The Invisible Herring: Adam Smith and the Reform of British Fishery Subsidies 1785-1825

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Did 18\textsuperscript{th} C fishing subsidies provide the ‘Scotch Cure’ to Britain’s herring problem?

Medieval herring fishing in Scania, 1555

Willem Beukel of Zeeland, inventor of the on-board gutting method “Dutch Cure” for herring busses

In Scottish herring boom thousands of women fish gutters followed the fleet as it chased herring shoals from the Shetlands to Great Yarmouth and Lowestoft

"Herring is one, the use of whose natural production has decided the destiny of empires. The bean of coffee, the leaves of tea, the spices of the tropics, the worms that make silk, are of smaller influence on the nations richness than the herring of the Atlantic Ocean. A luxury or whim comes first to mind; but the real place is claimed by herring."

Lacépède, 1841. Histoire naturelle des poissons.
Toward a ‘political biology’ of Atlantic herring

(*Clupea harengus* Linnaeus 1758)

Migration scheme of adult herring

Source: J.S. Levinton 2001

4 spawning components of North Sea herring

Source: John H. Nichols, CEFAS 1999; SPSG rpt
“The bounty to the white-herring fishery is a tonnage bounty; and is proportioned to the burden of the ship, not to her diligence or success in the fishery; and it has, I am afraid, been too common for vessels to fit out for the sole purpose of catching, not the fish, but the bounty.”

“Fourthly, in many parts of Scotland, during certain seasons of the year, Herrings make no inconsiderable Part of the Food of the Common People. A Bounty which tends to lower their price in the home market, might contribute a good deal to the relief of a great number of our fellow subjects whose circumstances are by no means affluent. But the herring buss bounty contributes to no such good purpose. It has ruined the boat fishery, which is, by far, the best adapted for the supply of the home market…”

Questions presented

Why did Adam Smith add a 4-page critique of the herring tonnage bounties to the 3rd ed (1783) of The Wealth of Nations?

Did his critique influence British Parliament’s repeal of the subsidies and rollback mercantilism?

Did the fishing subsidies or their repeal contribute more to the success of Scottish herring fishery?

“It is not the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and talk to them NOT of our necessities but of their advantages.”

[WN, Bk I, Ch II, 26-27, para. 12]
“I am very happy that you approve of my idea with regard to the Herring fishery. I have a great deal more to say to you upon the subject, which I shall probably take the liberty to do before the meeting of next session of Parliament.”
A. Smith to H. Beaufoy, 14 Nov 1786

“All the Gentlemen who subscribe to the present scheme for improving the fisheries certainly deserve the highest praise for their public spirited intentions. They have not, like many others who fancy themselves great patriots, attempted to load the Public with any new and extraordinary expense in order to promote their favorite employment. They are willing to incur themselves all the expense which they think necessary for this purpose. I most anxiously hope, however, that the subscription of each member may be so very moderate that the entire loss of it will not sensibly affect his fortune; for that they will lose every shilling of it, I have not the smallest doubt.”
A. Smith to H. Beaufoy, 29 Jan 1787
Henry Beaufoy, MP for Great Yarmouth speech in House of Commons, July 4, 1785

• Appointed chair, Committee to Enquire into the State of the British Fisheries (March 1785)

• In July, tabled 4 reports including testimony of James Anderson and John Knox, inserts full text of Adam Smith critique of bounties

• Floor speech:
  • attacked as folly the cumbersome laws regulating the herring fishery
  • duties on salt used for curing herring only for domestic market oppressed the poor (for exported H was duty-free)
  • Famine of 1783 could be traced directly to the salt taxes
  • Salt laws and sea-borne coal duties must be repealed before the herring fishery could be firmly established in the Highlands and Islands
Beaufoy’s inquiry: How to improve social and political conditions in West Highlands through herring fisheries

James Anderson: tenants’ conditions are not that bad (landlords not that unfeeling); create incentives for greater productivity by freeing up the market through repeal of salt taxes and regulations; limit subsidies program to short-term only barrels of cured herring; canal should be privately financed; no fishing villages

John Knox: co-founder of British Fisheries Society, investors build fishing villages near offshore grounds to house year-round fishermen and other tradesmen; canals to connect fishing grounds to market in all seasons; expanded bounties for barrels of herring cured; repeal of salt taxes
Fortuitous arrival of the ‘visible herring’ 1798

Following a series of bad harvest years, “vast herring shoals appeared right off the Scottish coastline, drawing every man to a boat of buss.”

The herring’s appearance coincided with the improvement program devised by Beaufoy’s parliamentary inquiry, making extension of the herring bounties unnecessary by 1798. The boat bounties ended in 1801 and barrel bounties in 1804.

Source: Kapstein 1980, 155
Timeline of British herring subsidies, 1749-1804

- **1749-50**: Large increase in tonnage bounties offered; some busses arrive home with herring but don’t get paid.
- **1783**: Adam Smith’s Wealth of Nations rev ed
- **1785**: Parliamentary inquiry 1785; MP Beaufoy’s boat bounties enacted; no repeal of salt duties or restrictions.
- **1794**: Construction of Crinan Canal begins
- **1798**: Repeal of all herring bounties and salt laws by 1804; herring abundant along Scottish coastline.

*Images and text: Various events and documents from the timeline.*
Thank you.