Proclamation was 'not strictly speaking legal', but argued that it would also have been illegal, and a dangerous precedent, to summon Parliament before the date to which it had been prorogued. Such a decision, too, would have greatly inconvenienced peers and MPs, and also have removed them from their roles of magistrates and Lord-Lieutenants in the suppression of local disorders.³⁷ Grenvillites Temple and Suffolk cut through these specious arguments by asserting that an indemnity was needed for those who had advised the Proclamation, the legality of which was queried by both Bedford and Rockinghamite Richmond: but none of these peers forced a vote. The key speech was made by the most respected lawyer of the age, Lord Chief Justice Mansfield, whom Grafton dubbed 'neutral' in his report to the King. Mansfield declined to comment on the legality of the proclamation, since relevant court cases might come before him in a judicial capacity. But he did put forward a significant line of argument that would get the ministry off the hook: that the law was broader than statute law, and the King had a right to act under common law. His suggestion was therefore an Indemnity Bill to cover officials who had acted under the Proclamation, but not the members of the Privy Council who had advised it.³⁸ In the Commons Grenville also suggested an Indemnity Bill, but did not force a vote after Rigby told him the Bedfordites would be neutral.³⁹

Public opinion accepted that the delay necessary to call Parliament would have increased the prospect of disorder and starvation, but there existed a general view that the ministry had broken the law. In a neat correction of historical legend, such reputed King's Friends as Sir Gilbert Elliot and Jeremiah Dyson were critical of 'the tyrannical principles of Lord Chatham and Lord Camden'.⁴⁰ On 18 November Conway moved for the Indemnity Bill suggested by Mansfield, one to cover all administrative action taken under the Proclamation. Grenville argued that it should be extended to the advisers in the Privy Council, the implication being that ministers had been guilty of breaking the law. An angry Beckford rashly claimed that the King had a suspending power in times of necessity, but Grenville forced him to recant by a motion declaring such opinions, contrary to the Bill of Rights, to be unconstitutional. Temple afterwards congratulated his brother on his triumph 'not only over the wild alderman, but in him

over the whole crew of new converts to tyranny and despotism'.⁴¹ The lustre of Chatham and Camden as champions of liberty had been tarnished by the episode. Grenville won his argument, for when Conway introduced the Indemnity Bill on 24 November it covered responsibility for the Privy Council decision, and to Grenville's applause he disclaimed Camden's doctrine of necessity.⁴²

Before this legislation could pass, there was a significant reconfiguration of the political map in Parliament. Chatham provoked the Rockingham party into opposition, and for no very good reason. In order to fulfil a promise of the post to MP John Shelley, on 17 November he dismissed from the court office of Treasurer of the Chamber Rockinghamite Lord Edgcumbe, a Cornish borough magnate. According to journalist John Almon, when Edgcumbe told Chatham that it was 'impolitic to turn out persons of rank, persons of great Parliamentary interest, Chatham replied, "I despise your Parliamentary interest ... I dare look in the face the proudest connections in the country".⁴³ The Pittite antipathy to aristocracy was marked in both father and son when Premiers.

The Rockinghamite leadership perceived an intention of Chatham to remove their friends from office one by one. 'It appeared to everybody', wrote Edmund Burke, 'that Lord Chatham had resolved the ruin of the party.'⁴⁴ A meeting on 19 November decided to pre-empt this tactic by a campaign of resignations, intended especially to embarrass Conway into following suit and thereby force Chatham into meaningful political negotiation. Four peers, headed by the Duke of Portland, would lead the way, with an anticipated effect on the Commons. Newcastle, remembering 1762, did not believe the tactic would work, and he was right. Only three MPs resigned, all at the Admiralty Board, the First Lord Sir Charles Saunders among them. The other supposed followers of Rockingham, headed by Conway himself, retained their posts. The Rockingham party therefore now lost most of its careerist element, including the Onslow cousins and others of Newcastle's young friends who had been so active in the opposition of 1762 to 1765. Newcastle listed as friends staying in office Lord Ashburnham and 26 MPs.⁴⁵ The loss of Conway and Charles Townshend was a grievous blow, and much of the next year saw unsuccessful Rockinghamite attempts to win them over: for, as Burke wrote on 28 March 1767, 'we have no leader but Dowdeswell, who though by far the best man of business in the Kingdom, and ready and efficient in debate, is not perhaps quite strenuous and pugnacious enough for that purpose'.⁴⁶ Nevertheless the die was now cast,

and on 25 November the Rockingham group voted for the first time against the administration, embarking on a period of opposition that was to last until 1782.⁴⁷ This development finally destroyed the concept of a Whig party embracing both Newcastle's friends and Pitt that had confused political tactics earlier in the decade. By the end of 1766 the Rockinghamites and Chathamites were as distinctly separate parties from each other as from the Bedford and Grenville factions.

The Rockingham party in opposition differed significantly from that which had taken office in 1765. The second haemorrhage of careerists, those who had remained with Newcastle in the first split of 1762, divided equally the active members of the former Wildman's Club between the Chatham ministry and the Rockinghamite opposition. The basic structure of the Rockingham party was not unlike that of the Bedford group, centred on a small band of influential peers, with their relatives and clients: Rockingham, Portland, Albemarle, Newcastle, together with the Cavendish and Yorke families. But there was an added dimension. Like other Premiers Rockingham had gained friends in office, the Duke of Richmond, George Dempster and Frederick Montagu among them, together with a few of Tory ancestry, notably William Dowdeswell. The shift of membership from office-seekers to independents, and the lack of interest of some leaders in acquiring office, has led some historians to perceive the Rockingham group as purified into a new country party.⁴⁸

Earlier popular expectations of a large-scale Rockinghamite defection had been matched by assumptions that any vacancies would be filled by the Bedford party. Chatham made the expected move on 27 November, but his offer was hardly better than in October, three posts of no political weight, even though the Rockinghamite resignations had now vacated seven places, including the cabinet post of the Admiralty. Bedford demanded better terms, but at a final interview on 2 December Chatham told the Duke 'the King would agree to no more ... upon which all further negotiation broke off'.⁴⁹ Rumour had it that George III, remembering Bedford's behaviour in the Grenville ministry, had himself opposed any offer to the Duke, and that Chatham, in contrast to his behaviour in October, had deliberately chosen to emphasise their policy differences by condemning the peace terms negotiated by Bedford and announcing his plan for a Prussian alliance.⁵⁰ Rebuffed in this manner, the Bedford party followed that of Rockingham into opposition.

The Admiralty was destined for another admiral, Sir Edward Hawke, a long-standing courtier, while the other posts were mostly

filled by men, like Charles Jenkinson, associated with Bute, consolidating that erstwhile group into the government fold. On 13 December Secretary at War Lord Barrington reported the whole episode to his friend Francis Bernard, Governor of Massachusetts.

It seems to me on the whole that there was both passion and faction in the resignations. The Minister (who declares himself the strenuous opposer of faction) would willingly have brought in several of the Duke of Bedford's friends as individuals, but they wanted to come in as a body, which was not permitted. The vacant offices have been given partly to old servants of the Crown displaced by different administrations, and partly to men who take employment by themselves.⁵¹

The first consequence of the changed political situation in Parliament came on 5 December in Committee on the Indemnity Bill. Members of all three opposition factions, Grenville, Rigby and Burke, sought to harass the ministry by seeking compensation for the losses suffered by those who had obeyed the Proclamation. But that subject was one that embarrassed the Rockinghamites because of their previous support of the decision, as by Newcastle at the Privy Council of 24 September.⁵² Dowdeswell therefore only said he would support the motion unless 'some *person* on the Treasury Bench' gave an assurance that compensation would be paid. Conway did so, apparently on cue, for Rockingham thought that 'this was well contrived', and Grenville did not then force a vote.⁵³ Rigby and Grenvillite lawyer Alexander Wedderburn nevertheless did so on an adjournment motion, when the Rockinghamites either abstained or voted with the ministry, which won by 166 to 48.⁵⁴

At this point Chatham, physically ill and unhappy at his failure to construct a ministry as he wished, quitted the political scene. He left London for Somerset in December 1766, and even when he returned to London in March 1767 remained long confined to his house.⁵⁵ There existed the power vacuum of a ministry lacking guidance from its head and afraid of acting without knowing his opinion. The initiative was seized by the most junior member of the cabinet, who only late in 1766 had established his right as Chancellor of the Exchequer to attend. Charles Townshend's hour had come.

In 1767 this weakened ministry faced a formidable opposition, as the three factions of Rockingham, Grenville and Bedford found common ground on India and even America. India was the foremost policy issue. By 1766 the wealth and territory of the East India Company made it a focus of government attention, public concern, and private

interest. Lord Clive, dispatched to India on news of a war there, arrived in 1765 to find that the Company had already defeated the combined forces of the disaffected Nawab of Bengal and the Mughal Emperor himself.⁵⁶ But it was Clive who negotiated the political settlement of August 1765. This acknowledged the nominal authority of the Emperor, who then granted to the Company the *diwani* of Bengal, Bihar, and Orissa. That was a virtual transfer of sovereignty, for it comprised the right to collect and retain the territorial revenue of those provinces in return for undertaking their military defence, while a new Nawab would supervise the civil administration. The Company, so Clive was to inform the House of Commons in 1769, thereby became effective sovereign of a territory larger than France and Spain combined, with a population of 20 million, an army of 50,000 men, and a gross income of £4 million, that clear of expenses was expected to yield half that amount for remittance to Britain.⁵⁷

News that the Company could now expect a net territorial revenue of £2 million in addition to normal trading profits reached Britain early in 1766, and led to a rush to buy India stock, the price rising from 165 on 19 April to 210 on 10 September.⁵⁸ Speculators perceived that a price rise could be maintained by an increase in the dividend, which was raised from 6 per cent to 10 per cent at the September General Court of Proprietors.⁵⁹ That was a foolishly provocative move, for the ministry had already informed the Company that Parliament would take India into consideration next session.⁶⁰ The cabinet unanimously believed that the state should take a part of the Indian revenue, but was divided as to whether the Company had a right to its territory. Conway and Townshend thought so, as against the opinion of Chatham and Grafton that such a situation was ‘preposterous’.⁶¹ Chatham, with his two leading Commons spokesmen hostile to his idea that Parliament should declare that the Indian territory belonged to the Crown, entrusted the management of the Parliamentary campaign to William Beckford, who for the last decade had led an attack on the Company’s Asian trade monopoly. On 25 November Beckford moved for a Committee to inquire into the state of the Company. His aggressive posture produced such a hostile reaction that Edmund Burke wrote that ‘never ministry made a more shameful figure. They were beat about like footballs’. Burke opened the attack, and Charles Yorke also championed the Company’s right. There was a formidable barrage of speakers against the motion: lawyer Edward Thurlow and Richard Rigby from the Bedfords; George Grenville and Alexander Wedderburn, taking their cue from

Lord Clive; and William Dowdeswell and Lord John Cavendish among other Rockinghams. Isaac Barré and, despite their own opinions, Charles Townshend and Henry Conway spoke for an inquiry. Observer Henry Flood, renowned for his eloquence in the Dublin Parliament, paid this tribute to Townshend. 'He is the orator; the rest are speakers.' Although the opposition thought they won the debate, the motion was carried by 129 votes to 76.⁶²

The ministry, to avoid internal discord, decided to move only for papers and not witnesses, and Beckford's motion on 9 December was seconded by Grafton's brother Charles Fitzroy to lend it ministerial respectability. Beckford declared that the Company revenues should be used to national advantage, and Barré claimed that they belonged to the Crown. When Townshend, closeted beforehand by Grafton, spoke strongly for the motion Edmund Burke taunted ministers for their subservience to Chatham, but failed to detach Conway even though his former mentors Newcastle and Rockingham were known to be against an inquiry. After the ministry defeated an adjournment motion by 140 votes to 56, the date of 22 January 1767 was fixed for the Committee.⁶³

By then Chatham's absence had changed the political climate. Deliberately defying what he knew to be Chatham's wishes, Charles Townshend conducted negotiations with the Company and repeatedly postponed the Commons Committee of Inquiry, until 6 March. Grafton bemoaned the lack of Chatham's leadership, and warned the Company Directorate that landowners were well aware that the Company's estimated territorial revenues were equivalent to the entire burden of the four-shilling land tax, a hint of what the Commons attitude might be. Meanwhile both ministry and Directors anticipated with foreboding the behaviour of the selfish and irresponsible Court of Proprietors, an unpredictable factor in the situation. During early 1767 the disunity of the ministry was becoming public, and Beckford urged Chatham to return to London and take charge.⁶⁴ But the great man proved unhelpful, replying from Bath on 9 February to a request to comment on Company proposals that 'Parliament is the only place where I will declare my final judgement upon the whole matter', behaviour perhaps proper in 1766 when he had been consulted by the Rockingham administration on America, but hardly appropriate for the head of a ministry in desperate need of guidance.⁶⁵

The Company Directorate asked for a fifty-year guarantee of its trade monopoly and territory. In return it would pay £500,000 within a year, and, after deductions for civil and military costs and an

unspecified dividend, share its future income with the state, merging trade profits and territorial revenue. The cabinet thought this too vague, but a request for clarification produced only a stronger emphasis on the territorial claim.⁶⁶ Matters were at an impasse when Chatham finally returned to London on 2 March; but he still declined to give an opinion, or even to attend the cabinet next day. That meeting deemed the Company proposals unacceptable, by a majority of six to two, Conway and Townshend, who thereupon refused to conduct the India business in the Commons on the due date of 6 March.⁶⁷ Immediately afterwards, on 4 March, Chatham vainly tried to persuade Lord North to replace Townshend at the Exchequer, a move long anticipated by Lord Chesterfield. ‘Charles Townshend has talked of him, and at him, in such a manner that henceforward they must be either much worse or much better together.’⁶⁸ This failure, soon public knowledge, served to strengthen Townshend’s position: he was to have his way over India, and lead on America.

By this time the administration had suffered a severe battering in Parliament from combined assaults by the three opposition factions, even though Grenville and Rockingham were so inhibited from embarking on deliberate attacks that they had to convince themselves it was the correct course of action. Grenville professed to shun opposition for its own sake, commenting to his confidant James Harris on 30 January that, although George III had been induced to believe the contrary of Bedford and himself, ‘he wished not to put himself at the head of a Party, nor to force himself on the King’. But he was concerned about ‘the East India affair [and] the state of America’.⁶⁹ Rockingham had likewise explained to Newcastle that he would go into opposition ‘upon such points only, as were wrong in themselves, and not inconsistent with our former behaviour, in the last opposition’. Specifically he would defend the American policy of his own ministry, and oppose the inquiry into the East India Company.⁷⁰ But the Marquess at this time certainly had the intention of regaining office. His aim, however, was to form a ministry by detaching Conway and Townshend from their current affiliation, not to construct a coalition with Grenville and Bedford. Rockingham was aware that in the event of a ministerial change he and Grenville would be rivals for the Treasury. Another barrier to an opposition alliance was America, though Bedford did not harp on that topic in the way Grenville did, and he was not a rival for power. Cooperation between their factions was made easier early in 1767 by the circumstance that India rather than America was the chief subject of Parliamentary attention, for they could unite in defence of the East India Company.

America was nevertheless the first major topic of debate in 1767. It is now evident that Charles Townshend's famous promise of American taxation in the Commons debate of 26 January on the army estimates was not, as was long assumed by historians, an irresponsible whim by the Chancellor of the Exchequer. Rather was it an indiscreet revelation of ministerial thinking. Chatham's conduct during the Stamp Act Crisis had given him a reputation of being the champion of American liberty that was somewhat undeserved. Even then he had declared support for firm measures if conciliation failed to produce quiet in the colonies, and he had given a similar assurance to Bedford in their abortive negotiation of October 1766. Chatham's concept of the British Empire embraced the American colonies in an essential but certainly subordinate role, and Chathamite reaction to the ongoing defiance of the 1765 Mutiny Act by New York and other colonies was to be as stern as Grenville and Bedford could have wished. More pertinent to the current American situation was that Chatham's condemnation of the Stamp Act had concerned only 'internal' taxation. It was therefore no contradiction of this doctrine that his ministry at once began to search for an American revenue. In September 1766 the Chatham administration, with the cost of the American army at about £400,000 a year, initiated two inquiries. One concerned American quit-rents, in the hope of an income from land already or soon to be granted for settlement. The other asked about the official income and expenditure within each colony. Further revenue, as ever, might be derived from an attack on smuggling. In a letter of 11 December to General Gage Southern Secretary Shelburne stated that what the ministry had in mind was 'raising an American Fund to defray American expenses in part or in the whole'.⁷¹

In the next debate over army costs, on 18 February, Townshend stated that he was thinking of import duties as a source of colonial revenue.⁷² Soon afterwards evidence from America showed that existing quit-rents, the alternative idea, yielded a derisively low income. It was some months before Townshend put his American tax proposals to Parliament, and during that interval he, with cabinet assent, changed the purpose of the tax from meeting army costs to paying civil government expenses in the colonies, intending thereby to free officials there from financial dependence on the assemblies.⁷³

Both these Parliamentary declarations of Townshend, on 26 January and 18 February, had been the result of pressure from opposition spokesmen like Grenville. And the opposition now brought off a notable coup to damage the ministry's prestige. That the land tax still

remained at the wartime level of four shillings in the pound, or 20 per cent, was a long-standing grievance of the squirearchy, so over-represented in the Commons. It was an issue on which the three opposition groups could launch a united attack, with independent support. The Rockinghamite leadership decided that Dowdeswell should move a reduction of one shilling to forestall Grenville's known intention. This he contrived to do when on 27 February Townshend proposed the usual four shillings, and his amendment was carried by 206 votes to 188. This tactic did not deprive Grenville of credit for the success, his wife's diary recording 'all the country gentlemen coming round Mr Grenville, shaking him by the hand'.⁷⁴ The opposition challenge was not a surprise, but earlier 'the calculations were that the Ministry would carry it by about fifty', wrote Lord George Sackville.⁷⁵ Grafton and Conway, however, compared with Grenville and Newcastle, were political innocents in the game of organising Parliamentary votes. Grafton explained to Chatham that 'the majority was composed of the gentlemen composing the Cocoa Tree. The Bedfords, Grenvilles, Rockinghams, and Newcastles united with most others, who had county or popular elections'.⁷⁶ The last word can be given to Chesterfield, who laconically wrote that 'all the landed gentlemen bribed themselves with this shilling in the pound'.⁷⁷

This triumph stimulated opposition zeal, and Newcastle was back at his old pastime of compiling Parliamentary lists. One of 2 March named altogether 547 MPs: 232 ministerial supporters, 91 Tories, 101 Rockinghamites, 54 adherents of Bedford and Grenville, and 69 MPs noted as doubtful or absent.⁷⁸ A Grenvillite calculation, noted by James Harris, assessed the balance of opposition strength rather differently. 'This March 1767 it was supposed the friends of Bedford and Grenville were 90, the Rockinghams 70, the country gentlemen 60', giving a total of 220.⁷⁹ The existence of such a calculation implied an intention by Grenville to engage in wholehearted opposition, despite his earlier disclaimer. But the Rockinghamite tactic still centred on detaching Conway and Townshend from the administration, not on a coalition with the other opposition factions; and the India question that now came before Parliament seemed to provide an excellent opportunity to achieve that aim. Not until that hope faded did Rockingham negotiate with Bedford and Grenville for an alliance to defeat the ministry at Westminster.

Chatham, before his two-year withdrawal from public life in March 1767, instructed Shelburne how to conduct the Indian business in Parliament. The land tax defeat showed that it would be risky

to raise the question of territorial ownership. Instead there should on 6 March be motions to lay the Directors' proposals before the House of Commons, and to print the Company papers already submitted.⁸⁰ That date saw Beckford move these resolutions. Townshend and Conway opposed printing the Company proposals. Hawke and Granby followed this by informing the House that in any case they had been rejected by a cabinet majority, a notable indiscretion even for non-political service ministers. Leading opposition speakers like Grenville and Burke denounced the motions as improper, but no vote was forced.⁸¹ Afterwards Townshend commented that that had been a tactical blunder, since an amendment might have obliged Conway and himself to vote against the ministry. The opposition sought to remedy this mistake by arranging for the Company Directors to submit on 9 March a petition against publication of their papers, since that would reveal information to foreign competitors.⁸² Newcastle busied himself in mustering Parliamentary support, in secret, so as 'not to give alarm' to the administration.⁸³ Although the ministry had only a few hours' warning that something was planned for that day, enough support was mustered to avert another debacle like that on the land tax. Townshend absented himself, avoiding the trap of his own making, but Conway rose to the occasion by proposing a two-day adjournment so that the Directors could specify papers not to be printed. In an able speech he turned on its head the opposition attempt to exploit cabinet disunity by pointing out that such ministerial differences of opinion 'showed that there was no such dictator', obviously Chatham, as had been often claimed in earlier debates. A long debate of nearly thirty speakers, in which Grenville, Rigby, Dowdeswell, and Burke spoke for opposition, and Barré and Lord North for administration, ended in a ministerial victory by 180 votes to 147.⁸⁴

That the ministry could scrape only a narrow win over a conciliatory motion encouraged the opposition to redouble its efforts. 'The House was very full', noted diarist Nathaniel Ryder, when on 11 March the Company officials objected to printing any papers except the charter and treaties already in the public domain. This stand was supported by Townshend and Conway, whose motion to that effect was seconded by Grenville. The administration conceded the point without risking probable defeat, Burke writing afterwards that 'our best numberers thought ... we should beat them'.⁸⁵

It now seemed obvious that no Parliamentary declaration of territorial right in favour of the state would succeed, and that basic tenet of Chatham's policy was abandoned, except by Beckford. The cabinet

turned its attention to securing the best financial terms, and the Parliamentary setbacks led to a tactical change of battleground, from Westminster to East India House. Lord Shelburne and his ally Laurence Sullivan moved to centre stage, the aim being to persuade the General Court of Proprietors to offer better terms than the Directorate had done. When on 12 March the Directorate sought General Court approval of their proposals as Company policy, Sullivan warned that uniting trade profits with territorial revenue would effectively hand over control of the Company to the government, and secured permission to put forward his own plan on 16 March. This proposed that the Company should obtain from the territorial revenue payment of all administrative and military costs, together with money sufficient for a 14 per cent dividend. The government would receive the surplus, without any troublesome commitment, together with an immediate cash payment of £800,000. The Company would retain all commercial profits. But on 19 March the scheme was in effect rejected, being referred by 456 votes to 264 to the hostile Directorate.⁸⁶ This decision Rockingham welcomed as a ‘majority against Shelburne, i.e. Lord Chatham ... This is very good, ... and will be a very unpleasant hearing for the Great Man’.⁸⁷ On 2 April the Directorate duly condemned Sullivan’s plan, as inviting continuous Parliamentary interference, and then produced an alternative scheme on 6 April. This made no promise of any specific payment to government, merely a share of any surplus revenue, after payment of costs and a dividend that was unspecified but hinted at being 16 per cent. Two days later this scheme was approved by 546 votes to 347 at a General Court, where the Directorate was also re-elected. The ministry had been outbid, as might have been expected, and would have to turn again to Parliament.⁸⁸

Here the Commons Committee of Inquiry read papers for three days and examined witnesses on a further eight days in late March and early April.⁸⁹ The trend of the evidence was markedly in favour of the Crown’s right to the Indian territory, none more so than that on 27 March of Henry Vansittart, Governor of Bengal during Clive’s absence from 1760 to 1764, which ‘brought over many persons to that side’.⁹⁰ ‘All they do is to run a blind muck at the Company’s right to their acquisitions’, complained Edmund Burke.⁹¹ By 7 April Beckford, when challenged as to his intention, was confident enough to say that he meant to decide that right.⁹² The opposition was aware of the need to strike before the Easter recess sent many country gentlemen home for the summer and left government its usual free hand at the

fag end of a session. All the opposition groups were at one on the India question, and to counter Beckford's tactic they hoped for support from Conway and Townshend, and from independent MPs. Their decision to move on 14 April for an end to the Committee threatened the ministry with another Parliamentary humiliation. Such calculations overlooked the role of the Company as a player in the game. In their own attempt to anticipate Beckford's motion, the Directors presented their new proposals to the House. Their manoeuvre succeeded, for the ministry was being offered revenue without responsibility, and Beckford announced he would abandon his motion, thereby taking the wind out of the opposition's sails. 'Mr Beckford's dropping his motion was an unfavourable circumstance for us', Newcastle and Bedford agreed.⁹³ For many MPs believed that the ministry should now be given time to digest the evidence and consider the Company's proposal. After a long debate on 14 April, during which Conway spoke for the ministry while denying the Crown's right to Indian territory, the opposition motion to end proceedings was defeated by 213 votes to 157.⁹⁴

The cabinet decided upon a negotiated settlement with the Company, and on 27 April authorised Grafton, Conway and Townshend to make the bargain.⁹⁵ The Directors, alarmed by the implication of the Parliamentary evidence, were anxious to conclude an agreement, but on 6 May the General Court of Proprietors again kicked over the traces. It voted both a dividend of 12.5 per cent and a resolution against government interference, having been provoked by a ministerial request the previous day for dividend restraint. There followed two more declarations: that an extension of the Company's charter was a prior condition of any agreement, and that if the Crown took the Company's territories it should refund the cost of their acquisition, over £12 million.⁹⁶

MPs and ministers alike were outraged by this behaviour. When on 8 May Jeremiah Dyson of the Board of Trade moved on behalf of the administration for a Bill to restrict Company dividends, he was seconded by Dowdeswell and thirded by Grenville, and the motion passed unanimously. At the first reading on 11 May Dyson announced a dividend restriction of 10 per cent.⁹⁷ The impasse between Company and ministry was resolved on 18 May when, despite prior objections by the Directorate, Laurence Sulivan persuaded the General Court of Proprietors to accept a double proposal: that £400,000 a year be paid to government, and that the Company be empowered to make a dividend of 12.5 per cent. This compromise scheme, guaranteeing a

fixed payment to government and promising a higher dividend for stockholders, had been devised between Sullivan and Townshend, who had promised to oppose the Dividend Bill.⁹⁸

He did so, but was unable to fulfil his part of the implicit bargain. In a heated Commons debate of 26 May, in Committee on the Dividend Bill, Townshend and Conway joined with Grenville and Dowdeswell to argue for the 12.5 per cent dividend, but were defeated by 151 votes to 84.⁹⁹ Contemporaries noted this event with amusement and amazement. Charles Jenkinson wrote that it had ‘convinced the world that the personal influence of these gentlemen who affect to be leaders is in fact nothing’.¹⁰⁰ A chagrined Townshend next day publicly displayed his mortification, and, according to diarist Ryder, ‘as he was going out of the House he said “see where the ministry is now”, meaning to intimate that it was in Lord Bute’s hands’.¹⁰¹ That myth should be translated into appreciation of the strength of the Court Party, as in this appraisal by Grenvillite James Harris. ‘Though two such great officers as Secretary of State and Chancellor of the Exchequer went to an opposite side, *scarce any* followed them, such [is] the fidelity of troops well-disciplined.’¹⁰² Conway’s friend Horace Walpole later recorded the same shock reaction that ‘so subordinate a placeman as Dyson could lead the House of Commons against the chief Ministers there, when they disagreed with the measures of the Court’.¹⁰³ The reality of political power had been starkly revealed.

On 23 May the House of Commons accepted Sullivan’s idea of a fixed annual payment of £400,000 for three years, later reduced to two, and allowed the Company to retain the territorial revenue. Despite Grenville’s objections, a 1s a lb internal duty would be removed on tea re-exported to America, to enable the Company to undersell smugglers in the colonial market: but the Company would compensate government for the revenue loss. Legislation to enact these proposals, and to curb the impact of stock-splitting by a six-month voting qualification, passed without incident through the Commons.¹⁰⁴

A temporary, and for many unsatisfactory, solution had been found for what to contemporaries seemed the most important problem of India. That was the issue over which the Rockingham faction had sought to detach Conway and Townshend from the ministry, and thereby precipitate its collapse. It was always a futile hope, as some in the party early perceived. After the Commons debate of 9 March John Yorke commented to his brother Lord Hardwicke that Conway had spoken ‘not like one who meant to resign. I am sick of this intrigue between our friends and that division in the ministry. Each aims to

dupe the other, and in the mean time it makes any approach to George Grenville impracticable'.¹⁰⁵ Rockingham saw both Conway and Townshend frequently in March, but even his optimism had faded before the end of the month.¹⁰⁶ There followed tentative negotiations among the opposition factions. From the first Rockingham insisted on 'a majority of friends in the cabinet' and the specific exclusion of Temple, as a troublemaker.¹⁰⁷ Grenville and Rockingham never met face to face, communicating through Bedfordite Rigby. Which of them would have the Treasury in a prospective new ministry proved to be an insuperable barrier to any formal alliance.¹⁰⁸ The Rockinghamite view was that 'the Treasury in Mr Grenville's hands was the whole administration'. Bedford contended that Grenville was 'the most able man' for that post, but could be balanced by Rockingham as a Secretary of State and Charles Yorke as Lord Chancellor.¹⁰⁹ These negotiations in the spring of 1767 failed over disputes about office, not policy, for Grenville volunteered assurances that he would not seek to renew the policy of American taxation reversed by the Rockingham ministry.¹¹⁰

Opposition parties therefore could combine to harass the Chatham administration on America as well as India, when colonial matters increasingly came to the attention of Parliament. Chatham's last pronouncement on America, before his political retirement, had been that Parliament, not the cabinet, should deal with New York's disobedience of the Mutiny Act.¹¹¹ On 12 March the cabinet was presented with three policy proposals, and adopted Townshend's idea of suspending the New York Assembly until it complied with that Act: this was preferred to both Shelburne's direct action plan of billeting soldiers on private houses, and Conway's suggestion of extra customs duties for New York.¹¹² Two months were to pass before the enactment of this decision.

Meanwhile in Parliament Bedford had taken the initiative on America, without consulting Grenville or Rockingham. On 25 February and 5 March he pressed in the House of Lords for American papers, which were laid before the House on 12 March. But Bedford was then removed from the political scene by a hunting accident on 9 March to his heir, the Marquess of Tavistock, that resulted in his death on 22 March. The Duke was absent from an American debate of 30 March when Grafton anticipated any opposition move by announcing that the cabinet had devised a policy. The Lords debates revealed a hardline ministerial attitude on America, courtier Lord Talbot tartly commenting that 'new converts were always the more zealous'.¹¹³

Bedford returned to the Parliamentary scene on 10 April, according to Burke being persuaded by his friends ‘to plunge into politics as a diversion from the grief occasioned by his late great loss’.¹¹⁴ Angry at the breakdown of the opposition negotiations, he regarded himself as having a free hand to propose whatever he wished on America.¹¹⁵ The subject he raised was a Compensation and Indemnity Act passed by the Massachusetts Assembly, which encroached on the royal prerogative by combining pardon of offenders in the 1765 Boston riots with payment of reparations to the victims. British condemnation of this audacity was universal, but the ministry, slow to act, still had the matter under consideration when Bedford proposed its reference to the Privy Council. Fearing a leak through the Cavendishes to Conway, he did so without prior notice to Rockingham.¹¹⁶ The Marquess took offence, and the result was an opposition debacle. Rockingham and five friends supported administration, two others voted against, and fourteen more led by Newcastle walked out. The ministry won on a previous question by 63 votes to 36, but Newcastle soon calculated that a united opposition would have lost by only one vote, and lamented the lost opportunity. ‘It would have shewed my Lord Bute, and my Lord Chatham (and that is my point) that with the Duke of Bedford etc we were masters of the House of Lords’.¹¹⁷ But the ministerial weakness there had been revealed, and the debate was the prelude to a sustained opposition attack. It began on 6 May over a motion for papers on the same subject, when a combined opposition lost by only nine votes, 52 to 43. A worried Grafton told George III that ‘the whole of the opposition had brought their united strength which his Majesty will see is numerous’.¹¹⁸ Yet another challenge on the same topic failed on 22 May by six votes, 62 to 56.¹¹⁹ There followed the rare event of whipping for the next Lords debate of 26 May, also on the Massachusetts issue, when the ministry won two divisions each by 65 to 62, having had the votes of two of the King’s brothers and of ‘some Lords brought down from their very beds’, so Grafton told Chatham. Such was the Duke’s despair that the King on 30 May asked Chatham to save the situation. ‘I have uniformly relied on your firmness to act in defiance to that hydra faction ... Though your relations, the Bedfords and the Rockinghams are joined with intention to storm my Closet, yet if I were mean enough to submit, they own they would not join in forming an administration, therefore nothing but confusion could be obtained.’ Chatham responded to this appeal by allowing Grafton to visit him on 31 May and 4 June, and sufficiently restored his morale for the Duke to see out the session.¹²⁰

On 2 June Richmond moved a resolution censuring administration for not having produced a plan for Quebec, which the ministry defeated by 73 votes to 61, having, so Newcastle said, ‘fetched up Lords who had scarce ever been in the House or had been absent many years’.¹²¹ This reinforcement put the ministry beyond danger of defeat. When opposition forced a vote over the East India Company Dividend Bill on 17 June the administration majority was 73 to 52, raised after proxies to 98 to 57, a margin of victory that disheartened even Newcastle, and one that George III saw as decisive.¹²² Opposition tried again on 25 June, in Committee where proxies were not permitted, and lost by 59 votes to 44.¹²³

While Grafton felt beleaguered in the Lords, Charles Townshend dominated the Commons, as these weeks saw the full flowering of his talents. He proposed his budget on 15 April, when government expenses totalled £8,894,000. It proved a triumphant occasion, a masterpiece of financial skill and of presentation. ‘He contrived to make all his calculations understood’, wrote Lord George Sackville, ‘and to make that dry subject agreeable and entertaining to those the least conversant in business.’¹²⁴ Faced with an unexpected deficit of nearly £500,000 because of the land tax defeat, Townshend had made up this loss by scouring government departments for spare money, especially the Treasury and the Pay Office, where he claimed £90,000 from Lord Chatham and £70,000 from Lord Holland as money still not paid in by them as former Paymasters.¹²⁵ He later explained to Newcastle that he had ‘collected above £469,000 out of the savings of office, and from cash dormant in the Exchequer, unseen by others and fairly applicable to replace the fourth shilling of the land tax’.¹²⁶ A recent surmise that the £400,000 from the East India Company was intended to meet the land tax shortfall therefore has no more validity than the long-exploded belief that Townshend’s American taxation had that motive.¹²⁷ The budget was balanced before that fixed sum payment was devised.

This impressive exhibition of financial competence was followed by incomparable Parliamentary eloquence in his famous ‘champagne speech’ of 8 May, a display of verbal pyrotechnics that delighted MPs, and one that may have owed less to alcohol and more to premeditation than most contemporaries thought. ‘It lasted an hour’, wrote Horace Walpole, ‘with torrents of wit, ridicule, variety, lies and beautiful language ... in this speech he beat Lord Chatham in language, Burke in metaphors.’ Among Townshend’s wide range of targets was the appointment to high office of young peers without ability and

experience, and the damaging frequency of recent ministerial changes, palpable hits at Grafton and George III. He said the Prime Minister should be in the Commons, and seemed to hint he could head a ministry of Rockinghamites. But if the speech was a bid for high office, it was counter-productive. ‘It showed him capable of being, and unfit to be, First Minister’, opined Horace Walpole.¹²⁸

Yet only five days later, on 13 May, Townshend triumphantly carried his New York policy proposal after a speech described this time by Walpole as ‘consonant to the character of a man of business, and so unlike the wanton sallies of the man of parts and pleasure’, evidently pointing the contrast.¹²⁹ Townshend explained to the Commons that only that colony had been completely defiant of the Mutiny Act, and that it would be coerced by a prohibition on all Assembly legislation until it complied with that Act. Beckford was alone in deeming this too harsh a policy. It was criticised as too lenient by Dowdeswell, who put forward an agreed Rockinghamite suggestion for billeting on private houses, Shelburne’s proposal in cabinet. Grenville was scathing, recalling the promise by Chatham on 21 February 1766 of military action in the event of further colonial defiance, and criticising Conway for deserting the Southern Department to avoid dealing with America. His suggestion was that the New York colonial treasury should simply be ordered to pay army costs directly. Conway, though Commons Leader, spoke against the agreed ministerial policy, repeating his cabinet proposal of a local tax on New York, and he voted in opposition. Townshend nevertheless won by 180 votes to 98, a victory margin that shocked the united opposition parties. There was no resistance to the subsequent legislation, but it never came into force, since New York meanwhile gave way in June.¹³⁰

On this occasion Townshend took the opportunity of informing MPs about his plans for American customs duties, a method he was adopting to meet the supposed colonial distinction between internal and external taxes. He gave a list of items to be taxed, one that was to be greatly altered in the next few weeks, and estimated the total revenue would be £40,000. Townshend also for the first time announced that the aim was to pay civil government costs, to free officials and judges from financial dependence on the assemblies. The only comment was a denunciation by Grenville of the taxes as inadequate. In retrospect the most conspicuous omission from Townshend’s list was tea, because not until 20 May did he negotiate an agreement with the East India Company. Townshend finally presented his proposals to the Commons on 1 June. The import duty of 3*d* a lb on tea would

produce £20,000, and the same total would come from duties on china, glass, paper, and paints. This total of £40,000 was the same as that from the markedly different set of duties announced on 13 May, and would seem to have been the target sum, one which almost exactly matched the estimated cost of colonial government. Grenville again attacked the total as paltry, but this fateful American taxation apparently met with no opposition at Westminster.¹³¹

After the Parliamentary session ended in June the Duke of Grafton drew the conclusion from his buffeting in the House of Lords, and setbacks in the Commons, that he ought to strengthen the ministry by recruiting part of the opposition, and early in July he obtained royal permission to do so. George III, the Duke told Conway and Horace Walpole, 'was not disinclined to take Lord Rockingham, but protested he had almost rather resign his crown than consent to receive George Grenville again'.¹³² Grafton's own preference was for the Bedfords, but after an initial rebuff he was persuaded by Conway to approach Rockingham on 7 July, when he offered his own post of the Treasury. The Marquess assumed that he was being invited to form a new administration;¹³³ and he conducted prolonged negotiations during the next fortnight under that misapprehension. Rockingham was not now prepared, as he had been in 1765, to base a ministry only on his own following. He wanted a comprehensive administration, to include the Bedford group, and at their request some Grenvillites, together with some selected Chathamites: but he would not have potential rivals like Chatham, Grenville or Temple in his cabinet. His plan for a coalition ministry differed completely in principle from Chatham's 1766 attack on the factions. Rockingham was seeking to coerce the Crown by an alliance of factions too strong to be resisted, or removed. He had learnt his lesson. The Bedfords initially agreed to take part, and consulted Grenville, who, aware that he had no chance of office himself, raised with them the issue of America, infuriating the Marquess by deeming Rockinghamite and Chathamite views to be identical. Rockingham and Bedford contrived a verbal compromise formula, an agreement that British sovereignty there would be asserted 'with firmness and temper': this implicit contradiction the signatories were never called upon to resolve. These opposition negotiations broke down not on policy but over Rockingham's adamant insistence on having Conway as his Commons Leader. Bedford vainly suggested Dowdeswell, in view of Conway's proven incompetence during the last two sessions.¹³⁴ On 22 July Rockingham reported to the King his failure to form a ministry, only to be informed that he had

not been asked to do so. The Marquess was astonished, and also angry, thinking he had been deceived by Grafton.¹³⁵ Grenville had already perceived that the ministry would gain from the failure of the negotiation, as well as its success; for discord would be sowed among the opposition factions. Whether or not that was Grafton's deliberate aim, as Grenville suspected, the prognosis was correct, and Grenville himself the greatest loser. His alliance with the Bedfords had been born out of past events, and nurtured by self-interest. But the Bedford group was now cognisant of Rockingham's impossible demands and of the virtual royal veto on Grenville. Next time they would make their own bargain.¹³⁶

None of this political activity during the first year of Chatham's ministry had touched upon Ireland, for here his policy initiative had been aborted. Yet Ireland was a matter that came naturally to his attention when he formed his ministry. During the Seven Years War he had, when Southern Secretary, accepted Undertaker power to avoid an Irish crisis in wartime. Now he took up the positive approach formally initiated by the Grenville ministry. The replacement of courtier Lord Hertford by the Earl of Bristol would seem to have been motivated by the professed willingness of Lord Bristol to live in Ireland, which George III himself made a condition of appointment: 'expecting his constant residence while he holds that office', the King specified on 22 August 1766.¹³⁷ This intention was soon known in Britain and Ireland. On 7 September Thomas Whately reported to Grenville that 'Lord Bristol is to hold the Lieutenancy for five years, and to reside constantly'.¹³⁸ Four days later Edmond Pery was writing of this plan as part of Chatham's imperial scheme. 'I am persuaded he will execute some plan by which the colonies will be better secured to and connected with the mother-country than they are at present. If such a plan shall ever take place, Ireland will not be left out of it. I am the more confirmed in this opinion from the appointment of Lord Bristol to the government of this kingdom, and his resolution of residing there.'¹³⁹

It was not possible, however, to implement this policy immediately, for the Irish Parliament was not due to sit during the winter of 1766–67, and Lord Bristol would not go to Ireland until the summer of 1767. This interval afforded John Ponsonby an opportunity to counter the threat. A propaganda campaign over such dangers as a land tax or a Union failed. Ponsonby then changed tactics and sought to save his patronage by a direct approach to Lord Bristol. In a letter of 23 May 1767 he asked his brother Lord Bessborough to obtain some such concession, but at an interview on 2 June Lord Bristol was

adamant. 'He has not the least thoughts of agreeing to what you expect', Bessborough reported to Ponsonby the next day. 'He said that for a long time past the Lords Lieutenant were under the direction and almost command of some few chiefs in Ireland, but that he was determined to be the Chief Governor himself and to break through that old method of proceeding.' Bristol at once reported the interview to George III, and received confirmation of royal support.¹⁴⁰ Yet two months later he resigned without ever taking up his post in Ireland. Bristol was upset when his proposed Chief Secretary, his own brother Augustus Hervey, resigned on 1 July. Later that month the Irish Lord Chancellor died, and the King's refusal to appoint an immediate successor gave Bristol a pretext to resign in August. The prospect of a battle with the Undertakers had lost its appeal, since the support from London would now be that of a weak and divided ministry, not that of the formidable Chatham.¹⁴¹

Any relief among the Undertakers at the news of Bristol's resignation promptly turned to dismay. For on 19 August a formidable politician was appointed to carry out the same policy, Lord Townshend. Contemporaries assumed that this choice reflected the influence of his younger brother Charles, even though Lord Townshend himself ascribed it entirely to Lord Bute.¹⁴² For in the summer of 1767 the star of Charles Townshend was in the ascendant. He had in effect replaced the hesitant Conway as Commons Leader. He had formulated and enacted the key policy decisions on America and India. In August his role was acknowledged by a long-desired British peerage for his wife as Baroness of Greenwich, with reversion to their sons. Political speculation in the press, though not in more informed circles, forecast that he would succeed Chatham as Prime Minister.¹⁴³ His sudden death from a fever on 4 September therefore stunned contemporaries. 'The opposition expected that the loss of this essential pin would loosen the whole frame', wrote Horace Walpole a few weeks later. Walpole might comment that 'that first eloquence of the world is dumb', and bemoan the loss of 'a man of incomparable parts'; but he shrewdly observed to Conway that 'in a political light, I own I cannot look upon it as a misfortune'.¹⁴⁴ The death of this talented maverick may not have removed a potential Premier, but it paved the way for one who would achieve the political stability the King craved. It was in that sense that 4 September 1767 was the turning point of the first part of George III's reign. The era of Lord North was about to commence.

Notes

- 1 *Corr. of George III*, I, 368.
- 2 Malmesbury MSS. Harris Diary, *sub* 23 Ap. 1766.
- 3 *Corr. of George III*, I, 368.
- 4 *Bute Letters*, p. 251.
- 5 Malmesbury MSS. Photocopies B828–9, 851.
- 6 Langford, *First Rockingham Administration*, p. 281.
- 7 For fuller detail on this see Brooke, *Chatham Administration*, pp. 6–19; Langford, *First Rockingham Administration*, pp. 257–63; and Thomas, *British Politics and the Stamp Act Crisis*, pp. 283–90.
- 8 BL Add. MSS. 47584, fos 50–1.
- 9 Malmesbury MSS. Photocopies B829.
- 10 BL Add. MSS. 47584, fo. 53.
- 11 Quoted in Black, *Pitt the Elder*, p. 263.
- 12 *Chesterfield Letters*, VI, 2,752.
- 13 Peters, *The Elder Pitt*, p. 172.
- 14 Escott, Thesis, p. 232.
- 15 *Chesterfield Letters*, VI, 2,753.
- 16 BL Add. MSS. 47584, fo. 53.
- 17 Escott, Thesis, p. 231.
- 18 BL Add. MSS. 47584, fos 54–5.
- 19 PRO 30/29/1/14, fos 591–2.
- 20 BL Add. MSS. 47584, fo. 55.
- 21 BL Add. MSS. 32976, fo. 315.
- 22 BL Add. MSS. 32976, fo. 223.
- 23 BL Add. MSS. 32976, fo. 253.
- 24 BL Add. MSS. 47584, fos 51–2.
- 25 *Chatham Papers*, III, 15–20.
- 26 *Chatham Papers*, III, 29–32, 42–3, 46–50, 67–71, 139–43.
- 27 Scott, *British Foreign Policy*, pp. 109–12.
- 28 Escott, Thesis, pp. 101–23. Rice, *IHR*, 2 (1980), 386–409.
- 29 Escott, Thesis, pp. 219–55.
- 30 Hoffman, *Edmund Burke*, pp. 366–8.
- 31 *Bedford Journal*, pp. 592–3.
- 32 Walpole, *Letters*, VII, 73.
- 33 Williams, Thesis, pp. 44, 51–2, and *passim*.
- 34 *Corr. of George III*, I, 394, 398. *Chatham Papers*, III, 73.
- 35 *Grenville Papers*, III, 337–40.
- 36 *Commons Journals*, XXXI, 6, 9–41.
- 37 *Chatham Papers*, III, 125–7.

- 38 BL Add. MSS. 57833, fos 36–8. *Corr of George III*, I, 414–15. *Grenville Papers*, III, 383. Walpole, *Memoirs*, II, 263–4.
- 39 *Grenville Papers*, III, 382–4. Walpole, *Memoirs*, II, 264–5.
- 40 *Grenville Papers*, III, 384.
- 41 *Commons Journals*, XXXI, 15. *Grenville Papers*, III, 343, 386–7. Walpole, *Memoirs*, II, 268–9.
- 42 *Commons Journals*, XXXI, 23–4. Walpole, *Memoirs*, II, 275.
- 43 *Chatham Anecdotes*, II, 38–9.
- 44 Hoffman, *Edmund Burke*, p. 375.
- 45 BL Add. MSS. 33001, fo. 368.
- 46 Hoffman, *Edmund Burke*, p. 396.
- 47 For more detail on the Edgcumbe affair see Brooke, *Chatham Administration*, pp. 53–6.
- 48 This thought in Langford, *First Rockingham Administration*, pp. 283–4, has been developed by Elofson, *The Rockingham Connection and the Second Founding of the Whig Party*.
- 49 *Bedford Journal*, p. 596.
- 50 *Chatham Anecdotes*, II, 41–3.
- 51 *Barrington-Bernard Corr.*, pp. 119–20. For a similar report by Barrington to Sir Andrew Mitchell in Berlin see *Cavendish Debates*, I, 596 n.
- 52 BL Add. MSS. 32977, fo. 160.
- 53 BL Add. MSS. 32978, fos 206–7.
- 54 *Grenville Papers*, III, 394–5. Walpole, *Memoirs*, II, 286. The Bill passed the Commons without further incident: *Commons Journals*, XXXI, 39–41.
- 55 *Chatham Anecdotes*, II, 46–9.
- 56 Fortescue, *British Army*, III, 65–108.
- 57 BL Egerton MSS. 218, fos 150–1.
- 58 Bowen, *HJ*, 30 (1987), pp. 910–14.
- 59 Sutherland, *East India Company*, pp. 138–47.
- 60 Bowen, Thesis, pp. 279–80.
- 61 *Grafton Autobiography*, pp. 98, 109.
- 62 For this debate see three letters (a) E. Burke to C. O'Hara, Hoffman, *Edmund Burke*, p. 374. (b) G. Onslow to Newcastle, BL Add. MSS. 32978, fo. 86. (c) H. Flood to Lord Charlemont, *Chatham Papers*, III, 144 n. For a fuller account see Bowen, Thesis, pp. 298–303.
- 63 BL Add. MSS. 32978, fos 264, 410; 35607, fo. 332. *Corr. of George III*, I, 425. Walpole, *Memoirs*, II, 287–90.
- 64 *Chatham Papers*, III, 149–52, 157–8, 168–70, 176–8.
- 65 *Grafton Autobiography*, pp. 116–17.
- 66 *Chatham Papers*, III, 196 n, 204–6, 216 n.

- 67 *Ryder Diary*, p. 334. Walpole, *Memoirs*, II, 302–3. Brooke, *Chatham Administration*, pp. 110–11.
- 68 *Chesterfield Letters*, VI, 2,798. *Grafton Autobiography*, p. 123. *Corr. of George III*, I, 459–60.
- 69 Malmesbury MSS. Photocopies B854.
- 70 BL Add. MSS. 32978, fos 398–403.
- 71 *Gage Corr.*, II, 47–51. For more detail on ministerial attitudes see Thomas, *British Politics and the Stamp Act Crisis*, pp. 291–9.
- 72 *Ryder Diary*, p. 331.
- 73 Thomas, *British Politics and the Stamp Act Crisis*, pp. 344–7.
- 74 *Grenville Papers*, IV, 211–12.
- 75 *HMC Stopford Sackville*, I, 120.
- 76 *Chatham Papers*, III, 224. For a similar analysis by Edmund Burke, who had abstained, deeming the motive factious and the result pernicious, see Hoffman, *Edmund Burke*, p. 389.
- 77 *Chesterfield Letters*, VI, 2,799.
- 78 BL Add. MSS. 33001, fos 357–63. The misleading precision of this list had been demonstrated by a comparison with a Rockingham list of earlier in the session. Even for their own supporters they agree on only 77 of 121 on Rockingham's list and 101 on Newcastle's list. Brooke, *Chatham Administration*, pp. 241–3. But for a detailed critique explaining away much of this discrepancy see O'Gorman, *Rise of Party*, pp. 221–2.
- 79 Malmesbury MSS. Photocopies B858.
- 80 Bowen, Thesis, pp. 341–2.
- 81 For this debate see *Ryder Diary*, pp. 333–4; Walpole, *Memoirs*, II, 304–5. Hoffman, *Edmund Burke*, pp. 390–1. BL Add. MSS. 32980, fos 215, 222.
- 82 *Grenville Papers*, IV, 6–7.
- 83 BL Add. MSS. 32980, fo. 221.
- 84 *Ryder Diary*, pp. 334–5. See also Walpole, *Memoirs*, II, 305–7; *Corr. of George III*, I, 464–6. BL Add. MSS. 32980, fo. 248.
- 85 *Ryder Diary*, pp. 335–6. Walpole, *Memoirs*, II, 309. Hoffman, *Edmund Burke*, p. 304. BL Add. MSS. 32980, fo. 262.
- 86 Bowen, Thesis, pp. 354–66.
- 87 BL Add. MSS. 32980, fos 343–4.
- 88 Bowen, Thesis, pp. 373–80.
- 89 *Ryder Diary*, pp. 336–8.
- 90 Walpole, *Memoirs*, II, 315.
- 91 Hoffman, *Edmund Burke*, p. 397.
- 92 BL Add. MSS. 32981, fo. 61.
- 93 BL Add. MSS. 32981, fo. 159.

- 94 *Ryder Diary*, pp. 338–40. Walpole, *Memoirs*, III, 1–3. BL Add. MSS. 32981, fos 151–5.
- 95 Walpole, *Memoirs*, III, 8, 11.
- 96 BL Add. MSS. 32981, fo. 303.
- 97 *Ryder Diary*, pp. 341–2. BL Add. MSS. 32981, fos 321–3.
- 98 Bowen, Thesis, pp. 399–406. Sutherland, *East India Company*, pp. 173–4.
- 99 *Ryder Diary*, p. 350. BL Add. MSS. 32982, fo. 130.
- 100 BL Add. MSS. 38205, fo. 174.
- 101 *Ryder Diary*, p. 350.
- 102 BL Add. MSS. 35608, fo. 19.
- 103 Walpole, *Memoirs*, III, 36.
- 104 *Ryder Diary*, pp. 349–51. Bowen, Thesis, pp. 406–8.
- 105 BL Add. MSS. 35608, fos 8–9.
- 106 Brooke, *Chatham Administration*, pp. 117–21.
- 107 BL Add. MSS. 32980, fo. 450.
- 108 Brooke, *Chatham Administration*, pp. 121–6.
- 109 BL Add. MSS. 32981, fo. 156.
- 110 BL Add. MSS. 32981, fo. 34.
- 111 *Chatham Papers*, III, 213.
- 112 Thomas, *British Politics and the Stamp Act Crisis*, pp. 308–9.
- 113 Thomas, *British Politics and the Stamp Act Crisis*, pp. 312–14.
- 114 *Burke Corr.*, I, 306.
- 115 BL Add. MSS. 32981, fos 65–6.
- 116 BL Add. MSS. 32981, fo. 158.
- 117 BL Add. MSS. 32981, fos 107–14, 137–8. *Bedford Journal*, p. 601. Thomas, *British Politics and the Stamp Act Crisis*, pp. 315–18.
- 118 *Corr. of George III*, I, 470–1.
- 119 *Bedford Journal*, p. 602. Walpole, *Letters*, VII, 111.
- 120 *Chatham Papers*, III, 258, 261–4.
- 121 BL Add. MSS. 32982, fos 237–8.
- 122 BL Add. MSS. 32982, fo. 353. *Chatham Papers*, III, 274.
- 123 Bowen, Thesis, pp. 411–16.
- 124 *HMC Stopford Sackville*, I, 122–3.
- 125 BL Add. MSS. 32981, fo. 175; 35608, fo. 145.
- 126 BL Add. MSS. 32981, fos 193–4.
- 127 Thomas, *EHR*, 83 (1968), 42–3. Bowen, *Revenue and Reform*, p. 64.
- 128 Walpole, *Letters*, VII, 105–6.
- 129 Walpole, *Memoirs*, III, 24.
- 130 Thomas, *British Politics and the Stamp Act Crisis*, pp. 322–9.
- 131 For my three accounts of Townshend's American taxation, see Thomas,

- EHR, 83 (1968), 33–51; Thomas, *British Politics and the Stamp Act Crisis*, pp. 337–63; and Thomas, *Townshend Duties Crisis*, pp. 18–35.
- 132 Walpole, *Memoirs*, III, 38–9.
- 133 For confirmation of Rockingham’s belief from a Grenvillite source see Malmesbury MSS. Photocopies A567–72.
- 134 *Grenville Papers*, IV, 94.
- 135 *Bedford Journal*, p. 607.
- 136 Brooke, *Chatham Administration*, pp. 162–217. Lawson, *George Grenville*, pp. 241–3.
- 137 *Corr of George III*, I, 388–9.
- 138 *Grenville Papers*, III, 316.
- 139 Bartlett, Thesis, p. 23.
- 140 *Corr. Of George III*, I, 484–8.
- 141 Powell, Thesis, pp. 120–1.
- 142 Hoffman, *Edmund Burke*, p. 409. In Feb. 1770 journalist John Almon stated that Townshend was Bute’s ‘own appointment’. *London Museum*, 1770, p. 134. That may have been so, but Townshend was in any case a member of ‘the Court party’, and Bute’s influence had effectively ended a year earlier.
- 143 *London Evening Post*, 4 July 1767.
- 144 Walpole, *Letters*, VII, 129, 133.