ENGLAND'S PROGRESS IN PROSPERITY

EXAMINED BY THE

LIGHT OF THE NATIONAL STATISTICS,

WITH

ILLUSTRATIVE TABLES.

BY

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EXAMINED.

In coming to the consideration of this most important of questions it is essentially necessary that all the factors in the case should be carefully and constantly borne in mind, because it is in the study of the statistics as a whole, and in the relations of the various sections to each other, that the nearest approximation to truth in deduction may be expected to be found; while, however important the inferences from isolated returns may appear, those returns, if studied apart and without proper reference to what I may perhaps designate their context in the masses of figures prepared from the Board of Trade Returns, will prove misleading in the highest degree.

To facilitate this comparison I have prepared, in a few Tables, a digest of the more important and salient features of the National Returns bearing directly on the question under consideration; and in any observations that follow, I may be assumed—where the source of the figures is not specially quoted in the text—to be referring to those Tables, which have been compiled from the Returns published by the Financial Reform Association.

In most of the references to Trade Statistics published in popular form that come under my notice, I have observed that two very important factors in the consideration of the relations to each other of economic facts are, to my mind, too much neglected. These factors are, firstly, "the increase in population;" and, secondly, "the depreciation in the purchasing power of money." As many of the Trade Returns, having a most important bearing on the general question of national prosperity, are expressed, and

necessarily expressed, in currency, it seems to me difficult to overvalue the importance of the second factor to which I have alluded. Before proceeding, therefore, to the consideration of Trade and Revenue Statistics, I propose to offer a few observations on these two subjects.

POPULATION.

It appears, then, that since the year 1840, the population of the United Kingdom has increased 30 per cent. Now this extraordinary growth, which, if continued in the same ratio of increase, would double the population of 1840 in a little more than a century from this time, becomes still more striking when we come to consider the increasing ratio of the increase which, if continued on the same lines, will double the population of 1840 in less than fifty years from to-day. It has been much the fashion to connect the growth of population with the prosperity of the people. No doubt, when earnings are good, marriages are more frequent, and increase in the number of marriages must of course tend, in some degree, to an increase in the ratio of the growth of population in the future; but the influence at work is uncertain in its incidence and is in itself a fluctuating quantity, and against the increase of births, resulting, at a more or less remote day, from a period of abnormal prosperity, must be set the increase of deaths, resulting, also in an uncertain future, from a period of abnormal adversity. I lean personally to the opinion that the great bulk of the increasing ratio of increase must be attributed to improved sanitary science, better application of its principles, improved medical and surgical science, and the growth of education and mental breadth in the masses.

In support of this opinion I will only observe that, while in 1840, according to the Registrar General's Returns, the proportion of deaths to births in England and Wales was 71.6 per cent., in 1879 it had fallen to 59.8 per cent.; and whereas in 1864 the proportion of deaths to births, for the whole kingdom, was 67 per cent., in 1879 it had fallen to 61.8 per cent. In fact, in Scotland, notwithstanding the increase of population, the deaths were numerically less in 1879 than in 1864 and over the whole kingdom the deaths should have been in 1879, something like 50,000 more than they were, in order to retain the proportion that they held to population in 1864.

DEPRECIATION IN CURRENCY.

Men of limited income, looking back over the last quarter of a century, and calling to mind the increased cost of all the larger items of their daily expenditure—such as house rent, butcher's meat, bacon, cheese, butter, and fish—will have to admit that there is a difficult problem before them, when they attempt to make a "sovereign" go as far as it did in 1854. Although this may carry a certain degree of conviction to the mind, on the general question of the purchasing power of money, it cannot be fixed and reduced to a standard sufficiently reliable for statistical purposes. Looking round in search of such a standard, I have satisfied myself that it may be found in the statistics of pauperism.

In 1854, as in 1880, the theory of poor-relief—partly for purposes of economy, partly for the discouragement of pauperism—was and is properly based on the hard practical foundation of the bare and decent necessaries of human existence. I have heard it stated that the pauper is better fed and better clothed to-day than was the case a quarter of a century ago, but when I place that statement side by side with the comparisons constantly drawn between the miserable fare of the pauper and the relative luxuries of the felon, I confess I am inclined to the belief that the pauper is treated to-day neither better nor worse than in 1854. But if we assume, for argument sake, that he is now treated, by 10 per cent., better than at the period alluded to in reference to his material comforts, we shall, I think, be making a very fair, if not a liberal, allowance.

Now, in 1854, the average cost of each pauper for actual relief was £6 9s. 1d., whereas in 1878-9 it had risen to £10. Thus, after allowing 10 per cent. for more liberal treatment in the latter years, the increase in the cost of keeping him is 40 per cent. It would therefore seem to be evident that the sheer necessaries which the pauper consumes cost largely more to-day than they did twenty-five years ago. This is confirmed by the further consideration that, although the number of paupers receiving relief in 1878-9 was less than in 1854 the cost of their relief *and management* had grown, speaking roundly, from seven to thirteen millions—an increase of about 88 per cent.

One contributing cause to the depreciation we are considering

is, no doubt, the large excess of the Imports of bullion and specie over the Exports.

Every reasonable allowance being made for error, I think myself justified, for the purposes of this paper, in taking the depreciation in the purchasing power of money at 30 per cent. since 1854.

Before closing this argument I desire to observe that the cost of cotton fabrics, haberdashery, low-class woollen goods, furniture, tea, sugar, and some other of the necessaries of life, is, no doubt, somewhat less than in 1854; but it must always be remembered that man does not live chiefly or even largely on clothing and tea, and that, while he furnishes a house once or twice in a lifetime, his butcher's bill is a continuing evil. With reference to bread, the average price of wheat in 1879 was 43s. 11d. per quarter, and although, owing to the Russian War, it reached 74s. 8d. per quarter in 1855 (the highest average since 1818), it was only 38s. 6d per quarter in 1851.

We now proceed to the consideration of those returns which more particularly indicate the nation's progress in prosperity.

THE INCOME OF THE PEOPLE.

The only official basis on which an estimate of the income of the population per head can be founded is that of the gross annual value of property and profits assessed to Income Tax. It has been estimated—I believe by persons having official knowledge—that the aggregate gross income of the population, including those incomes not assessed to Income Tax, was NINE HUNDRED MILLIONS STERLING in 1878. For the purposes of comparison, the average income per head of the population has been calculated on this assumption, with the gross annual value of property and profits assessed to Income Tax as a basis for the proportion in each year, and, in passing, I may observe that, for purposes of comparison, it is unimportant whether the gross income in 1878 was nine hundred or eight hundred or a thousand millions, inasmuch as the proportion remains the same in either case. Now, on the basis of the Income Tax Returns on the one hand, and the assumed gross income of nine hundred millions in 1878 on the other hand, it appears that the income per head of the population was £17 4s. 9d. in 1855 and had risen in 1878 to £26 12s. 7d.—an apparent increase of nearly 54 per cent.

But in order to put the material well-being of the individual in 1878 on an equal basis of comparison with 1855, the income per head in 1878 must be reduced by the depreciation in the purchasing power of money. We thus find that, in order to compare on equal terms with the income of the earlier year, that of the latter (£26 12s. 7d. per head) must be reduced by 30 per cent., which brings it down to £18 13s. This sum, therefore, and not £26 12s. 7d., is the expression of the material well-being of the individual in 1878 as compared with £17 4s. 9d.; the expression of his material well-being in 1855.

When we consider further, that in 1854 a new branch of revenue collection had to be organised, and an assessment had to be made (on principles which the public were strongly inclined to regard as inquisitorial) by a body of men entirely uneducated to that particular form of revenue collection, no reasonable doubt can be entertained that the returns of property and profits (especially profits) assessed to Income Tax in 1854 was enormously short of what it should have been. This view is, to some extent, confirmed by a glance at the incidence of the growth in the amount of assessment, which is not gradual but spasmodic, indicating that, at intervals, improvements in the machinery of assessment produced enlargement of the returns out of proportion to the natural growth of the year in which the enlargement occurred.

Persons competent to form an opinion have assured me that the error from this cause in 1854—the first year of assessment—must have been something like 40 or 50 per cent. compared to the relative perfection of to-day. I am satisfied to take it in 1855, the second year of assessment, at 20 per cent., as I desire to be well within the probable facts in the arguments I advance. Well, if we increase the official return of assessment in 1855 by 20 per cent., we have as the corrected return for that year, £369,831,771; and, on the same basis of calculation, which showed £17 4s. 9d. as the income per head of population in 1855, we now obtain £20 13s. 8d. as the corrected income per head in that year.

Thus, although expressed in money, the income per head of population was only £21 13s. 8d. in 1855, as against £26 12s. 7d. in 1878; yet when expressed in the ratio of the material comforts the money will buy, it holds the proportion of £20 13s. 8d. per head in 1855, as against £18 13s. per head in 1878.

It will follow from the foregoing, that the favourite proof of growing prosperity so frequently publicly advanced, consisting in the comparison between the amount of revenue that a penny of Income Tax would produce in 1854 and the amount it will produce to-day, has to be largely modified.

Firstly. The figures of 1854 must be increased in the proportion in which the improvement in the machinery of assessment and collection of the tax has increased.

Secondly. The corrected figures must be again increased by the percentage of increase in the number of persons contributing to the tax.

Thirdly. The re-corrected figures must be again increased by the percentage of the larger purchasing power of money in the earlier year.

Thus, 27,658,000 persons contributed in 1854 by a penny of Income Tax about £800,000. If the assessment and collection of the tax had been as perfect then as now, the penny of Income Tax would have realised £1,000,000 in that year at least. In 1880 the same penny of tax realised about £1,800,000; but as 25 per cent. more persons (viz.,—34,505,000) contributed it, the figures of 1854 must again be raised by 25 per cent., to bring them one stage further towards the true standard of comparison with the produce of the penny of taxation in 1880, giving £1,250,000 in 1854 as against £1,800,000 in 1880. Allowance must now be made for depreciation in the purchasing power of money in order that the sacrifice of material comfort, contributed by the people in the one year, may be compared with that contributed by them in the other. Increasing the contribution (corrected) of 1854, viz.,—£1,250,000 by the percentage of the larger purchasing power of money in that year, we get £1,787,500 as the comparative value of the contribution in that year.

After allowing, therefore, for the increased perfection in collection, and the increased number of contributors, it appears that a penny of Income-Tax in 1880, measured by the material advantages the money represents, yields barely more than in 1854.

DISTRIBUTION OF THE INCOME OF THE PEOPLE.

I have prepared a Table to accompany this paper, illustrative of this distribution. That Table speaks for itself. It is based

on the best data available to me, and I believe it to be a fair indication of the relative distribution of material well-being. After every allowance has been made for error, it still comes to this, that NEARLY HALF OF THE POPULATION OF THIS REALM IS IN THE ENJOYMENT OF AN AVERAGE ANNUAL INCOME FAR BELOW THE COST OF KEEPING A PAUPER AS A PERMANENT INMATE OF A WORKHOUSE.

STATE REVENUE AND EXPENDITURE.

The actual increase in revenue since 1840 is £25,672,315, or, as nearly as possible, 50 per cent. The increase per head of population, however, is only from £1 18s. 9d. in 1840 to £2 7s. 3d. in 1880; that is to say, an increase of 22 per cent. When due allowance is made for depreciation in the purchasing power of money, the burden of taxation on the individual will be found to be less in 1880 than in 1840.

Since 1840 there is a decrease of about one million and a half in the annual charge for the service of the National Debt. The decrease per head of population, however, is from £1 2s. 6d. to 16s. 10d., or 23¾ per cent., and, allowance being made for depreciation in the value of money, it is probable that the charge per head of population for the service of the National Debt is little more than one-half what it was in 1840.

The actual cost for the Naval and Military Establishment has more than doubled since 1840 while the cost per head of population has grown from 9s. 10½d. in 1840 to 17s. 1½d. in 1880, an increase of 74 per cent. After allowing for decrease in the value of money, the real increase per head of the population is probably about 22 per cent.

It is sufficiently evident, therefore, from the foregoing, that the argument so often adduced in proof of advancing prosperity—viz., the growing capacity of the individual to bear the increasing burdens of taxation, falls to the ground, for the simple reason that, expressed in material comforts instead of in money, the burden of taxation on the individual is less in 1880 than in 1840. Those who have thought that depression in trade may be attributed to the heavy taxation of the individual are also stultified, and it is necessary to look elsewhere for an explanation of the drooping fortunes of the people.

PAUPERISM.

Under the head of "Depreciation in Currency," I have already said nearly all that, for the purposes of this paper, needs to be said on the subject of pauperism. I have only this admission to make—viz., that, numerically, there were fewer paupers seeking and obtaining relief in 1879 than in 1854. Relatively to the increased population the number is largely less. Some have supposed this to be a sign of general prosperity. It may be, but is not necessarily so. Two causes may contribute to reduce the number of persons seeking and receiving relief, which are not, in themselves, indications of increased national wealth, and these are, firstly, The application of the House-test; and, secondly, The more equal distribution of earnings amongst the labouring class, which may be believed to have resulted from Trades Unionism.

IMPORTS AND EXPORTS.

Before proceeding to the consideration of the National Returns on this important subject, which I shall have to treat at some length, I shall endeavour to clear the ground of some confusions of thought with which the subject has become surrounded, as a consequence of the application of certain theories which, true in themselves as abstract propositions, have ceased to be true to-day because of the altered conditions under which they have to be applied.

It is argued, and with perfect truth, that in their inception all commercial transactions are based on "barter"; that is, that each producer exchanges his surplus production for a portion of the surplus productions of other producers; and further—though with far less truth—that the Exports of any State—whatever their money value may seem to be—are always, in the fullest sense, the actual consideration paid for the Imports—whatever their money value may seem to be.

Now this proposition can only be approximately true when goods are bartered for goods; so soon, however, as goods come to be bartered for money, it must cease to be true. When in times now nearly, if not entirely, passed away, the merchant-trader sent cloths and beads and knives to—let us say—the West Coast of

Africa, and, by the hands of his own servants, exchanged them with the natives for palm-oil and ivory, the transaction was a true and complete "barter," for the beads and cloths and knives—whatever their cost may have been—were the actual consideration for the palm-oil and ivory, whatever that might prove to be worth when carried to a market. But so soon as the merchant invoiced his beads and knives and trinkets to a consignee, for a money consideration, the conditions were entirely altered; since the consignee or middleman immediately set himself to work to get as large a profit as possible for himself, and, to the extent of that profit at least, the true relation between the goods sent out and the goods brought home must have been disturbed. How the theory of perfect equivalent by barter is to get itself satisfactorily applied to such States as have Exports and relatively no Imports, or to such as have Imports and relatively no Exports, is a problem that I must leave to the solution of its advocates. To my mind it is sufficiently clear that, by an imperceptible process, the values of all sorts of merchandize have—unconsciously to, and outside and beyond the control of, individuals—become reduced to a common denominator; and, in these days, when gold of a certain standard of purity is of practically equal value all the world over, all values expressed in currency are the actual values of the day of the goods in relation to each other, and are not merely empty cyphers expressing some unknown quantity other than that which they seem to express. One other item, of some importance in the consideration of this question, which has also a basis of truth, deserves some passing remark, and that is the question of freights. The Import values are said to include the freight, while the value of the Exports is exclusive of freight. This is only partly true, but, if it were wholly true, it is difficult to see how the difference in values of Imports and Exports is to be reconciled thereby. Do the advocates of the "barter" theory mean to tell us that the apparent difference of the Imports and the Exports is made up by the cost of conveying the bartered goods to their respective destinations? If so, how do they account for the fact that, in 1872, it only cost £40,000,000 to convey £670,000,000 in value to destination, while in 1877 it cost £142,000,000 to convey £647,000,000, and, in 1840, £172,000,000 were conveyed to destination for £48,000,000 less than nothing? The only part of the freight on Imports that concerns us as a nation, is that earned by

British ships, and only such portion of the total as is not spent abroad in working the ships. That portion of the freight on Imports which is earned by foreign vessels, is a charge that the consumer pays in the same degree as the prime cost of the goods, but mitigated by the profit on that part of it which is spent in the United Kingdom in working the ships. On the other hand, the freight earned by foreign vessels, in conveying British exports to destination, does not come into account, but only that earned by British vessels, less the money expended abroad in working the ships, inasmuch as this is the only portion of the freight on exports which is gain to the country.

Let us now proceed to an examination of the figures of Imports and Exports as summarised from the Board of Trade Returns by the Financial Reform Association, with a view to ascertaining, as nearly as circumstances permit, how far and in what sense they are an indication of material prosperity. It has been much the fashion in some quarters to add the Imports and Exports together, and to point with triumph to the grand total, not only as an indication of the enormous trade of the country, but also of the huge prosperity arising from it. I confess I have never clearly appreciated the logic of this reasoning. It appears to me that it would be equally reasonable for a trader to add his trade purchases and sales together and quote the total as evidence of prosperity. As evidence of an extensive trade I admit it; but as evidence of a prosperous trade, I utterly reject it, since the proofs of prosperity in trading must lie in the difference of the two items, and not in their sum.

Now it appears, from the returns, that in 1840—seven years before the repeal of the Corn Laws and the affirmation of the principle of Free Trade—the value of the Exports of British produce exceeded that of the Imports of foreign produce by £48,000,000 sterling; and the advocates of the "barter theory," who maintain that the Exports are in fact the exact equivalent of the Imports, find themselves on the horns of this dilemma —viz., either they must declare that, in that year, £110,000,000 of British produce was necessary to the purchase of £62,000,000 of foreign produce, and that, as a necessary sequence, British traders were conducting their foreign trade in that year—presumably with their eyes open—at a loss of about 40 per cent., or they must admit that their theory of perfect equivalents will hold no

water. The former proposition is so monstrously and palpably absurd, that there can hardly be a doubt as to which alternative will be adopted by thinking men, and I only mention the subject in order to dispose of the "barter theory" once for all.

If we now examine the Returns of 1854—seven years after the repeal of the Corn Laws—we find that the Exports have only Increased £5,500,000, or about 5 per cent., while the Imports have increased £90,000,000, or about 150 per cent., leaving a loss on the year's trading of £36,500,000. Now the advocates of free trade quote this as a proof of the stimulus given to trade by the action taken in and after 1847. I entirely deny that trade was stimulated in any appreciable degree, but I admit that consumption was stimulated, probably to an unwholesome extent. I understand "trade," in its proper sense, to mean a profitable interchange of commodities. While I willingly admit that the distributors of commodities profited, that profit was only an item of internal economy—the transfer of so much money from one pocket to another—which neither benefited nor prejudiced the nation as such; while, on the other hand, the trade of the country with other countries resulted, in 1854, in a loss of £36,000,000, as against a profit of £48,000,000 in 1840.

Since 1854, the annual balance has always been on the wrong side, and in the twenty-six years from 1854 to 1879, both inclusive, the foreign trade of the country shows a gross loss of nearly £1,599,000,000 sterling. Now, if instead of losing every year an average of £61,000,000, the country had gone on making a profit every year of—as in 1840—say £50,000,000, it is quite clear that the position to-day would have been nearly £3,000,000,000 better than it is—that is, the £1,600,000,000 it has lost, and the £1,300,000,000 it has failed to gain. The interest of this sum at 3 per cent. would more than suffice for the whole national expenditure.

Ah! cry the free traders, these £1,600,000,000 are not all loss; this enormous sum has not been contributed, or at any rate not wholly contributed, out of capital; there are mitigating circumstances! No doubt, in a certain sense, there are mitigating circumstances. For instance, there is the freight earned by British ships, which would have been earned just the same if the trading had been profitable instead of unprofitable. Again, there is the

interest on money lent to foreign States, or invested in foreign enterprise, less the dividends on English funds and stock paid to foreign capitalists who are holders of British securities—certainly an important item, which would, however, have existed, as a source of revenue, all the same if the trading had been profitable instead of unprofitable. What would be thought of the reasoning of a man who, being in possession of an independent income of say, £600 per annum, and, at the same time, a trader making on an average £1,000 a-year by his trading, who should some day say: "Well, I have had a rather unfavourable year; instead of making £1,000 by my trading, as I have always hitherto done, I have this year lost £1,000; but then my loss is not really so great, because I have £600 a-year of independent income to set against it, so that my real loss is only £400!" "Why!" one would naturally be inclined to say, "the man is a fool: his £600 is assured to him in any event; it is an income independent of, and apart from, his trading, and if he has lost £1,000 on his year's trading, his absolute loss is £1,000 and his relative loss is £2,000—viz., the £1,000 that he has lost and the £1,000 that he has failed to gain."

And yet keen and intelligent men of business have been known to argue that, because the loss on the national trading has been mitigated by other, and independent, sources of income, that there has been no loss at all, or, at worst, only an unimportant one.

We must next briefly consider the so-called "mitigating circumstances," which, although they do not reduce the loss, indicate the method in which the loss is paid, and the degree in which the accumulated wealth of the nation is thereby affected.

For this purpose let us take the worst year the country has probably ever seen—viz., 1877, when the purchases exceeded the sales by £142,000,000. And, firstly, let us try and correct the Returns by adding to the Exports the freight earned by British ships in carrying them to destination and by deducting from the Imports the freights earned by British vessels in bringing them home. Of course this can only be done very roughly. In 1877, 34,750,000 tons of British shipping entered and cleared at British ports. The proportion of the value of the Exports to that of the Imports was as two-fifths to three-fifths; but, as the Exports

were, no doubt, more bulky in proportion to value than the Imports, we will assume that half the tonnage was employed in the one direction and half in the other. After allowing for the money spent abroad in working the ships, we shall, I think, be making a fair estimate in placing the freights earned at an average of 12s. 6d. per ton. The Imports must, therefore, be reduced by the sum of £10,860,000, and the Exports increased by that amount, so that the corrected difference between Exports and Imports will be about £120,000,000. From this must further be deducted the interest on money lent to, and invested in, foreign countries, less the interest or dividends on British funds and stock held abroad—an item which is it only possible to arrive at approximately. It would be too tedious to explain here the process of reasoning on which the opinion has been formed, but I am personally inclined to believe that, at the present time, the net revenue of the country from this source is about £30,000,000. Thus it would appear that, in 1877, the nation had to pay about £90,000,000 sterling out of capital to balance the year's account.

One word more as to the method in which this payment has been made, and I shall have finished with this branch of the question. That this difference has not been and could not be paid in gold is patent on the face of the figures, apart from the fact that the Imports of gold in 1877 exceeded the Exports by £20,000,000. This deficit of £90,000,000 (to which must be added £20,000,000 for excess of gold imports) has been, in fact, paid by the transfer to foreigners of English funds and stock, and the re-sale to foreigners of foreign funds and stocks, formerly held by Englishmen. No statistical returns exist, so far as I know, to prove this statement, but it is, I believe, well understood to be the fact that large amounts of British securities have, in recent years, been transferred to foreign holders as well as large amounts of foreign securities re-transferred. This circumstance has contributed not a little to the present abnormally high price of all classes of fairly good securities in the market—a price out of all proportion to the condition of prosperity in the country.

These are the principal "mitigating circumstances," but it must not be forgotten that these sources of income—freight and interest on investment—would have existed in approximately the

same degree if the year's trading had been profitable instead of unprofitable.

BULLION AND SPECIE TRAFFIC.

This is rather a banking than an economic question in itself, but I desire to take this opportunity of pointing out that the enormous and sustained excess of Imports over Exports of bullion in recent years must have had a most marked effect on the purchasing power of money, altogether apart from, and independently of, the unnatural stimulus applied to consumption by the economic policy of the last thirty years.

BRITISH SHIPPING.

I need add nothing here to the memoranda at foot of Table II., beyond the observation that, notwithstanding an increase of 480,000 tons upon the register in 1879 over 1872, the number of hands employed in working the vessels had decreased within the same period 10,000 and upwards, or 5 per cent.

RAW COTTON AND WOOL.

The enormous increase in the importation of raw cotton and wool is the healthiest symptom in our import trade at the present day, and if the facilities for selling our manufactured produce had fair play, this increase would, as far as it goes, be a distinct indication of real prosperity; especially if all the increased importation of raw material had been made up at home, instead of being, in so large a proportion, re-exported in its raw condition.

COAL AND METALS.

The production of coal and iron has nearly doubled since 1854 (and this is in itself also a healthy feature), while the production of all other minerals has decreased. Before quitting this subject, I desire, however, to draw the reader's attention to the following short Table, which has its own grave significance :—

TABULAR STATEMENT OF THE PRODUCTION OF PIG-IRON IN THE YEARS 1869 AND 1879 RESPECTIVELY.

	TOTAL PRODUCTION.		Per-centage of Increase.	Per-centage of Decrease.
	1869.	1879.		
	Tons.	Tons.	Per Cent.	Per Cent.
Great Britain	5,445,757	5,995,000	10	
United States	1,916,641	3,070,375	60	
Germany	1,180,579	1,639,676	39	
France	1,018,899	1,344,759	32	
Belgium	534,319	448,371		16
Austria	405,482	410,000	1	
Russia	340,000	425,000	25	
Sweden	176,068	205,800	17	

From this it appears that, with the exception of Belgium and Austria, every iron-producing country in the world is increasing its production in a far more rapid ratio than Great Britain. In 1869, the production of Great Britain was, as nearly as possible, equal to that of the other seven states combined, while in 1879 it represented only about five-sevenths of the production of the other seven states.

RECAPITULATION.

From the foregoing examination of details, it would certainly appear that—after allowing for increase of population and for depreciation in the purchasing power of money—it is to-day a very open question indeed, whether the material well-being of the individual in these realms is equal to the standard obtaining in 1854.

This paper has been prepared with the object of drawing public attention to the facts, and the writer has not ventured to assume that the conclusions here arrived at are by any means necessarily final, and, although personally convinced that those conclusions are substantially justified, no one would more desire to see them completely refuted.

Although almost all the Returns equally point to a decrease in national prosperity, those of the Board of Trade on the international trading of the country would seem to present this

conclusion in its most marked form, and therein may the clue to the cause of the evil most probably be found to lie.

As has already been suggested in the earlier pages of this paper, it is clear that the application of the principle of Free Trade has acted as a stimulus to consumption; but a policy which stimulates consumption without, at the same time, in an equal degree, stimulating production, and as a consequence, the earning capacity of the population, can hardly be regarded as a wise economic policy.

The principle of International Free Trade is, as a principle, absolutely true and truly beneficent, but the partial and imperfect application of the theory not only falls short of perfect truth, but is, in fact, a delusion and a snare. This observation is equally applicable to all abstract propositions which, however true they may be in theory, can only be true in practice in exact proportion to the conditions under which they have to be applied. In other words: "Abstract truth is absolute, while applied truth is always relative."

The strongest argument that the advocates of Free Trade have yet been able to adduce is this: that it is the first duty of Governments to provide the population with the necessaries of life at the lowest possible price. To my mind there is only one fault in this argument, but it is a cardinal fault, and consists in assuming as the first duty of Governments a line of conduct which is indeed their duty, but only in the second degree. *I maintain it to be the first duty of Governments to secure to the population the possibility of earning the wherewithal, and then to enable it to expend its earnings in the cheapest practicable market.*

Were the principle of Free Trade universally adopted and honestly applied in its entirety, no doubt all the world and all classes of its population would share its advantages in an equal relative degree; but a bastard Free Trade, such as obtains to-day, benefits only the trading classes—the distributors of necessaries—while the producing classes—the bread-winners of the State—must languish under it, have languished under it, and suffer from it still to-day. Which man is the more happily situated: he who can earn 6d. and purchase a loaf for 5d., or he to whom a loaf is offered for 4d. but who can only earn 3d. to purchase with? The key to the situation is probably the question of wages. The wages on all imported manufactured goods and food stuffs are

earned and spent abroad though paid here. With reference to the food-stuffs, some are, from their nature, necessarily imported, since they cannot be produced here. Others are imported, because, although they are susceptible of being produced here, we fail to produce them in sufficient quantities. The following analysis of the imports of 1879 will, perhaps, assist in forming a judgment in this matter :—

Food-stuffs of all descriptions.....	£153,128,474
Raw Cotton, at 5d.	30,611,635
Wool, at 1s. 6d.	31,283,256
Timber ..... say	5,000,000
Wines and Spirits	8,365,987
Tobacco	1,968,652
Manufactures	132,633,871
Total Imports in 1879	£362,991,875

Thus it appears that besides food and drink and raw material, the importation of manufactured goods of one sort or another amounted to £132,633,871, while the aggregate Exports of home produce and re-Exports of raw material, together, only reached £248,783,364. The wages on the imported manufactures (the vast bulk of which we were perfectly capable of manufacturing ourselves) were earned and spent abroad, though paid here, and to the extent of those wages the interests of the country must have suffered. What proportion of the whole value those wages would represent, I leave to the consideration of those who, engaged in manufacturing industry, are competent to judge. After deducting from Exports in 1879, the re-Exports of imported raw material, and the value of British produce—not manufactured—it would seem that the Exports of British manufactures in that year cannot very largely have exceeded the Imports of foreign manufactures, and, in the face of this, we are gravely assured that the nation is progressing daily in prosperity.

Whether the articles of home production consumed at home cost a larger or smaller price is relatively unimportant to the community at large. If home products are dearer, home producers earn more; if they are cheaper, home producers earn less. It is merely a question of the transfer of money from one pocket to the other, and, however interesting it may be to the individual, it must be a matter of considerable indifference to the body cor-

porate. The only trading transactions really affecting the community at large are the international trading transactions, and on these there has been more or less serious loss for thirty years past.

The advocates of the bastard Free Trade of these days say that these are all class arguments, that the greater number must be considered, that producers are few and consumers many. That the greater advantage of the greater number must be studied, is a proposition that none will call in question; but is it true that the producers are few, and the consumers many? No doubt every producer is a consumer, while the converse is not apparent on the surface; but, when it is considered that the consumers who do not produce are in a greater or less degree dependent on the producers for the incomes which enable them to consume without producing, it is difficult to understand in what real sense their interests are separate from the interests of the producers. A reference to Table III. will show that there are 1,580,748 persons of independent means, Government officials, professionals, and traders, who, with their wives, children, and dependents, are consumers, and not directly producers, and who alone benefit without drawbacks from Free Trade, and the cheapness of the necessaries of life resulting therefrom. On the other hand, there are 11,616,593 persons who are producers, and with their wives, children, and dependents are also consumers, and whose earning capacity is restricted by the application of a bastard Free Trade, in a larger degree than that in which the necessaries of life are thereby cheapened to them. Which is numerically the more important of these two sections of the population, and how far the greater advantage is with the greater number, I leave to the consideration of each individual reader.

Surely, in view of these circumstances and of the growing disposition of foreign nations to draw still closer their self-imposed so-called fetters of protection, it behoves us to consider closely whether we are or are not living in a fool's paradise, dreaming dreams from which, if they be dreams, there must some day be a rude awakening.

ALFRED MORRIS.

TABLE I.

STATISTICS OF POPULATION, INCOME, STATE REVENUE AND EXPENDITURE, PAUPERISM.

Year.	POPULATION. England and Wales.	Scotland.	Ireland.	Total.	Percentage of increase on the previous year.	Percentage of increase since 1840.	Gross Annual Value of Property and Profits assessed to Income Tax.	Estimated Gross Income per head of Population.	State Revenue.	Amount of Taxation per head of Population.	Annual charge in respect of the National Debt in series of ten years.	Charge per head of the Population in respect of National Debt.	Annual Charge in respect of the Military and Naval Establishment.	Charge per head of the Population for Military and Naval Establishment.	Number of Persons becoming chargeable on the Poor Rate in England and Wales.	Amount expended for the Relief and for the Management of Poor in England and Wales.	Average Cost of each Pauper for actual Relief in England and Wales.	Cost of the Poor per head of non-pauper population in England and Wales.	Year.
1840	15,730,813	2,600,692	8,155,521	26,487,026			£	£ s. d.	£ 51,339,407	£ s. d. 1 18 9	£ 28,953,141	£ s. d. 1 2 6¾	£ 13,076,913	£ s. d. 0 9 10½		£ 6,067,426	£ s. d.	s. d.	1840
1854	18,616,310	2,959,211	6,083,183	27,658,704		4·42	286,885,103								818,337	7,317,930	6 9 1	8 3½	1854
1855	18,829,000	2,978,065	6,014,665	27,821,730	·59	4·96	308,139,143	17 4 9	Average per annum for these years, £66,181,398	Average per annum, £2 6 8¼	Average per annum for these years, £29,035,964	Average per annum, £1 0 6¼	Average per annum for these years, £25,762,548	Average per annum, £0 18 4	851,369	8,089,387	6 18 4	9 0	1855
1856	19,042,412	2,995,771	5,972,851	28,011,034	·68	5·67	307,421,190	17 1 7							877,767	8,212,012	6 16 10	9 0½	1856
1857	19,256,516	3,012,310	5,919,454	28,188,280	·63	6·34	313,056,427	17 5 8							843,805	8,339,210	6 19 10	9 0¾	1857
1858	19,471,291	3,027,665	5,890,814	28,389,770	·72	7·11	327,138,852	17 18 3							908,186	8,449,657	6 9 6	9 1¼	1858
1859	19,686,701	3,041,812	5,861,711	28,590,224	·70	7·86	328,127,416	17 17 2							960,470	8,149,456	6 9 2	8 8½	1859
1860	19,902,713	3,054,738	5,820,960	28,778,411	·66	8·57	335,188,318	18 2 6							851,020	8,075,904	6 8 2	8 5¾	1860
1861	20,119,314	3,066,633	5,788,415	28,974,362	·68	9·31	335,654,211	18 0 6							890,423	8,395,212	6 9 11	8 8¾	1861
1862	20,352,140	3,097,847	5,775,028	29,225,015	·86	10·27	351,745,241	18 0 11							946,166	8,806,074	6 8 5	9 1	1862
1863	20,590,356	3,126,587	5,716,975	29,433,918	·71	11·05	359,142,897	18 19 9							1,142,624	9,325,071	5 14 3	9 7¾	1863
1864	20,834,496	3,155,595	5,638,487	29,628,578	·66	11·78	371,102,842	19 9 10							1,009,289	9,680,480	6 7 3	9 9½	1864
1865	21,085,139	3,184,873	5,591,896	29,861,908	·79	12·66	395,828,680	20 13 3							971,433	9,792,159	6 9 0	9 8¾	1865
1866	21,342,864	3,214,426	5,519,522	30,076,812	·72	13·47	413,105,180	21 7 4							920,344	9,989,121	7 0 0	9 9½	1866
1867	21,608,286	3,244,254	5,482,459	30,334,999	·86	14·45	423,773,568	21 14 8							958,824	10,905,173	7 5 2	10 7	1867
1868	21,882,059	3,274,360	5,461,299	30,617,718	·93	15·52	430,368,971	21 17 6							1,034,823	11,380,593	7 4 11	10 11¼	1868
1869	22,164,847	3,304,747	5,443,919	30,913,513	·96	16·64	434,803,957	21 17 11							1,039,549	11,773,999	7 7 8	11 1¾	1869
1870	22,457,366	3,335,418	5,412,660	31,205,444	·94	17·74	444,914,228	22 3 9							1,079,391	11,737,613	7 1 8	10 11¾	1870
1871	22,760,359	3,366,375	5,386,708	31,513,442	·99	18·90	465,594,366	22 19 10							1,081,926	12,092,741	7 5 10	11 2	1871
1872	23,067,835	3,399,226	5,368,696	31,835,757	1·02	20·12	482,338,317	23 11 7							977,664	12,381,278	8 3 10	11 2½	1872
1873	23,356,414	3,430,923	5,337,261	32,124,598	·91	21·21	513,807,284	24 14 8							890,372	12,426,566	8 12 9	11 0¾	1873
1874	23,648,609	3,462,916	5,314,844	32,426,369	·94	22·34	543,025,761	26 1 3							829,281	12,851,007	9 4 9	11 3½	1874
1875	23,944,459	3,495,214	5,309,494	32,749,167	·99	23·56	571,056,167	27 2 9							815,587	12,694,208	9 2 8	10 11¾	1875
1876	24,244,010	3,527,811	5,321,618	33,093,439	1·05	24·90	579,297,347	27 4 11							749,593	12,636,942	9 15 9	10 9¼	1876
1877	24,547,309	3,560,715	5,338,906	33,446,936	1·07	26·20	570,331,389	26 10 8							728,350	12,998,237	10 3 2	10 11	1877
1878	24,854,397	3,593,929	5,351,060	33,799,386	1·06	27·55	578,341,194	26 12 7							742,703	13,615,297	10 4 4	11 3½	1878
1879	25,165,336	3,627,453	5,363,324	34,155,126	1·04	28·99									800,426	13,093,174	9 15 8	10 9	1879
1880	25,480,161	3,661,292	5,363,590	34,505,043	1·02	30·23			Average per annum for these years, £77,011,822	Average per annum, £2 7 3¼	Average per annum for these years, £27,552,848	Average per annum, £0 16 10¾	Average per annum for these years, £28,211,177	Average per annum, £0 17 1½	837,940				1880

The prominent deductions from the foregoing figures are :—

1. The population of the United Kingdom has increased since 1840 to the extent of 30·23 per cent.
2. The value of property and profits assessed to income tax has, measured by the currency standard, increased 102 per cent. since 1854. Considerable allowance must, however, be made for the imperfection and inefficiency of the machinery of assessment and collection in the earlier years when this method of raising revenue was new to the collectors. A quarter of a century of experience must have had large influence in obtaining a more complete, more exhaustive, and truer assessment.
3. Calculated on the basis of the foregoing returns by a standard of £900,000,000 as the estimated gross income of the whole population in 1878, the gross income per head shows, measured by the currency standard, an increase probably considerably in excess of the real increase, measured in the same way, having regard to the imperfection in collection in the earlier years. Allowance being further made for depreciation in the purchasing power of money, the real increase in material well-being can hardly be large.
4. State Revenue, measured by the currency standard, shows increase of 24 per cent. per head of population since 1840 ; but, allowance being made for depreciation in the value of gold, it is probably practically somewhat less.
5. The annual charge per head for the National Debt, when allowance has been made for depreciation in gold, shows a decrease of, perhaps, 40 per cent. A natural result of the lapse of time unless the Capital Debt grow proportionately.
6. The charge per head of population for Military and Naval purposes, after allowance made, has increased, since 1840 about 25 per cent.
7. Pauperism in England and Wales, after undergoing certain fluctuations, remains numerically about the same in 1878-9 as in 1854 ; relatively to the increased population it is less.
8. The charge to the non-pauper population for the relief and management of the poor has more than doubled since 1840 ; and after allowance for increased population, shows an advance of about 30 per cent. since 1854.
9. The cost of each pauper, for actual relief, has increased about 55 per cent. since 1854. As the quality and degree of relief afforded are probably but slightly altered, these figures are, perhaps, as fair a guide as can be found to the depreciation in the purchasing power of money which might be taken at from 25 to 30 per cent. since 1854.

TABLE II.

STATISTICS OF BRITISH COMMERCE AND SHIPPING.

	Total Imports (exclusive of Bullion) expressed in Currency.	Total Exports (exclusive of Bullion) expressed in Currency.	Excess of Imports over Exports.	Excess of Exports over Imports.	Imports of Gold and Silver Bullion and Specie.	Exports of Gold and Silver Bullion and Specie.	Excess of Imports of Bullion, &c., over Exports.	Excess of Exports of Bullion, &c., over Imports.	Statistics of British Shipping.				Tonnage Entered and Cleared at British Ports.		Total Imports of Wheat and Wheaten Flour, Barley, Oats, Bere, Maize, Rye, Buck-wheat, Peas, and Beans.	
									Number of Sailing Vessels on Register.	Number of Steamers on register.	Total Tonnage.	Number of men employed.	British.	Foreign.		
	£	£	£	£	£	£	£	£							cwts.	
1840	62,004,000	110,128,716		48,124,716									6,490,485	2,949,182	15,765,100	1840
1854	152,389,053	115,821,092	36,567,961										10,744,849	7,924,238		1854
1855	143,542,150	116,691,300	26,851,550												25,246,425	1855
1856	172,554,154	139,220,353	33,333,801													1856
1857	187,844,441	146,174,301	41,670,140													1857
1858	164,853,832	139,782,779	25,071,053												44,664,548	1858
1859	179,182,355	155,692,975	24,489,380													1859
1860	210,530,873	164,521,351	46,008,522		22,978,196	25,534,768		2,556,572								1860
1861	217,485,024	159,632,498	57,852,526						19,288	997	4,359,695	171,957	15,420,532	11,175,109	65,430,277	1861
1862	225,716,976	166,168,134	59,548,842													1862
1863	248,919,020	196,902,409	52,017,611													1863
1864	274,952,172	212,619,614	62,332,558												48,137,482	1864
1865	271,072,285	218,831,576	52,240,709													1865
1866	295,290,274	238,905,682	56,384,592													1866
1867	275,183,137	225,802,529	49,380,608												67,789,024	1867
1868	294,693,608	227,778,454	66,915,154													1868
1869	295,460,214	237,015,052	58,444,162													1869
1870	303,257,493	244,080,577	59,176,916		29,455,608	18,919,690	10,535,918								75,270,753	1870
1871	331,015,480	283,574,700	47,440,780										28,034,648	13,513,130		1871
1872	354,693,624	314,588,834	40,104,790						19,709	2,845	5,761,608	203,720	28,719,090	13,781,935		1872
1873	371,287,372	310,994,765	60,292,607						18,785	2,796	5,748,097	202,239	29,647,344	14,792,642	95,875,528	1873
1874	370,082,701	297,650,464	72,432,237						17,926	2,946	5,864,588	203,603	30,089,683	15,339,274		1874
1875	373,939,577	281,612,323	92,327,254		33,264,789	27,628,042	5,636,747		17,221	2,970	5,891,692	199,667	30,944,744	15,332,094		1875
1876	375,154,703	256,776,602	118,388,101		37,054,244	16,515,748	20,538,496		17,288	3,121	5,996,152	198,638	33,441,979	17,342,923	119,240,676	1876
1877	394,419,682	252,346,020	142,073,662		37,152,799	20,361,386	16,791,413		17,101	3,218	6,115,638	196,562	34,765,907	16,765,170		1877
1878	368,770,742	245,483,858	123,286,984		32,422,955	26,686,546	5,736,409		16,704	3,390	6,236,124	195,585	35,291,483	16,303,596		1878
1879	362,991,875	248,783,364	114,208,511		24,155,538	28,584,912		4,429,374	16,449	3,580	6,249,833	193,548	37,433,991	15,281,459	138,727,136	1879
1880	Loss upon 26	years' trading.	£1,598,841,011													1880

The prominent deductions from the foregoing figures are :—

1. That the Abolition or Modification of Import Duties imparted a stimulus to consumption out of all proportion to the increase in population, and to increase in the food requirements thereof, while affording no equivalent stimulus to exports ; so that, whereas in 1840 the foreign trade of the kingdom showed a profit to the State of *forty-eight millions*, in 1854 it had begun to show a proportionate loss, which, with certain fluctuations, has continued to increase annually, until in 1877 it reached the enormous total of *one hundred and forty-two millions*, and in twenty-five years the gigantic total of nearly *sixteen hundred millions*.
2. The large excess of the Imports of Bullion and Specie over the Exports, throw some further light on the depreciation in the purchasing power of money.
3. Since 1872 (up to which date the tendency was to increase) the number of sailing vessels flying the flag has diminished by 3,260, while the number of steamers has increased by 735. From 1861 to 1872 the total of British tonnage increased 32 per cent. ; from 1872 to 1879 the increase is only 8½ per cent. After making allowance for one period being longer than the other, the falling off in the growth of shipping is nearly 20 per cent.
4. British shipping continues to hold its own in competition with foreign so far as concerns the tonnage conveyed, and, if the earning capacity of tonnage had not depreciated, this would be an encouraging feature.
5. The Imports of flesh-producing grain have increased very largely, though perhaps not beyond the increased bread and meat requirements due to the growth of population, this suggestion being confirmed by
6. The fact that, according to the "Statistical Abstract," the total value of all kinds of food stuff imported was in 1840 £27,599,431 against £153,128,474 in 1879 ; the vast bulk of the increase being in the items of bread, meat, butter, and cheese.

TABLE III.

DISTRIBUTION OF THE INCOME OF THE POPULATION.

Based on the Census Returns of 1871, enlarged to 1878, in which year the Gross Assessment to Income Tax reached **£578,341,190,** and the supposed Gross Income of the Population **£900,000,000.**

Nature of Occupation.	Number of persons of both sexes and of all ages occupied therein.	Estimated Number of Infant children unoccupied dependent thereon.	Total.	Proportion probably coming into the Income Tax Assessment.	Remainders who, being assessed to Income Tax, divide between them £578,341,190.	Remainders not assessed, but believed to have incomes equal to the average, £26 12s. 6d., £158,586,860.	Remainder unassessed and dividing the balance among them, £163,071,950.
Persons of independent means	235,641	115,701	351,342	All.	351,342		
Officers in Government Departments, Army and Navy	338,721	193,070	531,791	All.	531,791		
Professional persons	605,736	345,269	951,005	All.	951,005		
Traders and Merchants	400,650	228,370	629,020	All.	629,020		
Domestic occupations, but not in the capacity of menials	6,059,016	3,453,639	9,512,655	75 per cent.	7,134,491	2,378,164	
Domestic Servants and Boarding-house Keepers	2,279,077	1,299,073	3,578,150			3,578,150	
Railway, Canal, and other carriers and persons in their employ	737,027	427,475	1,164,502	20 per cent.	232,900		931,602
Persons employed on the Land	2,812,759	1,603,272	4,416,031	25 per cent.	1,104,008		3,312,023
Industrial classes	8,066,809	4,598,081	12,664,890	20 per cent.	2,532,978		10,131,912
Totals	21,535,436	12,263,950	33,799,386		13,467,535	5,956,314	14,375,537

The prominent deductions from the foregoing figures are :—

That 13,467,535 persons divide between them in 1878, **£578,341,190,** being at the rate of **£42 18s. 9d.** per head.

,, 5,956,314 ,, may be thought to receive the average income of the year, **£26 12s. 6d.** per head.

And that 14,375,537 ,, divide between them **£163,071,950,** being at the rate of **£11 6s. 10d.** per head, and only 22s. 6d. per head more than the average cost of relieving a pauper in the year in question—not the cost of keeping the permanent inmate of a workhouse—which, varying in different Unions, is never less than one and a-half times the average cost of relieving the general pauper population.

This Table is not advanced as absolute, but simply as a fair indication of the grievous poverty under which nearly half the population of these Islands suffer.

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BY

W. FARRER ECROYD, M.P.

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Fair-Trade. By W. Farrer Ecroyd, M.P. Republished from *England.* Fair-Trade League Office. Price 1d.

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FAIR-TRADE.

By W. FARRER ECROYD, M.P.

Reprinted from *England*, June 3rd, 1882.

THE opponents of the Fair-Trade movement find their position and their task so difficult that we must not be too hard on the irrelevancy and inconsistency of their arguments. The old Free Trade leaders were great men, whose clear principles and confident expectations gained a firm hold on the minds of their fellow-countrymen. They firmly believed in the speedy advent of universal Free Trade as a result of the example set by England; they did not represent one-sided Free Trade as a system with which we might well rest content; they knew the value of the reciprocity of foreign nations, and to them that word conveyed the sentiment of earnest hope and longing, not of reproach and reprobation. They, at all events, had no fear as to what might be the effect of universal free trade on British manufacturers. They never doubted that, if only we could obtain a fair field, English skill and industry would gladly meet all competition, and triumphantly hold its own.

Well, their sanguine hopes have been rudely disappointed; the world has not followed our example; nay, worse still, France, after twenty-two years' special education, through a commercial treaty, which was to have converted her into the apostle of Free Trade in Europe, not only refuses to take the smallest step in advance, but insists on going backward. And, what is worst of all, the professed adherents of Free Trade here have lost faith in their own principles; for they now say it is probably fortunate that the United States and other nations maintain the system of protective duties, since, under universal Free Trade, English manufacturers might find it difficult to encounter their competition in neutral markets!

Now Fair-Traders believe that, though the hopes of the early Free Traders have been disappointed, their principles remain sound: that real freedom of exchange—two-sided, not one-sided Free Trade—is that which promotes our prosperity, just in so far as we enjoy it; that universal Free Trade—the complete abolition of all foreign tariffs—so far from being a matter of fear and apprehension, would be an unspeakable blessing to the English manufacturer and workman.

Thus we are totally at variance with the one-sided or bastard Free Traders of these latter days. We wish for real and complete Free Trade, whilst they fear it; and as they believe that foreign tariffs, which place an obstacle in the way of free and open exchange, are actually a safeguard to our manufacturing interests, they are not likely to use any sincere endeavours to procure their removal.

Fair-Traders, however, cannot but see, in looking back over the past thirty-six years, that so long as our Free Trade policy brought us an extension of direct interchange of manufactures for food with countries like the United States, the prosperity of all classes and interests in this country unmistakeably grew, and the value of land and buildings increased, whilst the wages of labour rose.

But since those countries, by the maintenance of high tariffs, have artificially increased their home manufactures, and have taken less of ours in exchange for each pound's worth of food we buy from them, and so have driven us to overload India and distant nations with our manufactures, which we must sell to feed our industrious people, the prosperity of English productive industries

has diminished, the value of land and buildings has decreased, and wages have either ceased to advance or begun to fall.

We, therefore, say that an exchange hampered by immense duties levied upon the products which we have to sell, does not in practice bring us lasting or safe prosperity; and that the vital interests of our productive industries require that we should resolutely seek and obtain for them the privilege of more free and equal exchange.

But this we cannot obtain from foreign nations by the means at present used. Persuasion we have tried for more than a generation past; we have inundated some foreign countries (especially America) with Free Trade literature, and once in every two or three years the cry is raised that they are just on the eve of conversion. We know by experience the vanity and absurdity of this cry, and we treat it as it deserves to be treated.

Bargaining we have also tried; but, as several of our leading statesmen have told us truly, we have, unfortunately, no longer anything left in our hands with which to bargain. We levy no duties on French silks, or laces, or woollens, or *articles de Paris*, and therefore we cannot offer any reductions to induce the French to reduce, in return, the duties which they impose on our manufactures.

And as regards that most ingenious manufacture which goes under the name of cheap claret, it is certain that if any reduction is to be made in the taxes on alcoholic drinks, the British workman would desire that it should be made upon beer and whiskey, drinks which he prefers, and which are produced in his own country, rather than upon a foreign article of so doubtful a character.

Threatening, too, has occasionally been tried in a mild form, but surely with very little prospect of success—since many of our leading statesmen and most influential newspapers have for twenty years past assured foreign nations that, whatever duties they might impose upon our manufactures, one thing was certain, we should never retaliate.

Persuasion, bargaining, and threatening—or rather let us say vapouring—have all, then, been tried upon protective nations, and have all failed. Two courses remain open to us; either to rest satisfied with one-sided or bastard Free Trade, as advised by the Cobden Club,—or to try by deeds, and no longer by vain words, to obtain greater freedom of exchange, as advised by Fair-Traders.

What, then, are the means at our disposal for insisting upon this greater freedom of exchange?

What we have to sell is our manufactures, the fruit of our labour.

What we have to buy in exchange for it may be divided into three categories, viz.:—(1) *Raw materials* to manufacture and resell; (2) *food* to eat; (3) *clothing*, *furniture*, and *luxuries*.

The first—the raw materials of our industries—we *cannot* tax in any case, because, having to resell under competition, such a course would be fatal to our export trade.

The second—imported food—we *can* tax to a small extent, if needful, in the struggle for greater freedom of exchange. If a working man were, for example, to pay a shilling a week more for certain articles of food, and a shilling a week less for tea, coffee, dried fruit, and local taxes, the cost of living would evidently be unchanged. If he were to pay 6d. less for beer, and 6d. more for flour and bacon, it would be equally immaterial to him. Whilst if by paying 6d. per week more than at present for food, he were to gain 2s. 6d. per week in fuller employment and higher wages—consequent upon increased openings for the free export of his workmanship, and the restored prosperity of home agriculture and the home trade—it is clear that his position would be much improved.

The third category—imported clothing, furniture, and luxuries—may also be taxed, if needful, in the same struggle; for if a revenue of a million a year were obtained by taxing furs, feathers, perfumery, French silks, woollens, artificial flowers, laces, gloves, and Parisian ornaments, and the amount were applied in relief of local taxation, it is quite clear that the burden would be

laid on a class better able to bear it, whilst our industries would be thereby relieved and strengthened. Therefore, in the case of countries which, like France, send manufactures and luxuries into this country duty free, but tax ours in return, Fair-Traders are of opinion that the best course would be to impose at once a 10 per cent. import duty on their manufactures, offering at the same time to remove it, so soon as they should remove the duties they now levy upon our manufactures. If they did so, we should obtain so large a market in France for many kinds of goods which we can make better and more cheaply than they can, that we could well afford to let them make for us in return every article in which they excel. But what we cannot afford is to allow them freely to displace English labour in our Home market whilst they shut its productions out of the French market by heavy duties ; for this is a gross injustice to the English working man.

Who then are the real Free Traders ? Those who would submit to the present unjust one-sided system, or those who would put duties on French goods, for the purpose of making it the interest of the French to agree to a free mutual interchange of whatever each nation could manufacture best and cheapest ? Mr. Chamberlain says this would be protection ; but it is a curious form of protection that seeks and offers free exchange, and Fair-Traders can afford to laugh at such attempts to drag a red herring across the scent, by making this a question of mere words and names.

But we are told that, after all, we could only act on one or two foreign countries by this plan, and that we could not touch the United States or Russia by it, as we do not purchase manufactures from them, but chiefly food.

Quite true ; two entirely different objects need attaining :—A free exchange of manufactures for manufactures with countries like France, and a free exchange of manufactures for food with another class of countries.

And the latter is by far the more important problem, because, whilst our import of manufactures is comparatively small, our import of food is very large. It is also the more difficult problem, because whilst the fear of losing our custom for her costly and luxurious manufactures and fancy articles may induce France to admit our cottons and hardware duty free, America knows full well that we are at present compelled to buy large supplies of food from her, whether she will accept our manufactures in exchange or not. Fair-Traders are not so foolish as to believe that any course this country could take would induce the United States to admit our manufactures duty free, and so to ruin their own factories and ironworks. They admit that America has the power to be—as is her policy—more and more self-contained, and to interchange manufactures for food *chiefly within her own boundaries.* And because this is her policy, deliberately pursued, it appears to them ridiculous to compare, as Mr. Chamberlain does, the amount or the growth of her export of manufactures, or of her shipping, with those of England, a country *dependent on external trade* for the food and other necessities of perhaps two-thirds of her population.

No : we cannot expect freedom of exchange with America. With her rapidly growing wealth and population, and her active enterprise, she is certain to manufacture for herself, since her immense protective duties, steadily maintained for twenty years past, have built up such vast manufacturing industries, that to disturb them would be to create social revolution.

But, for that very reason, because America neither does nor can accept our manufactures in free exchange, she is not the country to grow our food for us. It ought to be grown, and must be grown, by those who are able and willing to employ our industries in return. It is quite useless to argue that we already obtain a trade with India, China, and South America in exchange for our purchases of food from the United States. We do not get enough employment to sustain the prosperity of our productive industries. If there had been to-day three millions more Australians and three millions fewer Americans, we should have been selling £18,000,000 worth more manufactures per annum to Australia, and only £1,200,000 worth less to America than we are doing. Our factories and ironworks would have been much more fully employed, our total imports of food, cotton, wool, tea, and other articles much

larger, and our trade with the rest of the world would have been consequently much greater than at present, instead of less. American internal trade, both in growing food and in manufacturing, would have been about one-sixteenth less than at present, while British and Australian trade would both have been much larger, and such a result must have been to the great advantage both of the United Kingdom and of Australia. What we want therefore is, that our food should be grown and our capital invested in Canada, in Australia, in New Zealand, in India, rather than in the United States; and this not only for the benefit and enrichment of those colonies and dependencies, but also for own equal benefit and enrichment, by the fuller and more profitable employment of our population. How is it, then, that America, who buys little of our manufactures, attracts our capital and emigrants, and grows our food so much more largely than our own colonies? It is done by her extreme protective system—thus: £100 worth of English iron or textile manufactures pays probably £60 duty on entering the United States, and only £25 on entering an average British colony. The price of these articles will therefore be £160 in America, and only £125 in the colonies. This means that the price of the productions of industry, and therefore the rate of wages and the inducement to invest capital and employ labour, will be on an average higher in the United States than in our colonies.

And this is one of the reasons that are forcing our colonies to adopt a more protective policy—especially Canada, which being so near the United States, feels the influence of their system most strongly. Thus our present policy is permitting America to increase her population, wealth, manufactures, and agriculture at the expense of our colonies and of India; and whilst limiting her purchases of our manufactures, and consequently the employment of our industries, by her outrageous tariff, still to grow the bulk of the food which we import, and which, if imported from our own dominions, would bring us in return a vastly increased amount of trade, employment, and profit.

To remedy this state of things, *and for no other purpose*, Fair-Traders advocate a small import duty on all articles of food grown in America or other foreign countries, whilst that grown in any part of our own dominions, should be admitted duty free. And they say that this policy ought to be resolutely maintained for a long time to come, no bargains being made, either with the colonies or foreign nations, but the slight advantage given to the inhabitants of our own dominions as food growers being allowed to work its effects steadily and gradually, and to open out for us a vast area of free or comparatively free exchange within our own Empire, and so to draw closer the bonds which unite all portions of that Empire to the mother country, its heart and vital centre.

This policy is pronounced by our opponents, who are satisfied with things as they are, to be "Protection in disguise;" indeed they continually re-assert, with flagrant discourtesy, that the objects we put forward are not the actual objects we have in view, and that our real aim is to obtain, under plausible pretexts, an artificial enhancement of the price of food and the rent of land in the United Kingdom. But surely this accusation is easily disproved. If it were sought to protect our farmers and landowners—to secure them an artificial price for their wheat—would it not be necessary to handicap Indian, Canadian, and Australian wheat as well as American? Can it make any ultimate difference to our farmers and landowners, whether the next million settlers go to the United States or to New Zealand to grow corn for England? Not in the way of Protection, one farthing—but in another way, which has nothing to do with Protection, a very great difference indeed. If these settlers go where they will be customers of British industries to the extent of six millions a year, instead of to the extent of only half a million, English farmers and landowners will prosper, as they always have done, with the general prosperity of their country—will prosper in fruitful seasons more than in adverse seasons, no doubt—but will assuredly be more prosperous *in both* than when our great industries are either shrinking or failing to make that growth which is the invariable accompaniment of health. And it is clear that farmers would also benefit very substantially by the great reduction of local

taxation which we could effect with the aid of the large revenue which would accrue from the taxation of foreign luxuries and manufactures.

Mr. Chamberlain, in his speech in the House of Commons on March 24th, twitted us with holding the somewhat incomprehensible view that the question whether a man is a protectionist depends, not on the actual character of his policy, but on his motive in proposing it. But the country will clearly understand—though the right honourable gentleman apparently cannot—the difference between a duty of 4s. per quarter, levied on *all* imported wheat, whether foreign or colonial, for the distinct purpose of raising the price in this country, to the advantage of the landowner and farmer—and a duty of 4s. per quarter, levied *only on foreign wheat*, for the sole purpose of gradually changing our source of supply from the United States to our own dependencies. The difference of intention is thus accompanied by a difference of operation, which the right honourable gentleman either does not see, or is not candid enough to admit.

Sir John Lubbock appeared to argue, in his speech made on the sams day, that because Australia and New Zealand take relatively so much more of our manufactures, in return for our purchases of food and raw materials, than the United States and Russia do—we must needs be either making those colonies a present of a great part of our exports to them, or paying them double or treble price for our imports. Under these circumstances one can only hope that London merchants will rapidly withdraw from this ruinous trade which they are so foolishly carrying on with the Australian colonies!

Sir John goes on to say: "Suppose foreign countries sent us food, and that we 'enjoyed' no return trade, it would be in fact giving us the food for nothing." He thus ridicules our anxiety to export more manufactures to foreign countries, and points out that the less we export in exchange for our imports the better. It follows that if the owner of a mill in Yorkshire, producing £150,000 worth of goods per annum, half for the home trade and half for export, would only stop his English factory, and establish a similar one in France, and thenceforth bring £75,000 worth of goods from his French factory to his warehouse in London, instead of exporting £75,000 worth from his English factory to France—he would, according to Sir John's arguments, confer an immense benefit on this country by increasing our imports, and diminishing our exports; not to speak of the fact that some £15,000 a year would thenceforth be due from France for rent, interest, and profit, to the owner residing in England — which would enable this country to import French goods to that amount without any corresponding exports. And if a Lancashire cotton spinner and a Sheffield steel manufacturer, when next extending their works, would do so, the first at Rouen and the second at Santander, instead of at home, the same happy result would be further promoted. Indeed, under the present *régime* of one-sided Free Trade, a good beginning has already been made, and the work is going on merrily; witness the large and increasing export of steam engines and machinery. The next step in our advancing prosperity will doubtless be the export of our work-people. It is to be hoped English working men will appreciate this new gospel of commercial prosperity.

And here many instructive considerations present themselves, at which we may briefly glance.

1. There is a strong inducement, under present circumstances, for the English capitalist to take this course. His factory *can be worked, if in France*, 72 hours per week, and yet may be as near to London, in point of distance and cheapness of freight, as the competing Yorkshire factories, which are only allowed by law to work 56½ hours per week. The goods produced in the French factory have access to all neutral markets on the same terms as English goods—they can be sold in Great Britain or Ireland just as duty-free as if they had been made in Yorkshire—and *they can besides be sold duty-free in all parts of France*, whilst English goods, before being admitted to competition with them, must pay a heavy import duty. Thus the factory established in France has a much wider market open to its productions than if it stood in England. Its owner is also allowed to purchase economy of production at

the expense of the health of his workpeople, and so to undersell in London, by means very rightly forbidden to English manufacturers. They, whilst thus unfairly defeated by French competitors in their own capital, are only granted the poor privilege of a like unequal competition in Paris, on condition of being further handicapped by an oppressive import duty. How long will British millowners and workmen be content to endure such a state of things?

2. The same thing is happening to our landowners, farmers, and agricultural labourers. English farms are lying fallow, or half cultivated, whilst the food they ought to produce is being imported from America; and so far from its being true that this is due to any profitable increase of grazing and dairy farming, the agricultural returns exhibit at the same time a melancholy decrease in the number of our flocks and herds. Nor can it be owing to any defect in our system of land tenure, for the grand old class of yeomen, who are both owners and occupiers, and can therefore freely cultivate and improve in whatever way they find best, have notoriously suffered as severely as anyone. But whilst our landowners, yeomen, farmers, and labourers are being impoverished, our speculators, stock-jobbers, importers of foreign goods and owners of foreign property are growing rapidly richer. They invest enormous and rapidly-increasing sums in land, mortgages, railways, mines, and factories in foreign countries; and the vast income due to them from these investments is paying for our imports more and more, instead of leaving them to be paid for by the employment of our people and the export of our manufactures, as they were when our prosperity was sound.

3. Thus our industrious *producing classes*, both manufacturing and agricultural, see the ground being gradually cut from under their feet; the home trade by the increased import of untaxed foreign productions, and the export trade by the operation of oppressive tariffs, and the substitution of income due upon foreign investments in place of increased export of our own manufactures, in payment for imported food and luxuries.

4. Meanwhile it is evident that the importation of food which ought to be grown at home, and the importation of clothing and luxuries which ought to be manufactured at home, increases the shipping trade, and the profits of importers, speculators, exchange agents, and owners of foreign investments, at the expense of the whole of our labouring classes, and owners of land, buildings, and machinery, except those connected with the centres of import shipping trade, or with shipbuilding, or with the production and export of the machinery and plant required to extend the foreign agriculture and manufactures which are supplanting our own.

5. Large sections of our community, and those now and for many years past the most rapidly-increasing in wealth and power, are thus directly interested in the maintenance of that system of one-sided free trade which is enriching importers, speculators, stock-jobbers, and owners of foreign property, and undermining the value of British land and British labour.

The preponderance of the landowners, and their power to maintain a system hostile to the interests of the rest of the community, forty years ago, was hard enough to endure, and had to be broken down. The preponderance of these new classes, and the operation of their system on the rest of the population, promises to be still more odious and still more unendurable. Heavy direct and local taxation, instead of a revenue raised by taxing imported manufactures and luxuries, is one hateful feature of it; and at this very moment the country is scandalised by a proposal to depress an important home industry—that of coach-building—by raising the tax on carriages, whilst artificial flowers, frippery, and perfumes, imported from abroad, are admitted duty-free!

How long this state of things shall continue, it rests with the toiling multitudes to determine. They constitute the great majority of voters; and whenever they shall turn their attention to these questions of vital interest, and pay less heed to misleading party names and party cries,—whenever they shall break loose from the sham radicalism of a selfish middle-class plutocracy,—it will be a happy day for themselves, and for the British Empire the world over.

W. Farrer Ecroyd.

A SPEECH

DELIVERED IN THE

TOWN HALL, OLDHAM,

NOVEMBER 9TH, 1881,

BY

W. FARRER ECROYD, M.P.

IN REPLY TO THE ATTACK UPON THE POLICY AND ADVOCATES OF

FAIR TRADE,

BY THE

RIGHT. HON. W. E. GLADSTONE. M.P.

IN HIS SPEECHES AT LEEDS ON THE 7TH AND 8TH OCTOBER, 1881.

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On the evening of November 9th, at the invitation of the Conservative Working Men's League, Mr. Ecroyd, M.P. for Preston, addressed two large meetings at Oldham on the subject of Fair Trade, and took occasion to reply to the speeches which were made on this question by the Premier during his recent visit to Leeds.

The meeting was announced to commence at a quarter-past seven o'clock, in the Assembly Room of the Town Hall, but more than half-an-hour before that time the room was crowded to excess, and large numbers had to be turned away. It was then decided to hold an overflow meeting in the National School in Rock Street, capable of containing over a thousand people.

Mr. Ecroyd, on rising to address the meeting, was received with tremendous cheering, the demonstration of enthusiasm lasting some minutes. When at length he could proceed, he said that was exactly the kind of meeting which it gave him the greatest pleasure to address, because he was speaking to those who, like himself, had been interested in the industries and the well-being of this great county of Lancaster from their youth. They understood one another, for there was something in their native temperament that interpreted them to one another; and he always felt that there was no greater happiness for a Lancashire man than to address a sympathetic Lancashire audience. He was exceedingly obliged to them for the kind reception which they had accorded him that evening. He assured them that amongst the multitude of invitations which he had been compelled to decline during the last few months he had endeavoured to think very carefully what invitations he ought to accept, as health and time were strictly limited; but he felt that it was his duty to respond to the invitation of the Oldham Conservative Working Men's League—(cheers). Lest he should forget in the interest of the subject to move the Resolution entrusted to him, he would at once read it to them, and formally propose it. It was as follows:—"That this meeting deeply regrets that the trade of this country still continues in a depressed condition—chiefly resulting from bad harvests, and the consequent injury of agricultural interest at home—and the marked hostility of the tariffs of other countries. This meeting also expresses its disapproval of Mr. Gladstone's attack

at Leeds on the National Fair Trade League, and suggests a full ventilation of the one-sided Free Trade policy under which this country has been labouring so many years. This meeting also protests against any treaty being made with France or any other Power except on a basis of Fair Trade, which shall secure to this country an equivalent for every concession, and also urges upon the Government to take such steps as may be necessary in order to establish an Imperial Customs Union between Great Britain and and her Colonial possessions "—(cheers). The great Conservative party could not afford to limit the range of its interests. He was one of those who had believed for many years past, that, without any invitation from those in a different class of society, and independently of any agitation from without, the intelligent working men of our manufacturing districts would continually find themselves drawn more and more into sympathy with a sound Conservative policy—(cheers). He for one could never have wished any of his working friends to join with the Conservative party if it had not been for the profound conviction that it was their own interests which must lead them there, and that they would there find those interests considered and their cause pleaded with a sincerity and perseverance which could leave them nothing to desire—(cheers).

And now for the special subject of the Resolution they had asked him to move. They must remember that the question of Fair Trade was essentially not a party question, and ought never to be made a party question ; for surely those things which affected our prosperity, whether as capitalists or workmen,—those great interests upon which our livelihood and the well-being of ourselves and our children depended, ought never to be considered as mere party political questions—(hear, hear). Nor could that which was by far the most important element in the Fair Trade agitation, the great question of a real union between us who lived in the old country and those who lived under the same flag and under the same government in all parts of the world, and who were adding district after district and province after province to the mighty British Empire,—a union as real as that which the United States fought out and conquered some years ago,—be ever made by any true patriot into a party question. Therefore, he, for his own part, completely declined to admit that the Fair Trade movement

was or ought to be a Conservative party movement. Whatever influence he possessed, and it was very limited, he had used to prevent such a result, and for this simple reason, that the Fair Trade policy must first be shown by argument to be the real interest of the working people employed in the great industries of this country, and receive their clear approval and sanction. By that test it must stand or fall so far as he was concerned. We were, no doubt, all interested in the welfare of British agriculture ; we could not see the rural districts of England and Scotland depopulated without witnessing enormous suffering ; but the peculiarity of this question was that any demand for the carrying out of the Fair Trade policy, to be authoritative at all, must be in the first place the demand of the manufacturing populations, and therefore it ought not to be taken up as a party question by the Conservative leaders, for if it were, Mr. Gladstone, Mr. Chamberlain, and the rest of that party would immediately turn round upon us and say it sprang out of the influence of the landed interest, and was directed against the working men of England—(hear, hear). But he was not willing that this opportunity of injuring at once the Conservative cause and the Fair Trade cause should be given to those who were the bitterest enemies of both—(cheers).

We were told that the Fair Trade movement was on the wane. He would believe that when they could point him to any intelligent working men who, having once studied this question and taken up Fair Trade principles, had been reconverted and had again become supporters of one-sided Free Trade. They would find it difficult to discover a man of that sort. He did not doubt but that they might find men who never had any opinions of their own, but were always ready to shout and re-echo the opinions of others, and to profess this thing one week, and something else the next ; but these were not the people fair traders cared for, or had ever sought to win. The movement was not one which depended upon the ups and downs of trade. It would be just as important and just as certain in the long run to be successful, if it happened—and he for one should greatly rejoice if it did happen—that we had such a period of good trade, and such a succession of good harvests, that the people of this country were for a time too prosperous and contented to think about any change of our commercial system. If this did happen, it

would not alter the truth or fallacy of Fair Trade, nor render any less serious the prospect of those ever recurring periods of industrial depression which were inevitable under the present system; nor settle the question whether the British Empire was to be allowed to fall in pieces like a rope of sand, and each disjointed part be united to one or other of the great protective countries, and closed to our commerce, until the inheritance which our forefathers had won for us, and which we had been taxed to maintain, should be in great measure lost,—or whether we should strive to draw closer together with our colonies, and form one consolidated commonwealth. These were surely permanent interests; and it was because they had endeavoured to advocate great principles like these, which had a solid and lasting basis, that it pleased Mr. Gladstone to say that they preferred to deal in generalities.

It had been said that whatever we proposed to do in the direction of binding closer together the Colonies and the mother country would meet no response on the part of those Colonies; that they are protective at heart; that they impose duties on the manufactures of this country, and will continue to impose them. But he was not one of those who had so poor an opinion of our fellow-countrymen in the great Colonies which form part of the British Empire—(hear, hear). He believed they would be our staunchest friends and supporters in the future as in the past; and that if the people of this country should stretch out to them the right hand of fellowship, and give them a slight preference in regard to the food which we import, such as would bring increased prosperity to them, instead of to those who keep us down by protective tariffs;—if it pleased the people of this country deliberately and firmly to hold out an offer like this to their brethren abroad, he could tell them on the authority of patriotic men in all our Colonies that there would be such a response, such a glorious manifestation of their readiness to enable us to carry out this great policy, as no words of his could describe. He preferred to take the opinion and assurances of men who had long lived in our Colonies rather than those of men in this country who were disposed to look forward with equanimity to the future disintegration of the Empire. Whether our Colonies were protective or not, every inhabitant of those Colonies on the average took 20 times as much of the produce of our industries per annum as every inhabitant of

the United States of America. He thought that was a complete answer to the assertion that our Colonists had not given us a fair return of trade, and that they were protectionists at heart.

They would observe, if they looked around at the condition in which we were placed by the tariffs of foreign countries like America, Germany, Austria, and Russia, and the whole string of highly protective nations, that we were allowed to export to those countries everything but the products of our industry. We might send anything but manufactures. We were exporting our capital to the United States, and they did not put any tax upon that; we exported our coal to France, and they did not put any tax upon that; we exported our skill to a large extent to those countries, and they did not put any tax upon that; and we were exporting our people—not the poor creatures who could hardly crawl along our streets, and whom we could well spare for emigration,—but the very flower and pick of our skilled population, who ought certainly to be able to find in this country or its Colonies as profitable and as steady employment as anywhere, and so to remain the stay and strength of the British Empire. He did not want to export those things—our capital, our skill, and the best of our manhood—but he wanted them to remain, at home if possible, and if not at home, at least within countries over which our proud old flag floated, and where we should have some guarantee that we could trade with them under reasonable and fair conditions.

What was it then that Fair Traders desired? He would tell them in as few words as possible. In the first place they wished to be able to take a cargo of English manufactures to France, and to be able to exchange them for French manufactures, no duty being imposed on either side—(cheers). For that Mr. Gladstone had been pleased to call him a protectionist—(laughter). It did did not trouble him very much—(laughter and cheers). Mr. Gladstone might call him by whatever name he pleased, but he did not attempt to answer his arguments—(loud cheers). In the second place, they wanted to be able to take a cargo of English manufactures to America, and to exchange them freely for food, no duty being imposed on either side; but as America had made this impossible, Fair Traders wanted to remove the food-growing trade by a small differential duty, so as to be able to get our food in free exchange for our manufactures in some quarter or other of our own

Empire—(cheers). So far as he knew these were all the objects that Fair Traders had in view in regard to the question of imports and exports, though they had besides the far higher object of binding together the countries contained in our Empire in such a way that it should be an Empire of latent strength ; that England should be able to stand as the great defender of peace throughout the world, and become so strong and powerful that her highway by sea should never be impeded, and her industries on land should never be interrupted—(cheers). For this it had pleased Mr. Gladstone and his friends to call them protectionists—(laughter). He did not think he need occupy their time very much longer upon this particular point—(Cries of "Go on," and a Voice: "This chap's an Englishman," and cheers.) He had a long time to go on yet. The length at which Mr. Gladstone had been pleased to attack the Fair Traders in his speeches at Leeds was a very distinct proof how seriously he and those who acted with him felt the quiet progress of this movement amongst the people—(hear, hear). If Mr. Gladstone really looked upon the movement with the contempt he professed, he would never have troubled to devote the greater part of his speeches at Leeds to it—(hear, hear). They had to deal with the ablest and strongest champion of one-sided Free Trade in the person of the Premier, whose great abilities no one would attempt to disparage or deny, and his arguments at Leeds might be deemed to be the best that the one-sided Free Traders could produce. Mr. Gladstone was ready to confess that a great many branches of our manufacturing industries had been depressed, whilst the scribes of the Cobden Club were flooding the country with pamphlets to prove the tremendous rate of progress at which our trade and commerce are advancing, and to shew that the depression in trade had been hatched up by Fair Traders for the purpose of advocating protection in disguise. Indeed the Cobden Club speakers and writers were painting everything *couleur de rose*, pouring down an avalanche of figures to show that all is prosperity and steady growth—(laughter). He was happy to say that in Lancashire—for he did not wish to make our case worse than it is—there was very fair and full employment. But why was this? If they took the trouble to refer to the statistical abstract of the Board of Trade, and look at our exports during the past ten or fifteen years, they

would find that whilst our exports to America, Germany, and other protective countries had decreased, there had been an enormous and steady increase of our exports to India and the British possessions abroad ; and therefore, if we in Lancashire had cause to rejoice that want was not seen stalking in our midst, it was because, having control of the tariff system of India, England had done that in India which Fair Traders said ought to be done throughout the British Empire—(cheers). Mr. Gladstone said the Fair Traders attempted to persuade the people of England that the cause of the recent depression had been that we could not carry on our trade with foreign countries in consequence of the pressure of hostile tariffs, and that Free Trade was a fallacy. He (Mr. Ecroyd) did say that foreign tariffs had restricted, and were restricting our trade. During the years 1877, 1878, and 1879, in consequence of some of the most disastrous seasons for agriculture this country has ever witnessed, we were obliged to import food on a much larger scale than usual, and according to the theory of the Cobden Club people, a corresponding increase should have taken place in the off-take of our manufactures by America, from whom we imported that food. But no such result followed, and thus we not only lost the home trade in consequence of the poverty of our farmers and their crippled resources, but we also lost the foreign trade, because the people from whom we bought the food (instead of from our own farmers), did not take our goods, in consequence of the intervention of hostile tariffs—(hear, hear). Could anything be clearer than that proof—that when we had unfruitful seasons, which crippled our home trade, hostile tariffs prevented our doing the increased trade with foreign countries that we ought to have done? And, therefore, he asserted that foreign tariffs do and must seriously damage our trade—(cheers). Mr. Gladstone said they asserted that Free Trade was a fallacy. He wanted Mr. Gladstone to find a passage in any speech that he (Mr. Ecroyd) had made, or in anything he had ever written, which could be twisted into that assertion. He had never said that Free Trade was a fallacy. He was a Free Trader, but he was not content that Free Trade should subside into a mockery and an unreality—(cheers). He had never said that Free Trade was a fallacy when adopted in 1846. On the contrary, he had said in his place in Parliament during the past summer that Free Trade when

instituted in 1846, had brought us real freedom of exchange with the United States for a long term of years, but what he complained of was that this freedom of exchange between a corn growing and a manufacturing country, which was prevented before 1846 by the folly of the English Corn Laws, had been prevented during the last ten or fifteen years, and prevented in an increasing degree, by the equally foolish action of the other party; and that as it was intolerable to have free exchange prevented by one means before 1846, so it was just as intolerable that it should be prevented by another means in the present year. And he urged that as we fought half the battle then, in putting down our own stupid and foolish Corn Laws, so it was necessary that we should now fight the remainder of the battle, because the enemy had got on to the other end of the plank, and he wanted to kick him off that too—(loud cheers). Mr. Gladstone then went on to say that when they left the blank and cloudy region of generalities and came to deal with facts they got into a sad scrape. He should be glad if Mr. Gladstone would be kind enough to condescend to particulars, and show them how and where they had got into a sad scrape—(laughter). As he had not done so, it might perhaps be profitable to examine some of Mr. Gladstone's own facts and arguments. Mr. Gladstone said that the pressure of foreign tariffs and bounties was not in the main the cause of the depression of trade. They did not say that it was the whole cause; so it was no reply to tell them that it was not the whole cause. They said it was one great cause, and a cause preventible by the Fair Trade policy. It was no use crying out about things we could not prevent, such as unfavourable seasons. It was only children who cried out against things they could not control. The Fair Traders had put their fingers upon one distinct cause of the want of employment in many trades in England, and particularly during times like 1877, 1878, and 1879. They stated distinctly the reason of it, and they had also put forward a definite policy which they said would, without injuring the people of this country, permanently and radically remove that particular depression. It was best to deal with one thing at a time, and it was for Mr. Gladstone to show that this injury done to the country by foreign tariffs was removable by some other and wiser policy than that proposed by Fair Traders. Entering upon Mr. Gladstone's figures, it would be found he had pointed out that the

contraction of our exports in 1878-79 and 1880, a period of great agricultural and manufacturing depression, amounted to £161,000,000, but that we must remember it was not all loss, though our exports were £161,000,000 less than they ought to have been. Well, it was true it was not all loss—(laughter)—but Mr. Gladstone said what was lost was only the profit upon it and the freight—(laughter and cheers), and went on to say the profit on £161,000,000 might be estimated at 10 per cent., or £16,000,000, and the freight at £8,000,000 more, making a total loss of £24,000,000. That was, he supposed, the profit the manufacturer got over and above his rent and interest, and the profit of the shipper who sent the goods abroad—(cheers)—reckoning that they would each get five per cent., though he (the speaker) was afraid they were not in the habit of getting so much—(hear, hear). Now was it not extraordinary that one thing Mr. Gladstone had totally forgotten was all the wages we lost—(cheers, and a voice, "Hit him again"). The interest of the working man was the very last interest he thought anything about; nay, even not the last, for he forgot it altogether. Now let them try to examine Mr. Gladstone's argument. Suppose that £10,000,000 worth of the £161,000,000 worth of exports that we failed to make or sell ought to have been steel rails for railways. He (Mr. Ecroyd) said that we lost the whole of that £10,000,000 except the dead value of the iron or coal ungot in the mine, whatever that might be worth to the lord of the manor; and, therefore, it might be estimated that the proportion of loss would be 9½ millions out of 10 millions. He wanted Mr. Gladstone to controvert this if he could. Then, again, they would suppose that £20,000,000 out of the £161,000,000 was cotton manufactures that we ought to have manufactured and exported. He would not take the strong case of an article that contained a great deal of labour and little material. If he began to take Oldham fine velvets to the value of £20,000,000, the value of the raw material would be comparatively small, and the main value would be the interest on buildings and machinery, the wear and tear, and the great amount of wages paid to the people, which would have gone to support the various tradesmen and handicraftsmen whom those wages ought to have kept going. If he were to take an extreme example like that, he should probably

find that four-fifths of the £20,000,000 was lost to the country; but he would take a common article like printing cloths, such as were made in Burnley. The value of the grey printing cloth, to say nothing of printing, was double the value of the raw material, and, therefore, he might safely say that one-half the value of the £20,000,000 worth which we did not make was a loss to the country. If that were taken as a fair average of the whole, the loss would be £80,000,000 out of £161,000,000, instead of £24,000,000, which Mr. Gladstone said was a liberal estimate. The whole texture of Mr. Gladstone's argument was thus one complete fallacy, which no working man in Oldham, in the possession of reasonable faculties would fail to detect and understand; and if this was a specimen of what the greatest champion of the one-sided Free Traders could adduce as the most powerful arguments he could find, he (Mr. Ecroyd) thought the cause of one-sided Free Trade was rapidly approaching a condition of collapse—(cheers). His own belief was that out of the £161,000,000 it would not be an unfair estimate to say that £110,000,000 had been totally lost to the people of this country. We knew that ironworks, collieries, cotton factories, worsted and woollen factories, Birmingham and Sheffield hardware factories, were only half employed during those years when we were importing more food than usual, and he challenged Mr. Gladstone, the Cobden Club, and the President of the Board of Trade himself, to prove that but for the pressure of the American, Russian, and other tariffs that machinery and those industries would not have been entirely and fully employed. For surely our exports, during those years when our imports of food were so much larger, should, according to the theories of the Cobden Club, have been larger in proportion also—(hear, hear). The entire reason why our exports fell off during those years when our imports of food were much greater, and ought to have brought us a larger demand for our manufactures in return, was that the nations from whom we bought this food—the United States and Russia—absolutely prevented the possibility of our sending goods in return by enormous duties that no English manufacturer could overcome.

Mr. Gladstone went on to say, however, that the secret of the depression was not to be looked for in the pressure of foreign tariffs, though that was a serious matter, but it was to be looked for in the bad harvests. Well, we could not

prevent bad harvests, and he therefore chose to talk about that which was preventible. And now we had seen the result of this wonderful piece of special pleading on the part of Mr. Gladstone; and if this were the outcome of his dealing with facts, it would be better for him also to confine himself to generalities. Before passing on, however, he would just stop a moment to join in the smile which must have been provoked by his reference to that wonderful potato of one pound five ounces, which was to herald the return of prosperity and perhaps the abolition of foreign tariffs—(laughter). We had seen some wonderful prescriptions offered to the suffering farmers, and if it were not that the workhouse was staring them in the face, they must have smiled at the recommendations to grow strawberries and flowers, and turn their ground into cabbage gardens and gooseberry orchards. What would the people of Lancashire think if the Indian trade were shut up, and there was no demand for calicoes, and Oldham had to leave off spinning 32's twist,—if land-owners and farmers were to say to them, "You must turn your attention to making tapes and dishcloths and dusters"—(loud laughter). Yet this was the sort of advice some very wise people had been giving to our suffering fellow-countrymen in the east and south of England in the day of their calamity.

Mr. Gladstone then went on to call him (the speaker) Mr. Protection, and to say that if anybody met him and said, "How do you do, Mr. Protection?" he would reply, "I am not that gentleman, my name is Mr. Fair Trade." He should be perfectly happy to be called whatever Mr. Gladstone pleased in the course of argument, but there was just one little difficulty in the way of admitting that he was a protectionist, and that was that it was not true—(cheers). Mr. Gladstone found it impossible to sustain any sound argument against Fair Trade, and so he christened them protectionists, and then went on to argue, not against Fair Trade, but against Protection,—and thus not against their real principles, but against other principles which he had attributed to them. This was a nice easy way of getting out of the difficulties of an argument. Mr. Gladstone said also that he (Mr. Ecroyd) proposed to put a duty of 5s. per quarter on corn. In the space of those half-dozen words there were two misrepresentations. In the first place, his article in the *Nineteenth Century*, to which he supposed Mr. Gladstone referred,

did not speak of any duty of more than four shillings a quarter on corn, which amounted to 10 per cent. upon a very low price. In the next place, Mr. Gladstone talked about this duty as if it were to be like that which existed in the old Corn Law times, namely, a universal duty on all corn brought into this country. The right hon. gentleman must know that what was proposed was to impose a differential duty against foreign food, whilst admitting the produce of our own Empire free; and that the object was not to keep one single quarter of corn out of this country, but to give a small advantage to people on one side of the hedge who would trade with us, in preference to those on the other side of the hedge who excluded our manufactures. Mr. Gladstone knew that this was the object of Fair Traders, in whose belief it would not raise the price of wheat 2s. per quarter in this country; but he preferred to state the matter in such a way as might leave it to be inferred that they were proposing to put a duty against all the world, our own Colonies included—("Shame"). If a man who occupies the great position of Premier of England would condescend to come down into the arena and argue these matters with a plain Lancashire manufacturer, it at least behoved him to be scrupulously fair, and to answer the arguments which his opponents had made use of, and neither directly nor by implication to put into their mouths that which they never said—(cheers).

Mr. Gladstone next gave them a bit of pleasant padding from that amusing book, "Gulliver's Travels," and when he (the speaker) saw padding introduced into a serious speech he always thought it was intended to create a diversion between two fallacies—(laughter). And so it proved, for Mr. Gladstone went on into another fallacy greater still than that about the lost profits, from which he supposed he intended to distract their attention by this little pleasantry. He said that if we were to strike a blow against the foreigners who would not receive our goods, but were sending manufactures into this country, we ought at least to strike hard, and he added, "Can we strike the foreigner hard by retaliatory tariffs?" He further stated that while we imported £45,000,000 worth of manufactures, we exported £200,000,000 worth, and added that we were invited to inflict wounds upon the foreigner on a field measured by £45,000,000, while he in return had the power of inflicting wounds upon us on a field measured by

£200,000,000. This would be a very weighty argument if the facts were so when fairly stated, but the statement contained a series of fallacies and misrepresentations built one on the top of another, which constituted its whole fabric—(hear, hear). In the first place, he was not prepared to admit Mr. Gladstone's figures, as he believed our imports of foreign manufactures far exceeded £45,000,000. This was a question which had been frequently debated, but never satisfactorily cleared up by the Board of Trade. He was of opinion that the value of manufactures imported was nearer £60,000,000 than £45,000,000. It was rather difficult to understand, from the form in which the returns appeared, whether this statement of exports and imports of manufactures was made upon an equal basis. We import, for instance, wine, which he did not believe was classed amongst manufactures ; we export beer, and he would like to know how that was classed ; we import copper ore to a large extent, which he felt quite sure was not so classified ; and we export coal, and he should like to know if coal and raw materials of that description were included in the statement of the manufactures we export. It would be better if we were more clearly informed on that point—(hear, hear). But though he believed the amount of our import of manufactures was greatly under-stated, he had no need to, nor should he, rest his argument upon that point at all, because he had a much more substantial ground of difference with Mr. Gladstone. The right hon. gentleman said that by imposing a duty of, say, 10 per cent. upon the manufactures which France, Germany, Belgium, &c., send into this country, we lay ourselves open to be retaliated upon to the extent of £200,000,000 instead of £45,000,000. In the first place, of the £200,000,000 of manufactures which we export he (Mr. Ecroyd) believed that about £67,000,000, or one-third, go to India and our own Colonies, and as the Fair Traders were not proposing to lay duties upon goods of any description imported from any part of the British Empire, he did not see how we could possibly lay ourselves open to any retaliation from that quarter ; nay rather, as we were proposing to bestow a favour and an advantage upon India and our own Colonies by abolishing the duty on Indian tea, and by giving them a preference over foreigners in the growth of food for this country, it was to be assumed that it would increase the disposition as well as the power of the Colonies and India to take our goods, instead of inducing them to

retaliate—(hear hear). Therefore, of that £200,000,000, £67,000,000 or one-third, must be taken off at one stroke.

In the next place, he believed we exported almost an equal amount of British manufactures to countries such as the South American States, China, Japan, the Central American countries, Egypt, Africa, and other communities who did not manufacture for export, and who have no reason whatever for retaliating upon England ; so that out of £200,000,000 we must strike off £135,000,000, or two-thirds of the whole amount—(applause). Thus there was left only about £67,000,000, or one-third of the £200,000,000 stated by Mr. Gladstone as the amount in regard to which retaliation could be practised upon us, and he had some further remarks to make even in reference to this poor remnant of the argument. In the first place he did not believe those nations which taxed our goods so heavily,—such as Russia and the United States—could possibly increase their duties further without provoking smuggling to such an extent that we should send them as many goods as at present. And Mr. Gladstone forgot to tell them even in regard to this limited area, that those nations had struck their blow already in return for our liberal treatment, while we had ours to strike. In the case of France we had a notable proof how clearly we are in a position to better ourselves by striking. If we were to put a duty of 10 per cent. upon French manufactures, since we import so much more from France than we export to her, it would be the French who would stand in fear that we might make it into 20 per cent. if they did not use us more liberally—(hear, hear). If we levied that tax, one of two things would happen; either it would induce the French to practice free trade with us, thus opening out the whole French market to the manufacturers of this country freely and uninterruptedly ;—a market so large that we could afford in that case to look with equanimity upon anything in which the French manufacturers should fairly excel, and which therefore they should sell in England ; or if France took the other course, and excluded our goods altogether, we, at all events, should enjoy instead that much greater English home trade, of which they would then be deprived ; and our spindles and looms would be employed in supplying our own people, instead of in a miserably profitless battle with unfair tariffs in order to get a few goods into France at all—(cheers). Whichever course the French might adopt, nothing but benefit could

therefore come to this country from taking that step; nor could it be misunderstood abroad, for all the world would know full well that we were striking the blow, not in the cause of Protection, but to insist upon an extension of Free Trade.

But there was still another argument which applied to this question. There was the case of America to deal with, who was supplying us with corn duty free and yet shutting out our goods by the most onerous tariffs. In his own trade the duty on goods taken into New York was not less than 65 per cent., and he had no doubt that it was almost, or quite, as heavy on many other goods. If manufacturers had a present made to them of the whole valuable material of wool, and had to provide nothing but the cost of manufacture, they would not be able to get many classes of ordinary goods into New York in the face of that enormous and oppressive tariff—(cries of "Shame"). And the further reply to Mr. Gladstone was, that as far as America was concerned, though they did not pretend that they could strike her by a duty on American manufactures, or acquire the freedom in any way to send goods profitably into that country, yet we had in our hands the power to put as heavy a pressure upon the United States as we can put upon France, and that was by imposing a duty of four shillings on foreign corn, whilst leaving our own Colonies free to send it to us without any duty at all—(cheers). Such a policy would immediately put America in a vice, and would give her the choice of two courses, either humbly to beg for Free Trade, which he had no doubt she would do,* or, on the other hand, gradually but

* This passage has been misunderstood by opponents as indicating my opinion that in the event of America, under such pressure, proposing Free Trade with us, we should accept her offer, and break faith with those whom we had encouraged, by a differential duty, to settle or to invest capital in our Colonies. I might quote multitudes of passages from my writings and speeches in disproof of any such idea. One shall suffice:—"But it would be a fatal error to allow any offer of reciprocity, even from the Americans, to turn us aside for one moment from the steady pursuit of a policy directed to secure the unity and prosperity of the whole Empire. Instead of that, we ought, without delay, to open out and hasten the settlement of the best corn and cattle growing lands in our dependencies."—Policy of Self Help (4th edition), page 11.—What I did mean is simply this: America, under the pressure of a small differential duty, would lose the English provision trade by inches, as our own Colonies would gradually gain it; and in order to retain as much of it as possible, her growers, carriers, and shippers would have to sacrifice part, it might be most, of their profits. In this hard struggle, self-interest would prompt them to encourage an exchange trade in English imports, as one means of keeping their hold. And thus that reduction of their tariff, which will never be conceded in our interest, might probably be made to relieve themselves from pressure.

certainly to lose the magnificent trade of corn growing for this country, and see it transferred to Canada, Australia, New Zealand, and the Punjaub ; thus diverting the flow of English capital and labour into that quarter where it always ought to have gone—the various provinces of our own Colonial Empire—(cheers). Let him show them in connection with this matter the mode of Mr. Gladstone's argument throughout, for what he was about to refer to was a notable instance of it. In regard to this question, of a differential duty on corn imported from foreign countries, Mr. Gladstone referred to it as a great disadvantage to the people of this country, magnifying it in that light; but in regard to its operation upon the United States of America, and other protective countries against whom it would be levelled, he left that out of sight altogether, speaking as if we had only one weapon to strike with, namely, the duty on manufactures, and forgetting that the great instrument which we have for check-mating such countries as America is to place a differential duty on their enormous exports of food to this country, which would be a heavy and effective blow. When Mr. Gladstone estimates our power of compelling countries like America into more liberal treatment of our exports, he leaves out the question of a differential duty on food ; but when he wants to bring odium on the operation of the Fair Trade policy in this country, he gives it prominence and magnifies its effects. It was possible to draw a great shout of applause from an assembly of partisans gathered together for the simple purpose of praising and applauding, by using such arguments as those, but he ventured to say that they would be riddled out in the reading rooms of Lancashire and Yorkshire, and would be found wanting ; and though he stood there in comparison with Mr. Gladstone only as a little David with a sling and a stone, those arguments of his at Leeds would fail like the weapons of the great giant Goliath—(loud cheers).

Mr. Gladstone next said that Mr. Ecroyd, or Mr. Protection, argued in his paper that a duty upon foreign corn would not raise the price of corn in this country. Well, he had stated this, that if we imposed a 4s. differential duty on corn, the effect would be to make it more profitable to grow corn in the British Empire than in foreign countries, and so to give a strong stimulus to the making of railways and the

opening out of corn farms in Canada, Australia, and New Zealand, and the result of that would be to duplicate the supply of corn and so to bring down prices; but the only people who would suffer from this so long as it did not exceed 4s. per quarter, would be the American and other foreign corn-growers. Mr. Gladstone missed out the word "differential," but Fair Traders always used it; and he contended that the imposition of such a duty would not raise the price of corn in this country anything of moment, if at all—(cheers). But Mr. Gladstone asked if it did not raise the price of corn in England, of what benefit was it to be to the English producer? He (Mr. Ecroyd) had never advocated a farthing duty upon food for the special benefit of the English corn-grower, hard hit as he was. He advocated it purely and simply for the benefit of the manufacturing industries, because it would transfer the trade of corn-growing from countries that would not buy their goods to countries that would do so; and as the demand for imported food was a steady and a large trade in this country, which goes on at all times, so the trade which manufacturers would get in exchange would likewise be a steady trade which would never vary much. But it would be, he maintained, a solid benefit to English farmers also; for the proceeds of the tax we should levy on foreign manufactures and foreign food should be applied to the relief of local burdens and local taxation upon the farmers, the corn-growers, and the whole industrial population of this country. The pressure of this local taxation in many places was very heavy. In Birmingham, for instance, it was said to reach 7s. 1d. in the pound, and in Rochdale it was also very heavy, and so it was in the agricultural districts; but if we levied a tax upon foreign manufactures, until those foreigners were willing to give us Free Trade on both sides, and a differential tax on foreign food, until free exchange was brought about by getting our food from our own Colonies, and if we applied the proceeds of those duties strictly to the relief of the heavy burden of local taxation in town and country throughout the kingdom, there would be a solid advantage to the distressed farmers, though it would not come in the shape Mr. Gladstone was pleased to attribute to him as his object—protection. But the greatest benefit would be their share in the increased and much steadier prosperity of all the industries of the country, by reason of our obtaining a demand for our manufactures in return for our food purchases; the loss of which through foreign

tariffs was, as he had already shown, the great cause of our decreased exports and half-employed industries in 1877, 1878 and 1879.

Mr. Ecroyd then referred to the remark of Mr. Gladstone that there was a double-faced character in this Fair Trade movement—that they went amongst manufacturers and recommended a duty upon foreign manufactures, and went to the farmer and recommended a duty upon corn, to which Mr. Gladstone added, "I have a recommendation to make to the National Fair Trade League, that when they speak to the producer no farmer is to listen, and when they speak to the farmer no producer is to know." He (Mr. Ecroyd) had a right to assume that this language was intended for him, for in passages of his speech that came before, and in one which followed, Mr. Gladstone introduced his name and his arguments. He begged leave to say,—and he spoke in the presence of those who had read his pamphlet, written and published two and a half years ago, and who knew what his speeches had been in Preston and Ashton, in the Free Trade Hall, and wherever he had spoken,—that he had constantly proclaimed to the working population that the very key of their future policy, the thing far more important, because of far wider scope, than any duty to be levied upon manufactures, was a differential duty upon food, simply and solely for the purpose of transferring the food-growing from those who will not trade with us to those who will. The Prime Minister of this country was bound more than any other man, if there could be any distinction in such a matter, not to misrepresent his opponents; but he challenged Mr. Gladstone to prove that he (Mr. Ecroyd) had ever withheld his opinion on this question from any meeting of working men which he had addressed. He had throughout been perfectly candid, and at whatever risk of losing two elections, had from beginning to end expressed his full opinion to his working friends—(hear, hear). And, further, he had not only been honest in this matter, but something more, for he had refused hitherto all invitations to attend meetings of landowners and farmers, to advocate in their presence a differential duty upon food imported into this country, because he had declared that he would have neither part nor lot in this matter unless it could first be proved to the working men, so as to be entirely believed by them, and demanded purely in their own interest, that this policy of Fair Trade should be carried out—(cheers).

Mr. Gladstone next said that now the country was told that Free Trade was an admitted failure. He (Mr. Ecroyd) had never said so. The want of Free Trade was the admitted failure—(loud cheers). It was easy to put a thing in this misrepresented shape, and then to argue in favour of the abstract principle of Free Trade. But the Fair Traders believed in Free Trade more than Mr. Gladstone, for they were willing to make efforts and sacrifices to spread it which Mr. Gladstone was not willing to make. He contended that Fair Traders were not in favour of protection, as Mr. Gladstone represented them to be, but what they wanted was an extension of real free exchange. Mr. Gladstone then went on to say it was quite true that foreign countries within the last few years had been aggravating their tariffs, and he added "I will tell you why ; it is because they have had National Fair Trade Leagues amongst them, they have been doing the very thing which a lot of people here want us to do." Now he had just this question to ask Mr. Gladstone : Have these foreign nations raised their tariffs against us for the purpose of inducing us to take off some duties we have levied upon their goods, and in the desire to bring about universal free exchange of manufactures ?—(cries of "No.") Was it not, on the contrary, because they loved protection and desired it in itself?—(hear, hear, and cheers.) Well, if they had raised those tariffs for the latter reason and not for the first, Mr. Gladstone had been guilty of a gross and total misrepresentation, and his assertion falls to the ground with ignominy—(loud applause).

Mr. Gladstone went on to describe the benefits which resulted to this country from the abolition of the Corn Laws, but no Fair Trader wanted those Corn Laws restoring. The question might well be asked whether Mr. Gladstone himself, and his party, who talked so loftily about Free Trade, were really acting up to those principles which they professed. If so, what were they doing in negotiating commercial treaties with foreign nations. Was not this reciprocity ?—(hear, hear). They talked the pure theory of Free Trade, it was true, and said brave things about fighting hostile tariffs with free imports ; but since 1860, when Mr. Cobden saw that foreign nations were not following our example, and adopted the principle of reciprocity, they had been practising reciprocity and not genuine Free Trade,—whilst they now had the assurance to call other people reciprocitarians as a term of

reproach. And they had not the merit of practising even reciprocity successfully, for all they were now hoping to do between France and England, after 20 years' experience, was not to obtain Free Trade between the two countries, but only to prevent the French raising their duties against us still higher. This was not Free Trade then, but reciprocity, and reciprocity of such a poor quality that it would take all the ability of Mr. Gladstone and his friends to justify it to the English working man. Mr. Gladstone admitted that foreign tariffs were an immense evil, and as they also thought, a Quixotic folly ; well, this being so, and the present system having failed to check the growth of foreign tariffs, some resolute and practical way of doing so should surely be brought to bear, and the only plan at present before the country was that proposed by the Fair Traders—(cheers). We did not want protection, but what we wanted was that if England could fairly beat the world in regard to manufactures, she should reap the reward of her superiority. We were willing and anxious to meet the world in competition without the intervention of any duties. That was our idea of protection—(laughter). He (Mr. Ecroyd) had been through one of their magnificent cotton-spinning mills that afternoon, and had seen the work they were doing, and he could not help saying to himself—" Let us have a fair field and no favour, and sha'nt we—(the rest of the sentence was lost in deafening cheers). He did not want protection, but if by their intelligence, enterprise, and industry, they could do the work better and cheaper than other people, he wished them to reap the just advantage of it, and objected to see the whole or great part of that just advantage thrown away in meeting the hostile tariffs of foreign nations. He wanted the capital, skill, and labour of the English people to reap the full reward of its merit—(hear, hear). The difference between Fair Traders and one-sided Free Traders was this : Fair Traders wanted free exports ; the one-sided Free Traders were content to sit down without free exports—(hear, hear). Mr. Gladstone spoke of the past benefits of our one-sided Free Trade system, but they were enjoyed at a time when America and other countries could not extensively manufacture ; and since those countries had erected factories and iron-works which they upheld by outrageous tariffs, there was no longer freedom of export. What the Fair Trader said was this : Let the real free exchange, which was enjoyed for a time after 1846,

and which we now no longer enjoyed, be restored in the only possible quarter—our own Empire. By increasing their tariffs foreigners had been able to build up a system to our injury; but Fair Traders believed they had found the means of bringing back that enjoyment of free exports which did exist for 20 years after 1846, and which brought us so much prosperity—(hear, hear). The arguments of Fair Traders were therefore not met by calling them "protectionists," seeing that Fair Traders valued genuine Free Trade much more than one-sided Free Traders did—(cheers).

Mr Gladstone made a long statement shewing the vast prosperity of this country since 1846 upon the lines of Free Trade, in the course of which he said—"The trade of this country, "measured by the exports of British produce,—and in that trade "I need not say the working people have a share perhaps as "important as even the capitalist,—was, in 1840, 51 millions; "in 1881, 223 millions." They would observe that when Mr. Gladstone was minimizing the effects of our loss of exports, he forgot all about the share of the working people;—but when in the passage just quoted he was painting the growth of our trade during the past 40 years, he took care to remember it. However, the general growth of our trade and industries during that period, was not the question in debate. It had arisen from many and various causes—such as railways, steam navigation, mechanical inventions, the great discoveries of gold, and the electric telegraph; and America and other protectionist countries could boast of an enormous and rapid growth of their commerce and industries too; but that would certainly be no good ground of argument on their part in favour of protection; nor was it any better ground for Mr. Gladstone's defence of one-sided Free Trade. But the disputed point was, whether during the past ten years we had not been losing the real freedom of exchange, which, for 25 previous years, had given us prosperity. Were there not indications that foreign tariffs had at last built up industries which were excluding us from market after market? Or was this the perverse imagination of Fair Traders, and nothing more?

Mr. Gladstone spoke of the progress of our wealth as shown by the Income Tax. That, however satisfactory to a Chancellor of the Exchequer, would hardly, Mr. Ecroyd thought, be accepted

by most tax-payers as a fair index of the depression and losses of late years. Did the receipts under Schedule A reflect the deficiency in the rents actually received by landowners during the past three years? Or had some vast repayments been made under Schedule B, such as would afford at least a rough measure of the losses of tenant farmers? Or had tradesmen under Schedule D generally succeeded in obtaining reductions of assessment at all correspondent to their reduced gains,—not to speak of any rebate for years of actual loss? It would be interesting to hear these important and natural questions answered.—(cheers).

A great deal had been said on the question of imports and exports; and the preponderance of the former over the latter had been actually set forth by *The Economist* as the measure of our prosperity. He regarded that as an argument which no one could sustain for a moment. One proof would suffice to show this. During the year 1872, perhaps the most prosperous, commercially, which this country ever experienced, the excess of imports over exports was only 40 millions; whilst in 1877, a bad commercial and agricultural year, the excess of imports over exports was 142 millions. But we need not confine the comparison to two single years. In the four years 1871—1872, 1873 and 1874, when our agriculture, our manufactures, and our foreign investments were all prosperous, the total excess of imports over exports was only 220 millions; whilst in the four years 1877, 1878, 1879 and 1880, when our agriculture, our manufactures, and our foreign investments were all depressed and unprofitable, the total excess of imports over exports reached 504 millions. Mr. Gladstone speaks of people who "are affrighted and startled at our excessive imports." On the contrary, we are affrighted and startled at our *restricted exports;* for it was the falling off in our exports, and consequently in the employment of our productive industries,—simultaneously with heavily increased imports of foreign food,—which constituted the worst feature of the latter disastrous period. That falling off amounted to 174 millions, on which Mr. Gladstone would say we lost only the profit of 10 per cent. and the freight,—but they who depended on wages knew better. So far from complaining of excessive imports, he (the speaker) would point out that the stoppage of much of our productive industry

by the hindering action of foreign tariffs, (whose effects are most felt in such times,) had certainly also reduced our imports —both of food and of raw materials—far below what they would have been during those four years under a system of free exchange.

Mr. Ecroyd next directed attention to the consequences which would arise from our receiving these imports in payment of the enormous interest accruing from investments of English capitalists in foreign lands, instead of in exchange for the export of British manufactures, which should give us work and wages. He could imagine nothing more disastrous to the interests of the English working classes than for such a state of things to go on increasing. If a conflict were really growing up between those two modes of purchasing our imports, or in other words, between the interests of our workmen and of the owners of foreign investments resident here, he for his part would say, "Let us keep our industrious population at home, and let the investors emigrate to the foreign countries where their interests lie." He had always said, and said still, that the tendency of the present system of guarding the interests of the consumer and neglecting those of the producer, was to make this country a paradise for mere idlers, and a purgatory for workers; a hard country to earn in, and a cheap country to spend in. And the great increase of mere speculators and foreign investors in the country was attended by other evils and other injustice, for a man living in Oldham without business, and receiving £1,000 a year interest on money lent on mortgage at 7 per cent. on American land, contributed no fair proportion to the great taxes and burdens that press on English industry. Such a man was living amongst them, but was not of them; his interests were not their interests, but those of a foreign country; and the larger and more powerful that class became, unless they were required to contribute their full share to local taxation, the worse would be the position of the industrious people of this country; whilst owners of fixed property in both land and buildings were really one in interest with the working classes, because they must always sink or swim with the industries of our own nation.

Mr. Gladstone seemed to dread the adoption of Free Trade by America; he said our position is secure till the Americans shall adopt Free Trade, and then he does not know but that

they will greatly outrun us, and take from us the primacy of the commerce of the world. From this he could not make out whether Mr. Gladstone's sincere desire was that America should adopt Free Trade or not. If, holding this belief, he desired that the Americans should adopt Free Trade, he desired that they should throw this country into the shade and take the lead of us; if he desired they should not adopt it, he was not a thorough Free Trader. For his own part he wished every nation in the world would adopt Free Trade; and, as that could not be, if we, by adopting Free Trade within it, and by the aid of small differential duties against foreign nations, could consolidate our own Empire, he would not fear the competition and the primacy of either the Americans or anyone else. Why did Mr. Gladstone take this kind of view? Why did he say, when speaking of the results of an extreme protective system,—"mitigated in the case of America "by its own emergencies and the enormous field open to them,— "a field which in your case you would not find, were you "unhappily disposed to follow America in her course?" Fair Traders desired and followed no protection such as America loves; on the exact contrary, their object was to obtain the reality of free exchange. But let that pass; what was really significant and full of meaning, in this sentence of Mr. Gladstone, was the distinct declaration that we are not to find in the British Empire a like field of enterprise and free internal exchange to that which America enjoys in her comparatively small domain. Well, it had long been evident to us that the policy and the language of Radicals tended towards the loosening of the ties which bind the Empire together, and were those of men who expected and would not regret its dissolution; and we could not be surprised that people holding such views should see no "field" for England to compare with that enjoyed by the United States. But he (Mr Ecroyd) was benighted enough to see in the British Empire a still greater country, with far more internal resources, and, therefore he wanted to know why England should not find an equal field,—why she should fall behind in the future race, when she possessed valuable lands in every climate under the sun for her people to cultivate, and the highway of the seas—a highway connecting her possessions far better than the great Sandy Desert or the Rocky

Mountains, which the Americans have to cross to get to their Pacific States. Why should people be always talking of the larger resources of America? Why should they insist on taking an imperial view of America, and a parochial view of England? There would be no reason to do so if the Liberal party had been, or now were, or would be faithful to the great principle of the consolidation of the Empire If this great question should ever be taken into the domain of party politics, it would be because those benefits he had been endeavouring to describe could only be realised for the working classes of the country, by that Conservative policy which regarded the whole Empire as one, which would bind Great Britain to all her Colonies as closely as the States of the American Union were bound to one another, which would give us the same confidence in our resources, and the same power to be independent, if it pleased the rest of the world to treat us badly—(Cheers) The consolidation of the Empire was not a thing which could be done all at once, and they were not to be accused of Utopian views in looking into the far future, for this great work of statesmanship might certainly in due time be completed, if they would only be faithful to their trust. It would be a gradual process, but there was no nobler work for any English statesman of the highest rank, than to labour to make the British Empire as completely one united commonwealth as the United States now are. He was often disposed to admire, and thought Englishmen might take an example from the patriotism of the American people. There was no shilly-shallying amongst them about the difficulties or the cost of the union of their country, and yet America was at all events a land where the people rule. He was one of those Conservatives who had never been afraid of the people ruling, and he was not afraid of it still. His hope for the future of the British Empire was in the sound sense and Conservatism of the people of this country, and that was a hope that would not in the long-run be disappointed. They had been told the Conservative working man did not exist They were showing that night whether he existed or not, and he believed the Conservative working man would be found to be infinitely more far-sighted and more patriotic than those people whose eyes were blinded by mere traditions and triumphs of past legislation, and who could not look fairly and with clear eyes on the present state of things (cheers). The Americans have

had to consolidate their Empire by an awful and bloody war, by a frightful accumulation of debt, by sacrifices such as he hoped and trusted his countrymen might never be called upon to make; but it was our singular happiness that no one challenged the unity of our great Empire. It did not require to be conquered through seas of blood, and by the enormous and indescribable sacrifices of war. The work of consolidating it was a great work of peace, and of political wisdom, and what we wanted in this country for the next 25 years was a statesman who should be our Bismarck of Peace.

America had resolved to be self-supporting in regard to manufactures. All hope of free exchange of manufactures for food with America for the future must be seen by everybody to be totally illusory. America would not destroy the splendid fabric of her own manufactures and mines, raised in the last 25 or 30 years at such cost and labour; her people would never permit that. Therefore our hopes of an extended trade, of future prosperity and free exchange, must cease to be based on the caprices of foreign legislation, and must be founded on the consolidation and developement of our own Empire. The British Empire was such in its resources that he had no doubt, if fairly developed by English capital and English energies during the next 25 years, it would afford an area of free exchange far larger than we in these islands, with all our industry, would have power completely to occupy. The rest of the world would still trade with us, under whatever tariffs they might be pleased to impose, just as they do now, but the great steady basis of our industries would be within our own Empire, safe for ever from all foreign tariffs. They told us the British Empire was not so favourably situated as the United States for this kind of consolidation and self dependence, because the American States all hang together upon one widely extended continent. He could not agree that there was any validity in that argument. A great deal of the imports of American food which we were now receiving had to come round Cape Horn from the western states, instead of crossing that Continent, and as regarded the superior position of America, he had yet to learn that Englishmen regarded their insular position as being any disadvantage at all. It was the great boast of our grandfathers when carrying on the bloody wars of their country, that

> **"Her march is on the mountain wave,**
> **Her home is on the deep."**

And he declined to think less nobly of the advantages and strength of England, and of her power of reaching from one part of her dominions to another in the cause of peace, than their forefathers thought in the cause of war. He said that the British Empire is above all others favourably situated for commerce, that this country is mistress of the seas, which unite her varied provinces and states far more advantageously than they could be united by vast tracts of land. He thought we were disposed very often to take far too low a view of the peculiar advantages of our country. Because other people, whose interest lay in the matter, were continually painting us small, there was a certain class amongst us willing to think we were destined to be some day relatively as small as we were painted. That was not the spirit he had ever met with among his fellow countrymen in Lancashire. It was not the spirit which had built up their industries. They had never feared to consider the sea the highway of their commerce. Their great and victorious industries, in that and other Lancashire towns, were producing articles to be taken across the seas in all directions ; and at their right hand they had Liverpool, whose ships rode every sea, and bore testimony to the peculiar characteristic of the English people. If they would only bear these cheering views in mind, and not allow themselves to be distracted by pettifogging, narrow ideas of our national position, but keep this great ultimate object before them,—he did not hesitate to say it was the very calling of God for this country,—in whose dominions the slave cannot breathe,—in which labour is regulated by reasonable laws,—to develope and consolidate her vast Empire, not only for the wealth and comfort of her own people, but in the interest of Christianity itself, and of the civilization and happiness of mankind.

Mr. Ecroyd resumed his seat amid ringing cheers; and the resolution was seconded and carried unanimously. He then left the room to address a large overflow meeting in Rock Street School, which was equally warm and unanimous.

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FOREIGN TARIFFS & BOUNTIES

AND THEIR

EFFECT ON BRITISH INDUSTRIES.

AN ADDRESS

DELIVERED AT THE PUBLIC HALL, WARRINGTON.

BY

ROBERT G. WEBSTER, Esq., LL.B.,

Author of "The Trade of the World," &c.

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FOREIGN TARIFFS AND BOUNTIES AND THEIR EFFECT ON BRITISH INDUSTRIES.

THE following address was given at the Public Hall, Warrington, August 17th, 1881. The Mayor presided. Many of the leading manufacturers and merchants, and other inhabitants of the town and neighbourhood were on the platform. There was a very large attendance of all classes of the community, as the meeting was entirely an open one, and at the close a hearty vote of thanks was accorded to the speaker. The proceedings were very enthusiastic throughout.

Mr. Webster, who was received with applause on rising to deliver his address, said the question upon which he was going to speak to them that night appeared to him to be one of very deep and pressing importance, for whatever was the true answer to the question now agitating the public mind with regard to trade and commerce, there could be no doubt that, in many instances, there was room for serious anxiety. Speaking to that meeting, in which was represented nearly every class of the community, he would state his opinions with perfect frankness. He had too much respect for his audience to do otherwise. They had in Warrington nearly every industry represented. They had not put all their eggs in one basket—(laughter)—they had cotton industries, iron and glass, and in this town they could look at the matter from a broad point of view. He contended that they ought to give up bandying names and calling each other Protectionists or Free Traders without duly weighing the terms, and fairly and openly discuss the question from a proper standpoint. (Applause.) It appeared to him that there was a concensus of opinion—that it would be best for every country to be an open market. That that was not the case now was evident, and in what manner to arrive at an altered state of things seemed to be the problem which English statesmen ought to try to unravel. (Hear, hear.) Competition was keener now than it had been for some time past, when we held an undoubted supremacy in the commercial world. Where that was solely because foreigners possessed greater natural advantages than we possessed, or where the natural conditions of the country were more favourable, he thought that not many present would be willing to support any attempt by legislation to interfere with those natural advantages—(hear, hear)—but where the competition arose from protective tariffs, or from bounties placed on goods imported to this country, quite a different question altogether arose. He claimed that he was a true free-trader—a free-trader in the sense of Adam Smith, free trade had been defined—

and it was not difficult of definition—as "that condition of the world's industry in which the products which can be most cheaply produced in any country of the world are there produced and manufactured to be sold in the open markets of the world without any let or hindrance." (Applause.) And free trade in that sense, its true sense, was an indisputable advantage to the world. The question of how to increase and preserve our trade if possible affected not merely iron masters, cotton spinners and those engaged in manufacture, but every class of the community, and it was not for landlords to say "Oh, this is no matter of ours, you invented this system of free trade in Manchester," he contended that land and trade were twins, and that they would wax and wane together. (Hear, hear.) There was no disguising the fact, if our manufacturers could find no market for their goods, or only a restricted one, prices must fall, and in proportion as they fell from the reason above stated, so in the long run must the value of labour. (Applause.) From experience they found that the condition of the working classes, who were the bone and sinew of the nation, was in the progressive state the happiest, in the stationary state their lot was only bearable, and in the declining state their lives became very miserable. The produce of all our manufactories for distant sale must depend not only under existing circumstances on the price at which they could be produced here, but also on the circumstances which affected the demand in the countries in which they were taken for disposal; for instance, they must suppose that in 1864 they could afford to sell a razor for a shilling, at the present time improved manufacture had reduced the price to 10d. The American Government meantime had added an *ad valorem* duty of 50 per cent. on razors imported into that country, which obliged us to sell them in America for 1s. 3d., whilst they manufactured the same article for 1s. 2d. in order to undersell us, which would naturally beat our manufacturers in their competition with the States. Competition must necessarily reduce profits, and the question to ask was, "Is it honest competition that is the result of natural advantages, or the result of hostile tariffs?" He firmly maintained that no country, least of all a country situated as England was at the present moment, which did not grow sufficient food to feed half its inhabitants, could afford to lose its export trade. It would also be obvious to all present that night that no nation could permanently retain the position of being a great commercial country unless it had natural advantages, although it could snatch it temporarily as the Dutch and the Venetians did, but unless it had natural advantages it could not maintain its position; but we *had* great natural advantages. We had excellent communication by water to our shores, good navigable rivers, the handmaidens of commerce in the shape of iron and coal easily come-atable, and with all these advantages he thought we ought to be able to beat the world as a manufacturing nation. (Cheers.) We had not bounded suddenly into our commercial and mercantile position. He would now run through the history of the negotiations with reference to free trade in this country; in the year 1688 we had what was then called the commercial system, and we considered that the excess of our exports in respect to our imports was the sole criterion of a nation's wealth; in fact our system was to sell more to strangers

than we bought from them. In 1668, Sir Joseph Child wrote a book entitled "A new discourse on trade;" in this work he said that A being a doctor wished to purchase goods from B and C, a butcher and a carpenter; now it made no difference to A whether B and C were his customers as long as D was; that was true as far as it went, but if D did not pay A sufficient to enable him to pay his butcher and his carpenter he must either find another customer or he could not buy his food and his carpentry work; that appeared to him to be the state of England at the present time, and if we could not keep sufficient export markets open we should not be able to supply ourselves with food. (Hear, hear.) About the middle of the last century Sir Matthew Becker wrote an essay on the decline of foreign trade, in which he contended that all existing taxes should be repealed, and a single tax placed on all consumers of luxuries proportionate with their income.

Now, to refer to the great writer on political economy. Adam Smith, in his "Wealth of Nations," held that human industry was the sole source of wealth, for industry produced wealth by giving utility to matter already in existence; he went closely into various economic questions, and pointed out the advantages of the division of labour, by which, in the first place, they gained increased dexterity, and also a saving of time. Speaking of the division of labour, an idea struck him; he would imagine two men, one a philosopher and the other a porter, the philosopher invented a crane by which the porter could lift a hundredfold as much as he otherwise could have done. There was, therefore, this advantage in this division of labour, which equalled a gain of 98 in 100. Adam Smith also went very minutely into other questions, and referred to the profit received in different employments, and showed that that which took longer to acquire or entailed more risk had the advantage of receiving, as a rule, larger emoluments than that which was easily learnt or was less dangerous; for instance, a carpenter was better paid than a labourer, and a miner than a ploughman. (Cheers.)

He would not trouble them further with a reference to political economy, but would allude to the man who had brought these theories to a practical result, and within the range of what was now called "practical politics," he alluded to Richard Cobden—(cheers)—who was a man of great experience, both in political and also in commercial life, a man of strict integrity and high character, but he was imbued with the notion that free trade was so great an idea that you had but to initiate it in this country to make all the nations of the world follow our good example. In bringing his theories forward against the Corn Laws he had a hard fight, he held meetings, made speeches, distributed tracts, and did everything he could to bring his views before the public; he (the speaker) did not say that perhaps it was not a great advantage to this country to have cheap corn, still the taking off the shilling registration duty on the importation of every quarter of corn by Robert Lowe was a great loss to the national revenue, a detriment to the farmer, and no practical gain to the consumer; for the farmer had to pay to keep the roads in order in this country in leading his crop to market, whereas the American corn grower, landing his goods in Liverpool, had not a single

tax or assessment to pay, which was a great gain to the foreign dealer, and pressed heavily upon our agricultural interests. (Cheers.)

To refer to the repeal of the Corn Laws in 1841. Sir Robert Peel was returned to office by the then called "country party," who supported the Corn Laws whilst Mr. Cobden and other members of Parliament founded the Anti-Corn Law Association in London; but London is such a big place, that unless the wealthy and noble take up a question, or unless it becomes the whim of the moment, it soon dies away, this movement, for a matter of fact, soon died away; there was a saying that what Lancashire said to-day England would say to-morrow; and it was not till Lancashire took up the question that it assumed any practical shape or form; now when Cobden and the Anti-Corn Law Leaguers spoke in Manchester they did not advocate free import trade, but the mutual interchange of commodities; and that was what he (the speaker) advocated and those who held with him.

The *Times* announced on Dec. 4th, 1845, that the Duke of Wellington in the Lords, and Sir Robert Peel in the Commons, proposed to abolish the Corn Laws; no one would at first believe it, and it was at that time reported that this information was first obtained through the blandishments of a beautiful and gifted young lady, with a dash of intrigue in her, who managed to get the secret out of a young and handsome member of the Cabinet—(laughter)—and informed the *Times* of it; be that as it may, the Corn Laws were abolished, and our statesmen inaugurated shortly afterwards what they described as "unrestricted trade;" but the way in which they set about it was to his mind not a business-like way, and defeated the object in view, for they took off all the duties we had charged on the importation of goods from abroad, and left the foreigner to do the same, instead of taking them off gradually; the result was that we had to impose an income tax; he had always thought there was a mistaken opinion that that tax solely pressed upon the wealthier classes and not the working classes; in his opinion it simply turned those who paid it into tax-gatherers; if they were manufacturers they had to calculate all the expenses of production, including the income tax, before they could estimate how much pay they could afford to give to labour in competing with their products in the open markets of the world; in the same way the shopkeeper had indirectly to charge his income tax in the price of the goods he sold to his customers; this might be more clearly shown if anyone bought a £100 share in the London and North-Western Railway; before a dividend was paid the income tax had to be taken into consideration.

Mr. Cobden's contention was this, "All duties for protection should be removed, and free and unfettered intercourse established between all the nations of the earth, as was clearly the design of Nature." The first portion of that argument we had carried out in the abolition of duties, in such a way as to render the second portion impossible, namely, "unfettered intercourse between all the nations of the earth;" with regard to the other idea, that it was the design of Nature that all duties should be removed, he had no means of judging of the accuracy of the statement, although he doubted its good taste. (Cheers.) It was not free trade which had broken down; it was a system absolutely different

from free trade and without its advantages as far as this country was concerned; and when we were arranging a commercial treaty with France, and when the conditions of our commercial life were forced on the country, it was only reasonable to consider what free trade really meant.

When they found an assembly of working men meeting together two questions forced themselves on their attention, namely, the new French Treaty and the bounties given to foreign labour in English markets, and he invited them to listen to the remarks he intended to put before them on these subjects. If there were to be any change in our present system of commerce, he would have that change made not in favour of one class of the manufacturing interest as against another, or in favour of the agricultural interest against that of the manufacturer, but a well-considered and comprehensive policy could alone command sufficient support, and if carried into effect produce lasting benefits—(cheers)—and he would invite them to remember what the result of these high foreign tariffs and these bounties given by France meant to the working classes were, they simply meant lower wages and more hard work to earn food. (Cheers.)

Mr. Chamberlain said the other day in the House of Commons "that the political relations between the two countries were of more importance and overshadowed the commercial results to be attained." He had no means of knowing what the political relations were that existed between France and England as well as Mr. Chamberlain did, but he failed to see any political gain which would compensate to this country for a one-sided commercial treaty with France.

He would now show them how the treaties they had previously made were arranged; the first treaty we had with France was in 1797, at that time Mr. Pitt laid the treaty on the table of the House of Commons, and it remained there for five months; the next one was in 1860, when a treaty was made with France surreptitiously—the word was scarcely misplaced—at the same time it was made with a certain amount of quickness, and the House of Commons had no opportunity of challenging its conclusions, still the agreement was only then nominally provisional until it received the assent of the House; in fact, Lord Palmerston only called it "a convention, unless they had the consent of the House." They all knew what a great statesman Pitt was, and that he had a great and overwhelming majority at his back, but it was not a subservient one; they knew also what an eminent statesman Lord Palmerston was; the Whigs, though they had their faults, did not rule this country in an autocratic way, and consulted occasionally not only the voting power of their party in the House but the feeling of the country.

When Mr. Newdegate, in a speech in the House of Commons the other day, said that he trusted "the House would have the power to review the terms of the treaty"; to that proposition Mr. Gladstone dissented, and the House, which would not allow the question of a new dock or railway bill, or any other, comparatively speaking, small commercial affair to pass without its consent, handed over to the Government the power to make a commercial treaty with France, for the next ten years, be it good, bad,

or indifferent. (Applause.) In the treaty of 1860 France consented to change from charging specific to *ad valorem* duties, not to exceed 30 per cent. That, none could deny, was a one-sided arrangement. There was at that time severe industrial depression and discontent in France, which the treaty to some extent alleviated, and it must also be borne in mind that an *ad valorem* duty gave a certain amount of fairness, but a specific duty absolutely destroyed the trade in the cheaper and coarser descriptions of goods.

Let them examine what were the advantages each country received by this treaty of 1860. The Frenchman had an open market in England for his goods, and a protected one in France, or a market in both countries of 70,000,000 people and cheap iron and coal; the Englishman had a slightly less protected market in France, and probably cheaper silks, buttons, artificial flowers, lace, fans, toys, sweets, and last, but not least, cheaper claret. (Loud laughter.) It was well known among manufacturers that if they had a larger field for the sale of their products they could produce at a less cost than a smaller concern, whose business was over a more contracted area. The Frenchman had a market of 70,000,000 customers, and was, therefore, able to beat our manufacturers who had, by this treaty, solely an open market in Great Britain. (Hear, hear.)

He had read Mr. Chamberlain's *couleur de rose* statement with reference to the then proposed French treaty, with which he could not quite agree, and he would now give them facts connected with the exports and imports: In 1880 he found from the Board of Trade returns that we imported from France £42,000,000, whereas we only exported £15,500,000; of the French products he found that £34,500,000 were luxuries and other products which entered into direct competition with our home market; whilst of the exports from these shores about £8,000,000 entered into competition with the French, so that in all probability four Frenchmen were paid wages in supplying the goods required in the English market to one Englishman who found employment in supplying the French. That state of things not appearing to satisfy them, the French were anxious to make it still further in their favour by imposing specific duties.

Sir Charles Dilke, who was a statesman of great ability, and, as they were aware, was the author of a work entitled "Greater Britain," in which he found certain statements which, as far as his experience went, in his opinion, barely tallied with the actual fact; he rode the wrong horse, as their friend *Punch* called it some years ago, a horse called Democracy, but he had now harked back, and had become one of Her Majesty's Ministers. (Laughter.) Sir Charles (in replying to Mr. Ritchie's speech in the House of Commons last Friday, on his motion regarding the commercial treaty with France, when Mr. Ritchie urged that it was better to have no treaty than a bad one)—(hear, hear)—said, "Did he seriously mean to say that if they obtained a treaty beneficial to the iron trade, to the cotton trade, or the woollen trade, that they should not agree to it because it might put twopence upon the price of a straw hat?" (Laughter.) That appeared to him not the proper spirit to treat the question by which any industry in this country was to be deemed of unimportance. What were our largest exports to France? First

coal, then iron manufactures and hardware goods, and also woollen goods. These, taken together, amounted in value to about two-thirds of our importation of silk goods from France. They might take it for granted that the French required coal, and a specific duty would do little detriment to that industry, which he feared at the present time was not a paying one; but with regard to hardware goods, he felt sure it would, and he firmly believed that if we assented to a treaty with these specific duties charged, and tamely submitted to any terms we could get, to support the views of these doctrinaries, we should not export to France £10,000,000 of our goods in 1883 (Applause); "if we take not what we like," but, as Mr. Chamberlain puts it more humbly, "what we can get," we should do wrong; we should be firmer in transacting this commercial treaty with France, as they had much more to lose in the matter than we had; the whole export trade of France in 1879 amounted to £126,000,000, and one-third came to this country, while in the same year our trade to France only amounted to one-thirteenth of our export trade; that was a state of things that would not have existed had there only been free trade or mutual equality of interchange between the two countries. Now if imports alone were the measure of a nation's wealth, we did not want a treaty, as we could import as much as we liked without a treaty as with one.

Mr. Chamberlain had spoken of the silk industry as one that was decaying, and since the year 1860 it had become a decaying one; the Coventry ribbon trade had been nearly ruined, and had been reduced to one-half its former position. We imported three pieces of foreign ribbon to each piece produced at Coventry; at St. Etienne, in France, there were 17,000 looms and 50,000 workpeople engaged in manufacturing ribbon, a large per centage of which being probably for this country, and the French *ouvriers* demanded that the duties on ribbons entering France should be maintained at the present tariff of four francs per kilogramme.

He would now refer to the woollen trade, of which Bradford was the centre; in 1872 we imported from France £2,800,000 of woollen goods, in 1880 £4,800,000; on the other hand our exports had fallen away by about £1,000,000, but let them look at the question from a broader point of view; in 1872 the value of our woollen goods sent abroad was £32,000,000, and in 1880 it had fallen off to £17,265,000, or nearly one-half; touching this industry he noticed that Lady Bective and a large number of other English ladies had decided to revert to the use of English woollen goods. It was a noteworthy fact that our periods of prosperity in this country were those in which we exported the greatest quantity of goods, and our greatest periods of depression had been when we had been exporting less and importing more. (Cheers.)

There was nothing like leather—(laughter)—and he would now refer to that industry; the leather industries would be greatly affected by these specific duties, which would increase the duties charged on our export of that commodity to France about fifty per cent. French tariffs were quite complex enough in themselves, without one having the trouble to translate them for oneself into English; the tariff published by our Government had been disguised in the French language till Lord Sandon

moved for its translation into plain English. Regarding this, Mr. Chamberlain said the other day in the House of Commons that the translation was an entirely unnecessary expense, but if it were such an unnecessary expense why had the Government printed a large Blue Book about Miss O'Brien's apparently groundless charges against the steamboat companies? (Hear, hear.) The Chambers of Commerce had, however, decided that it was not a needless expense to call for a translation of the French general tariff; and Halifax, Leeds, Huddersfield, Carlisle, Hull, Macclesfield, Dewsbury, and Tynemouth, as well as the proverbially economical Scotch chambers of Greenock and Glasgow, had not approved of this piece of false economy, but had asked for a translation to be made in plain English. (Applause.) But while this treaty with France was pending, we had other subjects to discuss besides the duties levied upon our exports. Mr. Chamberlain had attempted to treat these bounties in a light and airy manner, and asserted that the French bounties did not exist, whilst Sir Charles Dilke declared that they would soon be discontinued. These statements, he (the speaker) feared, were inaccurate, as he found that the bounty given on sugar by the French Government still continued. The mode in which the French gained this bounty was from beetroot sugar, which was classed lower than its true saccharine nature when entered for refining; and when the sugar was refined if any of it was exported the refiners were entitled to get the duty, and they accordingly demanded an equivalent to the full saccharine value and so gained the bounty. Two objects were gained by these means, first they kept the price of the sugar up at home by the help of the excise, and the Frenchman appeared a cheap seller abroad. But there were others who even gave higher bounties to their sugar industries than the French, namely, the Austrians, Dutch, Belgians, Germans, and Russians, and now the French, finding these bounties were higher than they themselves gave, and that they were obtained by their own skilfully-devised scheme, had invited our Government to place a surtax duty on all bounty-fed sugars from whatever part of the world they came to these shores; he need hardly say that this artificial transfer of labour to foreign refiners had been a sore matter with the British operatives, and those dependent on these industries for support; our Government had acknowledged its iniquity, and they had caused endless remonstrances to be addressed to foreign powers regarding these bounties; five conferences had been held on the subject, but the result was that the bounties were higher than before, and it appeared to be contrary to the principles of free trade or fair trade that British labour should find protected markets at home. (Hear, hear.) In 1864 our importations of foreign sugar were insignificant, whilst in 1880 they amounted to 150 tons from bounty-fed sources, and had been calculated to have thrown out of employment 10,000 British workmen; besides which we had lost our export trade in sugar, which might have given employment to 8,000 more workmen; and 30 or 40 sugar refineries had been as a matter of fact closed in London, Bristol, Glasgow, and elsewhere. What was the result of a sugar refinery being closed? First, the master had to reduce the wages; secondly, he had to dismiss some of his hands; and thirdly, he found probably that he had to shut up his mill, perhaps go through

the Bankruptcy Court, and send numbers of his hands on the world to gain their livelihood in any way they could find best, and to begin the world, so to speak, afresh.

Mr. A. K. Cross, the member for Bolton, stated in the House of Commons the other night that certain Scotch firms had purchased plots of land near the Thames for the purpose of building sugar-refineries; these Scotchmen, if they existed, must have been without the usual shrewdness of their race; for if any one took the train from Fenchurch Street down to the London Docks he would clearly see scores of deserted sugar-refineries, which could be bought by any one for a mere song, unless they believed that the voice of the country would force the Government to put counteracting duties on bounty-fed sugar imported. It had been said, "It is only the loaf sugar industry that has suffered, whilst the moist sugar refining has increased;" that only went to prove what he urged, the loaf sugar industry had been the one solely attacked, and if the moist sugar industry had increased, it only showed what the British manufacturer would do if left without the effects of these bounties, but if the Government continued its policy of inaction, the moist sugar industry might be subjected to a similar disaster to that which had befallen the loaf sugar interest. Not only had we done injury to the labour of this country, but to a British colony, namely, the West Indies, which had greatly suffered by this bounty system; the West Indies propbably possessed greater natural facilities for producing the best sugar cane than any other part of the world; but owing to these bounties given on beetroot, they could not sell it in the British market at a profit; and failing to do so, they had to put their estates out of cultivation, and the whole of the West Indies was now in a very deplorable condition. If they considered what would be the effect could these West Indies have belonged to the United States of America, instead of belonging to this country, they would clearly see how they lost by being a portion of a free import nation; if they were a portion of the United States they could sell their sugar cane without any difficulty in the States; but as they belonged to Great Britain they found a protected market in America, and a protected market from foreign bounties in this country. Not only would the abolition of those bounties develope our colonies, but be an advantage to the agricultural interest, and find highly valuable employment, for was not sugar produced in the North of France? (Hear, hear.) Why should it not be in the South of England and in Ireland, and so conduce to the wealth and prosperity of our agricultural interests? (Cheers.) Beetroot was considered to be a very useful product for the land, and after it had been on the land one year, he was informed that the next crop of corn was found to be of increased weight—in fact, beetroot crops acted as a fertiliser. These bounties appeared to him to be one of the most potent forms of protection, and the Secretary of the Board of Trade had stated before a select committee of the House of Commons that the loaf sugar industry was in a progressive process of extinction. Indeed, deputations of the working classes had seen Mr. Chamberlain on the subject, and he had advised them that their best way of getting out of the difficulty was by their masters reducing their profits and also their wages; that had been done,

and still the unsatisfactory state of things continued; this matter was quite within the province of our Legislature to put right. (Applause.) The very threat of putting on a countervailing duty would, he believed, be sufficient, for it was contrary to experience to believe that any foreign government would continue to pay bounties, the result of which was that they solely added to the revenue of this country.

In 1815 we formed a treaty with the United States—(hear, hear)—in which we agreed to have equal duties and equal charges in both countries. He would that that treaty existed now. (Cheers.) The Prussians, finding that this free trade arrangement between America and England injured their interest, and also that we charged high port dues on their shipping, whilst they charged lightly on ours, determined to put high duties on our shipping and our manufactures. Our merchants and shipowners seeing this would have a detrimental effect on their industries had a deputation to the then Prime Minister, Mr. Huskisson, and he ultimately consented to enter into amicable negotiations with the Prussians as he had done with the Americans, and to make a reciprocal treaty with them, upon which the Prussians immediately lowered the high duties they had charged on our trade; that fact only showed what a nation could gain by firmly maintaining its own position.

Suppose France gave 5s. a barrel on sugar sent out, if they did not put any duty on it, it could be sold for 5s. below it cost, say 15s. instead of a pound; presuming we put on *an intercepting duty*, and stood at the port and took the 5s., and said to the foreign Government, "We are extremely obliged to you for giving us this sum to our national resources;" it was quite right that if we put on a bounty we should have the benefit of it, but instead of letting the consumer have the advantage of it in a way which injured the other producers in this country, we took it in the name of our Government and applied it for the benefit of all; no doubt sugar might be dearer for a year or two, but we should soon bring the foreigner to his senses as the Prussians did us, and open competition in our colonial sugar market, and the beetroot we could grow at home would soon bring the price down to its fair market level, and it would never rise to the price it now did, when there was a failure in the French beet crop, or as prices would rise when the foreigner had secured a monopoly.

He feared that foreign industry and foreign labour from what they could judge, appeared to attract more care of our legislators than British industries and labour did, and it was barely satisfactory to describe this condition of affairs as free trade. (Applause.)

Probably some might say that this was a small industry that was attacked, but a larger industry than that had been attacked—namely, our shipping. Our shipping interest had at present £100,000,000 sterling embarked in it, and 120,000 men engaged in it, who earned £10,000,000 a year, and it was a great but an indisputable fact, that England possessed five-sixths of the carrying trade of the world; he could assure them from his experience, having been round the world, and last winter having visited China, that five out of every six vessels he met in his voyages carried the Union Jack. (Cheers.) Other nations were doubtless jealous of us, and when the French saw that their carrying power was

languishing, they, in 1872, passed a tax called the *surtaxe de pavillon*, which, in fact, amounted to differential duties on goods imported by foreign ships; this apparently did not have the result which was desired, as French shipping had not increased; the French had now decided, and had passed a bill to give bounties to their shipping, and it appeared that on the construction of iron vessels they gave a bounty of £2 8s. per ton, on wooden vessels 16s. per ton, and also a bounty of 10s. per ton on the machinery and engines in those vessels; these bounties equalled about 20 or 25 per cent of the average cost of the building of these ships on the Clyde; this monstrously protective measure passed the French Senate by 265 votes to 5, and had now become law; the Senate on passing it, moreover, passed an amendment that half the bounty only should be given to foreign-built ships; that amendment was avowedly intended and openly stated to attempt to destroy the trade of building of French vessels in England, which had increased in importance during the last few years, as in 1876 it was only 12,000 tons, increasing to 16,000 tons in 1879, and in 1880 to 42,000; the French had passed this bill for ten years, and it would cost them 4,000,000 francs the first year, and increase gradually year by year till it amounted to 8,000,000 francs the last year to pay for these bounties. They were calculated to build in their own shipyards in France about 26,000 tons a year, and it was anticipated that, aided by this bounty, they could supply all their ships themselves, and then hope to build them for foreign nations, even including this country; Lord Granville had at first treated this matter with great levity, and described it as a very foolish proposal, absolutely contrary to sound finance and common sense; probably Lord Granville might be right, still they ought to pay some deference to the opinions of their neighbours, for there was an old French proverb which said that "It is possible to be wiser than your neighbours, but it is *not* possible to be wiser than all your neighbours." (Cheers).

When the bill became law, however, its gravity to the interests of this country became apparent, and he would now give two extracts, which he considered were of importance as relating to this question: "Consul Bernal to Lord Lyons.—I hope you will not think that I am going out of my province in writing you a few lines on a subject which has doubtless already fully occupied your attention; I allude to the bounties to French shipping, which have just been voted by the Chamber of Deputies; but, living as I do at a port where we do such a large oversea trade, I cannot help seeing of what serious importance to our shipping interest is the proposed system. I consider it to be almost worse than a *surtaxe de pavillon*. That would only affect trade to and from French ports; but while the system of bounties does so, to some extent also it has a yet wider effect, for under it, wherever a French vessel may be doing oversea voyages, it will be in receipt of a bounty. For instance, French ships often remain eighteen months and more in the East, making voyages between different ports in those seas, and they will be earning a bounty for every 1,000 miles they run; and should they at the end of the time bring a cargo to a British port, they will be able to carry it at a less rate than our own ships. In short, the law is one of pure protection."—Earl Granville to Mr. Adams, Foreign Office,

July 30, 1880.—"Sir,—I have considered, in communication with the law advisers of the Crown, Lord Lyons's despatches of the 2nd and 3rd instant relative to the French Mercantile Marine Bill. I have now to inform you that the bounties which it appears to be intended to give on the construction of vessels in France, and on long voyages made by such vessels, *do not in precise terms constitute a violation of the stipulations of the commercial treaties between Great Britain and France* (then he, the speaker, considered, in future treaties *it ought to.*) (Cheers.) At the same time, it is a fair matter of representation that such bounties are contrary to the spirit and intention of those Treaties, and will, in another way, produce the very effect which their stipulations with reference to import duties are intended to prevent. This view of the case will be borne in mind in any commercial negotiations with France which may be conducted in London; and I have to request, when an occasion offers, the same language may be held on the part of Her Majesty's Embassy at Paris. I am, &c., (signed) Granville." Although "this view of the case was to be borne in mind," our Government appear to have been negotiating a commercial treaty with France, whilst no word have we heard of the French abolishing these bounties. (Hear, hear.)

The French proposed to build lines of steamers running to New York, Canada, Mexico, South America, and Australia, to the latter countries to bring home Australian wools direct to the French market. If English shipowners were unpatriotic enough to transfer their ships to the French flag they would receive half the bounty; but they would have to dismiss their English captain and crew, and substitute for them Frenchmen, and their ship would be solely useful to the French Minister of Marine in time of war. (Hear, hear.) By this system we should, to a certain extent, deduct from our maritime supremacy, and endanger the communication of our food supplies in time of war. Supposing two vessels were waiting to take freight in New Orleans—an English and a French. All things being equal the English ship would obtain equal cargo with the French, but the Frenchman would say, "I need not charge so much; I shall receive a bounty of 1½ francs from the State," and he would thus be able to underbid the freights the Englishman could offer, and one could clearly see how disastrous an effect that would have on our mercantile marine.

He knew for a fact that in China the *Messagerie Maritime* Company received a larger subsidy for carrying the French mails than the P. and O. did for carrying our mails. The result of the higher premium given to the former company was this—that they could charge less for freight, and also practically charged less for passengers, and they left China on that account with large cargoes and a full complement of passengers, whilst the P. and O. often found a difficulty in obtaining either. He thought he had said enough to show the disastrous effect the bounties might cause our ship-building and maritime interests, although he did not deny that perhaps at the present the French might be ordering many ships on the Clyde, and might be doing our ship-building interest good; that could, however, only be for a short time, and we should look ahead in this matter, and think of the result to our ship-building interests in future. (Cheers.) Other nations were going to follow the suit, he feared, of the French; indeed, Senator

Blaine had proposed a bill in the United States Senate for the purpose of assigning large bounties to American-built ships of over 3,000 tons, and Senator Merrill, of Vermont, had strongly supported this scheme, and it had been referred as usual to the Finance Committee, and might soon become law. Again the Russians were proposing to increase their charges on foreign ships on their entrance to their ports; now they all knew how Protectionist Americans were, and that the Democrats secured the defeat of their candidate at the last election by speaking doubtfully of free trade.

Mr. Chamberlain had said that if we had a bad treaty one year would be too long for it to continue, and that if we had a good treaty the longer we had it the better; but as the question rested with Mr. Chamberlain whether it was a bad or a good treaty, and as some might differ from him as to its practical result, he held great care ought to be taken ere we bound this country for a long period; but presuming no treaty was arranged at present, as appeared more than probable, and in consequence our exports were excluded from French markets, he maintained that they could soon bring the French to their senses by placing an *ad valorem* duty of ten per cent on their silk goods, and increasing the duty on their wines ten per cent. (Hear, hear.) Now Mr. Chamberlain had said that the duty on wine was not a protective one, nor was it, as England was not a vine-growing country, and he described it as "partly a fiscal and partly a moral tax." (Laughter.) Whilst on that subject he would remind them that the other night, in the House of Commons, Mr. Trevelyan and Sir Thomas Brassey stated that they intended to give the seamen in the Royal Navy the option of having, during their night watch, hot chocolate in place of the grog which had been previously supplied them, if they preferred it, as it was stated that cocoa would not be supplied them, as it had been discovered by the Lords of the Admiralty that some sailors in Her Majesty's Navy had weak stomachs with whom cocoa would not agree. (Loud laughter.) It had always been a matter of doubt to him whether cheap claret agreed with the before-mentioned portion of the British constitution; therefore, if this tax were put on, not much harm would be done, and the wine taxed might then be described as partly a fiscal, partly a moral, and partly a medical duty. (Laughter and applause.) If it followed that these duties we imposed had the ultimate effect of opening French markets to our exports it could not fail to be beneficial to this country.

The only Frenchman who had coquetted with free trade was M. Duval, but he contended that the advantage of free trade was to open foreign markets to French markets—not to open French markets to foreign produce; that did not quite tally with the views of free trade in this country; but if, after all, the mutual interchange of commodities was not the advantage of free trade, what on earth was it? It must be as our free imports traders argued, somewhat in the following manner: "Don't you see that the more foreign goods we consume, and the less English goods they consume, the better for us? That is a case of heads I win, tails you lose; that is one of the great truths of free trade, and if you don't see it you must be a fool." (Laughter and applause.)

He would now look for a moment at the general protectiveness of the

tariffs of foreign states, and in doing so he would examine the *ad valorem* duties charged on seven of our principal export trades, viz., our cotton, iron, steel, woollen, coal, linen, and silk. It appeared that Belgium charged us on all these exports taken collectively five per cent *ad valorem*, Holland had almost exclusively a transit trade through her borders, and charged us no duty, Sweden and Norway 4½, Denmark 6½, Turkey 10½, Italy 7½, Austria 10¼, Portugal 27¾, Spain 31½½, Russia (northern parts) 21¾, United States of America 54¾, the latter percentage of duty charged being not only protective, but well nigh prohibitive. It would be noticed that the Turks did not charge us duties half the rate that the Russians did, and the Turkish Treaty, by the way, ended next year. They might still be transacting an export trade to the East, and also to many semi-civilised countries, but if they allowed things to drift on as they were at the present time it might be asked, "May not Turkey, China, Japan, South America, and our colonies and dependencies increase their tariffs, and so exclude our products?" To look at the question of the effect of an increased tariff on British industries, he thought he might fairly quote the amount of our exports to Germany since the duties had been increased. In 1879 we exported to them £18,500,000 of our goods; in 1880, a year in which there was avowedly good trade and increased production in this country, it had decreased to £17,000,000, and if any one could explain any other reason for this decrease except the increase in the tariff he should like to be informed of it. The decrease of our trade with Germany had been in this one year no less than £400,000 in the value of our cotton goods, £100,000 sterling of our linen goods, and £800,000 of our woollen goods.

But he would now say a word with regard to Belgium; Belgium imported a great deal of glass to this country, and as he was speaking in a town where glass was manufactured to a great extent, he would speak regarding this important industry; as they were aware, a great deal of Belgian glass came to this country, as we charged no duty on Belgian glass, whilst they charged a 10 per cent *ad valorem* duty on glass exported to Belgium; a large amount of the Belgian glass sent here was of the cheapest description; now the way the Belgian manufacturer beat the English in the inferior and commonest glass was this:—he could in case he lost in the sale of his glass in England charge an extra price to his countrymen, where he feared no competition; that he could do the more easily, as in order to manufacture 15cwt. of the best glass the manufacturer had to produce 85cwt. of the inferior glass. (Hear, hear.)

He should like to look at the total result of the increase of trade in the last ten years in several countries of the world; before 1870 we had a great advantage over other countries in having first utilised steam communication, in having better machinery before we showed the world the secrets of the working of our machinery at our exhibitions, whilst we possessed the largest mercantile marine, as well as gained the greatest amount of wealth from the discoveries of gold in California and Australia. (Hear, hear.) Now, during the last ten years the trade with France had increased 39 per cent, Belgium 51, and America no less than 68 per cent, whilst under our system of free import trade this country had only increased 21½ per cent. There appeared to be three stages through which

we must pass under our free import system :—1. A period of almost unbounded prosperity, during which the nations from whom we purchased our supplies of food and raw materials, not having the means as yet of manufacturing for themselves, must of necessity take our productions in exchange. During this period, any protective duties they might levy would not affect us, and would only enhance the cost to themselves. 2. A transition period, during which these nations, gradually increasing their own manufactures under the shelter of protective duties, should become more and more independent of ours; yet during which the increased prosperity of our home trade and the growth of markets in semi-civilised lands should suffice to maintain our prosperity. 3.—A period of contraction and difficulty, when—being obliged to import half the food of a dense and delicately organised population—we should find the nations excluding, by hostile tariffs, those products of our industry which are all we have to offer in exchange in the long run. To escape this difficulty, we should at first force our goods on such markets as remained open, sustaining an illegitimate trade by unsound financial and banking operations; and thus, as long as possible, obtaining, even at a serious loss, the means of paying for our food imports.' There was no reason they should pass through the last period of contraction and difficulty.

Let them look at the year 1880, and see to what portion of the world our export trade went. Half of our trade during that year went to the British colonies and dependencies. To India we sent one-seventh of our total exports—(hear, hear)—that country had been described by John Bright as a gigantic burden, but he (the speaker) thought it would be a disastrous day for this country when we ceased to hold India. (Hear, hear.) According to the member for Preston, Mr. Farrer Ecroyd—(cheers)—who had calculated the matter in the year 1877, he estimated that every Australian was as large a customer to this country as 16 Americans, and every Canadian better—he thought very much better—than 35 Russians. (Laughter.) The time would come when our statesmen would have to consider whether we should have a great Free Trade Zollverein of the British empire—a grand Free Trade Union in the British empire. (Applause.) Should that day ever arrive, all the difficulties that this question now forced upon us would at once vanish. None could doubt that the sole way to arrive at this union would be by granting differential duties to such colonies or other countries that gave us free trade, carefully excluding any tax on our raw produce for manufacture. He contended that in an empire which owned such places as India, Canada, the West Indies, Australia, the Cape, and Ceylon, we could produce as cheaply and in sufficient quantities all the products that were required in this country.

We should get our food cheaper, as our ships could earn freights during the voyage to and fro, and therefore the ship-owners could afford to charge lower freights on either voyage, and not have to go, as they had at the present time, to the United States in ballast. There were nations more dependent on the sale of their products to us than we on them. And we actually imported into this country in 1879 no less than £80,000,000 of manufactured and partially manufactured commodities

from foreign countries. (Hear, hear.) Mr. Gladstone, in his contribution in the *North American Review*, entitled "Kin Beyond Sea," said that "the commercial supremacy of the world must ultimately pass from the United Kingdom to the United States. The territory at their command is, in comparison with the narrow one of the United Kingdom, unlimited, and it possesses every natural advantage." To that he would ask, have we not other kin beyond sea besides those thus alluded to?—have we not "kin" in territories more unlimited, with equal, and in some cases superior, natural advantages than we find in the United States—"kin" who own the same allegiance to the same throne that we do, whose increase in wealth, especially in Australia, had been latterly in even more rapid ratio than that which our American cousins can boast of? Let the day arrive when Greater Britain was united in a commercial union, then our commercial supremacy would be assured to the mutual advantage of both the British colonies and the mother country. (Loud cheers.)

Some had urged that it was advisable for our agricultural interests to emigrate to Canada. No doubt free emigration would be a good thing, and not the forced emigration of a starving people; for why should we not buy grain from Canada, as the eastermost parts of United States bought grain from California and from the South? There was in Canada, as they were aware, boundless acreage of virgin soil which could produce more food than the whole world required; the land possessed unbounded fertility, and could be most cheaply acquired, and he believed that if British capital was diverted more to Canada, and less to foreigners, it would be a great gain to those investing their money in that manner, both politically and commercially. (Applause.)

Mr. Mongredien contended in a work he had written advocating different views on this question to those he (Mr. Webster) held, that it was an unexampled anomaly that one part of a republic should be debarred from free intercourse with the other. If that were so, and he (the speaker) agreed with him in that subject, why should one part of our empire be debarred from free intercourse with the other? Why had our legislators never stirred hand or foot to give free interchange in the British empire? (Hear, hear.) Again, Sir Louis Mallet, in giving evidence before the select committee regarding the wine duties, stated that "if they don't take our goods we cannot take theirs;" with that opinion he thoroughly concurred.

The working classes of this country must look to this important question, for every prophecy that had been preached by the doctrinaires had been falsified, although they had not the moral courage to own it. (Cheers.) The time would come when it would be seen whether England was to submit passively to prove the correctness of their theories, or to fulfil her destiny of being the workshop of the world. (Cheers.) "I can hardly bring myself to believe," said an American statesman, "that England will long maintain a system that brings rapid and complete ruin on her working classes," and the Americans boasted, but he thought it was untrue, that 500,000 of the best of our working-men would in the next five years emigrate to the States. Therefore it was the duty of all, manufacturers, operatives, landowners, householders, tenants, tradesmen,

publicans and labourers to combine and insist that their birthright should not be traded away for a miserable mess of pottage. (Cheers.) If the French Treaty was carried out in the way Mr. Chamberlain appeared to be desirous to carry it out, and England was bound for the next ten years by a one-sided treaty, her industrial position, it appeared to him, was in a very precarious position. The working classes found that their former leaders had deserted them, so they must find fresh ones in either party in the State. If a man came to them as a Conservative they must say to him, "Don't conserve the honour and integrity of the Empire alone, and the existing institutions of Church and State, but also guard and conserve the commercial and maritime supremacy of Great Britain and the industrial occupation of this great country." (Cheers.) If a Liberal came to them, they must tell him not to be liberal in his promises at election times and to forget all about them when he got into the House of Commons. (Laughter and applause.) He must not be liberal in giving away the Queen's territory to rebels (applause), not liberal in making one-sided commercial treaties with foreign countries to the detriment and injury of the working classes of his own country. (Cheers.) He confessed that he entertained great sympathy with the foreigner and with "the alien races," and would not willingly injure them. He did not hold them first in his estimation, as Mr. Gladstone and Mr. Bright appeared to do. He feared he was not sufficiently cosmopolitan to do so. Be it so. His motto was "England before all!" (loud cheers) and he would conclude his remarks by quoting the words of the late Lord Macaulay in the House of Commons on one occasion:—"No statesman ought to lose any fair opportunity of rendering to foreign nations such good offices as he can render, without a breach of the duty which he owes to the society of which he is member. But, after all, our country is our country, and has the first claim on our attention. There is nothing, I conceive, of narrow-mindedness in this patriotism." (Cheers.) Free trade and equality of competition were convertible terms, and if they had not equality of competition they had not free trade in the true sense of the word. (Loud and continued applause).

John Heywood, Excelsior Steam Printing and Bookbinding Works, Hulme Hall Road, Manchester.

OFFICIAL AGRICULTURAL RETURNS

FOR TWELVE YEARS

FROM

1869 TO 1880

THE RUIN OF BRITISH AND IRISH AGRICULTURE ACCOUNTED FOR
IN THE STATISTICS ISSUED BY ORDER OF PARLIAMENT
AND ON THE PROSPERITY OF WHICH INDUSTRY
OUR MANUFACTURES CHIEFLY DEPEND

THE QUESTION BRIEFLY CONSIDERED AND THE REMEDY SUGGESTED

PRICE SIXPENCE

LONDON
P. S. KING, PARLIAMENTARY AND GENERAL BOOKSELLER
KING STREET, WESTMINSTER
1881

[*Entered at Stationers' Hall*]

Board of Trade Returns: Imports of Farm Produce.

	1869.	1870.	1871.	1872.	1873.	1874
Animals living:	£	£	£	£	£	£
Oxen and Bulls .	3,289,171	2,622,778	2,407,755	2,131,461	2,454,840	2,395,
Cows . .	402,940	391,269	1,031,999	430,237	684,972	730,
Calves . .	141,739	133,014	140,553	112,841	214,531	170,
Sheep and Lambs	1,219,014	1,151,373	1,789,826	1,666,857	1,822,369	1,610,
Swine . .	246,223	356,471	292,089	51,582	242,204	358,
Bacon . . .	2,280,697	1,668,096	2,507,470	3,773,665	5,667,183	5,385,
Beef, salted . .	380,387	427,823	581,771	336,280	417,301	441,
„ fresh . .	39,951	33,698	54,150	84,842	105,395	88,
Butter . . .	6,923,210	6,793,877	6,958,961	6,030,893	6,957,396	9,053,
Cheese . . .	3,083,850	3,274,331	3,343,574	3,035,643	4,057,784	4,483,
Wheat . . .	19,515,758	16,264,027	23,345,630	26,046,876	28,446,689	25,201,
Barley . . .	3,379,775	2,831,844	3,407,425	6,194,155	4,010,344	5,266,
Oats . . .	3,340,494	4,381,607	4,141,687	4,212,086	4,804,118	5,118,
Peas . . .	455,142	751,192	459,624	561,007	522,932	841,
Beans . . .	832,412	648,755	1,269,424	1,186,066	1,265,784	1,118,
Indian Corn . .	5,935,665	5,790,550	6,470,789	8,696,362	6,621,720	7,484,
Wheaten Flour .	3,792,939	3,383,751	3,502,784	4,092,189	5,839,197	5,709,
Indian Corn Meal .	2,827	2,682	10,712	9,883	10,570	14,
	£37,255,014	34,054,408	42,608,075	50,998,624	51,521,354	50,753
Eggs . . .	1,126,853	1,102,080	1,265,484	1,837,886	2,367,741	2,431
Hams . . .	151,563	101,145	195,325	402,964	548,579	514
Hops . . .	1,098,475	428,525	907,115	684,764	604,817	930
Lard . . .	930,516	727,192	1,307,687	1,308,072	1,388,175	884
Meat, sundries .	246,763	336,307	774,427	1,045,325	949,700	1,086
Pork, salted . .	498,307	689,604	624,986	437,718	580,913	613
„ fresh . .	77,518	109,904	73,056	12,467	64,240	91
Potatoes . .	392,643	245,252	225,732	1,654,240	2,121,235	1,035
Poultry, Game, &c.	178,481	158,482	176,080	217,542	257,405	271
	£59,963,313	54,805,629	67,266,115	76,253,903	83,028,134	83,330
Three years' average		£60,678,352			£80,870,757	

875.	1876.	1877.	1878.	1879.	1880.	
£	£	£	£	£	£	
37,588	3,554,480	3,243,125	4,445,832	4,071,994	7,001,648	
63,684	1,097,019	446,456	494,193	377,443	611,407	
84,603	208,941	130,132	131,668	185,038	184,837	
86,585	2,227,140	2,107,378	2,171,986	2,252,789	2,266,139	
57,960	172,723	87,599	200,803	183,128	178,872	
94,658	7,510,220	5,732,678	6,695,651	6,869,544	8,750,503	
57,308	477,754	408,084	417,767	418,573	533,795	
97,343	462,947	1,266,280	1,335,299	1,501,349	1,865,529	
98,299	9,702,624	9,538,305	9,940,412	10,365,762	12,122,172	
05,299	4,251,428	4,763,053	4,939,009	3,822,984	5,083,017	
418,970	23,140,766	33,820,084	27,397,487	31,329,500	30,604,285	
330,654	3,745,420	5,396,791	5,545,802	4,798,923	4,998,442	
407,928	4,619,427	4,998,864	4,553,946	4,500,760	4,946,440	
739,464	703,932	648,278	714,838	739,134	871,513	
564,754	1,851,465	1,673,644	748,595	894,930	1,049,274	
112,158	12,744,432	9,851,236	12,589,422	9,802,249	11,141,642	Grain, Flour, and Pu imported in 1878– compared with
328,167	4,729,206	6,803,327	6,790,320	8,505,308	8,721,269	
12,130	15,474	17,284	32,214	25,585	36,845	1869–71 1872–4 1875
714,225	51,550,122	63,209,508	58,372,624	60,596,389	62,369,710	59 % + 12 % + 2 1/7 %
561,433	2,610,231	2,472,481	2,511,922	2,297,483	2,241,310	
660,542	1,044,009	1,152,278	1,915,939	1,982,081	2,183,808	
189,604	763,872	1,161,770	630,523	1,218,411	905,371	
631,758	1,570,654	1,473,048	1,786,925	1,418,224	1,854,224	
012,155	1,169,726	1,842,871	1,740,405	2,124,638	2,331,321	
502,854	736,200	584,554	611,624	599,416	626,432	
91,532	71,242	23,988	45,189	90,444	56,732	
071,513	1,742,285	2,346,593	2,396,997	2,695,849	2,761,686	
328,034	297,054	320,047	402,951	442,392	421,544	
046,977	91,220,671	102,310,228	101,187,719	103,513,931	114,351,057	
					1878–80 compared with	1869–71 1872–4 187
	£94,192,625		£106,350,902			75 % + 31 1/3 % + 12 3/4 %

Acreage under Grain Crops in United Kingdom.

	1869	1880
Wheat . . .	3,981,989	3,065,895
Barley . . .	2,483,277	2,695,000
Oats . . .	4,480,125	4,191,716
Rye . . .	72,986	47,937
Beans . . .	584,251	436,361
Peas . . .	397,483	235,177
	12,000,111	10,672,086
	10,672,086	
Decrease in 1880 *	1,328,025	acres.

Acreage under Green Crops.

Potatoes . .	1,635,347	1,380,578
Turnips and Swedes	2,502,512	2,336,499
Mangold Wurzel .	314,421	385,348
Carrots . . .	18,831	21,402
Cabbages, Kohl, and Rape . . .	187,667	204,016
Vetches, Lucerne, &c.	407,155	418,450
	5,065,933	4,746,293
	4,746,293	
Decrease in 1880 .	319,640	acres.

Acreage under Grass, &c.

	1870	1880
Flax . . .	218,870	166,521
Bare fallow . .	630,294	828,778
Grass under rotation	6,320,126	6,389,225
Grass Meadow and Permanent Pasture . . .	22,085,295	24,717,092
Hops . . .	60,597	66,705
	29,315,182	32,168,321
		29,315,182
Increase in 1880 . .	Acres	2,853,139

* NOTE.—In the reduced acreage of wheat &c., at the estimate of 4 quarters to the acre, and taking the price at 37/6 all round, the annual loss in value is close on 10 millions.

Live Stock.

	1870	1880
	Number.	
Horses . . .	2,581,306	1,929,680
Cattle, Cows, &c. .	9,235,052	9,871,153
Sheep and Lambs .	32,786,783	30,239,620
Pigs . . .	3,650,730	2,863,488
	48,253,871	44,903,941
	44,903,941	
Decrease in 1880 .	3,349,930	

Setting off the reduction in horses 651,626
against the increase in cattle . 636,101
leaves the decrease in sheep, lambs, and pigs . . 3,334,405
as forced realisation, in order to meet the pressure of the times, owing to having less corn and other crops to bring to market, while rents, rates, taxes, and labour are permanent as a rule. No other deduction (if the above Government statistics are of any value as regards accuracy) can be drawn.

This diminution in stock at 35/ per head is . . £5,862,382 in 1880
besides the annual loss on cereals . . £10,000,000 in 1880

As a general rule the public protest against figures being used to enforce an argument or to establish a position; at least, such has become too much the fashion, as it involves some little trouble and reflection which many people will not undergo. Why this should be so seems strange in a great mercantile nation. The money dealer does not scorn to add up his banker's book, or the merchant his ledger; and the same rule should apply to foreign trade affairs, in which every one is more or less concerned, though he may not care to trouble himself about it, but leave others to think and act for him. In the case of the annexed statistics, the superficial examiner will find the work done ready to his hand, the results being shown in one line, with the details prefixed, if he feels inclined to dispute or satisfy himself. With these few remarks, it must be observed that the whole of the figures are on Government authority and may be found in the returns ordered by Parliament.

The results are most startling when it is seen that the imports of farm produce have increased 75 per cent. during the last 10 years, or 46 millions sterling yearly; for the last 7 years the increase has been $31\frac{1}{2}$ per cent., or 26 millions sterling yearly; and for the last 3 years, $12\frac{3}{4}$ per cent., or a further 12 millions sterling yearly.

Now, few will be bold enough to say that our population has increased 75 per cent. in 10 years, $31\frac{1}{2}$ per cent. in 7 years, or even $12\frac{3}{4}$ per cent. in the last

3 years; especially after making allowance for the immense emigration from this free and enlightened country to countries where labour is protected and prosperity exists. The disputant will say, 'If the additional food had not been wanted, it would not have come;' but in that word 'additional' arises the mistake. It is not additional, only to the extent of the small increase of population bating the emigration, but comes to fill up the gap caused by our own land being thrown out of cultivation, and our industries displaced in all branches by the cheaper productions of nominal rented and comparatively untaxed lands. The disputant may say again, 'The farmer must do this, and the farmer must do that; the landlord must do this, and the landlord must do that.' (We are all very presumptuous about giving advice out of our own trade or occupation, but very reluctant to be dictated to ourselves.) Does the disputant think for a moment that the farmer and the landlord have been idle all this time—that one has been losing his capital and the other his rent without doing his utmost to make both ends meet? Would the manufacturer suffer or act upon dictation as to how he should work his mill? Naturally each man knows how, or copies from his neighbour in the same trade, to make his capital and labour profitable. Would the farmer throw up his farm if he could pay the burdens, local and imperial, that weigh upon him and make even a small living profit? Would scores go weekly through the *Gazette* without having first made a struggle while exhausting their capital? Do our statesmen and politicians ever go so far

as to consider what it is for millions of acres that have heretofore supported the State to be thrown back to pasture or waste ? Are they aware that the space that will feed eight men under grain will only feed one man under pasture (or beeves)? It is only now that capital in tenants' hands is becoming exhausted, that the struggle is being given up. Ireland went by the board first, having a shallower purse; Great Britain is now gradually following from necessity, and fresh men with capital are slack in taking up the vacant farms ; they prefer a country that is substantially free from taxation and where land is to be had free for cultivation—and who can blame them ? Another 10 years with the experience of the last 10 must virtually annihilate grain culture in Great Britain and Ireland, and the landlords, not in a figure, but truly, ' brought to their knees ;' but who will be the gainer by this ? Certainly not the State, or the manufacturer, or the labourer ! We shall then be *thoroughly* dependent on the foreigner for our bread in time either of peace or war ; we *have* had wars before, and *may* have again, if the honour of the country is still worth contending for. Some will say it is not ! Dismissing that question, and assuming we shall henceforth have universal peace, what will be our position as regards the cheap loaf ? Foreigners will have gained the monopoly, and up will go the price, and in time of bad harvests abroad, which *have* been and *may* be again, the result will be famine prices, if we are still able to pay them. 114 millions a year, and still increasing, is no trifling sum to meet for foreign farm produce, in

addition to 60 millions a year for other food requisites that we cannot produce at home.

Already our exports of manufactures have ceased to pay for our food and raw material imports—our shipping profits (for freights), our securities (becoming less and less), and the balance in gold pay the difference, but the latter two cannot go on indefinitely, and what next and next ?

When our capital is gone, we shall then be compelled to live somehow, and our senses will return to a cultivation of our own soil, that must surely have been provided for our maintenance and not to lay waste ; and to enable us to do this, we must either have a sweeping reduction of taxation or moderate Customs duties to place our land under equal weights with our competitors ; we cannot compel a man to go on cultivating at a loss. After all, what does a 5*s.* duty amount to on a 4lb. loaf? Less than a halfpenny! To save this, as we fancy, we spend the 6*d.* abroad in foreign labour and turn our own land and labour adrift. A large family may use probably 12 of such loaves in a week, and nominally saves 6*d.* per week, while the man and each member of his family able to work has to submit to a sixfold reduction of wages to enable the goods he makes to bear the foreigners' hostile tariff, or lose his work !

The sound of a cheap loaf is very sweet, but the wages to command it sound much sweeter. Meantime it is useless fighting and struggling against impossibilities—the whole world united against us is too strong

for us. We cannot in perpetuity pay the hostile foreign tariff, after our own heavy taxation in producing our goods in exchange for our food imports.

It would be some consolation for our landed ruin if we had an increased demand for our manufactures abroad, but the almost incredible fact presents itself in the analysis of the Government Trade Returns (to be had from the same bookseller as this), that while our food imports have increased on the 10 years as heretofore stated, our exports of manufactures on the 10 years are less in value by 1 per cent. ; on the 7 years less by 19 per cent.; and on the last 3 years less by 2½ per cent. ; further, that our *imports* of *manufactures* have *increased* 50 per cent. on the 10 years, 23½ per cent. on the 7 years, and 3 per cent. on the last 3 years!

If the above facts (not mere opinions) do not amount to burning the candle in the middle as well as at both ends, we may conclude that ~~fact~~ feat to be an impossibility.

But, after all, why should all this havoc and ruin go on simply because, 35 years ago, a few gentlemen in Manchester ventured on the most positive assurances and predictions that the very reverse of all the above-stated *facts* would be experienced ?

We have given it a fair trial and set a noble example to the world which is not followed, but receded from further and further from year to year. Why should our best industrial interests continue to suffer martyrdom?

Sooner or later we *must* revert to moderate Customs

duties for *revenue* purposes; better at once, before more harm is done; our statesmen *must* see it, but hesitate to acknowledge a mistake; but, as the authors of the work pass away, another generation of men, unpledged, and open to conviction, will see the error and place Great Britain once more on the road to prosperity under the good old principle of 'live and let live,' a fair day's wages for a fair day's work, in which the plough, the anvil, the shuttle, and the anchor will participate. There must be no class legislation on this question to benefit one interest and exclude others. Justice is due to all: there must be union of all industries for one common end; division or separation will delay all indefinitely. The statesman who carried out the experiment 35 years ago did it in detail; had he attacked all at once with his whole scheme, all would have united to oppose it. In a panic the land was first sacrificed by help of the shipping, sugar, and manufacturing interests; that accomplished, the others followed in detail, with additional adherents from those already sacrificed. There is a moral and a warning in this. Union is strength; division leads to ruin; wherefore we now witness Ireland virtually ruined and in semi-rebellion, the English and Scotch landed interests following suit, exports of manufactures declining, imports of manufactures and farm produce doubling upon us, while we stand looking on, feeding the displaced labourers in the workhouse, and permitting our best artisans and small farmers to emigrate to states where justice is done to labour as they cannot find it at home. This grinding

and cheapening system must have an end and leave a margin to live upon, or farewell British progress and happiness as in days gone by !

It is futile attributing our reverses and ruin to one or two short or bad harvests: surely they have not extended over the whole 12 years in question? One or two bad seasons could not ruin a well-to-do tenantry, but it is the slow and gradual wasting process that had already so exhausted them that the last two seasons became finally ruinous to them. Some quote the Income Tax Returns as a proof of prosperity all round ! but is it so? Ask the *Gazette* twice a week; count the number of farmers, innkeepers, manufacturers in each *Gazette*, and they will find otherwise. Farmers pay income tax on rent while they are going through the *Gazette*, others as well; the publican's licence has to be paid, and tradesmen's in the same way, though in liquidation. We all know pretty well that income tax is arbitrarily assessed on supposed profits in mercantile cases, and the uselessness and loss of time in making appeals, which are perhaps listened to, but rarely allowed. People pay on their losses rather than contest the claim and expose their poverty.

This iniquitous tax was first inflicted on the country as a temporary measure in inaugurating 'Free Trade' as it is called, but which we have never had yet, and have to be content with 'Free Imports': and the tax, after being borne for nearly 40 years, has become a permanent tax to bolster up the said 'Free Trade.'

The people who are reaping a golden harvest now

are—first, the exacting and unscrupulous advertising money lenders ; then follow the lawyers, the trustees in bankruptcy, the auctioneers and the bailiffs. While these flourish, there is continual woe to the industrious farmer and other general producers or manufacturers. Reciprocity in trade with all nations, on equal or fair terms—in the absence of which, a contribution for State purposes to take the place of excessive taxation on our home industries, both agricultural and manufacturing—is the *only* alternative for the return to prosperity all round, and this was the policy acted upon by Mr. Huskisson, and advocated by Adam Smith, John Stuart Mill, and others.

Our more modern statesmen and luminaries have scouted their advice for things 'cheaper and cheaper still;' and though they have not been able to persuade the poor benighted foreigner to cut off his right hand of defence, as we have done, they have succeeded in bringing the most vital industry in their own country virtually to a state of pauperism, and claim the admiration of the world (at home) for their intrepidity and heroism—they cannot call it patriotism, surely!

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IS FREE TRADE SOUND POLICY FOR GREAT BRITAIN?

AN ADDRESS DELIVERED TO THE MEMBERS OF

The Aberdeen Philosophical Society,

ON THE 4TH APRIL, 1882.

PROFESSOR STRUTHERS IN THE CHAIR.

BY

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REPORTS of the following Address having appeared in several London and provincial newspapers, the Author has received numerous requests for its publication from gentlemen whose judgment he is bound to respect, and who concur with him in thinking that an early reconsideration of our fiscal policy is called for in the vital interests of the country.

A. F.

1 ALBYN TERRACE,

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IS FREE TRADE SOUND POLICY FOR GREAT BRITAIN?

BEFORE we can arrive at a correct, and therefore satisfactory solution, as to whether Free Trade has proved advantageous to this country or the reverse, we must go back to the condition of the country at a period prior to its adoption—that was, say in 1846.

Before that time, the policy of this country was like all other countries then, and most other countries *since*, and *now*, protective of its trade and industries.

From 1840 to 1846, while every trade and manufacture in the country was seriously depressed, and the labouring classes in many districts, without employment, had not the means of purchasing even the necessaries of life—a great and successful agitation, in favour of abolition of the Corn Laws, was being carried on by Mr. Cobden and others throughout the country—and Sir Robert Peel, impelled by the state of public feeling on the question, passed an Act abolishing them.

It had a happy effect, for although it did not in fact reduce the price of food, it showed the starving millions that their legislators were at least anxious to do what lay in their power to ameliorate their condition.

The Railway mania, which set in at this time, set capital in motion, and, by giving timely employment to our labouring population, averted what might otherwise have proved most serious consequences.

But those who had gained the ear of the country, chose to attribute the improvement to the initiation of a Free Trade policy, and they pressed their views on Sir Robert Peel with so much success, that they secured him as an ally.

He was too far-seeing a statesman, to believe that the abolition of the Corn Laws had much, if anything, to do with the improvement in trade; but he believed the commercial supremacy of England was such, that in any policy where she dared to lead,

all other countries must sooner or later follow. . . . . That that was the principal, if not sole, consideration which influenced Sir Robt. Peel in initiating a policy of Free Trade there can be little doubt. We can only judge of a man's opinions by the expression he has given to them, and we find them distinctly put forth in his speech on the Corn Laws, delivered in the House of Commons, 16th February, 1846, in which he says:—"Choose your motto, 'Advance or Recede.' Many countries are watching with anxiety the selection you may make. Determine for 'Advance,' and it will be the watchword which will animate and encourage in every state the friends of liberal commercial policy. Sardinia has taken the lead. Naples is relaxing her protective duties and favouring British produce. Prussia is shaken in her adherence to restriction. The Government of France will be strengthened, and, backed by the intelligence of the reflecting, and by conviction of the real welfare of the great body of the community, will perhaps ultimately prevail over the self-interest of the commercial and manufacturing aristocracy, which now predominates in her chambers. Can you doubt that the United States will soon relax her hostile tariff, and that the friends of a freer commercial intercourse—the friends of peace between the two countries—will hail with satisfaction the example of England?"

If the policy of Free Trade, then initiated by Sir Robt. Peel, had been followed by other countries as he predicted it must —all would have gone well, and England would have continued to be, as it was *then*, the great workshop for supplying the world's requirements in all sorts of manufactures—because we had at that time, almost exclusively, the machinery and the skill, as we had the capital and the connection.

But those eloquent predictions have been completely falsified. Not one of the countries he had hoped so much from, have followed our example. At the end of nearly 40 years we stand alone and isolated as the champions of Free Trade in the world. Even our own colonies have since gone against us, and it is not assuming too much to conclude, that had Sir Robert Peel lived sufficiently long to find our example so universally set at nought, he would have reversed his policy.

Well, what are the results of this policy of Free Trade, which has been gradually developing since 1846? That nearly all the goods which are now sent us by foreign nations are admitted *free* of *duty*, that while they have as open and free a market for their

productions *here* as at home, and enjoy the utmost amount of profit from our trade, they contribute absolutely *nothing* towards our enormous taxation. The consequence of this policy is, that nearly the whole amount of our revenue of some £85,000,000 has to be raised among ourselves by excise duties imposed upon our own productions, and by direct taxation on our incomes and property, the effect of which is to make living in this country most difficult.

As an offset against this, we are told that we have all these foreign commodities cheaper, and that to tax them would simply mean to increase the price to ourselves. But this is not the opinion of other nations quite as enlightened in the principles of political economy as ourselves. It is not the opinion of France, Germany, Italy, Austro-Hungary, America, or even Canada. They believe, and they believe rightly, that an import duty on goods is, at least in part, paid by the foreigners who export them, and they are supported in this view by, among others, no less an authority than John Stuart Mill, who says, in his "Principles of Political Economy" (Book V., Chap. IV.), "that the only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities is to impose corresponding revenue duties on theirs." And he further denies the theory that a duty on foreign imports falls wholly upon the consumer. He says—"It may, therefore, be laid down as a principle that a tax on important commodities, when it really operates as a tax, and not as a prohibition, either total or partial, almost always falls in part upon the foreigners; and that this is a mode in which a nation may appropriate to itself, at the expense of foreigners, a larger share than would otherwise belong to it, of the increase in the general productiveness of the labour and capital of the world." In discussing the questions of Free Trade and Protection, we are all agreed that our statesmen and public men, to whatever party in politics they may belong, have in view one and the same object—the prosperity of the nation and the good of the people. They only differ as to the means by which these objects are best to be promoted. One party in the country believe it is by admitting, free of customs duty, all the productions which foreign countries may choose to send us, and which they call by the name of Free Trade. The other, by a moderate customs duty on such articles as we can ourselves produce, and which is generally termed Protection. The intentions of the

former are good, if they are, as I understand, to legislate so as to secure the greatest advantage for the greatest number; and, if Free Trade accomplishes this, it is "sound policy."

Let us see whether in reality it does so.

I am not going to weary you by indulging in statistics to any extent, which, by very slight manipulation, can be made to prove or disprove anything one may choose to advance.

I intend rather to address myself to your understandings and common sense, in my endeavour to show that Free Trade, as at present practised, and when not reciprocated, does *not* accomplish the objects its promoters have in view, but must, on the contrary, lead to consequences, disastrous to the trade, prosperity, and population of the country.

The policy of Free Trade is to enable consumers in this country to purchase as many articles free of duty as possible, which are manufactured in, or are the production of, foreign countries. But I deny that they succeed in effecting any real saving to consumers by allowing the *free* sale of foreign produce in this country. I shall illustrate this by what has occurred within the last ten days. The Indian Government, repeatedly urged by spinners and others in this country to abolish the duty on imported yarns, amounting to about ½d. per lb., has just done so, and the effect has been that the price has fallen exactly the amount of the duty.

Well, the difference it makes on a yard of cloth is so infinitesimal, that the manufacturer will not feel justified in charging any less price for it. Hence all the advantage from the remission of duty, meantime, goes into the pocket of the Indian manufacturer.

But the Indian spinner, who is a serious loser by the fall in price, consequent on the remission of duty, is doing his utmost to get up the yarn again to its former price; and the manufacturer, satisfied with his former profit, will in time concede it. When this takes place, what will be the result? The consumer, the manufacturer, and the spinner, are again in exactly the same position as they were before the duty was remitted. The revenue of India is poorer by the amount of that duty, and the foreign spinner just profits to the amount which the revenue of India loses, and the country is to that extent *poorer* by the abolition of the duty.

There is much rejoicing among spinners in this country at the remission of the duty, because it will very shortly mean ½d. per lb. more profit to them, and foreign producers generally have the same cause for rejoicing when *we* remit the import duty on any article, because it simply means so much more profit to them.

The necessary amount of taxation must be raised somehow, and it matters very little whether we raise part of it by taxing foreign produce, or the whole of it by direct taxation at home—except in so far as the latter course, operates to the advantage of the foreign manufacturer, and the disadvantage of our own.

It would be absurd to tax foreign commodities sent here, if we had no revenue to raise among ourselves, or if the sum raised was lost—but this is not the fact. Every pound which we raise on imports taxed, means so much of taxation remitted otherwise, but with this difference, the foreigner has been made to bear a share of it, in return for the profit he has made off us, by the sale of his goods here.

Nor is it fair to the poorer classes to admit, say, French silk and stuff goods into this country free of duty, because, by so doing, you relieve not them, but the wealthier classes who alone can afford to purchase these goods, and you have to increase the taxes on articles consumed by the working classes, such as tea, coffee, tobacco, beer, and spirits, to make up for the loss of duty you might have imposed upon the silks and stuffs.

Besides you not only injure the working classes, by increasing taxation on the articles they consume, but also injure them in their respective trades, by encouraging the manufactures of the foreigner, and so reducing the extent and value of labour here.

Having, I think, shown that the great body of consumers are not benefited, but the reverse, by the admission of certain foreign manufactures into this country free of duty, I will now endeavour to show that, even if foreign nations could sell goods *cheaper* than we can produce them at home, it would not be for our *true interest as a nation* to admit them untaxed.

This is a commercial and manufacturing country, existing almost entirely by these means; and if they fail us, either through the mistaken policy of our statesmen, or from whatever other cause, we must decline in wealth, in population, and ultimately—if our means of supporting population fail us—cease to take rank as a first-rate power.

I shall make clear my contention by an illustration taken from our own city—the linen manufacturing firm of Richards & Co., Broadford Works.

They employ some 2500 hands, who are the support, as nearly as can be estimated, of 7500 of our population. They pay away, in wages and salaries, something over £70,000 yearly. This £70,000,

which is wholly spent in Aberdeen, is sufficient to maintain 70 shopkeepers, doing an average trade of £1000 each, with a net profit of 10 per cent., or £100 a-year, which enables them to support themselves and families to the number of 350.

The profits which these 70 shopkeepers make off the work-people employed by Richards & Co. amount to £7000, which again goes towards the maintenance and support of other 7 shopkeepers, each doing their £1000 overturn, and deriving a profit of £100 each for the support of their several families; and if we consider that a further distribution of these wages goes on almost *ad infinitum*, and that a considerable portion is distributed among tradesmen, whose net earnings would not be over £50 a-year, we bring up the population of Aberdeen which is maintained here, *wholly* through the existence of this one manufacture in the city, to close upon 10,000.

If we further add the harbour dues on the importation of the raw material, the profits which our shipowners earn on the freights to this port from abroad, and the employment necessary in the discharge and delivery of the same, we shall be under the mark when we put the amount which is circulated in Aberdeen by this one manufacture at £100,000, to which has to be added the capital employed in the business, which, with buildings, machinery, &c, cannot be much under £200,000, and allowing the moderate return of 10 per cent. upon, gives an additional £20,000, and when the partners are all resident in Aberdeen, the greater part of this sum would be spent in the town.

Now, here is 10,000 people resident in Aberdeen, and £120,000 annually circulated, which, if Richards' works were closed, would be lost to the town and neighbourhood.

If the firm found they could conduct their business to more advantage if removed to Dundee, the population and prosperity of Dundee would be benefited to the same extent as Aberdeen suffered loss, because the population would naturally follow the trade. The increase of population and wealth to Dundee would have the effect of reducing the average amount of local taxation there, which would be correspondingly raised to the ratepayers of Aberdeen, for it must be admitted that even so serious a loss would not be followed by any appreciable reduction in *our* local taxation, which would, therefore, of necessity, have to be raised from a considerably reduced number of ratepayers, and would amount to so much more per individual.

Now, you will observe, that although the departure of Richards & Co. from here to Dundee would have a very serious effect upon the prosperity of Aberdeen, the mere transference of this trade to Dundee, would be attended with no loss whatever, pecuniary or otherwise, to the country at large.

But if the manufacture carried on by Richards & Co. here, instead of being removed to Dundee, was removed to some foreign country, the consequence would be, not only serious loss to Aberdeen or Dundee, but to the United Kingdom, because not only would the local rates and profit be lost to a particuiar district of the country, but the Imperial revenue would lose, in *addition, all* the Imperial taxation leviable upon the whole 10,000 of population, in the shape of both direct and indirect taxation.

Every one of these 10,000 contribute towards Imperial taxation, for, except the merest infant, there is *not one* who is not taxed through their consumption of tea, coffee, fruit, tobacco, beer, spirits, or wine. . . .

Now, having shown the immense advantage both as regards population and wealth, which Richards & Co. or any similar concern carrying on their manufacture here, is to the country, let us see what equivalent the community receive in return, through our policy of Free Trade.

One half of Richards' production, or, say £150,000, is consumed in this country, and we shall, for argument's sake, suppose that France, under our Free Trade policy, can supply us with these or similar goods at, say, 5 per cent. less. This would mean to consumers of these goods a saving of £7500, which is the utmost extent that our country would benefit in return for the loss of 10,000 of its population, and a sum expended annually amongst them of £120,000, to which would further have to be added the loss of £20,000 in Imperial taxation, which these bear. No wonder if foreign statesmen, who have well considered the question, have the support of their countrymen, when they adopt a policy of protection implying duties of 40, 50, 60, and even 90 per cent. upon the productions of other countries. I believe if by experience they found that such heavy duties did not sufficiently protect and encourage their native industries, they would still further increase them.

Having seen what loss the country at large would sustain by the removal of this manufacture, let us look how Aberdeen and consumers here would be affected by importation of the linens

hitherto made here. By the best information I can gather, there is about £40,000 value of linen and flax goods consumed during the twelvemonths in Aberdeen, and, taking the number of families at 20,000, this gives £2 to each. Now, suppose I go, in the name of the British Government, to several heads of these families and say, we have found that the linen goods which you make use of can be produced cheaper abroad than here, and we have determined on a policy of "Free Trade," which will admit all manufactures into this country free of duty; by this you will in future be able to supply yourself and family with these linens 5 per cent. cheaper than at present. This will effect a saving to you of 2s. a-year brought about by our policy.

Well, but the shopkeeper will reply—I do £100 a-year of my business with workpeople employed at Richards & Co., *off* which I make a profit of £10, and if they are thrown out of employment by the introduction of these cheaper foreign goods, I will be a loser by your policy to the extent of £9 18s. yearly. Is this not the fact, and unanswerable?

The only class of people in this country who could possibly benefit by these cheaper foreign goods, are those in the enjoyment of fixed incomes, and such would require *also* to have *their* taxes paid for them, otherwise even they would be no gainers. And how many, or rather few, are there of such in this country? Certainly not a couple of hundred thousand—I doubt if there is half of that number. Doctors, lawyers, clergymen generally, and every class whose incomes are more or less affected advantageously, or the reverse, by the prosperity or the adversity of trade at home, would, and must, suffer in their incomes, as each and all are just paid, well, or otherwise, in proportion to the means and ability which people (on whom they are more or less dependent) have to pay them.

The quantity of food raised in this country is exceptionally small, in proportion to the wants of our vast population, and the great sources of our wealth lie in our mineral resources, in the labour employed in bringing them to the surface, and with other imported raw materials converting them into articles for the uses of mankind. We cannot support our population of 35 millions by the manufacture of raw material into articles for home consumption *alone*. We have hitherto been, and must continue, dependent on foreign countries for an outlet for more than three-fourths of what we produce in this way, and if their fiscal policies have the

effect, as has recently been the case, of preventing our productions getting into their markets, we must be prepared to sacrifice by far the greater part of our present population. We cannot control the policy of other countries, except in so far as the retaliatory powers we possess may enable us to do so, and, to this end, wise legislation on our part should be directed.

But we do worse than not employing this power which nature and our enormous consumption has given us. By our absurd fiscal policy, we actually prevent the developement of those mineral resources which we have within ourselves, and which are valueless so long as they remain in the bowels of the earth. I shall endeavour to illustrate what I mean.

I am building say a warehouse, in the construction of which is required several malleable iron beams, for which my architect has just drawn specifications.

He has asked a firm of iron founders in this country to estimate for the same. They avail themselves of the opportunity, and as the raw material—the *iron*—is within the country, they make their calculation. Living is dear in England, the taxes are high, and the weekly hours of labour being restricted, workpeople require, in order to live in comfort and support their families, 7d. per hour.

This contract, if they secure it, will occupy 20 workpeople 8640 hours, and as they labour 54 hours per week, it will take them 8 weeks to complete, and the amount of these wages will be £252.

In the meantime, I have been persuaded to try for the iron beams in Belgium, where the taxes are lighter, the living cheaper, and there being no legislative restriction in the hours of labour as in this country, the workpeople *there* are better off with 6d. an hour than the same class here with 7d.

Ultimately, I accept the Belgium tender, and rejoice in the discovery that I have saved, by so doing, £36—exactly the difference in the price of labour *there* as compared with its cost *here*. I have, as an individual, profited to the extent of £36 (at the expense of my country, it is true), but my conscience is at rest, for I gave my countrymen a chance, and they could never expect me to give them the order at a loss of £36 to myself.

But what has been the consequence of our legislation in allowing a free import? By the sum which these 20 workmen would have earned by their labour during 8 weeks, and the profit on the contract price, viz., £291, has the retail trade of the country fallen off.

Workmen in this country have had that much less employment, and consequently less to spend, and shopkeepers have lost their profit, taken at 15 per cent., of £43 13s. The wholesale houses their profit of 10 per cent., or £24 14s., on the goods which would have been required by the retail shopkeepers had the wages and profit on this contract been secured. A further loss has been sustained by importers and manufacturers on the articles that would have been consumed of £22 4s., and the founders and iron-masters have been deprived of £39, their profits (reckoned at 10 per cent. on £291) which the contract for the iron beams would have yielded them.

But this even is not all—the National Exchequer has lost £40 of indirect taxation through duties imposed on the articles which would have been consumed had the money which has gone to Belgium been retained and distributed in this country.

Thus we have to place against a gain of £36, a national loss of £169 11s., which has to be borne by many classes in the country in order that I may effect an individual saving to the extent of the sum named.

Should not such facts as these, help to convince the most irrational Free Trader of the value of protecting labour, and encouraging and fostering, by necessary import duties, national industries, and the development of the mineral and other resources of our own country. Surely such an illustration as has been given is proof that unreciprocated Free Trade is not, as represented by its advocates, the greatest good for the greatest number of our countrymen, but only to the individual consumer, at the expense of numerous taxpayers and producers. An import duty of 12½ per cent. would have secured this contract for our own country, and given employment to, and increased the comfort of, numbers of our population.

But free traders are at present in a great majority, and they will not move in this direction one step, to protect the labour of their suffering countrymen.

The legislative treatment of our labouring classes is neither fair nor just. They have to bear their full share of our heavy taxation, and must in consequence have higher wages before they can live in the same comfort as their class in other less heavily taxed and more favoured countries, and yet the policy of our government is to allow foreign labour to compete on equal terms. They first deprive our work-people of the power to sell their labour cheap, and then be-

cause it is of necessity dearer, employ the foreigners in preference.

Time was and not so long ago, when a native born Briton would not have exchanged the privileges and advantages which his nationality conferred, for that of any other in the world besides. But the policy of recent legislation has been such, that I have serious doubts whether those of the generation just arriving at manhood, who may have to earn their bread by manual labour, will have much cause to rejoice at the accident of their birth, when they come to discover that the policy of their rulers of late years has been such, as disables them from disposing of the fruits of their labour except in the least remunerative, because most protected, foreign markets, and encourages an unjust, because unfair, competition, from other less heavily taxed and more favoured nations, for employment of their labour even at home.

Now let us see what is implied by the term "Free Trade" as understood by Sir Robert Peel and Mr. Cobden, who never wearied in affirming during his life time, after the treaty of 1860, that a very few years would see all the world following the same policy as ourselves.

The greatest authorities in political economy, from Adam Smith downwards, tell us, that all trade is barter, and it is not absolutely necessary to the carrying of it on, that any money should pass hands at all. Trade is simply the exchange of commodities, which an individual, or a nation, has in superfluity, for those of another, which must be superflous to it—and to be *free* there must be no restriction in the shape of customs duty, or any other form whatever.

Two youths have each an article for which they have no particular occasion—they meet, and enter into a bargain, and each is satisfied with what he has received in exchange, because he has got for the article he could spare, something which he was really in want of. This is Free Trade. But if the parent or guardian of one of the youths, comes forward and says, before I allow this transaction to be ratified, before in fact I allow your article to be delivered to my son—you must give me a *quid pro quo,* to the extent of half the value of the article you are parting with—This cannot in fairness be called *free* exchange betwixt the youths.

American, French, and German subjects are quite willing to exchange their several productions for what the British can give them in return, but they take very good care that they shall receive

an equivalent in value for what they are parting with. But, before the delivery of the British articles can be made, the respective governments of these countries come forward and say, before we allow the bargain to be ratified you must pay us 30, 60, or 90, per cent. on the value, by way of toll, which we impose for the purpose of reducing the taxation of our countrymen, and in order to prevent them from entering into any transactions with foreigners which might tend to affect injuriously the development of any industry in the country, without the state receiving compensation for the same.

This, surely, upon the most *liberal* construction of the meaning of the term, cannot be called "Free Trade." But it correctly illustrates the sort of Free Trade which England enjoys.

The principal of Free Trade is admirable in its conception, and if carried out in its integrity between nations, would not only knit them together in the bonds of peace, but each would be able to get from the other, what that nation could best and cheapest produce in exchange for commodities produced under similar conditions by themselves. Such Free Trade as this implies perfect reciprocity, and no customs tariffs whatever.

The advocates of Free Trade in this country flatter themselves that we enjoy such Free Trade as this, and speak as if we did actually experience it, when they enlarge upon its blessings. Whereas Free Trade, as this country knows to its cost, is of a very different sort. The freedom is all on our own side—the restriction with other nations. We concede *everything*, and get *nothing* in return.

And how are we affected by this absence of reciprocity? Well, we not only lose the benefits which would acrue to us from a really genuine Free Trade, by getting our native productions in larger quantities into foreign countries, and a fair and remunerative value for them, but we further sacrifice the profit which customs duties would yield us, bringing with them a reduction of imperial taxation, and, by our declared policy, deprive ourselves of the immense powers we possess in virtue of our enormous imports, to coerce other nations by retaliation to reciprocate.

We have just experienced our powerlessness in this respect, in our failure to negotiate a new commercial treaty with France. It has generally been understood that the treaty of 1860 was a most advantageous one for France, yet she will not renew it, and why?—Because we have really nothing to offer in return. She

knows our statesmen are committed to a Free Trade policy, and that she is bound to enjoy the advantages of *our* markets, as well as other countries, and why should *she* make sacrifices and commit herself by a treaty, admitting British manufactures, to the injury of her own—beyond what is required of other countries.

The steadily increasing excess of imports over our exports of late years, is justly causing serious alarm to thoughtful and practical men, who know *well* the consequences to which it must lead.

But Mr. Mongredien, Mr. Chamberlain, and others, tell us *this* is not merely a proof of our great wealth, but at the same time a source of it, and a positive advantage to the country, because we pay for them, not in hard cash, but by goods of *our own* manufacture. But this can hardly be, otherwise our exports would balance our imports, which is not the case.

A better political economist than either, and certainly a higher authority, the late Mr. Walter Bagehot says "that the ordinary foreign trade of a country requires no cash, and that the exports should balance the imports, but if a country should from any cause whatever import more than it exports, the difference must be paid for in *cash*," and it is indispensible that it should be so. Adam Smith also, in his Wealth of Nations (book 4th, chapter 3rd) says, "when one of two nations imports from the other to a greater value than it exports to that other, the former *necessarily* becomes indebted to the latter in a greater sum than the latter becomes indebted to it, the debts and credits of each do not compensate one another, and *money* must be sent out from that place of which the debts overbalance the credits."

But these same gentlemen tell us that this is not the fact, for that gold has not been sent out of the country. But if gold has not been sent, foreign and British securities have been parted with, which is equivalent, and this country is just the amount poorer all the same. As the value of these securities we hold become *less*, we will have to part with *gold* itself, and then, if not before, the country will become alive to the consequences which Free Trade on our part, and protection by other nations, has brought upon us.

As one of many proofs which might be given of the deception practised by those who professionally write to bolster up a "Free Trade policy," Mr. Mongredien in his work—"Free Trade and English Commerce,"—which has had an enormous circulation (chiefly through the strong commendations of Mr. Bright), shows,

by a table, that this country during 16 years, commencing 1863, imported £92,000,000 of gold in excess of what we exported.

Now, although this may be true, he altogether withholds the equally true and most alarming fact, which his own figures bear out, viz.—that while during the first 8 of these 16 years, the excess of our imports of gold amounted to £60,000,000, in the latter 8, down to 1878, the excess was only £32,000,000—that is to say, for the *last* 8 years the amount of gold imported into this country had fallen off by *nearly one half*.

Mr. Chamberlain and Mr. Mongredien further tell us, that the way we can afford to import more than we export, and pay for the excess, is, because we yearly receive large sums in the shape of interest from our capital invested abroad. Well, no doubt this is largely how we have been able to pay for excess of imports without sending gold out of the country, but can this be regarded as any proof of the flourishing state of our trade and manufactures *now?* I think the very reverse, because, but for the great accumulation of wealth in the *past*, we should be becoming largely indebted to foreign countries. In other words, we are living *now*, partly on the profits by our trade and manufactures, and partly or *largely*, on the interest accruing from capital invested abroad. Our present trade profits alone, are clearly not supporting us, and must be very different from what they *were* in the *past*, when they not only supported us, but enabled us to accumulate and invest otherwise, the large sums from which we are now deriving the interest, which alone is keeping us from bankruptcy. To illustrate this.

Suppose the case of a man who has carried on a profitable manufacture for twenty years, during which time it has yielded him, on the average, £2,000 a-year, £20,000 he has required for maintenance, the other £20,000 he has invested abroad.

He can still afford to live in the same style *now* as formerly, although his business has completely failed him, because he can fall back on the interest of his foreign investments for his support. But has not a serious change all the same come over his manufacture, which from yielding him £2,000 a year, is *now* worthless to him as a means for his support. Yet this is known to be the position of many of our manufacturers at the present moment.

Nevertheless, we are assured, by the irrepressible advocates of a Free Trade policy, that although the means by which we were able to support ourselves during these 20 years, and save a sum on the

interest of which we are now living, has failed us, our increasing imports afford undoubted evidence of our increasing prosperity. Most people would rather conclude from this, that the sources of our previous prosperity were becoming dried up.

The members of the Philosophical Society are too intelligent to need to be told of the depressed condition of our trade and manufactures, but a few illustrations will help to show how *general* and how serious that depression is.

In Birmingham and Sheffield mechanics are unable to earn half the amount of their former wages; and most of the large concerns, which a few years back were dividing their 30, 40, and 50 per cent., now pay nothing at all, and their shares are at a discount in the market.

In Sheffield, at the present moment, there are 5000 tenantless houses, and in Birmingham upwards of 10,000.

In Manchester, the seat of the cotton trade, warehouses are to let, not by the score, but in hundreds; and Bradford, perhaps the greatest sufferer of all by foreign tariffs and free trade, presents a most melancholy spectacle. Mr. Lister, of that town, has publicly stated that, since the French treaty of 1861, there has been a loss in *workmen's wages* on the silk goods imported of between £50,000,000 and £60,000,000 stg.

Coventry, which in 1861 gave employment to 41,000, is now all but extinguished; and it is estimated that there are not now a dozen in the trade who have not had to compound with their creditors.

Macclesfield had 55 factories, employing 14,000, and is now reduced to 6000. One firm alone had 180 apprentices and 1800 work-people; and has *now none* of the former, and only *100* of the latter. The decline is wholly attributed by the Chamber of Commerce to the operation of the Cobden Treaty.

The annual return of ribbons and trimmings, which amounted to £2,500,000, is now given at £600,000; while the wages have fallen from £12,000 weekly to £2,000. The United States, which used to take our silks by tens of thousands of pounds value, *now* take little or nothing; and the chief of the Statistical Department in America tells us that, since the Tariff Act of 1864, the domestic silk trade there, has *quadrupled*.

A meeting of over 4000 weavers was held at Coventry last September to protest against Free Trade, and expressed themselves at a loss to understand why *their class* should be so much

better off in countries which have never experienced its blessings. Such meetings have not been unusual lately. Our workpeople are beginning to see that, while *our* productions are kept out of every foreign port, the productions of foreigners are let in *freely here*, and they think this unfair, and who can blame them? Universally the decline is traced to our treaty with France, under which *all* their silks are admitted duty *free*, while the French Government have imposed heavy duties on the very descriptions in which we stood a fair chance *otherwise*, of competing with them.

The Duke of Rutland, at the Cuttlers' feast in September last, described, in very few words, the condition of trade in the Sheffield district.—"Profits," he said, "are a thing of the past, wages are being reduced, your furnaces are being put out, and your mills are worked, either not at all, or half-time."

If there are, who doubt whether this loss of trade is attributable to our fiscal policy, let them listen to what Mr. Robert Giffen, a great Free Trade advocate, now says:—"what the great masses of our workmen in the United Kingdom suffer from, is, not foreign bounties, but foreign tariffs. To complain of foreign bounties, and not of foreign tariffs, is to direct attention from real evils to evils which are, by comparison, imaginary." And in this he is quite correct.

The glove trades of Worcester and Yeovil, and the pottery trades of Stafford and Worcestershire, have shared the same fate, and the condition of the lower classes of operatives is becoming most deplorable. While the average remuneration of American pottery operatives is fully 100 per cent. in excess of the wages now paid in England for the same class of labour, even boys and young girls are earning *there* from 12s. to 18s. a week.

This may serve to explain, in some degree, to English artizans, why it is that protection is the national policy of the United States. It is because the working men find that, under it, they are much better off than English workmen are, under single handed Free Trade. It is *they*, and not the employers, who keep the United States a Protectionist country.

At the Bristol chamber of Commerce in June last, the *liberal* member for that city, Mr Samuel Morley, said—"There could be no doubt we were suffering from the operation of *tariffs*, let us boldly say, that if these duties are continued, England will have to retaliate."

Sir Edward Watkin, another liberal member of parliament,

addressing the Manchester, Sheffield, and Lincolnshire Railway Shareholders, in August last, told them that there was a falling off, on their exports from Grimsby, for the German Markets of 50 per cent. caused by the tariffs duties now in force in that country, and much the same was applicable to the American tariff.

At a meeting of the Scottish Chamber of Agriculture, in July last, one of the speakers dwelt upon the depression of trade, and said—"Not only did the master suffer, the workmen were feeling the pinch, and were now beginning to see that they were *bondsmen* to the foreigner; that the foreign toll could only be paid out of *their wages*, and perhaps extension of the hours of labour. To avoid this impost, large numbers were emigrating to countries where the products of their labour would not only find a *free* market, but also a toll to protect their labours."

When I have given one additional proof of the almost universal depression of trade that at present exists in this country, I shall have done—but it is a startling one, and the authority for it is no less an individual than the Foreign Secretary.

At the meeting of the Iron and Steel Institute, held on 11th October last, Lord Granville said, "If you look at the table of the assessment of iron works to the Income tax, you will see that *that*, which in 1875 amounted to 7¼ millions, was reduced in 1879 to less than 2 millions of money. Taking the years 1875, 6, 7, and 8, you will find a reduction in the quantities of steel and iron exported from this country of something like 700,000 tons. If you look at the difference of *value* there is a diminution of something more than 18 millions from a little less than 38 millions of money. That represents 25 per cent. reduction in quantity and 50 per cent. in value, and that reduction in value represents to the iron trade of this country a net value of something like £40,000,000 a year, so that during these four years no less a sum than £160,000,000 sterling was lost to the iron trade."

When we find the statistics given by the advocates of a Free Trade policy in direct and hopeless conflict with such a mass of testimony as the foregoing, surely it is more reasonable to distrust the figures which are put forward from time to time, than such facts as have been adduced.*

These are some of, but they are far from all, the evils attendant upon our following a one-sided Free Trade policy, and not taking

* *Quarterly Review.*

advantage of the enormous retaliatory powers which our vast wealth and capacity as consumers enable us to command.

Some of these evils, through the very nature of things, it would have been impossible to avert. It is long since our surplus capital, unable to find employment at home, has been engaged in mining and other operations in foreign countries, and developing *their* resources by the construction of railways and docks. But it has been reserved for the last few years to discover men, engaged in the manufactures of our own country, withdrawing their capital from *here*, and employing it in *preference* in protected countries, for the *only*, but quite sufficient reason, that it is more profitable for them to do so.

Messrs. Priestly & Sons, of Bradford, have established mills in Philadelphia, and removed all their looms and the best of their skilled operatives to America. Messrs. Coats and Messrs. Clark, two of the largest and best known thread manufacturers of Paisley, have, for some time, had manufactories in the States, employing many thousands of hands, and for no other reason than that they cannot afford to manufacture in this country and pay the high tariff which the Americans impose on the imported article.

Finlayson, Bousfield, & Co., of Johnstone, linen thread manufacturers, have been obliged to do likewise, although they would much have preferred to develop their manufacture in this country, but they cannot afford the duty of 40 per cent., and I have a letter from one of the largest manufacturers of Batley, who says, in reply to my enquiry :—"The duty on goods exported to Germany from this district is now so high as to be almost prohibitory, and there have gone, within the last few years, 10 or 12 manufacturers from this neighbourhood, who are now making *our* class of goods *there*."

Thus, the great wealth we possess is becoming an instrument for the destruction of those very industries, which, but for our short-sighted fiscal policy, would have been employed in their development at home.

The position of the whole question is this—by her policy Great Britain practically says to all foreign countries, produce what goods you can, and send them here, and we shall give you the same facilities for disposing of them to our people, as our own manufac turers enjoy, although you contribute nothing towards the taxation of our country.

While all protected countries, by their policy, reply to our invi-

tation to them to do likewise—No; we are very sensible of the great value of your concessions to us, (and we mean to take advantage of them to the utmost), but we shall not allow our people to purchase your manufactures, unless you can sell them at prices 40, 60, 80, and 90 per cent. cheaper than our own countrymen can produce them.

We have in England labour in abundance, and capital in abundance ready to employ that labour, but both are to a large extent idle and unemployed, because through the restrictive policy of other countries, there can no markets be got for the fruits of that labour.

Even our home trade, which is of the greatest value to every country, we have surrendered to the foreigner, admitting to it, on equal terms with our own heavily taxed countrymen, the productions of the world—thereby increasing, by the population of the United Kingdom, the home trade of every other country, and diminishing the value of it proportionally to our own manufacturers.

Nothing could be more suicidal. I have the greatest faith in the enterprise of British capital—I have the greatest faith in the energy of British labour, for I know they can effect marvellous things in manufacturing; but they cannot accomplish impossibilities, and it is an impossibility to expect of them what is demanded, viz.—that they must produce goods 40, 60, 80, and 90 per cent. *cheaper* than other countries, before they shall be admitted into their protected markets. One thing is certain, other countries must receive our productions as free as we do theirs, or many of the industries of England must go to the wall, and the only course open to us, to enforce this, is by *retaliation*.

This is a power universally possessed, and by England to an enormous extent, and it is one which *every* nation may be justified in having recourse to. Adam Smith, in the second chapter of his fourth book, says, that retaliatory duties may be good policy, when some foreign nation restrains, by high duties or prohibitions, the importation of some of our manufactures into their country; and Mr. Goldwin Smith, whose liberality in these matters few will call in question, in the *Contemporary Review* of last September, while explaining that the Canadian tariff was devised to coerce the Americans into lowering their duties, justifies their policy, and says—"If the pressure were likely to be effectual, *why* should it not be applied. An immediate sacrifice would no doubt be made—

in refusing to buy cheap American goods—but it would be made in *anticipation* of a greater gain, and a doctrine of Free Trade which should forbid such an exercise of foresight, would surely be Free Trade *gone mad.* Political economy is a matter of expediency, it is not like *morality,* which forbids us to do evil that good may come."

Let it go forth and be understood that in future Britain will treat other countries as she is treated by them, and you will have all nations emulating each other in their desire to make terms with us to secure a free market for their productions.

From a Free Trade point of view all commercial treaties that are not on *equal terms* are a mistake.

The conditions of the world's trade have changed since we initiated our policy of Free Trade, and we shall have to change our fiscal system to grapple with them, or we must go to the wall.

It is a serious matter for a country like England to reverse any policy she has followed for so many years, accompanied, as such an admission of failure must be, by discredit to a great and popular party in the country. But I trust, if once convinced that our policy has been unsuccessful; no mere temporary loss of prestige, no lack of moral courage, will prevent acknowledgment of the same.

Protectionist countries who have profited through our policy may sneer, but better endure that for a time, than merit the everlasting and just reproaches of future generations of our countrymen.

Some countries *may* sneer, but *many* more will rejoice at the returning prosperity, influence, and power of England, because the pages of history have taught them, that no nation since the Christian era, has, in the Providence of God, employed to the same extent those agencies for humanizing, for civilizing, and for Christianizing mankind.

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NATIONAL PROTECTION

COMMONLY CALLED

"RECIPROCITY"

STATED FROM VARIOUS POINTS OF VIEW

BEING

REPLIES TO

SIR LOUIS MALLET'S CHALLENGE

IN A LETTER ADDRESSED BY HIM TO

THOMAS BAZLEY POTTER, M.P.

AS CHAIRMAN OF THE COBDEN CLUB

Reprinted from the BRITISH EMPIRE *Newspaper of 3rd May* 1879

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PREFACE.

THE Cobden Club has again held its annual festival, and its members have enjoyed their undoubted privilege of once more reasserting their "immortal" principles, reaffirming their infallible dogmas, and congratulating each other that, in the midst of the surrounding gloom, and in the presence of the determined hostility of the rest of the world, they are the sole possessors of the true economical faith.

The speakers at the annual dinner of the "Club" have been this year somewhat persistent in pointing out that the fiscal policy in their charge is even yet only on its trial—a period of thirty years or thereabouts being so little in the history of man. Their greatest apostle, however, has recently declared that, in this country, at least, the question was "settled" in 1846—so that when doctors disagree, who shall decide? But "settled," or only on its trial, the subject has too absorbing an interest to be lightly dismissed as beyond the range of discussion.

In republishing the following papers, written in reply to Sir Louis Mallet's letter to the Chairman of the "Club"—in which it was suggested a prize should be offered by the Cobden Club for the best statement of the "Reciprocity" case—we have nothing to add than that, though originally published on May 3, no serious rejoinder has as yet been attempted, either by Sir Louis Mallet, or any representative, or any advocate of the system generally known as, but most erroneously called, Free Trade.

EDITOR "BRITISH EMPIRE" NEWSPAPER.

June 24, 1879.

INTRODUCTION.

THE theoretical ideas contained in the term "free trade," which latter has, by the force of various exceptional causes, secured for many years an immense hold on the popular mind in Great Britain, are sufficiently captivating, on the surface, to afford some excuse to the unthinking masses who take their opinions at second hand, and join heartily in the most plausible cry of the hour. For this reason a pamphlet issued lately by the Cobden Club, from the pen of Sir Louis Mallet, and purporting to inquire into the question of reciprocity, has been received with the profound deference generally paid to "inspired" writings. It is not too much to say that at the present day Englishmen accept their teachings on economics in much the same manner as the majority of mankind accept the doctrines of their several religions—without inquiry, and frequently without even knowing, or caring to know, the basis of their faith. There is an orthodoxy in everything that the popular mind does not readily grasp as well as in creeds, and the fashion of the day has ruled that on the question of political economy the name of Cobden before all—and then that of Mill, or of Bright, or of Gladstone—most appeals to the average Englishman's senses. For this reason anything and everything that emanates from such a source—and probably in a tenfold degree all that comes out with the *imprimatur* of the Cobden Club and its semi-blasphemous, superficial, and utterly inefficient motto—is swallowed whole without cavil or question. For no other reason can it be conceived possible that so weak a pamphlet as that to which we have referred should have been accepted without protest, or even as quietly as it has been. Probably the chief condemnation of its internal feebleness is to be found in the fact that it has not created any great sensation, which, coming from such a source, would have naturally followed had it been a masterly production. In point of fact it bears all the evidence of having been only hastily thrown together and somewhat carelessly compiled, Sir Louis apparently having in his mind all the time that he was only grappling with* (to use his own terms) a "man of straw." Had Sir Louis waited till this week he might have employed a happier phrase thrown him by the Prime Minister, and might have said instead that on seeking for his antagonist he always found him a "phantom." He would have found that word admirably suited to his purpose, though perhaps he would scarcely have used it in the sense in which it was employed by Lord Beaconsfield. But since Sir Louis feels this difficulty, and because we cannot admit that Lord Bateman's "Plea for Limited Protection or Reciprocity"—which Sir Louis appears to regard as the representative of what he calls the "modern reciprocitarian"—is at all calculated to remove it, any more than his lordship's speech of last Tuesday† in the House of Lords is likely to do so, we have endeavoured to supply the deficiency by papers written from the various points of view of each writer.

Reciprocity, says an eminent authority, is "dead," and its ghost only survives to lure us on in "phantom" fashion. Reciprocity is "dead"—the

* May 3, 1879. † April 29, 1879.

first Minister of the Crown has said—*because our legislators have nothing left wherewith to reciprocate.* We have long ago given up the arms with which we could fight—all our big guns and nearly all our small arms—and are without the means even to show our teeth. Such, in point of fact, is the first conclusion from the statesman's point of view. Not in a hurry, but after long and patient thought, the country, captivated by brilliant rhetoric and seduced by no less brilliant promises of untold prosperity in the future, decided to reverse all its old fiscal system, and to embark on a new sea. Hence it is no business of the Government, no matter what party to which it belongs, much less of the House of Lords, to interfere with that which the nation has willed, until the country again shows plainly that it desires another reversal of our fiscal policy. Nor would we wish, nor venture to suggest, that aught even now should be done in haste. But it is another question entirely whether the matter is not to be fairly discussed, and the people to be told the plain truth as to the principles of that which is known—or, rather, believed to be known—by the term reciprocity. From that point of view it is not "dead," but certainly lives in the heads and hearts of many. We may say, however, at once, that between the faint creed professed by Lord Bateman—who has posed as a prominent man, if not a leader on the question—and the more decided views of others, there are many stages. We are not sure, indeed, whether Lord Derby* was not right in the main when he described reciprocity as "protection in a fancy dress." The term was intended as a sneer, of course, and as such the delicate mind of Lord Bateman evidently shrank from the application in his speech on Tuesday last† in the House of Lords. But we do not hesitate to declare that the protection of home land and labour—of the productive consumer rather than of the unproductive consumer—is the first article of the creed of him whom Sir Louis Mallet terms the "modern reciprocitarian." The word "reciprocity" itself is, indeed, poor in expression, compared with the policy its most earnest and hardest-thinking adherents advocate. It has probably been widely accepted for the very reason that impelled Lord Bateman in so many words to repudiate the very mention of the word "protection."

The "modern reciprocitarian" then, as we have said, aims at protection to British land and labour—but differs from that which popular prejudice somewhat unfairly ascribes to old "protectionism," in that he does not claim to protect the interest of any special class, but to legislate for that of the community at large, and not to leave all commercial action free as the air; any more than society dares to leave the actions of individuals free and unfettered. The "modern reciprocitarian," for instance—to put a hypothetical case—would dismiss the sugar trade question to the four winds, were it not typical of almost every trade and calling in the kingdom. The interest of 30,000 families—who are represented in the sugar-refining community—would rank as nothing, compared with any advantages that could be shown likely to result to 30 millions of people, by sweeping the 30,000 families away or driving them elsewhere. The "modern reciprocitarian" would impose no duties for the mere sake of levying duties; but, since taxes must be raised somewhere and somehow, would impose them in such manner that home interests should be thereby protected, that home land and labour might receive a greater demand for its products, and thereby better enable the nation to bear the burden of taxation. There are, naturally enough, "reciprocitarians" and "reciproci-

* His lordship also quoted this phrase second-hand. † April 29, 1879.

tarians." Some are only "dissatisfied free traders," who profess to advocate a universal free trade much in the same fashion as the ultra-dissatisfied members of the Cobden Club talk : for even in that sanctum there are dissentients. Others, again, are little else than what is known by the term "rank protectionists," who do not believe in "unrestricted competition" in any shape, not even if two nations mutually agree to open their ports to each other. It were indeed impossible to be otherwise, since as long as human nature exists there must ever be degrees of opinion. For this reason, therefore, possibly, Sir Louis Mallet has found himself, as he says in the first lines of his pamphlet, confronted with the "insuperable difficulty" that,

'In spite of much reading and a very sincere desire to understand the objects and arguments of the advocates of this new (?) commercial policy, I have entirely failed in finding any statement of their case."

We have therefore endeavoured to supply Sir Louis, in a measure, with that which he so sincerely desires. In the following pages he will find that though every writer more or less treats the subject as a whole, each paper has some special point of view from which he regards the question. For instance, "Veritas" in the first paper has directed his attention mainly to the question of manufactured goods and of luxuries. The tone of "Agis'" mind, in the second paper, appeals more directly to the question of the producer and consumer, and to examine which interests should be primarily regarded. "Vigilans," in the third paper, makes a special feature of our international trade generally. "Plus Solis plus Vitæ," in the fourth paper, looks upon the matter from an agriculturist's point of view. And "Fortis in Arduis," in the fifth paper, grapples boldly with the whole labour question. One point, however, Sir Louis Mallet may possibly search for without finding—he may complain that no practical measure is formulated. Sir Louis, however, must remember that it is easier to pull down and destroy—as in the case of the introduction of a free trade policy in the days of the Anti-Corn League—than to build up and consolidate a system which must be formulated by practical statesmen, when once the country accepts the principle. When the "dead" has arisen again—as it will when the film from men's eyes is removed, and they see the delusions by which they have been so long ensnared—then will come the hour for such details. In the meanwhile it is our part to rouse all those who are willing to think, to a conception of the dangers ahead, and to that "impending shipwreck"—to use the Duke of Rutland's appropriate term—which will inevitably come upon us as a nation if we do not alter our ways.

While thanking the writers of the following pages for the readiness with which they have responded to our request, let us add that not one of them is "interested" in a business capacity personally with the special features from which he views the question. "Veritas" has nothing to do, to the best of our belief, with the trade of manufactured goods. "Agis"—though a worker in one way—is what would be called a non-productive consumer, against whose *immediate* interests he argues. "Vigilans" is not a trader, although he occupies a position enabling him to understand even the details of our international commerce. "Plus Solis plus Vitæ" is not an agriculturist; and "Fortis in Arduis" is not in his own person a type of the working classes. Therefore the mind of neither is tinged by any personal interest whatever—a reproach which is frequently and groundlessly brought against the "modern reciprocitarian," to attempt to throw discredit on his motives.

THE EDITOR "BRITISH EMPIRE" NEWSPAPER.

FROM THE "MANUFACTURED GOODS" POINT OF VIEW.

SIR LOUIS MALLET'S pamphlet certainly is a most remarkable production. The author cannot be congratulated upon his good taste, for some paragraphs in the pamphlet are almost bordering on profanity. Expressions such as "In thanking God, then, that he is not as other men, or even as this foreigner, the British Pharisee must not be allowed to deceive himself by a phrase;" and, "Can it be that while the hands are Esau's hands, the voice is the voice of Jacob, inviting us in the name of reciprocity to barter our free trade birthright for a mess of protectionist pottage?" are not very creditable to a writer who really has some standing, and a reputation to lose; but we have more to do with Sir L. Mallet's accuracy than his good taste, and we think it will be found that he is as wanting in one as in the other.

One of the first things that Sir L. Mallet assails is the word "reciprocity," which he informs us is totally inapplicable to the policy which has been so long advocated in these columns.

We perfectly agree with him that "the essence of all trade is and must be 'reciprocity,'" but we decidedly demur to the statement which follows it, that "every transaction of commerce, by which one man voluntarily sells his produce or property to another, *is an act of reciprocity, and is complete in itself.*" The essence of reciprocity in the treatment of either nations or individuals, is that both parties should be treated alike, and if one gets all the kicks, and the other all the half-pence, the treatment can hardly be called reciprocal, even if an engagement had previously been entered into to that effect.

The statement also that "the more nearly the tariffs of foreign countries approach to the limits of prohibition, the more will the British producer be protected in his own market," is so ludicrously incorrect that it seems impossible that the learned writer can have intended to make it in that form. Does he really mean to affirm that if the French tariff is so increased as to absolutely exclude our manufactures, while her own are imported here free, that it would tend to "protect the British producer in his own market"? We imported from France £21 millions worth of manufactured goods in the year 1877, each and all of which competed with precisely the same goods manufactured here, while owing to the high import duties in France we only sent under £10 millions worth there. Does Sir L. Mallet really mean that if the latter were excluded from France it would give greater protection to the English producer? While on this point, we may notice that in the appendix to the pamphlet there is a list of "Imports of manufactures into England, 1877," in which it is stated that only £16,060,400 were imported from France. We will refer our readers to the table issued in our number of January 4 last. That table was compiled with the greatest care from the Board of Trade returns, and it showed that £21,240,462 of manufac-

tures were imported from France in 1877. So much for Sir L. Mallet's accuracy on that point!

It is rather amusing to find our learned author quoting from Mill's *Principles of Political Economy* that "things are only in their permanent state when the exports and imports exactly pay for each other." With a total of imports of £394,419,682, and a total of exports of £198,893,065, he must have felt that, according to his own quotation, our trade was very far from a position of "stable equilibrium," but he tries to get out of the difficulty by stating that in recent years the imports of gold and silver bullion into the United Kingdom have exceeded the exports—the average annual excess in the last five years being, according to Sir Louis, nearly 5 millions per annum. Now, although his figures are in this instance perfectly correct, yet we think it would have been fairer if he had mentioned that in the year 1877 the balance was the other way, and that we exported two millions and a half more bullion than we imported, but no one really knows better than Sir Louis that bullion transactions are no real test of financial position in the present day. Where Sir Louis makes a mistake is in confounding the import of foreign goods that we do not manufacture here with those which we *do* manufacture here. We want as much of the former as we can get, and as little of the latter, and in that sense the words that he puts in the mouths of the advocates of reciprocity, viz., that they say "Our policy is to induce foreign countries to take more of our goods, and give us less of theirs in return" (p. 12 of the pamphlet), are perfectly correct. Such a doctrine, Sir Louis tells us, "is not likely to be very popular either with the producing or with the consuming classes of this country." We think he is considerably mistaken on this point. To the *producing* classes it is a matter of most vital importance to prevent the yearly increasing importation of foreign manufactured goods, which enter into direct competition with their own productions in the home market. Sir Louis, like many other writers of his way of thinking, tries to make out that the amount of foreign manufactured goods imported into this country is far below what it really is. We shall come to this point soon, and shall show how utterly wrong his figures are, and we only now wish to point out that to those producing classes a policy which prevents foreign competition in their own market must be an advantageous one, and that they are not such fools as to be made to believe, even on the authority of so distinguished a man as Sir Louis Mallet, C.B., "that every Englishman who sells or buys in a foreign country, whatever be the tariff of that country or of his own, *is already in the possession of complete reciprocity.*" Moreover, let it be well remembered that those producing classes are now far more numerous than they were in years gone by. England, whether the change be for better or worse, has ceased to be what she used to be, viz. "an agricultural country." Out of a total population of 26,072,284 in England, Scotland, and Wales at the last census, 5,105,998, or very nearly *one-fifth* of the whole, were engaged in manufacturing pursuits or trades, such as mining, dependent upon them. We do not for one instant mean to depreciate the importance of the agricultural interest in this country, and we hope to show hereafter how completely that interest ought to be bound up with those of the manufacturing classes in this matter. But it is important to show that numerically the manufacturing classes vastly preponderate, for those engaged in agriculture now are only one-fourteenth of the population. Moreover, besides those actually engaged in manufacturing pursuits as mentioned above, there are a vast number of shopkeepers, etc. in our manufac-

turing towns who are as dependent on the welfare of our staple trades as the very workmen themselves, and that when they are once made to understand how ruinous our present commercial policy is to those trades, they will probably be willing enough to forego the small advantage they get as "consumers" in buying cheap foreign goods. Those "consumers" themselves, too, are becoming alive to the fact that they do not gain all they think they do by the cheapness of these goods. The British housewife has already found out that it takes *two* lumps of *beet* sugar to sweeten a cup of tea as much as *one* lump of cane sugar would do, and that the ruination of our English loaf sugar trade has been anything but beneficial to her pocket.

We now come to the most important part of Sir Louis's pamphlet, viz., where he tries to show that the real injury to the manufacturing classes of this country caused by foreign competition is so small that it would not be worth while laying import duties upon it.

He puts the values of our imports in 1877 of "manufactured and half-manufactured goods" at £49,089,241. We give below a list carefully compiled from the Board of Trade returns for that year, and for the accuracy of which we can vouch. It amounts, as will be seen, to as nearly as possible half as much again as the amount stated by Sir Louis; and upon this we will merely remark that a gentleman who is so little to be trusted in his figures is not very worthy of trust in the deductions that he draws from them.

List of articles imported in the year 1877 *into this country duty free.*

	Value.
Beads of glass	£66,260
Candles	430,511
Caoutchouc manufactures	1,484,794
Chemical manufactures and products	1,056,466
China and porcelain ware	279,888
Clocks	513,387
Cordage and twine	542,048
Cork, manufactured	491,503
Cotton yarn	379,801
Cotton manufactures	1,764,802
Drugs, unenumerated	481,501
Embroidery and needlework	84,609
Flowers, artificial	588,828
Glass of all kinds	1,908,167
Hair, manufactures of	116,510
Hats and bonnets of felt	103,588
,, ,, of straw	79,925
Hides, tanned, tawed, curried, or dressed	2,953,722
Jute yarn	37,959
Lace	521,384
Leather manufactures—boots and shoes	348,786
,, ,, gloves	1,518,557
,, ,, unenumerated	379,005
Linen yarn	285,942
,, manufactures	289,459
Metals—Copper, unwrought and part wrought	2,888,371
Iron in bars, unwrought	977,971
Steel, unwrought	70,687
Iron and steel, wrought or manufactured	1,537,063
Lead, pig and sheet	2,016,803
Tin, in blocks, ingots, bars, or slabs	961,398
Musical instruments	615,702
Oil, seed	569,967
Oil, chemical, essential, and perfumed	237,484

Oil seed cake	1,457,003
Painter's colours	759,552
Paper of all kinds (except hangings)	1,220,500
Paper hangings	62,955
Silk, manufactures	12,860,988
Skins and furs, *dressed*, and manufactures therefrom	1,366,324
Sugar, refined and candy	5,794,232
Toys	444,829
Watches	504,164
Wood—house frames, fittings, and joiners' work	120,524
Woollen manufactures	5,235,948
Woollen yarn	1,753,718
Goods, unenumerated—*manufactured*, *vide* page 63, Board of Trade Returns	5,748,653
Grand Total	£63,912,238

Some exception may be taken to my including "Tin in blocks, ingots, bars, or slabs" in the above return, as it may be said that such articles can hardly be considered as "half manufactured goods"; but it must be remembered that tin is found in large quantities in Cornwall, and that a very large population has been almost reduced to destitution by foreign competion in the tin trade, vast quantities being now imported which have gone through the first process of manufacture. Moreover, there is just as much reason to include them as there is to include pig iron, which has gone through a similar stage of preliminary manufacture.

So far, then, from having to deal only with an *eighth* part of our import trade, as stated by Sir Louis, we should have to deal with a *sixth* of it if we returned to import duties on manufactures. When Sir Louis comes to examine the "sources of our supplies" he is equally, or even more grossly, inaccurate. He deliberately states that the value of the manufactures which we import from the United States "*is less than £2 millions sterling*, of which more than half consists of tanned and curried hides." Let us see what the real facts are, which the following table will show:

Table of Manufactured Goods Imported from the United States in 1877.

Clocks	£107,780
Chemical manufactures	37,074
*Cotton manufactures	400,000
Drugs	33,591
Furniture	77,064
Glass manufactures	4,393
Hides, tanned	1,090,811
House frames, &c.	37,493
Iron mauufactures	200,000
Linen manufactures	5,162
Leather manufactures (including boots and shoes)	30,499
Muskets	6,199
Oil-seed cake	1,051,843
Painters' colours	15,081
Sugar, refined	425,150
Toys	13,813
Woollen manufactures	23,568
Total	£3,559,521

* The above figures, with the exception of "Cotton manufactures," are taken from the Board of Trade Returns. For some unaccountable reason, "Cotton manufactures" are not there mentioned among imports from the United States, but we have it on the authority of U.S. returns that 2,008,348 dols. were exported to Great Britain during 1877.

So much for Sir Louis's accuracy, his *two* millions having grown to more than *three and a half* millions. But to this amount may fairly be added the following articles of partially manufactured goods, viz. :

Copper, unwrought and part wrought	£27,326
Lead, pig or sheet	12,663
Oil, turpentine	320,834
Oil, chemical	43,364
Total	£404,187

which will bring the total up to nearly £4 millions without including "unenumerated articles of manufactured goods," which would probably amount to at least half a million more. So much for Sir Louis's accuracy on this point, and with it falls his absurd argument that because we could not touch the United States, therefore we should have no right to place an import duty on French manufactures.

But the most extraordinary misstatement on Sir Louis's part is contained at p. 22 of his pamphlet. He there says that "*the importations of manufactured goods from France do not greatly exceed the amount of the British exports.*" Now, the real facts are as stated in our issue of January 4 last, that while the imports from France were *over twenty* millions, the exports to France were *under ten* millions.

We leave it to our readers to say whether a writer who makes such statements is worthy of any credence at all. Sir Louis commences his pamphlet by saying that, "whenever I approached my adversary, I found him to be a man of straw," and that no "programme of practical measures which will stand the test of serious discussion" has ever been put forward by the advocates of reciprocity. We will answer him by saying that in the first place our policy would be to place an import duty on the manufactured goods of all countries that refused to allow our manufactures to be imported free. We have already shown that in the year 1877 the amount of goods imported on which such a duty could be levied was sixty-four and a half millions. We would not propose to make this duty prohibitory, but would place it sufficiently high to prevent any possibility of unfair competition in the home market.

We should also endeavour to form a national *Zollverein* between Great Britain and all her vast colonies and dependencies. To do this we should be prepared to place a small import duty on United States corn and other food produce, in order to divert that supply from the United States, that refuses to take our manufactures in exchange, to Canada and our other colonies who joined this *Zollverein* and consented to take them *free*.

We have shown how we would treat the manufactures of countries that refuse us reciprocity. We should treat all alike, so that there would be no excuse for statements like those of Sir Louis, that we were retaliating on a country which only taxes our imports 20 per cent. or less, while we left untouched a country like the United States, which taxes them double.

But although at the present moment the greatest need of change in our commercial policy is caused by the distress amongst our manufacturing population, still it must not be forgotten that there is also a cry, and a well-founded one, from our agricultural classes. It is becoming more and more impossible for our high-priced English land to compete with the virgin soil of the United States. Those agricultural classes, as has been already stated, are numerically but a small proportion of the whole population, but the owners of the land have immense power in the country, and it is useless to think that they will ever concede to the manufacturing classes the recipro-

city for which they ask, unless at the same time something is done for the agricultural classes in return, and both classes must work hand in hand together.

In consenting to a small import duty on food, the working classes will remember that cheap bread is of no use to those who are out of work, and have nothing to buy it with.

We are quite aware of the use which our adversaries made in former years of the "cheap loaf cry," and doubtless will make again, but it is of the utmost importance, apart from any other consideration, that the Empire should be *self-supporting*, and if a very trifling advantage were once given to Canada over the United States, we should soon be just as cheaply supplied from the former as we now are from the latter, so that the injury to that important individual, the British consumer, will be but temporary.

VERITAS.

FROM THE "PRODUCER v. CONSUMER" POINT OF VIEW.

You have asked me to make a few observations on a recent pamphlet which, however insignificant in itself, is supposed to have a certain weight because it is printed for the Cobden Club, and printed at their request. It is, I must say, frankly, a somewhat flimsy and unsubstantial production; but, considering the materials Sir Louis Mallet had to deal with, and the weight of economical error under which he labours, I do not know that he could be expected to have done much better. A man who starts from the assumption that two and two make five cannot arrive at any very useful conclusions. I am not imputing any special ignorance to Sir Louis Mallet. He only shares and endorses the fundamental error of his teachers—Mr. Ricardo, Mr. McCulloch, M. Jean Baptiste Say, Mr. Bright, and Mr. Cobden—that true wisdom is shown in buying in the cheapest and selling in the dearest market. Now, setting aside for the moment the question of the true interests of the community, which are practically ignored by the whole of this free trade school, and considering the interests of individuals only, it is absolutely and even ludicrously false that it is always best to buy in the cheapest and sell in the dearest market. I will tell Sir Louis Mallet what is true, though I have considerable doubt whether his mind will not be too deeply clouded by prejudice to be able to profit by the lesson. It is not always wise then to buy in the cheapest and sell in the dearest market, for that is often the height of folly (as I shall hope to convince Sir Louis and even the Cobden Club), but it is wise to buy in the best market—which may often be the dearest nominally—where you can obtain the best and soundest goods; and to sell in the surest market, where you are likely to carry on a lasting and a profitable trade. As soon as this higher truth is stated the fallacy of the old formula will become patent, it is to be hoped, to every capacity. The thing to be considered in business is lasting, not immediate, profit. The mere consideration of immediate money gains is secondary. Suppose a man could engage in two branches of business, one bringing only 10 and the other 20 per cent., but that the former of these occupations were healthful, and the latter injurious to human life, and likely to shorten it. Which business would pay best? I am endeavouring to make my illustrations as simple as I can, that even the Cobden Club may be able to follow me. A man's health and strength are his main capital. Any undue waste of these would be equivalent to a most heavy money loss. It would involve the probable surrender of the whole bulk of a man's capital in order to obtain a higher interest for the moment. Now apply this to a country or community. If it be true, even of an individual (as it is) that momentary gain means often permanent loss, that it is often most unwise to buy in the cheapest and sell in the dearest market, how far more true is this of a country or a nation! The bodily, mental and moral health, strength, and

wealth of the whole population of the country are its chief capital. Now imagine what the wisdom of a system of political economy must be which puts this entirely on one side as a matter of no account, and assumes as its primary axiom that true economy has nothing to do with communities but only with individual gains and losses! I repeat that the health and strength of the population are the chief source of wealth to the land, and these depend on two things, first the power of healthful production, and secondly the obtaining of a reasonable profit for produce. If, by whatever means, the prices of the goods produced fall below a profitable or paying standard, the business must come to an end, and the population must starve or emigrate.

The underlying assumption in the minds of "free traders" is that plenty and consequent cheapness are absolutely good under all circumstances, and this is what they mean when they tell us that the State has nothing to do with the producer as such, but has only to consider the consumer's interests, because all producers are consumers. Here economical errors multiply so thick and so fast that it is hard to know which to reprobate first. But let us go to the chief assumption that plenty must be always a benefit. Now, as this world is constituted, plenty is only a benefit when it is the result of healthful energy. Conceive the trees to bear loaves of bread, and the rivers to run with wine and milk—or let us say with milk only, not to tread upon the corns of teetotallers—would that be a benefit to society? We have all heard of the bread-fruit tree of Polynesia! Are we prepared to accept Tahiti, as it was, as our ideal? As plain matter of fact, is it not certain that too great luxuriance on the part of the productive unaided powers of nature is highly prejudicial to the interests of humanity? Can I not make it clear to Sir Louis Mallet and the Cobden Club that the primary sentence on man is also his highest blessing? "In the sweat of thy brow thou shalt eat bread." But if this be so, it follows that healthful labour is the primary source to man of all wealth, and that sound political economy must interest itself primarily in the well-being of labour, or in other words of the producer. What shall, what must we say then of a system of political economy grounded on the unhappy absurdity that the State has only, or mainly, to do with consumers, when ninety-nine out of every hundred can only consume on the condition of producing first?

Labour in all its forms was the first source of property; labour took possession of the soil and tilled it, and thereby became a landowner. Then labour in the shape of higher mental energy organised division and cultivation of the soil. The seeming curse of partial sterility or stubbornness on the part of nature was the highest blessing in disguise. Industry, zeal, activity, self-control, manly virtue in all its forms, became needful to attain the wished-for goal. In so complex a matter as human society, various influences have to be allowed for; the paternal developing into patriarchal authority, the headspring of the monarchical and hereditary principle, and also physical strength and courage and military daring, the power to resist and to attack; and above all energy, physical and mental—but chiefly mental energy in cultivation and production on a large scale, raising one man above his fellows and enabling him to become a practical capitalist. Now, in a highly complicated state of society, the result of a long-lasting and ever-widening civilisation, we have landholders, tenants, and labourers, master manufacturers and workmen, all the vast body of those who are engaged in commercial undertakings of every kind, all who contribute directly to the health and wealth of the community, lawyers,

divines, physicians, soldiers, sailors, all the guardians of society, and all these are in a true sense producers. Fundholders, *as such*, are not, because they consume without producing. The money which they have lent to the State or elsewhere, however, produces, for money breeds money, so that they are not useless ; but it is manifest that their welfare is not to be preferred to that of the direct producer. Now it should be almost unnecessary to say that the first condition of all production is profit. There must be a market, and a sale at a reasonable rate. Is it not clear that the wealth of a State must depend in the long run on the amount and value of its produce, which is the expression of the healthful energy of its population ? Plenty is admirable, if it be the result of labour ; if it comes in any other way it is a delusion and a snare. What satisfaction could it be to us to have corn selling at 10*s.* or 5*s.* a quarter in our markets, and cattle at an equally low rate, if the land were thrown out of cultivation, if all our landlords were ruined, and our agricultural classes driven from the land? Or, supposing, for argument's sake, that we could obtain foreign manufactured goods, the result of underpaid labour, at so low a rate that we could only compete with foreigners, if at all, on the condition of reducing our manufacturing workmen to the state of helots, would money cheapness be any equivalent to the nation for the ruin of its manufacturing population ? But, if this be granted, it is apparent that cheapness is not an absolute good, and that it is a fundamental error to seek to constitute the world's well-being on a ground-work of unrestricted competition or "free trade." It is far better that I should have to put forth my best energies in one shape or other than that I should be fed by others as a helpless infant on the choicest luxuries. Clearly in the long run cheapness at the expense of native labour would mean actual ruin. The great body of the population would have, as I have said, to starve or emigrate, and we should have lost life itself, national existence, for the sake of momentary money gains.

Now when these first principles are settled, *and not before*, we can approach the question of reciprocity. Sir Louis Mallet and the Cobden Club conceive that they *are* settled in the interest of cheapness. They cling to the old transparent fallacies, first that it is best for the individual to buy in the cheapest and sell in the dearest market, instead of selling in the best and buying in the surest—(by-the-bye, did not Sir Louis offer a considerable sum to anyone who should disprove this worn-out fallacy ?) ; and secondly, that the State should only consider the interests of consumers, and aim at money cheapness and plenty, no matter at what cost. Of course, if this were so, if cheapness were the only thing to be considered, the cheapness of the moment, then indeed reciprocity would be absolute nonsense, for doubtless the levying a tax on foreign produce must have a tendency to raise prices finally. If all we had to aim at was the obtaining of goods at a low money-rate, we should be only spiting ourselves, as Sir Louis tells us, if we retaliated on France or Germany, or the United States of America, by taxing their exports because they taxed ours. But if, on the contrary, the cherished axioms of free traders are altogether mischievous and foolish errors, errors of the worst kind, however specious and fair-seeming, then reciprocity becomes a matter of bounden duty and of the plainest common sense.

Now I am not greatly concerned, I must own, to defend the language of Lord Bateman on the subject of free and unrestricted commerce or exchanges, for I have shown it to be founded on a fallacy, that the interests of the productive classes should not be considered primarily,

which they always ought to be. But the truth is that the most vigorous minds of the last generation have been deceived in England, and as far as I know, in England alone, by the sophistries of Messrs. Ricardo, McCulloch, etc. Some notion of the logical value of Mr. Ricardo's speculations may be gained from the simple fact that he considers rent to be the profit which remains over and above, if any (on the basis of supply and demand as ruling prices), after the actual cultivators, tenant and labourer, have reaped their profit. The truth is, that in every civilised country, land has an intrinsic value like gold or money, variable indeed, but always real. As money must always bear interest, so land will always bear rent. If I lend a hundred pounds to a man he has to pay me interest for it at so much, quite independent of the question whether he derives a personal profit from the use of my money. So if I let him a farm he has to pay me rent for the use of my land, wholly apart from the question of his profit. Rent is the equivalent for the use of land, as the payment of interest is the equivalent for the use of money. But even this primary and most obvious truth is a mystery to Mr. Ricardo ; indeed, he practically denies it, and involves the whole subject in smoke.

But to resume, the world is governed by words, at least too often. Free trade and unrestricted intercourse among nations sound very fine. What they mean is ruin in the long run to all producers, that is, to the whole country. For a country's wealth, I repeat, does not depend on immediate money cheapness, but on the development of all the energies of the nation.

It is needless to say that all foreign countries see this fact, and so do all our greatest colonies. They have not, indeed, found the Columbus's egg of the matter, the axiom that all true wealth and health must be grounded on the well-being of labour. But they are like Molière's *"bourgeois gentilhomme,"* who had talked prose all his life without knowing it. They have acted on a common-sense theory, though they have not expounded it. It has been expounded, indeed, by Sismondi, Alison, and others, but the business of a true national league must now be to carry home sound theory to the hearts and heads of all reasonable men, the very Cobden Club included. For, after all, Sir Louis Mallet and his friends cannot wish to injure their country. Let us beware of imputing the errors of Messrs. Bright, Cobden, Fawcett, &c., to self-interest. No, they have been honestly persuaded that immediate cheapness was the best goal, that we had nothing to do but to consult the momentary seeming interest of the consumer, and always to buy in the cheapest and sell in the dearest market. Is it unreasonable to hope that a clearer light may dawn on them yet? As Shakespeare has said :

"Good reasons must, perforce, give way to better."

Let them reconsider the starting-point. Should we not aim at the increase and consolidation of national wealth and health? Competition, doubtless, has its great uses within due limits. It awakens and stirs up energy in agriculture and manufactures alike, and to this extent it is good, nay, necessary. But there is a limit. The profit of healthful labour is the first essential, and on that the good of the commonwealth and greatness of the empire must be grounded. I say nothing of the imperial or colonial question now. There will be time enough for that. I am only anxious to show that the securing the rights and interests of native labour is the first condition of well-being for any community. Reciprocity follows as a matter of course, as far as the interests of native labour allow. This is a

matter of practical arrangement between statesmen and governments, grounded on the plainest common sense. But again and again I say the foundation on which the well-being and greatness of every country and empire must be reared is the healthful occupation of labour, and all cheapness at the expense of this involves a fearful loss of money and of money's-worth to the whole country, first of all to the productive classes, but finally to the consumers also, because whether we see it or no, we are all one body, socially and politically members one of another, and must ultimately stand or fall together.

I beg to subscribe myself, Mr. Editor, by the name of a warrior of old, who did his country some service, but scarcely reaped his due—I mean

AGIS.

FROM THE "GENERAL INTERNATIONAL TRADING" POINT OF VIEW.

AN opinion is rapidly extending itself throughout the country that, in view of the melancholy condition of our trade as contrasted with that of America and certain European nations, and in consequence of the daily increasing displacement of British industry by the growing importation of foreign produce and manufactures, some inherent defect exists in our commercial relationship with the world, some grand change is needful to resuscitate British commerce and reinvigorate the market for British labour. In no frantic haste, in no mere sentiment, from no feeling of jealousy or ill-will, men in vast numbers are becoming convinced that foreign countries are and have been for years getting much the best of us in the general trade in which we are engaged with them. Trade returns and practical experience, in the form of departed profits and increasing losses, are to them forcible proofs that a reversal of pre-existing international economy has set in, and that advantages we once enjoyed have been insidiously transferred to commercially hostile communities.

It is borne in mind that England has for twenty years fought, with free ports, a world armed with almost prohibitive tariffs. The establishment of such a condition of things, thoroughly voluntary as it was, had for its *raison d'être* implicit faith in the soundness of the economical doctrines by which we were guided, and hopes that foreign countries, converted to our views, would hasten to adopt them, and divest themselves of those garments of pure protection to which they had so long been accustomed.

No such prospect, however, opens up, and capitalist, manufacturer, and labourer, alike yearn for that element in international commerce which in all matters—political and social—is deemed essential to the well-being of communities. That element is "Reciprocity," a common understanding for mutual benefit based on the enlightened principles of political economy which alone forms the distinguishing mark between the barbarism of mere barter and the improved polity of really civilised commerce. Such a response was the reward Sir Robert Peel looked for in releasing, in opposition to the country party of the day, so large an amount of foreign produce from the high tariffs prevalent. Similar hopes buoyed up Mr. Cobden in renewing and extending in 1860 the action of his great predecessor. "Reciprocal instrument" was the explanatory and defensive term given to the French Treaty by Mr. Gladstone, and it is no doubtful statement to assert that the whole of the free trade action of this country since 1846 has been, as respects the foreigner and his commercial legislation, purely experimental.

Thirty-three years, a complete generation of time, finds us still single-handed in the contest, our monopoly of manufacture non-existent, and a teeming and closely-packed population, whose constant employment is a necessity not to be trifled with. Self-preservation is our first law, and the

only alternative to a re-imposition of duties sufficient to divert home capital to home uses is the yielding to us that condition on which our faith in treaties was ever based, viz., mutual advantage, mutual benefit, or, in one graphic expression, "Reciprocity."

Sir Louis Mallet, in his letter to Mr. T. B. Potter, M.P., designed to bring ridicule and contempt on those who advocate the application of this great principle, presents us with a document whose every page, whilst bristling with inconsistencies, contains within itself, at the same time, the most thorough vindication of his opponent's arguments.

What is reciprocity, and how will they apply it? is the question propounded. On the very title-page is the motto of the Cobden League, "Free trade, peace, goodwill *among* nations." What is this but a prayer for "reciprocity"? The disagreement between Sir Louis and those who differ from him being that whilst he must be held to assume that the appeal is realised, they, on the contrary, assert that practical everyday life displays the one-sided character of international trade, and demands the fulfilment of the condition which was undoubtedly in the mind's eye of those who launched free trade upon a world, as it, appears ill-prepared to understand or appreciate its economical value.

What is reciprocity? "The essence of all trade is and must be reciprocity," says Sir Louis. He speaks elsewhere too of a school of economists who "by discouraging and discrediting all attempts to obtain 'reciprocity' of free trade, and by ignoring the incontestable truth that you cannot have free trade without reciprocity, &c., &c." So that "reciprocity," even in the opinion of Sir Louis Mallet, and we must suppose of the Cobden Club, is admitted to be a real force, and its advocates therefore are not fairly liable to the abuse which *doctrinaires* of the Stuart Mill following are so accustomed to fling at them.

We have, therefore, Sir Louis Mallet with us thoroughly, though it may be somewhat in spite of himself, as to the value of the doctrine which the advocates of reciprocity seek to insist upon as the *rem desideratam* in international trade. Our difference, then, is mainly in the admission as to the extent to which that doctrine already applies, and as to its further application.

Sir Louis thinks a "one-sided free trade better than no free trade at all." We reply, "Free trade" implies, *and was intended by its authors to involve*, reciprocity. No half measures could be called free trade. Nothing can be *half free*. A man with one hand shackled to one leg is *bodily* half free, but precisely and morally he is the complete slave. The trade between two countries may be, fiscally speaking, half free, but inasmuch as the manufactures of one are protected by a duty imposed on them by the other, there is no complete freedom of trade, but an utter absence real reciprocity. "If one tariff is bad, two must be worse," adds Sir Louis. Not so, if the interests of our producers are first considered, for the imposition of duties on foreign products to any extent would, in proportion, throw money now spent abroad into home channels, encouraging home labour and production.

In the examples of the "*barique*" of wine, it is overlooked that on the basis of argument there employed, the English producer and consumer pay the whole "damage" of duty. They get less wine for their manufactures exported, and they pay the duty on that wine when imported, whilst the foreign Government, having the benefit of the extreme duty on the Lancashire cloth, the individual importer of the cloth is the better in the bargain, fiscally, by the proportion of that duty, which saves him taxation of another kind.

Following up this question of the effects of non-reciprocity, and seeking to show the result to a country indulging in the levying of high tariffs, Sir Louis says "that to whatever extent it closes its ports on foreign commodities, it prevents foreign countries from importing its own." We need only point to the proportions of our trade with America, the highest tariff maker of the world, to fix an irremovable negative on such a statement.

The United States declined to take more of our commodities last year than £15 millions. That did not prevent them shipping to us the enormous amount of £90 millions of produce, &c. In 1872 the proportions were—imports, £54,660,000, exports £45,900,000. A proportion of 11 to 9 in a total of £100 millions as against, under increased tariffs, the present proportion of 18 to 3 in a total of £105 millions, almost an identical volume. Is it thus, then, that we are to realise the assertion "That the more foreign tariffs approach to the limits of prohibition, the more will the British producer be 'protected' in his own market"? Does Sir Louis really think English producers are the better off for selling to the United States £15 millions rather than £46 millions? Is this argument consistent with the reminder to that "school of English Chauvinism" which has frustrated the designs of Sir Robert Peel, that they, "in admitting foreign products free, do not take care of our imports." If *all* foreign imports were free, would that fact further assist in the operation of "protecting" our home producer?

But this argument is again illustrated at p. 17, by the assumed reply of the Frenchman or American upon the fact that we tax wine and tobacco. Remit those duties, says Sir Louis, and the foreigner would reply, "Now, since you enable me to pay you for your goods in tobacco and wine —the only coin which I have to offer—the more you take of those the more shall I be able to take from you in exchange." The facts in refutation of this line of argument are that, in face of an immense increase in the importation by us of these very articles, the relations of trade between us and France and America have assumed the proportions above referred to, viz., of 6 to 1 in the case of the United States, and of 3 to 1 nearly in the case of France.

Then, again, in dealing with the mode of action which Sir Louis assumes would be that favoured by his opponents, he implies that *retaliation* would be our policy. Nowhere has this been proclaimed, nowhere has it been proposed "to apply to each foreign country a tariff of duties which would correspond as nearly as might be with that which it enforces against us." We should offer terms with any or all nations on the ground of reciprocity, which will of course imply a readjustment of tariffs, in fact, the practical performance of those conditions which were undoubtedly present to the minds of the framers of free trade policy and commercial treaties. And, in default of reciprocal inclinations, we should doubtless apply tariffs not necessarily retaliatory or "corresponding," but sufficient to give our home labour its fair share of employment by a *pro rata* discouragement of that great mass of foreign imports which is yearly growing upon us. Sir Louis does allow us to contemplate "a moderately protective tariff, say 10 per cent. upon all foreign manufactures." There he is probably nearer the mark as to the intentions and policy of reciprocity advocates. But he says "this cannot be intended, for it would be a simple return to a policy which we have already tried, and which we have abandoned step by step from a bitter experience of its results." Indeed, where were the "disastrous results?" Take our trade returns for the period of years from 1850 to 1860, and it will be found that

they progressed surely and safely, whilst gradually, and that the severe *commercial* crises only supervened upon the introduction of the stimulants which, wisely or unwisely, it was deemed well to apply from 1860 downwards. Large figures may, indeed, be pointed to as the outcome of such experiments as the French Treaty and the "Limited Liability" Acts, but in all references to trade by those who have been responsible for its present condition no mention is ever made of the bad side of those experiments which, gradually accumulating, have in the main contributed to the awkward dilemma in which we now find ourselves of being compelled to admit that free trade so-called has not that element in it which it was intended should have been present, at all events within a reasonable period, after our generous and confiding treatment of the whole commercial universe, and that therefore we have not free trade but only the spurious form of it, the contingent remainder having never been realised. From 1863 to 1877 we have abolished on balance £26,500,000 of taxes, of which customs stand for £14 millions.

Foreign imports have *in consequence* grown from £164 millions to £304 millions, or very nearly 100 per cent. To what extent has this been reciprocated by the demand for our products? In 1863 they were £142 millions, in 1877 £176 millions, the growth having been a little more than 25 per cent.; the falling off since 1872 has been £73 millions, almost entirely due to the reduction in value and quantity of home manufactures.

Finally, Sir Louis dissects our imports from 1877 into raw, manufactured, and food, a very proper classification; and, assuming that it would be only on manufactures we should impose duties, proceeds to show that our trade with individual countries in this respect is so small, with the exception of France, that it would be hardly worth while to incur, for the sake of the protection afforded, the possible retaliation of foreign countries. But surely this is a question of principle, not of expediency. We expected reciprocity; we have not got the least approach to it. Foreign countries act on the policy of self-preservation. They take what they want of us, and nothing by way of compliment to our free trade system. Did we impose reasonable duties on their manufactures, or even still more moderate duties on some of their raw materials, would there be reason to expect "retaliatory" action pure and simple? Will they deny themselves coal, iron, and machinery, and so arrest that course of home manufacture which they have diligently followed for some years past? As it is, they are taxing less of our purely manufactured articles, but we, on the contrary, on account of our free ports, are continuously increasing an import of their products and manufactures, to the detriment of our home labour and trade, and with the inevitable result of leaving ourselves more and more dependent on the foreigner for the very articles, the production of which we have in past years been renowned for.

The issue between Sir Louis Mallet and his *confrères* of the modern political economist school, and those whom he designates as utterers of the "blind cry for reciprocity," is a very simple one.

He and his friends pat the consumer on the back, and bid him continue to invest his income by preference in foreign products and manufactures. "They are *cheap*, cheaper than you can make them at home, therefore buy them without regard to the incidence of such trade on home labour."

We put home labour in the fore-front of our cause. We deem it essential that the great army of our producers should be well employed.

We, too, advocate cheapness, but we insist that cheapness for the consumer in juxtaposition with idleness for the producer means, at no distant day, simple national ruin. We are now, as a nation, working internationally at a tension such as we never yet encountered. We have wheat at 40*s.*, a price confessedly unremunerative to the grower. The British consumers, 34 millions, would benefit to the full, *if* the very cause of this low price of corn was not at the bottom of the contemporary stagnation, and in many cases, extinction of our home trade. Sir Louis Mallet condemns the policy of "masterly inactivity" as applied in the past to our commercial system, and this admission was confirmed by the Prime Minister in his speech on the reciprocity debate last Tuesday in his decided expression of opinion that England had missed her opportunity for reciprocity in the wholesale remission of import duties. "Masterly inactivity" has nearly worked havoc with our foreign policy, and it is the clear opinion of the advocates of reciprocity that this policy must be terminated in our commercial as in our foreign administration of affairs. Sir Louis Mallet and his friends would stand quietly by and view the logical realisation of their policy in the complete annihilation of our exports, whereas we would, whilst there is time, endeavour to arrest this continuous growth in the disproportion of our trade with the world. Their experiment has had a long trial. It has admittedly failed. Our alternative should be met with something more reasonable and practical than open contempt. In a far different spirit the country is preparing to consider it.

VIGILANS.

FROM THE "AGRICULTURAL" POINT OF VIEW.

"THE Cobden Club is a failure," said one of its members on the afternoon of Monday, April 28 last, adding, "we were established to consolidate and extend the principles of free trade throughout the world, and our attempt to do so is unsuccessful." Such was the voluntary comment made as the above-named pamphlet came casually under notice, and this admission at once suggested the query, "Is not the pamphlet, issued by the Club, also equally a failure in its arguments and facts?"

I shall attempt to show that such is really the case, so far as Sir Louis Mallet deals with those matters with which I am best acquainted—the supply and price of bread-food.

The old scarecrow of "dear bread" is brought out of the curiosity lumber shop of the past to do duty once again, and frighten away discussions on the plain merits of the question. Those who have leanings to, or might be persuaded to support, a revenue duty on corn are startled at once on being told that such a measure would heavily touch all consumers' pockets, that such a duty would become "prohibitive," and, as a result, bread would be dear, very dear. Is this the truth? I say roundly it is not so. I say that the most experienced corn merchants in Mark Lane and throughout the country would also reply that such a statement is not, in their judgment, a true one. So far I am not here discussing the desirability of imposing, or of not imposing, a duty on corn (that subject shall be presently treated), I am simply dealing with the Bridge-head of defence of Sir Louis Mallet and other free-traders, when they say, "a duty on corn would make bread dear." To demolish this first point of defence is the object of this reply, as to fortify it appears to have been the chief care of Sir Louis in his latter-day pamphlet.

Too much stress cannot be laid on this point of the general question, because when once Giant Dear-Bread shall be slain, the course will be left clear for statesmen to consider freely the expediency of taxing food-imports for revenue, quite apart from the consideration of taxing them with the object of protecting the British farmer and landlord. Perhaps the first useful illustration of taxed imports being not, *therefore*, dear, is derived from the article of tea, which, although furnishing the revenue with a most substantial and regular income, remains one of the cheapest articles of domestic consumption. This instance is all the more remarkable as the sources of supply of the exotic herb are relatively very restricted in comparison with the world-wide sources of wheat supply, and to which I now draw attention.

Those who run may read and understand that relatively any or all Revenue imposts on such an article as wheat are very insignificant in com-

parison with its production, and transport, and commercial charges. They are but as the halter is to the horse.

In regard to foreign wheat, *transit* remains (and was more so in the past) the one ruling charge that determines whether wheat shall be dear or cheap in England. Transit may now be considered as permanently reduced to a scale that renders it unlikely in the future that wheat will be ever again above a general level of cheapness, and I submit—

1. *Untaxed* wheat under transit charges of only a few years ago might be represented as 20, whilst
2. Heavily taxed wheat, with Californian freights, under 50*s.*, and Indian freights under 30*s.* per ton, may be placed at 15.

This one cause of cheapness of transit demolishes a hundred petty arguments and hindrances that once might be considered as objections to the taxation of bread-food ; for what was at one time of great importance to the consumer is now quite unimportant. Moreover, the ease and lessened expense of transit has stimulated an *extra* production of quite 20 million quarters of wheat in the world (not forgetting the increment of population) in the last twenty years, and thus a surplus is grown to be kicked about the markets, and make "dear bread" in all ordinary seasons well nigh impossible, and I repeat that the free trader who sets up the scarecrow of dearness to frighten consumers either does not know his subject or wilfully misrepresents probabilities.

The statistics of past and present wheat supply are things so generally known that I need not encumber this column with them, and will only refer to one undoubted fact that through the *very exceptional* deficiency of the harvest in France last year, a surplus production of ten million quarters in the United States has been absorbed in Europe, over and beyond the ample supplies sent to the United Kingdom.

Coming to another consideration, that of permanent cheapness, I am but repeating the recently expressed opinion of an American statistician, and which I heartily endorse, that there can be no counterweight to wheat prices being subject to inflation in England, so effectual and regular, as *the regular cultivation of four million acres of wheat by the British farmer!* Now the apologists for one-sided free trade use recondite arguments, and would knock down opponents with lumping figures. All free traders should be Senior Wranglers to talk as they do. "The question is a mathematical, not an economical one"—"The policy is a mathematical policy," are common phrases ; yet without going further than a plain rule-of-three sum, let us ask these free trade mathematicians and all the "plain folk" of our agricultural counties—"How will the consumer escape taxation if matters proceed as at present they are proceeding?" We must suppose our Budgets will remain at about their present level. Who are to supply the ways and means? The landlord's property in the soil is computed at £2,000 millions, and of the farmer at £400 millions. Here are totals that, without a change in affairs, must be reckoned as bearing reduced rentals of 30 per cent.—so much less Income tax! Then the coincident reductions of farmers' assessments to local and poor rates will make a void in balance sheets that will require to be filled up from other sources. Thus, in both cases the taxes, rates, &c., borne by landlords and farmers will have to be *shifted* to the stronger shoulders of other tax and ratepayers—consumers amongst them.

Is this a better system than keeping the landlord and farmer in a position to pay taxes in their present proportion? The burden on the back of

John Bull will remain much the same whatever plan be adopted, but it should be strapped on his shoulders to bear equally on his strength, on his arms and legs and body—the right arm of commerce should not be free and the left arm of agriculture bound fast to his side.*

One of the plain questions to be answered is, are the four million acres of wheat land in England to go out of cultivation, or is the *revision of revenue* so to be made that the British farmer can be induced to cultivate wheat and produce about half of the country's requirements? In former times, before this country had negotiated thirty-eight treaties of commerce with other countries, the farmer stood alone; now at his side are ranked commerce and labour, and a national instinct that the foreigner is favoured. This combination of interests and sentiment may, I believe, be backed against the array of mathematical figures and arguments employed by the out-and-out believers in free trade. To me free trade means slavery to an idea rather than the outcome of legitimate reasoning. Has the world advanced so as to double the assessments of Income Tax, more than triple the deposits per head in our Savings Banks, to reduce the percentage of pauperism, because of its having worked on one-sided free trade principles? The answer is, that countries whose idea is protection, and not free trade, have advanced in the same or in larger proportion! Thus the swarm of flies that, on the wheel of progress, claim to give motion to the chariot, must all be brushed away. A *true* principle in political economy lasts for centuries, but free trade cannot yet count its half century, and is already challenged as a principle essentially unsound, because impossible.

To judge from the action of other countries the verdict has been given, and of English free traders it may be said,

> Their dreamings and schemings, their ruling and schooling
> The world does but call them as Free Trade in fooling;
> They're witless and fitless, the world will not take them,
> So England may freely, if sadly, forsake them:
> Until all the nations a Round Robin signing
> Take up with the Free Trade of England's designing.

Doubtless to carry out a grand idea England has made noble efforts, but free trade has still to be regarded apparently as much an impossibility as is the conversion of the idea of universal equality into a fact. If England has loosened the chains of foreign trade, it has imposed fetters on its home trade since it has handicapped the British farmer and manufacturer, and then started them in a race against the unweighted foreigner.

Is the above a common belief, or is it not?

Sir Louis Mallet states that "Every Englishman who sells or buys in a foreign country, whatever be the tariff of that country or the tariff of his own, is already in the possession of complete reciprocity."

I confess that I do not understand *Reciprocity* as thus defined, and wonder no longer that the meaning of the word puzzles a Prime Minister as well as a plain farmer.

But to revert to my chief object of controverting the head and front of Sir Louis Mallet's offending, where he asks (and so implies), Will "the people of England ever again submit to corn laws or sugar duties, and return to their *small loaf* and *dear grocery*?" I claim the right to state

* *Vigilans* employs a similar illustration on another phase of the question. Neither writer saw the other's paper before it was published, nor had any communication passed between them.—[EDITOR.]

that, any moderate import duties that might be imposed on foreign produce or manufactures, whilst it would be sufficient to enable the British landowner, the British farmer, and the British manufacturer, and the British labourer to maintain a rightful position in the world, would not enhance the value of bread-food to the masses of the people who consume it to any appreciable extent—even to any *quotable difference* in the price of their daily loaf, and I base this belief on a personal knowledge that the present productive resources of the world have been so generally utilised by the facilities of steam transport, on water and land, during the past thirty years, that areas, in our colonies, in the empire of India, in the Dominion of Canada, and in other countries, have been brought under cultivation in a proportion, relatively to consumption from increased population, that would sanction any English statesman imposing a duty on grain (without the chance of the cost of bread-food being thereby materially raised), should other circumstances international or national, make a revision of the revenue desirable.

"PLUS SOLIS PLUS VITÆ."

FROM THE "LABOUR" POINT OF VIEW.

"FREE TRADE, PEACE, GOODWILL AMONG NATIONS," has for many years past been a very taking cry in this country. Thanks to this rallying cry having been coupled with promises of "free bread" and "free breakfasts," its inventors, styling themselves *Liberals*, succeeded in securing more than their fair share of public support. They were placed in office and handed the reins of government six years after the repeal of the Corn Laws, or in the year 1852, their supporters desiring to give their "free trade" policy a fair trial; and in 1853, Mr. Gladstone being then Chancellor of the Exchequer, the first sweeping abolition and reduction of "import duties" took place. The gold discoveries which had just previously been made in California and Australia flooded the British market in the five subsequent years with over 130 millions of bullion, and infused new life and vigour into our previously languishing home industries, and the consequent prosperity was, as a matter of course, attributed by our rulers and their supporters to the working of their novel fiscal policy. Free trade was declared to be an unparalleled success. The vote of the year 1846 was generally assumed to have "settled" the future fiscal policy of Great Britain; and those who remained unconverted were regarded as "heretics," "lunatics," and "simpletons," with whom it was worse than useless to argue, as it was thought that their conversion from "old and exploded doctrines" could neither benefit the cause nor strengthen the party. Regarded with disdain as numerically too weak to retard the development of the free trade policy, they were left to their natural fate, the belief of the Liberals being in "the survival of the fittest," and who more fit to have dominion and to survive all opposition than "the chosen of the people"? Such, in brief, was the origin of what you will allow me to style "the free trade craze."

In this sublunary planet, however, "all is not gold that glitters;" and the history of the past, together with the inexorable logic of facts, are proofs sufficient to all rational beings that to jump at conclusions is the greatest mistake a man, in whatever station of life he may be, can commit. The consequences attending hasty action have, as a rule, to be repented in sorrow and bitterness of heart by the individual; but when a nation has to repent of its past actions, the distress is enormously increased, and can hardly be over-estimated. Committed in haste to a delusive policy, it seldom has the power of repenting at leisure, owing to the disturbances which arise amidst its vast and complex organisation when the reaction sets in; and the demoralisation of the population takes place. But it is not too much to assert that a vast number of individuals are scattered broadcast over the country, who have ever maintained that the logical sequence of "the settlement of 1846" could be nothing less than Socialism, and the dismemberment of the British Empire.

The predicted reaction set in about June 1873. The exchange value of

the products of British labour fell some 50 per cent. in three short months, and has continued falling ever since. Hundreds of thousands of British workmen have been thrown out of employment, and have been forced to seek assistance from the relief funds raised to alleviate their distress. At no time in the history of friendly societies have the funds of our trades' unions been in such a deplorable condition as they are at this moment. It is positively asserted by those who ought to know what the circumstances of these societies really are, that were the books of every existing trades' union honestly, carefully, and strictly audited, not one would be found able to meet its liabilities. Under such a state of things it is not to be wondered at that our working classes should turn their eyes longingly towards the land, and murmur at its uncultivated state. They do not understand the cause of its lying idle. Their leaders point to its unproductiveness, and already murmur in their ears the fallacy, "Had each unemployed hand only two acres of that land, he could raise sufficient produce to support himself and family throughout the year." The poor are little apt to reason. The idea takes root. They never consider that capital is required to make the land produce; nor do they give heed to the fact that, while their crops are growing they would starve unless they had sufficient capital to support them during the interval which must necessarily elapse between sowing and reaping. The only thing the poor man can understand is that he has no work to do; that he earns no wages; that he is starving. He sees that there is plenty throughout the land, and he naturally exclaims, "Why should all those good things exist, and yet I be forced to die from sheer want of the mere necessaries of life!"

The "people's men," who brought about "the settlement of 1846," know full well that this feeling is daily gaining strength throughout the country. To admit that their past policy is the cause of the depression and distress, and of the land being thrown out of cultivation, would be more than we ought to expect from human nature—it would mean the downfall of the Liberal party. But the Liberals do not intend to allow their party to be extinguished if they can help it. They got into power on a popular cry, and intend, the last one failing, to start a new cry to regain the reins of government. Any cry will do. The Extension of the Franchise! Amendment of the Land Laws! Abolition of the Law of Entail! One or all of these will serve their purpose. They have already openly commenced to agitate for the "extension of the franchise." The other questions are being silently diffused among the masses by their emissaries, those paid delegates of the working classes who form the Workmen's Parliamentary Committee, and these, in return for their services, hope one and all to be returned to Parliament at no very distant date through the support of those men whose cause they are now advocating. The Liberals of England, however, know better than to let their present slaves find a seat within the portals of St. Stephen's if they can help it. They promise anything and everything; but they do nothing. They use the working classes as their tools, through the trade delegates. In that lies the secret of the success of the Liberal party. Workmen listen to workmen, but they turn a deaf ear to their superiors. The most extravagant theory propounded by a workman is accepted, *au grand sérieux*, by his class; while the most simple truism, emanating from a gentleman, is looked at with suspicion. Hence, the working classes have always believed in "Free Trade," not because it emanated from Richard Cobden, John Bright, or William Ewart Gladstone, but because the theory of "buy in the cheapest market" was preached to them by their own delegates, in the pay and

at the expense of the Anti-Corn Law League and other Liberal associations.

Suddenly, these delegates found themselves confronted by a new cry. It was that of "reciprocity." They reported faithfully to their employers that this cry was making headway among the working classes. They could not explain what it meant, but it seemed a taking cry, promising labour to the unemployed. What! prefer labour to "free bread" and "free breakfasts!" Surely there must be a mistake? True, the promise of free food has not been fulfilled. But what of that? Had not the "people's men" made the promise, and ought that not to be sufficient? Might it not yet be secured if only some patience be exercised? And as for the "'reciprocity cry," what on earth does it mean? Did the men want to be led back to protection and starvation, such as existed in the land prior to "the settlement of the year 1846?" No, surely not! it must be a mistake. There could be no real agitation on foot to upset free trade and "the settlement of 1846." If so, who were its promoters? who the leaders? They must be members of the hated Tory party. They must come from among the bloated aristocracy. Therefore they must belong to the old category of "heretics," "lunatics," and "simpletons," who were deemed crushed out of existence in the past. Strange they should have risen, as it were, from the dead. Nevertheless, they must now be put down, be they men of substance or men of straw; and the Cobden Club has chosen its president, Sir Louis Mallett, C.B., to assail the foe, with what result we shall now proceed to discuss.

"In spite of much reading," writes Sir Louis Mallet, "and a very sincere desire to understand the objects and arguments of the advocates of this new policy, I have entirely failed in finding any statement of their case, or any programme of practical measures which will stand the test of serious discussion. So that whenever I approached my adversary I found him to be a man of straw."

Having no one to attack, the logical conclusion would be that Sir Louis Mallet would have been unable to cross swords with that which he says does not exist. Strange to say, however, he finds a man, not exactly of straw, in the person of Lord Bateman, who happens to have written a pamphlet entitled *A Plea for Limited Protection or for Reciprocity*, and Sir Louis Mallet, therefore, straightway imposes upon himself the task of demolishing Lord Bateman's *Plea for Reciprocity*, contenting himself with quoting a very short paragraph from his lordship's somewhat weak pamphlet. This quotation ends with the statement that "it cannot be denied that the sting of 'want of reciprocity' has from the first checkmated our philanthropic efforts, and obliged us now to confess, after thirty years of trial, that in practice our free trade is at best but one-sided; and that, while we are opening our ports to the commerce and manufactures of the world free and unrestricted, other countries, without conferring upon us any reciprocal benefit, are taking advantage, without scruple, of our magnanimous, but disastrous (because one-sided) liberality."

To this Sir Louis Mallet replies, "No one would, I presume, deny that the system under which British trade is now carried on is not one of free trade, nor that a complete system of free trade is better than a one-sided free trade; but if, as is alleged, protection is only sought for the sake of reciprocity, it is impossible to understand why a one-sided free trade should not be better than no free trade at all."

Can free traders bring forward no better argument than this defence of their one-sided policy? Surely the president of the Cobden Club ought

to know better than to place such an argument before reasoning, thinking beings. How on earth can a "one-sided trade" be free? The difficulty I experience is to deal with such crass ignorance as that which presumes to assume that any sane man would maintain such views. Sir Louis Mallet admits that no such thing as free trade has ever existed in this country, and then naïvely acknowledges his inability to comprehend that a one-sided bargain must be unfair to one or the other of the parties to the transaction! He then dogmatically asserts that "the mutual relaxation of restrictions is a mutual advantage." Of course it is, but where do we find such "reciprocity" in existence between any two nations? Sir Louis Mallet endeavours to demonstrate that a *one-sided relaxation of restrictions* is *a mutual relaxation of restrictions*. But nowhere do we find restrictions *reciprocally relaxed*. On the contrary, all foreign countries vie with each other in maintaining old and in imposing additional restrictions on the products of British labour, so as to prevent those products finding a sale in foreign markets. This necessarily restrains our production, and prevents our exporting commodities in sufficient quantities to pay for those we import. At the same time, foreign Governments are increasing the subsidies or bounties they grant to their own producers with the avowed, or at times concealed, object of enabling them to find a ready sale for the products of their labour on the British market. This must necessarily further curtail the demand for the products of British labour. No complaint would be raised if for every ton of foreign commodities sold in our home market for home consumption, an equal quantity of commodities, the product of British labour, could be exported and sold in foreign markets for foreign consumption. All we desire to do is to equalise and stimulate the healthy consumption of the products of labour—British and foreign; but if any favour is to be shown, we say favour British labour, and let the foreigner look after himself. As things now stand, the products of British labour are being curtailed on all sides by unfair foreign competition in the home, and by restrictions, amounting to prohibition in many instances, in the foreign markets; and the natural result of burning the candle at both ends in this manner is to lessen the general demand for—and consequently to impoverish—British labour, the people, and the country.

Nevertheless, in the face of these facts, Sir Louis Mallet, altogether ignoring the effect of the foreign bounty system, has the temerity to assert "that the more nearly the tariffs of foreign countries approach to the limits of prohibition, the more will the British producer be protected in his own market," and that, in consequence, reciprocators "must rejoice at every new restriction placed upon British trade abroad, as necessarily involving increased protection to British trade at home."

From whom do such fallacies emanate? On whose authority are they now propounded? The apostles of free trade never preached such foolish doctrines. Thus, for example:—

Ricardo says that "in speaking of commodities, of their exchange value, and the laws which regulate their relative prices, we mean always such commodities only as can be increased in quantity by the exertion of human industry, *and on the production of which competition operates without restraint.*"

Adam Smith assures us that "it must sometimes be a matter of deliberation how far it is proper to continue the free importation of certain foreign goods, when some foreign nations restrain by high duties the importation of some of our *manufactures* in their country. This case *naturally* dictates

retaliation, and that we should impose the like duties upon some or all of their *manufactures* coming into our country."

McCulloch asserts that "all commerce, whether carried on by individuals of the same or of different countries, is founded on *a fair principle of reciprocity*."

But I forgot. Have not Mr. Foster, Mr. Lowe, and Mr. Courtney only recently disowned all such authorities in the House of Commons, when assuring the country that their views of political economy were their own, and consequently—infallible?

To use the words of Sir Louis Mallet, "some apology appears to be necessary" therefore, for thus reproducing statements of doctrine which I always thought had been thoroughly understood and accepted by free trade economists, but there would appear to be a widespread belief among certain classes of our countrymen that it matters little by how great an amount our imports exceed our exports in value. These never consider that, in the words of McCulloch, "should we import ten or twenty millions worth of foreign commodities this year more than we imported last year, it is undeniably certain we shall have to export ten or twenty millions worth more of our peculiar products to pay them." This *undeniably certain* fact never enters into the head of the one-sided free trader, who thinks only of "buying in the cheapest market," that is to say, of self-interest instead of the national good—forgetting that a *self-interested* is only a temporary, while a *national* is a permanent benefit. And from this cause Sir Louis Mallet commits the same error that all free traders have fallen into regarding the balance of trade. Both he and his party forget that McCulloch's dictum—"In whatever degree, therefore, an unrestricted foreign trade might lead us to receive commodities from other countries, *in the same degree* it would render those countries customers for our commodities; would promote our manufactures and extend our trade"—has been falsified by the stratagems adopted by foreign Governments to force us to import their goods while excluding the products of British labour from their own markets. This foreign policy was recently graphically illustrated by M. Pouyer-Quertier, when he said, "We want the English consumer to accustom himself to use the products of French industries, but we do not want our consumers to accustom themselves to the use of British commodities." That is to say, the foreigner is willing to accept English money, but he declines to receive the products of British labour in exchange for the products of his own labour, exported for the use of the British consumer. Here Sir Louis Mallet commits the usual fault, common to all free traders who think they see a benefit in purchasing "cheap" foreign goods. Having quoted from John Stuart Mill, he admits, with Mr. Mill, that a country which wants more imports than its exports will pay for *has to pay the difference in money*, and that, *by this transmission of the precious metals*, the quantity of the currency will diminish in such a country, and increase in the countries in which it trades. But, urges Sir Louis Mallet, *no money leaves England, nor are any of the precious metals sent abroad, as ought to be the case had we to pay for the excess value of our imports over our exports in coin.* On the contrary, says Sir Louis, "as a matter of fact, the imports of gold and silver bullion into the United Kingdom have in recent years exceeded the exports. In 1878 the excess amounted to nearly £6 millions sterling, and the average annual excess in the last five years has been nearly £5 millions." Hence, argues Sir Louis, we are actually paying for an immense value of imports by means of a lesser value of exports, "and, if foreign countries are content

to accept £50 worth of British goods in exchange for £90 worth of their own, are we to complain of their generosity?" Most assuredly not, Sir Louis, *did they do so.*

It is quite true that reciprocators, or the advocates of reciprocity, do complain that the foreigner, taking advantage of our one-sided fiscal policy, is restraining more and more our production, and is at the same time forcing us to pay him, not in commodities, but in cash. The error nto which Sir Louis Mallet has fallen is this—that to pay in cash *he assumes that money or bullion must be exported.* He commits this error because he forgets that there exist institutions called banks and stock exchanges. The British bankers receive the money wherewith to pay for the imported commodities. But they do not export that money. The banker employs a stockbroker, and by carefully watching the foreign stock exchanges, purchases such stocks in the British Stock Exchanges as are best adapted to his purpose—that of making a small profit on each transaction—and the stocks, bonds, or securities thus purchased in the British Stock Exchanges are remitted abroad, and are sold on the foreign stock exchanges. The purchase money is then divided between those who have any claim upon it. In this manner over £140 millions worth of stock and bonds and various other quoted securities are annually changing hands, that is to say, are being surrendered by their original British holders for commodities used, enjoyed and destroyed, and are being accumulated by the foreign producers of those commodities, or by the capitalists directly or indirectly connected with their production. Since the year 1858, over £1,300 millions of securities originally held by British subjects have passed from this cause into the hands of the foreigner, and it is not to be wondered at, therefore, that the interest originally receivable by this country on its foreign loans is each year becoming smaller, and the amount received from abroad and payable in England beautifully less. Soon, very soon indeed, no interest will have to be paid in this country, should we persist in adhering to our one-sided *simpleton's* fiscal policy.

If it is beneficial to the nation or to the individuals forming our population to buy in the cheapest market—that is to say, should there be any saving effected in buying cheap foreign commodities simply because they are offered cheaper than their natural cost of production to the British producer—then the British consumer should, were such the case, derive great and lasting benefit from purchasing all the commodities he requires from the foreigner, provided he secured them for less exchange value than from the British producer. The nation ought equally to benefit by this transaction if it really benefits the individual—and—*home production would be a mistake.* We should need neither factories nor workmen. And yet, strange to say, Sir Louis Mallet assures us "that without imports there can be no exports, and without exports there can be no imports." Truly, I cannot understand the logic of these free traders, it is so curiously self-contradictory and selfish; it is such a curious mixture of facts and fallacies, half-truths and untruths.

Unfortunately for the arguments brought forward by Sir Louis Mallet, it is the home industries of the country which foster and build up the wealth of the nation, and not the "buy in the cheapest market" theory. British commodities must be exported in equal value to that of the foreign commodities imported. No foreign country gives us £90 worth of its goods for £50 worth of our goods, as can be seen by referring to the Board of Trade Returns, where the values set down are equivalent values in British currency. British commodities are the products of British labour. The

products of labour saved and accumulated instead of being used, enjoyed, and destroyed, constitute capital. If, therefore, we are forced, through a one-sided policy, to use and destroy the surplus production of the foreigner, it stands to reason that the accumulation of wealth—the saving—is effected in foreign countries and not in England. Consequently, in proportion as foreign countries increase in wealth, Great Britain will be impoverished, unless she can induce foreign nations to take payment in commodities *the products of British labour*. For the last thirty-three years we have been attempting to persuade foreign nations that they are entirely wrong in adhering to their policies of protecting labour, and that we are adopting the only wise course possible in our free trade, peace, good-will among nations policy, which forces labour to shift for itself, by altogether shifting out of the country ; but, so far from having succeeded in convincing our neighbours that we derive any benefit from a policy which allows the yearly balance of trade to steadily increase against us, but in their favour, or that they are thereby placed at a great disadvantage and are ruining their own consumers, we find that all foreign Governments are now bent on raising their protective tariffs, as if to give the death-blow to British industry, and they one and all, even to our own colonies and dependencies, steadfastly refuse to listen to the voice of the Brummagem Charmer, charm he never so wisely. They see through the British Pharisee who thanks God daily that he is not as other men, and who would have foreign nations open their ports free to his wares that he may be enabled to flood their markets with his goods, and crush their own native industries, while pretending, under the guise of free trade, to offer them free competition ! No wonder then that the astute foreigner replies laconically, "*Pas si bête!*"

Sir Louis Mallet also points exultingly to the prosperity of this country during the years immediately following the repeal of the Corn Laws ; but he omits to take into consideration the effect of the gold discoveries of that period, the development of our railway system, then only just completed, and of the wars in America and Europe which soon followed. These causes combined to flood the British market with export orders in no manner connected with our fiscal policy, and, therefore, unnecessary to be further discussed. Sir Louis Mallet omits, however, to mention that, although from the above causes England did increase her trade, France and other protectionist countries increased their trades in a greater proportion in the same space of time, and notwithstanding the wars of invasion or rebellion they were called upon to undergo. Consequently, since foreign countries, notwithstanding those drawbacks, have done better under their protectionist *régime* than England has under her one-sided fiscal policy, misnamed free trade, and in the face of her great natural advantages, it necessarily follows, as a logical sequence, that this one-sided commercial policy of ours has caused this country to descend in the scale of prosperity in comparison with the ascent made by our rivals, and this is, I maintain, good and sufficient reason for the English people to question the soundness of the policy embodied in "the settlement of 1846."

What is reciprocity? Such is the question asked by those interested in maintaining the settlement they made in their own interests but at the expense of the interests of the nation. To crush the movement embodied in the word these men assume false premises, and then prove to their own satisfaction that the policy of the movement is absurd. But such conclusions and arguments are easily overthrown from the moment the premises on

which they are based are shown to be false. In their narrow-mindedness free traders assume that the policy of reciprocity is to tax corn and raw materials "right away," as our "kin beyond sea" would say. Surely they can give us the credit of appreciating the merit of cheap food and raw material at their full value. They allow we have sufficient wisdom not to merely advocate taxing the paltry £50 millions worth of manufacured goods now sold yearly on our markets as the best means of relieving the existing distress, and of infusing new life and vigour into our home industries. And they then pretend to be unable to understand what can really be meant by the policy of reciprocity, or to see its utility if only such an inadequate remedy is proposed. Most free traders start in their arguments against reciprocity with the old cry of "What! tax the poor man's loaf?" and pose once more as the champions of the working classes. No doubt this is clever fencing. It raises a taking hustings cry, and its promoters know full well that the poor are not very prone to reason before gulping it down. Indeed, the poor are more apt to forget that cheap goods manufactured *at home* are a blessing, *only because the poor have been employed to produce those commodities, and have earned in return the means of purchasing "the loaf," be it cheap or dear.* But the poor invariably forget that, when the cheap goods sold in our markets have been produced by *foreign labour* in a foreign country, the presence of those goods in our market is, to the poor, a curse, unless foreign nations have *reciprocated* the advantages we have conferred upon them by allowing their goods to enter our markets free of duty, and in return have admitted the products of British labour on reciprocal terms into their markets. But when, as is at present the case, this mutual interchange of the products of labour does not take place, then the products of foreign labour displace the products of our native labour. The poor are deprived in consequence of their employment. This prevents their earning wages. They have, consequently, been robbed of their *birthright*—labour. And without labour the poor are deprived of the means of purchasing the "cheap loaf." The more prohibitive the foreign tariffs, the less the volume of our exports, and, consequently, the less labour is there for the poor. Hence, Sir Louis Mallet is decidedly wrong in asserting it to be a fundamental truth, placed "in a way which leaves no door open for dispute or discussion," *and on which he makes the value of the whole of his arguments depend*, "that the more nearly the tariffs of foreign countries approach to the limits of prohibition, the more will the British producer be protected in his own market." I can only say that, if this is the accepted method of the Liberal party of improving the poor, one or both will soon be improved out of existence, and for the sake of the national welfare I do hope the working classes will not be the "improved" in this case. What is reciprocity? As a matter of fact it means "tax for tax, freedom for freedom, and—as a result—English money spent amongst Englishmen." Free traders assert that the working classes must work "longer hours" to bring about a revival of trade. Why "longer hours"? Is it to produce more commodities that no one will purchase? *We say* "tax foreign goods" as a first step towards securing a revival of trade; so that the question for the working classes to decide amongst themselves is, "Which of the two policies will they support?" "*Longer hours, say 72 a week*," or "*a tax on the products of foreign labour now allowed to compete untaxed in British markets against the heavily-taxed products of British labour.*"

There is, however, much more in the policy of reciprocity than is taken into consideration by the philosophy of its opponents. It is not what

Sir Louis Mallet has striven hard to make it appear to be—a means of increasing the cost of the necessaries of life. Did reciprocity increase the price of food, it would cause a reciprocal increase of wages to take place. That, however, would confer no benefit on the workman. What reciprocity aims at accomplishing is the creation of a permanent and lasting demand for British labour; at securing for labour a fair day's pay for a fair day's work without increasing the hours of labour; at securing for the country a natural and constant supply of cheap food and raw material; and at putting an end to all existing one-sided commercial treaties, so as to restore to the country its liberty of action.

Having accomplished this last object, the supporters of the policy of reciprocity aim at substituting an Imperial for the Liberal vestryman's policy, which would isolate England from the rest of the world, sever her from her colonies, and leave her to die like a poisoned rat that has taken to its hole, uncared for by the world. Instead, reciprocity would strengthen the bonds of union between England and her colonies; restore peace to Ireland, and found an Imperial trade federation, which should make the British Empire self-supporting and self-subsisting—totally independent of foreign supplies. Over whatever soil the British flag is unfurled to the breeze, that should be recognised not only as British soil—it should be England! Be it the British Isles or Australia or the Cape or Canada or India, it is all England! English soil tilled by English hands in most cases, and in all cases dependent on English arms for protection against foreign aggression. "Horn and corn" raised by British hands from British soil in all parts of the world will supply England with cheap food in abundance, and English money will then be spent amongst Englishmen in the reproduction of those commodities now supplied to us by aliens. Then the foreigner can be excluded from our markets unless he consents to deal fairly with us. We ask him for no favour, and most assuredly will show him none. If anyone is to be favoured, let it be our own flesh and blood, for we can now dispense with foreign goods, since there is nothing the foreigner produces but what can be obtained, of better quality and at a less cost in one or the other of our colonies—that is to say, within the British Empire—and in this manner reciprocity aims at securing to our working classes that which they sold to the Liberals for a mess of pottage—the birthright of our people and the cause of England's greatness—LABOUR.

It must not be forgotten that every member of the community willing to work has, at the least, a right to food and clothing enough to support life. If, by a vicious policy, he is robbed of his labour, both food and clothing must be supplied to him gratis at the cost of the taxpayer. It is by no means the wealthy only who are specially concerned in this question. The interests of all who, in their different degrees, desire to work truly and fairly together are identical. All alike depend on profits, or, more strictly speaking, on the ample reproduction of capital consumed. We must never forget the fact that a nation, just as much as an individual, is bound to give value, in one form or another, for all it receives. Our wealth and capital rest entirely on the maintenance of our vast and complex organisation of productive labour, which may, and by every obligation of our duty to our children and descendants, must, be improved to the utmost, but which cannot be destroyed or intermitted without the ruin of the whole fabric. The capital of the country, if not used in the direct or indirect employment of British labour, will sooner or later disappear in paying for the products of foreign labour used, enjoyed, and destroyed

by the Bright-Gladstone ideal consumer. We are all consumers ; but we are all dependent for our means of consuming on the right application of reproductive labour. The Gladstone school, however, has cleverly divided consumers into two classes, whose interests for the time being are diametrically opposed. We have to face *producers* of British goods on the one hand, and *distributors* of foreign commodities on the other. The latter owe their incomes to the assistance they receive from the foreign bounty system in enabling them to dispose of the products of foreign labour to the British consumer, who, by rights, and by every consideration of his duty as a citizen, ought to purchase the products of British labour. British producers, unable, in consequence of this one-sided and unfair distribution of the products of labour, to find a sale for their commodities, are forced to give up the unequal contest, and in this manner our vast and complex system of production is at present intermitted, and will soon be destroyed for the benefit of the distributors of foreign commodities, unless the one-sided fiscal policy of the past be shortly made to give way to sounder principles of political economy. The wealthy and the employed derive little or no benefit from the foreign bounties. The bounty only secures the purchase of the foreign goods by the *distributor*, who, in consequence, refuses to purchase the products of British labour, being unable to distribute both, owing to the capacity of consumers for consumption being limited ; and in this manner British factories are forced to discharge their workmen and close their doors, and the British farmer is obliged to leave his land fallow. Workmen are thus reduced to see their families starve in the midst of plenty. The markets are literally crammed with cheap foreign goods, but they are of no use to those who, thrown out of employment, earn no wages, and consequently cannot purchase, and, as yet, dare not steal them. Hence the question workmen have now to answer is a simple one. The Liberals say, "Alter the Factory Act and work longer hours!" Which shall it be? Longer hours, or reciprocity—meaning protection to British land and labour—and fair play? Workmen, please reply!

FORTIS IN ARDUIS.

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THE POLICY OF SELF HELP.

SUGGESTIONS TOWARDS THE

CONSOLIDATION OF THE EMPIRE

AND

THE DEFENCE

OF ITS

INDUSTRIES AND COMMERCE.

BY

W. FARRER ECROYD, M.P.

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PREFACE.

THE efforts recently made to direct public attention to the subject of the following letters have provoked a good deal of criticism, sometimes angry, and often contemptuous.

This movement of opinion may, of course, be a mistaken one; or, if well founded, may be lulled by some temporary return of prosperity; but it cannot be scolded into silence, or repressed by scorn. Nor, on the other hand, can its object be advanced by the impatient zeal which would drag it into the arena of party politics, for it is not a party question. No Government ought to attempt to deal with it, except upon the distinct demand of the great body of the people. To invite the attention of working men, and to put our facts and arguments temperately before them, on all suitable occasions, is therefore the present duty of those who believe a change of policy to be required.

And there must be no putting forward of class interests; no selfish and partial efforts to obtain relief for the manufacturing population at the expense of the agricultural, or *vice versâ*. A well considered and comprehensive policy can alone command sufficient support; or, if carried into effect, produce lasting benefits.

It has been said that a Government based on a widely-extended franchise can never successfully rule or hold together an Empire embracing distant Colonies, because the multitude, whether at home or in those Colonies, will never grasp a far-reaching policy, however wise and beneficent, nor make the present sacrifices it may demand, nor allow it to be pursued with the needful steadfastness.

And thus I am continually told, as the one conclusive argument against my proposals, that the working class will never tolerate an import duty on foreign food, however moderate, even if adopted simply as an instrument to defend their own employment and wages. But they have proved, and are daily proving, by immense sacrifices made through the agency of Trade Unions, their readiness to incur present loss in order, as they believe, to secure future advantage, and to escape the consequences of over-competition. I am confident, therefore, that when better informed on this question, they will not only tolerate but demand the adoption, at whatever temporary cost, of a policy which would deliver them from the unfair competition in the home market, of foreigners who refuse to admit their productions in return; and, from the still greater loss and danger of depending for food upon nations who will only receive their manufactures in exchange subject to import duties which operate as a heavy fine, and so depress their employment and rate of wages to the lowest level.

For it is their interests and those of their children which are most of all imperilled. The present crisis will sooner or later pass; many employers and many distributors will disappear, trodden down in the pitiless struggle for a diminished trade; and those who survive—the strongest in capital and ability—will probably enjoy a period of prosperity, because they will have fewer competitors, both in the sale of productions and in the purchase of labour; whilst many workpeople will be left without employment, and the rest will receive greatly reduced wages. Meantime, it is melancholy to see employers and workmen in any case wasting their resources in mutual injury, instead of standing shoulder to shoulder to resist and defeat that selfish policy of foreign nations which is rapidly impoverishing them both.

It is said that Emigration must be looked to as a means of relief. Yes; the forced emigration of a starving people—that exodus of English labour and capital to which Americans have all along boastfully pointed as the certain and triumphant issue of their Protectionist policy,—this is the alternative that our critics are willing to encounter, rather than abate one jot or tittle of their pedantic theory. Indeed, the whole issue of the

conflict between American and English commercial policy is whether the industrial population of Britain, now dependent on foreign food, shall be permitted to remain and to labour in their native country, freely exchanging the work of their hands for such food; or shall be forcibly expatriated, and compelled to become citizens of the United States, as the only condition of effecting that needful exchange.

For, as matters stand, it is to protectionist America that they must go; it is there, and not in her own Colonies, that England has spent the countless millions of her savings, in opening out by railways the land that is to grow her corn and other chief supplies of food. And, as if the more completely at every point to play the game of American policy, she has with a cold and pitiless impartiality, treated her Colonists themselves exactly like foreigners, steadfastly refusing to grant to their productions, on entering British ports, the least advantage over those of nations who exclude her manufactures by enormous duties. The inevitable result is that the Colonies are treating the mother country in return more and more as foreign nations treat her; and, unless she shall change her policy, they will go on in that course until they too shall have shut out her manufactures. She will then naturally decline any further liability to taxation for their advantage or defence, and thus the Empire will be broken up, and England reduced to the position of a second or third rate power.

And what class of society, whether in England or the Colonies, from the richest to the poorest, but will share the humiliation and the loss?

Compared with consequences like these, what matters a difference of 10 per cent. in the cost of food? Have we not, during the past ten years,* encountered far larger fluctuations in the price of food, of which the nation, well employed in all its industries, and enriched by foreign trade, was scarcely conscious, and which were certainly never taken into account by any manufacturer in estimating the cost of his goods, simply because they never affected the rate of wages?

* In 1871, 1872, and 1873, years of great manufacturing prosperity, the average price of wheat was 57/5 per quarter; in 1878, 1879, and 1880, years of extreme depression, the average price was 44/10 per quarter; a difference of more than 20 per cent.

Is it not plain that work and wages are as essential as cheap food; and that to let slip a large portion of our employment, in order to gain an extra turn of cheapness in our food, is a folly like that of Esau, who for a morsel of bread sold his birthright? For it is only the *last turn* of cheapness that we do gain by our present shortsighted policy; cheapness and plenty we should still have, after taxing foreign supplies 10 per cent.; since America, compelled to sell her vast production at some price, must certainly bear the loss of a portion of that impost; whilst the stimulus given to Colonial agriculture would operate to increase the total supply of food, and so to keep down prices.

I have enough real respect for working men to dare to tell them, with perfect frankness, what I honestly believe. If, therefore, I have proposed to them, in the following letters, even the smallest sacrifice of present interest, it is because I am convinced that by no other means can steady employment, fair wages, and reasonable hours be secured to them in future.

The vast increase of labour-saving machinery, and of facilities of transport, ought naturally to bring an increase of leisure to all who labour; and if what has been gained in this way be again imperilled, it will be because hostile tariffs interfere to prevent the free interchange of our productions, and compel our iron-workers and spinners and weavers to give more hours of labour than they ought, in exchange for their supply of food from foreign countries. To secure a continuance of reasonable hours of labour we must, therefore, either break down those hostile tariffs, or make ourselves independent of the nations which impose them; and I think the following letters will show that a small differential tax on foreign food products is the only instrument by which we can effect this.

All attempts to persuade working men that it is designed to tax their food, even in the smallest degree, *against their will*, are too absurd to receive serious notice. The power to do any such thing rests entirely with themselves; but, on the other hand, should they determine to use that power for their own greater advantage, it is equally certain that no doctrinaires, of whatever school or party, will be able to forbid them.

I am accused, in many quarters, of disloyalty to the principle of Free-trade; of a lingering desire for Protection. It would be precisely as just to accuse a man of being litigious, who, after always exhibiting a peaceable and forbearing disposition, should at last be driven to legal proceedings to maintain some indispensable right. Protectionism resides in the motive,—in the desire for protection; its very essence is wanting in duties imposed for the sole purpose of bringing about an extension of the area of Free-trade, after all other means have failed.

In perfect sincerity, I have admitted and extolled the soundness of the principle of Free-trade; I have acknowledged that no import duties of any kind can be in themselves other than a burden and a loss to the nation during their continuance. But I have urged, with the earnestness of profound conviction, that present circumstances render it wise—nay, absolutely needful for us to take upon ourselves that burden and that loss, in a small measure and for a limited time, in order to work out our deliverance from a far heavier burden and a far more enduring loss.

W. F. E.

20th May, 1879.

PREFACE TO FOURTH EDITION.

In preparing a Fourth Edition for the press, I have endeavoured to make some passages more clear and concise, and have removed a few sentences immaterial to my argument, to make room for a little new matter.

The experience of the past two years, and the further discussion of this question, have not only confirmed the facts and arguments set forth in this Pamphlet, but have also created a strong and wide-spread National Movement in favour of the policy therein advocated. Within the past month the National Fair Trade League, 23, Cockspur Street, S.W., has commenced operations, under the presidency of Sampson S. Lloyd, Esq., and has, I am glad to observe, issued a programme substantially in accord with that policy. I hope it will soon obtain the support of a thousand branches.

Working men are proving their ability to understand the difference between the former protectionist duty of 20s. or 30s. a quarter on wheat, levied for the purpose of raising rents,—and the differential duty of 4s. per quarter, now proposed only for the purpose of transferring our food-growing from those who will not buy our manufactures, to those who will. They see that the latter would soon bring them a new supply of duty-free food from our own Colonies, which would probably compel the Americans to accept 4s. per quarter less, in order to neutralize the duty, which thus would never raise the price in England at all; and what is far more important,—would bring them good custom in return for that food, which would increase employment and sustain wages. The well-worn cry of the big and the little loaf has therefore lost its power, since they see that there are duties aimed against the working man, and duties to be used for his defence; and that reason and common sense can distinguish between the two.

W. F. E.

25th August, 1881.

LETTER I.

To the Editor of the Bradford Observer.

Sir,—Neither Mr. Forster's address to the Bradford Chamber of Commerce, nor Lord Derby's recent speech at Rochdale, nor the frequent articles in *The Times, Economist*, and other leading journals, deal at all directly or satisfactorily with the opinions held by myself and many others, which are confounded with views of a totally different character, and loosely described as the policy of reciprocity. It is not worth while to meet our opinions fairly and answer them specifically ?

We are all agreed as to the soundness and desirability of Free-trade, and we must all admit that, in spite of the hopes and the constant sanguine predictions of the past 30 years, free-trade is steadily losing ground. Is it then more reasonable to drift along, resting on expectations which experience has completely falsified, —or seriously to consider what will be our position if the system of protection should still grow, and gradually overspread such nations as Turkey, China, Japan, the South American States, and our own Colonies—and promptly to take measures which promise present help and future deliverance. Here is a distinct controversy, in which we are always met by a repetition of those vague, vain hopes which can no longer soothe us, instead of a fair examination of the consequences which must fall upon our trading and labouring population if, (as we see no reason to doubt,) our productions be shut out increasingly from foreign markets in the future as in the past.

The dangers which must ensue for us, should foreign nations refuse to follow our Free-trade policy, were, I think, always set aside by Mr. Cobden by the positive assurance that they would never arise, for that other nations would soon be compelled by self-interest, and by the spectacle of our prosperity, to follow in our wake.

To those who doubted this, it was all along clear that we might have to pass through three stages of experience, *viz.*:

1. A period of almost unbounded prosperity, during which the nations from whom we purchased our supplies of food and raw materials, *not having as yet the means of manufacturing for themselves*, must of necessity take our manufactures in exchange. During this period, any protective duties they might levy would not affect us, and would only enhance the cost to themselves.

2. A transition period, during which these nations, gradually increasing their own manufactures under the shelter of protective duties, should become more and more independent of ours; whilst yet the activity of our home trade and the growth of markets in semi-civilised lands should suffice to maintain our prosperity.

3. A period of contraction and difficulty, when—being obliged to import half the food of a dense and delicately organised population—we should find the nations excluding, by hostile tariffs, those products of our industry which are all we have to offer in exchange in the long run. In the effort to escape this difficulty, we should at first force our goods on such markets as remained open,—sustaining an illegitimate trade by unsound financial and banking operations, and thus for a time obtaining, even at a serious loss, the means of paying for our food imports.

Meantime, whilst excluded from the ordinary healthy current of demand for manufactures in America and on the Continent, we should be subject to a most trying and dangerous set of spasmodic influences; for whenever, at a moment of prosperity, the demands of those countries should happen temporarily to exceed their existing means of production, we should receive large orders for iron and textiles, which would (as in 1871-72) disturb our equilibrium, raise prices and wages, induce great and sudden extensions, and excite and demoralise our people, and then as suddenly cease, leaving us to regain our balance as we could.

The moral and pecuniary results of such a series of excitements and depressions must be equally disastrous, and must culminate in results which I will not attempt to pourtray; let

every English patriot pray that no vision of them may ever haunt his dreams.

Such then are the dangers which we see and fear—such the fate whose grasp we already begin to feel; whilst we believe that it is not too late for England, by the adoption of a large and far-sighted policy, to avert them completely, and to lay strong and deep the foundations of a steadier and more lasting prosperity.

But before describing this policy, let me say once for all what we do *not* want, and therefore what we trust our critics will cease to attribute to us, or to expend their energy in denouncing.

We do *not* want *protection* against our foreign competitors, (I write as a manufacturer); we will cheerfully compete with all comers; and if the French or others can beat us in some specialities, all honour to them. No nation can be vain enough to expect to excel the world at every point, surely.

We do *not* want *retaliation*, as commonly understood; a complex system of import duties, graduated to meet the varying follies of foreign protectionists, would be a remedy too silly for discussion.

We do *not* want an import duty levied on the raw materials of our industries; that would be a simple act of suicide.

We do *not* want the *coercion* of our Colonies and dependencies into a Free-trade policy; that would be to provoke resentment where we ought to attract and conciliate.

What we do want is that certain great objects should be calmly, resolutely, and persistently pursued; I place them in the order of their importance.

1. That the United Kingdom and its Colonies and dependencies be gradually welded into one great Free-trade Empire, capable, if the protective system be finally adopted by other nations, of supplying all its own essential wants.

2. That our fiscal arrangements be directed to divert the growth of our food, and the further investment of our capital, from foreign countries which impose duties on our productions, to our own Colonies and dependencies.

3. That we abandon the system of commercial treaties until, by the temporary imposition of duties on foreign manufactures, we shall have regained, in every instance, the power of bargaining for equal treatment. *

* See Notes A and B.

To attain the first two objects, our course of action is clear; to impose and maintain, for many years to come, a small import duty on articles of food and mere consumption received from foreign nations; admitting the like commodities from all parts of our own Empire, *free*. We need not wish our Colonies to impose similar duties, as their enjoyment of a profitable transit trade would greatly aid their development, which is our primary object. Thus American food products would come, to a large extent, by way of Canada, enriching her railways, merchants, and shippers, instead of those of the United States, during the period in which the differential duty was rapidly developing Canadian agriculture.

I have already said that no duties would be levied on the raw materials of our industries, from whatever quarter they might come.

A steadfast adherence to this policy would necessarily, though no doubt gradually, transfer the trade of growing food and luxuries for the English market from foreign protectionist nations to the various portions of our own grand Empire, which, were its resources fairly developed, is undoubtedly capable of supplying many times our requirements, well and cheaply. *

A large field for emigration, and for the legitimate and safe investment of English savings, would thus be opened out, to the discomfiture of the floaters of foreign loans, American railway bonds, and unsound limited companies.

Our dependencies, thenceforth bound to the mother country by the strong ties of material advantage, as well as those of sentiment and affection, would be more ready to meet our wishes, and to establish Free-trade with us and with one another, in return for the valuable privilege accorded to them. No coercion would be needed or thought of; but an inspiriting sense of renewed youth, an assured hope of a secure and glorious future, independent of the caprices of foreign legislation, would be felt by the citizens of the British Empire throughout the world. A Free-trade Empire of 300 millions of people, embracing every variety of soil and climate, and strong to maintain the freedom of the seas, would be no mean World in itself.

And what is the sacrifice requisite to attain this end?

* See Notes A and B.

An enhancement of the cost of some articles of food and luxury perhaps equal to one-seventh the amount now spent in intoxicating liquors; probably less than the annual interest of the capital lost during the past ten years in foolish loans to foreign governments, and foreign railway and other companies: a loss likely enough to be repeated during the next ten years, if our present aimless national policy be continued.

But it is said that our manufacturing population would not endure the imposition of any import duties on articles of food.

That depends upon the amount, and still more upon the purpose of such duties.

I have conversed much with working men on this subject; many of them are keenly alive to the danger of our increasing dependence for food upon nations who will not admit our manufactures in return; and I am convinced that no class in the country is more ready to appreciate such a policy as the foregoing, or to make whatever present sacrifices may be needed to carry it into effect.

They fully understand that even the increase of cost would not be lost, but that the produce of the import duties would go either to lessen other taxes or to reduce the public debt. They also recognise the tremendous pressure at present felt by our agriculturists, which is seriously damaging the home trade, and thus lessening their own employment; and they do not think that any class can long profit by the ruin of another. On the principle of "Live and let live," they would, therefore, not regret any advantage which might accrue to the agricultural population.

They trouble themselves little, so far as I can judge, about foreign competition here; but a great deal about the increased exclusion of their own handy-work from foreign countries by protective tariffs, especially when this is done by nations whose best customers they know themselves to be. They would, therefore, regard with a rather contemptuous indifference any duties levied by England upon foreign manufactures *for their own protection;* but would highly approve them as means of exercising pressure abroad to obtain fairer treatment for British manufactures.

But there is growing in their minds a strong feeling of distrust, almost of resentment, against those who on the one hand declare that our Government cannot and ought not to do anything to meet and foil the selfish policy of foreign protectionists, and on the other hand that we must encounter their hostile tariffs by lowering wages till we can force a demand in spite of them. For they see clearly that, to do this, their wages would have to be lower than those of the foreign workman, by the amount needed to overcome the tariff which protects him.

Whatever may be the judgment of working class constituencies upon a policy such as I have tried to sketch, I dare venture to assert that its advocates will, at least, receive more favour at their hands than those who have no policy to propose but that of passively drifting into the straits prepared for us by the protectionist nations.—I am, sir, yours faithfully,

W. FARRER ECROYD.

Lomeshaye, near Burnley,
January 23rd, 1879.

LETTER II.

To the Editor of the Bradford Observer.

Sir,—I have always intended to set forth some further facts and arguments in support of the policy advocated in my previous letter, and it is for that purpose that I now ask to be once more allowed to trespass on your space. I shall notice in passing, some of the criticisms of it which have appeared in your columns, but am content in the main to leave what has been said to the judgment of your readers.

It is evident that in many minds the effects of foreign competition and those of foreign protective tariffs are completely confused; now these two things are absolutely separate, and must be carefully kept so in every discussion which is to be of the least service. Foreign competition in the home trade, or in neutral markets, is only to be met by intelligent enterprize and skill, by integrity and industry, by the acceptance of wages and prices such as the times will afford, by the spread of real education, by the avoidance of extravagance and carelessness on the part of all classes—buyers and sellers, masters and workmen. Against foreign protective tariffs, however, none of these things are, or can be of the least avail; for should we succeed at any time in thus neutralising them, they would at once be raised sufficiently to make them effect the purpose for which they were imposed.*

For myself, I utterly disclaim any desire to invoke the action of Government to help us in the first of these issues; and should it be needful to impose duties on foreign manufactures in order to bargain for the admission of our own into other countries, I earnestly hope that such duties may be regarded as purely temporary, and their duration strictly limited to the attainment of that end.

* See Note C.

We may observe a very similar confusion of ideas in many persons who first mis-apply the term Free trade, and then found arguments upon the mis-used term I have always said, and I now repeat it, — Free-trade is sound, beneficent to all parties, heartily to be desired everywhere. But Free-trade is the interchange of commodities between nations on terms of *equal freedom;* and that is what we do not at present enjoy, and what we cannot obtain as between ourselves and foreign countries, because they are unwilling to do their part in it.

Such questions as those of your correspondent who asks "Does the decline (of our trade) proceed from our policy of Free-trade? and is our policy of absolute Free-trade unable to compete with the foreign policy of moderate protection?" are instances of this confusion. Whatever we may desire, or assume in theory, we have no policy of absolute Free-trade in force; for the simple reason that such a policy requires the co-operation of foreign nations, which we have been hitherto entirely unable to obtain.

Another remarks, "A trade must be free absolutely, or it is not Free-trade;" and then goes on to say that it is for me to show that a trade limited to a certain portion of the world is in a true sense of the word, "Free-trade."

I so entirely adopt his first proposition that I am spared all further trouble in regard to the demonstration he invites. The quality, not the geographical distribution, is clearly that which constitutes Free-trade; it must be, in his words, "absolutely free," not free on one side and bound on the other, or it is not Free-trade at all. Absolute Free-trade between England and France would be real Free-trade; whereas the kind of trade we now have with France would never be Free-trade, though extended to the whole world.

Far better, therefore, for the eventual spread of real Free-trade, to say at once to France and some other countries, "We insist either on Free-trade or open Protection; we will have whichever you choose, but it shall be the same on both sides; we care not how large the exchange of your manufactures for ours, but it must be on fair and equal terms, and shall be in future on no other."

To carry this policy into effect, it would, I think, be sufficient to impose on all foreign manufactured articles an *ad valorem* duty about equal to that now levied by the French on our goods, say 10 or 12½ per cent.; but in doing this we ought to give distinct notice that in case any nation should agree to admit our manufactures duty free, we would at the same time open our ports to theirs on the same terms. A perpetual offer of Free-trade in Manufactures would be thus made to all nations. Surely this is not to demand Protection for the British manufacturer, but simply a fair field and no favour; it is therefore both illogical and disingenuous to represent it as a cry for some artificial shelter to spare him the necessity of wholesome and intelligent exertion.

No doubt the last sudden flush of excessive prosperity in 1871-2 produced an unhealthy inflation, and to a certain extent demoralised all classes by encouraging carelessness, idleness, and extravagance. But these bad habits will be checked by the wholesome discipline of adversity, and wages and prices of all kinds will find their necessary level here as in other countries.

So that after all, on a fair field we can, I am convinced, still beat our foreign competitors in those great industries which are best suited to the genius of the nation. The French will, as heretofore, excel us in certain specialities—notably in articles of fashion and luxurious taste; the Americans will outstrip us in a few labour-saving "notions," and in handy utensils for the farmer and woodman, both born of the necessities of a new country; but our first-class ironworks and factories, and their attendant workers in iron, cotton, and wool, for the wants of the million, are not yet matched in the world, nor likely to be.

In spite of all the talk about our being beaten in fair competition, I should extremely like to watch the result of absolute Free-trade for three years between England, France, Germany, and America, and to see whose ironmasters, shipbuilders, cotton, worsted, woollen, and other manufacturers, would first cry out, "Hold; enough."

No—it is not the fair competition of foreign nations that we fear,—but their hostile tariffs, which exclude us from competition.

This exclusion we might endure, could we dispense with the large supplies of food which we have to buy in exchange for our goods; but as we can only feed our manufacturing population by the sale of their productions, whilst foreign nations are more and more resolutely closing their doors against those productions, we have but two alternatives.

Either (1) our population and its industries must be reduced in proportion to this forced contraction of demand; or (2) we must, even at some present sacrifice, take active measures to establish, within our own Empire, food-growers who *will* purchase our manufactures in exchange.

This conclusion is inevitable, and it is useless to say we should prefer other circumstances, or that we object to make any present sacrifices; the case is one of necessity, and in choosing the latter alternative we simply accept the less evil of the two before us.

What then are the capabilities of our Colonies, either as customers for our goods or as growers of food? In the year 1877, (the last of which I happen to have the returns before me), our Australian Colonies, with two millions of inhabitants, purchased our exports to the value of £19,285,718; whilst the United States with about forty millions of inhabitants, purchased only to the value of £16,376,814. In the same year the Dominion of Canada (with Newfoundland), containing four millions of inhabitants, took from us exports to the value of £7,613,547; whilst Russia, with nearly eighty millions of people, bought only to the extent of £4,178,641. In other words, every Australian is as large a customer to us as sixteen Americans, and every Canadian is better to us than thirty-five Russians. Thus, should we succeed, by the aid of a differential duty, in settling only four or five millions more inhabitants in our Colonies, their custom would be as large as the whole of our present export trade to the United States and Russia combined. *

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* I would strongly recommend working men to examine regularly the Annual Returns and Statistical Abstracts issued by the Board of Trade, and to notice the growth and steadiness of our export trade to the Colonies and India, and the irregularity of that of America, Germany, &c.

Nor need we fear that by the adoption of such a policy we should lose any export trade to America or Russia which we can retain under the present system, or provoke any action on their part which will not equally be adopted as matters now stand, should they deem it advantageous to themselves. The enormous duties now levied by these nations on our manufactures were imposed by them in the face of our Free-trade policy, and this may convince us that no consideration of reciprocity or want of reciprocity has influenced their actions at all.* On the contrary, we should probably convert into zealous Free-traders the carriers, merchants, and exporters of New York and the Atlantic States, who, harassed by the favoured competition of Canada, would be anxious to obtain the largest and most direct exchange of commodities with this country. For from the moment when they should see us resolved in earnest to become independent of them, the tables would be turned, and the fear of gradually losing their vast trade with England, who now takes two-thirds of their food exports, would make them, instead of ourselves, the perplexed and anxious party. Amongst other results we might reasonably expect a considerable migration of farmers from the remote North Western States into our territories. But it would be a fatal error to allow any offer of reciprocity, even from the Americans, to turn us aside for one moment from the steady pursuit of a policy directed to secure the unity and prosperity of the whole Empire. Instead of that, we ought, without delay, to open out and hasten the settlement of the best corn and cattle growing lands in our dependencies. What some of these are the following extracts will show:—

"Of the total area of the Dominion of Canada, upwards of "two million square miles are agricultural and timbered lands, "and of these the wheat zone occupies about one-half. The "range of productions is extended in grains from barley to "maize; in fruits from apples to peaches, grapes, melons, nec-"tarines, and apricots; in vegetables, from turnips, carrots, and "cabbages to the egg plant and tomato."—*Official Handbook of Canada: Paris Exhibition,* 1878.

* See Note D.

"North of Lakes Erie and Ontario, and the River St. Lawrence; "east of Lake Huron, and included mainly within the Province "of Ontario, there is as fair a country as exists on the North "American continent,—nearly as large in area as New York, "Pennsylvania, and Ohio combined, and equal, if not superior "to these States in its agricultural capacity. It is the natural "habitat of the combing-wool sheep; it is the land where grows "the finest barley; it raises and grazes the finest of cattle, with "qualities especially desirable to make good the deterioration of "stock in other sections; and its climatic conditions, created "by the vicinity of the great lakes, specially fit it to grow men. "Such a country is one of the greatest gifts of Providence to "the human race."—*Hon. David A. Wells, in the North American (United States) Review, September*, 1877.

To develop these resources and the like in other portions of our Empire, is the task to which we ought at once and energetically to address ourselves; but to do this rapidly in the face of the vast food-growing and carrying organizations which America, by the aid of our capital, has already got into full operation, would be impossible without the aid of a differential duty. The young plantation will be strong and healthy enough, when full-grown, but it must be fenced and sheltered during its infancy. And probably this is the best investment possible for England herself; for past experience and the clouded future both warn us that, in the absence of such legitimate openings for capital and enterprize, we may totally lose, during the next few years, in unsound home and foreign investments, in the forced idleness of many workpeople, and in the reduced wages of the rest, an amount sufficient to have opened out new lands that would sustain a couple of millions of our people in plenty, and supply half our import of corn, cattle, bacon, butter, and cheese. What would have been our position in these respects at this moment had such a policy been adopted ten years ago, and had one or two hundred millions of the money now hopelessly lost in foreign loans and foreign railway bonds been directed, by the wise initiative of government, to the development of our own territories and the growth of our own food?

India would also profit greatly; indeed it is difficult to estimate how much we might in this way raise the condition of her people,

and their power to purchase our manufactures. A privileged trade with England, and reduced taxation, would be worth more than an army of defence for India, by increasing the comforts and the contentment of her people.

The present time is especially favourable for the inauguration of such a policy,—iron and steel being unprecedentedly cheap, and much capital and labour anxiously seeking legitimate employment. Its immediate effect would be to create a large demand for railway and other iron, to ease the Indian exchange, to quicken trade and increase employment in all directions; whilst the steady current of emigration would be available first for the execution of the needful works, and then for the settlement and cultivation of new lands in our Colonies. Our agriculturists, manufacturers, and traders would thus be relieved from the undue competition caused by too much capital and energy seeking employment at home,—and our workmen from the depressing results of an over-stocked labour market.

What, meantime, would be the probable apparent cost of this policy to the British consumer? I say apparent, because I am convinced that the indirect gain would, even from the very first, be much greater to all classes, than the direct and apparent loss.

To effect our purpose it would, I think, be needful to impose specific duties on foreign food products, equal to about 10 per cent. on a low range of values, and to maintain them steadfastly until our own dependencies should be able to supply our wants. I will not encumber my letter with a long array of figures; but after a careful study of our average imports of food from foreign countries, I find that a duty of 10 per cent. on them would amount to about £12,500,000. From this must be deducted £4,500,000 which would be remitted by reducing to 10 per cent. the existing duties on foreign tea, coffee, cocoa, dried fruits, &c., and by admitting these articles duty free from English dependencies. To the balance of £8,000,000, I add £1,600,000, to cover the charges and profits of wholesale and retail distributors on the increased cost; this brings the sum to £9,600,000. We have next to consider the effect of the duties in raising the price of some of these articles which are also grown at home; this is a complicated question, because it is not easy to estimate the proportion of loss which would fall upon the

foreign grower, just as millowners and workmen too well know that they now endure a portion of the burden of those foreign tariffs which press upon their goods, and render their toil and trade less profitable. I take the amount, however, at £7,500,000, after much research,—thus bringing the total up to £17,100,000 ; of which sum it is evident that £8,000,000, being new revenue, would at once enable us to lighten the existing burden of taxation to an equal amount. This would leave £9,100,000 as the nett additional cost to consumers ; of which £7,500,000 would go to relieve our depressed and harassed agriculturists, and the remaining £1,600,000 to increase the interest and profits of wholesale and retail distributors, should competition permit them to charge it to us.

Now our present population is about 35 millions, or 7 million families of 5 persons each, amongst whom to divide the added cost of £9,100,000. This would give 26s. per annum, or sixpence per week as the charge on each family ; surely a very moderate price to pay for benefits so great and enduring as those which have been described.

Is this most fruitful sacrifice then to be the one specially decried and feared, whilst the serious limitation of employment, and reduction of the wages and incomes of all classes, which do, and must attend us, as we drift passively and aimlessly along our present course, are accepted as if they were the decrees of resistless fate ?

Cheap foreign food will avail our people nothing unless it can be obtained in exchange for the fruits of their own industry ; for the workmen whose forges and looms are brought to a stand by hostile tariffs, may yet starve in the midst of unprecedented abundance.*

Our import trade in articles of food is our chief instrument wherewith to obtain an export trade that shall give employment and wages to our people ; and if we are content to buy fifty million pounds worth of food yearly from those who will not buy from us in return, we have necessarily far less employment and wages than we should otherwise enjoy.

* See Note E.

Fifteen or sixteen years ago, trade between England and the United States was about equal in both directions; but now our imports from that country are above fourfold our exports there, leaving a difference of about 60 millions sterling per annum to be met in some forced manner, instead of by the natural process of sending our own productions in exchange.

I have thus far found no one able to explain how our enormous imports of food from America are eventually to be paid for; for two years past we have evidently paid for them to a large extent by the transfer of investments,—but that must soon come to an end. I know we are often told that such matters right themselves by a natural law, and that America must perforce sell less to us, unless she will buy from us in return; and that is doubtless true, but it seems to point directly to the conclusion I most dread, namely, that we may some day be unable to purchase the needful food for our population, because we have nothing to offer that America and other countries are willing to receive in payment.*

If again it be said that, to find means of payment, we must increase our trade to distant semi-civilised nations who cannot manufacture for themselves, the answer is that we have already, in the unconscious effort to escape our difficulty, forced our goods upon such markets far too largely; witness the vast losses incurred in the Eastern and South American trades, culminating in recent heavy disasters; so that these openings for the employment of our people, instead of being enlarged, are being, and must be, contracted to their legitimate limits.

There is therefore, apparently, no way of escape from the danger and difficulty of our one-sided trade with America and other countries, but the policy I have proposed. It demands a

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* The statement that our excess of imports over exports is due to the large and increasing income accruing from our foreign investments, whilst satisfactory to financiers as accounting for the balance of trade, is by no means calculated to reassure our working classes.

It will certainly, and very justly, alarm them to learn that our imports are acquired more and more in payment of rents and interest due from abroad to our wealthier classes, and less and less in exchange for the productions of their own industry.

And they will judge what must be the effect of such a movement as that upon our industrial population, in the long run.

great effort and perhaps some sacrifice to begin with, but it would work a radical and permanent cure.

No doubt mutual dependence, and the free interchange of commodities between England and America, would have been far more to the advantage of both nations. But to that end the co-operation of both parties was essential, and it is by no fault of England that such a condition of things has been rendered for ever impossible. Under a persistent policy of protection, America has built up for herself vast iron and textile industries, which are, or soon will be, able to supply all her wants. These she will not and cannot now destroy or undermine.

The die is finally cast, and by her act, not by ours; mutual independence is the only relation possible between the two countries in future, and the sooner we realize this conclusion and act upon it, the better for us.

We waited long and patiently for the best; it has passed for ever out of our reach. Let us take heed that the possibility of the second best does not slip away, whilst we are still drifting and hesitating. Canada still remains to us,—a mighty resource. But enjoying, in her trade with us, no privilege over the most illiberal foreign nation, there is great danger, as matters now stand, of her being first bribed by the United States into a Protectionist Alliance, and as a final result, absorbed politically.*

One of your correspondents remarks that our Colonies and India would probably decline to accept their assigned parts in this scheme, and argues as though it were intended to restrict them to agriculture only. Can he really suppose that it implies the concentration of all the manufacturing industry of the Empire in these islands, and the employment of India and the Colonies exclusively in growing raw products?

Surely our dependencies would then, as now, be perfectly free to develop themselves to the best advantage, and to establish and maintain such manufactures as they might find profitable, just as we should still grow corn and wool at home; but their superiority in soil, and climate, and area, for the growth of raw materials, and the scope afforded in the mother country for the more perfect organisation of manufactures, would always fix the predominant part of each in the common industry.

* See Note F.

Any further great increase of our home population and manufacturing industries is perhaps neither on economical, sanitary, or moral grounds to be desired; for my part, I distrust entirely those "advances by leaps and bounds" which moved to exultation some who are now foremost to proclaim the approaching decline of England, and rise of America. I shall be content if our present position as a manufacturing country can be consolidated and secured, and the way prepared for a safer if much slower advance in future.

Probably an increased opening for emigration to the Colonies would be far happier and better for our growing population, than the closer packing of them in our industrial centres at home, through any expansion (even if we had power to secure it) of our export trade to countries like France, Germany, and America, who might at any moment, by one stroke of the pen, again take away their employment, and with it their daily bread. Indeed the danger most to be feared is that some sudden access of prosperity,—quite temporary in its nature, as all such movements must be under our present system,—may blind us to the danger of our position, and by inciting to further extensions, bring back all our difficulties in an aggravated degree.

I confess myself entirely unable to understand the picture which one gentleman's imagination has created, of our Empire surrounded, under this policy, with a "Chinese wall." On the contrary, so far as I can judge, we should still be by far the most liberal of all the great commercial nations, and should still possess the greatest foreign trade in the world. But we should have proclaimed to those who do pursue a policy of Chinese isolation, that we have the power to be self-supporting in case of need, and that they can only retain our custom by admitting our productions, in future, on terms just as free as those on which we are ready to admit theirs.*

It is perhaps hardly worth while to hold up to ridicule, as it would be very easy to do, the contradictory notions propounded by those who choose to look everywhere but in the right quarter for the causes of the decline of our trade. Yet it may be observed that one has daily to read or hear, with as grave a countenance

* See Note G

as can be kept, such mutually destructive propositions as the following:—

1.—That protection necessarily destroys the power of those protected to compete in foreign or neutral markets; yet that America, after a long term of the most excessive protection, is actually becoming one of our most formidable competitors!

2.—That our depression is largely owing to our heavy load of taxation; yet that France, far more heavily laden, suffers least of all nations from the depression of trade!

3.—That we ought to bring our waste lands into cultivation, and so require to import less food; when it is evident that the pressure of foreign competition, by disabling farmers from expending an adequate amount on labour and manures, has already seriously reduced the productive capacity of even our best lands, and that this disastrous effect is still increasing!

4.—That the reduction of wages and prices will create an increased demand for our productions, even in the face of hostile tariffs; yet, in spite of an excessively low range of prices, lowered further for some time past, by the losses of employers, the depression only deepens, and the demand still contracts!

No; we have to fall back on the fact that the cause of our distress is one sided trade, and THE ONLY REMEDY REAL FREE-TRADE; TO BE OBTAINED WITH FOREIGN NATIONS IF POSSIBLE, AND IF NOT, TO BE RESOLUTELY BUILT UP WITHIN OUR OWN EMPIRE, TO AN EXTENT AT LEAST SUFFICIENT TO ENABLE US TO OBTAIN OUR FOOD IN FREE EXCHANGE FOR OUR PRODUCTIONS. And if in doing this, we are accused of unfaithfulness to the principles of political economy, we may fall back upon a high authority. Adam Smith wrote,—"The case in which it may sometimes "be a matter of deliberation how far it is proper to continue the "free importation of certain foreign goods is when some foreign "nation restrains by high duties or prohibitions the importation "of some of our manufactures into their country. Revenge in "this case naturally dictates retaliation, and that we should impose "the like duties and prohibitions upon the importation of some or "all of their manufactures into ours." He goes on to describe

the attempts of the French to favour their own manufacturers by restraining the importation of foreign goods, and the war of tariffs between France and England which followed, to the great detriment of both nations, and then remarks,—"There may be "good policy in retaliations of this kind, when there is a proba- "bility that they will procure the repeal of the high duties or "prohibitions complained of. The recovery of a great foreign "market will generally more than compensate the transitory "inconveniency of paying dearer, during a short time, for some "sorts of goods." *Wealth of Nations*, Book iv., chap. ii.*

If ever circumstances can make this "matter of deliberation" for us, they certainly do so at present; and it ill becomes any of those who profess a regard for the high authority of Adam Smith, to sneer at us, who simply propose to consider what he suggests.

Perhaps indeed nothing has done so much to retard the spread of Free-trade, and to encourage foreign nations in excluding our goods by protective tariffs, as the continual loud proclamations of foolish people in this country, that, let those nations treat us as badly as they may, we shall never retaliate, or alter our policy of admitting their products and manufactures duty free.

One remark, and I have done. In your kindly and courteous leading article on my previous letter, you not unreasonably assume that the economic benefits to our manufacturing population, rather than the great political interests of the Empire, are the "influential motives" in the minds of us who advocate this policy.

I can only say that in my own case political considerations first inspired these views, which were strengthened by my perception of their economic bearings. The patriotic and economic questions are one and indivisible; the ultimate interests of our agricultural and manufacturing population at home, and of our Colonists, and the inhabitants of our dependencies, are identical.

Our first and highest end should be to consolidate and strengthen the Empire, and so to give to all its citizens, in England and elsewhere, the sense of belonging to a great nation, still in the vigour of its youth, and possessing varied and inexhaustible resources; a nation, therefore, which, though disap-

* See Note H.

pointed at the policy of selfish isolation pursued by others, needs neither to be perplexed nor dismayed, but to turn with courage and promptitude to the alternative still left, which, though less profitable to the general interests of mankind than the course she would have preferred, may prove scarcely less profitable to her own.

I fear nothing so much as the sentiment of despondency,—the feeling that England has passed the summit, that henceforth she is to decline whilst others take the lead; a sentiment neither wise, nor patriotic, nor founded on any wide review of our real position, nor worthy of a high-spirited imperial race.

Let us proclaim to each other the doctrine of consolidation and hope, instead of this miserable belief in disintegration and decay, which threatens to paralyze our energies, and so to bring about its own fulfilment. England is called to a great work, worthy of those high energies which our fathers have always put forth at every past crisis of her history, and never yet in vain. She has her Empire to reconquer and consolidate,—not by blood and iron, but by a patient, unwearied, resolute, yet peaceful policy, directed to a clear and definite, and I hope not distant end.—I am, sir, yours faithfully,

W. FARRER ECROYD.

Lomeshaye, near Burnley,
28th February, 1879.

NOTES.

Note A.

It is alleged that were we to withdraw from the system of Commercial Treaties, we should lose the advantages which we now enjoy, in certain cases, under the most favoured nation clause.

But on the other hand we should regain our own freedom of action, and so soon as it became evident that we meant to put up with nothing short of reciprocal treatment, we need not fear the loss of those poor concessions for which we have had to wheedle and supplicate foreign governments, or which we have received as accidents of the bargains made between them.

With such an amount of custom to bestow as is represented by our vast imports, we may rest assured that we shall at all times be able to secure the admission of our exports on the most favourable terms, if only we let it be clearly known that we mean to strike promptly and strike hard wherever (as at present by Spain) we may be subjected to special disadvantages.

And if it be true that we are already so bound by existing Treaties of Commerce that, for many years to come, it will be impossible for us to choose or to change our own fiscal policy,—that seems an urgent, nay an alarming reason why we should lose no time in commencing our escape from a false position, either by refusing henceforth to negotiate or renew instruments so completely at variance with the principle of Free-trade, or else by making them in every case terminable at a year's notice.

Note B.

The *New York Times* of April 18th, in a leading article on my proposals, does not dispute their efficacy, but regards them as impracticable for two reasons. First, because no English government would dare to exasperate the working classes by an import duty on food ; and secondly, because the chief English Colonies are themselves becoming hopelessly protectionist.

But Americans habitually underrate the education and character,—the patriotism and political influence of English working men,—many of whom, in the generation now risen to manhood, are probably as well informed as the bulk of the middle class in the United States. There can, indeed, be no greater mistake than to suppose that the great body of our artisans are wanting in love of country, or that they regard the United States with longing eyes. Many have returned from America during the past five years, disgusted with the extremes of the climate, the mode of living, the inordinate power wielded by great trading and carrying corporations, the lax enforcement of laws, and the rigid party organizations which trample down individual liberty of opinion. For true comfort and true liberty they infinitely prefer their native country, and they will heartily support such political measures as may help them to remain and exercise their industry there, rather than in a foreign land.

Our working classes may, therefore, themselves dictate the adoption of the policy in question, and so enlist Colonial opinion and interests in favour of a British Zollverein, which, besides supporting Home industries, would powerfully divert English commerce, capital, and emigration from America and other protectionist countries to our own dependencies.

Note C.

To correct a mistaken notion, which extensively prevails, that the effect of foreign tariffs upon our export of manufactures may be overcome by longer hours of labour, reduced wages, or improved machinery,—I may here state that the import duties levied by America, Russia, and Spain on textile fabrics are, in many cases, *equal to the whole cost of the raw materials contained in such goods ;*—whilst the more moderate duties imposed by other nations *generally equal, and often exceed the total amount of wages paid in their manufacture.*

It is therefore self-evident that, even when economy of labour and reduction of wages shall have been carried so far as to depress the condition of the British workman to the utmost, the true remedy for our difficulties will

be still to provide ; whilst he will be far less able than at present, to endure any slight and temporary addition to the cost of living which it may involve.

NOTE D.

We are warned that we might provoke a "War of Tariffs" if we should venture to offend the United States by a modest duty of 10 per cent. on provisions, or France by an equally modest 10 or 12½ per cent. on silks.

Such sublime disregard of existing facts is almost amusing, when our very complaint is that we are already in the midst of a tremendous war of tariffs, which still thickens around us. Our long-continued practice of the friendly and open-handed policy of Free-trade towards them, has not prevented Russia or America from smiting our industry with duties of 50, 60, or 80 per cent., levied on all its most important productions.

The question, therefore, is not whether a war of tariffs is to be instituted. We have long been under a heavy fire in front and flank without replying ; we see more and heavier guns continually placed in position against us. Are we, for fear of some loss of ammunition, to spike our own splendid artillery, and abandon the field to our opponents ? Or are we, at last, to open fire in return, and thus, in the truest kindness, drive them from a position as injurious to themselves as to us?

On this point, the following letter of PROFESSOR BONAMY PRICE will be read with interest.

To the Editor of "The Times."

Sir,—I hope you will allow me to answer in *The Times* a question which is at the present moment much discussed in many quarters. The question is this—Is retaliation against a country which imposes protective duties ever justifiable? I answer:—

1.—That Free-trade—that is, the non-imposition of duties for the protection of native industry—is, in principle, absolutely true. No objection to it can be sustained, and it is of the highest value for the prosperity of every country.

2.—That reciprocity—that is, the imposition of counter duties on imports from a country which has enacted protective duties solely for the sake of meeting them, blow for blow—is a mischievous and utterly indefensible violation of Free-trade.

3.—But retaliation, as an act of war, carried out with the sole object of bringing the duty-imposing country to its senses by making it perceive the injury to trade and the losses which protection inflicts, is a wholly different matter. But it is entirely outside of political economy. Political economy is a subordinate body of knowledge. It makes reports on the subjects which belong to it to the statesman. It informs him that all war is a breach of political economy, that it destroys wealth, and thereby creates poverty. There its function ends. "Very well, Mr. Economist," the statesman replies. "I have no doubt that you have spoken rightly, but I am going to war for reasons of which you are not the judge." To this the economist has no reply.

The policy, therefore, of a war of retaliation against foreign protection does not lie within the decision of the economist but of the statesman, though the former contributes facts for consideration. There are many elements in such a question which are not economical, and of which the economist is no better judge than others. The temper of the nation attacked, its relations to other countries, the effects which assaults on its trade in one quarter may have on its commercial position in another, the moral effect which the war may have on its people, the chance of enlightening its mind, are not economical questions but political.

In such a problem all that can be said beforehand is that war is economically wrong, but may be justified by reasons which the statesman accounts valid.

June 18th, 1881. BONAMY PRICE.

Note E.

The tone of lofty indifference with which a portion of the public press treats matters involving the ruin and breaking up of the homes of large bodies of our industrial population, must be, in charity, attributed to the ignorance of the writers. Apparently they are quite unaware that the skill and experience demanded of each class of workers—under the conditions of modern competition and the increased division of labour—require a lengthened training, which in a great degree unfits its subjects for any other employment, and entirely prevents their obtaining it during a time of general depression.

If 20,000 workmen are cast out of employment by the operation of the French Sugar Bounties, what matter, say they, so long as consumers enjoy the casual advantage of a farthing a pound in price for a few years? But surely the hollowness of the argument that the interest of the consumer alone is to be considered,—and that, if the French are kind enough to make us a present, we ought gladly to hold out both hands to receive it,—is proved by the fact that our governments have actually laboured to induce the French to withdraw this benefit from us!

Whatever optimists may say, it remains certain that the real prosperity of the country depends on the sustained activity of all its productive industries, and not upon that mere buying, selling, speculating and spending which, however useful in its own secondary sphere, does nothing to increase the store of man's necessaries or comforts.

The policy advocated in the foregoing pages, which, amongst other measures, would of course include an import duty of 10 per cent. on foreign sugar, would thus restore full employment to our sugar refiners, as well as to other workers, who are suffering so cruelly from the effects of foreign legislation.

Note F.

Since this passage was written, Canada has given us a lamentable proof of its truth, by seriously raising her import duties. She is thus drawing nearer to the American system, and separating herself further from that of the Mother country.

As we treat her productions with no more favour than those of the United States, we cannot complain should she raise her duties on our manufactures to the same prohibitive level, and so treat us in return with no more favour than the Americans treat us.

But the outcome of all this must be the alienation and final loss of Canada and all our principal Colonies,—a fatal result,—for which we shall have to thank our own narrow and short-sighted policy. It might have been far otherwise had we been wise in time; and late though it now is, the Sibyl has not yet burnt all her books.

Note G.

I have had occasion in the foregoing pages to say many hard things of American commercial policy, and to insist on the importance of bringing into play our own great strength and resources to resist and checkmate it. I believe it to be of the utmost consequence to the future of the whole English-speaking race, and most of all to that of the United States, that this great contest should result in the victory of the Free-trade system on both sides the Atlantic.

I am utterly at a loss to understand why there should exist any feeling of jealousy, much less of antagonism, between the United States and England. The advancement of the human race may almost be said to be waiting upon the success of these two great kindred nations, in fulfilling their allotted

tasks. The chief danger to both is that the system of Protection may build up separate interests in various regions of each, which at last may break them up into a dozen separate nations, jealous of and, commercially if not politically, biting and devouring each other.

Both here and in America it has been too much the fashion to look upon England quite apart from her Colonies, instead of as the centre of a vast commonwealth. What California and Texas are to New York, Philadelphia, and Boston, such are Canada, Australasia, and the East and West Indies to London, Liverpool, and Glasgow. The ocean is indeed a grand highway of commerce, and a far less formidable obstacle to the exchange of commodities than the Rocky Mountains.

As regards the difficulties caused by differences of race, it is evident that Great Britain and her Australasian, Canadian, and West Indian Colonies are quite as homogeneous as the American Union, which contains an immense Negro population, not to speak of the various foreign elements acquired by recent immigration.

And lastly, the differences of interest between Pennsylvania and Massachusetts on the one hand, and the purely agricultural States of the South and West on the other, are as great as any which exist or ever can exist, between England and her Colonies.

America ought indeed to watch with a deep and sympathetic interest the success of England in maintaining the unity of her Empire; for, should she fail, it may be deemed certain that the widely-separated communities which compose the American Union are doomed to a like disruption: the same forces and motives will inevitably produce the same effect.

Is there not in the hearts of the wisest and best men in both nations a far higher and worthier aspiration?—a vision of a future Federal Free-trade Union of all English-speaking communities, which shall give them increased strength and wealth and assurance of peace; and shall enable them to extend to less civilized lands, in a degree hitherto undreamed of, a participation in their own priceless inheritance of freedom and order based upon Christian civilization.

Of India I do not speak at present, as it is not a Colony, but a dependency of the Empire, except to remark that whatever imperfections may still remain in its administration, history presents no previous example of any great dependency so nobly and unselfishly governed. The fact of our control over, and consequent practical Free-trade with India, has done much to prevent the utter disaster which the oppressive tariffs of Foreign nations would otherwise long since have brought upon our great industries.

Note H.

John Stuart Mill also says:—"A country cannot be expected to renounce the power of taxing foreigners, unless foreigners will in return practise towards itself the same forbearance. The only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities, is to impose corresponding revenue duties on theirs. Only it must take care that those duties be not so high as to exceed all that remains of the advantage of the trade, and put an end to importation altogether, causing the article to be either produced at home or imported from another and a dearer market."—*Principles of Political Economy*, Book V; end of chapter iv.

FAIR TRADE

AND

FREE TRADE.

BY E. S. CAYLEY,

OF WYDALE, YORK.

[REPRINTED FROM THE "ST. JAMES' GAZETTE."]

"This is not a controversy of reason against reason, but of downright impudence against all the sense and reason of mankind."—*Motto to a pamphlet of Sir Robert Walpole, quoted from Tillotson.*

1881.

BRADFORD:

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FAIR TRADE AND FREE TRADE.

I.

The Junior Lord of the Treasury who was re-elected the other day at Leeds, while seeking re-election, said a few words on Fair Trade to the Liberal Four Hundred, which showed that he thoroughly misunderstood what he was talking about. He quoted figures carefully prepared by some one to show that some unprotected industries prospered and some protected industries did not. Nevertheless Roubaix prospers and Bradford starves. It is highly probable that the export of silk from France has decreased, not because it is protected in France, but because other countries have been raising their import duties. It is very likely that the United States have increased more rapidly in agricultural than manufacturing exports, while agriculture is unprotected and manufacturing is protected. But if true, it is nothing to the purpose, as Mr. H. Gladstone himself must have known.

One can only suppose these cases suggested on purpose to mislead. Now, to mislead may be ingenious; but it is not honest. A wave of depression passed over the civilised world, owing to the contraction of the currency dependent upon the withdrawal of silver from the circulation, as Mr. Gladstone no doubt very well knew: no one ought to know it better. We have Free Trade; France and America have not. According to Free Trade philosophy, we ought to have recovered first; but everybody knows that the truth is just the reverse. I have spoken of Protection; but Protection is not what we are asking for. The foreigner sells in our market free of the market dues we have to pay ourselves—that is, free of our rates and taxes. We ask to be put upon the same terms as he is. At present he is protected in our market by us; and he has protected himself in his own market. Hence, while we are being under-sold at home, we are excluded abroad.

The object of the Fair Trade movement is to restore to us our home market and our foreign market as far as possible—to secure our colonists as customers, and be their best customers ourselves. Free Trade of which all the burden is ours and all the freedom is somebody else's, we hold to be worthless. I propose from time to time to write a paper on Fair Trade and Free Trade, in order that this radical philosophical ignorance, this judicial blindness arising from a habit of inward contemplation of its own perfections, may be, if possible removed.

In the first place, Free Trade, as it is called, was carried by fraud. It was never popular till it was carried. There never was a genuine public meeting in favour of Free Trade in Manchester itself till after the session of 1846 was over. No doubt this is a statement that will be

eagerly contradicted; but the Anti-Corn Law League was an adept at making the opinion of a small noisy minority appear the opinion of a majority. The appearance of popular feeling, such as it was, in favour of the Free Trade policy was the result of careful packing.

When Sir Robert Peel went over, a good deal of the work of organising the opposition was done by my father, an old Whig, who sat for the North Riding of Yorkshire from 1832 to 1862. Though not in health to take a lead in speaking in the House, for some time, til Lord George Bentinck became the acknowledged leader, the work of reorganizing the country party fell a good deal into his hands. Among other things, some few hundred pounds were raised for the purpose of sending lecturers to Manchester and Lancashire generally. Two or three men were sent—Spitalfield weavers, I think they were. I remember one of their letters expressing surprise that in Lancashire every man was "Johnny" or "Tommy" and there were no "Misters" among them. What with lecturing and talking, the noise that was made was such that my father's hand was stopped by Conservative timidity, which could not even bear popular shouting when it was in their own favour. They said he would stir up a revolution. Hence I know that Free Trade was not popular even in Manchester.

The object of the Opposition was to force Peel to dissolve. The question of Free Trade and Protection had been submitted to the country, and the country had decided against Free Trade. Peel went round carried a personal tail with him, and the present Prime Minister as one of its joints. The opposition offered every facility for feeding Ireland; but held that it was unjust for a Parliament elected for one purpose to do just the opposite, One remembers the fable of the Turkish Admiral. I heard it spoken.

II.

"By giving an unduly heavy tax on commodities coming from abroad you greatly lessen the supply of those articles, and thus raise artificially the supply of all the like articles produced at home; at the same time, by exempting the British producer from competition you lower artificially the quality of those things produced at home," said Lord Palmerston in substance in 1846. It is a fair sample of the Free Trade argument; and is obviously no answer to the claim of Fair Trade in 1881. If it contemplated the present condition, it should be put thus: "By placing an unduly heavy burden on commodities produced at home you raise artificially the supply of all the like articles produced abroad. At the same time, by exempting the foreign producer from competition you lower artificially the quality of the articles he sends you." Converting Lord Palmerston's language to present circumstances, that is our present case.

It was urged by Mr. Miles, in 1846, that one-sided Free Trade meant giving foreign nations the power of inundating our shores with their products. He could not see how we were to compete with foreigners unless we reduced wages. Wages are being reduced already. In fact

for three years after free trade became our policy agricultural wages were knocked down on an average about three shillings a week all over the country. It was not till California and Australia sent gold enough to force up prices that this tendency of Free Trade was checked.

Lord George Bentinck said in 1846: "I know that we, the agriculturists, profit by the prosperity of manufacturers. When they are prosperous, when their labourers receive full wages, they consume more corn and meat. Increased demand increases prices. Our prosperity adds to yours; when we prosper we purchase your fabrics Are we not a thousand times worthier customers than foreign countries?"

Even that candid and liberal statesman Mr. Bright admitted the other day that the depression of the farmer did the manufacturer no good.

"It may be vain," said Mr. Disraeli on the third reading of the Corn Bill in 1846, "now in the midnight of their intoxication to tell them that there will be an awakening of bitterness. It may be idle now in the spring-tide of their economic frenzy to warn them that there will be an ebb of trouble. But the dark and inevitable hour will arrive: then — when their spirit is softened by misfortune — they will recur to those principles which made England great, and in our belief can alone keep England great. They may then perchance remember, not with unkindness, those who, betrayed and deserted, were neither ashamed nor afraid to struggle for the good old cause—the cause with which are associated principles the most popular, sentiments the most entirely national—the cause of labour, the cause of the people, the cause of England."

I heard a good many of these speeches. It appears to me that the period pointed to by these speakers has arrived. A minority deluded the then Minister and Parliament into the notion that Free Trade was a popular cry. The object all along was apparently to lower the cost of living, in order to reduce wages and cheapen the cost of production for the purpose of export combined with jealousy of the social position of the landowner. Not very noble motives either of them; but Free Trade sounded plausible. It failed for a time, because a larger supply of gold raised prices. Every foolish person, and even some who were not very particularly foolish, concluded that Free Trade had sent up prices. All opposition was silenced. But now, the abstraction of silver having counteracted that gold supply, Free Trade has produced exactly the effect that was prophesied in 1846, both on trade and agriculture. That is to say, Free Trade for years succeeded because it failed, and is now failing because it has at last succeeded.

It was impossible it should be otherwise. No sane man would tax a spectacle-maker at home sixpence on every pair of glasses he turned out and admit foreign-made spectacles free of all duty (for the sake of old people with bad sight), and then fancy he had benefited the guild of spectacle-makers.

III.

There is a common fallacy upon this subject which is worth while to dispel. It is, in one shape or another, this: that everybody consumes, and only some men produce; and that therefore a policy which considers the interests of the consumer and leaves the interests of the producer to take care of themselves is a policy which regards the greatest happiness of the greatest number. The fallacy is in this: that although all men consume, yet with the greater number of men the power of consumption depends wholly on the power of profitable production. The majority live by the labour of their own hands, or of some other pesons' hands—either in making something to sell or in acting as the middlemen between others who have something to exchange which they have produced. The number of persons who live upon fixed incomes is very limited.

If by unduly taxing producers you render it unprofitable to continue to produce, while you remove all taxes on consumption, for a time you cheapen produce, and certainly to some extent benefit those who have fixed incomes. At the same time you deprive those who live by production of everything they depend on for a livelihood. They must starve, rob, or emigrate: hence production ceases. But the number of persons who live upon fixed incomes is not as one to ten of those who live by production. Therefore, by taxing production to a point beyond which it ceases to be profitable to produce, and by letting in foreign produce to compete with it free from all taxation, if you to some extent and for a time benefit the few, you altogether destroy the many.

This, however, is not a thing that happens all at once: as taxation is screwed up, and as profits fall, one industry after another goes—one producer after another is overwhelmed. The man who has to pay for steam-power, for instance, may go down before the man with a great water-wheel at his back. Sugar has gone, with corn and cattle to follow, and calico and cutlery in the wake. The owner of a fixed income benefits for a time only because fixed incomes come out of somebody's production such as funds, mortgages, and railway debentures. When every production ceases to pay, all these must of necessity come to an end and fixed incomes cease. The only ultimate source of wealth is production. The thing lasts for a time; but some accidental cause, such as a series of bad harvests, brings about a break-up.

There is another fallacy connected with this subject. It can be proved easily enough that when exports do not balance imports the difference is not always paid in bullion. Writers on Free Trade devote many pages to prove a thing that nobody ever disputed; but when they go on to imply, as they usually do in subsequent argument, that the difference is not paid at all, and really represents the profit made by the transaction, that is a thing that may or may not be true according to circumstances, and generally is not. If the difference be small, it may be difficult to show that the proposition might not be true; but when it gets beyond, say, 25 per cent., it is in the highest degree improbable

that this should be true. Suppose the prices to be such that 25 per cent. is to be made by importing any article. Trade is quite free; everybody can import the article; 25 per cent. profit is much too good a thing to go begging: depend on it plenty of people will send in their article, and the 25 per cent. will very speedily vanish because of a glut. Therefore, it may with sufficient safety be assumed that when imports exeeed exports by, say, 25 per cent., they are not paid for in goods. Besides, if it were true that the excess of exports represents profit, then the greater the excess, the greater our prosperity: but the fact is just the other way, as we know by woeful experience.

We have seen that the excess is not generally paid for in bullion: how then is it paid? It is paid for in capital. Foreign bonds, home bonds, colonial bonds, three per cents., railway and bank shares and debentures, are all largely held abroad; and probably this is how they got abroad. Living out of capital has an end. One has known a good many people try it in private life: the result has not been sufficiently encouraging to be worthy of national imitation. What we are doing is simply living beyond our income. This is the result of economic philosophy: great wit to folly nearly is allied. Again, it is said that the excess of imports over exports represents the interest of debt due to us; but I have seen no evidence of the balance of interest due to us, if any balance be left us, in any degree approximating to the excess.

In concluding this letter I will state some of the truths upon which the Fair Trade movement is acting:—

1. Imports do not necessarily lead to exports.

2. If imports are continually paid for out of capital, in the end capital must become exhausted. It is therefore necessary to look after exports as well as imports.

3. To buy in the cheapest market and sell in the dearest is a sound position when the cheapness and dearness are natural. But when the dearness of our own produce is caused artificially by rates and taxes it is unsound.

4. To levy rates and taxes on the production of goods at home and not on the like goods when imported from abroad is neither just nor politic.

IV.

Hard as is the case of the Sheffield grinder or Bradford operative thrown out of work by being undersold in his own market by the produce of America, France and Belgium, which does not contribute a farthing to the rates and taxes which his own produce pays before it comes into the market, yet the case of the farmer is harder still.

The producer of cutlery or of worsted fabrics pays rates not on his income, but only on that portion of his expenditure which goes in the rent of his mill and the house he lives in. When he is working at a profit, that bears a very small proportion to his income. It is doubtful whether it exceeds a tenth of it; it is certainly not a fifth. The man making a thousand a year would not have a house and

to understand the question (the gist of which lies in a nutshell), so long will periods of depression continue to succeed short, and perhaps shorter periods of prosperity. Free Trade professed, on the other hand, to produce a well-fed people, because it would make food cheap; but its real object was apparently to favour the foreign grower of food as against the home grower. The people were to be so well and cheaply fed as to be able to produce cheaply enough to undersell the world; while by the obvious prosperity we enjoyed the world was to be induced to follow our example, and buy all our wares. Alas for the departed glory of the theory *in omne ævum splendide mendax*. Free Trade did not knock down prices. The price of food (woe be it spoken!) is no lower than it was. Beef and mutton are both of them nearly twice as dear. But, by putting all the taxes on production, and no taxes whatever on consumption, and by admitting the foreign producer to sell here free of burden while we tax our own produce heavily before it gets into the market, we enable him to undersell us and thrust our own home-made goods out of the market. They are kept out of the foreign markets of the civilised world by heavy duties abroad.

Hence the outcome of Free Trade is this. It has heaped tax upon tax and rate upon rate on the home producer, and has raised the cost of his produce to such an extent that production is ceasing to pay because he cannot compete with foreign produce here that has to pay none of his rates and taxes. He has lost the foreign market; he is losing the home market. The capitalist is losing money; the workman is on short time or unemployed. If food were cheap, he has little money to buy it; but food is not cheap. Farms are unoccupied which means going to grass—and that bad grass: which, again, means that the agricultural labourer is short of work; and as more land goes to grass he will be shorter.

All this means grass instead of tillage; and that must result in not only for a time lower rents, but no labourers. It is the destruction of a good half of the purchasing power of the home market—to say nothing of land in grass producing no corn and only half the beef and mutton. For "the more grass the less beef."

VI.

"There are a great many things that go to form the price of a thing. In agriculture there is working the land, sowing, weeding, reaping, threshing, and delivering; in manufactures there is the building, the machinery, and the labour. Now, both in agriculture and manufactures all these matters cost something; and if the people for whose use they are done cannot give the price which it costs to make them, together with a small profit to pay for the trouble of making and the risk of selling—why, they are not worth producing, and the labourers who made them are no longer worth employing. But there is another serious item in price in these days which does not appear at first sight, and that is taxation. Parliament, for the purpose of raising money to pay debts and the expenses of government, has laid a tax upon everything which any

man can use or make anything of. Now, if the thing when made will not fetch a price which shall cover the taxation as well as other expenses, then it may turn out that taxation may prevent any of those things being produced."

One wonders what the man who wrote that passage in 1835 would have said to the present condition of things to which we have been reduced by folly and fraud. We are taxing agriculture, and in a lesser degree manufactures, out of existence. Yet it seems as if he must almost have foreknown it; for in another passage—in which the same hand may perhaps be traced—in the publication from which I am quoting, (*The Agricultural and Industrial Magazine* published by James Cochrane, 11, Waterloo place,) the present condition seems to have been foreseen. I hope you will forgive so long a quotation from a publication that only existed for about a year, in 1835:—"In those days, when England shall have reached the measure of her greatness, verily the hour of her tribulation will be at hand. . . . . The nation shall be delivered up for sport and experiment to loan jobbers and political economists . . . . all the celebrated statesmen and legislators, from Lycurgus to Napoleon shall be pronounced ignorant blockheads. In pursuance of sound principles our too luxuriant manufactures and commerce shall be pruned down to a 'sound and wholesome' standard by the removal of all Protective duties, which will afford matter of gain and derision to other nations, while bankruptcy, desolation, misery, and despair shall hourly increase at home. The rulers of the State shall adhere nobly to the sound and wholesome. The sages shall tell them that it is wrong to interfere in the way of relief, and the wretchedness of millions shall be left to the working of events. Impudence shall be unto the philosopher as a wall of triple brass. It shall be said that it would be desirable to render the nation dependent on foreign harvests for food, and astonishing nonsense shall be talked touching Free Trade and the theory of exchanges. . . . In the midst of the havoc the unhappy victims, instead of uniting against the unfeeling plunderers shall clamour for exclusive advantages. . . . Then shall be felt the saying of a great king—that if he had a province to punish he would deliver it up to the rule of political philosophers. . . But after some time longer the eyes of the people shall be opened. They shall grow weary of suffering in hopeless silence. Other rulers shall arise who will revert to maxims of common sense. They will decide that it is preferable to have the people content, occupied and thriving under the old system, to starvation, idleness, and outrage under the new-fangled philosophy. . . . . The nation shall rejoice in renovated strength; but the philosophers shall mourn over their lost occupation and the overthrow of 'sound general principles.'"

Such is the document. It might have been written to-day. I dare say that the sceptical may be hard to persuade that it was not. I do not suppose many copies exist; but I have one before me.

VII.

There are certain quacks—Birmingham revolutionists, Irish communists, sham farmers, and others—who propose to remedy the grievance of the farmer by a nostrum which they recommend as "the land question." No doubt it is extremely disgusting to men of the modern Radical School to see the case they oppose fairly stated in public. It was otherwise in earlier days. Liberals were once given to liberality, and to affording their opponents the freest and fullest hearing in order that they might be the better able to answer them. This "land question" seems a mere red herring run across the scent; and the gentlemen who talk about it appear hopelessly ignorant of all matters concerning land and land management: few of them could probably tell oats from barley. It does not appear that they wish in any way to benefit the farmer; but they do desire, apparently very strongly, to rob the landlord and otherwise break up his influence in the State, such as it yet remains, and to set his interest in opposition to the tenants and to make ill-blood between them. They did mislead and are trying still to mislead farmers in the matter, and it is desirable that the truth should be stated in a short and clear form with great plainness of speech.

The accumulation of land in large masses is said somehow to be prejudicial to a farmer; but upon large estates the farms are upon an average lower rented and better managed than upon small estates. And although in a social sense there may be disagreeables in too large estates, because they thin a neighbourhood of gentlemen's houses, yet to the farmer they are an unmixed benefit.

Again, it is said that the tying-up of land in entails injures the tenant farmer. Whether the practice is good or bad in other respects, to the tenant farmer it is a marked advantage. That an estate should remain together in the same family is a security to a tenant that he may continue a yearly tenancy or a succession of leases as long as he pleases. There is only one thing more disagreeable to a tenant than the sale of the estate on which he lives, and that is its being split up into lots. When a family has lived for generations by letting land, they have a character in the business as valuable as the trade character of any tradesman. Such people cannot afford to do a shabby trick to a tenant any more than a well-known tradesman can afford to do a shabby trick to a customer. It does not pay. But get rid of entails (the word is used in the popular sense) and make it necessary to sell every estate upon the death of the owner, and you keep a tenant farmer in perpetual hot water. No Act of Parliament can make a remove a profitable transaction.

Then it is said, let the farmer own his own farm and farm it. I will leave out of the question for the moment how this is to be done—whether by confiscation as in Ireland, or by purchase; but be it done how it may, the farmer would then be worse off than he is now. It is cheaper to hire land than to buy it—that is the reason yeomen are becoming scarcer: and I am very sorry they are. The man who could

buy a hundred acres and farm them would if agriculture were fairly treated, do much better on a farm of 700 to 1,000 acres with the same capital. Even if the present farmers had a present made them of the land they occupy, unless the land and stock were strictly entailed and went in a lump together, the next generation of farmers would necessarily be much poorer; for upon the assumption that every man who went on a farm had to buy it, the man who now could go upon a farm of a thousand acres would then only be able to go upon a farm of a tenth of that size. This any man may reckon for himself easily enough who has a slate and a pencil. The reason of this is that the landowner is the only man of business in this country who has to be satisfied with less than 3 per cent. for his money. Even now, small freeholds farmed by the owner are by no means as well cultivated as are farms on the large estates, in general.

In a like manner, as the necessary purchase of his farm would be a burden to a cultivator, so the necessary purchase of a large tenant-right is a burden to a tenant, because the money paid for the goodwill lies dead during the tenancy. The only sound tenant-right is the agricultural value of the bought manure left in the land by the off-going tenant. This is worth money to the on-coming tenant, and any tenant-right that secures this is to his benefit; for it is better for him to find it in the land than to have to apply it himself, for several good agricultural reasons it were too long to explain here. But such a tenant-right exists in Yorkshire, Lincolnshire, and elsewhere by custom. In every other case, the larger the tenant-right, the more it takes out of the on-coming tenant's pocket. In other words, the larger the tenant-right the poorer the tenant. Even in the matter of tenants' improvements it is better in the long run that they should after a certain number of years run out and become annexed to the freehold; because then they are hired by the on-coming tenant at a cheaper rate than if he had to buy them. As far as the off-going tenant is concerned, it is no worse for him. If the owner were to make the improvement—say draining or building—it would clearly not be worth doing unless the holding was worth more rent when it was done; and he as a man of business would want interest on his money. When, however, in the exceptional case where the tenant does the improvements (for in this country they are nearly always done by the landlord), it is better as a matter of public policy, and no worse for the tenant, that he should be gradually repaid by holding the farm at a reduced rent for a certain number of years, than be charged a full rent and pass the improvement on to the next tenant for its value; because, if the improvements become in perpetuity a charge on the on-coming tenant, he becomes a part owner of the fee, and can on that part of his capital expect only that interest usual on freehold investments—under 3 per cent. The purchase-money comes out of his capital, and thus starves his legitimate business—the cultivation of the land.

There is one more point. It takes a pair of horses to work from forty to sixty acres of tillage, and with forty to sixty acres of tillage some

twenty acres of grass are wanted. Hence it follows that no farm can pay under sixty to eighty acres; for if an attempt be made with a narrow plough to work with one horse, one man is wanted and half a man is wasted; while if the horse stands idle during a certain number of days in the year because the owner cannot hire a horse to work with him a whole horse is wasted. Land, too, pays so poor an interest and costs so much in up-keep, that no one can make a living out of owning it unless he own a fairly large quantity of it. If any man will read and take the trouble to work out in his mind the result of what has been here advanced, he will see why Ireland never prospered; why Mr. Gladstone's legislation of 1870 tended to pauperise the Irish tenant; and why the legislation of this year can only make things worse. Hence, also, he will see that any meddling with the laws of the occupation or the holding, land in the directions indicated can only result most destructively towards the interests of the occupier himself.

These things being tolerably evident to all men capable of putting two and two together, the doubt arises whether, if honestly asked for, they are not wanted for some other purpose; as, for instance, because of envy of the social position of some landowners, and the ignorant intolerance of any difference of opinion or of culture by Birmingham caucuses and political nonconformists. And it becomes perfectly evident that what is called the "land question" has no bearing whatever on agricultural depression, which is caused by excessive taxation, and inadequate representation, aggravated by want of sunshine.

VIII.

I have shown with what promises and by what means Free Trade was carried. We have seen the opinions that were expressed by some of those who opposed it, and what they said would be likely to happen if it was passed. We have seen how this result was delayed by the influx of gold; but it has now at last been fulfillled to the letter, while Free Trade has failed in every one of its promises. Even food is no cheaper, and some food is much dearer. For a time cheaper gold reduced its effect to nothing; but now the withdrawal of silver has enhanced the value of coin, and Free Trade is producing its natural result. It has proved a most valuable policy for those who looked on and did not adopt it—for the foreigner who deals with us and for the loan-jobber. The excessive and unjust taxation upon land and agriculture have been pointed out, and the remedy proposed by Farmers' Alliances and other Radical inventions has been demonstrated to be at best futile, and probably very mischievous. A sound tenant-right has long existed in Yorkshire and Lincolnshire. (There is a leading case about it in Smith's Leading Cases.) I do not say that these customs might not be improved by such a Bill as was drawn by a committee of Yorkshire farmers while that impossible measure, the Agricultural Holdings Act, was on the stocks, and sent by them through me to the Duke of Richmond, which proposed to enact some broad general principle as to how bought manure and improvements left on the land by a tenant were to be dealt with,

unless he was otherwise compensated for them by the terms of his take or by local custom. But this no Radical would hear of. They say, indeed, that Fair Trade is a Tory dodge ; but that answer is not remedial ; and, as far as I am personally concerned, I am not acknowledged as one of themselves by the Conservatives in this division of Yorkshire. No philosopher from Birmingham or Manchester seems to have suggested a remedy for the depression of our failing trade and manufactures.

Before stating what appears to me to be the one remedy, it remains to refer very briefly to a subject which has been already alluded to as bearing upon this subject—the artificial enhancement of the value of money and its effect upon industry. Without going into the historic contraction of the National Debt in such a fashion that a little over £30 in coin were all that the State received for £100 of Consols, and the undertaking of the State at the conclusion of the war to return to cash payments, it should be said that up to the time of the suspension of cash payments the cash consisted in practice of gold and silver ; but upon the return to cash payments, in 1819 cash payments were required to be made in gold only. Of course, gold alone is dearer and scarcer than gold and silver together. Thus a very pretty bonus was given to those who had lent the State £30 and got £100 of Three per Cent. stock in return—one would think, a sufficiently good bargain. By intention or accident, owing to the Bank Acts of 1819 and 1844, about every ten years this scarcity of coin is brought to a crisis, which has come round about the year seven in each decade. That which occurred 1847 blew Europe to pieces. The effects of the crisis due in 1877 are still upon us. Its effect upon ourselves and upon Europe and America was greatly enhanced by the withdrawal of silver from the circulation of many Continental States. Taking the figures from Mr. Williamson's paper in the *Contemporary Review* of April, 1878, fourteen hundred millions of gold and silver coin were in circulation in the civilised world. About six hundred millions of silver were withdrawn, leaving eight hundred millions to do the work previously done by fourteen. This scarcity of coin sent up its value. Hence the low price of silver and other goods. Hence partly the storm that swept over the trade of the world. Other countries suffered, but have recovered ; we have suffered and have not recovered. They have not Free Trade : we have. Whether anything could relieve us of these recurrent panics and pressures—and, if anything, what—I will not here discuss, and if I did the public would not listen.

It remains, then, to be seen whither a policy of Fair Trade—in other words, a market open to all comers, ourselves included, upon the same terms—would lead us. The rates and taxes of the United Kingdom amount to something like £100,000,000. They must raise the cost of producing every article something. I will, for the sake of making my meaning intelligible, call that something 10 per cent. in every case except agriculture, on which, as we have seen, it is many times heavier.

In the first place, this policy would place agriculture upon an equality with other industries in respect of rates and taxes by exempting

all agricultural land from rates and all taxes that are not also borne by personal income; so that our policy is not to increase but to decrease the taxes on food. Then a universal customs duty at the rate I have called 10 per cent. would be placed upon all competing imports from every part of the world, including our own colonies, producing a revenue of some fifteen or twenty millions and relieving us to that extent. We should then be in a position to negotiate. To the colonies we might say: "If you will have absolute Free Trade with us (subject probably to some modifications in respect of tobacco, spirits, wine, and some other matters), and will undertake to discharge your share of the cost of the defence of the empire by maintaining a moderate proportion of troops and ships for imperial emergencies—which, under ordinary circumstances, would be quartered among yourselves—then we willhave perfect Free Trade with you; because you will then pay your share of imperial expense in men instead of in money, and would thus be in justice entitled to the freedom of the market." We and the colonies under a policy of this kind would gradually unite into a great Customs Union with a powerful imperial force at its back. We should then have trade absolutely free between our colonies and the mother-country—a great deal better than a trade where everybody is quite free except ourselves. If it be objected that, as contributors to imperial purposes, the colonies would be entitled to a voice in the Imperial Parliament, and yet as not paying taxes could not send them to the House of Commons, is there any reason against colonial peers, chosen by themselves, sitting in the House of Lords? To foreign nations we could say: "If you will admit us to your markets upon the same terms we admit you to ours—that is, charging us no more than you charge your own people in producing the like articles—we will deal with you upon those terms; if you will not, we shall then deal with our own colonies in preference to you. and shall put upon such of your goods as suits our own convenience an extra 5 per cent, duty."

We have plenty of land in the colonies to grow food for the people—plenty of people to go out and till it and to become the best customers for our manufactures. We should thus secure a growing empire and an increasing people, eating our own grown food and consuming our own manufactures; and we should maintain our position as the greatest Power in the world.

THE FAIR-TRADE POLICY.

A REPLY TO THE CHARGE

OF

"TAXING THE POOR MAN'S LOAF."

A Letter

TO

THE RIGHT HON. THE EARL OF DERBY,

AS CHAIRMAN OF THE COBDEN CLUB BANQUET, 1882,

FROM

THE EXECUTIVE COMMITTEE OF

THE NATIONAL FAIR-TRADE LEAGUE,

SAMPSON S. LLOYD, Chairman.

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THE FAIR-TRADE POLICY.

A REPLY TO THE CHARGE

OF

"TAXING THE POOR MAN'S LOAF."

To the RIGHT HON. THE EARL OF DERBY.

My Lord,—

Your speech, as President of the Cobden Club banquet for this year, merits some observations from those who do not regard the Cobdenism of the present day as a safe guide. I have no desire to bandy words with your lordship as to whether "Fair-Trade" is the ghost or shadow of Protection, or how far it is or is not a formidable apparition. All this can only yield to the test of time, and if it appears suitable to those who cannot, or who will not, take the pains to analyse what this "Fair-Trade" really means, their neglect must not be laid at the charge of Fair-Traders. Nor do I say anything now upon the fashion, in which your lordship has freely joined, of attributing qualities to Fair-Trade, which its advocates do not profess—and, indeed, repudiate. In the natural sense of the word "protection," there can be really no reason for any one to deny it. Every section of the community, as well as the nation as a whole, is protective according to its lights, whether free imports are advocated in the interests of consumers or restricted imports in the interests of producers. But as your lordship very properly urges in the case of the term "free-trade," so is it with the word "protection." Both have their natural and conventional meanings. Fair-Traders contend that except in limited areas, and then, as in the case of the United States, under the same Government, the principle of real free-trade has never been tried, while Cobdenites contend that England actually enjoys it—in the conventional sense. So also in the case of the term Protection, there is the natural as well as

the conventional meaning, and while men need never be ashamed of championing the former, the latter—or mere class protection—is renounced, as it should be, by all true patriots. None will go more cordially with their critics in this than Fair-Traders.

So much for mere terms and generalities. I propose now to follow your lordship specifically through the various stages of your address. I am especially struck with your defence of the English Custom House, as it still exists among us. Few other chairmen on such an occasion would have been bold enough to grapple with so manifest a flaw in the Cobdenite armour, as the existence of so large an amount of Customs dues after a generation of professed free-trading. Your lordship has well said that the general interpretation of the term is something different from the reality, and that neither we nor any other country are free-traders in the strict sense. This is precisely the alpha of the Fair-Trade alphabet. You may call us what you like—ghosts or shadows, or protectionists in disguise, or anything that suits the purpose of the moment—but no words and no language can dispute the fact that Fair-Trade seeks by some more practical means than mere argument, example, or persuasion, to secure, and, if need be, to oblige the nations of the world, to accord us that free and equal interchange of commodities, which is the essence of real Free-Trade. For example, no Fair-Trader could have put his case more appositely than your lordship has done in defence of the retention of the Custom House as long as the excise exists. Your lordship's words are that we "cannot let in spirits untaxed from abroad, and keep up the tax on those made at home." Again, you express the common understanding of the term Free-Trade to be "the placing foreign produce on exactly the same footing as our own, the taxing of imports for revenue purposes only, and the removal of all duties not necessary for that purpose."

It would be, I fear, too delicate an investigation to inquire here how far your definitions are quite acceptable to the members of the Cobden Club; but in these two axioms you have struck the key-note of the Fair-Trade position. If foreign spirits must be taxed because English spirits are, the whole principle of equal taxation for all goods sold in our markets is at once conceded. Whether taxes are levied on home produce directly under the excise laws, or indirectly by the taxation of that which grows such

produce, there is no difference in principle; and the same holds good in respect to manufactures. To "place foreign produce on exactly the same footing as our own," and inversely "our own produce on exactly the same footing as foreign," is the cardinal feature, nay the essence, of Fair-Trade. Nor has any Fair-Trader, nor, as far as I know, any modern school of fiscal policy in England, ever advocated the taxing of imports for other than "revenue purposes only." It is the change *of the incidence of taxation* and not its augmentation, that is proposed, and none more than Fair-Traders would hail with satisfaction the day when the necessities of revenue might permit the removal of all duties whatever. So far, indeed, I may almost claim your lordship as a Fair-Trader. You have, at least, indicated with approval, and in words of your own, the Fair-Trade case.

It would seem, therefore, that when stripped of prejudice and controversial terms, the fundamental difference between your lordship and Fair-Traders is the method by which you would secure that fair dealing with which you agree in principle. For, I understand, from these admissions, that you throw overboard the doctrine of free imports necessarily producing a return trade by their own immediate action. Your lordship's mind accepts as reasonable, that foreign and home productions sold in our market-places should be placed on an equal footing, but you are not prepared to carry this conclusion to its logical sequence. The working man's food question—that political "bogey" which for five-and-thirty years has scared so many wise statesmen, and has influenced so many Parliaments, stands in the way. Whilst—without confessing it, probably without meaning it—your lordship actually argues from the chief Fair-Trade standpoint, you yet deem its application impracticable. Your position is that the town populations will not hear of any tax upon food, though you admit how easily they accept it on drink; and that unless the price of corn and meat is augmented, the agriculturalists will not be satisfied. In effect Fair-Traders are depicted as halting between two stools, and therefore likely to come to the ground. But my position is that in the present condition of the world's trading these two apparent contraries go hand in hand, and form a solid basis on which to stand. In a community so thickly populated as ours, and so dependent on manufacturing industry

the purchase power in the home market is of the first object to the agriculturist, and anything that contributes to the prosperity of the former must of itself—without any inordinate enhancement of prices (possibly none at all)—promote the welfare of the latter. Therefore we at once reach the vital question—will the Fair-Trade policy, as a whole, tend to improve and increase the markets for our manufacturing industries?

This brings me to what I may call the "retaliation" argument, resolved into the practical enquiry, whether such a policy is likely to injure us more than we may be benefitted. And in treating of this I cannot do better than accept the extreme case which your lordship cites—that of America. It is quite clear, as you properly point out, that we cannot strike the United States through luxuries. We can only do so either by means of the food or the raw materials they send us. But the first article of the Fair-Trade creed being the promotion of our manufacturing prosperity, the importation of raw materials for home industries free from every quarter is a primary and an essential part of its programme. It is evident therefore that our reliance for retaliation, as far as the hostile tariffs of the United States are concerned, rests mainly on what can be done in respect to our large importation of food. But this, your lordship says, the people "would not stand," and doubtless so long as they listen to the Cobdenite School and those who dangle the electioneering trick of the "big and the little loaf" before their eyes, you are right. I have, however, a higher faith in the courage of the working men of our industrial hives, and a still greater faith in the intelligence of my fellow countrymen, than to believe that it will live for a day, when once solid reason is given for the destruction of this fetish worship of the "cheap loaf"—cheap only nominally, and even then accompanied by an increase of price in so many other articles of consumption. Is it therefore in our power to prove almost to absolute demonstration, that the imposition of any moderate duty on food, even on the prime necessity of bread, is not calculated to raise its price to the consumer? Is it also in our power to show that, even if it did, England possesses in her own hands the power of counteracting such increase, by resources within her own Empire? These are the crucial points on which, perhaps, the whole question turns, and only a practical acquaintance with the conditions of the trade of

the world can determine them with accuracy. Those who appeal only to theory, irrespective of the ever changing phases in business operations, are not competent guides.

But you urge—and this is a common retort to Fair-Traders—if the prices of agricultural produce are not to be raised, the agriculturist will not be satisfied. This is as much as to say that the farmer will not be benefitted or content unless prices are *raised* unnaturally in his favour, at the expense of the rest of the community. I doubt, my Lord, if there is any agriculturist who regards either his permanent prosperity or the national welfare, and yet desires this. But what all claim, and what Fair-Trade demands, is simply fair play. What is asked is, that the prices of produce shall not be *lowered* unnaturally in favour of the foreign producer at the expense of the home producer. Let what taxation is needful be but levied equitably on all produce brought into our market places, —or to repeat your lordship's own words—let foreign produce be placed "on exactly the same footing as our own," and complaints in this respect will vanish. I will cite, as an illustration, the case of an English bullock bred for the home market. During the two and a-half years it is being reared, an acre of land must be told off for its support. The State claims on that land amount to from 12s. to 15s. per acre per annum, depending on the county in which it is raised. Thus, the English bullock costs its breeder from 30s. to 40s. per head taxation, independently of the further indirect taxation incurred in the keep of its care-taker. The agriculturist asks, therefore, fairly enough, "Why should my beast, which has contributed so much to local and imperial taxation, have to compete in the same market-place with animals on which not a penny taxation has been paid?" Nor has he even any comfort in the reflection that his competitors have to pay transit charges from a long distance; since, strangely enough, the competition of sea freights is so great, that both live and dead meat are now being brought across the Atlantic to the London market, at less cost than from Lancashire and Yorkshire. But all he claims in relief is, that the taxation borne by the home bullock shall be equitably distributed between it and the foreign bullock exposed for sale in the same stall. No increase of food taxation is suggested—merely the extension of the area of its collection over home and foreign produce alike. No foreign wheat brought to Mark-lane, or to any corn exchange in the country;

no cattle exhibited in any of our markets; no fruit or green stuff brought to Covent-garden; that does not pay its share of the local tolls or dues for the privilege of a stall or stand. There is no question then, whether the produce is home grown or imported; and were the owners of any of these market-places to remit the charges on foreign produce, and to impose the whole cost of their maintenance on native produce, there would be an outcry for fair-play which none could withstand. Why, therefore, should it be deemed Protection—in the conventional sense of the term—to apply the same principle to the cost of maintaining the nation? The British agriculturist claims nothing more than to be assured against an unfair competition. In the case of the bullock—and the same reasoning holds good throughout—Fair-Trade does not suggest an addition of taxation on our national beef-bill; it demands only that the home breeder's burden may be shared by the imported stock. That measure of fair dealing once accomplished, there is no landowner or farmer in the kingdom who would not equally participate in the general prosperity. The improved purchase-power of the industrial masses in the markets near the agriculturist's farm gates, could not but equally benefit him as well as the artisan, when the principle of fair and equal competition is thus established all round.

I can well conceive—every Fair-Trader can realise—the possibility of an era when the imposition of taxes on food from abroad, however slight, might materially enhance prices and create hardship and suffering to the labour classes. Such a period existed about forty years ago. The increasing population of the three Kingdoms could no longer rely for sustenance on the mother soil, and it was needful to attract supplies from distant parts. This need was also aggravated by bad harvests at home and absolute famine in many districts abroad. An increasing difficulty was experienced in obtaining the necessaries of life—not so much from the absence of the power of purchase, as from the failure of the fruits of the earth. Therefore to provide for this temporary, though pressing, occasion, the people of these isles inaugurated a policy of the removal of restrictions on importations—in a word, the *demand* was greater than the supply. But to-day the whole position is changed. We have no longer to make a high bid for the produce of the world. Steam and machinery have

brought distant parts of the globe more closely together. Lands are now cultivated which a generation ago were scarcely known. The material prosperity of all nations, whether savage or civilised, protectionist, free-trade or partially free-trade, has so wonderfully increased, that, comparatively crowded as we are in Great Britain, the population of the earth has not kept pace with the increase of its products—in a word, the *supply* has become greater than the demand. Hence, we find that the lean harvests of late years have been accompanied by the abnormal feature of low prices.

Indeed, we need not seek for a more convincing proof of the fact that the whole conditions of the world's trading in relation to our wants are altered, than in this very question of our bread supplies. Our annual consumption of wheat is in round numbers 24,000,000 quarters. Of these we may rely in average years upon 11,000,000 quarters being grown at home. We are at present receiving about 4,000,000 quarters from our own Colonies and Dependencies, thus leaving a balance of 9,000,000 quarters which we need to import from foreign States. And this balance comes to us almost entirely from two hostile tariff nations, Russia and the United States, the latter supplying us with by far the larger portion. But according to the most reliable reports from all the grain-producing countries of the world, excluding India and our Colonies, the surplus stocks of the East and West, after supplying all home wants, amount to no less than 30,500,000 quarters per annum, of which 20,000,000 quarters are grown in the United States alone. This brings us to the consideration of the requirements of all importing countries, excluding Great Britain, and judging by the experience of past years, other nations are certainly not likely to need more than 10,500,000 quarters annually at the most. Hence we have 20,000,000 quarters left to supply the demand in this country, amounting only to 9,000,000 quarters ; a supply which, to use the words of a recent writer and a well-known expert on this question,* is simply "knocking at our doors" seeking for admission. And these cases—the bullock and our bread supplies—are fair examples of all food products now

* See "Answer to the Cobden Club and England's Power of Retaliation," by W. J. Harris. (William Ridgway, London.)

pouring into our ports, and likely to continue to do so. A market is wanted and must be had.

With such a change then in the conditions on which our markets are supplied, is it conceivable that there would be any appreciable increase in the price of the working man's food, or the size of his loaf, by the imposition of any moderate duties, raised, be it always understood—as your lordship has especially laid down should be the rule in the taxing of imports—for revenue purposes only and not for protection? For I think I need scarcely point out, that a more equitable incidence of taxation, by which the 9,000,000 quarters of foreign wheat should bear their fair share of that taxation which is now all paid by agricultural produce raised at home, would not add to our taxes. Nor would it necessarily operate by increasing prices to consumers. To reduce this reasoning to figures, for the sake of argument, I will assume that a 5s. duty on foreign wheat is levied, though I should here mention that the Fair-Trade party has never officially put forward any figure of this kind, it being manifestly the work of legislation to fix such a detail according to the need of the moment. But, assuming a 5s. duty were imposed, a sum of £2,250,000 would thereby accrue to the exchequer, and I will here also assume—though I am far from admitting it—that the whole of this £2,250,000 is borne by British consumers. But if it were, it is manifest that a like deduction of £2,250,000 could be made from the burden of internal taxation. Such a sum would permit the reduction of agricultural burdens, which press on the "food of the people" produced at home. Or it would allow the remission of part of the duties on tea and coffee, or on tobacco, which are necessaries as well as luxuries to the working man. It would not add one penny to our national taxation, though this is a common assumption among opponents. And in effect it would compel hostile tariff States, in their own interest, to give us that fair play they now deny. For have I not shown the great probability, that in the conditions of the world's wheat trade the foreign producer would in the end pay his due share of our taxation, as toll or duty for the market-place he finds on our shores? Nor, as far as the Western farmer is concerned, would such a charge on his profits militate against his sending us those surplus stocks *for which he has no market elsewhere*, since the recent Commission has elicited the fact that his wheat can be laid

down in Liverpool, and yet yield him a handsome profit, at 35s. per quarter, if not indeed at much less, while 45s. per quarter may be at present reckoned on as a nominal average price in our markets.

Neither is this argument at all confined to the grain productions of the world. Wherever we look, the anxiety to find markets for surplus food productions is greater even than the desire to receive them, especially when unaccompanied by that return trade which can alone in the end sustain our power of purchase. Whether this is the result of our free import system, or—as Fair-Traders are more inclined to think—of the many circumstances that have combined to make the free import era so extraordinary in the annals of the world, it would serve no practical end to enquire. Sufficient that the position exists; and that it is for us to make a proper use of it. Nor must we forget that the conditions of society itself have greatly changed, since—to use your lordship's own words—there was a question "in which a small section of the rich found themselves in antagonism at once to the mercantile manufacturing plutocracy, and to the main body of the working classes." May we not fairly say that these words might be again employed to describe the position to-day—but with one most important difference? The small section of the rich now in antagonism to the working classes is no longer that of landowners. They are the capitalists and the investors, who have become rich in the remarkable epoch through which we have passed, whose interests are now especially antagonistic to those of labour. By the virtue of foreign investments, by the power of utilising capital to equal, if not greater advantage, in the employment of labour on foreign soil, monied interests thrive and flourish, and home industry is handicapped by the very sources of their prosperity. Hence, while your lordship speaks well when you say that forty years ago the English democracy said, "*Here are laws which make our food dear; let us get rid of them*"—beware of the possibility that the same democracy of to-day may not say, "*Here are laws by which the mere capitalist waxes rich by the very means that deprives us of employment at home; let us get rid of them.*" And it will be fortunate if such revulsion of feeling stops at the getting rid of the laws which encourage the protection of foreign labour, and deny the reality of freedom to our own. There is more reason to

believe in the spirit of Communism being roused by the creation of a few large capitalists at the expense of the working classes, than to admit Sir Charles Dilke's strange theory that Socialism is the result of Protection.

With regard to your lordship's criticism on the Home and Colonial policy, which is so integral a portion of the Fair-Trade policy, I can only write with considerable brevity. It is, indeed, a subject so vast and so many sided, that to treat it with any development would require a treatise of itself. Your lordship is struck, as all the world has been, with some very remarkable facts. You find that, in the face of all the Free-Trade propaganda that England has waged, not only have foreign nations continued protectionist—or if they have occasionally relaxed their tariffs they have eventually retraced such step—but even the English Colonies and Dependencies have, as a rule, refused to accept the Cobdenite faith. But it seems to your mind a still stranger thing that any body of Englishmen, with such an experience before them, should propose to deal differently with protectionist Dependencies, than with independent States which are also protectionist. On the ground that our Colonies will not accord us Free-Trade in return, any more than nations like Russia or the United States will, you treat the idea of the commercial Federation of the Empire as an absurdity. It is not my purpose here to defend that idea at any great length. Your lordship has singularly enough produced one of the greatest arguments in its defence when congratulating the Cobdenites on the only speck of brightness that appears in their horizon. "Light," you said, "comes to us from the East." The approximation to Free-Trade established in India is that little Star in the East, which you hold up to the eye of the faithful at this latest of the Cobden Club banquets. What a satire upon the vanity of human wishes and prophecies! After forty years of propaganda in the wilderness of the world, the only "Light that comes to us," the only bit of blue cloud in the distance, is the "bold step" which your lordship vaunts the British Finance Minister of India has taken. In other words, and to put the matter quite plainly, the free imports of British manufactures have been imposed upon nearly two hundred millions of people by the force of arms and the might of a Power that rules by conquest. Your lordship, as Chairman of the Cobden Club festival, cites this

as the "one quarter" where "there is a prospect of better things!" Surely does the brightness of this star pale when we approach it more nearly.

But if it be so great a matter of congratulation thus to inculcate the principle of free interchange of goods between the Mother Country and one portion of her Dependencies—though force has to be used to accomplish it—why is it so unreasonable, why so ridiculous, to attempt in a more peaceable fashion, and by the ordinary operations of mutual self-interest, to strengthen the bonds between England and her Colonies generally? Your lordship rightly contends that our Colonists are moved by that first law of nature which individuals should suppress, but which in nations is the highest patriotism—the spirit of selfishness. You are equally right in saying that the slightest dictation from Downing-street is likely to be resented, *i.e.*, when there are no bayonets—as in India—to compel compliance. It is a sign of their growing strength, and the natural result of the "let alone" policy, which England, for good or for evil, has adopted as regards the distant parts of her Empire. Therefore the ties of mutual interest can alone be relied on to weld together once more a strong commercial feeling between all who hail Queen Victoria as their monarch. Is it so wonderful, my Lord, that these ties have not been strengthened during a period when we have never treated our Colonial dependencies as anything nearer or dearer to us than the most estranged foreign State? Can we complain; nay, can we blame our distant children for looking after themselves, and themselves alone, when we, their parents, have thought so little about them? In the era of Commercial Treaties, extended over a long terms of years with the honest intention, I doubt not, of accomplishing real Free-Trade in the end, the "favoured nation clause" has prevented us from even treating with our Colonies in trade as the circumstances of each case dictated. As long as this era lasted we never had a concession or a commercial privilege to offer our Colonists, that we were not also bound by Treaty to give to the foreigner. This was not the way to prove that the ties of kindred had claims, or that blood was thicker than water. With the lapse of the French Treaty, however, that era is practically at an end. England is now free to extend the hand of kinship in trade, as in Imperial interests, to her Colonies and Dependencies. She has no right

in the first instance, to regard one colony with different feelings than another. She cannot, for example, say to Victoria: "You are Protectionist, and therefore I will only deal with New South Wales, which is Free-Trading." Fair-Traders, especially, are not so unreasonable or chimerical as to believe in the possibility of an immediate Zolverein, "with absolute Free-Trade the rule within it, and Protection against all outside." These are your own words, and it does not require the strength of your lordship's voice to expose its present absurdity in practice, whatever the distant future may have in store, when all who are now working and projecting shall have long disappeared from the scene. But what they do believe as possible, and deem right at least to attempt, is, that if England, not merely as an act of justice, but simply in the welfare of her own interests, says to every Dependency alike, "We will give you a preference in our markets for your food stuffs, relying that you in return will give us a preference in your markets for the products of British industry," that this right-hand of fellowship will not be rejected. No Fair-Trader imagines for a moment that protective Victoria will relax all her tariff, and only impose on British manufactures what it may suit New South Wales to impose. Each Colony will naturally stand on its own bottom, and deal with us according to its separate interest, until the day may come—not yet to be foreseen—when absolute Free-Trade throughout will be possible. At the most a differential treatment is all that can be expected in the beginning, in exchange for that differential treatment which Fair-Trade offers, when it proposes a moderate duty on *foreign* food only, and free imports from all parts of the Empire. And if, after a fair trial, either of our Colonies or Dependencies proves intractable, and is either not alive to the benefits attaching to such reciprocal trading, or even regard it as contrary to their interests, it would become a question for the legislators of that day to determine whether such a Colony or Dependency were not cut off *ipso facto* from the commercial ties with which we had endeavoured to bind her, and how far she should continue to share in her general privileges as part of the British Empire. But that portion of this great subject is more purely political, and is apart from those commercial questions with which Fair-Trade only deals.

And speaking of those Colonies which now adopt a different fiscal policy, I know not whether it was intended as a main portion of your argument, or merely incidental thereto, to introduce a comparison between Victoria and New South Wales. Your lordship says, "as if on purpose that the experiment [a Free-Trade or Protectionist policy] should be fairly tried, the two most important Australian Colonies have adopted an opposite policy: Victoria goes for Protection; New South Wales for Free-Trade. Theyare very similarly circumstanced in other respects, so that it is a perfectly fair fight, and we, at least, are not likely to feel any doubt as to the result."

I have quoted this passage at length, so that there should be no question as to your lordship's meaning. The prosperity of New South Wales as the result of a free-trading community, compared with Protectionist Victoria, is always thrown in the teeth of those who decry Free-Trade in itself. In any case, indeed, this can never be an answer to those whose aim is to promote the reality of Free-Trade, and who only differ as to the means most likely to attain it. But, is your lordship altogether right in regarding the comparison as just, or saying that "it is a perfectly fair fight?" I doubt if it is—nay, I am sure it is not. In the first place, New South Wales is generally much better adapted than Victoria for agricultural and pastoral pursuits. There are also far greater facilities in New South Wales for obtaining land, and instead of Free-Trade there causing an emigration of the labour classes, as is the case at home, there is an immense immigration into the Colony, both of squatters and of farmers, even from her sister Victoria. Nor can this immigration be regarded as the operation of a policy of comparative Free-Trade, but as the result of the greater internal advantages which New South Wales offers. Moreover, whilst her Government (though professedly free-trading) is rigid enough in the taxation of Chinese labour, it has for a long time past spent many thousand pounds annually in promoting free or partially free passages for immigrants from Europe. And added to all these material and substantial advantages, the possession of coal-fields in New South Wales gives her an enormous superiority over Victoria. But, my Lord, supposing the comparison were as you say, that the fight were perfectly fair, and that the conditions of the two Colonies were on "all fours," of what value is your argument when we reflect that head for

head South Australia is far outstripping both her sister Colonies in her commercial supremacy? Had New South Wales stood first in this respect in the group of our Australian Colonies, then *prima facie* your argument might have been reasonable ; but since South Australia, whose import taxation is practically protective, is, in the proportion of her foreign trade as compared with her population, far ahead of either of these and other Colonies, it cannot be that New South Wales is prosperous merely because, as far as her revenue permits, she is Free-Trade. It is more practical to admit, as is the case, that very different factors than either Protection or Free-Trade, taken by itself, have contributed and are still contributing to the comparative welfare of each Colony.

Finally, my Lord, I would urge that it is not by post-prandial speeches, however thoughtfully considered, and however temperately delivered, that whatever there is of good in the reality of Free-Trade can be secured. Nor, say Fair-Traders, is it ever likely to result so long as we stand ostentatiously before the world, declining to adopt any other methods than mere example and persuasion. So long as nations, imposing hostile tariffs on the products of British labour, feel assured that in no case are we likely to withdraw from them the free markets they find here, those hostile tariffs will not be reduced. But if they once feel that there is such a thing as even tiring out the patience of John Bull, we may hope for the dawn of better things. The proof of this lies in the opinions already expressed by thinkers and politicians in the United States, as to what would ensue were the Fair-Trade policy to be adopted in England. Many of these opinions are cited in the Annual Report of the National Fair-Trade League,* should your lordship care to investigate the subject further. Nor does it seem to me other than commercially suicidal for any sensible people to shrink from such a policy, simply because a name—may I say, my Lord, the shadow of a name—has gained possession of their ears and their minds for a generation. Especially need they not shrink on the score of that political "bogey"—the "taxing the poor man's loaf"—when we remember the vast resources of our own Empire, and how in any eventuality, we contain within ourselves the strength and the power of self-sustenance, even in the impossible event of our food supplies from foreign States being diminished. The events of the last year have

* See Advertisement, next page.

released us from the bonds which for so long have crippled our Statesmen, in the shape of Treaty engagements. Those ties are now happily broken. We have regained our lost bargaining power, as far as international law is concerned, if we will only use it. Nothing but the voice of the people is needed to say that, as business men, we will employ as a nation the same means that we would use as private traders, to enforce a reasonable interchange of transactions on the principles of fair-play.

I am, my Lord,

Your most obedient Servant,

(By direction of the Executive Committee of the National Fair-Trade League)

SAMPSON S. LLOYD,
Chairman.

National Fair-Trade League,
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HOW FREE TRADE AFFECTS

THE EMPLOYMENT OF THE PEOPLE.

BY

SIR EDWARD SULLIVAN, BART.

JOHN HEYWOOD, EXCELSIOR BUILDINGS, RIDGEFIELD, JOHN DALTON STREET, MANCHESTER; AND 18, PATERNOSTER SQUARE, LONDON, E.C.

HOW FREE TRADE AFFECTS THE EMPLOYMENT OF THE PEOPLE.

TO a large school of political economists in this country the worship of Free Trade is what the worship of Brahma is to the priestly caste in India—a matter for devout contemplation only, far too sacred for discussion. Its votaries are the blindest of worshippers; they will not admit the possibility of there being the slightest defect in their deity; to them, even in a mutilated form, it represents the beauty of commercial holiness, and anyone who questions it is at once ostracised as (politically) unclean. But this is nonsense. There is nothing sacred in Free Trade; it is a simple question of political economy that has been discussed in other countries besides England, and by wiser statesmen than Messrs. Cobden and Bright, and has been dismissed as belonging to "the puerile doctrines and illusions of mankind" (M. Thiers). Just now, certainly the prospects of Free Trade are anything but rosy. Germany will have none of it; France seems inclined to banish it with the Jesuits; Holland, Russia, Italy, Spain, and America have not yet been tempted even to test its virtues. It seems more than probable that in 1880 England will be the only country in which a rag of it will remain; and indeed the Jeremiads of the very apostles themselves of Free Trade in this country are not very encouraging to weak-kneed disciples. Mr. Bright and Mr. Gladstone tell us that the hand-writing is already on the wall that proclaims that our manufacturing kingdom has been taken from us and given to another; that Protective America is beating Free Trade England in a canter; and Mr. Forster, at Bradford, entreated his hearers not to say anything that might induce foreigners to suspect our faith in Free

Trade was shaken. But foreigners do not wait for our expression of opinion; they form their own opinions from their own observation. When they see industries springing into vigorous life under Protection in France, Germany, Belgium, and America, and the same industries dying out under Free Trade in England; when they see the permanent antagonism that has sprung up between capital and labour; the employers and employed; the want of sympathy—even antagonism—between consumers and producers; and the general depreciation in the quality of English work and English goods, they do not look much further for arguments against Free Trade. "After all," say they, "the proof of the pudding is in the eating, and if this is the result of 20 years of what is called Free Trade, perhaps we are just as well without it. It is not so evident after all that England is right and all the rest of the world wrong."

England has had four lean years; is she to have seven? As yet, alas, there is only a glimmer of returning prosperity. For four years wages have been falling; the busy hum of our teeming hives of industry has been getting fainter; industrial establishments have been closing; our best operatives have been flocking to the land of Protection. The only crumb of comfort, the only speck of silver lining to the cloud, the straw that drowning men catch at, is that America—Protective America—prosperous beyond example, is for the time supplying a portion of her wants from this country. Free Traders maintain that this is only an ordinary trade depression; but, on the other hand, hard bought experience tells us it is not. We know the signs too well; the course of an ordinary trade depression can be foretold with as much certainty as the course of an Atlantic gale: it runs its course and passes away; but this does not pass away. Neither Zulu War, nor Afghan War, nor spots on the sun, nor even Lord Beaconsfield himself, nor all four combined, will account for the palsy that has struck down our industries.

"It is in times of distress," says Mr. Bright, "that the unwisdom and injustice of laws comes to be examined." And so it is with Free Trade. The sophisms, the paradoxes, the theories of Free Trade, are being examined with rapidly increasing scepticism, and Free Traders are

furious. Their vocabulary fails them for words to denounce the fools, the idiots, the imbeciles, and worse, who will not read the pages of political economy exactly as they read them. But, after all, this exhibition of temper is unreasonable. Their reading is not the general reading of mankind; it is in direct opposition to the practice of every industrial nation in the world, except the "unspeakable Turk."

In America, France, Belgium, Germany, Switzerland, Holland; in fact, wherever the common sense of mankind is allowed to assert itself, the first and great commandment, the "whole law and the prophets" of political economy is allowed to be this, "That national prosperity depends on *general employment.*"

The skill or industry of the workman in his trade is his capital, "the capital of labour." In an industrial community the capital of labour is the chief productive capital of the country; but without general employment it is valueless; it is general employment that turns over this capital and makes it increase and multiply. The "capital of labour" cannot afford to remain long idle. If employment is denied it in one place it speedily emigrates to another more congenial. This is the first lesson of political economy as read by the light of universal suffrage in France and America; and so it would be the reading in England too if we had universal suffrage. But this is not the lesson taught by Mr. Bright and his friends. "Political economy," say they, "tells us nothing about general employment; let that regulate itself; we don't recognise the claims of the 'capital of labour.' The one lesson political economy teaches us is 'that the consumer should be enabled to buy in the cheapest market.' It is a matter of perfect indifference to us by whom this market is supplied, whether by our own producers, or by the producers of France, Belgium, or America. There is no national nonsense about us, we are cosmopolitan to the backbone. If our producers cannot supply us as cheaply as the foreigners they must turn their hands to something else, or leave the country, or starve."

Whenever there has been a question of commercial treaties, or of a change of duties, in France, or America, or Belgium, the first question

invariably asked has been, "How will it affect the general employnent of the people?" And the reply to that question has invariably guded their decision.

America, France, and Belgium have never swerved in one single instance from their policy of protecting the employment of the people; and what is the result? That in these countries the capital of labour has been steadily turning over, accumulating and multiplying, and enriching all classes of the community. In America, especially, the effect of protecting the employment of the people has been little short of marvellous. Her prosperity is without bounds. The best workmen of England have flocked to her; industries that ten years ago had no existence have sprung into vigorous life; she has multiplied her make of Bessemer steel eighteen times in ten years; she has 700 iron works in full operation; she now supplies herself in almost every manufactured article she requires; her population has more than doubled in thirty years; and neither war, nor rebellion, nor debt, nor soft money, nor hard money, have been able to cause more than a temporary derangement of her prosperity.

This is the country that Mr. Vivian tells us, in his interesting notes on America, "has the curse of Protection upon it;" "and," he adds, with a genuine burst of Free-trade fanaticism, "where man interposes his shortsighted law, the best provision of Providence is shackled and blighted." Are we to understand that America is shackled and blighted? or merely that Free Trade has a Divine origin?

We see what America is: what she would be if Free Trade had been her destiny instead of Protection we can easily realise: there would be no iron-works, no cotton-works, no glass-works, no paper factories, no teeming hives of industry; every manufactured article would be imported from Europe. Her iron and coal mines would be still undeveloped—she would remain a purely agricultural country, like Russia, and her progress and civilisation would be indefinitely postponed.

It is a long story to discuss the reasons *why* French, Belgian, German, and now American operatives produce cheaper than we do. It is sufficient for our argument that they *do:* they produce cheaper than we do, as the Chinese produce cheaper than the Germans, and the Japanese cheaper than the Chinese. They can and do produce almost every manufactured article—silk, iron, glass, cotton, woollen—cheaper than we can. "So much the better," say the Free Traders, "we shall then import what we require from France, Germany, Belgium, or America cheaper than we can buy it in this country, and we shall have so much more money to spend on something else; and by that much the country will be the richer." This is the Free Trade shibboleth: let us take a test case.

No industry stands alone. Each one is so dovetailed and interwoven with other industries that it cannot fall without causing serious injury to numbers of others. Take plate glass, for instance. Plate glass supports, and is supported by, and is intimately mixed up with, no less than thirty-three distinct industries, occupations, and employments. Suppose A builds a house, in which the plate glass costs £200. He perhaps buys French or Belgian glass 2½ per cent cheaper than he could buy English glass. "See what a grand thing is Free Trade," say the Free Traders, "A will save £5; he will have £5 to spend on something else; therefore, to the extent of that £5, the whole country is the richer. Apply this to sugar, iron, wool, cotton, silk, &c., &c., and you see at once how immensely Free Trade adds to the wealth of the country." But, as in every case, there is reverse to the medal: A saves £5, granted, but the plate-glass workers and the 33 industries depending on plate glass, lose between them £200! The industrial community suffer to the extent of 40 times the amount saved by the individual A. Apply this again to iron, sugar, silk, cotton, wool, &c., and we shall see what foreign competition is really doing for the general employment of the people! In this case £195 leaves the country absolutely and entirely. Instead of going to support general employment in 33 industries at home, it goes directly to support 33 similar industries abroad, and the country is actually £195 the poorer!

Ten years ago the condition of our productive industries was nearly as bad as it is now. General employment was ruinously depressed; then came the years of inflation when wages and profits jumped to a point never before reached. "See what Free Trade is doing for us" said its supporters; but it was not Free Trade at all that caused those three years of inflation, it was war, simply war: the Franco-German War, and nothing else, that for two years paralyzed the productive industries of France and Germany, and left us masters of the situation to supply our own markets and the neutral markets of the world!

Of course there is a Credit as well as a Debit side to foreign competition. I leave the Credit side to Mr. Bright and his followers. The Debit side is shortly as follows:—

Foreign competition has lessened the general employment of the people.

It has made the returns of labour and capital more uncertain, more fluctuating.

Supply is no longer regulated by demand, but by the overproduction and the necessities of foreign producers.

The masters cannot calculate their profits, or the workmen their wages, for a month together.

It must lengthen the labour and lower the wages of the British workman to the level of his foreign competitor.

It has destroyed the national pride in national industries.

It has created a wild competition in price, and price only, that has ruined the quality of English goods.

It has destroyed the English workman's pride in his work. Cheapness everywhere takes the place of quality. Pressed to produce the greatest possible quantity, in the least possible time, at the lowest possible price, the British workman has neither time nor inducement to improve his work.

How will this end? for end it must, it cannot go on. Very soon the working classes will rouse themselves from their dream of confidence in Mr. Bright and his friends. They will say, "For 27 years we have sat at your feet trusting to your predictions and your promises, applauding

your fallacies as divine revelations, and where have they landed us? in something very like industrial ruin. Every year we see ourselves more completely excluded from foreign markets, every year more and more excluded from our own market." "You may say it is our own fault, that we ought to work longer hours (seven days a week like our foreign competitors), be satisfied with lower wages, eat less meat, drink less beer,—and it may be so, but that does not alter the fact that in asking us to produce as cheaply as the foreigner you ask us to do what at present we cannot do! In the same breath you say to the foreign operative, "Send us your goods, as much as you can," and to the English operative, "We have too much of your goods; leave the country; go to America."

"Apparently you wish to make England a land for consumers only: You have as much as said to the producers, "We can do without you; we can buy all we want cheaper elsewhere." You have worked hard for the consumer—what have you done for the producer? You have given him cheap bread, you say. Certainly, but man does not live by bread alone. He wants money to buy it, and how is he to get money without employment?

"No doubt the aristocracy, the land laws, the wickedness of Lord Beaconsfield are burning questions for you and your friends, but there are burning questions that affect us still more nearly. 'Near is my shirt, but nearer is my skin.' General employment, prosperous industries, wages, work, protection, are the burning questions that most nearly affect us.

"What do you propose for us? There are eighteen millions of us engaged in and depending on productive industries. If we are excluded from foreign markets by prohibitory duties, and excluded from our own by foreign competition, what are we to do? Are you prepared to support us in idleness till the millennium of Free Trade, prophesied by Cobden in 1852, arrives, 'when other nations are compelled by self-interest, and by the reality of our own prosperity, to follow our example and adopt Free Trade,' or do you wish us to emigrate? If so, are you

prepared to support the old and infirm, the women and children who we leave behind? If the bread winners leave the country, who is to find bread? If the working-bees leave the hive, what is to become of the drones?"

Lord Derby is a fortunate man! Seated amongst the elect in the paradise of real estate, far removed from the possibility of any inconvenient shrinkage of income, he can afford to contemplate with complete serenity the struggles and anxieties of a lower world. All classes in England are suffering actually, or in anticipation, from a shrinkage of income. Lord Derby has a word for each. To the owners of land he offers little comfort. "No doubt," he says, "there may be a large, possibly a VERY LARGE, reduction of agricultural rents throughout England. You must bear it as best you may. No doubt it will ruin many of you. *Beati possidentes.* Blessed are those who have acres enough and to spare! To the farmers he says, "A fall in rents won't hurt you." To the labourers, "You are well off as it is." To the manufacturers, "Hope and wait." To the operative, "Emigrate." It is with regard to this last advice I wish to say a few words.

"I think," says Lord Derby, "it will be well for those who act as leaders of the working men to consider whether in the case of industries which are not likely soon to revive, there is not a better chance for men beyond the seas than in this country. They may do good to themselves and to their mates by limiting their numbers, and those who go will have the satisfaction of thinking they assist those who stay behind."

Certainly, emigration is an heroic remedy to recommend under any circumstances. It is no light thing for any one, even for an operative, to be told so lightly to leave his country, his household gods, his house, his sympathies, for a new life in a new world, and amongst a strange people; it is a more serious matter than the word implies, and should only be prescribed as a last resource. If Lord Derby advses it now we may accept it as proof that, in his opinion, no other remedy is left.

Lord Derby, in effect, says to the operatives of Manchester, Paisley, Bradford, Sheffield, Coventry, St. Helens, "Go to America, the land of Protection; England, the land of Free Trade, has no longer any room for you;" but may not the operatives in reply reason thus, "Why should we go to America? How is it there is no work for us at home?" England has far more accumulated wealth than America; her population is nearly as great; her consumption of the articles we produce certainly greater. Why then is there no work for us in England but plenty of work for us in America? You tell us to emigrate in order to limit supply and raise wages (rather strange advice from a free trader), but it is not we who cause over supply. We are, and have been for three years, working short time. It is the foreign workmen who cause our over-supply and drive down our wages. It is the looms of Mullhouse, of Roubaix, of Lyons, the furnaces of Namur and Liege, of Charleroi and Seraing, that glut our markets with woollen and silk and cotton and iron and glass. Have we not a right to demand that you do your utmost to check this source of over-supply before you ask us to leave our country? You tell us that if we leave our country we shall have the satisfaction of knowing we assist those who stay behind, but you are deceiving us; you know as well as we do that under the present system of Free Ports, it is a foreign rival, not a mate, who will profit by our self-sacrifice.

"America is Protectionist, and see how she flourishes! The working men, you all tell us, are better off than we are. Mr. Bright himself has told us that the Americans are the happiest and most prosperous people in the world. Why not, then, give us the same commercial polity? It is no answer for Mr. Bright to turn round upon us and say 'Ye simpletons, what is good for an American would not be good for you.' We begin to doubt it; we should like to try."

Why this immense difference between the industrial markets of England and America? Because in America the baneful teaching of Messrs. Cobden and Bright that the interests of consumer and producer are distinct and antagonistic was at once recognised and denounced as puerile nonsense. In America the whole nation reasons thus, "Pro-

ducers and consumers are members of the same family; they sail in the same boat, sink or swim together. No doubt, putting a heavy duty on foreign manufactured goods makes America in some respects a dear country, but on the whole it works well for the community; it promotes general employment, general interest and dependance, general energy, general contentment, and on the whole, general wealth."

The directly antagonistic views of Protection, as understood in England and in America and France, may be thus stated: "We will *not* tax the whole community in order to enrich a few greedy manufacturers," say the Free Traders of England. "We *will* tax the whole community in order to promote the general employment of the people," say the Protectionists of America and France; "and we find, moreover, by experience that this is the most profitable tax in the country, that returns us in some cases fifty, in some an hundred fold."

Whilst America is seeking to cheapen production by attracting to her shores the operatives of all countries England is making a feeble and ridiculous attempt to make production more expensive by banishing her best operatives.

The operative who follows Lord Derby's advice and emigrates to America may improve his own individual position, inasmuch as he quits a country where labour and industry are unfairly and unjustly weighted for one where it is liberally and widely protected. But so long as England is a free port, open to all the manufactured products of the world, his self-sacrifice can in no way, directly or indirectly, benefit his mate who is left behind. There will merely be an English worker the less and a French and Belgium worker the more.

Let us see how the emigration of our operatives will affect the national wealth, the "Capital of labour."

The "Capital of labour" consists in the skill, the practical knowledge, the industry, the strength, the health, &c., that enables a workingman to earn his wages; his 20s. or 30s. a week. Now, this capital does not

appear in balances at the bankers, in buildings and machinery, in plant, &c. It is not tangible or convertible, but nevertheless it exists, and under certain untoward circumstances can occasionally be actually realised. If a mechanic is disabled from earning his wages by the carelessness of a railway company, for instance, he can recover from the company a sum of money that represents the capital of his weekly wage. The law thus recognises the reality of the capital of labour.

Figures will illustrate my meaning, but they do not pretend to be accurate, readers may alter and amend them as they choose; they are simply intended to show that the capital of which we are treating is real and that it is enormous.

A man who earns 25s. per week, or £65 a year, possesses in the skill or knowledge or experience or strength, &c., that enables him to earn that income, a capital that yields that amount of weekly interest. You may capitalize it at any rate you like. A man may have 30 years work in him, or he may have 15. Suppose 15, the income of the operative earning 25s. a week, capitalized at 15 years, represents a sum of £975.

Now, there are in this country 6½ millions of operatives engaged in manufacturing, and similar industries, earning in fair times on an average 25s. per week. This represents an annual income of 422 millions (it is usually put at 400 millions). Capitalised at 15 years' purchase, this interest represents a capital of 6,337 millions. This is the capital of labour, and a pretty considerable sum it is. Every skilled operative, every producer who leaves the country takes with him his handicraft, his skill, his energy, that capital of labour that in every country but ours is encouraged as the chief source of national wealth. With every thousand skilled labourers that leave this country at least a million of the capital of labour leaves also. To that extent is goodness gone out of us, and the wealth-producing power of the country diminished.

"I can hardly allow myself to believe," says Lord Derby, "that America will long maintain at the public expense a privileged class of manufacturers and producers;" but "*Quot homines, tot sententiæ.*" May

not an American statesman equally exclaim, "I can hardly bring myself to believe that England will long maintain a system of Free Trade that is evidently bringing rapid and complete ruin on her manufacturing and operative clesses."

The question of Free Trade—that is the continued exclusion of English operatives from all the markets of the world, and their approaching exclusion from their own market also—is too serious a matter to the operative class of England to excuse misrepresentation on the part of those who profess to instruct them. It is a shame to tell the operative class that only emperors and field-marshals are opposed to Free Trade. Germany, the land of field-marshals and emperors, is the only country, except England, and her unfortunate friend the "unspeakable one," who have ever given Free Trade a trial; and the former has had the courage to abandon it, because it was threatening the employment of the German people. It is not the emperors and field-marshals who oppose Free Trade; it is the two great republics of the world, France and America. It is the voice of universal suffrage, wherever it exists, that proclaims aloud that the first law of political economy, the first law of self-preservation in an industrial community is the protection of the employment of the people.

It is a shame to tell the operatives of England that France, America, Belgium are approaching Free Trade. It is not only not true, it is the very reverse of true. There are not a hundred men in either country who are prepared to admit English cotton and English manufactured iron duty free. And why? Because they know it would ruin the employment of many of their people, and cause revolution.

America, France, and Belgium will not open their ports to the manufactured goods of England so long as the general employment of their people is threatened by it; but when that time comes, as come it must, if we persist in our present mad course, when the best English operatives have left the country and the greater portion of her industrial capital has followed them, when the manufacturing industries of England have dwindled to insignificance, and there is nothing to fear from her

competition, then, and not till then, will they say, "Ah! these poor English, they have long been crying for the moon; let them have her now, and much good may she do them!"

Then will be seen the true apotheosis of Free Trade—a fool's cap to crown the industrial ruin of England!

"In the freest country in the world," says Monsieur Thiers in his great speech of January 22, 1870, "arrangements are made to protect the different branches of native industry."

In France and America neither emperors, nor kings, nor presidents, nor communists, nor wars, nor revolutions have caused the slightest change in this arrangement. Why? Because both nations believe they see in it the mainspring of national life. Wherever the voice of universal suffrage obtains authoritative utterance it proclaims as the first law of national existence "Protection to native industry." It is in England alone that this instinctive requirement of all industrial communities has been ignored.

Reversing the usual formula that "property has its duties as well as its rights," it may be maintained that "labour has its rights as well as its duties." Its duties are that man must toil and moil and fulfil God's third curse on our unfortunate progenitor; that in the sweat of his brow he shall eat bread—its rights are, that it shall, to use Mr. Bright's words, be protected from "unwise and unjust legislation."

When a man learns a trade he invests his capital (the only capital he has, the capital of labour) in that trade as distinctly as if he invested so much cash in it. He invests this capital on the security of, as he believes, wise and just laws, that will not, needlessly, sacrifice his interests to those of a foreign rival; and he expects, and has a right to expect, that this capital will be safe guarded as a factor of the national wealth. That if in our dealings with foreigners there is a doubt as to the true interpretation of the "most favoured nation" clause, it is he and not the foreigner who shall have the benefit of it.

We have had enough, and more than enough, of the blatant cosmopolitanism that would teach us that blood is not thicker than water; that charity does not begin at home; that our first duty is to our neighbour, not to ourselves; that it is the general happiness of mankind we must work for, not our own; that self-sacrifice "The Happy Despatch" is an institution peculiarly suited to British manufacturers and British operatives!

The industrial condition of England just now would be ludicrous if it were not so alarming.

It may be likened to a tube, into one end of which we inject foreign manufacturers, and out of the other eject British operatives.

At the same port, and side by side, we see ships unloading, without limit, the work of foreign operatives, and others shipping to America British operatives, whose daily bread is earned by producing these very same articles. This is not right. No sophisms, no paradoxes of Free Trade can possibly make it right.

Whenever any one like myself is stupid enough to protest against this result of Free Trade he is treated as one whose reasoning powers are deficient. "You simpleton, can't you see that the more foreign goods we consume and the less British goods the foreigners consume the worse for them and the better for us; we gain both ways; a case of heads we win, tails you lose. This is one of the great canons of Free Trade, if you cannot understand it you must be a fool!"

But hard words break no bones, and if I live to the age of Methusaleh I shall never believe that the way to benefit A, B, C, who produce silks, merinos, cotton, linen, iron, glass, cutlery, matches, boots, gloves, handkerchiefs, lace, &c., in England is to buy all these articles from D, E, F, who produce them in France and Belgium!

Free Traders display, in strange excess, the vanity and sensitiveness so general in the converts to a new faith; they will allow of no hostile

arguments, no possibility of error. Those who believe are of the salt of the earth; those who doubt are of the basest clay. They claim infallibility for their prophet, as the Mormons did for theirs! They will not see that signs are not wanting that the new revelation of Mr. Bright will ere long be stamped out by common sense, like that of Joe Smith!

For thirty years America, France, Germany, Austria, Belgium, Holland, Italy, have been studying and debating and criticising Free Trade, and now they have decided to have nothing to say to it. They have satisfied themselves that there is nothing in it, that it is simply a question of policy; a policy that may enrich a community at one time, ruin it at another; a policy to be adopted or rejected, according to circumstances. There is no mystery about it. Its effects are very patent. Free Trade, as we call it, has enriched the merchants and bankers and brokers of Hamburg and Bremen, and the smugglers of Gibraltar; but it has not enriched Turkey. And Germany and Canada and Australia have discarded it as ruinous to the industrial progress of the people.

Free Traders are disingenuous in their statements to the operative class. Sooner than allow the possibility of there being a flaw in the working of their cherished faith, they distort facts; they exaggerate the trade depressions of other countries, and minimise that of their own; even now they deny the desperate extent of the depression of our native industries. "Look at the factories still working," say they; "look at the poor law returns; you may be quite sure manufacturers would close their works if they did not make money, and operatives would certainly be in the workhouse if they did not earn wages;" but this is like a physician saying of his patient, "Oh! he is all right, I don't hear the death-rattle!"

They know perfectly well that for three years the greater number of the manufacturers of England have been working without profit, or at a loss, paying wages out of the profits of the years of inflation; that the closing of their works is the death-rattle of their industrial life, and that they will struggle against it as long as they have any life left. They know that the operatives have been working half time, quarter time—

have spent their savings and got into debt, and are leaving their country sooner than go into the workhouse. Will any of the optimists venture to estimate the shrinkage in the values of industrial undertakings during the last three years? Is it 50 per cent, or is it 75 per cent?

Free Traders parade their interest in the social progress of the working classes; but they will not see that by fostering foreign competition to native industry, as they are doing, they are driving the operative class to a lower scale of life—less wages, longer hours of work, less meat, less drink (the one scintilla of comfort), less comforts, less chance of mounting the social ladder.

They talk and write as if the sole standard of the prosperity and progress of the working classes was the price of corn. But they are not like horses; they require something besides their four feeds a-day. "Where would you be now without Free Trade?" say the Free Traders, "with low wages and with corn at 100s. a quarter." It is a far more powerful agency than Free Trade that has brought down the price of corn from 100s. to 36s. a quarter—it is steam. It is steam and the development of the American continent; it is the enormous increase of steam transport that reduces the cost of freight from the cornfields of America from 20s. to 2s. a quarter, and brings to our doors, almost without cost, the harvests of the world.

Perhaps our friends, the Free Traders, will tell us that Free Trade would provide us with corn at 36s. per quarter if freight still stood at 20s. a quarter; if the Atlantic was still navigated with sails; if the population of America still stood at 20 millions; if the boundless wheat fields of the great West were still the hunting grounds of Red Indians; or will they tell us that it was Free Trade that discovered steam, peopled America, and made the Atlantic a great steam highway?

An *ad valorem* duty of from 7 to 15 per cent on all imported manufactured goods would undoubtedly diminish, in some infinitesimal degree, the value of fixed and professional and realised incomes; in a rough way the incomes of the income-tax payers, the odd four millions,

probably, in our population of 34 millions; but it would largely increase the incomes of the 18½ millions engaged in and depending on manufacturing and similar industries.

It would promote general employment; it would ensure a more permanent rate of wages; it would secure to the operative and manufacturer a steady home market, without which no industrial community is safe; it would enable them to regulate supply to demand; it would promote the public interest in national industries; it would bring the consuming and producing classes into more intimate connection; it would check the mad competition in price, and price only, that has ruined the quality and reputation of English goods in all the markets of the world; it would resuscitate many industries that Foreign Competition has already killed; it would revive many that has been mortally wounded; it would restore confidence to Capital.

But we need not speculate on what a return to Protection would do for us; we have proofs to our hands. Six months ago Canada adopted a policy of Protection, and what are the results? "The six months during which the new tariff has been in operation," says a Toronto provincial newspaper, "have witnessed a complete revolution in the industrial prospects of the colony. Instead of closed mills and silent machinery, there are everywhere signs of fresh life. Capital is finding employment in remunerative enterprises at home, and is being drawn to Canada for employment from abroad. Industries that had been beaten out of existence through the competition of cheap and nasty Yankee goods, have now a new lease of life; and there is the promise of greater prosperity than the Canadians have known for a number of years."

Within the last week I have heard the above statement corroborated in every particular by the greatest living finance authority of the Dominion. But Protection to native industry would do more than open our mills and set our machinery in motion, it would enable us to do away with the Income Tax, the most demoralising tax that

has ever been levied in any country. Talk of the curse of smuggling that would follow a return to the customs duties! Why, the Income Tax offers a direct temptation to every man who pays it to become a smuggler! The degrading effect of the Income Tax on the public morals cannot be over-estimated: the cooking of accounts and returns; the use of false weights and measures, as applied to income, is known only to those whose duties compel them to manipulate the Income Tax returns. It will indeed be a day of great promise to England when the Income Tax is replaced by customs duties.

Those who delight to descant on the blessings conferred by free ports should remember that those blessings are very unequally divided. The manufactured articles imported into England are, without a single exception that I am aware of, for the exclusive benefit of the luxurious and consuming classes. We do not import a single manufactured article that is consumed by the producing or operative class; whilst, at the same time, every article of foreign manufacture imported into this country more or less replaces some similar article, the produce of English capital and English labour.

Does not this look as if our boasted Free Trade legislation tends to benefit one class of the community at the expense of another—the consumers at the expense of the producers, the rich at the expense of the poor, the drones at the expense of the working bees. The rapid increase in the consumption of articles of foreign manufacture in this country, and the corresponding decrease in the consumption of English goods, the shrinkage in the quantities and values of our manufactured exports, leads to the inevitable conclusion that as the demand for the products of English labour diminishes at home and abroad, so must the demand for English labour itself diminish also. This would appear capable of demonstration, but we are assured it is not so. We are told that the greater the consumption of foreign goods in England the better for the English people, and the less the consumption of English goods abroad the worse for the foreigners. It would appear as if in the eyes of English free traders the whole question was limited to the interests of the consumers at home and the producers abroad, in which the interests of the producers at home have no place at all.

England has now enjoyed what is called Free Trade for a generation. During that period the manufactured articles of all nations have been admitted into our markets duty free. We can now take stock of the results. Have any one of all the dreams and prophecies of Free Trade theorists and romancers been realised? Where is the universal peace, and the brotherhood of nations, which was to result from the new dispensation? Where the reciprocity—the grasping of the right hand of commercial fellowship all over the world? Where the general improvement in the condition of labour, the increased morality, sobriety, civilisation, and education of the masses of our working population? The antagonism between labour and capital has increased; the relative interest and dependence of consumers and producers has disappeared; the trade depressions are more severe, more frequent, more prolonged.

Where is the common sense, say the Free Traders, of English producers complaining of the hardship of being excluded from foreign markets, when the foreigners undersell them in their own market, and pay freight and transport in addition? It is true the foreigners do beat us in our own market, but it is not in fair fight. The markets of Europe and America being protected against the importation of foreign goods, the foreign manufacturers, after supplying their own protected markets at a comparatively high price that leaves them a fair margin of profit, consign their surplus, their clearance sales and job lots over to England, which is a free port, to be sold for what they will fetch. This price is often actually below cost, and leaves a loss to the foreign manufacturer; but taken in connection with the profit they make in their own protected market, it will still give a small average of profit, and the increased sale for their products thereby secured enables them to keep their works and machinery working full time, thus keeping down considerably the general cost of manufacture. Thus English products have to compete in our own markets with foreign goods, sold often actually below cost price; and as the lowest price at which an article can be bought is the price that rules the market, English manufacturers have often to meet foreign competition at a lower price than they can produce. On both sides the price is often regulated, not so much by the cost of production as by the necessity of

sale. Now, it would appear that such insane competition (selling actually below cost price) must soon terminate in the ruin of those engaged in it. But on the part of the foreigner it is not insanity at all; it does not ruin him, it suits his purpose very well. He has his own protected market in which to make a profit on a portion of his goods, the rest he can afford to sell at no profit, even at an actual loss, and still make a fair average of profit; but it does ruin the British manufacturer who has no protected market to help his average, and is obliged to sell his whole make below cost price, or at a price that leaves no profit. Every influx of cheap foreign goods drives the British manufacturer to lower prices. In order to lower his prices he must lower his cost; that is to say, he must employ cheaper material and cheaper labour—in other words, he must produce an inferior article. And this is what has happened. Thirty years of "Freedom of Trade," as it is caled in derision, have generally lowered, in many cases ruined, the quality of English products. Too frequently we hear complaints of inferior quality, of adulteration, of slovenly work. It is a fact that it is more difficult to buy good silk, good cotton, and good steel now than it was twenty years ago. This is the result of the excessive competition that England has been exposed to, flooding her markets with foreign goods, often of inferior quality, to be sold at any price. Quality has of necessity become subservient to price. Competition in quality is a good thing; competition in price only is a bad thing. It will ruin any art or industry in the world. Price, quality, and, at last, wages in England are absolutely regulated by foreign competition. Wages are no longer a matter of arrangement between English employers and English operatives; it is a question of how much the foreigners are paying. English employers can pay no more.

French and English Free Traders, if indeed any of the former exist, take a diametrically opposite view of the advantages of Free Trade. Whilst the former maintain that its chief and only object is to open out foreign markets to French manufacturers, the latter maintains that its chief and only object is to open English markets to foreign manufacturers. I always have maintained and always shall maintain that the former is the true object that every government embracing Free

Trade should try to achieve, and that by totally ignoring it; by making no effort whatever to open out new markets for English manufactures, Mr. Cobden and Mr. Bright, and those who committed this country to a Free Trade policy, shamefully neglected their duty to the manufacturers and operatives of England, and dealt them a blow that threatens to be fatal.

"What a calamity it would be," says M. Duval, the French Free Trader, "if England were to close her markets to French goods!" Is there any English Free Trader bold enough to echo these words, "What a calamity it is that France has closed her markets to English goods?"

But this is virtually the case. The amount of English manufactured goods that find their way into France is utterly insignificant. The calamity that M. Duval so dreads for French industries has actually fallen on British industries. But do English Free Traders consider this a calamity? On the contrary, they regard it with a light heart, and are amazed at the stupidity of those who exclaim against its injustice!

In conclusion, M. Duval called upon all present to aid "not in keeping the foreign products out of the French markets, but in opening out the foreign markets to French products." If this is one of the canons of Free Trade, as understood by French Free Traders, "to open out foreign markets to French products," it is evident that the French and English theories of political economy are as wide apart as the Poles.

When do we even hear our Free Traders talk of "opening out the foreign markets to British products?" What one of our Free Trade prophets has ever employed one tithe of the energy and persistency in opening out foreign markets to British products, that he has in opening out the British market to foreign products? But still, if British industries are to exist, and if the eighteen millions of our population, who directly or indirectly depend upon them, are to find employment, it is absolutely necessary our Free Traders should, in the words of M. Duval,

"call upon all to aid in opening out the foreign markets to British products;" to submit to the ostracism of hostile tariffs, and at the same time to hand over the British market to foreigners is to make our manufacturing ruin a certainty. Our manufacturers and operatives are urged to seek a remedy for the present depression of trade in reduced wages and diminished cost. They are told that cheap production "will give them the command of the markets of the world;" but is not this rather like giving them a stone when they ask for bread? Of course cheap production is an element of strength; but with prohibitory tariffs against us what diminution of cost can give us the command of the markets of the world, or a slice of them? What reduction of wages, what diminution in cost will enable English producers to sell their silks, their cotton, their linens and woollens, their glass, paper, and locomotives, in France, Belgium, Germany, Austria, and America, where these articles are weighted with duties ranging from 15 to 50, even to 100 per cent? If the only condition on which we are to get access to the foreign markets is by producing from 15 to 50 per cent cheaper than foreign manufacturers the less we think of it the better.

The object of the French commercial treaty was an international extension of trade by which each country was to profit equally. What has been the result? "In 1860," said M. Duval the other day, speaking in Paris, "the Protectionists bitterly prophesied that the French markets would be inundated with English wares. Instead of this it was France that had inundated the English markets, for she sent to England twice as much as it sent to her." Mr. Cobden, partly through ignorance, partly through vanity, gave everything away and asked for nothing in return. He removed entirely all duties on French goods, but allowed the French to retain prohibitory duties on English goods. This may have been generous on his part, but it was not common sense. *C'est bean, mais c'est bête!*

One advantage at any rate must result from the present condition of the country: it will dispose forever of the puerile theorists who would divide England into two hostile camps of consumers and producers, and delight to enlarge on their antagonistic interests. Antagonistic interests,

indeed! why you might with as much reason talk of the antagonistic interests of mouth and stomach or any other organs of the human body as between consumer and producer, in other words between rich and poor, the most important organs of the body politic. When the many millions of producers are fairly prosperous they are the best consumers, but when their employment leaves them and their earnings cease, what, pray, can they consume except the accumulated wealth of the country, and how long can they safely continue to do so? To those who will insist on the rival claims of consumers and producers to the national consideration, it is fair to put the question, "Which add most to the wealth of a country—those who produce or those who consume?"

The cure for the present state of things, we are told, is to be sought not in protection but in lower wages, longer hours of work, in sobriety, in thrift, in education, in intelligence at home. It is to be sought, in fact, in the development of qualities that are of slow growth, that the British operative class possess in a much less degree than their foreign competitors, and which they cannot acquire under two or three generations. Of course, thrift, sobriety, intelligence, diligence, are invaluable qualities, indispensable possibly to success. But, grant the highest development of them—grant that by a stroke of the magician's wand the British operative becomes as sober even as Sir Wilfrid Lawson himself can desire, and as intelligent as Bishop Colenso's pet Zulu; that he works for Chinamen's wages, and for 106 hours a week, like a London 'bus driver; grant all this, prohibitory tariffs will still keep him out of the markets of Europe and America.

It is rather amusing to contrast the public estimation of the British operative to-day with what it was afew years ago. Owing to the Franco-German war, the manufacturing industries of France and Germany were for several years nearly paralysed: they could barely supply their own wants; they had no surplus to send abroad. English operatives and manfacturers then had what our American cousins call a "lovely time;" they supplied their own markets, and most of the neutral markets of the world. Trade advanced by bounds and leaps; there was no end to the inflation. The working man

was then king; nothing was too good for him; he was the hero of the hour; everybody was trying to make capital out of him; it was touching to see the solicitude with which he was surrounded—nine hours' work and 9s. a day was then the cry. Statesmen, philanthropists, philosophers, trades' unions, vied with each other in urging him not to work too long, or to work too hard. Recreation and self-culture were to take the place of labour and fatigue. Now this is all changed; the working man is no longer the hero of the hour, but its *bête noir*. He is rated on all sides. Those who flattered him most in his prosperity, now find most fault with him in his adversity. On him is visited much of the present commercial depression. He is told that it is his want of thrift and sobriety, his indolence and extravagance, that have driven the trade out of the country. High wages and short hours are no longer for him; he must work longer hours and for lower wages. The cry is, "Get you unto your burdens; ye are idle, ye are idle." But this is not altogether fair on the working man. It is not he who has changed his nature, but his flatterers who have changed their theory. The fact is that when England was made a free port, the friends and advisers of the working classes cruelly deceived them. They never explained to them the results that must inevitably follow that policy. They tempted them with the big loaf; they told them that the big loaf meant cheap food; but they did not tell them the price they would have to pay for it; they did not tell them that the big loaf meant increased and increasing competition with the cheapest labour and cheapest goods in the world; that, in fact, it meant lower wages, and longer hours of work. But such every thoughtful man knew must be the result of inviting the competition of the world to the free port of England.

In all their dealings with their clients, the friends of the working classes have avoided explaining to them the nature of the competition that must be forced on them by Free Trade. It has always been the play of *Hamlet* with the principal character omitted. They told them of the big loaf, of nine hours' work, and nine shillings a day, but they entirely omitted all mention of the thrifty, sober, hard-working, educated operative class of France, Belgium, Germany, and America, ready to work for threepence an hour less and three hours a day more, who were only

waiting for capital and English machinery to attack them in all their strongholds, and to drive down wages and lengthen hours to the hardest continental level.

The operative class are learning this now for themselves, and no wonder a hum, confused and indistinct as yet, of "Save me from my friends," is already heard from the teeming hives of industry.

Enthusiastic Free Traders, absorbed in the workshop of their fetish, smile at the present condition of British industry. They are not alarmed at the value of our exports having fallen off £65,000,000 in five years; at the balance of trade against us having increased from £60,000,000 to £142,000,000 in the same period; at our imports doubling our exports; at our manufactured goods being prohibited in foreign markets; at productive industries perishing in England under Free Trade, and springing into vigorous life in America and France under Protection, &c. To them all this is quite natural and much to be desired. They apply to British industries the Darwinian theory of natural selection—"*only the most fitting will be preserved.*" So long as we can produce anything cheaper than the rest of the world, so long we shall continue to produce it, and no longer. But carry the principle to its limit. Suppose there is not a single manufactured article that cannot be produced cheaper in some foreign country than in England, and with the spread of capital and machinery amongst the thrifty and inventive workers of the world this is not impossible, how are we to find work for our industrial millions?

Foreigners look on in gratified dismay. They see that ten years of general peace, when all the industrial populations of Europe and America could devote themselves to labour, would, under the present conditions of Free Trade on our part, and prohibition on theirs, extinguish absolutely and entirely the manufacturing existence of England. They can scarcely credit their senses; they cannot believe it possible that the English people, with their hard heads and common sense, will allow a school of doctrinaires to force their theory to the bitter end, and bring ruin on the industrial millions of the country.

Post Scriptum.

Since the preceding pages were written three important incidents have occurred connected with our subject:—

(1) There has been a general election in Germany, and the German people have sent more than double the previous number of Protectionists to Parliament: the Free Traders have lost *93 seats!*

(2) The *Times'* correspondent in Philadelphia, who for twelve years has been studying and chronicling the progress of America, has combatted (October 22) in the strongest manner Lord Derby's assumption that Free Trade is spreading in America. He asserts, and gives proofs of his assertion, that during the last twelve years Free Trade has made no progress; that it is making no progress at present; and that there is very little prospect of its making any further progress for years to come.

(3) Mr. Bright has spoken.

Mr. Bright has spoken; his trumpet tongue *(le souffle nême de l'ouragan)* has rung out the *pas de charge* for the assault that is to reseat his friends on the Treasury benches. And what does he say? Alas! it is "the old old story; the story of old"—hatred, invective, abuse of all who differ from him; misrepresentation, perversion of facts, false assumptions, and still more false conclusions. The "old man eloquent" loses his charm for moderate men when his eloquence is confined to heaping exaggerated epithets of abuse on his political rivals—men who most of us believe are as honest, as patriotic, as honourable, as sagacious, as, and far more just and generous, and liberal, and laborious than Mr. Bright himself. Mr. Bright delights to prophesy evil of his country continually. He is never weary of crying, "Woe to Ariel, to Ariel! Alas! alas! for this great city, this mighty city, ruined and brought low in one hour by the criminals and thimble-riggers—Beaconsfield, Salisbury, Northcote, and Cross!" But this is all nonsense; no reasonable being believes it; it is merely the rude bogey of a country bumpkin; a tallow dip inside a

hollow turnip stuck on a gate to frighten children! If the ruin of this great country is imminent; if the handwriting is really on the wall, and our friend the New Zealander has actually taken his ticket for London Bridge, it is not beeause England prepared for eventualities when Russia was at the gates of Constantinople; it is not because she has made a stand against Russian intrigue in Affghanistan; it is not because she was temporarily foiled by a race of "celibate man-slayers" in a distant colony; it is not because she has spent a few millions more or less in safe-guarding her varied empire. All this may have been a mistake; her policy may have been wrong, and the money have been wasted; but every child knows that it is not such trivial causes as these that would bring to ruin the mighty empire of England, unless indeed the fifteen previous years' doctoring of Mr. Bright and his friend had so enfeebled her that the addition of these few feathers has broken her back! But it is not so much political as commercial ruin that Mr. Bright prophesies when he points to the growing splendour of the sun of America, and the approaching eclipse of that of England. "Happy America," he exclaims, with a fine burst of generous patriotism, "happy America, that has not yet bred a Beaconsfield or a Salisbury to misdirect her policy and waste her resources." But might not an American patriot in the same strain exclaim—"Happy England, that has not yet bred a Davis, a Lee, a Stonewall Jackson, a Semmes, a Benjamin, to misdirect her policy and waste her resources." If two years of civil war, whole holocausts of victims, a gigantic debt, the ruin of half a continent, are to count for anything, perhaps most unprejudiced persons may conclude that after all England has the best of the comparison.

Mr. Bright does not see that when he exaggerates the prosperity of America and the decadence of England, he is proving the case of his economic opponents. If he could say to them, "Look at this England, this precious stone set in the silvern sea, this thrice-blessed home of Free Trade, rich, prosperous, contented; her teeming hives humming with the buzz of industry, of employment; her population increasing in numbers, in civilisation, in sobriety, in enlightenment; horny-handed sons of toil flocking to her shores from America, still blighted, blasted, cursed (I don't know which epithet Mr. Bright would prefer) with pro-

tection;" if he could say this he would go far to prove his case. But his language is the very reverse. "Look at this America," he says, "this glorious land of promise, this thrice-blessed home of Protection; the richest, the most prosperous land in the world; the paradise of labour, that attracts to her shores the best operatives of Europe; that doubles her industries every two or three years; that is knocking England into a cocked hat!" When this is his argument, what deduction can we draw from it but that in America Protection has proved the true cornucopia, and that in England Free Trade has proved a tunic of Nessus, that has struck a deadly poison to the very marrow of her bones. "If you use your faculties," said Mr. Bright, some time ago, to the operatives of Glasgow, "now as well as you did in the days of the Free Trade contest, you will not doubt the wisdom of the present policy." But is it not possible that when these same operatives compare Mr. Bright's accounts of the marvellous progress of Protective America with his account of the increasing decadence of Free-Trade England, it may occur to them that if Protection is the disease he so persistently represents it to be, and Free Trade the cure, calm consideration may lead those who do use their faculties to conclude that in this case, at any rate, the disease is preferable to the cure?

"Look at the marvellous effects of Free Trade," says Mr. Bright; "the gross trade of England has increased three and a half times in 40 years." "Look at the marvellous effects of Protection," says a Frenchman or an American; "the gross trades of America and France have each increased four times in 30 years."

To attribute the increased trade of England during the last 40 years to the removal of customs duties, and to ignore at the same time the illimitable agencies of steam and gold, the spread of capital, of machinery, of population, is to attribute the vivifying influence of the shower to one particular drop; to suppose the mouse has brought forth the mountain; the frog overshadowed the bull!

"If at some distant period," says Mr. Bright, his thoughts again evidently returning to the irrepressible New Zealander, "an Englishman—

one of the great English nation that is so rapidly peopling the American continent—should visit and explore the sources of his race and the decayed and ruined homes of his fathers, he may exclaim, 'How are the mighty fallen!' 'Whence comes this great ruin;' and the answer will be, 'That for 30 years a school of doctrinaires swayed the economic councils of the empire; that sophisms were preferred to experience, theories to facts, paradoxes to common sense; that the employment and industries of the people were neglected; that cosmopolitan nonsense usurped the place of patriotism; that charity did not begin at home; that England's duty to her neighbour preceded her duty to herself.'"

John Heywood, Excelsior Printing and Stationery Works, Hulme Ha l Road, Manchester.

BOARD OF TRADE RETURNS

THE PROGRESS OR DECLINE

IN

MANUFACTURED EXPORTS AND IMPORTS

FOR THE LAST TWELVE YEARS

FROM 1869 TO 1880

INCREASE IN OUR COLONIAL TRADE, AND DECREASE IN FOREIGN TRADE, INDICATED WITH EACH COUNTRY

LONDON
P. S. KING, PARLIAMENTARY BOOKSELLER
KING STREET, WESTMINSTER
1881

EXPORTS to RUSSIA.

	1869	1870	1871	1872	187
Alkali	50,542	129,427	131,994	177,017	238,
Bags and Sacks	—	—	—	—	—
Coal and Coke	313,588	399,106	444,051	624,932	650,
Copper, Wrought	—	—	—	—	129,
Cotton Yarn	172,014	247,535	294,108	214,471	366,
Hardware	60,749	113,917	166,461	154,818	158,
Iron, Pig	—	—	—	—	—
„ Bar	—	—	—	—	282,
„ Railway	2,213,913	1,873,462	796,413	1,152,631	2,179,
„ Hoop	100,764	126,577	189,803	180,013	391,
„ Wrought	250,016	280,444	187,596	265,184	642,
Lead, Pig, &c.	104,731	136,907	90,350	151,687	179,
Linen Manufactures	16,263	31,947	30,625	18,828	12,
Machinery, Stm. Engs.	454,772	457,074	350,756	302,176	216,
„ Mill Work	605,309	634,482	760,100	815,894	1,040,
Salt	43,950	49,304	29,512	43,199	73,
Tin, Unwrought	32,106	75,113	86,371	92,527	114,
Wool, Dyed, &c.	—	—	—	—	—
Woollen & Wrstd. Yarn	279,739	274,176	401,551	296,381	274,
	4,698,456	4,829,471	3,959,691	4,489,758	6,950,
Average 3 years		£4,499,206			£5,896,

GERMANY.

Alkali	154,494	155,258	249,138	332,829	421,
Bags and Sacks	—	—	—	—	—
Coal and Coke	661,986	679,147	1,012,804	1,538,367	1,684,
Copper, Unwrought	—	—	—	—	278,
„ Wrought	33,372	42,402	61,339	57,762	58,
Cotton Yarn	3,547,619	2,843,471	3,846,980	3,930,323	3,045,
„ Manufactures	1,692,127	1,333,843	1,792,225	2,036,488	1,272,
Earthenware	64,841	59,381	82,616	64,018	106,
Fish (Herrings)	441,587	312,473	654,550	704,409	823,
Haberdashery	113,785	89,206	103,724	78,984	123,
Hardware	376,635	293,418	336,395	348,853	365,
Iron, Pig	339,877	353,381	561,448	1,510,431	1,523,
„ Bar	118,425	106,122	134,896	194,340	338,
„ Railway	338,214	522,431	502,681	651,954	549,
„ Hoop	116,865	108,005	160,460	208,606	400,
„ Wrought	248,652	199,125	274,154	407,986	513,
Lead	—	—	—	—	84,
Linen Yarn	746,026	674,295	711,301	624,703	670,
„ Manufactures	407,737	316,359	326,271	270,260	261,
Jute Yarn	—	—	—	—	—
„ Manufactures	—	—	—	—	—
Machinery, Stm. Engs.	—	—	—	—	512,
„ Mill Work	589,075	406,659	497,592	806,509	1,243,
Seed Oils	256,589	364,519	406,051	415,738	402,
Silk Yarn	116,256	69,183	99,052	118,597	67,

Carried forward

1874	1875	1876	1877	1878	1879	1880
227,276	197,028	159,564	133,029	179,277	160,770	155,283
—	—	195,281	191,954	352,599	366,990	388,983
772,137	617,660	698,527	555,923	621,899	542,950	687,496
147,309	160,831	110,843	52,094	131,090	180,170	157,184
344,431	326,245	234,909	146,185	555,167	1,033,180	603,045
111,344	105,950	77,162	52,299	90,805	85,585	92,255
—	—	—	—	253,036	412,830	503,317
281,975	271,303	127,240	34,592	54,878	37,987	83,820
,989,744	1,146,288	836,313	761,253	501,163	258,783	93,811
155,648	197,694	144,198	74,835	101,136	114,778	221,625
293,523	235,701	309,250	97,531	154,129	136,256	174,082
185,542	190,086	194,033	153,429	110,634	145,196	116,350
49,062	45,179	29,945	18,076	54,262	72,017	59,766
333,731	323,131	148,318	93,414	166,160	224,680	286,758
900,327	1,084,871	675,814	352,394	812,288	1,322,140	1,669,681
61,695	43,058	53,370	35,212	30,075	27,667	23,785
78,097	75,095	55,111	65,050	85,740	47,932	50,933
—	—	—	—	84,523	78,720	50,879
318,312	374,800	219,375	162,998	418,316	400,190	296,991
,250,153	5,394,920	4,269,253	2,980,268	4,757,178	5,648,821	5,716,044

£4,214,814

Compared with 69/71, 72/4, 75/7
£5,374,014 + 19½ − 9 + 27½
Increase all machinery.

349,161	320,829	303,583	278,601	236,955	242,850	258,483
—	—	212,138	502,578	369,612	353,810	284,045
,626,665	1,263,639	1,122,666	951,491	812,302	774,710	868,369
270,915	232,678	167,852	172,537	222,457	163,720	188,645
44,005	49,001	54,638	45,570	35,418	29,200	39,031
,721,342	2,720,598	2,401,534	2,550,947	2,224,960	1,840,950	1,673,943
,459,276	1,353,028	1,091,381	1,304,233	1,121,874	962,360	778,925
77,090	73,727	71,813	66,434	48,617	33,660	43,169
994,126	791,254	579,011	829,114	747,105	836,185	1,106,430
60,430	48,468	25,491	21,997	28,526	26,710	17,057
281,189	267,166	236,104	222,046	189,799	164,650	181,997
764,469	911,647	754,413	669,294	591,350	517,328	635,771
102,127	72,453	47,423	44,642	39,404	37,370	38,693
134,139	49,490	142,064	193,976	326,427	21,805	4,851
195,373	205,109	269,548	171,521	131,618	67,640	91,344
307,513	318,465	274,561	181,830	149,094	130,910	123,773
46,390	49,710	29,677	32,712	22,683	18,364	18,462
547,011	509,263	319,361	234,699	260,649	260,840	203,372
324,792	352,413	298,003	260,890	238,478	262,350	175,284
—	—	41,841	46,665	49,928	53,200	43,641
—	—	493,968	547,703	551,291	635,580	448,159
406,414	235,947	91,412	135,134	204,204	233,110	228,276
,003,678	776,517	607,763	614,971	700,698	711,630	840,366
473,554	526,717	583,550	508,910	560,682	455,060	477,595
64,851	70,030	91,816	133,287	149,049	175,710	183,751

EXPORTS to GERMANY—*cont.*	1869	1870	1871	1872	1873
Brought forward .					
Silk Manufactures . .	76,540	63,066	83,742	74,872	141,4
Tin, Unwrought . . .	—	—	—	—	84,8
Wool, Dyed, &c. . .	154,842	92,959	151,779	158,923	262,7
Woollen & Wrstd. Yarn	2,847,382	2,907,997	2,806,793	2,933,346	2,593,9
,, Manufactures .	239,678	212,413	470,032	753,410	948,1
Worsted ,, .	5,720,491	4,853,988	6,990,599	7,906,226	2,857,3
Carpets	29,053	31,864	52,189	64,317	83,0
	19,432,148	17,090,965	22,368,811	26,192,251	21,731,5
Average 3 years . . .		£19,630,641			£22,260,4
HOLLAND.					
Alkali	43,368	57,212	81,283	104,244	121,9
Coal and Coke . . .	115,040	192,785	226,454	339,599	500,3
Copper, Unwrought .	195,169	245,061	221,205	273,536	193,0
,, Wrought . .	12,349	44,674	29,021	37,233	40,1
Cotton Yarn	3,395,527	3,800,823	4,054,942	4,505,071	4,251,2
,, Manufactures .	774,635	640,202	695,751	832,144	1,175,2
Hardware	108,746	122,430	107,339	121,773	130,8
Iron, Pig	331,827	507,841	790,369	1,804,833	2,227,3
,, Bar	91,565	88,096	80,644	97,946	174,6
,, Railway . . .	97,502	133,361	140,441	125,100	275,5
,, Hoop	136,653	109,884	113,355	138,731	177,5
,, Wrought . . .	95,037	93,129	222,801	235,637	287,1
Linen Yarn	201,278	239,779	251,247	273,322	252,3
,, Manufactures .	31,659	29,672	28,720	43,291	49,8
Jute Yarn	—	—	—	—	—
,, Manufactures . .	—	—	—	—	—
Machinery, Stm. Engs.	—	—	—	—	—
,, Mill Work .	279,109	199,377	264,362	411,734	500,7
Seed Oils	216,554	193,217	169,371	155,917	152,3
Silk Yarn	505,738	548,832	431,318	491,729	385,8
Woollen & Wrstd. Yarn	1,654,047	1,151,772	2,217,489	2,059,675	1,780,6
,, Manufactures .	108,816	115,754	159,375	205,332	176,3
Worsted ,, .	617,909	788,723	1,245,292	1,050,890	551,3
Carpets	27,545	26,458	40,287	37,694	50,3
	9,040,073	9,329,082	11,571,066	13,345,511	13,455,1
Average 3 years . . .		£9,980,074			£12,514,8
Alkali	—	—	—	—	—
Copper, Unwrought .	90,449	115,251	187,638	129,971	162,4
Cotton Yarn	—	—	—	—	—
Iron, Pig	—	—	—	—	853,0
Carried forward .					

874	1875	1876	1877	1878	1879	1880
77,448	115,907	104,950	93,295	155,647	129,253	109,711
05,505	77,038	37,237	37,231	42,512	49,850	31,272
311,660	307,937	230,773	244,854	227,410	189,776	238,322
315,910	2,592,385	2,098,519	1,854,313	1,987,661	1,823,020	1,630,767
279,749	1,509,847	1,474,627	1,204,710	1,263,622	1,361,090	696,658
328,925	1,514,665	1,071,514	623,811	515,958	427,490	313,856
83,912	79,951	69,525	71,510	62,513	73,270	69,094
857,619	17,395,879	15,398,756	14,851,506	14,268,503	13,063,451	12,043,112
		£15,882,047		Compared with 69/71 72/4 75/7 £13,125,022% – 33¼ – 41 – 17⅓ Continuous decline.		
134,725	136,538	123,809	121,010	106,662	90,230	109,868
386,016	303,891	272,863	213,712	195,794	190,130	220,130
187,166	178,503	157,591	138,205	127,165	118,570	158,553
30,671	35,084	25,214	26,562	28,437	32,480	37,925
020,994	2,288,070	2,255,982	1,639,521	1,807,727	1,903,460	1,698,722
243,100	1,131,497	905,576	857,235	739,303	758,251	711,456
106,588	107,666	101,187	88,014	82,538	78,970	83,973
075,647	862,948	731,136	594,875	674,892	547,170	600,926
66,544	71,046	52,593	39,665	29,968	27,930	28,695
189,396	63,588	7,476	9,978	1,658	50,457	19,997
125,199	148,925	144,221	116,750	63,177	60,285	78,905
168,694	170,325	226,067	128,349	142,413	120,164	101,436
214,969	245,072	178,405	158,306	131,977	160,910	120,215
34,700	20,260	16,305	15,017	10,458	10,870	9,588
—	—	22,775	17,848	8,683	8,850	9,613
—	—	65,671	70,821	63,717	88,920	43,310
—	—	—	—	119,892	65,149	116,767
420,242	270,824	257,477	178,694	193,384	189,980	196,542
165,918	211,910	208,858	151,239	229,940	127,200	126,343
240,496	292,599	218,467	88,871	67,028	65,800	38,568
,908,790	1,642,269	1,578,924	1,163,927	1,101,967	1,077,520	844,159
303,398	346,000	322,010	305,808	286,297	316,200	333,357
665,211	650,406	453,948	369,885	336,040	337,480	309,149
55,551	59,257	59,009	55,174	47,574	59,720	62,630
,744,015	9,236,678	8,385,564	6,549,466	6,596,691	6,486,696	6,060,827
		£8,057,239		Compared with 69/71 72/4 75/7 £6,381,405 % – 36 – 49 – 20¾ Continuous decline.		
—	—	156,313	128,235	81,301	68,100	76,881
142,340	126,709	115,867	100,631	110,913	87,920	72,220
—	—	—	—	923,364	645,280	415,284
442,848	395,520	358,481	279,461	221,902	194,230	342,417

EXPORTS to BELGIUM—*cont.*	1869	1870	1871	1872	187
Brought forward .					
Iron, Railway	—	—	—	—	486,9
Linen Yarn	206,767	129,905	72,873	97,385	152,9
Machinery, Stm. Engs.	—	—	—	—	—
„ Mill Work .	163,895	124,759	159,114	286,827	461,2
Seed Oils	—	—	—	—	136,1
Silk Yarn	60,154	184,246	307,441	125,798	104,8
„ Manufactures . .	—	—	—	—	166,6
Wool, Dyed, &c. . .	84,700	71,695	187,531	100,683	103,2
Woollen & Wrstd. Yarn	141,886	169,213	110,978	111,292	49,6
„ Manufactures .	—	—	—	—	153,1
Worsted „ .	672,322	574,612	681,719	648,675	311,2
	1,420,173	1,369,681	1,707,294	1,500,631	3,143,6
Average 3 years . .		£1,499,049			£2,285,4

FRANCE.					
Alkali	62,731	53,657	64,493	44,878	61,5
Animals, Horses . .	35,929	147,233	198,357	70,335	68,3
Apparel	—	—	—	—	—
Coal and Coke . . .	879,360	933,868	910,195	1,501,769	2,307,8
Copper, Unwrought .	227,766	138,968	290,612	361,320	256,9
„ Wrought . .	92,984	102,922	13,571	24,295	31,7
Cotton Yarn	242,018	191,506	509,552	643,812	397,8
„ Manufactures .	987,277	756,871	1,688,247	2,148,523	933,3
Earthenware	28,225	17,841	46,993	74,967	62,2
Haberdashery . . .	98,647	104,506	104,982	155,113	160,5
Hardware	146,906	86,985	82,041	175,816	167,6
Iron, Pig	289,909	251,767	199,571	421,383	513,8
„ Bar	66,606	29,215	7,200	16,375	29,4
„ Railway . . .	68,925	8,635	22,218	26,927	34,7
„ Hoop	50,825	38,766	22,251	57,525	90,3
„ Tinplate . . .	43,038	27,135	48,683	96,373	139,8
„ Wrought . . .	90,863	109,129	103,963	128,012	137,4
Steel, Unwrought . .	109,942	79,230	62,829	111,286	117,9
Lead	57,954	61,965	44,740	41,195	34,5
Linen Yarn	230,505	201,526	144,914	126,727	35,0
„ Manufactures .	190,886	203,728	161,971	189,324	176,8
Machinery, Stm. Engs.	15,821	35,145	21,414	21,248	37,2
„ Mill Work	301,303	252,682	314,157	644,395	521,8
Seed Oils	184,617	124,745	232,007	130,665	102,1
Silk Yarn	418,940	264,238	364,479	1,124,172	1,058,6
„ Manufactures . .	113,630	105,363	150,384	277,684	280,0
Spirits	1,847	1,259	5,233	1,321	1,5
Tin, Unwrought . . .	187,743	123,068	164,256	216,322	133,3
Wool, Dyed, &c. . .	380,292	208,433	216,876	92,863	114,5
Woollen & Wrstd. Yarn	539,083	293,982	327,749	445,776	357,4
„ Manufactures .	551,371	875,174	1,021,678	1,134,868	870,8
Worsted „ .	1,337,586	1,168,352	2,015,343	2,503,032	1,875,9
Carpets	154,044	63,231	50,065	141,117	106,5
	8,187,573	7,061,125	9,611,024	13,149,418	11,218,2
Average 3 years . . .		£8,286,574			£11,551,6

1874	1875	1876	1877	1878	1879	1880
217,555	10,682	4,822	3,578	3,975	183	—
139,786	225,360	124,792	120,195	136,181	116,080	106,532
—	—	—	—	26,150	26,845	33,062
464,510	308,257	287,247	247,757	213,892	215,710	293,959
98,936	119,194	159,770	117,264	138,022	50,090	36,837
72,896	89,388	183,594	93,725	67,051	56,690	46,334
121,914	49,250	49,771	43,337	42,146	44,930	55,710
123,919	107,623	90,839	39,689	45,344	40,920	97,180
43,934	69,380	71,637	54,608	53,053	49,030	90,577
146,161	229,289	264,840	263,970	240,621	278,730	364,237
197,173	295,062	332,546	262,605	241,127	203,700	223,594
2,211,972	2,025,714	2,200,519	1,755,055	2,545,042	2,078,155	2,254,824
		£1,997,096		Compared with 69/71 72/4 75/7 £2,292,674% + 53 + ⅓ + 16 Machinery + Manufactures −		
74,535	65,818	80,512	87,774	78,348	54,610	89,403
74,340	87,961	74,107	74,373	85,411	194,770	172,642
—	—	—	—	81,218	128,860	146,067
1,876,158	1,617,730	1,604,716	1,357,284	1,312,993	1,364,130	1,551,484
224,173	327,269	426,017	359,781	583,208	484,820	370,205
3,380	18,930	4,582	7,012	11,626	11,900	25,475
351,813	338,463	564,255	419,064	497,944	447,280	441,005
1,039,658	1,622,691	1,630,178	1,333,194	1,318,561	1,147,140	1,065,488
45,563	56,137	64,286	74,309	91,686	82,170	91,718
116,240	42,043	32,919	19,729	24,211	16,460	15,748
142,980	148,714	139,983	126,508	128,018	140,310	173,791
299,389	296,528	268,078	272,444	223,175	184,690	251,981
9,324	4,843	5,052	2,616	2,734	3,040	4,334
39,402	3,757	3,014	3,291	1,745	1,745	—
27,227	39,625	55,610	32,071	43,110	35,500	50,492
74,758	84,602	121,546	102,383	93,598	80,150	82,362
121,789	131,298	118,646	106,895	105,562	101,830	132,524
107,315	121,095	122,189	117,879	122,580	123,100	134,174
48,368	52,111	38,644	30,393	24,520	48,210	37,051
55,331	203,972	165,202	177,800	193,326	138,700	122,164
260,595	394,807	411,796	417,674	289,884	228,910	165,560
22,856	24,504	28,533	42,018	77,828	97,430	129,879
449,645	562,741	634,028	540,994	620,958	488,180	565,171
61,094	111,299	126,192	182,694	169,962	93,185	125,366
618,424	382,437	527,688	200,116	235,351	322,240	333,045
289,688	350,554	416,933	345,971	383,499	425,050	576,527
1,761	2,804	3,626	4,282	5,608	6,145	6,743
169,713	84,163	100,148	88,486	102,730	108,390	109,338
242,029	236,678	130,803	106,218	113,086	62,860	63,382
327,504	295,913	315,568	235,699	200,719	200,130	230,433
1,128,460	964,122	1,178,531	1,357,222	1,331,693	1,267,042	1,440,850
1,859,469	2,112,258	1,872,511	1,391,662	1,354,489	1,443,450	1,376,852
124,390	123,857	107,830	104,315	114,416	99,220	156,337
10,287,371	10,909,724	11,373,723	9,722,151	10,023,797	9,629,902	10,237,591
		£10,668,533		Compared with 69/71 72/4 75/7 £9,963,763 % + 20¼ − 13¾ − 6⅔ Increase all Coals and Machinery +		

EXPORTS to UNITED STATES.	1869	1870	1871	1872	1873
Alkali	655,588	755,838	827,051	1,250,591	1,392,13
Apparel	—	—	—	—	178,53
Bags and Sacks	—	—	—	—	—
Beer and Ale	103,158	148,409	181,195	223,579	237,01
Cotton Manufactures	2,453,621	2,674,697	3,504,801	3,516,993	2,132,82
Earthenware	735,461	687,879	734,147	807,765	672,36
Haberdashery	754,806	949,352	1,513,924	1,384,807	904,90
Hardware	641,525	682,325	741,312	951,887	797,14
Iron, Pig	395,445	355,600	594,086	1,012,441	693,69
„ Bar	434,023	415,646	534,205	747,101	308,22
„ Railway	2,250,032	3,277,002	3,976,857	4,863,677	2,434,13
„ Hoop	343,625	388,616	409,686	437,363	303,58
„ Tinplates	1,744,279	1,762,914	2,075,600	2,770,332	2,745,91
„ Wrought	152,994	162,244	180,005	308,004	443,38
„ Old	—	—	—	—	200,36
Steel, Unwrought	513,713	581,034	620,537	779,878	707,63
Lead	107,868	214,782	208,128	170,027	69,24
Linen Manufactures	2,995,972	3,010,079	3,196,240	3,611,404	2,937,00
Jute Yarn	—	—	—	—	—
„ Manufactures	—	—	—	—	—
Machinery, Stm. Engs.	—	—	—	—	—
„ Mill Work	—	—	—	—	487,82
Paper	—	—	—	—	135,50
Salt	108,396	72,612	96,834	123,347	248,93
Silk Manufactures	278,565	446,630	654,503	524,073	316,15
Spirits	15,495	16,118	19,761	23,827	20,75
Stationery	49,902	55,581	78,904	102,374	101,91
Tin, Unwrought	132,123	213,849	176,081	141,943	210,65
Wool, Dyed, &c.	231,499	130,396	135,489	177,678	62,28
Woollen Manufactures	545,854	721,426	1,022,516	1,342,222	951,61
Worsted „	2,623,309	2,786,963	3,361,505	4,285,353	3,763,65
Carpets	853,796	849,308	1,086,638	1,178,815	806,90
	19,121,049	21,359,300	25,930,005	30,735,481	24,264,30
Average 3 years		£22,136,785			£24,764,54

TURKEY.					
Coal and Coke	—	—	—	—	259,42
Copper, Wrought	145,018	145,794	120,148	102,294	187,96
Cotton Yarn	814,076	983,152	794,900	1,065,459	1,087,62
„ Manufactures	4,502,741	4,532,336	3,591,020	4,733,511	4,681,05
Iron, Bar	115,337	83,800	86,678	77,169	114,25
„ Railway	—	—	—	—	110,70
Tin, Unwrought	43,386	33,311	44,719	73,255	51,89
Spirits	10,802	15,651	4,799	4,610	3,82
	5,631,360	5,794,044	4,642,264	6,056,298	6,476,74
Average 3 years		£5,354,889			6,139,74

1874	1875	1876	1877	1878	1879	1880
1,166,952	931,687	967,181	938,055	879,388	992,350	1,204,891
182,957	97,304	74,017	51,052	59,555	63,720	72,617
—	—	193,838	124,022	157,792	120,170	127,577
241,320	210,794	125,464	88,699	99,393	93,780	115,193
1,893,472	1,900,032	1,275,788	1,318,948	1,139,126	1,191,910	1,748,645
575,390	608,161	537,935	619,050	582,018	682,290	903,515
700,291	511,219	285,326	267,771	315,392	297,920	487,421
648,764	553,670	350,809	322,843	301,479	335,330	494,207
213,979	191,141	171,331	144,081	133,008	873,320	2,278,916
74,064	55,698	28,236	56,940	43,186	155,355	472,269
1,290,072	228,904	6,612	19,806	7,042	241,607	1,526,092
131,388	138,553	83,107	52,651	15,492	93,241	422,906
2,741,126	2,541,004	1,937,203	2,074,569	1,895,263	2,768,660	3,374,010
352,022	143,668	87,846	52,546	53,463	127,233	219,589
49,932	38,959	23,985	15,770	8,548	627,050	944,339
503,058	382,667	247,606	214,800	171,584	233,985	597,072
63,899	6,457	29,022	59,088	6,265	16,028	4,067
2,989,252	2,712,890	2,025,013	2,207,410	1,907,907	2,338,910	2,733,448
—	—	37,134	38,377	25,221	19,740	70,307
—	—	489,953	368,330	381,211	566,010	972,767
—	—	—	—	9,429	14,020	21,676
209,776	185,490	216,894	166,608	141,264	179,706	416,293
66,494	35,846	32,002	23,970	14,358	18,643	29,562
164,144	177,471	158,796	144,305	148,198	173,195	183,263
333,618	187,834	204,431	121,502	110,065	146,677	218,144
11,639	22,871	19,850	23,407	21,286	26,981	32,084
105,955	74,579	67,052	72,060	64,000	67,273	73,771
264,459	78,471	56,825	111,679	44,053	124,440	76,286
82,052	82,791	144,295	236,587	24,350	498,540	620,289
763,708	761,484	431,918	367,349	348,580	436,135	915,875
2,800,734	2,276,165	1,547,139	1,192,708	959,457	1,045,365	1,294,356
673,336	357,691	175,905	88,104	88,224	82,130	299,552
19,293,853	15,543,501	12,032,513	11,583,087	10,155,597	14,651,714	22,950,999
		£13,053,034		Compared with 69/71 £15,919,437	72/4 % −28	75/7 −35⅔ +22
				Pig and Old Iron and Machinery +		
280,350	178,021	162,413	115,380	183,355	117,590	137,563
139,249	97,665	77,739	66,972	84,872	168,862	96,021
893,428	693,129	652,656	586,696	1,209,547	837,565	446,085
4,285,516	3,894,001	4,177,992	3,973,972	4,816,534	5,059,271	5,328,444
125,043	101,390	76,299	55,215	66,717	72,119	50,030
116,052	9,909	4,621	2,414	4,352	6,384	537
46,002	32,252	27,503	23,900	30,630	8,427	24,776
538	898	—	—	—	—	—
5,886,178	5,007,265	5,179,223	4,824,549	6,396,007	6,270,218	6,083,456
		£5,003,679		Compared with 69/71 £6,249,894	72/4 % +16¾	75/7 +2 +25
				Very good, all manufactures.		

EXPORTS to EGYPT.	1869	1870	1871	1872	187
Apparel	114,772	113,444	103,877	91,922	53,
Coal and Coke	—	—	—	—	600,
Copper, Wrought	104,030	99,816	90,547	78,205	84,
Cotton Yarn	628,279	796,422	463,292	679,792	206,
„ Manufactures	4,703,157	5,350,125	3,639,698	3,579,061	1,880,
Haberdashery	236,085	233,434	237,261	248,396	114,
Iron, Railway	47,668	21,109	139,293	152,266	184,
Machinery, Stm. Engs.	107,070	224,332	348,074	242,122	96,
„ Mill Work	100,024	91,317	296,976	164,859	110,
Silk Manufactures	183,970	206,211	153,690	113,791	28,
Stationery	55,185	49,598	29,115	28,469	14,
	6,280,240	7,185,808	5,501,823	5,378,883	3,375,
Average 3 years		£6,322,624			£3,773,
BRITISH NORTH AMERICA.					
Apparel	157,470	202,697	267,257	265,652	245,
Cotton Manufactures	610,804	887,765	852,550	878,871	917,
Earthenware	105,627	112,240	128,718	132,829	118,
Haberdashery	670,471	869,730	1,031,955	1,116,238	1,099,
Hardware	187,048	227,335	285,490	295,848	243,
Iron, Pig	—	—	—	—	201,
„ Bar	229,004	291,799	346,280	547,209	402,
„ Railway	189,838	346,242	544,835	904,631	702,
„ Hoop	101,080	125,230	173,889	249,111	175,
„ Tinplates	72,381	74,900	109,463	142,791	117,
„ Wrought	137,400	190,722	243,321	396,013	376,
Linen Manufactures	—	—	—	—	120,
Salt	39,028	41,974	43,335	38,028	51,
Seed Oils	48,034	66,447	70,933	65,893	54,
Silk Manufactures	22,017	24,497	40,131	62,833	88,
Spirits	22,920	25,180	26,892	28,425	25,
Stationery	—	—	—	—	37,
Sugar, Refined	—	—	—	—	—
Woollen Manufactures	270,286	388,268	481,158	555,048	418,
Worsted „	218,660	335,174	349,149	419,648	339,
Carpets	59,388	81,932	91,854	101,783	96,
	3,141,456	4,292,132	5,087,210	6,200,851	5,831,
Average 3 years		£4,173,599			£6,052,
BRITISH POSSESSIONS.					
Apparel	142,900	186,775	269,957	434,814	458,
Beer and Ale	86,994	89,007	106,243	102,491	121,
Coal and Coke	—	—	—	—	292,
Carried forward					

1874	1875	1876	1877	1878	1879	1880
9,291	111,709	11,807	5,926	3,182	5,797	—
96,282	402,124	323,852	282,268	268,300	247,740	314,709
56,281	48,719	30,897	29,305	26,766	40,098	96,859
93,772	126,383	149,747	183,963	181,870	154,834	141,6·3
73,006	1,419,798	1,273,486	1,279,304	1,059,544	1,246,123	1,758,083
11,530	17,424	6,116	11,377	19,933	7,531	—
47,970	65,881	9,114	8,708	25,164	19,692	32,291
04,879	20,197	31,146	14,011	38,196	26,314	53,916
67,995	77,615	55,710	43,363	75,064	66,735	149,665
586	15	—	—	—	—	—
4,649	4,809	—	—	—	—	—
66,241	2,294,674	1,891,875	1,858,225	1,698,019	1,814,864	2,547,206
		£2,014,925		Compared with £2,020,030	69/71 % −68	72/4 −46½	75/7 +¼
				Very bad, all manufactures.		
284,814	287,059	233,321	203,018	180,046	134,700	129,039
944,000	1,024,087	690,356	828,484	699,863	521,600	665,300
29,256	102,512	89,841	95,488	92,584	65,730	79,093
044,718	1,064,458	816,011	857,258	806,335	714,440	743,649
266,779	265,077	162,891	167,345	134,059	110,780	150,004
163,405	152,745	87,140	65,678	69,016	79,360	177,421
315,553	208,683	176,267	219,956	148,774	153,310	248,431
381,343	917,637	525,282	302,060	258,949	393,170	623,172
164,695	117,982	112,079	120,862	83,488	95,410	125,903
110,168	118,004	103,341	185,836	95,246	107,700	221,245
436,567	247,525	172,134	177,796	121,427	119,180	160,745
159,406	174,626	157,532	165,118	149,348	108,410	183,837
39,667	34,562	28,342	25,807	37,190	41,440	56,154
87,182	70,699	27,565	52,942	44,112	57,950	44,401
109,569	73,032	83,882	86,855	81,636	59,960	84,082
31,281	33,783	34,690	41,517	34,311	31,916	33,756
50,377	48,308	45,146	42,326	34,879	30,370	37,449
—	—	487,868	452,995	367,704	150,390	142,008
560,639	635,144	474,963	539,505	462,793	342,940	509,748
420,256	563,548	531,471	613,097	475,357	338,896	447,847
124,831	154,795	111,982	141,554	119,342	94,080	129,205
24,506	6,294,266	5,152,104	5,385,497	4,496,459	3,751,732	4,992,489
		£5,610,622		Compared with £4,413,560	69/71 % +5½	72/4 −27	75/7 −21½
				All manufactures, increase on 1869/71, and improving in 1880		
427,528	522,781	529,280	431,361	715,527	986,660	1,007,488
121,055	104,909	102,080	105,559	101,741	111,470	93,189
299,238	170,778	180,908	153,680	226,891	159,434	186,345

EXPORTS to BRITISH POSSESSIONS—*cont.*	1869	1870	1871	1872	1873
Brought forward .					
Cotton Manufactures .	1,809,431	2,016,182	2,197,390	2,606,335	2,461,54
Haberdashery . . .	573,518	673,694	728,451	850,368	850,63
Hardware	—	—	—	—	—
Iron, Railway . . .	—	—	—	—	—
„ Wrought . . .	27,146	44,724	45,966	93,020	131,55
Leather, Boots & Shoes	—	—	—	—	—
Linen Manufactures .	123,483	127,916	94,200	107,808	111,35
Saddlery	20,314	21,050	29,337	61,214	93,22
	2,783,786	3,159,348	3,471,544	4,256,050	4,519,61
Average 3 years . . .		£3,138,226			£4,369,65

INDIA, STRAITS SETTLEMENTS, AND CEYLON.					
Apparel	41,637	59,762	64,967	82,034	114,64
Beer and Ale . . .	562,321	576,960	492,885	522,593	566,25
Coal and Coke . . .	259,870	257,719	344,137	504,026	585,47
Copper, Unwrought .	271,854	92,302	27,345	16,429	18,25
„ Wrought . .	704,325	368,943	244,569	160,811	146,26
Cotton Yarn	2,012,857	2,190,021	1,713,929	1,906,268	2,078,79
„ Manufactures .	10,463,201	12,724,264	12,993,897	13,362,958	14,560,87
Earthenware	100,394	96,337	82,059	78,224	77,19
Haberdashery . . .	123,934	152,101	197,429	266,803	287,55
Hardware	221,315	230,204	210,554	261,040	223,13
Iron, Bar	329,188	235,544	221,856	186,554	294,86
„ Railway . . .	805,039	1,153,446	234,203	181,201	282,81
„ Hoop	263,510	175,950	179,913	276,474	292,81
„ Wrought . . .	378,058	539,851	403,375	388,758	320,13
Lead	87,185	65,683	60,266	64,690	32,87
Linen Manufactures .	80,053	90,821	41,999	65,163	83,54
Machinery, Stm. Engs.	268,326	96,327	210,251	173,003	319,84
„ Mill Work	174,915	213,447	192,992	261,220	573,18
Paper	137,634	106,441	108,781	133,231	154,42
Saddlery	32,234	35,004	28,349	33,431	33,68
Salt	119,388	90,563	138,432	172,351	218,61
Silk Manufactures . .	10,028	22,729	30,676	45,383	149,16
Stationery	46,225	45,903	44,692	66,112	68,98
Woollen Manufactures	260,315	234,625	150,825	168,174	218,00
Worsted „ .	108,387	129,741	82,137	151,577	119,84
	17,862,193	19,984,688	18,500,518	19,528,508	21,821,23
Average 3 years . . .		£18,782,466			£22,048,60

1874	1875	1876	1877	1878	1879	1880
2,229,854	2,031,636	2,367,863	2,246,428	2,144,700	2,027,416	2,223,373
940,019	786,973	616,179	582,714	666,666	693,662	712,695
—	—	—	—	126,398	164,494	199,316
—	—	—	—	75,125	45,757	82,482
149,749	185,452	186,134	200,055	165,939	215,809	243,383
—	—	—	—	302,161	364,422	417,603
89,963	93,402	91,605	70,008	58,066	64,790	62,055
75,879	74,486	66,413	52,530	94,442	152,008	161,744
4,333,285	3,970,417	4,140,462	3,842,335	4,677,656	4,985,922	5,389,673
		£3,984,405		Compared with 69/71 72/4 75/7 £5,017,750 % + 60 + 15 + 25 Very good, all manufactures.		
122,235	115,360	104,206	108,243	97,689	94,651	95,345
575,073	549,303	528,538	478,548	341,067	319,740	322,447
593,257	454,278	456,763	494,449	355,925	362,434	406,550
38,153	24,844	41,493	56,700	94,656	78,445	80,701
218,818	384,368	343,136	381,589	329,663	301,153	460,726
2,720,599	2,301,507	2,198,855	2,425,270	2,237,421	2,029,877	3,010,642
15,447,956	15,025,059	14,412,182	15,972,950	14,082,192	13,767,609	19,711,158
110,913	101,378	107,426	127,873	105,708	93,344	115,359
320,036	311,905	242,236	272,856	254,844	233,833	303,875
307,480	296,250	281,400	319,881	261,487	254,460	341,324
426,610	437,683	356,050	369,709	256,656	222,333	389,079
521,292	350,445	453,891	685,923	703,682	524,457	983,517
375,202	394,029	369,029	341,602	296,932	294,471	409,366
495,936	482,680	475,370	545,420	504,448	524,448	640,511
46,705	50,711	51,579	63,019	74,744	59,378	53,914
97,722	65,739	58,696	69,627	71,335	51,593	62,605
384,596	434,536	247,113	423,045	651,427	296,865	553,556
796,445	1,110,279	619,879	676,855	570,825	297,296	375,678
156,355	142,392	120,449	164,908	144,649	145,249	275,421
33,737	39,250	32,250	31,961	31,761	31,996	35,579
220,158	248,542	146,384	115,392	148,764	177,713	172,330
364,023	231,320	173,309	297,070	412,854	263,574	364,927
77,876	82,057	75,859	92,501	82,608	87,700	100,973
237,660	299,121	250,234	265,609	206,433	257,922	386,432
106,869	130,573	105,089	104,428	111,313	95,783	130,010
24,796,066	24,063,609	22,251,416	24,885,428	22,429,083	20,866,324	29,782,020
		£23,733,484		Compared with 69/71 72/4 75/7 £24,359,142 % + 29⅜ + 10½ + 2¾ Very good. Continued Increase.		

EXPORTS to CHINA AND HONG KONG.	1869	1870	1871	1872	1873
Cotton Yarn	363,078	701,778	498,736	594,114	606,39
„ Manufactures .	5,692,009	6,183,016	6,511,994	6,373,113	4,705,61
Lead	325,643	236,335	176,151	135,468	91,07
Woollen Manufactures	255,092	263,188	208,693	300,580	291,46
Worsted „ .	1,289,525	874,370	714,331	818,924	821,43
	7,925,347	8,258,687	8,109,905	8,222,199	6,515,99
Average 3 years . . .		£8,097,980			£7,113,89

AUSTRALIA.					
Apparel	1,176,061	813,624	790,340	1,077,055	1,419,72
Bags and Sacks . . .	—	—	—	—	—
Beer and Ale . . .	471,294	369,741	324,021	359,701	528,95
Cotton Manufactures .	986,488	681,152	774,753	1,154,728	1,193,56
Earthenware	130,314	86,884	83,698	136,113	210,32
Haberdashery . . .	1,171,271	862,873	861,331	1,326,738	1,595,16
Hardware	418,333	338,792	323,447	472,159	548,38
Iron, Bar	141,557	106,204	110,265	269,826	221,91
„ Railway . . .	171,520	96,442	149,678	291,137	505,23
„ Hoop	364,684	225,083	254,774	461,152	500,68
„ Tinplates . . .	53,497	82,829	137,878	188,090	157,17
„ Wrought . . .	451,877	288,713	312,246	511,110	665,83
Lead	46,601	40,626	36,419	39,166	42,71
Leather, Boots & Shoes	782,262	535,503	552,263	606,565	677,48
„ Sundries . .	40,888	33,694	20,567	27,286	41,48
Linen Manufactures .	282,567	193,136	187,403	273,489	349,32
Machinery, Stm. Engs.	84,429	125,164	64,492	94,258	136,28
„ Mill Work .	197,386	176,230	111,818	164,773	272,02
Paper	277,084	205,412	210,581	313,737	367,94
Saddlery	129,888	117,656	90,144	118,316	174,32
Seed Oils	63,597	39,896	60,215	70,790	69,91
Silk Manufactures . .	65,712	49,955	47,263	91,890	146,21
Spirits	54,641	35,785	39,042	50,223	54,64
Stationery	96,054	81,776	73,299	104,888	135,89
Woollen Manufactures	427,059	272,227	260,439	387,809	538,85
Worsted „ .	738,497	453,498	485,143	726,904	798,90
Carpets	78,121	58,663	47,435	67,520	110,76
	8,901,682	6,371,558	6,408,954	9,385,423	11,463,72
Average 3 years . .		£7,227,398			£11,153,65

SPAIN, CANARIES, & SPANISH COLONIES.					
Coal and Coke . . .	299,480	341,002	339,851	570,289	748,28
Cott. Mfs. Philipne. Isld.	621,865	520,100	256,050	202,779	190,32
Hardware	63,529	74,590	92,637	102,406	97,49
Carried forward .					

1874	1875	1876	1877	1878	1879	1880
800,951	735,735	569,060	785,365	450,639	586,437	864,362
4,760,082	5,304,275	5,026,070	4,407,980	3,986,634	4,807,835	5,259,932
202,196	216,723	225,778	322,585	168,366	87,767	169,146
140,385	243,062	283,940	283,728	302,369	281,000	291,699
699,878	861,121	660,457	900,679	780,928	839,636	920,905
6,603,492	7,360,916	6,765,305	6,700,337	5,688,986	6,602,735	7,496,314

£6,942,186 Continued decrease.

Compared with 69/71 72/4 75/7
£6,596,012 % $-18\frac{3}{4}-7\frac{1}{4}-5$
? America or Russia : improving in 1880.

1,411,286	1,461,754	1,467,009	1,536,158	1,666,741	1,417,510	1,352,611
—	—	84,273	103,861	76,463	56,462	48,547
557,744	458,508	475,608	487,585	453,080	526,156	395,511
1,201,117	1,193,986	1,248,544	1,442,890	1,503,500	977,735	1,350,876
163,762	197,898	232,310	203,546	189,948	219,654	167,871
1,702,361	1,432,992	1,116,784	1,067,787	1,093,326	856,070	959,860
618,802	678,722	568,607	545,008	607,408	449,726	411,035
299,492	318,986	202,979	256,625	260,452	165,407	214,896
1,117,407	816,113	319,201	694,061	576,040	419,308	613,874
526,655	766,876	575,535	733,417	729,250	487,237	670,116
83,343	791,234	95,576	97,131	67,809	46,333	95,723
751,556	773,615	745,901	816,399	789,660	742,986	694,829
61,895	67,141	48,071	53,289	69,112	48,989	33,619
556,902	595,290	614,573	631,757	576,140	543,814	429,857
41,326	49,469	58,373	68,113	63,270	89,683	87,906
339,936	355,759	296,754	346,622	390,164	277,195	326,224
284,646	233,399	209,371	279,933	303,092	264,874	267,462
381,516	357,796	315,590	330,796	390,399	321,087	323,081
329,983	439,627	408,876	393,170	454,277	463,268	457,645
203,628	202,805	177,426	142,214	155,635	119,032	94,926
88,385	94,751	57,896	98,438	95,388	69,192	94,908
194,555	231,040	296,282	268,517	314,968	224,629	204,922
56,526	138,839	168,454	195,523	215,819	227,974	264,812
128,386	140,702	148,204	133,718	140,972	146,984	146,001
648,228	555,227	481,943	527,567	532,585	427,629	395,624
737,740	546,404	652,038	646,594	651,201	469,173	544,304
124,641	103,457	108,623	135,125	165,843	122,848	112,291
12,611,818	12,302,390	11,174,801	12,235,844	12,532,542	10,180,955	10,759,331

£11,904,345

Compared with 69/71 72/4 75/7
£11,157,609 % $+54\frac{1}{2}=-6\frac{1}{4}$
Improving again, 1880.

582,469	530,796	460,841	479,639	416,204	440,520	469,551
221,555	632,362	505,603	813,348	548,465	359,351	708,605
104,536	104,500	123,574	109,063	95,287	91,108	107,041

EXPORTS to SPAIN, CANARIES, & SP. COLNS.—*cont.*	1869	1870	1871	1872	1873
Brought forward .					
Hardware, Spanish W.I.	49,544	99,338	131,879	150,445	152,831
Iron, Railway . . .	106,102	134,236	136,319	130,192	173,872
„ Hoop	73,632	50,160	56,857	96,797	83,199
„ Wrought . . .	51,558	73,972	72,462	107,047	134,013
Jute, Yarn	—	—	—	—	—
Linen „	633,821	646,288	676,552	660,053	583,009
„ Manufactures . .	87,606	118,316	147,893	141,234	91,465
„ „ Sp. W. Inds.	320,476	779,840	839,851	832,286	637,634
Machinery, Stm. Engs.	27,787	35,153	39,487	102,459	69,764
„ Mill Work .	45,614	97,929	143,611	195,787	172,498
Seed Oils	90,237	70,928	54,661	39,234	26,029
Carpets	12,686	18,707	31,288	28,265	25,374
	2,492,937	3,060,559	3,019,398	3,359,273	3,185,785
Average 3 years . .		£2,857,631			£3,210,644

PORTUGAL, AZORES, AND MADEIRA.					
Cotton Manufactures .	891,744	981,653	852,471	1,088,204	1,099,238
Linen „ .	30,937	32,163	38,063	49,004	48,078
Spirits	36,969	8,976	1,445	18,119	44,752
Woollen Manufactures .	37,622	41,285	48,258	50,707	44,422
	997,272	1,064,077	940,237	1,206,034	1,236,490
Average 3 years . .		£1,000,529			£1,192,778

ITALY.					
Coal and Coke . . .	342,779	377,177	387,593	704,479	818,487
Copper, Wrought . .	57,801	70,780	59,603	70,371	72,564
Cotton Yarn	1,186,354	866,719	868,537	909,352	1,288,341
„ Manufactures .	1,595,651	1,185,468	1,209,075	1,224,653	1,398,012
Iron, Bar	291,554	249,612	256,823	207,570	314,770
„ Railway	—	—	—	—	367,645
„ Hoop	—	—	—	—	168,245
Linen Yarn	—	—	—	—	74,081
„ Manufactures .	155,830	130,006	134,733	129,611	105,374
Machinery, Stm. Engs.	—	—	—	—	155,881
„ Mill Work .	—	—	—	—	—
Seed Oils	—	—	—	—	156,622
Sugar, Refined . . .	—	—	—	—	—
Woollen Manufactures .	157,448	188,474	323,250	336,548	147,602
Worsted „ .	342,743	329,813	606,604	554,564	547,146
	4,130,160	3,398,049	3,846,218	4,137,148	5,614,790
Average 3 years . .		£3,791,476			£4,805,850

1874	1875	1876	1877	1878	1879	1880
86,769	132,933	78,785	120,705	97,301	81,326	101,255
293,116	117,872	169,057	160,157	178,857	93,990	103,475
94,346	80,975	87,723	71,620	64,027	46,103	62,491
147,093	95,109	97,989	73,585	101,843	96,584	113,483
—	—	104,266	97,272	86,751	102,711	89,905
614,641	513,894	551,762	464,817	366,559	282,284	291,427
101,875	104,308	96,212	96,388	95,747	100,218	108,977
466,136	783,129	321,653	295,228	282,740	263,655	213,895
75,282	72,424	92,883	95,576	95,779	170,367	132,410
224,485	293,091	287,646	302,695	197,531	226,275	289,062
42,105	78,166	231,844	115,271	60,868	29,065	32,046
31,465	31,458	55,996	33,577	35,234	34,133	44,064
3,085,873	3,571,017	3,265,834	3,328,941	2,723,193	2,417,690	2,867,687

£3,388,597

Compared with 69/71 72/4 75/7
£2,669,857 % – 6¼ – 17 – 21
Manufactures decreasing, Machinery increasing.

1,047,968	1,008,334	931,369	927,252	804,021	656,085	813,443
40,639	41,316	37,692	36,075	38,952	27,915	33,799
3,446	815	2,659	7,931	5,272	4,442	6,251
43,757	36,931	34,193	34,126	37,540	26,326	26,491
1,135,810	1,087,396	1,005,913	1,005,384	885,785	714,768	879,984

£1,032,898

Compared with 69/71 72/4 75/7
£826,846 % – 17⅓ – 30⅔ – 20
Continued decrease.

833,147	645,899	638,235	518,523	510,968	569,020	628,790
59,735	56,029	57,707	45,090	40,245	28,520	29,539
1,163,631	1,302,492	1,253,791	1,126,940	781,077	542,590	495,765
1,097,256	1,329,352	1,349,665	1,270,552	1,069,037	941,030	881,482
216,479	231,329	197,458	171,429	110,735	97,070	99,583
192,922	132,370	155,863	79,607	127,511	198,820	196,509
117,102	132,768	116,713	114,732	111,549	92,300	132,538
44,934	52,566	34,413	73,342	63,830	49,770	45,697
110,192	125,765	103,727	100,667	108,583	87,250	88,196
186,685	169,638	151,273	156,705	57,399	101,890	247,598
—	—	—	—	231,570	183,570	219,532
172,061	114,940	149,907	298,394	250,133	130,830	217,793
—	—	252,603	266,729	191,324	208,350	228,717
109,425	204,408	253,552	223,660	186,165	176,580	227,799
362,043	496,442	522,688	370,784	342,637	372,380	326,946
4,665,612	4,993,998	5,237,595	4,817,154	3,951,193	3,779,970	4,066,484

£5,016,249

Compared with 69/71 72/4 75/7
£3,932,549 + 3¾ – 18 – 21½
Manufactures less, Machinery and Coal more.

EXPORTS to

BRAZIL.	1869	1870	1871	1872	1873
Coal and Coke . . .	136,764	154,225	197,119	313,410	465,619
Cotton Manufactures .	3,926,713	2,652,505	2,911,544	3,426,294	2,885,912
Earthenware	110,072	99,327	82,723	101,775	124,077
Hardware	246,523	234,442	228,960	273,903	283,900
Iron, Railway. . . .	29,448	45,429	151,519	181,087	185,888
„ Wrought . . .	—	—	—	—	223,746
Linen Manufactures .	345,139	217,195	257,709	291,318	234,394
Jute „ .	—	—	—	—	—
Machy., Steam Engs. .	27,719	73,637	51,522	86,409	115,548
„ Mill Work . .	—	—	—	—	—
Seed Oils	18,516	24,730	28,853	36,022	24,548
Woollen Manufactures .	221,420	170,834	140,061	158,876	182,957
	5,062,314	3,672,324	4,050,010	4,869,094	4,726,589
Average 3 years . .		£4,261,549			£4,761,066

JAPAN.					
Cotton Yarn	416,043	595,521	549,865	737,510	428,520
„ Manufactures .	372,889	571,545	499,836	454,862	363,715
Woollen „ .	—	—	—	—	132,873
Worsted „ .	189,704	85,210	74,876	134,982	170,919
	978,636	1,252,276	1,124,577	1,327,354	1,096,027
Average 3 years . .		£1,118,496			£1,052,357

AUSTRIA, &c.					
Cotton Yarn . . .	154,319	224,842	175,974	152,539	187,986
„ Manufactures .	293,233	299,633	229,042	248,141	258,036
Iron, Railway . . .	207,842	323,682	187,517	76,722	—
Seed Oils	124,607	108,363	149,636	117,128	103,541
	780,001	956,520	742,169	594,530	549,563
		£826,230			£552,520

DENMARK					
Coal and Coke . . .	242,876	302,940	291,617	470,419	579,103
Iron, Railway . . .	—	—	—	—	178,560
Danish West Indies:—					
Linen Manufactures .	73,827	134,645	62,987	42,873	29,442
Sugar, Refined . .	—	—	—	—	—
	316,703	437,585	354,604	513,292	787,105
		£369,631			£656,851

1874	1875	1876	1877	1878	1879	1880
396,648	294,288	217,347	208,774	209,187	167,710	204,723
2,954,480	3,309,188	2,814,032	2,679,100	2,403,044	2,639,650	3,237,595
118,493	84,289	116,819	133,636	111,000	105,580	112,260
273,030	283,613	257,172	242,635	221,152	230,390	274,999
269,681	139,773	175,592	171,555	112,697	196,926	145,029
181,993	159,175	154,468	296,759	280,578	259,427	223,408
198,906	196,193	158,715	140,253	158,372	141,230	123,024
—	—	66,763	62,189	65,412	68,760	152,128
95,379	66,417	110,977	51,506	93,718	90,420	105,832
—	—	—	—	138,227	115,790	171,789
27,436	29,385	27,812	30,894	32,334	28,210	34,947
171,467	162,300	155,521	121,242	103,183	89,650	81,224
4,687,513	4,724,621	4,255,218	4,138,543	3,928,904	4,133,743	4,866,958

£4,372,794

Compared with 69/71, 72/4, 75/7
£4,309,868 % + 1⅛ − 9½ − 1½
Manufactures less, Machinery more.

350,774	684,466	702,948	615,817	984,841	944,171	1,130,604
275,782	608,037	625,513	424,105	647,916	763,273	878,156
28,823	53,252	45,607	185,685	104,790	89,800	156,528
78,311	342,323	174,332	186,324	206,834	270,764	255,366
733,690	1,688,078	1,548,400	1,411,931	1,944,381	2,068,008	2,420,654

£1,549,470

Compared with 69/71, 72/4, 75/7
£2,144,348 % + 92 + 104 + 38
Very good: no machinery: continuous increase.

199,107	138,054	121,971	220,653	133,883	186,450	93,184
234,234	219,451	178,328	176,986	154,513	187,466	79,013
—	—	—	—	—	—	—
80,127	78,470	116,313	172,177	66,927	46,716	60,673
513,468	435,975	416,612	569,816	355,323	420,632	232,870

£474,134

Compared with 69/71, 72/4, 75/7
£336,275 % − 59 − 37 − 29
Dying out under high tariff.

523,138	458,594	407,353	378,398	312,985	311,320	349,852
119,006	59,717	43,594	22,225	29,772	29,720	1,903
28,012	39,322	30,890	30,186	35,794	28,470	13,449
—	—	150,592	193,607	166,164	175,600	212,655
670,156	557,633	632,429	624,416	544,715	545,110	577,859

£604,826

Compared with 69/71, 72/4, 75/7
£555,895 + 56 − 15⅓ − 8

EXPORTS to SWEDEN AND NORWAY	1869	1870	1871	1872	1873
Coal and Coke . . .	129,029	178,279	193,465	405,046	816,869
Iron, Railway . . .	35,211	27,985	91,406	133,134	618,633
Woollen Manufactures.	—	—	—	—	—
	164,240	206,264	284,871	538,180	1,435,502
		£218,458			£1,152,160

GREECE					
Cotton Manufactures .	—	—	—	—	535,914
					Two years

CONTINENTAL EUROPE.	3 Years' Average. 1869/71	1872/74	1875/77	1878/80	
Russia	4,499,206	5,896,786	4,214,814	5,374,014	
Germany	19,630,641	22,260,469	15,882,047	13,125,022	
Holland	9,980,074	12,514,896	8,057,239	6,385,405	
Belgium	1,499,049	2,285,423	1,997,096	2,292,674	
France	8,286,574	11,551,683	10,668,533	9,963,763	
Turkey in Europe and Asia . . .	5,355,889	6,139,741	5,003,679	6,249,894	
Spain, &c.	2,857,631	3,210,644	3,388,597	2,669,857	
Portugal, &c. . . .	1,000,529	1,192,778	1,032,898	826,846	
Italy	3,791,476	4,805,850	5,016,249	3,932,549	
Austria, &c. . . .	826,230	552,520	474,134	336,275	
Denmark	369,631	656,851	604,826	555,895	
Sweden and Norway	218,458	1,152,160	1,132,497	680,491	
Greece	—	543,585	491,612	519,726	
	£58,315,388	72,763,386	57,964,221	52,912,411	% $-9\frac{1}{4}$ $-27\frac{1}{7}$ $-8\frac{3}{4}$

COLONIES.	1869/71	1872/74	1875/77	1878/80	
India, &c.	18,782,466	22,048,604	23,733,484	24,359,142	
Australia	7,227,398	11,153,657	11,904,345	11,157,609	
Canada	4,173,599	6,052,190	5,610,622	4,413,560	
British Possessions only as indicated .	3,138,226	4,369,650	3,984,405	5,017,750	
	£33,321,689	43,624,101	45,232,856	44,948,061	% $+35$ $+3\frac{1}{3}$ $-\frac{1}{2}$

1874	1875	1876	1877	1878	1879	1880
766,382	750,829	639,937	628,032	511,208	463,300	583,299
716,317	470,644	319,426	439,375	162,531	89,809	51,489
—	—	71,262	77,986	49,978	42,963	86,895
1,482,699	1,221,473	1,030,625	1,145,393	723,717	596,072	721,683
		£1,132,497		Compared with 69/71, 72/4, 75/8 £680,491 + 214 − 41 − 40		

551,157	528,553	503,430	442,854	560,262	523,044	475,871
543,585		£491,612		Compared with 72/4, 75/7 £519,726 − 4 + 5½		

58. 315 388
52 912. 411
5.402.977

44 948 061
33. 321 689
11,626,372

EXPORTS	Average of 3 Years 1869/71	1872/74	1875/77	1878/80	Increase or Decrease compared with 1869/71		1872/74		1875/
					Value	Quan.	Value	Quan	Value
	£	£	£	£	%	%	%	%	%
kali	1,537,324	2,678,801	2,240,039	2,126,430	+38	+61	−20½	+33	− 5
nimals, Horses	221,455	187,405	208,432	270,557	+22½		+44½		+30
pparel . . .	2,434,706	3,244,586	2,993,836	3,182,093	+30½		− 2		+ 6
rms & Ammunit.	1,800,264	1,527,771	1,562,340	1,261,531	−30		−17½		−19
gs and Sacks .	1,014,347	1,764,287	1,328,153	1,481,586	+46		−16		+11½
er and Ale . .	1,874,967	2,318,546	1,971,552	1,750,247	− 6⅔		−24½		−11¼
oks, Printed .	675,146	900,596	898,226	938,425	+39		+ 4		+ 4½
ass Manufacts.	303,453	512,683	473,023	347,132	+15		−32		−26
tter	304,554	277,445	232,892	243,207	−20		−13		+ 3½
ndles . . .	189,381	210,668	175,075	149,555	−21		−29		−14
outchouc Manf.	727,425	943,919	802,804	763,069	+ 4¾		−19		− 5
rriages, Railw.	474,097	322,306	371,362	200,321	−58		−38		−46
eese	105,472	81,827	76,075	57,281	−46		−28		−22
emicals . . .	1,419,667	1,919,246	2,006,660	2,094,886	+47½		+ 9		+ 4⅓
als and Coke .	5,606,938	11,872,351	8,798,304	7,634,136	+34	+45⅓	+35½	+28	−13
pper, Wrought	3,036,422	3,223,455	3,076,558	3,166,297	+ 4¼	+17½	− 1⅜	+35½	− 3
rdage . . .	350,112	375,659	289,632	299,093	−14½		−20½		+ 3
tton Yarn . .	14,613,169	15,707,496	12,714,902	12,338,304	−15½	+28	−21½	+ 8½	− 3
„ Manufcs.	55,836,329	61,539,272	56,819,868	56,134,315	+ ½	+24	− 8¾	+11⅓	− 1¼
rthenware . .	1,739,329	1,925,998	1,725,966	1,805,925	+ 4⅓		− 6¼		+ 4⅔
sh, Cured, &c. .	988,452	1,306,836	1,170,296	1,488,120	+50		+14		+ 7
ass	865,276	1,216,205	945,852	818,036	− 5½	+15	−32½	−14⅔	−13½
berdashery .	4,933,737	6,452,178	4,166,721	3,773,879	−23		−40		− 9½
rdware . . .	4,302,690	4,810,233	3,695,497	3,273,639	−24		−32		−12
ts	568,590	890,314	1,051,102	999,911	+75½		+12½		− 5
n and Steel .	23,786,318	34,994,014	22,210,915	22,046,653	− 7⅓	+ 3¾	−40	+ 1⅔	− ¾
ad, Pig, &c. .	980,846	831,779	848,379	600,789	−38¾	−28½	−27¾	− 5	−29¼
ather, tan'd. &c.	1,239,943	1,553,718	1,630,276	1,613,104	+30	+52	+ 3¾	+26½	− 1
„ Boots & Shoes . . .	1,327,918	1,592,981	1,416,731	1,303,437	− 2	− 2½	−18	−16	− 8
nen Yarn . .	2,261,344	1,944,903	1,532,015	1,088,471	−52	−51½	−44	−40	−29
, Manufacs.	7,279,337	7,556,706	6,241,908	5,608,917	−23	−27¾	−26	−25¼	−10
te Yarn . . .	195,393	237,831	223,700	205,689	+ 5½		−14		− 8
, Manufacs. .	852,487	1,581,137	1,503,552	1,933,621	+127		+22		+28
chinery, Steam Engines	1,982,855	2,927,231	2,192,824	2,466,633	+24½		−15½		+13
chinery, Mill Work	3,494,300	6,407,714	5,484,512	5,545,045	+59		−13⅓		+ 1

ORTS factures)	Average of 3 Years 1869/71	1872/74	1875/77	1878/80	Increase or Decrease in 1878/80 compared with 1869/71 Value	1869/71 Quan.	1872/74 Value	1872/74 Quan.	1875/77 Value	1875/77 Quan
	£	£	£	£	%	%	%	%	%	%
. . . .	144,529	162,029	117,887	72,359	− 50	− 34	− 55	− 41	−30	−31
cal Manuf.	633,557	965,379	1,079,745	1,008,359	+ 61		+ 4½		− 6½	
r, Wrought	2,122,526	3,505,298	3,120,215	2,597,420	+ 22	+ 35½	− 26	+ 5	−16½	+ 5
Manufcs.	1,270,301	1,508,836	1,626,157	2,339,801	+ 84		+ 55		+43½	
. . . .	950,621	1,423,552	1,825,932	1,803,211	+ 89	+ 99	+ 26½	+ 48½	− 1	+14
& Bonnets,	269,964	57,223	94,879	48,571	− 84		− 16		−49	
aw										
nd Steel .	1,216,971	2,290,661	2,698,666	3,052,665	+150	+153	+ 33	+ 98½	+13	+49
Pig, &c. .	1,130,240	1,511,452	1,856,822	1,638,547	+ 45	× 69⅓	+ 8½	+ 55	−12	+16
,tanned,&c.	862,919	1,988,464	2,911,315	2,696,272	+210	+230	+ 36	+ 46	− 7	+ 3
and Shoes.	120,098	150,075	305,927	408,594	+241	+170	+172	+145½	+33½	+10

Yarn, 1878 over 1870 150%

Manufactures, 1876–78 over 1869–71 75%

EXPORTS	Average of 3 Years 1869/71	1872/74	1875/77	1878/80	Increase or Decrease in 1878/ compared with 1869/71		1872/74		1875
					Value	Quan.	Value	Quan.	Value
	£	£	£	£	%	%	%	%	%
ed Oils . .	1,367,390	1,513,711	1,846,265	1,650,136	+18½	+42	+ 9	+24½	−11
inters' Colors	771,949	1,092,619	1,162,575	1,111,640	+44		+ 2		− 4
per	593,946	908,774	899,045	982,416	+65	+93	+ 7½	+32	+ 8¾
kles, &c. . .	441,827	605,804	616,969	662,471	+51		+ 9¼		+ 7½
ted Ware .	416,884	264,953	258,756	222,565	−46½		−16		−14
gs for Paper	421,884	392,738	331,046	476,364	+13		+21		+44
ddlery. . .	398,259	428,160	411,544	420,216	+ 5½		− 1½		+ 2
t	426,438	660,182	557,671	553,019	+30	+13⅓	−16	+17	− 1
k Yarn . .	1,191,298	1,531,637	843,368	647,493	−45		−57½		−23¼
n Manufacs.	1,536,954	2,056,334	1,745,941	1,881,940	+21½		− 9		+ 7½
p	224,190	275,056	329,939	426,731	+90	+129	+54	+74	+23
rits . . .	196,475	195,959	322,741	458,656	+133		+133		+42
tionery . .	505,985	673,546	666,913	678,262	+34		+ ½		+ 1½
gar, Refined	909,319	1,092,912	1,351,827	1,101,685	+21	+76	− 1	+29	−18½
egraph Wire	1,685,530	1,625,222	1,076,446	1,516,174	−10		− 7		+40
, Wrought .	664,290	817,602	439,413	419,248	−37	+ 5½	−49	−12½	− 4½
ol, Dyed, &c.	775,514	724,696	799,769	890,230	+15	+17½	+23	+58½	+11
ollen and Yd. Yarn .	5,711,754	5,687,448	4,376,079	3,655,925	−36	−24	−35¾	−17	−16½
ollen Manuf.	5,037,651	6,750,065	6,616,832	6,381,809	+26	+56	− 5½	+23½	− 3½
rsted „	15,627,096	15,689,966	9,343,356	7,195,147	−54	−32	−54⅛	−37	−23
	20,664,747	22,440,031	15,960,188	13,576,956	−34⅓	+23	−39½	+ 3	−15
nkets . . .	683,416	699,059	691,043	590,029	−14	−13¾	−15½	− 6½	−14½
nnels . . .	392,727	471,958	452,047	334,767	−16	− 6	−29	−16¾	−26
pets . . .	1,502,915	1,664,279	973,240	925,473	−38½	−23	−44½	−28⅔	− 5
siery of Wool	256,522	299,276	292,774	295,601	+14½		− 1½		+ 1
all Worsted Vool . . .	321,440	1,270,229	829,217	891,881	+178		−30		+ 7½
c Manufacs.	154,801	94,186	122,309	113,694	−22		+21		− 6½
renumerated	12,592,898	16,895,585	17,238,498	18,898,848	+50		+12		+ 9½
	£204,220,367	250,228,111	207,675,613	202,372,844	− 1%		−19%		−2⅓%

IMPORTS (Manufactures)	Average of 3 Years 1869/71	1872/74	1875/77	1878/80	Increase or Decrease in 1878/8 compared with 1869-71 Value	Quan.	1872/74 Value	Quan.	1875/ Value	Q
	£	£	£	£	%	%	%	%	%	
d Oils . . .	589,200	696,655	673,121	498,982	−15	+ 8	−28	−20½	−26	−
ber	684,876	1,038,679	1,156,994	1,121,952	+65	+108	+ 7	+29½	− 3½	+
k Yarn . . .	482,605	147,416	134,657	140,206	−71		− 4½		+ 4½	
Manufacts..	10,441,341	8,502,332	11,740,556	12,967,489	+25		+53		+11	
gar, Refined .	2,458,908	3,771,988	4,739,775	4,463,113	+81	+120	+18	+37	− 6	+
n, Unwrought	784,473	1,027,181	1,187,798	1,309,063	+65	+182	+27	+109	+10	+
ollen and Worsted Yarn	1,504,006	1,456,378	1,468,949	1,433,931	− 4½	+11⅓	− 2	− 6⅓	− 2½	−
ollen and Worsted Manufactures . .	3,456,675	3,988,639	5,249,650	6,484,397	+87		+62½		+23½	
nc Manufacts.	237,241	360,313	422,405	373,185	+58		+ 3⅔		−11½	
enumerated, ¼th total	6,403,014	9,099,233	9,666,884	9,734,167	+52		+ 7		+ 1	
ocks & Watches	864,179	832,363	923,849	1,019,110	+18		+22½		+10¼	
oves	1,230,305	1,407,764	1,929,785	1,443,159	+17		+ 2		−25	
	£37,851,549	45,891,910	54,931,968	56,654,553	+50%		+23½%		+ 3%	

SUMMARY	Average of 3 Years 1869/71	1872/74	1875/77	1878/80	Increase or Decrease Comparing 1878/80 with 1869/71	1872/74	1875/77
Exports to	£	£	£	£	%	%	%
Turkey	5,355,889	6,139,741	5,003,679	6,249,894	+ 16¾	+ 2	+ 25
British N. America*	4,173,599	6,052,190	5,610,622	4,413,560	+ 5½	− 27	− 21⅓
„ Possessions	3,138,226	4,369,650	3,984,405	5,017,750	+ 60	+ 15	+ 25
India, &c.	18,782,466	22,048,604	23,733,484	24,359,142	+ 29⅔	+ 10½	+ 2¾
China	8,097,980	7,113,895	6,942,186	6,596,012	− 18¾	− 7¼	− 5
Australia	7,227,398	11,153,657	11,904,345	11,157,609	+ 54½		− 6¼
Brazil	4,261,549	4,761,066	4,372,794	4,309,868	+ 1⅛	− 9½	− 1½
Japan	1,118,496	1,052,357	1,549,470	2,144,348	+ 92	+ 104	+ 38
United States	22,136,785	24,764,547	13,053,034	15,919,437	− 28	− 35⅔	+ 22
Egypt	6,322,624	3,773,527	2,014,925	2,020,030	− 68	− 46½	+ ¼
Unenumerated	12,966,059	16,895,585	17,238,531	18,865,920	+ 45½	+ 11¾	+ 9½
	93,581,071	108,124,819	95,407,475	101,053,570			
Other Countries	58,249,833	77,832,243	61,536,031	56,441,091	− 3¼	− 27½	− 8¼
	151,830,904	185,957,062	156,943,506	157,494,661	+ 3⅕	− 15¼	+ ⅜
Russia	4,499,206	5,896,786	4,214,814	5,374,014	+ 19½	− 9	+ 27½
Germany	19,630,641	22,260,469	15,882,047	13,125,022	− 33¼	− 41	− 17⅓
Holland	9,980,074	12,514,896	8,057,239	6,381,405	− 36	− 49	− 20¾
Belgium	1,499,049	2,285,423	1,997,096	2,292,674	+ 53	+ ⅓	+ 16
France	8,286,574	11,551,683	10,668,533	9,963,763	+ 20¼	− 13¾	− 6⅔
Spain, &c.	2,857,631	3,210,644	3,388,597	2,669,857	− 6¼	− 17	− 21
Portugal, &c.	1,000,529	1,192,778	1,032,898	826,846	− 17⅓	− 30⅔	− 20
Italy	3,791,476	4,805,850	5,016,249	3,932,549	+ 3¾	− 18	− 21⅓
Austria, &c.	826,230	552,520	474,134	336,275	− 59	− 37	− 29
Continental Hostile Tariff	52,371,410	64,271,049	50,731,607	44,902,405	− 14	− 30	− 11½
Average of 3 Years— Total Exports	204,202,314	250,228,111	207,675,113	202,397,066	− 1	− 19	− 2½

* All manufactures, increase on 1869/71, and improving in 1880.

FREE TRADE AND RECIPROCITY:

A Series of Letters

BY

S. C. LISTER.

Bradford:
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1879.

1.

Mr. Forster and Free Trade.

To the Editor of the "Bradford Daily Chronicle and Mail."

SIR,

At the recent meeting of the Bradford Chamber of Commerce, Mr. Forster and the other speakers occupied so much time that, beyond protesting against conclusions, I thought it better to reserve my reply, and that is the cause of my troubling you now; and if I do somewhat trespass upon your space, the vast importance of the subject must be my excuse.

Had Mr. Forster on that occasion, instead of dealing with our exports and imports in a lump, carefully analysed those relating to our textile industries he would not have been so jubilant; on the contrary, he would have found food for very grave and serious reflection.

Upon examining the tables of our exports and imports I find that during the last fifteen years, from 1864 to 1878 inclusive, taking all our textile industries, we have the very remarkable fact that our exports have increased by little more than a million and a half, or about $2\frac{1}{2}$ per cent., and that, excluding Cotton, which has special advantages from having the key of the Custom House of India, but taking all our other textile manufactures, we are actually exporting less than we did fifteen years ago by about a half a million. And what is still more surprising is, that during those very fifteen years our im-

ports of textile manufactures have increased by £13,026,000, so that, taking all our textile industries, while our exports have only increased 2½ per cent. our imports have increased 126 per cent.

The full figures are as follows:—

EXPORTS.

	1864.	1878.
Cotton	45,799,000	48,086,000
Worsted and Woollen	15,333,000	16,723,000
Linen	8,172,000	5,834,000
Silk	1,460,000	1,921,000
	70,764,000	72,564,000
		70,764,000
	Increase....	1,800,000

Showing an increase of 2½ per cent.

IMPORTS.

	1864.	1878.
Cotton	833,000	2,058,000
Worsted and Woollen	1,849,000	5,996,000
Silk	7,481,000	14,986,000
Linen	140,000	289,000
	10,303,000	23,329,000
		10,303,000
		£13,026,000

An increase of 126 per cent.

Thus we see clearly and unmistakeably that we have an increase in the last fifteen years of 126 per cent. in the imports against 2½ per cent. on the exports. What do the Free Traders say to this? Whatever they may say, there can be no doubt that it is absolutely disastrous in the extreme. And what is still more ominous, if that be possible, the export of machinery has nearly doubled since 1864. We then exported £4,844,000, and in 1878, £7,490,000; and upon comparing

1877 with 1878, I find that there is an increase of £767,000 in a single year. During that very same year, a most disastrous one, the export of Cottons was diminished by nine millions, while the imports were increased by fifteen per cent., and in Woollens and Worsteds, while we exported less by £600,000, we imported more by exactly the same amount.

It is evident, therefore, that while we were stopping our machinery, the foreigner was rapidly increasing his; and, not content with neutral markets, was actually driving us out of our own. I need say no more. The handwriting is on the wall, and plain enough to be read, that if we continue to fight hostile tariffs with free imports, our textile industries are doomed to destruction. How marvellous must be the delusion, when so many of our greatest men are blind, absolutely blind, to our impending ruin. As yet, we have felt but the scattered drops that foretell the coming storm; heavy as those drops have already been, and much as we have already suffered, the storm has yet to burst in all its fury. There may be, and possibly will be a passing gleam of sunshine, but it will only be followed by a deeper gloom, and history will record with amazement the madness and folly of the Free Trade craze.

I grant that it may be said, and justly, that by taking particular periods, and comparing them with other particular periods, very false conclusions may be drawn, and that therefore my figures may be considered as illusive and delusive as those of the Free Traders, who make out such wonderful tales about our prosperity, when our streets are filled with the starving poor, and the Bankruptcy Courts with unfortunates.

Perhaps the fairest way of drawing a comparison is to take the totals of periods of five years, which is the plan adopted by the Board of Trade.

When we get as follows :

Exports of Textile Manufactures.		Imports.
1863 to 1867	£394,400,000	£55,800,000
1868 " 1872	446,700,000	78,200,000
1873 " 1877	447,300,000	87,700,000

Thus it will be seen that, taken in this way, we have an increase in ten years of 12½ per cent. on our exports against 42 per cent. on our imports. We cannot in any case shut our eyes to the remarkable fact that in 1878, the greatest year of depression, we imported twenty-three millions of textile manufactures.

I think no one will deny from the above figures and facts that we are gradually, but surely, losing our pre-eminence in textile industry. This being so, the next thing to be considered is he cause, and then the remedy. No doubt there are many causes, but I shall content myself with pointing out the chief, restricted labour with unrestricted competition. As I stated before the Chamber of Commerce, so I now repeat, that you cannot protect the labourer without also protecting the product of that labour. In other words, you cannot have a Factory Act restricting the hours of labour to fifty-six, and submit the product of that labour to the competition of those who work seventy-two hours, without the most disastrous consequences.

You shall see the result in my own concern. The fixed charges on Manningham Mills are £1,000 per week, whether the Mills stand or run. By fixed charges I mean Rent, Interest, Clerks' Salaries, and Taxes, which amount to over £50,000 per annum. Between working fifty-six hours and seventy-two it comes to about £10,000 per annum.

At the present time, I regret to say that half the concern is standing, but my weekly wages amount to about £1,500.

The difference between working fifty-six hours and seventy-two is about £300 per week, or £15,000 per annum.

You have thus £25,000 per annum in favour of the Frenchman working the longer hours. If I were working full time with all the machinery, I should then be paying £3,000 per week in wages, and it would then amount to the enormous sum of £40,000 per annum.

If one concern is thus handicapped, what must be the incalculable load that our great textile industries have to carry? With these figures before him, will anybody be surprised that we import £15,000,000 of manufactured Silks? To my mind the only wonder is that we can and do exist at all. Is it to be wondered at that Bradford is being ruined, and that Roubaix is growing rich, and that as the exports of Bradford goods decrease, million by million, the exports of the French increase in just about the same ratio?

The infatuated Free Traders say it is caused by fashion. Well, if facts and figures will not convince them, I must leave them under that pleasing delusion. Mr. Forster feels the pinch, and says that it is a subject worthy of consideration and inquiry. Why of inquiry and consideration? He must know, or, if he does not, I can tell him, that the ratio of production of any spinning machine now in use will be just in proportion to the hours run; and further, with rare exceptions, the same remark applies to weaving. Why should we have a Factory Act? Why should we have the hours restricted by law to fifty-six? It is clear that the capitalist knows well that long hours decrease the cost of production, and is only restrained by the law from doing that which would be greatly to his advantage.

I may carry my argument still further, and call Mr. Forster's attention to the fact that the French manufacturer finds it

profitable to work more than seventy- two hours, or why does the law step in and restrict him ? It would be a waste of time to discuss this question further, it must be admitted and cannot be denied, that longer hours will and do reduce the cost of production. If that be so, and I am clear that it cannot be controverted, then comes the further question—Will longer hours injure our factory operatives morally and physically ? There I tread upon debatable ground. My own opinion is that we might return to sixty hours with great advantage to the masters, and without injury to the operatives; but this forms no part of my argument. What I maintain is that you cannot restrict labour, in other words, that you cannot protect labour and not protect the product of that labour without destroying our great textile industries. You cannot bind the capitalist hand and foot with the Factory Act, and then throw him into the fiery furnace of unrestricted competition, without reducing him to ashes. You cannot ask him to pay the same wages (and in many instances more) for fifty-six hours, than his competitor pays for seventy-two, and expect that he can exist for any length of time.

There is no right-thinking man that will not make any possible sacrifice for the well-being of our working classes, for after all they are the bone and sinew of the country, whether in peace or war. But then comes the question how that can be done with the least injury to our national industries. I admit that it will tax the wisest amongst us to solve the problem. It appears to me that you have but one course; if you will and must protect the labourer on physical and moral grounds, you must equally protect the product of his labour. For me this has no terrors, although it might and would be the death-warrant of Free Trade.

Upon looking at the returns for 1878, I find that we imported fifteen millions of Silk manufactures, six millions of Worsted and Woollen Goods, and two millions of Cotton, forming a total of twenty-three millions. Now I would put a duty of from fifteen to twenty per cent. upon the whole of this vast sum. Silk goods being especially a luxury should bear the highest duty. Mr. Mitchell, the President of the Bradford Chamber of Commerce, was of opinion that all luxuries should be taxed, and I agree with him. Altogether apart from any question of protection, on fiscal grounds alone, it is the true policy. Nearly the whole of these twenty-three millions may fairly be considered as luxuries. Silk goods, of course, and I may say the same of Woollens and Worsted, as our imports consist altogether of high-class goods worn only by the rich. As to the Cotton manufactures, the same remark will apply to them also, as they are mainly, if not altogether, of a very superior class of style and design.

I would tax nothing that is consumed by the poor. I would at once (that is, as soon as our treaties would permit) impose a duty of twenty per cent. upon Silk manufactures. It is just possible that this might reduce the imports to some extent, but I do not think it would do more than check their increase, which is now about half a million per annum, the imports in 1877 being £14,475,000, and in 1878 £14,986,000, so that we might fairly count upon something like £3,000,000 of revenue from this source alone, and with great advantage to our Silk industries.

Then as to Woollen and Worsted goods, I should impose a duty of not less than ten per cent. and not more than fifteen. If we say ten per cent., the imports in 1878 being within a fraction of six millions (having increased £660,000 in a single

year), from this source we should have a further sum of £600,000 to the good of the national purse, and at the same time we should greatly assist our Woollen and Worsted manufactures.

And now we come to Cotton, and even proud Cotton must admit that it is fast losing ground. Not in a fair race, but the fastest horse in the world may be handicapped to the speed of the slowest. On Cotton manufactures I should impose a duty of not less than ten per cent., which would give a further sum of £200,000, making a grand total of £3,800,000.

Looking from a producer's point of view, not a day—I might say not an hour—should be lost in carrying out the plan I have sketched. But now let us see what the consumer has to say, as he has a right to be considered as well as the producer. He can have nothing to say against Silk manufactures being taxed, and they form by far the largest item, £15,000,000. Then as to Woollens and Worsteds, if it can be shown, and I have no doubt it can, that we import nothing but high-class goods, such as are worn exclusively by the rich, surely they could not object to the small impost of ten per cent., (I think we might go even as far as fifteen) for the good of the revenue, and to aid our struggling industries; at ten per cent. the entire sum being £600,000. How much of this, may I ask, would the agriculturalist have to pay? A sum so small that it would require a microscope to find it. The duty on Cotton goods would have to be governed by their style and quality, but as the amount is trifling, it does not call for further remark.

Can any impartial mind, unless infatuated by the Free Trade craze, say that there is or that there can be the slightest objection to what I propose? Let any one carefully study the facts and figures that I have laid before him, and it appears to

me he can but come to one conclusion, that it would add greatly to the prosperity of the nation, and enrich the Treasury, without in any way unduly pressing upon the consumer.

But it may be urged that, if we put a duty upon Silks, France will increase her imposts upon Cotton and Worsted goods. It is clear to me that France will not dare so much as to move a finger, as we should be able to retaliate with such crushing effect that we should soon bring her to reason. From the returns of 1877 (I believe those of 1878 are not yet published) it appears that in that year our trade with France was as follows:—

	Exports to France.	Imports from France.
Woollen and Worsted manufactures,	£3,073,000	£3,858,000
Cotton do.,	2,649,000	692,000
Linen do.,	455,000	353,000
Silk do.,	415,000	9,173,000
	£6,592,000	£14,076,000
		6,592,000
Excess of Imports beyond Exports,		£7,484,000

So that we imported of textile manufactures 7½ millions more than we exported.

In addition to that, we imported of manufactures other than textile, upwards of twelve millions against two that we imported, saying nothing about Wines and Spirits, amounting to millions. What, then, have we to fear from France? Nothing, absolutely nothing, for she sends us nearly as many Woollens and Cottons as we send her. If, therefore, she closed her ports altogether against us, even on the score of Woollens and Cottons, we should lose little. I repeat, we have nothing to fear, but everything to gain, if there should be a war of

tariffs, which I sincerely trust will not be the case. It is sad to think, but nevertheless true, that the fruits of peace are often only to be obtained by war, whether it be a war of tariffs or of blood.

But, no doubt, I shall be told that if the manufacturer is protected, so must the farmer be. I have always found that when the Free Trader is in a corner he produces the "bogie" farmer with whom to frighten the British workman. Mr. Forster did it with admirable effect when addressing his constituents the other day in St. George's Hall. He is, however, far too astute not to know that it is quite a delusion, and that like other bogies, the moment it is touched by the light of reason, it melts into thin air. But, as the delusion is somewhat general, I will, as shortly as possible, show that it is but a bogie after all.

When a farmer takes a farm, what he has to consider is, taking the average price of corn or other produce, whether there is a sufficient margin between the rent, together with other charges, and the price of the products of the farm, to allow him a fair living. For many years (not so now) there have been two farmers for one farm; consequently the margin of profit has been cut down to a minimum by their own competition, and they are now suffering for their folly. No one can dispute this, I think. Supposing, then, the average price of corn to be fifty shillings per quarter, and that, by a protective duty, it should be increased to sixty. The two farmers competing for one farm would still bid against each other, so that the profit or margin to allow of a decent living would be precisely the same as before, they would not gain one farthing by Protection. Thus I am brought face to face with the landowner, the fine old English gentleman. And might I ask him

because his luxuries, or rather those of his wife and daughter, are taxed, would he be justified in taxing the bread of the people? I know I am perfectly safe in his hands when he understands the points at issue.

Are we to throw over the Factory Act, and make our factory operatives work the slavish hours of the Continent? or are we to protect the labourer and the product of his industry? Is it not far better that the consumer, the rich consumer, (for I would tax nothing but what the rich consume), should pay a small tax on his luxuries, and I have already explained what I term luxuries, than that we should injure our working class physically and morally by excessive hours? I am quite sure what the response will be when I tell him, as I do now, that the works at Manningham cost me as much as many a ducal estate; that for several years after they were built I not only had no rent, but lost something considerable besides; and when I point to the fact that in 1878 we imported fifteen millions of silk goods, being an increase of half-a-million over the previous year; and mark, this vast increase is in a year of the greatest possible disaster and depression; and thus, while the foreigner is sending us more every day, a great portion of my machinery is covered with dust, and the British workman is walking idly in the street and crying for bread, I am sure I shall have his sympathy and support. How long, how long, I ask, is this Free Trade delusion to last?

I dare say that, being a Silk manufacturer, I shall be told I wish to tax Silk goods in order that I may put my hand into the pocket of the public. But I think I may fairly retort that the benevolent public are those who say "be ye clothed and be ye fed, at other people's expense;" those who ask me, by imposing the Factory Act, to pay the same wages, and in most

cases more, or fifty-six hours than my competitors pay for seventy-two. These very benevolent people have put their hands into my pocket for many a long year to the tune of £40, 000 per annum! and if I ask them, by paying a small tax in aid of the poor operatives, to be benevolent at their own expense, I think I am perfectly justified in doing so.

Having, I think, disposed of the bogie farmer and the benevolent public, I now come to what Mr. Forster said about France. Mr. Forster endeavoured to alarm us by telling us that, if there was the slightest whisper about putting a duty upon Silk or anything French, we should at once lose a most promising convert to Free Trade. A converted Jew makes a good Christian as long as you fill his pockets with money, and that is just what may be said of France. Let us see if the French have not reason to be satisfied with their present position. They sent us, according to the returns of 1877, I have not any for 1878, fourteen millions and a half of textile manufactures against our seven millions, or nearly double what we sent them. Of other manufactures, twelve millions against our two, or six times as much; and to further comfort us they sent us £3,600,000 value of Wine and Spirits.

I have excluded raw material and Yarn from both sides of the account, and seeing that France puts a duty upon all our textile manufactures, as well as on everything else, we need not be afraid of wounding the susceptibilities of our very agreeable neighbours. I have spent many happy days in France, and I trust there will always be amity and good feeling between the nations, and that our rivalry will always be peaceful, but fair play is a jewel, a priceless gem, in matters of trade.

I may say, in conclusion, are we like the wife who advised her husband to die like a true Briton rather than pay the

doctor's fee? Are we to destroy our great national industries rather than take the pill of Protection?

I have supported the Liberal party for forty years, and was a Free Trader as long as there was any chance that other nations would follow our lead. Now I am a Conservative and Protectionist, because I believe that Lord Beaconsfield, the firm, is the only man who can solve this great problem, and who can educate his party as to the best course to pursue.

The noble Lord clearly and emphatically pointed out twenty years ago (I would quote his words but I fear unduly to trespass on your space) the evils of one-sided or bastard Free Trade; and now I have faith to believe he will be found equal to the occasion, and that he will apply the best of all remedies by quietly throwing it overboard.

I have no wish to drag this great question into the arena of party politics, as the issues involved are far more momentous than anything relating to mere party, for I consider that the prosperity of our textile industries largely depends on the result.

The Conservatives passed the Factory Act, and the Liberals Free Trade, and these are antagonistic to each other. As I have said before, and now repeat, you cannot have restricted labour and unrestricted competition. The question therefore narrows itself to this issue: are we to make our factory operatives into slaves in order that we may compete with our rivals, or are we to protect both the labourer and the product of his labour?

I am perfectly aware that, in neutral markets, our only chance of meeting competition is by extending our working hours (and I feel assured that, with great advantage to both masters and men, we might return to sixty hours per week), be-

cause, although we can and ought to protect our home market, which I have shown to be worth far more than any foreign one, that would not help us in neutral markets. There we must stand or fall by the excellence and cheapness of our products, and can therefore only hope to succeed with extended hours of labour, that is, within reasonable limits.

When the above figures and facts are calmly weighed, and due consideration is given to the vast interests involved, I have no fear for the result, and I have no doubt that we shall have, as we ought to have, a vast army prepared to demand justice for "British Industry."

And let me warn Free Traders who still persist in their delusion, that, with the British Workman as a lever and Protection as a fulcrum, their great idol can and will be overthrown; and, as I am well aware that no war can be carried on without funds, I am prepared if £50,000 can be raised, and I think it can, to subscribe £1,000, or, if it be necessary five times that sum, in order that we may obtain justice to British Industry.

I remain,

Yours truly,

S. C. LISTER.

Manningham, Feb. 6th, 1879.

2.

Fallacies of One-Sided Free Trade.

To the Editor of the "Bradford Daily Chronicle and Mail."

SIR,—I wish once more, thoroughly, if I can, to impress upon the minds of the public my reasons for insisting upon an import duty upon all foreign textile manufactures.

1st. On fiscal grounds, being articles of luxury—that is, worn and used exclusively by the rich.

2nd. Because the foreigner will pay at least half the tax; and further, it would be far less objectionable than the income and other taxes.

3rd. Because, with restricted labour, we cannot meet unrestricted competition; that is, being restricted to fifty-six hours by the Factory Act, we cannot hope to compete with the Frenchman working seventy-two.

4th. Because, where one shilling would be taken from the pocket of the taxpayer, two would be returned from the increased prosperity of our great national industries.

5th. Because you cannot meet hostile tariffs with free imports without ruining the country.

I have, I think, sufficiently enforced my first proposition in my former letter, so that I need say nothing more upon that head. As to the second, it is well known that, to overcome foreign tariffs, we have to reduce profits and wages—and often to give capital as well—in order to force an entrance through a hostile tariff.

Those who, like myself, have had a large practical experience are perfectly well aware that it is, and must be so, and I am therefore perfectly justified in saying that the foreigner would pay the greater part of the impost.

As to the third, I have shown that in my own business I am working at a disadvantage of £40,000 per annum, so that the eventual closing of my concern and the giving up of so unequal a struggle is simply a question of time. I know well that the foreigner cannot and will not immediately overmaster me, and that is the reason why, before it is too late, I wish to adopt a preventive against the impending evil. The foreigner has first to find the capital, and he must then build his mills, mount his machinery, and train his workpeople; but when that is done, I ask, how can I hope, with restricted labour, to meet his unrestricted competition? If the nation will not change its policy, then I say, when the time comes, that I can no longer sustain the unequal struggle, the bats and the owls shall inhabit Manningham Mills rather than that I should appear in the *Gazette*.

As to the fourth proposition—where can you point to any other tax one-half of which would be paid by the foreigner, while as to the other half, for every shilling taken from the rich man's pocket, ten thousand would be returned to the workman by reason of the enhanced prosperity of our great national industries? Every candid mind must admit that it is impossible to conceive of any tax that would produce so large a sum (only four millions!) without being in the slightest degree oppressive, and which in fact would never be so much as felt by the rich consumer.

Lastly, how can we hope to bring foreign nations to any sense of reason by meeting hostile tariffs with free imports? None but men labouring under the Free Trade craze could hope for such a result.

In my last letter I think I effectually disposed of the "bogie

farmer." I am quite prepared, however, to admit that the farmer may have just grounds for consideration in any change that may be found necessary in our fiscal policy, and in my next I propose to enter more fully into this question.

I will now endeavour to expose a still greater and far more fatal delusion, namely, that our textile industries have greatly prospered in the past by reason of Free Trade, and that, consequently, they will prosper in the future.

I may here remark that I intend to confine my arguments altogether to textiles, because we have here the strongest illustration of the evils of restricted labour and unrestricted competition. I am well aware that there is a large field quite outside our textile industries, but I wish to concentrate the public eye and thought upon this one branch of industry, at any rate for the present.

Now let us consider the past, and then we shall more clearly see what we may expect in the future. As to the past, there can be no difficulty in clearing away the mist that blinds the eyes of the Free Traders.

I admit at once that cheap bread has been, and is, a great blessing to the nation. But cannot we have that without the bastard Free Trade ? I think we can. That is the only good that the Free Trader can point to. And now for the evils. We had the Factory Act before we had Free Trade, and up to that time it was altogether beneficial, because it prevented our home manufacturers running unreasonable hours in their competition with each other. But the moment that we had to face unrestricted competition with restricted labour, it became a serious evil. Not that it is any evil in itself ; quite the contrary. It is a great blessing to the operative, and a good to the country if not carried too far, which I think is the case now. But in spite of restrictedlabour, for many long years we prospered. And why ? Because the foreigner had not got his machinery mounted, and his workpeople trained. He had not got the

seventy-four millions of machinery at work which we have sent him during the last ten years. Now we are feeling the fatal consequences. I ask, is it to be wondered at that our industries are suffering? Let me illustrate further our position by supposing that, when the Factory Act was passed, half the mills had been allowed to work 72 hours, while the rest were restricted to 56. How long could those running 56 have withstood those running 72? It requires no answer. But we have to meet the foreigner, who runs 72, and has also cheaper labour, in the best way we can—that is, by being ruined.

After the meeting of the Chamber of Commerce at Bradford, I called upon Mr. Behrens, the Nestor of Free Trade, and the wise man of the party (he has reasoning powers, if he was not affected with "the craze"), and pointed out to him the hopeless struggle in which we were engaged, and which is shaking the richest and the oldest firms to their very foundations, and filling the bankruptcy courts with the weaker ones. What did he say? He said, "You must alter the Factory Act." A perfectly logical and just conclusion if we are to uphold the economical law of buying in the cheapest market and selling in the dearest. You must put labour on the same footing as capital, if you are to meet unrestricted competition. You must either protect both the one and the other, or you must leave both unfettered.

But will the operatives listen to this? What will the benevolent public say? I mean those who act on the principle of "be ye warmed and be ye clothed at other people's expense."

On this point, the *Mercury* twits me in the following words, "Yet, considerate man, he will not ask to have that £40,000 a-year by equalising the hours of labour."

May I ask, will the *Mercury* do so, and follow Mr. Behrens's lead? They are bound to do it, or throw over Free Trade, and with it the curse of unrestricted competition. That is just where they are cornered—they cannot hunt with the hounds

and run with the hare. They are bound to follow up Free Trade to its logical conclusion: that labour and capital must both be free—or, failing that, that both must be protected.

The next great evil brought on us by Free Trade is, that the country being committed to it, every other country takes advantage of that fact to increase its tariffs, well knowing that we cannot retaliate, and thus we bring ruin on ourselves. We are exactly in the position of a nation who, seeing the blessedness of peace, should say that nothing should induce them to go to war—consequently, they would get kicked all round, and deservedly so. That is just our case—we get kicked all round, because we meet hostile tariffs with free imports, and thus offer a premium on our own ruin. What a delusion! What a madness!

And now for the honest but deluded Free Trader. He may, and no doubt will, say that all this is probably quite true, but, nevertheless, it is plain that we have prospered, and greatly prospered somehow. These dolts—if I may call them by such a name—know that they have prospered somehow, but, beyond that, they are in Egyptian darkness, and the blind leaders of the blind tell them that it is Free Trade. What nonsense! Nine-tenths of the world—of the Free Traders I mean—have heads on their shoulders, but nothing in them. They are empty as empty sacks, while that feminine characteristic, no reasoning powers, is largely developed in them. To such, and a lady audience (the ladies being, I have no doubt, far cleverer than the men), Mr. Barran, M.P., recently displayed his reasoning powers by imputing low and selfish motives to me instead of answering my figures and facts. But I pass him over as not being worth powder and shot.

Now let me endeavour once more to impress upon the public mind that we have prospered, and greatly prospered, not in consequence, but in spite, of Free Trade.

Five-and-twenty years ago I had nine mills or factories—five

in England, three in France, and one in Germany—and I have now, if not the largest, at least one of the largest factories in Europe. I think I may, therefore, claim to have had some experience. And I may further say that I have, I believe, spent more money on mechanical inventions applicable more especially to textiles than any man living, or that ever did live. I have further had forty years' experience as a manufacturer, and I think I am not assuming too much when I claim to be some authority in such matters. And what do I say? I say, in the face of the country, that to tell me that Manningham Mills have prospered, or that any textile industry whatever has prospered by reason of bastard Free Trade, is simply to add insult to injury. It has handicapped me with £40,000 per annum, and then told me to meet unrestricted competition!!! It has blessed me with free imports in return for hostile tariffs!!! Away with such absurd delusions.

I will now tell you why the country, and I amongst the rest, has prospered in past times, and why we cannot hope to prosper in the future under our present system.

I began forty years ago, and at that time all our textiles were prospering and rapidly increasing, and it was not until twenty years after that that the foreigner had any machinery worth naming.

In the meantime England was growing rich, for she had no competitor. America was then one of her best customers. What is she now? For many years, in spite of her tariffs, we continued to supply her with textiles because she had no machinery and no manufacturing industry. Is that the case now?

Undoubtedly, then, our prosperity, at least in textiles, is due altogether to two causes—first, we had a long start of all the world; secondly, we have always, as a nation, had superior mechanical ability and inventive powers. Our cousins, the

Americans, are the only people that can at all compare with us in that respect.

As in war so in peace, the destinies of nations will largely depend upon the genius of invention. If Austria had had the breech-loader instead of Prussia, the map of Europe might have been very different from what it is now. But we have sold our birthright for a mess of pottage. We have sold the products of our genius to the ends of the earth for naught.

During the last ten years we have exported seventy-four millions of machinery. How are we going to face our own machinery?

Is not that alone sufficient reason to account for the depressed state of our industries? And it must not be forgotten that nearly all that machinery is worked and supervised by English workmen, and mounted in many cases with English capital. And why? Because of the longer hours and cheaper labour.

I think I have said enough to show that in the past Free Trade, instead of doing good, has handicapped us, and that in the future it will be our ruin.

In my next I propose to attack hostile tariffs, especially the American.

Yours truly,

S. C. LISTER.

P.S.—Mr. Chapman, when delivering a lecture in 1869, said that in the five years ending 1859, that was before the Treaty, we imported from France silk broad stuffs to the gross amount of £2,895,000, giving a yearly average of £580,000, or about

half a million. Under free imports last year—a year of he greatest depression—we were blessed with about nine millions from France, and four or five millions from other countries.

Is there any wonder that our silk industries are ruined, and our operatives starving?

Allow me to correct Mr. Behrens when he says that France admits our silk free. She does nothing of the kind. I pay a duty upon silk velvets, and upon silk yarn. What with the *Mercury* and what with Mr. Behrens, all my time will be occupied in keeping them straight.—Yours, &c.,

S. C. LISTER.

Manningham Mills, 17th February, 1879.

3.

Reciprocity.

To the Editor of the "Bradford Daily Chronicle and Mail."

SIR,—Before entering on the consideration of the American tariff, I wish to observe that I have been reading the leader in the *Times* upon Mr. Forster's speech. The *Times* says:—"We may confess that we do not at present believe in the greater efficiency of French labour." Who said "greater efficiency?" French labour may not be, and probably is not more efficient; but the real question is—Will 72 hours in France beat 56 in England with the same machinery?

I may at once say that I have not entered the field of discussion for the sake of beating the air or rendering myself conspicuous; but with a full determination, if possible, of bringing these questions to a practical issue. My life hitherto has been silent, laborious, and inventive, and if I now enter the arena of debate, it is from no selfish motive, such as my opponents are only too ready to impute, but simply because I think I have a knowledge and experience second to none so far as they relate to textile industries. Let me tell those who impute such motives, that my father left me an ample fortune, and that I have never been in business for the mere sake of making money, but simply to indulge my taste for inventions, and to carry out on a

large scale, and in a practical form, the mechanical results of forty years of laborious toil; and now, for the first time during forty years, I can say that I have no mechanical baby in the cradle to nurse, as my last, rather a fine one—being thirty yards long and weighing nearly twenty tons—is considered to be a perfect success. It has taken twenty years of the prime of my life, and an expenditure, *ab initio*, of no less than £300,000, as during those twenty years it has assumed many forms. I am, however, happy in thinking, and I say it with pride and pleasure, that whilst I have enriched myself, I have, at the same time, added to the prosperity of my neighbours and friends.

Now, what I have to say to the *Times* is this, that if it has any faith in its assertion that it does not believe that 72 hours labour in France will beat 56 in England, then I say, if it cannot be ascertained in any other way, I am ready to mount a mill at my own cost and charges, and run it, and the *Times* shall appoint an arbitrator and I will appoint another, and they shall compare the result with Manningham Mills, and the decision shall be final. If they decide against the *Times*, it must pay the cost of the experiment; if against me, I will.

But apart altogether from the unequal struggle cansed by the longer hours of labour in France, I must still insist that on fiscal grounds, and on fiscal grounds alone, all textiles coming into this country should be taxed, as it is quite impossible to raise so large a sum in any other way, with so slight a pressure on the taxpayer, and such immense advantage to the country.

The *Times*, in a leader of the 14th of November, used these words, "All that they are agreed in is that something must be done by Government to support them, to give them an advantage in the industrial struggle they would not otherwise possess, and to save them from the law of competition, and the duty of

trusting to their own exertions in a field which is as free as possible as far as our own legislation can make it."

The *Times* may call it free when I have forty thousand a year round my neck by the Factory Act, and they may call it free when I have to meet free imports, and they may call it free when I have to meet hostile tariffs. To sum up the whole case in a few words, I have the pleasurable freedom of being ruined as quickly as possible in order that, according to Free Trade moonshine, the consumer may benefit, I suppose, by my ruin.

And now for Professor Fawcett, I wish to bring his extraordinary statement to practical issue. The learned Professor says—"Not a single case can be found in which English trade suffers to any appreciable extent by foreign products underselling in our our own markets the same articles of British manufacture."

Does Mr. Fawcett believe in this statement, or does he not? If he does, I should propose to bring this also to a practical issue by each appointing an arbitrator to decide as to whether it is true or not. If it be found to be incorrect, then let the Professor pay the cost; but if true, I will. Wild assertion must be put down, by whomsoever made, if we are to arrive at the truth. Take one industry (I could name a hundred), silk velvet.

When I mounted the first velvet power-loom, ten or twelve years ago (and so far as I know no one else has any; there are certainly none in England), all the English handloom weavers had been totally annihilated by the cheaper labour of the continent. At present, and for some time past, I have been making a fight simply by the superior mechanical ability of myself and those around me. And here, leaving velvet for a moment, let me say that just as England in the past has prospered by her superior

mechanical ability, until she was brought face to face with £74,000 of her own machinery, so it has been with me. I have had to grapple with the difficulties of a machine which cost me a quarter of a million; but I mastered it, although it almost ruined me, and I am happy to say all the money came back before the expiration of the patent. As soon, however, as the patent for this machine had expired, one of my mill managers, together with my model maker, copied it on Sundays, when the mill was supposed to be closed, and after damaging me by his competition to the extent of thousands, was ruined. He then took the machine to Italy and sold it, and taught the Italians how to work it for the small sum of £20! And I have that to face, working all hours, while the wages paid there are about half what I pay. Fortunately for me, I have superseded it; but invention has its limits like other things, and we cannot always distance our competitors by mechanical jumps and bounds. What room is there to improve the cotton powerloom, or the mule, or the throstle frame, or the carding engine? Little or none. We cannot therefore hope for ever to beat long hours and cheap labour by superior mechanical ability. That is no doubt what England has done in the past; but, mark my words, cheap labour and long hours will beat her in the future. I again repeat, long hours and cheap labour will and must beat her in the future—it is simply a question of time. A word to the wise is sufficient for them. We must prepare for a struggle such as we have no conception of yet.

To return to the velvet industry. A gentleman—a stranger—wrote to me from the South about a month ago, saying that he had heard that I was succeeding in velvet weaving, and that, as the town where he resided used to be the centre of a large velvet trade, which of late the French and Germans had annihilated by cheaper labour, he thought it was a fine opportunity for me to extend my business by going there, as there

was a large number of trained weavers who were all but starving, and the town was in a decaying condition, and altogether everything was in a most deplorable state. Look at Coventry ; look at our glass trade ; indeed, I may say in a word, look at all our trades, without exception.

Mr. Barran, M.P., who, I suppose, is an authority in trade matters, and is a great Free Trader, spoke on the 6th of June in the following terms:—"For thirty-five years there had been no period so distressing and discouraging (just what we might expect from Free Trade) as at the present, and though he had tried his best to discover a break in the clouds, he must confess that he could not discern any." May I not well say that the blind leaders of the blind cannot, and will not, see the cause of our ruin ?

I see from the papers that it has been announced by the French Minister that it is not the intention of the Government to make any change in the present treaty, excepting so far as it relates to cottons. How kind! Seeing that they have under the former treaty entirely destroyed our silk trade, and have also under that treaty increased their exports of silk manufactures to England from £580,000 before the treaty to from nine to ten millions last year, while we have the additional blessing of about five millions from other countries, I think they may well be content with their share of that trade, as practically we have now got none left. And now for worsted and woollens. I can only refer to the return for 1877, as that for 1878 is not, so far as I know, published yet. They sent us in that year £3,858,000, and we sent them £3,073,000, so that in that in that branch of industry they sent us more by £800,000 than we sent them; and I have no doubt that when the returns for 1878 are published we shall find that whilst they have been gaining ground we have been losing; and as they charge duty upon all we send them, and "the craze" admits

all their goods free, I think they may well be content with that part of the bargain also. But we must come to cotton. We sent them in 1877 £2,649,000, against their £692,000, or two millions more than they sent us.

Now it it is these two millions of cotton goods that they intend to handicap with further duties, and then they think they will almost be Free Traders. And this is Mr. Forster's promising convert! They have destroyed our silk industry under the old treaty, and have further shaken Bradford to its foundation, for it will only require another decade to make it a second Coventry. We might as well fight against the winds and the waves as fight against 72 hours with 56.

I am perfectly conscious that for the present we can and do send to France low lustre goods—alpacas and sundry other makes of goods special to Bradford; and this we most probably shall do for some time to come, but it is only a question of time, Just as I shall exist at Manningham by sufferance until the French can build mills, mount machinery, and train work-people, so the Bradford trade will exist by sufferance, and by sufferance alone. The French have got the best end of the trade, and have had it for several years, snd thus, whilst Bradford is going to ruin, Roubaix is growing rich. It forcibly illustrates an incident in my past life. When I had mastered the combing of fine wool the hand-combers said in their pride, "But you cannot manage Lincolnshire hogs." The boast was soon taken out of them by my mastering everything. Why did I master fine wool first? Because it paid best. At that time it cost 2s. or more per lb. to comb, and I brought it to 3d. or 4d. When I say I, I never forget my friend and co-worker Donisthorp.

And so now in the Bradford trade, Saltaire and Queensbury may think that nothing can shake them in cheap goods; but let me warn them that cheap labour and long hours will and

must prevail. The French having the most profitable part of the trade, fine wool, may rest contented, and see Queensbury and Saltaire surely but slowly losing ground. I ask what is easier to destroy than a trade in cheap goods, which is just what Bradford prides itself upon, in which there is not the slightest morsel of artistic taste or intelligent labour. Long hours and cheap labour must and will inevitably win the race in the production of such goods; it is simply a question of time. Not so with goods made with artistic taste, in which the French excel; for here the cheap labour and long hours are comparatively of no consideration.

A cheap goods trade, mounted on the rotten foundation of short hours and dear labour, is like a house built on the sand, that the first wave of competition will sweep away; and, mark my word, Bradford and its glories will soon be a thing of the past. If I were selfish, I might say the sooner the better for me, because as each firm goes to the wall, I gain by it, as it gives me cheaper labour. In this, as in most things, on the Darwinian principle that the fittest will live, I am prepared to stand the coming storm as well as most. France has every element of success—taste, long hours, and cheap labour, but, above all, artistic taste and skill in the manipulation and blending of colours. She fails in nothing but one thing, which may mar all her prospects of success—that is, political stability. In that, and that alone, we excel her. Under a constitutional Government we have the first element of success, a well-assured and certain future—this, is, so far as the Government is concerned. I can only say in conclusion, that I should never dream of making a fresh treaty, but I should put a duty upon all imported textiles, and then we might possibly have some chance of meeting our competitors. at least in our own market.—I am, &c..

S. C. LISTER.

P.S.—In my concluding letter I propose to deal with the American tariff; but meanwhile, just one word to the operatives. Mr. Guile, who is very guileless, when addressing the engineers on strike in London, spoke as follows :—"They were told that unless they came down to the figure of continental wages the foreign competitor would beat them out of the market and get their work. He for one said, 'then God send it to them.' Rather than see English workmen come down to live on a bit of black bread, a handful of grapes, and a drink of sour wine, he would say 'Let the work go.'" Instead of talking nonsense, let them consider the following axioms :—1st, Labour cannot compel capital to employ it. 2d, Whether the workman eats white bread or brown, or drinks sour wine or beer, capital will only employ labour as long as it is remunerative, just so long, and no longer. 3d, Capital, when not remunerated, goes into bankruptcy, and labour to the poor-house. These are very simple laws, which any workman can understand if he will.

Manninghar: Mills, Feb. 22, 1879.

4.

Free Trade and Reciprocity.

To the Editor of the "Bradford Daily Chronicle and Mail."

SIR,—I may at once say that I cannot pretend to answer—at any rate at present—all the questions and criticisms of friend and foe, as I should thereby weary your readers and spoil the continuity of my arguments and the force of my reasoning. I have, however, much pleasure in answering the question of Mr. Maskery, as it touches a point upon which I wish to be thoroughly understood. I have before pointed out, somewhat exhaustively as I think, that the 23 millions of textiles now imported should pay a duty on fiscal grounds, and on fiscal grounds alone; but, at the same time, if the tax were levied judiciously, our domestic manufactures should and would derive immense assistance from it. The Chancellor of the Exchequer would, of course, only looking at the revenue, wish to have as many goods as possible to tax—the more the better, so far as he was concerned; and he would fix the duty as high as possible, as long as it did not interfere with their importation. Then Mr. Maskery asks—How should I and my workpeople benefit by it? A wise Chancellor would so adjust his tax as entirely to stop the increase, and slightly to decrease our present importations, in the following manner:—Supposing, with a duty of 20 per cent. on 15 millions (our present importations of silks) he obtained three millions, and he found that the importations did not in any way decrease, he might move up the duty to 25 per cent., and then most probably he would find a considerable falling off—say to

twelve millions. Still, by the higher duty he would lose nothing, as he would still obtain his three millions, but with this immense difference—that he would greatly benefit and stimulate the silk industries of England, which would have to make up the difference between fifteen and twelve millions. I do not bind myself in the least to these figures, as I only use them to illustrate in the shortest possible manner what should be our future policy.

Hitherto I have confined my remarks exclusively to textiles, but let me now point out that there are many articles of luxury other than textile that should undoubtedly come within the Chancellor's grasp. I will enumerate a few, those that occur to me at the moment, the figures being those of the year 1877.

	From France alone.	From all countries including France.
Glass beads	—	£66,260
China and porcelain ware	£175,399	279,888
Clocks	314,325	513,387
Embroidery and needlework	—	84,609
Ornamental feathers	328,428	873,192
Artificial flowers	544,625	588,828
Lace	439,255	521,384
Gloves	1,140,941	1,518,557
Musical instruments	289,613	615,702
Furs	—	699,317
Sealskins	—	246,533
Watches	16,636	504,164
	£3,249,222	£6,511,821

From this it will be seen that we have an additional sum of six and a half millions (the half of which quantity France alone sends us), making a grand total, including textiles, of upwards of thirty millions. As I have before shown, on textiles we might raise four millions, and by means of the articles enumerated above, we can add another million, making together five millions. Is this to be despised as the proper and fair contribution of luxury to the public purse? Will any man living say that all the articles above enumerated (and there may be others) are not fairly and justly the very things to tax? I ask in the name of the workman, the widow, and the orphan, why should their tea and coffee, and the labourer's pipe, almost ois only luxury, be taxed and these escape? I suppose I shall

be told that there would be an end of Free Trade. Perish Free Trade if it leads to nothing but injustice and wrong. Is the poor widow to pay a tax on her cup of tea, and luxury to escape unscathed? Shall luxury flaunt in silks, lace, and feathers, and contribute nothing to the exigencies of the State, whilst the poor man's pipe is taxed?

But there is something more to be said on this great question, something of a far graver and deeper meaning. Shall the producer, the workman, be sacrificed for the benefit of the rich man, the consumer? Is not this the Alpha and Omega of Free Trade—that the consumer, and he alone, has to be considered? Then, again, I say perish Free Trade if it is to make the rich richer at the expense of the poor. Shall the poor sempstress pine to death in her garret for lack of work whilst luxury has her gloves from Paris duty free? Shall her wail go up to heaven for bread whilst our markets are flooded with that which otherwise would give her abundant work and wages? Can such a scandal continue, such an outrage on common sense? Is this what England has come to by the Free Trade craze? Working men of England, what say you to this? Say nothing, but prepare your votes, as the election must be close at hand. Those must be your weapons wherewith to vindicate the right of labour to be considered before the rich consumer.

I have said before in my first letter, and I again repeat, that the fine old English gentleman, and I am sure I may say the ladies too, when they thoroughly understand the question, will not only sympathise with, but will heartily support the cause of the British workman and workwoman.

And that great man, the Prime Minister, one of the leading spirits of the age, if not its greatest leader, with a voice almost prophetic, denounced Free Trade and all its delusions twenty years ago in the following words:—"Reciprocity is the only principle on which a large and expansive system of commerce can be founded. Reciprocity is, indeed, a great principle. It is at once cosmopolitan and national. The system you are

pursuing is one quite the contrary; you go on fighting hostile tariffs with free imports, and the consequence is you are following a course most injurious to the commerce of the country, and every year at the commencement of the session you come down not to congratulate the House and the country on the state of our commerce, but to explain why it suffers, why it is prostrate. And you seem yourselves happy on this occasion to be able to say that it is recovering—from what? From unparalleled distress." So spake the clearest head in England.

Let Lord Beaconsfield be supported by the voice and, above all, by the votes of the working men at the coming election, and, with his firm hand and resolute will, all will be changed, and our decaying industries will once more flourish with renewed vigour and life. Let the workmen remember that they are fighting for bread, for dear home, and those dependent upon them. I know I am assailed on all sides by the "blind leaders of the blind," who cannot even make a pretence of answering my arguments, but who in their impotent rage do nothing but impute low and selfish motives to me. I heed them not.

I can point with pride and pleasure to a grey-headed band of fellow-labourers who have worked with me through many a long year—who have seen me, like themselves, shirk no work; and I ask them if I have ever been selfish, or if capital has oppressed labour.

They know well, as I know, that Manningham has had its difficulties and its struggles, and that if I am now in a degree more flourishing than some of my neighbours, it is altogether through superior mechanical ability, which has made England what it is, and made Manningham what it is.—I am, &c.,

S. C. LISTER.

P.S.—I have been so overwhelmed with correspondence from all parts of the country that I have been unable to turn my attention to the American tariff, but hope to do so next week.

5.

American Tariffs.

To the Editor of the "Bradford Daily Chronicle and Mail."

Sir,—Having sufficiently, as I hope, pointed out in my former letter the importance and advantages to accrue from imposing duties upon all imported textiles and other articles of luxury—first, on fiscal grounds, and, secondly, because they would greatly assist our home industries, a course which would in some measure regain for us our home market—let us now consider what can be done in order to obtain just and honourable treatment by foreign countries.

It is evident that England cannot supply her increasing population with food; it is also clear that she must make up the deficiency either from her own colonies or from foreign countries. There is no lack of corn in the world; she can have all she requires and to spare. We draw considerable supplies from India and our own colonies; but as we send them large quantities of manufactured goods in return, the balance of trade adjusts itself, and all parties derive great benefit by the exchange. Unfortunately there are two countries, America and Russia, who also send us considerable quantities of cereals and other farm produce, whose policy it is to shut out as far as possible by prohibitive tariffs all our manufactures. In consequence of this we are prevented from paying for our purchases from

them with the products of our industries, and are compelled to pay with gold or its representative. It is evident that this treatment is not only unjust and one-sided, but highly detrimental to our national well-being, and must eventually produce very serious results. We may for a time, as we are now doing, live on our capital, but if we are to prosper it must be by paying for our food supplies with the product of labour, or serious consequences must eventually ensue. If no steps are to be taken to prevent our being treated all round after the fashion now adopted by America and Russia, our national resources must slowly but surely waste away. Our statesmen must be perfectly conscious of this, but hitherto they have failed to grapple with the difficulty.

Lancashire has much to answer for, having been the first to propagate "the craze." Lady Cotton bounced and flounced in the days of her prosperity, and being purse-proud had many admirers. She told the world that she was a Free Trader, and being the leading article she carried all before her, as she was able to stand the bracing air of competition, as it is somewhat euphoniously termed. She quite forgot in her haughty pride that there were hundreds of other industries that would be killed by the Free Trade air; amongst others, her far more ladylike but delicate sister, Silk. She, poor thing, has come to an untimely end; but I do not believe that Lady Cotton has dropped a tear at her grave; indeed, she rather despises and scouts her because she could not stand the bracing air that was supposed to agree so well with her more robust but vulgar sister.

In France we see another lady, but of far more style, rank and fashion, who gives herself quite as many airs as Lady Cotton—only they are rather more genteel—and, like her, flounces and bounces, and says she is a Free Trader. Allow me to introduce you to the very charming Free Trader, Lady Silk. She has, however, a little decrepit sister called "Waste Silk." Manningham wishes to give her a little Free Trade

medicine, Dr. Protection says that such poisonous drugs would kill her, so the doctor takes care of her with a "little duty," which it is his duty to do. What a sham this Free Tradeism is! But there is yet another Free Trader—Lady Light Bordeaux. She poses with Lady Silk, and is only too glad to give "Gladstone claret" for British gold. It is no use, Lady Cotton, your pouting and sulking; they are just as much Free Traders as you are, and for precisely the same reasons—because they think they can beat the world. Your and their Free Tradeism (as the 'cute Yankee calls it) is the hollowest sham that ever was attempted to be palmed on the world. You are all Free Traders just as long as it suits your purpose, and not a day longer. It is self, self, and nothing but self from the beginning to the end. Cotton cares not a straw if every other industry in the country is destryed so long as she flourishes; and England is being ruined to suit her Free Trade greed. But mark my words, her day of reckoning is coming, if it is not already at hand. [Enter the Ghost of Poor Silk and the Avenger.] The Ghost speaks thus: "Let me take up my parable, and tell Lady Cotton what shall happen to her in the latter days. She shall be stripped of all riches, honour, and power. She shall be the scorn of all nations, and the laugh of the world, and in the future she shall be known as 'Poor Betty Cotton,' because in the days of her greatness she murdered her sister Silk; and her great Captain Cobden shall be known through all history and all time by the ignoble title of the 'Greatest False Prophet' that ever lived." So speaks the Ghost, and vanishes into thin air, and the grim Avenger solemnly adds "Amen." Let me sketch him —A lean, tall, sallow, lanky, straight-haired, round-shouldered, 'cute, inventive, resolute, never-to-be-beaten, mocking Yankee. What says he? "One thing you can depend upon, the Americans will never be 'converted' to Free Tradeism until they can beat you on your own soil. It is preposterous to upbraid your cousins for taxing your manufactures, while English manufactures are taxed in every part of the world. Where England's

Queen is Empress, in Germany, France, &c., all are moving towards Protection; each country legislating from its own standpoint, ignoring altogether the beautiful theories of Free Tradeism of Englishmen. You can open up Africa if you like at a cost of millions, and when you have done so we Americans can follow in your track. You cannot grumble, as you are a free trade people. O, where is the genius of Old England? Why, it is 'tied up in a bundle of red tape in a narrow passage between lunacy and bankruptcy;' that was very well put by the textile manufacturer." So mocks the 'cute Yankee. He is not to be deluded by the "Free Trade craze." He sees through the hollow sham of Lancashire, and despises it and laughs it to scorn; and rightly so. Upon the same principle the fox is a Free Trader if he could persuade the geese to allow him to come among them. But how about the hounds, who are free traders in fur? If Lancashire could persuade France, or any other goose, to be her victim, then she would be happy; but, alas it is all in vain,—she meets nothing but hostile tariffs. When you can persuade the lamb to lie down with the lion, then Free Trade may be possible, but not till then. Self-preservation must be the law of nations, as it is the universal law of nature, and all nations are moving in that direction, in spite of Free Tradeism to the contrary. Even our ancestor, the oyster, the little bivalve, offers the shell of protection to the greedy Free Trader who wishes to devour it. The gobbling turkey would be happy in devouring ants by the thousand, were it not for the avenging knife of the cook. So Lancashire would be happy to gobble up the busy ants of other nations; but behold the time is not far distant when she may ask for protection against the Avenger. What said another Yankee of a higher type—General Grant—"In ten years we shall be Free Traders, and you Protectionists." And, mark my words, he will not be far wrong. He will not be a false prophet like Cobden; it is simply a question of time, and that not very distant. Lancashire is already feeling the beginning of the end.

An American paper (*Leslie's Illustrated News*, February 1st, 1879), says :—"Then as to the cotton manufacture; not a great while ago England had a virtual monopoly of that industry. She purchased our raw cotton and sent it back to us in cloth, the industry attaining prodigious proportions. She had a market in India and China from which as from ourselves enormous profits were derived. Tens of thousands of operatives found remunerative employment in her factories and mills. Now the United States make their own cotton into cloth and are beginning to supply England. In China our cloths are so much better than the English that we are taking the market. English mills are imitating our American trade marks," and so on, and so on. I wonder how "Poor Betty Cotton" likes this! The "Avenger" likes it much; and then it goes on as follows:—"What is to be the outcome of this terrible state of affairs? Where lies the remedy? These are questions that provoke wide discussion in the British newspapers and among British publicists. The balance of opinion appears to be that the only effective relief will be found in the emigration of the surplus population of the working and operative classes." Then I say if they are to emigrate, let it not be to America, the country that is doing its best to ruin us, and will do in spite of fate, unless there is a change in our policy. Mr. W. F. Ecroyd, of Lomeshaye Mills, Burnley, in a very thoughtful and in every way admirable letter of the 3rd inst., published in the *Bradford Observer*, points to this remarkable fact that our Australian colonies, with only two millions of inhabitants' purchase more from us than the United States with forty millions. He says: "What, then, are the capabilities of our colonies either as customers for our goods or as growers of food? In the year 1877 (the last for which I happen to have the returns before me) our Australian colonies, with two millions of inhabitants, purchased our exports to the value of £19,285,000, while the United States, with about forty millions of inhabitants, purchased only to the value of £16,376,000. In the same year the Dominion of Canada with

Newfoundland, containing four millions of inhabitants, took from us exports to the value of £7,613,000. whilst Russia, with nearly eighty millions of people, bought only to the extent of £4,178,000."

Thus it is evident that our colonies are of vastly more importance to us than foreign countries, and that we should in every possible way support and encourage emigration to our own dependencies rather than to America, from whom we have everything to fear and nothing to gain. Not only that, we should further encourage them, by discriminating duties, to send us the largest possible supplies of grain in return for our manufactures, and at once attack America in her vital point by putting a duty of 10 per cent. upon her cereals and other farm produce.

Mr. Inloes, an American by birth, but a true Englishman in feeling, and one who thoroughly understands this grave question, has recently published a letter, in which he says: "If we passed laws discriminating against her productions of grain, flour, meat, and other provisions until she gave us Reciprocity, but a very short time would elapse before the minds of her people would be awakened to the necessity of modifying her duties, because her people would soon feel the pressure. Why not do it? We have the power, because we are her largest customer. She can't eat her surplus. Our object would not be more selfish than is permitted and justified in the every-day life of individuals, and nations are but an aggregate of individuals. If it did not effect the object, we could return to our present position at any moment. If the principles of Free Trade are correct and beneficial to all nations, then a pressure on our part, if it accomplished the object of inducing nations to practise Free Trade, will be of benefit to them. Would not the end justify the means? Are we afraid of being suspected of being unfaithful to our declared convictions regarding Free Trade? If so, we can show the world our consistency, by declaring that as soon as any nation reciprocates that, our discrimination will be removed.

I know I shall be met by the statement that our own people will suffer from having to pay higher prices for provisions and bread. True; but is it not better that we should suffer for a time than continue as we are? Will we not have to suffer more from the prostration of our industries, low wages, &c., than if by the revival of those industries we can earn better wages, even if we have to pay more for the time for our bread and provisions? Did we not suffer for principle's sake in the cotton famine? Can we not fight a battle for Reciprocity, even at the expense of a temporary suffering? Are we afraid we will be involved in a war of tariffs? Suppose we are, what nation can afford to be involved in such a war better than Great Britain? We are the great consumers, and possess the power of making discrimination felt by every nation, more than any other nation, and, I might add, than all other nations united. The United States, although the largest exporters of food, are not the only exporters. During the time we were discriminating against her provisions, we could be drawing supplies from the rest of the world without charging any duty. If we conquered in the fight against the United States—as I have no doubt we should in a very short time—and induced her to materially reduce her present duties, we could then turn on France and attack her with similar weapons, bringing them to bear on her weak point, and by degrees attack each nation in detail. Divide and conquer is a true axiom in war: discriminate against one nation at a time."

I thoroughly agree with every word that Mr. Inloes says; and when we have brought America to her senses, I would attack Russia next, and put discriminating duties on her cereals and farm produce. But let it be clearly understood that I am opposed to taxing raw materials used for manufacturing purposes. Mr. Inloes says, and very truly, that she (America) cannot eat her surplus; it must come to us either at one price or another. I have already quoted a 'cute Yankee, and what he had to say about Free-Tradeism; also a more

notable one, General Grant; and now for one of what I suppose we must consider the highest type. In the *Times* of the 22nd February, 1879, there appeared the following most amusing bit of bluster:—"The export trade in cattle (from America) has now assumed such vast proportions that any interference with it is sure to cause wide-spread loss and *even ruin* among the farmers of the North-West, and unless such interference can be shown to be justified by the strictest necessity it is likely to impair."—What do you suppose it is going to impair? The British workman's health, from not having his proper supply of beef? Oh, no, only—"the *entente cordiale* at present existing between the two nations to a serious extent." Signed, "An American Diplomatist." Verily I may say as his brother Yankee has said, "Oh, where is the genius of England? Why, it is tied up in a bundle of red tape, between lunacy and bankruptcy." "You cannot grumble, as you are a Free Trade nation." So mock the avengers! I would say in reply to that threat, *Fiat justitia, ruat cœlum;* and I would, without a moment's delay, compel justice from America, or I would know the reason why. It is evident to the meanest capacity that we have the power. Why not, then, at once show that we are not a nation of women; that, amidst the mad folly of Free Tradeism, we are not all "empty sacks;" that we are no longer to be led by the "blind leaders of the blind;" that Cobden, the "greatest false prophet" that ever lived, is not for ever to delude the nation to its ruin? If, simply by imposing certain rules to prevent the spread of the cattle disease, pleuro-pneumonia, we are to bring the North-Western States to ruin, and we are to be told by "Diplomatist" that we shall destroy the *entente cordiale*, I for one say, the sooner the Americans are brought to their senses the better. Consider for one moment, we are importing from America seventy-seven millions, against about sixteen millions of exports; and yet we are to be told by "Diplomatist" that, unless we remove such restrictions as we think desirable to prevent the cattle disease from spreading, the

entente cordiale will be interrupted! No man living could have written such a note had he not known that the country was in the hands of the "blind leaders of the blind," backed up by a set of "empty sacks," men with no reasoning powers, men who are patriots to every country but their own, of the true John Bright school.

Surely there is a little manhood left in the country. There are some left who have reasoning powers, who are not afflicted with the "craze." I must appeal again to the "clearest head in the country" to see that justice is done to our ruined industries, and if America cannot be brought to reason in any other way let us at once impose a duty not only upon her cattle but upon all her farm produce, all her cereals. If the shoe already pinches let it pinch a little harder, and then we shall see what the mocking Yankee says. I know well he will respect Old England the more if we show that we are not all "lunatics," and that those who are determined to have right and justice, even if it should lead to a war of tariffs, are not to be trifled with.

In 1868 the foreign supply of food was one-fifth of our whole consumption. Last year, 1878, it was rather more than one-fourth of the whole, and from America we received one-third of that fourth, or equal to one-twelfth of the whole. Supposing on that twelfth we were to impose a duty of 10 per cent. it would scarcely affect our prices, but it would be ruin to the farming industry of America. It would undoubtedly to some extent increase the price of food in this country, but only to a trifling extent.

Then let us see what we should gain by that trifle. 1st, we should break down the most obstructive and shameless tariff in the world, and to my mind it is worth ten times the amount to enforce justice. 2nd, we should, at least in some trifling degree, benefit our agricultural interests, and surely they are entitled to some consideration. When the farmer is thriving and prosperous, we, the manufacturers, immediately feel the beneficial effects. Remember, it is not proposed to put

this duty on for the benefit of the agriculturalist, but for the benefit of our great manufacturing industries, and if the farmers should reap some advantage in consequence is not that an additional reason why we should attack America? 3rd, It would encourage the growth of corn in our own colonies, which is very desirable, seeing that, as I have already shown, they are our best customers. If some plan could be arranged by which their cereals could be admitted free—whilst all other foreign farm produce was taxed—and in return they should admit our manufactures free of duty, I think it would be greatly to the advantage of both parties.

It is my opinion that the manufacturing, commercial, and agricultural classes would give a united and hearty support to any Government that would resolutely face the difficulty. But to be successful they should be aided by the working man, who is quite as deeply interested as any other class—perhaps more so. The American is ready to suffer some loss—indeed, I may say a very heavy one—that he may build up his domestic manufactures; then, I say, why should not we submit to a temporary and trifling loss to prevent ours being ruined? Are we less patriotic? I cannot think that we are "all patriots to every country but our own." The American policy is to starve and destroy, as far as it is in their power, all our industries, in order to foster their own, and unless they are checkmated, they will undoubtedly in a short time place us in grave difficulties. As the tax on American produce would only, I fully believe, be very temporary, the Chancellor of the Exchequer might, as some compensation to the working classes, remove the duty from tea, coffee, &c. In that way they would have no reason to complain, and the revenue would not suffer.

I am, &c., S. C. LISTER.

Manningham, March 9th, 1879.

P.S.—Let me call the attention of Lancashire to this great fact, that Mr. Morley, at the meeting in London three weeks ago, stated that he was selling thousands of pieces of American cotton goods, and that similar goods made in Lancashire remained in his warehouse unsold.

THE COMMERCIAL ADVANTAGES OF FEDERATION.

AN ADDRESS DELIVERED BEFORE

The Royal Colonial Institute,

ON THE 14TH MARCH, 1882,

SIR JOHN COODE

IN THE CHAIR.

BY

WILLIAM J. HARRIS, Esq., F.S.S.

(Extracted by permission from the Journals of the Institute.)

EDWARD STANFORD, 55, CHARING CROSS, LONDON.

1882.

HE COMMERCIAL ADVANTAGES OF FEDERATION.

HINK it is unnecessary for me to enlarge on the fact of there being general desire on the part of the inhabitants of Great Britain and o of our Colonial population in all parts of the world for a tighten- of those cords which bind us to one another. Paper after per is read at these meetings testifying to the feeling which ists on both sides, and I believe that it has no distinction in rty politics. There is therefore no necessity for me to trespass politics, even if such a thing were allowed. I have no doubt at if it were put to the vote of all Englishmen in all parts of the rld, whether home or Colonial, that there would be nine in favour the union of the Empire where there would be one against it. Sir Henry Parkes, the Premier of New South Wales, bore tness to this in a speech he made in New York during last month, d predicted that the natural future of Great Britain and her lonies would be that of complete Federation.

I must, however, look a little beyond that feeling of sentimental fection and mutual consideration which finds such ready expres- on at these meetings, and see if there is some underlying bond of terest which, by being strengthened, would for ever set at rest all lk of separation of any one of the component parts of the Empire om the others.

I give below some figures from the official returns showing how e exports from this country have grown more with our own olonies than with other countries during the last twenty years.

SUMMARY OF THE VALUE OF EXPORTS OF BRITISH PRODUCE AND MANUFACTURES, EXCLUSIVE OF FOREIGN AND COLONIAL, DISTINGUISHING FOREIGN COUNTRIES AND BRITISH POSSESSIONS, DURING THE LAST TWENTY YEARS.

	Period. 1861-65	Period. 1866-70.	Period. 1871-75.	Period. 1876-1880.
FOREIGN COUNTRIES:—	£	£	£	£
Europe	275,864,491	366,349,291	512,431,174	407,597,163
America	167,594,423	225,584,969	280,929,845	184,635,220
Other Countries	53,249,925	94,850,398	84,825,262	76,557,753
Totals	£496,708,839	£686,784,658	£878,185,781	£668,790,136
Increase over preceding period	—	£190,075,819	£191,401,123	—
Decrease over preceding period	—	—	—	£209,395,645
BRITISH POSSESSIONS:—	£234,879,604	253,070,067	321,374,689	337,201,053
Increase over preceding period	—	18,190,463	68,304,622	15,826,364

RECAPITULATION.

	£	£	£	£
Foreign Countries	496,708,839	686,784,658	878,185,781	668,790,136
British Possessions	234,879,604	253 070,067	321,374,689	337,201,053
Totals	£731,588,443	£939,854,725	£1,199,560,470	£1,005,991,189
Increase over preceding period	—	£208,266,282	£259,705,745	—
Decrease over preceding period	—	—	—	£193,569,281

On examining these figures, the increasing importance of our Colonial trade becomes at once conspicuous.

Thus in the five years, 1876-80, the decrease in our exports to the rest of the world amounted to £209,395,645, compared with the previous quinquennial period, while the exports to our Colonies advanced £15,826,364. This increase is the more important seeing that prices of all our exports were very much lower. Probably if the prices of 1871-5 had been maintained, the increase might have been 100 millions instead of 15 millions. It must also be borne in mind that our exports to the Colonies consist almost entirely of manufactured goods, and that they, therefore, represent a much larger employment of labour at home when compared with those of the rest of the world. My object this evening will be to show that by a federation of all commercial interests the rates of increase might be not only maintained but enormously increased.

The great example which we have of successful Federation is that of the United States. The Northern States saw the immense importance of Federation in 1864, when the Southern States declared their independence. It is well known that the question of slavery alone would never have caused the North to spend all the blood and treasure that was then spent, and to burden the nation with a debt amounting to £500,000,000. Had the South been successful

and established her independence, the Western States, as well as California, would probably have followed suit, and there would have been four little kingdoms instead of one great Confederacy. Capitalists would have held back from investments, tariffs would have been imposed here and altered there, and trade and agriculture would have shrunk into narrow compass. This is what President Lincoln and the other statesmen of his day foresaw, and every farthing spent has been most amply repaid to the people, as I shall show by a few statistics mostly collected from American sources. It may be said that the American Union has within itself almost as many differences of climate and soil as Great Britain and her Colonies. The mineral wealth is probably about equal, the better quality of the coal and iron found in England being balanced by the larger quantity of more precious metals found in the great mines of the Rocky Mountains. The commercial policy of the States has been the same as her political. To build up a world within a world has been the aim of almost all her eminent men. The agricultural capacity of the country has been the groundwork of its wealth. Firstly, the cotton crop, which was the special industry before the civil war, and afterwards the cultivation of grain, which has brought population to the Far West, have both played into the hands of the national policy.

In reviewing the commercial growth of the American Union I shall to a great extent confine myself to a description of the great extension which has taken place in farming in the Western States during the last two decades. Being myself an importer of corn from all parts of the world, I feel more capable of giving correct views in regard to this business than to any other. In 1860 the Western States were very thinly populated, and the communications required for bringing this fertile tract into usefulness were mostly unmade. The land was known to be extremely fertile, and the making of railways has converted what was almost valueless into enormous national wealth. This extension of the railway system has been at the bottom of the great prosperity of the United States. The fertility of the land brought the railways; the railways produced the agriculture; the agriculture brought the increase of population; the population formed the towns; the towns made the commerce, and the commerce made the prosperity of the manufacturing centres.

This is the reasoning that has made Americans protectionists. They consider their own Federal Union is a world within itself. With nearly all the products of the globe produced at home, they consider they can exchange them among themselves more profitably

than they can exchange with other nations, with many necessary charges added. They practice the most complete free trade between all parts of the Union, and if there were no other country in the world the United States alone would prove the soundness of the views of Adam Smith.

Agriculture has, however, thus far been developed at a greater rate than manufacturing industry, and hence they have a surplus for export, which has increased enormously during the last five years.

Senator Morrill, in his speech on the Tariff question in the United States Senate, on December 8, 1881, made use of these words: "Agriculture has made immense strides forward. The "recent export of food products, though never larger, is not equal "by twenty-fold to home consumption." According to his opinion, therefore, the great Federal Union does not seem to be in any large degree dependent on exports of food. If the food exported only reaches one-twentieth part of that consumed there would be no very serious loss if the export ceased. I am, however, disposed to doubt the correctness of this opinion. I believe that it would take America some years to recoup a serious diminution of her export trade in food. Her export trade in cotton is comparatively secure to her. No country in the world has such advantages for cotton culture, and the peculiar quality grown becomes a necessity in the manufactures of older countries. I will now give a few figures, showing the increase in wheat culture. The acreage under wheat has increased from 19,900,000 acres in 1871 to 36,000,000 acres in 1880. The export has increased in a still more important ratio, viz., from 5,000,000 quarters in 1871 to 21,000,000 quarters in 1880.

The increase both in acreage and exports of maize or Indian corn is in like proportions. It is therefore quite evident that agriculture has made greater strides than any other industry, seeing that the produce is far more than can be consumed.

Comparing the increase in land under wheat with the increase in railways opened, it is remarkable to see how the one has kept pace with the other. Thus in 1870 there were 46,000 miles open, and in 1880 nearly 90,000 miles. The progress in this country for the same period has been from 15,500 miles to 17,900, or only 2,400 miles here against more than 40,000 there.

As regards the increase in national wealth during the decade, I take the following extract from Senator Morrill's speech: "Our "aggregate wealth in 1860 was 19 billions of dollars, but is esti- "mated to have advanced in 1880 to over 40 billions." It is probable that the national wealth now amounts to close upon 10,000 millions

of pounds sterling. The American plan of calculating national wealth is, in my opinion, more correct than that adopted by Mr. Giffen and other political economists in our own country. They simply take the value of everything existing in America, and reckon nothing for investments of their citizens in other countries. In Mr. Giffen's calculations all the investments of Englishmen in America are computed as national wealth, but it is very difficult to understand how such wealth could possibly be made available for national purposes.

The next point to notice is the increasing independence of the wage-earning classes.

In 1860 the number of workpeople, men and women, employed in cotton manufactures, was 122,000, and their earnings were 24 millions of dollars; while in 1880 there were 175,000, and their earnings were 42 millions of dollars.

In 1860 the number of men and women employed in the woollen industry was 41,000, and their earnings were 9½ millions of dollars, while in 1880 the number was 140,000, and their wages 47 millions of dollars.

Wages in all other occupations have advanced in a similar way. The cost of living is in some respects considerably more than in this country, and in other respects very much less. In all probability a working man can live about as cheaply there as here, but he has more to spend, and consequently lives better in America. The wages of farm-servants who live in the house, and have everything found except clothes, are more than double those paid in this country.

Pauperism is almost unknown, and the deposits in savings banks are estimated to amount to over 160 millions sterling, or more than double those of England.

Wealth and the good things of this life are more equally divided than in this country, and the population is every week increasing by upwards of 15,000 immigrants, who bring with them little besides the clothes on their backs.

The Public Debt has been reduced from about 500 millions sterling in 1870 to 390 millions in 1880, and the interest thereon from 26 to 16 millions.

The American people depend on their own inherent strength rather than on armies and navies. They value home industry more than foreign commerce, and have nothing but their coasts to defend. They, however, admit the commercial value to a nation of its exports by a clause in their Constitution which prohibits any duties being levied thereon.

In concluding my remarks on the great results of Federal union in the United States, I will now read some of the concluding remarks in the speech of Senator Morrill, made in the Senate only two months since. He says: "England with all her faults is great, "but unfortunately has not room to support her greatness, and "must have cheap food, and be able to offer better wages, or part "with great numbers of her people. I most sincerely hope her "statesmen—and she is never without those of eminence—will "prove equal to their great trust and to any crisis; but we cannot "surrender the welfare of our Republic to any foreign Empire. "Free trade may or may not be England's necessity. Certainly "it is not our necessity, and it has not reached and never will "reach the altitude of a science. Any impost on corn then it is "clear would now produce an exodus of her labouring population "that would soon leave the banner of Victoria waving over a "second-rate power."

It is the latter part of these remarks of Senator Morrill which I challenge, and the rest of this paper will be devoted to an attempt to refute them.

Having shown what an important matter Federal union has been to the United States, I next come to the consideration of the position of this country in regard to her Colonies, and to a comparison of the results which should follow from our adopting a similar policy. The objection generally raised is that the ocean divides us, and that therefore the cases are wholly dissimilar. It is a very shallow objection. Our own skill in shipbuilding and navigating is equal to the enterprise which the Americans have shown in railway construction. It is the industry of all others of which we are most deservedly proud, and the necessity of greatly increased ocean carriage to and from all our Colonies would vastly promote it. Our wealth in iron and coal in England is undoubtedly greater than that of the United States. Our agricultural land in the Colonies is more extensive. In one thing we must confess some inferiority, viz., in the quality of the cotton produced compared with America; but against this we produce tea and coffee, which articles are not produced by America.

Our Colonies are comparatively undeveloped, and therefore no very important manufacturing interests have yet grown up. We should not attempt to discourage any manufactures in them that are likely to lead to a successful home supply, but it would be most unwise to foster by protection those which are not. The ability to produce food and raw materials on the part of our Colonies is the chief point we have to consider, and whether it would be to the

material well-being of both to fuse their interests in such a manner as to make our future trade flow more in one channel than it has hitherto done. There is no doubt about the capacity of England to produce all the manufactures required by the Colonies at the cheapest possible cost, and I have no doubt about the Colonies being able to produce our food supply. I shall review as shortly as possible the agricultural capacity of each of our larger possessions.

INDIA.

Of all our Dependencies India seems likely to do most for us for some years to come. In that vast country we have a population in great part given up to the pursuit of agriculture; about 70 per cent. of the adult males are employed in this occupation—and although the cultivation may be in many cases of the rudest kind, yet it only requires time and the invention of suitable labour-saving implements to improve it greatly. To attempt to alter the present system, and to supplant it by a sudden introduction of English or American machinery, no doubt would be a failure. The Indian farmer is like all others; he knows what his own soil and climate will produce, and he has established a rule of thumb of his own, which science can doubtless improve upon but cannot upset. India is probably at the present time more given up to agriculture than any country in the world. It therefore seems strange that with the demand for imported food which has existed in England for the last twenty years, there should have been so little received from India until the last three or four years. I well remember the first arrivals of Indian wheat in London. When the samples were first shown at Mark Lane the general verdict of the corn trade was that it would never come into consumption in this country. The grain seemed to be nothing but shells, and the flour had been eaten out by weevils. It is perfectly wonderful how this state of things has been improved upon since then. Instead of the grain taking months to arrive at the port of shipment from the interior, and thus being subject in that hot country to the ravages of weevil, it now comes down in a few days. The result has been that we now get all qualities of wheat from Bombay and Calcutta in as good order as we do from the United States. There is a great variety in quality, from the finest white wheat almost equal to Australian, to the coarsest red, which, although selling at a much lower price, produces certain glutinous qualities which could only previously be found in the wheat of other countries, and on which millers in this country were almost dependent. The export from

all Indian ports of the wheat harvested in 1881 will probably amount to 4,500,000 qrs., or more than one-third part of the whole supply required by the United Kingdom; but this probably does not represent one-third part of what India can spare. What is needed is an extension of the railway system into those fertile tracts which lie too far from the trunk lines made by Government. As I have before explained, these lines have been made in the United States with a view of producing their own traffic, population, and towns. How much more successful might they be in India, where the cultivation is already in existence and the population already provided.

It would be presumptuous in me to animadvert on our Indian railway system. The Government has thus far kept nearly the whole of it in its own power. The policy may be right, but to a commercial mind it seems that enterprise is somewhat checked by these restrictions. I am told, however, that no private enterprise would have started the work without Government intervening. The length of railways thus made during the last thirty years in India is only about 10,000 miles. In the United States,on the other system, it is 90,000 miles. The Indian lines have been made in a most substantial manner, and there has doubtless been some gain in this respect over private enterprise in the United States. In India the acreage under wheat is said to be about the same as in the United States, viz., 36,000,000 acres. The disadvantage which the Indian farmer suffers from in competition with the American is dearer carriage. This may be to some extent removed by the speedy construction of railways into all the producing centres. We have refused to foster new industries in India, such as the manufactures of cotton fabrics, greatly to the disgust of many of the natives; let us show them by our future conduct that we desire to foster that great industry which seems to be so peculiarly suitable to their climate and population. Even as a matter of self-interest it must pay our Government. The taxes in India are raised from the land; the average tax on every acre of cultivated land amounts to two shillings, which is calculated to be five and a half per cent. of the value of the produce. By making these railways, and thus increasing the value of the land and bringing a larger quantity into useful cultivation, the Government, at the expense of some little outlay—possibly unremunerative at the first—would prepare the way to a future large increase of revenue, and would lessen the percentage which that revenue would bear to the value of the produce grown. Canals also should be made, wherever practicable, and especially in the districts which are devoted to rice culture. The wheat plant is not so dependent on

rain as the rice, but still the produce is increased considerably in those neighbourhoods which are available for irrigation. There is one advantage which the Indian farmer has over the American: his wants are smaller and his labour is extremely cheap. But against this must be set the ocean freight, which can never be equalised.

By encouraging the construction of public works in India, however, the outward freights from this country would become more active, and steamships could then afford to perform the return journey at a more reasonable rate. The Suez Canal charges alone amount to as much as 2s. 6d. per qr. on every quarter of wheat that comes from India to this country by steamship. Shipowners cannot therefore afford to bring wheat from Calcutta at an average freight much below 10s. per qr., or from Bombay at 9s. per qr. Compared with the freight from New York to Liverpool there is therefore a disadvantage to the Indian grower of at least 5s. or 6s. per qr.

The chief districts in India for the growth of wheat are the Punjaub and the North-west provinces. The Central provinces, Berar and Bombay, are also increasing their growth quite as fast as the facilities for transport can be provided.

The Indian land-tax is a far heavier burden on agriculture than any similar tax in the Western States of America.

AUSTRALASIA.

Australia, Tasmania and New Zealand grow as fine wheat as any country in the world can produce. The climate of New Zealand is especially suited to a large cultivation of all grain; it is less subject to drought than that of Australia. The growth of wheat in Australia has been developed to a considerable extent for many years past. Wheat-farming has not, however, advanced nearly so rapidly as sheep-farming. There are large tracts of land which are excellent sheep-runs, and pay better in that form than in any other. The recent discovery that fresh meat can be brought from the Antipodes in a frozen state has a most important bearing on our trade with Australia. The meat arrives in our docks looking as fresh as the day it was killed; it is then removed into special refrigerating-chambers constructed for the purpose by the Royal Victoria Dock Company, and kept there until sold. As usual with new things there is a sort of prejudice on the part of the butchers against frozen meat, but it is probably made the most of with a view to buy it the cheaper. The recent arrivals have made about 5d. to 6d. per lb., and are said to pay a profit; at all events the shipments continue. Butter is also preserved in the same manner, and it is likely that this will be a great success; I hope that it may

ultimately take the place of the French supply. Wool is the most important export of Australia, and the demand for mutton and wool together will bring into profitable occupation vast tracts of land that would not grow wheat.

There is, however, an immense acreage available for the growth of wheat; nothing is needed but the railways to connect it with the shipping ports. The colonists do not regard wheat as a very paying crop; nevertheless, it is calculated that from the crop just harvested there will be 2,000,000 qrs. to spare for export. Australia, as compared with the United States, stands at a greater disadvantage even than India does. There is, again, that item of freight. It cannot be reckoned at less than 12s. per qr. from Melbourne or Port Adelaide, against 5s. from the Atlantic ports of America. Thus there is a disadvantage attending the Australian supply of about 7s. per qr., and as labour is about as dear in Australia as in the United States there is no set-off on that account. The same disadvantage attends their competition in meat and all perishable products. The cost of refrigerating-chambers on board ship is considerable, and instead of being only for a fortnight's voyage the expense has to be incurred for one lasting about six weeks. The trade is of great value to our mercantile marine, and with an encouragement to railroad development, by which we should have good outward freights for iron as well as inward freights for provisions, it would bring much greater prosperity to us as shipowners than any one-sided trade with the United States is ever likely to do.

The capacity of New Zealand for exporting is at present limited to about half a million quarters of wheat, but, as before said, the climate is more suitable than that of Australia for wheat farming, and there is no reason why the quantity should not increase fourfold when the country has been more developed. English capitalists at the present time even are only too glad to make large outlay both in Australia and New Zealand, and if the political position in regard to this country were strengthened by Federation the flow of capital would be all the greater.

The capabilities of Australia for wine-growing are undoubtedly very great. The late treaty with France acted most prejudicially to that interest; nearly all the Australian wines, being of greater strength, had to pay 2s. 6d. per gallon duty for entering this country, whereas the light wines of France only paid 1s. per gallon. If Australian or Cape wine comes into competition with any British manufactures, such as beer, the duty ought not to exceed the excise which is paid at home. By giving this relief we should stimulate the growth in Australia and the Cape Colony, and give our colonists

every advantage in fostering an industry which will no doubt become a very important addition to their prosperity.

CANADA.

The paper which was read in this Institution last month gave the members a glowing description of the future prospects of our North American dominions.

The province of Manitoba and the neighbouring territory extends over 100,000,000 acres of the finest land in the world. This land is said to be more adapted for the growth of wheat than for any other purpose. Colonel Grant informed us that in order to make it available much railway work had to be done. Canada therefore stands at some disadvantage with the United States. In the first place, the cost of freight from Montreal is more than from New York; and in the second place, the cold is more severe, and shipments cannot be made during the winter months, when the St. Lawrence is frozen.

I took occasion in the discussion which followed the reading of Colonel Grant's paper to animadvert upon the support which the reader gave to the protective policy adopted by the Dominion, more particularly so since an attempt is evidently made to foster certain industries which probably would not succeed without protection as against the Mother-Country. The noble Duke who occupied the chair, explained, when I sat down, that it was impossible for Canada to protect these industries from competition on the part of the United States without likewise protecting them from ourselves. This explanation shows to me how very far we are from Federation with our Colonies. The true principles on which Federation should be based would be those on which the different parts of the United States are bound together—viz., that of the nearest possible approach to free trade amongst all the component parts. England, I fear, has missed the opportunity of complete free trade with her Colonies, but I see no reason why our steps should not be gradually retraced. Where tariffs have been established for revenue purposes, they cannot be at once done away with; the finances of the particular Colony would be disorganised by such an operation, but a gradual process of reduction and ultimate extinction should be adopted. Where, on the other hand, the tariff has been imposed for the purpose of building up special trades, certain circumstances should be taken into account before any alteration is made. The chief thing to consider would be: Has the industry, so protected in its infancy, a reasonable chance of success in its older age?

The disadvantages from which the food producer in Canada suffers in comparison with one in the United States are very small.

No greater difference could possibly be made than about 2s. per qr. in the cost of laying down wheat in England.

If any advantage be given to our other Colonies over foreign countries, Canada could not lay claim to so much as Australia and India. I imagine the general feeling of most Englishmen would be rather to give our colonists equal advantages with foreigners, than to punish foreigners for their sakes.

It is impossible to say what quantity of wheat British North America will be able to supply; the quantities named are almost fabulous.

Commercial Treaties.

Having referred above to the nature of our commercial treaties as affecting Federation with our Colonies, I will now give a few particulars bearing on this point.

At the present time there exist about forty commercial treaties between Great Britain and various other nations, large and small.

I will give the terms of the treaty with Belgium, dated July 13, 1862. The clause regarding the Colonies runs as follows: "Art. XV. Articles, the produce or manufacture of Belgium, shall not be subject in the British Colonies to other or higher duties than those which are or may be imposed upon similar articles of British origin."

This treaty is still in existence. On the 6th August, 1866, the Legislatures of the Australian Colonies obtained power by a special Act of Parliament "to alter, revise, and amend their tariffs; and the same, when so altered and amended, shall be considered valid." Prior to this date all alterations, &c. had to be submitted to the approval of the Queen. It thus becomes a matter of great doubt whether since that Act the Australian Colonies have been in a position to depart from our treaty with Belgium or not. Moreover, by the favoured nation clause which exists in nearly all our treaties with foreign countries, there is very little doubt that every contracting power can claim the same rights as Belgium obtained by that treaty. If this be so it is impossible for the Colonies to grant to the Mother-Country any advantages that all other countries would not equally share in. But now I come to the most important treaty of all, viz., that made with the German Zollverein on May 30th, 1865, and which now exists in the same form with Germany and Austria-Hungary. The Colonial clause runs thus: "In those Colonies "and 'Possessions' (*of her Britannic Majesty*) the produce of the "States of the Zollverein shall not be subject to any higher or other "import duties than the produce of the United Kingdom of Great

"Britain and Ireland, or of any other country of the like kind; nor "shall the exportation from those Colonies or Possessions to the "Zollverein be subject to any higher or other duties than the ex- "portation to the United Kingdom of Great Britain and Ireland."

This not only binds our Colonies to give every facility to the Zollverein which they give to the Mother-Country, but also prevents the Mother-Country from making any commercially advantageous arrangement with her Colonies which she will not equally extend to Germany, and consequently to all other nations which have the most favoured nation clause.

In some treaties the word "Colonies" is alone used; in others "British Dominions," in others "Colonies and Foreign Possessions," and in others "British Territories."

The fact is we have thrown away our powers in the most lavish manner in these commercial treaties, but most fortunately for us they have nearly all reached the date when, by giving twelve months' notice, we can terminate them. It is a most important matter for Parliament at once to investigate, and especially so since the French Government entirely ignores that any of the Colonies have the same interests as the United Kingdom.

Concluding Remarks.

I have endeavoured to point out to you, in the first place, by the example of the United States, what an important element Federation is in a nation's development; and how it brings into play the resources of capitalists, and builds up within a country that exchange of productions which such a country as the United States, and such an Empire as Great Britain and her Colonies, may be said to possess in equal bounty. I have, in the second place, shown what articles of commerce our various Colonies seem to be most fitted to produce, and how, by encouraging the trade in those articles, we should encourage our own home trade at the same time. The extension of railways in a productive country I hold to be synonymous with the increase of its internal wealth, and without railways the finest lands in the world may lie utterly useless. The admission I have been compelled to make in each case where I have compared our Colonies with the United States, is that the cultivator of the soil cannot possibly obtain so high a price for his produce as the producer under equal conditions in the United States, from the one fact that ocean freight is cheaper from New York than from any of our own Possessions. The question therefore arises whether we can redress this disadvantage under which our Colonies labour, and put them on the same terms as other countries, such

as Russia, Prussia, the United States, and all other food-producing countries. A great objection is expressed by most of our politicians of both parties to a tax on food. I do not for one moment share in that objection under present circumstances. The world has applied itself to the production of food in such a wonderful manner during the last few years, that, if it had not been for disastrous harvests in Europe since 1878, there could have been no demand for such enormous quantities as have been sent forward. As it is, the price of wheat during the three years 1878-79-80 was only 44s. 11d. per qr., a price which is considerably below the cost of production in this country, after paying a moderate rent and the burdens incident to agriculture.

There is a law of commerce which has general application, that a failure in the supply of any article is made good to the producer to some extent by a corresponding advance in the price. But this has not held good, and the three years of our worst crops were years of greater cheapness than have been known in the present century, excepting two periods of the same duration, when the low price was caused by enormous crops at home. The question for Englishmen to consider is whether they have bound themselves to an opinion which is to regulate their future commercial conduct against all reason to the contrary. I have endeavoured to show that our Colonies have the means of supplying us with all the food we require, and that they are now competing with the United States and Russia for that supply, although they do so at a great disadvantage to themselves. I have shown that they are able to take from us the materials which are necessary for the almost unlimited extension of this supply. But can Englishmen expect that either of these results will follow unless our emigrants and settlers in those distant lands can make as good a living as they could by emigrating to the United States? We desire to benefit our own flesh and blood, and they desire in return to benefit us. They have proved their ability to produce food as cheaply as we could possibly wish to have it. Australia has sent us her mutton at 5d. per lb., India has sent us her wheat at 40s. per qr., Canada has sent us her beef at 6d. per lb. What more do we want? Is it good policy to make food any cheaper than this? Can our home supply be kept up in this country if we do, and if we reduce it further is there not a great political danger hanging over us? To come to plain speaking, I would propose that we invite all our Colonies to enter a Federal Union, on the understanding that a compensating duty is levied on the imports of wheat and meat from other countries, so that the Colonial exports may yield as good results to the growers

as those which come from Russia and America. I would allow them to charge import duties as against foreign countries, if they wish, in excess of those charged on our own manufactures ; but they must make a gradual reduction in their tariff as regards ourselves. I much doubt if we require any protection with them as against foreign countries, but the right ought to be reserved.

When Mr. Cobden negotiated the French Treaty in 1860, the French negotiators argued that free trade on equal terms was impossible, as England had some advantage in coal, &c., which the French could never have. It was maintained at the time, that even Mr. Cobden admitted that there was some reason in the objection. Is there not the same reason in the respective position of Great Britain and her Colonies in contrast with other sources of supply ? We are further apart, and the disadvantage can never be made good while our present policy prevails. There is another reason why a tax on these articles of human food would not be at all unreasonable as against foreign countries : the produce of our own land is taxed in various ways to the tune of something like 10 per cent. on its value. On our system of mixed farming this amounts to 4s. per qr. on a quarter of wheat worth 40s. ; ¾d. per lb. on meat worth 7½d. per lb. Why should not other countries pay as much ? The only argument I ever heard against it was that the charges of transport were sufficient protection, but the charges of transport are not now the half of what they used to be from such ports as New York, Odessa, and St. Petersburg. Why should the food coming from these places not contribute to the revenue as much as our own ? We levy the same tax on foreign spirits as we charge by excise on those made at home. Why should we give the makers of gin an advantage over the manufacturers of food ? The argument might still have force against taxing our Colonies where the charges of transport still amount to moderate protection. Surely on such conditions our Colonies would be only too happy to enter and maintain with us a great Federal Union, with local government for all, but also with the way open to their public men to attain to distinction in the Mother-Country. My paper is devoted to the commercial considerations, and I will not, therefore, trench on the more political aspect of the question, but surely we have men of mark in the Colonies who would soon make known to us what the political desires of the Colonies really were. As regards ourselves, our interests in Europe would be much reduced. With our great Colonial Empire we could afford to watch the quarrels of European nations with comparative unconcern, and war should be made an impossibility, except where the vital interests of any part

of our great Empire were affected. The answer that I shall receive is, of course, the usual one: "The people of England will never allow a tax on food." If the people of England really wish to give their brethren abroad an inducement to enter a great Customs Union, it is the only way in which it can be done. The Colonies cannot be stimulated in any other way. We cannot put a tax on foreign cotton or wool, or, in fact, on any raw material used in manufacture, which is largely produced in foreign countries. Our success depends in great measure on our being able to produce manufactures at as low a price as possible, and any duty that we place on the raw material would be paid by the colonists themselves when they have to buy the manufactured article.

Wheat has for years been too cheap in this country. It is more a question of averting a further fall than causing any important rise. Even if the price rose 3s. per qr., it would not cost the working man with a wife and family more than 10s. per annum extra. Our import of wheat, with an average harvest, is 13,000,000 qrs. If we had to pay 3s. more on that, it would amount to about £2,000,000 to the country. The remission of the tax on tea would far more than make it good to the consumers. It always seems to me somewhat absurd to make a matter of such small importance into a question of principle. There is no parallel between the present time and 1846, when the sliding scale tended to prevent foreign countries from growing much wheat. We should stimulate growth in our Colonies more than we should stop it elsewhere.

PRICES OF ENGLISH WHEAT.

20	years	from 1800 to 1819	88s. 0d.	per qr.
30	,,	1820 to 1849	57s. 6d.	,,
25	,,	1850 to 1874	53s. 0d.	,,
7	,,	1875 to 1881	46s. 10d.	,,
4	,,	1878 to 1881	45s. 0d.	,,

The above table, to which I desire to call your special attention, shows what a very important decline there has been in the value of wheat. No doubt in the early part of this century, when wages were little more than half what they are now, and the price of wheat nearly double, a rise or fall of a few shillings per quarter was of the greatest importance to the comfort of thousands of families; but now the tables are turned, and our home production, which is of greater moment to us than any other, is dwindling away, from the simple fact that it will not pay; and surely if we are to allow this state of things to continue we ought at least to

give to our colonists the same chance of prospering by our wants as is enjoyed by the other nations of the world. By this means we should do our part towards the attainment of that Commercial Federation which I have in this paper endeavoured to show would be of such benefit both to the Colonies and to the mother-country, cementing our Empire by the mutual interests of all parts of it.

Private Circulation only.]

SUGGESTIONS

FOR ESTABLISHING A

BRITISH ZOLLVEREIN.

LONDON:
WM. CLOWES AND SONS, 13, CHARING CROSS.
—
1880.

INTRODUCTION.

THE following proposals for a Tariff Bill are the result of a careful investigation and analysis of statistics. In the course of three years' travel, embracing visits to every country of importance that possesses a separate and independent Government, the writer has had the opportunity of studying the Political and Commercial Institutions of each country.

It is well known that many Foreign countries have increased their duties against manufactured goods to such an extent as to be almost prohibitive. The aim of the proposals here made is (1) to neutralize the effect of these Tariffs so long as they are maintained; (2) to increase the markets for British Manufactures, thereby securing full and continuous employment for the Working Classes; and (3) to benefit the British Agricultural Interests and relieve them from the incubus of excessive Local Taxation.

It is confidently submitted that these objects may be attained by placing a duty on manufactured goods coming from Foreign countries that will not admit English goods duty free, and applying the Revenue so derived to the reduction of Taxation pressing specially on the Agricultural Interests.

W. G.

LONDON,
28th January, 1880.

PROPOSALS FOR A TARIFF BILL.

THE object of these proposals is—To establish *at once* Free Trade between England and India, and as soon as possible with other British Possessions.

The *fundamental* basis of the proposals is—That as no Duty would be levied on Agricultural produce imported from Foreign countries, any Revenue derived from the Duty on Manufactured Goods should be mainly applied to reducing the Taxation that presses specially on the Agricultural Interests.

PROPOSED TARIFF.

An *ad valorem* duty on Manufactured Goods imported from Foreign countries that will not admit British Manufactures duty free.*

FREE LIST.

1. No duties on any articles used as Food.†
2. No duties whatever on any raw materials used in British Manufactures.
3. No duties on Books or Printed Matter.
4. No duties on Works of Art or Personal Luggage.
5. Goods in transit to Foreign countries or the Colonies, allowed to be bonded and re-exported.

* The duty is only to apply to *manufactured* articles, those of Cotton, Wool, Silk, Flax, Leather, Wood, &c., and of Iron, Steel, and other metals. The duty is only to apply to Foreign countries, and not to any of the British Colonies.

† The duties already existing on Tea, Coffee, &c., excepted. Articles used as food, such as Refined Sugar, Oilcake, &c., although manufactured, to enter free of duty.

The writer would suggest that the *ad valorem* duty on Foreign manufactured goods should be fixed at from 10 to 20 per cent. Even at the higher rate it would be lower than the duties levied against English manufactured goods by most Foreign countries.*

It is not proposed to alter the duties on Wine, Spirits, Tobacco, or Foreign Malt. These duties would be fixed by England, India, and the Colonies independently and according to their several requirements.

India, Ceylon, the Straits Settlements, or any other of the British Possessions on joining the proposed British Customs League, would be entitled to send any of the following articles to England free of duty, viz. Tea, Coffee, Cocoa, Chicory, Currants, Figs, Raisins, Preserved Milk, Pickles, or Vinegar,† adopting at the same time the English duties against these articles (as a minimum), so as to prevent other countries sending through them to avoid the duty.

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* The following are some of the duties levied by the United States against English goods:

Manufactured Iron ..	*ad valorem*	35	per cent.
„ Steel ..	„	45	„
Carpets, woven whole ..	„	50	„
Clothing, wool	„	40	„
„ silk	„	60	„
Cutlery	„	35	„
Silk dress and piece ..	„	60	„
Guns	„	35	„

The Russian Tariff enumerates 241 separate articles, and the duties vary from 25 to over 100 per cent.

The new German Tariff also places duties varying from 25 to 70 per cent. on all manufactured goods imported into that country.

Most other countries heavily tax manufactured goods.

† This list comprises all the articles used as Food that are subject to duty at the English Custom House, the other articles being Cards (Playing), Chloral Hydrate, Chloroform, Collodion, Essence of Spruce, Ether, Naphtha, Plate (Gold and Silver), and Varnish.

A large Revenue would be derived from the proposed duty. In 1877, the value of Foreign manufactured goods imported into Great Britain and Ireland (exclusive of articles used as food, such as Refined Sugar, Oilcake, &c.) was £45,000,000, in 1878 £50,000,000, and in 1879 it exceeded £55,000,000.

The Manufacturing Interests would benefit largely by the duty against Foreign manufactured goods, but as no duty is suggested against Foreign agricultural produce for the benefit of the Agricultural Interests, it is proposed that the Revenue derived from the duty on Foreign manufactured goods should be mainly applied to the reduction of Taxation pressing specially on the Agricultural Interests, such as the Malt Tax, the Road Rates, Educational Rates, &c.

If in future years this Revenue should be reduced either by larger importations of Tea, Coffee, &c., from the British Possessions, or from Foreign countries consenting to adopt Free Trade, the amount would be far more than replaced by the increase in the Inland Revenue resulting from the prosperity of the Manufacturing and Agricultural Interests.

By adopting these proposals, the Taxation on all imported articles of Food would be greatly reduced. In 1878–79 the total Revenue from this source was nearly Five Million Pounds, viz.:—

From Tea	£4,162,221
„ Coffee	208,555
„ Cocoa	44,579
„ Chicory	66,588
„ Currants	314,547
„ Figs	20,222
„ Raisins	161,155
	£4,977,867

The duty on Tea is 6*d.* a lb., and the exports of Tea from India to Great Britain and Ireland in 1878 exceeded 35,000,000 lbs. An immediate reduction of £1,000,000 would therefore result from abolishing the duties on Tea, Coffee, &c., imported from the British Possessions.

The commercial intercourse of England with India would be greatly extended by the adoption of Free Trade. At the present time India imposes a duty of 5 per cent. on manufactured goods imported into that country. Under the proposed arrangements the duties on Wines, Spirits, and Tobacco would not be interfered with, and India would adopt the same duty as England against manufactured goods coming from Foreign countries. Any loss to the Revenue on discontinuing the 5 per cent. duty against English goods would be repaid from the following sources:—1. From the increase in the Land Revenue, owing to the extended cultivation of Tea and Coffee. 2. From the increased receipts in the traffic of the Railways (belonging to, and guaranteed by the State), owing to the activity of trade.

Should a Treaty be concluded between England and any Foreign country for Free Trade, the duties against Tea, Coffee, &c., would not be altered, as any change would affect the Colonies. England would offer to abolish the *ad valorem* duty against manufactured goods exported from that country to England or India, on condition that in return no duty was imposed on British manufactured goods.

It is suggested that six months' notice should be given to Foreign countries—That future Commercial Treaties would only be entered into on the basis of

Free Trade. The Commercial Treaty with France shortly expires, and the few existing Treaties with other countries are only for limited periods.

Any decrease in the amount of Foreign manufactured goods imported into England would be more than counterbalanced by the larger importation of raw materials to supply the increased Home and Colonial demand for British manufactured goods.

The writer maintains that Free Trade might be *at once* established between England and India, but he fully recognises the difficulties of attaining such a result with Canada and some of the Australian Colonies. These Colonies rely to so large an extent on the Customs duties for their Revenue, that the adoption of Free Trade must probably be gradual, and dependent on the development of other branches of the Revenue.

In the meantime, Canada would be greatly benefited by the adoption of these proposals. She would have the advantage over Russia and other Foreign countries of sending Timber, sawn or partially manufactured, to England *duty free*. It would only be fair, therefore, that she should alter her Tariff so as to give a differential duty (of say 5 per cent.) in favour of British manufactured goods.

Several of the Australian Colonies, as well as British Guiana, British Honduras, and other of our Colonial Possessions, would be benefited in a similar manner by the duty against manufactured Timber. The duty against Tanned Hides and Skins would benefit some of the Australian Colonies and the Cape Colony. India and the Colonies would also be able to send other materials (such as Silk, Wool, Minerals, &c.) to England duty free,

although these materials might be partially prepared or manufactured. Jamaica and other West Indian Islands, the West Africa Settlements, &c., would have the advantage of sending their Tea, Coffee, Cocoa, and Dried Fruits to Great Britain and Ireland free of duty.

It is therefore suggested that in all these cases (where Free Trade could not be at once established) a differential duty of 5 per cent. in favour of British manufactured goods might fairly be asked and conceded.

British manufactured goods would therefore be required: 1. To replace a portion of the manufactured goods now imported into Great Britain and Ireland from Foreign countries. 2. To replace a portion of the Foreign manufactured goods now sent to India. 3. To meet the increased demand resulting from Free Trade with India. 4. To replace Foreign manufactured goods now sent to Canada, Australia, and other British Possessions. The writer submits that this great increase in the demand for British manufactured goods would supply the means of living for over a million of our population, and would reduce the Poor's Rates to an extent that would be felt by every class of the community.

ADVANTAGES.

The close union of mutual interests established between England, India, and other British Possessions.

The Manufacturers would be kept fully employed by the increased demand for manufactured goods.

The Farmers would be benefited by the reduction of Taxation pressing specially on the Agricultural Interests, and by the great demand for all Farm produce resulting from the increased wealth and prosperity of the Manufacturing districts.

The Working Classes throughout the country would be benefited by the full employment for all descriptions of labour, and by the lower prices of Tea, Coffee, Cocoa, &c.

The Poor's Rates would be largely reduced by the increased employment for all classes of labour.

In India, the cultivation of Tea has already attained large proportions on the slopes of the Himalayas, and to some extent in the Neilgherries, and under the arrangement for its free importation to England, Tea would become one of the most important staples of export. Coffee is grown in the Madras Presidency, and is exported in large quantities from Ceylon. Under the proposed arrangements,* the duty on manufactured goods imported into India from England would be abolished, whilst a duty would be levied against manufactured goods coming from Foreign countries that would not admit English manufactures duty free. From these combined causes the trade between England and India would probably exceed the most sanguine estimates.

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* In the present state of the Finances of India it would be impossible to abolish the duty on Salt.

REMARKS.

During the last ten years, the whole aspect of the Free Trade Question has been entirely changed by the development of Manufacturing Interests in Foreign countries. In 1846, when the Free Trade Question was so fully discussed, it was not unreasonable to suppose that England would become the great manufacturing centre for the whole world. Many of the countries that now manufacture their own goods were at that time entirely dependent upon England for Iron, Cotton, Worsted, and other manufactured articles, and therefore the evil results of a One-sided Free Trade were not felt. But within the last ten years the United States, France, Germany, and other countries have developed their resources to such an extent as to be able not only to manufacture for themselves articles for the supply of which they were previously entirely dependent upon England, but also to compete successfully with English manufactures in the markets of Great Britain, Ireland, and the British Possessions.

Since 1874, the value of the Exports to Foreign countries has been continuously declining. In four of the principal countries the difference between the years 1872 and 1877 has been :—

	Exports in 1872.	1877.	Difference.
To the United States	£46,000,000	£20,000,000	£26,000,000
„ Germany	43,100,000	28,900,000	14,200,000
„ The Netherlands	24,300,000	16,000,000	8,300,000
„ Russia	9,500,000	6,200,000	3,300,000
			£51,800,000

The total decrease in the years 1875–6–7, as compared with 1871–2–3, in these four countries alone, amounted to £103,000,000. Another unsatisfactory feature is, that the proportion of exports consisting of raw materials, such as Coal, Iron Ore, &c., is increasing each year.

There is not sufficient land in Great Britain and Ireland to produce all the food required by the population, and therefore it is necessary to import food from abroad. But *there is* sufficient machinery and abundance of labour to produce all the manufactured goods required at home, in India, and in the Colonies. There is no reason therefore why we should admit foreign manufactured goods duty free, unless Foreign countries will on their part admit British manufactures on similar terms.

The interests of the manufacturing and agricultural populations are synonymous. The Artizans, when manufactures flourish, are the best customers for every kind of Farm produce, whilst the money thus spent still further increases the demand for manufactured goods. But the result of a One-sided Free Trade has been a want of demand for labour, and that is undoubtedly the greatest evil that can befall the Working Classes.

CONCLUSION.

The formation of such a British Customs League is not a question of Political parties or of Class interest, but one in which all shades of political opinion and all classes of the community are equally interested.

In the House of Lords last session attention was called to the evil results of a One-sided Free Trade on the British Manufacturing Interests.

In the House of Commons a motion was carried for the appointment of a Royal Commission to inquire into the causes of the existing Agricultural depression.

British Manufacturers complain that, whilst they are shut out from Foreign markets by exorbitant Protective Tariffs, they have to compete at home and in the Colonies with large importations of Foreign goods.

The Farmers suffer from excessive local taxation and from the low prices of Farm produce, the result in a great measure of the depression in the manufacturing districts.

The Artizans and Working Classes suffer from the want of employment and the low rate of wages resulting from Foreign competition. So many Foreign-manufactured goods are being sold here and in the Colonies, whilst English manufactures are excluded from Foreign markets, that English money is really helping to give Foreigners work at the expense of our own population. In Great Britain and Ireland at the present time there are a million paupers dependent upon the nation for support, and a still larger portion of the population,

though able and willing to work, is suffering from the want of employment.

Want of Work brings Poverty, increasing the Poor's Rates. Poverty breeds Crime, filling the Prisons.

But it is contended that all these evils would be remedied by establishing *at once* Free Trade between England and India, and as soon as possible with other British Possessions,—and that the following advantages would then be secured, viz. :—1. Prosperity of the British Manufacturing and Agricultural Interests. 2. Full and Continuous Employment for the Working Classes. 3. Great Reduction in the Taxation on Articles of Food.

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"Tempora mutantur et nos mutamur in illis."

WHY IS OUR TRADE FAILING?

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HENRY MITCHELL, ESQ., J.P.

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1881.

WHY IS OUR TRADE FAILING?

By Mr. HENRY MITCHELL, J.P.

I HAVE been induced to prepare this address by the numerous invitations which have come to me from different parts of the country, asking me to put before them the question of the cause of the decline in trade. But as these invitations have come mostly from party political associations, I have invariably refused to accept them, and I shall continue to refuse as long as they are from any party associations whatever. It is as the chairman stated —not a party question, and, whatever may be said to the contrary, I have neither party nor personal objects to serve. I cannot, in the nature of things, expect to have many years either of public or of business life before me, but I do feel an interest in the welfare of my country and in the welfare of Bradford. It is this consideration chiefly which induced me to prepare the address which I am about to deliver. It is necessary first to review very briefly the period prior to the year 1872, when our trade appeared to reach its climax, and the causes of the very great and rapid development which that trade had made for thirty or forty years. There is no period of English history that will at all compare to that time. We may go back even as far as the commencement of the reign of Queen Victoria, and we shall find no corresponding period and no century in English history in which there has been such marvellous prosperity in trade as there was in the period to which I allude. The causes of that development were mainly the introduction of railways, steamships, telegraphing, the discovery of gold mines, wonderful inventions and improvements in machinery, so that many articles which were produced thirty or forty years ago would be now produced in five or six times the quantity. In addition to that, undoubtedly Free-trade, or rather free imports —for we have never had Free-trade—have contributed very largely to the development of the commerce of this country. The abolition of import duties has enabled other countries to send us large quantities of products, for which they took payment in our manufactures. Now, however, and for some years past, a great change has come over our commercial relations with foreign countries. During the period to which I have referred they were to a very large extent dependent upon us for their supply of our leading staples —cotton goods, woollen goods, linen goods, worsted goods, iron, and a great many other things in which we were far ahead of almost any other country. Now, nearly all the Continental nations, and America as well, are making these articles at home in enormous quantities, and under no circumstances can we, in my opinion, look for a revival of demand for our own manufactures to anything like the extent we have had it formerly. Well, gentlemen, there are other causes, no doubt which have led to the decline of our trade during the last eight or nine years. I presume it will be admitted by everybody who has studied this question that that trade has considerably declined. You all know our exports have fallen off some £50,000,000, and that our imports have increased a great deal more than that. There is no doubt that speculation and over-trading have been to some extent the causes of the depres-

sion which we have gone through during the last few years. It is not a panic that we have been passing through. In this respect it is entirely different from former depressions. However sound may be the commercial principles which guide us, and however carefully we may conduct our trading operations, we can never altogether avoid panics. Just as it is in the natural world, storms and hurricanes are necessary to clear the atmosphere and to bring about a more healthy state of things, so in the commercial world panics are necessary to clear the commercial atmosphere. I believe that the state of things we have had for seven or eight years past is rather that of chronic depression or steady decline from year to year than one of panic. Therefore we must look a little further than to ordinary causes to find out what have been the reasons. Bad harvests or a succession of bad harvests have undoubtedly contributed very materially to this depression. But bad harvests have affected other countries as well as our own, and there has not been the same continued depression with business in some other countries that there has been in England. Then we are told that drink, intemperance, is another cause of the depression. Our drink bill is far too heavy. I wish it were less. There is no doubt whatever that intemperance is an incalculable injury to the individual and to the country. To the individual it is often a loss of health as well of means of subsistence; it often shortens life and brings want and poverty to the family, and to the nation it is a very serious loss indeed, inasmuch as it brings many thousands a year to the workhouse who ought to be earning an honest livelihood. But we must not forget that the drink bill of France is at any rate as large as that of England—some say that it is larger. A considerable amount of money spent in drink comes to the national Exchequer, and, although intemperance is a very serious injury to many, the money often finds its way into the hands of traders and commercial classes, and though not directly is indirectly used in the purchase of clothes and manufactures. Well, then we hear a great deal also about our military expenditure. Undoubtedly it is true that the enormous military expenditure of countries, especially of countries on the Continent of Europe, has interfered with the producing and purchasing powers of these nations. It is not, however, by commercial speculation alone, or chiefly, that the commerce of Continental Europe has been reduced to its present state of depression. The rivalries of military despots, the devastating wars which they have waged, and the bloated armaments they maintain even in time of peace, have brought a larger share of ruin in their train than all the errors of the commercial classes. In the armies of the five chief European powers more than 2,000,000 men are permanently under arms, and the annual expenditure on the fleets and armies of the so-called civilised world exceeds £150,000,000. Some idea may be formed of the extent to which the power of the taxpayers to purchase commodities has been abridged from this cause, when it is mentioned that since 1860 the National Debts of the world, debts incurred mainly for war purposes, have been increased, according to a computation by Mr. Wells, by a sum over $10,000,000,000. And then the change of fashion. That cannot be said to have affected the country as a whole, but it has very much affected us in Bradford. The leaders of fashion are very arbitrary —at least we think so; and for some years past they have been giving their patronage almost exclusively to goods of French manufacture, and have neglected those in which we excel in Bradford. This is a cause which I hope to see very shortly changed, and Bradford goods will be again in demand, and be patronised as they deserve to be. Then we have neglected to give that careful scientific and technical instruction to our artisans to which for some years

past so much attention has been given on the Continent. Both in France, Germany, and Switzerland, and in nearly all the leading Continental countries, they have for many years given attention to this question. They have trained very large numbers of their managers and responsible men in these schools, and now the most successful manufactures in every department are carried on and conducted by men who have been thus trained. I hope the time is not far distant when we shall have in Bradford at any rate an institution that will be equal to the necessities of the town, and which will enable us to put ourselves abreast with any other country. We are spending £25,000 upon such an institution, but I find that in Roubaix they have just decided to spend £60,000 upon a similar institution. But the whole of that money the French people get from the Government and the municipality, whereas, unfortunately, all our money is raised by voluntary contributions and subscriptions, and in such times it is, as you know, difficult to raise such a large sum of money. There is also another question to which our chairman has referred, and that is the Factory Acts. What I am going to say about the Factory Acts will probably not please everybody. Some of my friends around me here may not agree with me, and some in the audience may not agree with me, but personally I should be very sorry to see the Factory Acts interfered with in any way. I believe the time is not far distant when France and other Continental countries will be compelled to reduce their hours of labour. Moreover, I have seen no evidence as yet that in the leading staple manufactures, such as cotton, linen, woollen, worsted, and our Bradford mixed fabrics, and even in machinery and steam engines, have any of these countries been able to beat us in neutral markets. It is only in these high-class and expensive goods, all wool and silk, and other articles of that character, that they have got the trade away from us. Then there are other considerations in connection with the hours of labour which we are bound to look at. The effect which working twelve or fourteen hours a day, or, in some countries, working even on the Sabbath day, must have upon the moral and physical constitution of young people, and especially of woman and children, must be very serious indeed. The just claims of the working man to leisure and recreation were advocated by Lord Macaulay in a noble passage in his speech on the Factory Acts: "Man is the great instrument that produces wealth. The natural difference between Campania and Spitzbergen is trifling when compared with the difference between a country inhabited by men full of bodily and mental vigour and a country inhabited by men sunk in bodily and mental decrepitude. Therefore it is that we are not poorer, but richer, because we have through many ages rested from our labours one day in seven. That day is not lost. While industry is suspended, while the plough lies in the furrow, while the exchange is silent, while no smoke ascends from the factory, a process is going on, quite as important to the wealth of nations as any process that is performed on more busy days. Man, the machine of machines, the machine compared with which all the contrivances of the Watts and the Arkwrights are worthless, is repairing and winding up, so that he returns to his labours on the Monday with clearer intellect, with livelier spirits, with renewed corporal vigour. Never will I believe that what makes a population stronger and healthier, and wiser and better, can ultimately make it poorer." I think you will agree with me that we cannot run a race with nations that send young children to the factory at four o'clock in the morning, give them an hour for dinner, and then keep them at work until six or seven o'clock in the evening. Rather let us struggle on as we are, and endeavour to put as much work and value

into our labour of nine or ten hours a day as the workpeople of other countries can put into their twelve hours a day. That is after all the real test. If the working men of England can make their labour of shorter hours as valuable as that of other working men of Europe with their longer hours, they have no reason whatever to fear the competition that is brought against them. Another very great reason is the effect of foreign tariffs. All political economists admit that the inflow and outflow of imports and exports must balance each other—unless imports come in payment for debt. Mr. Mongredien puts that point most clearly. Therefore if the exports and the channels through which exports are sent out of the country are blocked and impeded they must ultimately check the imports. That is very clear. Therefore it is evident that we cannot go on importing so enormously in excess of our exports. I know very well that a rich country like England, or even France, can afford to import more, because we have very large investments abroad, on the Continent, and in India, for which we are receiving interest. That is estimated, by what may be considered competent authorities, to amount to £40,000,000 or £50,000,000 a year. The latter sum is an outside estimate, but we may take it at the former. Of course, that sum does not come to us in money but in produce from the countries indebted to us. As Mr. Mongredien also points out, we have by far the largest portion of the carriage of the goods of the world—of ocean traffic. Nearly all our exports and imports are brought by our own steamers. He admits it is very difficult indeed to estimate what that is; but he puts it down at 11 per cent. carriage, insurance, and other expenses. I have very carefully gone into that, and have had correspondence with shippers of America, Australia, and other countries, and I cannot find that anybody, even exporters to the most distant countries, are paying anything like the amount he puts it down at. I should be very glad indeed to undertake the carriage of all the exports and merchandise of the country at 6 per cent. But still, at 6 per cent. it amounts to a very large sum—I suppose to at least £20,000,000 a year, probably more. So that, taking these two items together, we need not be alarmed if we find the imports exceeding our exports by 50,000,000 or 60,000,000 or even 70,000,000 sterling a year. But we know that for two or three years back they have been very greatly in excess of that. They have averaged for three years £120,000,000. The difference has undoubtedly been paid for either in gold or in bonds or securities which we hold on other countries. I come now to some of the suggested remedies, and here I would say that quite as much, and probably more, depends on individual effort than upon national policy or legislation. I think we have been too self-confident especially in Bradford. We have remembered the good times of the past, and how prosperous the town has been, and we have not been ready and willing to make changes that were absolutely necessary. We must endeavour to adapt our productions to the wants of our customers; we must increase the number and variety of our products; and we must attend to every possible detail whereby our products can be improved. We must do as they are doing on the Continent, give the most careful, scientific, and technical instruction to those of our operatives who are placed in positions of responsibility in connection with our manufacturing operations. I should also say that it was very desirable to give a direct interest wherever it is possible to do so in the profits and results of the business to those who are responsible. And masters and operatives should, in every branch of manufacturing industry, co-operate heartily for their common interest. These are all matters that are under our own control and management, and we do not need to apply to Government for legislation in

order to carry them into operation. Then we must open new markets. The old ones are getting partly closed, and I confess that I see very little probability of either America or the Continent of Europe taking much more from us than they are doing at present. In my opinion our great hope for the future is in the trade with our own colonies and possessions After quoting some statistics from a speech delivered by Mr. Brassey, Mr. Mitchell proceeded: When we pass to an examination of our colonial trade in detail, we discover additional evidence of its great importance to the industrial prosperity of the country. While the whole of Europe only imports from us at the rate of 5s. per head of its population, the whole of our colonies, not including India, take £4 5s. per head—*i.e.*, every inhabitant of the colonies takes nine times as much of British manufactures as one does on the Continent. Of our exportations of apparel, blankets, flannels, books, cutlery, and other articles of domestic consumption, the Colonies take £16,800,000, or about 70 per cent. of the total exportation. You will therefore see of what immense importance the trade with our colonies and dependencies is to us. I have no hesitation in saying that if it were carefully gone into this fact would be ascertained, namely, that our colonies are now giving employment to almost if not quite as many people in these islands as the rest of the world put together. Because almost everything they import from us consists of manufactured articles, while a very large proportion of our exports to other countries consists of raw materials and goods partly manufactured. We see what can be done to develop and increase the trade with our colonies. We have seen that there is not much more probability of increased trade with other parts of the world, although we hold a very strong position indeed in all the leading staple manufactures. That we have lost nothing of our former excellence of workmanship was abundantly proved at the recent Exhibition in Paris. The *Economist* concludes an able paper on the textile products exhibited, with the reassuring assertion that there can be no doubt about the sterling character of all the goods exhibited, and we may look in vain for any serious rivalry as regards these productions, either in quality, colour, or finish. The *Economist* speaks in a less confident tone of the comparative excellence of our woollens. Here we are threatened with a serious competition by the French manufacturers. In the class of merinoes, the technical power which the French designer and weaver has obtained over these materials, and the perfection to which the dye and finish has for years past been brought, is a lesson which the English manufacturer of mixed fabrics appears only now to have taken to heart, whilst the French have for nearly three generations systematically and continuously educated their foremen weavers and dyers in the application of mechanical and chemical science to their special industries I think that is remarkable testimony to the truth of the remarks I have made in reference to the necessity of careful scientific and technical instruction. Now I come more especially to deal with the question of the colonies. We have heard a good many complaints about the way in which our own colonies are treating us in respect of tariffs. Canada has advanced her tariff considerably. It now amounts to 20 per cent. on our goods, and to 30 per cent. and upwards on some other goods. I believe the average on textile fabrics is some 25 to 30 per cent. It is due to other colonies and dependencies to say that India, at any rate is practically a free market, a very large proportion of the goods she takes going free, and the others only put on a nominal duty. Taking the other colonies the average duty will certainly not exceed 10 per cent. That is a very moderate tariff when we

come to consider the difficulty we have, in these countries where the population is so much scattered, in raising revenue by direct taxes. So long as they are non-manufacturing countries we have not much to fear from a 10 per cent. duty. It is due, however, to Canada to give some explanation of the reasons why she has advanced her tariff, She has a very near neighbour—there is only a border line between them—that has imposed duties on all Canadian goods of more than three times the amount of the Canadian duties on American products. America prior to the last tariff imposed considerable drawback or bounty on the export of refined sugar to Canada; and the consequence was that the sugar refineries of Canada were compelled to close. Many of them were ruined and the workpeople thrown out of employment. After they had ruined these refineries the price of refined sugar went back to its usual amount, and the Americans got the trade practically into their own hands. The value of refined sugar exported from the United States to Canada during the last three years is as follows:—

	1878.		1879.		1880.	
	Value.	Drawback.	Value.	Drawback.	Value.	Drawback.
Canada:	$3,382,674	$1,100,736	$4,235,348	$1,404,525	$66,921	$19,284
All other Countries:	$3,908,533	$1,229,348	$5,410,717	$1,964,872	$2,639,208	$894,376
	$7,299,207	$2,330,082	$9,646,065	$2,365,297	$2,706,129	$913,660

Canada certainly had a grievance in connection with the United States, and in self-defence she was obliged to put on higher duties. The consequence is that, while the trade with England has not declined, but has increased somewhat, the trade with the United States has very seriously declined. So much for the reasons why Canada had to adopt these higher tariffs. I may now refer to the way in which the tariff affects us. On most of the goods we send to the United States from Bradford the tariff ranges from 60 to 130 per cent. It is only a question of time before that trade must become practically extinguished. I see no indication at present of any change of policy on the part of the American Government. They are evidently bent on building up their own industries, and drawing the surplus population of Europe there, and ultimately, no doubt, of entering the field against us and becoming one of our greatest competitors. We have had it frequently stated that the reason why America puts on these high tariffs is that she needs revenue Last year she had a surplus of £10,000,000, and this year she is likely to have a surplus of £20,000,000. She has already abolished duties on a considerable number of articles, and she imported last year no less than £40,000,000 of other goods. How much of that came from England? Not more than £1,000,000. The following table shows the imports upon which duties were levied by America :—

	1879.	1880.
Amount subject to duty	$303,096,270	$449,652,883
" free of duty	142,681,505	208,301,863
Total	$445,777,775	$667,954,746
Amount of Tea and Coffee	$61,934,437	$80,143,400

The amount of Free articles imported from England is only about 5 per cent. of the whole, and consists mainly of chemicals (in part), bleaching materials, and rags for paper. Whereas in her dealings with other countries, take China for instance, she took three times as much free goods as of goods subject to duty. The amount of American imports during the year ended 30th June,

1880, is as follows:—Free of duty: from China, $17,210,237; Japan, 13,975,859; Brazil, $45,777,595; United States of Colombia, $8,145,054; total, $85,108,745. Subject to duty: from China, $4,559,381; Japan, $534,975; Brazil, $6,192,495; United States of Colombia, $296,918; total, $11,583,769. An impetus has been given to the export trade of the United States through the reduced cost of production. The shipments, which had been 12,000,000 yards in 1872, were 106,000,000 in 1877, and they still increase The *Economist* has given the values of cotton manufacturers exported from the States in the year of panic, and for the last two seasons. In 1873, £610,000; 1876, £1,540,000; 1877, £2,040,000. The following is taken from the *Statist*:—"Exports from New York of domestic cotton piece goods in 1878 were 86,856,191 yards; 1877, 81,270,527; 1876, 62,329,914; 1875, 26,801,442; 1874, 13,283,827; 1873, 8,693,554. From an aggregate value of £250,000 in 1873 these exports advanced to £1,400,000 in 1878." Are not these facts a lesson to us that we need not expect any favourable terms from the United States unless we can bring some pressure to bear upon them in some shape. The enormous Colonial Empire of Great Britian is one of quiet modern growth. When George III. ascended the throne in 1760, *i.e.*, about a century ago, the population of the British Empire did not number 12,000,000, inclusive of the colonies. It now numbers no less than 300,000,000. The British dominions at present comprise—In Europe, an area of 120,000 square miles, with a population of nearly 37,000,000; in India (including the territories of subject native princes), an area of 1,740,000 square miles, *i.e.*, nineteen times the area of Great Britian, with a population of 240,000,000. In Ceylon, an area equal to half that of England, with a population of nearly 2,500,000; In Australia and New Zealand, an area equal to that of Europe, with a population of about 2,600,000; in North America, an area thirty times that of Great Britain, with a population of about 4,000,000; in the West Indies, Honduras and Guiana, an area exceeding that of Great Britain, with a population of 1,100,000; in South Africa, an area more than three times that of Great Britain, with a population of nearly 1,200,000; in West Africa, an area equal to half that of England, with a population of 400,000. To these may be added Mauritius, and other small islands, giving a total population to the British Dominions of nearly 300,000,000, so that the British Empire is the most populous in the world, next to the Chinese (400,000,000), comprising within it one-fifth of the whole human race. The Russian Empire which occupies the same area, contains a population of only 82,000,000. I have here a table showing the value of British goods exported both to foreign countries and British possessions.

	Foreign Countries.	British Possessions.	Total.
1872	£195,701,350	£60,555,997	£256,257,347
1873	188,836,132	66,328,471	255,164,603
1874	167,278,029	72,280,092	239,558,121
1875	152,373,800	71,092,163	223,465,963
1876	135,779,980	64,859,224	200,639,204
1877	128,969,715	69,923,350	198,893,065

The Australian Government did wisely in seizing the opportunity, afforded by the recent exhibition in Paris, of setting before the world some striking evidences of the results achieved by this extensive emigration into countries possessed of great national resources, and wanting only the hand of man to convert a wilderness into a garden. A still more accurate and complete knowledge may be gained in the volumes of Mr. Wilson, from which I have derived so much assistance in the preparation of these papers. The

colonial abstract published by our Statistical Department contains a mass of well-arranged statistics. The total yield of Gold in Australia and New Zealand, since the first discovery in Victoria, was estimated by Mr. Wells at £247,000,000, but the value of gold is small compared with the accumulation of agricultural wealth. According to the tables appended to the agricultural returns of Great Britain for 1876, the Australian Colonies own altogether about 52,000,000 sheep, New Zealand has nearly 12,000,000. The number of sheep in Russia is estimated at 48,000,000, in France 26,000,000, in Germany about 22,000,000, and in the United States about 34,000,000. New South Wales has more than 3,000,000 head of horses and cattle. Mr. Read's essay on New South Wales contains a striking summary of the growth of the population and of the trade of the Antipodes. The population of Australia increased in thirty years from 214,000 to 2,000,000, or 834 per cent. The population of the United States increased in the same period by 660 per cent. The trade rose in the same period from less than £6,000,000 to more than £63,000,000, or 950 per cent. Two thousand two hundred miles of railway had been opened, and the annual revenue of the Australian Government was £14,000,000. It was believed until a recent period that the fertile lands formed a comparatively narrow fringe round the coast of Australia. Later experiencies have shown that the interior of the continent contains vast tracts of fertile land well adapted for a settlement. While speaking of the advantage possessed by our colonies, I may quote the following statistics :—

Estimated mean population of 1877	2,464,560
Revenue of 1877	£17,793,311
Proportion of Revenue of 1877 raised by taxation	£5,777,440
Rate of Taxation per head of population	£2 7s. 0¾d.
Value of imports for 1877	£48,307,887
Value of imports per head of population	£19 12s. 0¼.
Value of exports for 1877	£45,389,111
Value of exports per head of population	£18 8s. 4d.
Total value of trade, imports and exports	£93,696,998
Value of trade per head of population	£38 0s. 4¼d.
Miles of railways open December 31st, 1877	3452½
Miles of railway in course of construction, December 31st, 1877	1226¾
Miles of telegraph lines open December 31st, 1877	23,474½
Miles of telegraph wire open December 31st, 1877	35,265
Miles of telegraph in course of construction, December 31st, 1877	
Length of Lines	
Length of wire	2178
No. of acres under crop in 1877	4,718,501
No. of horses in 1877	934,903
No. of cattle in 1877	7,124,678
No. of sheep in 1877	57,767,770
No. of pigs in 1877	730,481
Estimated population on December 31st, 1877	2,515,737
Public debt on December 31st, 1877	£63,607,698
Rate of indebtedness per head of population	£25 5s. 8d.

The capabilities of Canada, especially of the upper provinces of the Dominion, have been described in glowing terms by Mr. Wells in an article entitled, "How Shall the Nation Regain Prosperity?" contributed to the *North American Review* in 1877. He says : "North of Lake Erie and Ontario and the River St. Lawrence, east of Lake Huron, south of the 45th parallel, and included mainly with the present Dominion Providence of Ontario, there is as fair a country as exists on the North American Continent; nearly as large in area as New York, Pennsylvania, and Ohio combined, and equal, if not superior, as a whole, to these states in its agricultural

capacity. It is the natural habitat on this Continent of the combing wool sheep, without a full, cheap, and reliable supply of the wool of which species the great worsted-manufacturing interest of the country cannot prosper, or, we should rather say, exist. It is the land where grows the finest barley, which the brewing interest of the United States must have if it ever expects to rival Great Britain in its present annual export of over $11,000,000 worth of malt products. It raises and grazes the finest cattle, with qualities especially desirable to make good the deterioration of stock in other sections; and its climate conditions, created by the encirclement of the great lakes, especially fit it to grow men; such a country is one of the greatest gifts of Providence to the human race, better than bonanzes of silver, or rivers whose sands contain gold." Mr. Wells does not seek to persuade his fellow-countrymen to annex this fertile region; he asks them to utilise its resources, to the mutual advantage of the United States and the colony, by the abolition of protective duties. It is stated by Mr. Alfred Bateman that nearly twelve millions of acres were under crop in Canada in 1870-71, and five millions under pasture. No less than 90,000,000 bushels of corn and grain were grown. The Dominion possesses 2,500,000 head of cattle, and 3,000,000 sheep. The annual value of the butter, cheese, and maple-sugar made in Canada has been estimated at £3,000,000; while the other agricultural products included 47,000,000 bushels of potatoes, besides hops, tobacco, and fruits. The following remarks on the climate are taken from the Canadian official hand-book :—"If the climate of a country is to be measured by its productions, then Canada, either in the quality of her timber, grains, fruits, plants, and animals, not excepting man, must be accorded a front rank." The question now comes, How can we develop our trade with the colonies? In the first place, we may disseminate all through the country reliable information about the colonies: let the people know what they are, and where they are, and what sort of emigrants are likely to do well in the colonies, and give them every encouragement and facility for going there. Then we may also encourage emigration there rather than to the United States. I understand it is part of the government plan of settling the Irish question that a number of agricultural labourers will be assisted to emigrate. I think it is a very good thing for them; but I hope most sincerely that the Government will not assist them to emigrate to America, but to our own colonies and possessions. I am sure they will find more remunerative employment, and will have a much more healthy climate, one which will not subject them to the extremes of heat and cold. Then another thing that the colonies ask is, I think, reasonable—that they ought to have some direct representation in the English Parliament. They complain of their isolation, and of the Home Government sometimes committing them to treaties with foreign Powers without their having a word to say about it. The colonies demur very properly to this. They say, We don't want to vote on any of your home questions, but we do claim to be represented in the English Parliament, and to express our views on questions that directly affect our interests. I think it is perfectly reasonable, and it is a question the country will have to look into. There is another thing that Canada asks—I am not aware that any of the other colonies ask it—viz., that there shall be a tariff somewhat in favour of the colonies—that we should put on a duty, say of 5/- per quarter, on corn coming from the United States, and take all free from Canada and British possessions. They assure us that in two or three years' time they will be able to supply us with all the corn we can possibly require, and that there will be

very little difference in the cost to the English consumer. This, as you know, is a plan advocated by Mr. Ecroyd, M.P. I am not here to-night to advocate its adoption, because I think it requires more serious consideration than we have been able to give it. Mr. Ecroyd has put his views before a Bradford audience very ably and intelligently, and it is a matter for consideration. Certainly if we can do anything, without injuring ourselves, to bring America to her senses it is very desirable. You may say, What course do you recommend? I am accused of not having any definite policy. Some very bad things and some very unjust things have been said in the local papers with reference to me. I would decline absolutely and positively to enter into any commercial treaty with any country whatever unless that treaty were in the direction of Free Trade. And unless France and other countries will meet us on reasonable terms I am prepared to advocate at once a considerable addition to the duties on wines, spirits, and silks, and on all articles of luxury, and which we do not produce, and then to abolish the duties on tea and coffee, most of which comes from our colonies and possessions, and from China. I would relieve the agriculturists of as much direct taxation as possible. They need all the help we can give them, and all the encouragement we can offer to induce them to develop the resources of our own country. It is said that the land laws are a great obstruction in the way of fully developing these resources. This question is going to be looked into, and if there are artificial obstructions which prevent that development they must be removed. I think we shall all be of one mind on that. But we must not forget that no Act of Parliament and no laws that we can pass will every bring the virgin soil of America or the bright sun to England. We often say that the sun of England never sets. It is true, but it is also quite true that he very often refuses to shine upon our own country. And we are dependant therefore not on laws or Acts of Parliament for good harvests, but on the bounties of Providence.

These Pamphlets can be had from HENRY MYERS, Printer, York Passage, High Street, Birmingham, at 45/- per 1000, 27/6 per 500, 15/- per 250.

IMPORT AND EXPORT STATISTICS:

THEIR BEARING ON THE FAIR-TRADE CONTROVERSY.

A FULL

REPORT OF THE DISCUSSION

AT THE STATISTICAL SOCIETY, 4TH APRIL, 1882,

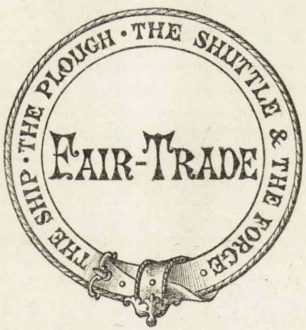
TOGETHER WITH FURTHER NOTES,

FORMING A REPLY TO

MR. ROBERT GIFFEN'S PAPER

Read before the Statistical Society, 21st March, 1882, on

"The Use of Import and Export Statistics."



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PREFACE.

A CAREFUL perusal of Mr. Giffen's paper, read before the Statistical Society on the 21st March last, teaches that one important "meaning of statistics" is their great unreliability for all practical purposes, whether they be used by amateurs or experts. As Mr. Giffen indicates, the danger of wrong conclusions being drawn, is naturally greater in the case of the former than in that of the latter. The title of the paper, which has been since republished in pamphlet form, is "The Use of Import and Export Statistics." Its purport is to shew that the different systems adopted by various countries in compiling their national returns, and still more the changes of method that occur from time to time in computing the statistics of even the same country, all contribute to aggravate the uncertainty of figures, even when issued on official authority. By this we are taught how difficult, even if possible, it is to arrive with accuracy at the causes of results, if indeed we are able to ascertain the results themselves. The data of two countries, or of two epochs, may appear to prove one thing, but when viewed by the light of factors not immediately apparent, they may mean absolutely the reverse. Mr. Giffen's argument covers the proposition that only the professional statistician can unravel this entanglement. It will be our main business in this preface to examine whether this doctrine of the professional or theoretical "expert" is quite sound, or whether, after all, the views of practical business men, acquainted in detail with the action of trade (generally and specially), are not likely, if adopted, to prove more nationally advantageous.

Though nominally directed towards one branch of a great question, Mr. Giffen prominently announces in the very first pages of his paper, that it is directed against Fair-Traders. These, according to Mr. Giffen, have used and cited figures much in the same spirit with which unauthorised men approached the sacred Ark. As the official high priest of figures at the Board of Trade, Mr. Giffen naturally protests against this invasion of his sanctuary. There is something to be said in favour of Mr. Giffen's view in this respect, and the paper under discussion really affords strong internal evidence itself, as to the folly of arguing from statistics used either discriminately or indiscriminately. The discussion that followed, on the 4th April, a fortnight after the reading, was of

necessity directed towards a few of the main points. It is clear that a paper which required four hours to read could not be satisfactorily commented upon in two hours, even though the speakers were, under the circumstances, allowed a little more than the ordinary ten minutes rule. But the debate was remarkable in this: that every speaker, whether he sympathised with Mr. Giffen's general views or not, corrected his conclusions and condemned the mode by which he arrived at them. The secret of this lay in the fact, that the speakers were practical, and not mere theoretical, experts in their several lines. They understood, from actual experience, the subjects they handled. The question of shipping, as will be seen from the speeches, was more especially treated from this only useful point of view; Mr. Giffen being obliged, as a professional or theoretical statistician, either to rely on collected information, or to evolve his conclusions to a great extent out of official figures, collated in his study.

Mr. Giffen's paper, then, to use the language of one of the speakers, was intended as an indictment of "Fair-Trade." And it may be here stated that it was but the last of a series of indictments, commenced by the Premier in October last, and followed by the political and permanent officials of the Board of Trade, having for their object the destruction of the movement against one-sided Free-Trade, which has of late years taken so strong a hold upon business men throughout the country. But Mr. Giffen appears to have but a confused and hazy view of the policy he desired to attack. From the paper before us, indeed, there is little evidence that Mr. Giffen has even studied the elements of the Fair-Trade policy; or, if he has, he would appear to have ignored its real aims and objects. Throughout his paper the terms Fair-Trade and Protection are inextricably mixed up, so as to give the casual reader the idea, as was probably intended, that the terms are identical; and, as was probably equally intended, thus preventing Fair-Traders from replying to attacks, which they cannot assume to be directed against them. In one place indeed (page 13*), he somewhat amusingly brings forward a consideration which he asserts "disposes altogether of the Fair-Trade argument," but which really forms its backbone, and is the very essence of its case. Mr. Giffen points out that the contraction in trade of late years is one of value, not quantity, and that we have been for some years effecting the same, or even in some years a greater, Export trade, but at reduced prices. This, however, so far from disposing of Fair-Traders, exactly states their contention. They urge that thanks (1) to the unfair protection of the foreign producer, and the incidence of taxation falling solely on home produce, instead of being spread over the whole surface of commodities sold in our market places, and (2) to the imposition of foreign tariffs hostile to British industry, our producers generally, both masters and men, have to work the like tale of bricks as before, but at lessened wage or profit. Here then is the very crux of their position. Mr. Giffen's report recently presented to Parliament by the Board of

* "The Use of Import and Export Statistics." London, (Edward Stanford).

Trade proves this fact. Two valuable papers which appeared in the *Economist* of 21st and 28th January last, may be relied on also, as proving that the fall in price of raw materials does not adequately represent even its fair portion of the contraction in prices of manufactured goods ; and that therefore the loss incurred in labour and profit has been proportionately greater. Nor are men, who are compelled to provide the same quantity at lessened prices, able to avail themselves of the usual "Free-Trade panacea,"—to apply themselves to other pursuits. They have no time to change, no breathing time to look around, and in fact, no other trade to which to turn.

But we may leave Mr. Giffen to grapple as he chooses with the fanciful creation he has set up, so much easier therefore to overturn. When, indeed, he speaks of the unsatisfactory rendering of figures, and the baseless conclusions so often drawn from statistics, we also join hands with him, and by making good certain omissions in his paper, we propose to complete rather than rectify his argument. Mr. Giffen is somewhat hard on individual Fair-Trade writers, whom he has selected for criticism. He is also severe upon the editor of a special Review for permitting an unscientific statement to appear. He is very critical upon the use of the word "commerce" as representing only international trading, forgetful, however, that this is the sense in which the word is ordinarily employed, the common designation for internal, or home, commerce being the word "trade." But these and other like comments are but flying shots, likely to hurt few, and rather than dwell on them we would suggest some other items which Mr. Giffen might have added to his repertoire of unscientific statistical reasoning. He might have urged perhaps, that when a servant of the Board of Trade issues a pamphlet with tables of our trade with foreign countries and our colonies, the comparison in figures is without value, unless as business men we regard the character of the trading.* For example, if we show that the smaller imports from our colonies consist more largely of the raw material suitable for manufacture (which we cannot grow at home), and that the imports from foreign countries consist largely of the very produce that enters into competition with our home industry, then the mere commercial values of such imports by no means represent their relative advantage to us as a people. Again, if it appears that the smaller value of exports to our colonies consists in the main of fully manufactured goods, in which home labour has been fully employed, whilst the larger value of exports to foreign countries are of partially and perhaps not half-manufactured goods—as well as of tools and machinery sent away to enable other nations to compete with us—then it is clear that the importance of the figures, taken by themselves, disappears altogether.

Then, also, it would have been equally fair for Mr. Giffen to have pointed out how prone, not only are amateur, but even official, advocates of the present fiscal system, to wrest from figures a meaning that does not belong to them. In the very boast as to the increase of external commerce *consequent on the free import system*, the like figures of other nations

*"Free Trade *versus* Fair Trade," by T. H. Farrer. London, (Cassell, Petter, Galpin & Co.)

shewing that their foreign trading has increased *without free imports* in an equal and sometimes in a greater ratio, are generally ignored. When Mr. Giffen, or perhaps the Premier * acting on figures supplied, brings forward the maintenance and even increase of our Income Tax returns, as an evidence of the maintenance or increase of our national prosperity; and when Mr. Giffen himself capitalises these returns to represent the value of our present wealth, what consideration is given to the profits that are earned by the rapidly-growing incomes of importers of foreign goods; or to those which are realised by investments abroad, and are mainly the proceeds of the labour earnings of a past generation—the present owners of which are growing richer, to the detriment of home industry? What thought is taken of Income Tax paid by a large class of small traders, who keep no very clear accounts, and pay pretty much the same in bad years as in good ones; or—still more misleading—of that paid on farming profits under Schedule B,† while serious losses were, and are, being incurred? No allowance is made by these politico-economists for any of these important factors in the problem of our Income Tax Returns, any more than there is for that of arrears of unpaid Income Tax, *only lately discovered*, the payment of which has been enforced. ‡ Clearly, for all present purposes of computation, the capitalised arrears of Income Tax only just discovered, are due from past earnings; and though they may indicate present wealth, cannot represent a healthy condition of growing prosperity. Then, what can be more misleading than to throw at the heads of an unthinking crowd, as Mr. Gladstone did at Leeds, the increase in our savings banks returns as peculiarly indicative of our prosperity, without showing that in this respect we are absolutely behind, and in most cases largely behind, every nation of importance in the accumulation of our national savings, and that such increase as we have is directly traceable (and presumably would not otherwise exist) to the establishment of post office savings banks in 1861? Mr. Giffen might also have cited Mr. Gladstone, as well as the advocates of the Cobden Club, as drawing magnificent conclusions in favour of Free-Trade from pauperism returns, and from the apparent decrease in the returns of the larger order of criminal convictions. Mr. Giffen lost a splendid opportunity in this paper of illustrating the real meaning of statistics, by showing how Mr. Gladstone ought to have pointed out, that, while our total pauperism has diminished, it has been because of the change in poor-law practice, by which out-door relief has been discouraged, and the house-test imposed. He might have shown also by the introduction of these factors, how completely the reverse of what Mr. Gladstone stated at Leeds has taken place, and that the real pauperism has increased *pro rata* more than the population, while the cost has also largely increased both in bulk and *per capita*.

* Speeches at Leeds, October 7th and 8th, 1881, by the Right Hon. W. E. Gladstone.

† So rarely appealed against, and therefore practically forming a fixed charge upon half the nominal rental.

‡ Of late years a considerable increment of Income Tax has arisen from arrears, special orders having been given by Lord Beaconsfield's administration to Income Tax collectors (who have been given a bonus on results), to make inquest and discovery of business concerns, suspected of making insufficient or false returns.

And he lost a still finer opportunity of illustrating the weakness of mere statistics, when he omitted to point out Mr. Gladstone's famous blunder as to the decline in criminal convictions (of the major kind)—a blunder repeated by all the Cobden Club advocates, in totally omitting the fact that any diminution of figures is mainly owing to the changes that have taken place in our jurisprudence, whereby cases that used to be brought into the higher courts are now, under various summary jurisdiction acts, dealt with by magistrates in petty sessions, or at the police courts. And had he been disposed to be especially fair, he might have pointed out that so far from there having been any decrease of crime of late years, the total convictions in the kingdom have increased 100 per cent. during the past 20 years. These are factors which ought not to be ignored, when an attempt is made to prove the beneficent effects on our customs and manners, of one-sided Free-Trade.

Here, then, we have some of the omitted proofs which Mr. Giffen might, with very good effect, have produced in confirmation of the folly of those who are not trained experts, importing figures into their arguments. That he did not do so is indicative of the fact that he came forth to slay "Fair-Traders," not one-sided "Free-Traders." But the chief object of Mr. Giffen's paper is the "Use of Import and Export Statistics." In this he has been influenced by the undoubted alarm which many have felt at the great advance recorded in the imports of late years as compared with the exports. Mr. Giffen has at once assumed that the primary object of Fair-Trade is to arrest these imports, and on that assumption he proceeds to demolish the suggestion that any balance of trade exists, and, mixing up "balance of trade" with "balance of indebtedness," argues that, when we take into consideration the factors which he calls "invisible exports," we have in fact no excess of imports over exports. Now Mr. Giffen knows very well, or may know if he chooses to enquire, that the object of Fair-Trade is not to arrest, but to divert the sources of the supply of our imports. It is to give our custom for food-stuffs, if we must give away our custom at all, to our Colonies and Dependencies, rather than to nations which refuse to deal with us in the spirit of free or fair interchange. The only statistics that could avail Mr. Giffen to bring forward against the Fair-Trade policy would be, such as might show, that the British Empire could not support herself, under the system of giving a preference to the productions of her Colonies over those of foreign nations. The saying that we pay in this or in that way for our surplus imports, and are indemnified for our apparent over-expenditure by our invisible earnings from shipping, foreign investments, or anything else, does not touch even the fringe of the Fair-Trade controversy. Let (for the sake of argument) all Mr. Giffen's figures be conceded as correct, and then they do not shew us why, because two sources of national income—our carrying trade and our foreign investments—are prosperous, that therefore all our other industries should be handicapped by the introduction of foreign goods into the home market, without payment of like national tolls or market-dues to those already paid by home produce, and by the action of hostile tariffs shutting us out from our old markets abroad.

But Mr. Giffen, and those who accept his teaching, say that our excessive imports of goods and produce over and above our exports are a necessary consequence of our prosperity in the two sources of revenue already named. This is as much as to say that, because two classes in the community are benefitting by the present system, therefore all our productive industries, affecting the prosperity of home labour, must be allowed to shift for themselves. In this there seems a strong flavour of the worst form of Protection. Instead of the general good being the first desideratum, are the interests of our carrying trade, and of our investors in foreign stocks, to be practically "protected" at the cost of the rest of the community, both agricultural and manufacturing? Even on Mr. Giffen's own shewing, according to the theory on which his economic orthodoxy is grounded, namely, that our possession of so much of the world's carrying-power and loan-power causes, as he terms it, "invisible exports,"—the corresponding imports should come all the same. It is scarcely conceivable that the imposition of a general duty on imports, equivalent to the taxation of our home productions (so as not to increase taxation, but to make its incidence fair and equal), could operate against the "economical law" of which we hear so much. If it were to do so there is a flaw somewhere, and the value of the "economical law" must be less than they say. Our carrying trade would flourish just as well if it could carry from our shores more manufactured goods, instead of emigrants, and could have as full cargoes to take out as it has to bring home. As the discussion in the following pages clearly shows, widely different causes have tended to promote shipping prosperity among us of late years, more powerful even than that of the market which has arisen for its carrying power. Taking Mr. Giffen's calculations at his own estimate (and the principal ones were disputed by every one, friends and foes), he has, to use a homely phrase, put the cart before the horse in his argument.

And if there be any soundness in his argument that the apparent excess of imports over exports is compensated by our "invisible exports," what becomes of the theory already propounded by his own friends, that this apparent balance is profit? Notably Mr. Chamberlain, the President, and Mr. T. H. Farrer, Secretary of the Board of Trade, have enforced the doctrine that the value of our trade depends on what we "get" [i.e., buy], not what we "give" [i.e., sell]. The illustrations of national profit, in the sense given by Mr. Chamberlain and Mr. J. K. Cross in the House of Commons last year, are fresh in the minds of all, and Mr. T. H. Farrer's recent brochure endorses* their views. Probably also Mr. Giffen will not dissent from his fellow workers at the Board of Trade. But if so, what becomes of his argument that there is no real excess of what we are getting [i.e., buying] over what we are giving [i.e., selling], since his "invisible exports" go to make up the difference? From this new exposition we appear to be at least working pretty hard, either as ship owners or capitalists, to make both ends meet—working at trades which in many respects, as we have shown, act prejudicially to the rest of our producing forces.

* **Free Trade** *versus* **Fair Trade**, by T. H. Farrer, p. 18.

Finally Mr. Giffen, as a personage in the statistical world, calls for the establishment of chairs of statistics at our universities. This is a call that comes naturally from a scientific theorist, and will commend itself to many. Perhaps, however, business men, to whom a grain of practice is worth an ounce of theory, will prefer Mr. David MacIver's suggestion that a Chair of Common Sense at the Board of Trade would be more to the purpose. We will venture in conclusion to make another suggestion. Mr. Giffen occupies an influential position in the world of figures, and his opinion and advice are always listened to with attention in the highest quarters. He no doubt sees, as we do, the one great flaw in all these arguments as to the progress of our foreign trading. It must often have occurred to him that while we have no reliable figures, on which to compare the progress of our home trade, and especially of our greater industries, we cannot well judge that of our national prosperity. We may have side views, and here and there obtain a glimpse in perspective, as it were, of the action of this or that influence or power upon our native industries. But neither Income Tax nor Revenue Returns, nor even Stamp duties, adequately represents the progress of real and permanent prosperity. Business men see what affects them individually, but their contentions or complaints are silenced by the retort that they are but units in the crowd, and that one must suffer for the benefit of the many. Of late years, however, there has grown a strong consensus of opinion that these units have become tens of thousands. The feeling has gathered strength every year that the general prosperity of the country is threatened, not as yet by the destruction of our industries, but by the contraction of our markets, the diminished vigour and hopefulness of our trade, and the lessened profits that are earned. But again we are met by the answer: "See our national returns; and see how the volume of commerce with foreign nations goes on; see every indication of our increasing wealth!" All this even, paradoxical as it seems, may be; and yet it is possible that the most vital forces of the nation, the full and free exercise of its labour, and its profit or wage-earning power, are being sapped all the time. Without reliable statistics of the progress of our home industries, we cannot ascertain the truth. Such statistics can only be obtained by Government authority. The nation desires but to know the truth. Will Mr. Giffen assist us by his influence to obtain it? Will he do what lies in his power to secure the initiation of a series of inquiries under the authority of Parliament, that shall throw light upon what is now in comparative darkness—upon the condition, whether it be progress or retrogression, of our Home Trade and Industry?

EDITOR.

National Fair-Trade League,
23, Cockspur Street, London, S.W.,
June, 1882.

DEBATE.

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ON Tuesday night, April 4th, Mr. Caird, President of the Statistical Society, occupied the chair at an adjourned meeting for discussion on Mr. R. Giffen's paper on "The Use of Import and Export Statistics," at the Rooms of the Society at Somerset House, when there was a very full attendance of members. The subject is of great interest to the public, as Mr. Giffen had raised questions of controversy on matters of trade, and had practically thrown down the gauntlet to the members of the Fair-Trade League, to justify the line of argument which they had taken up on questions of fiscal policy, and as to the effect of Free-Trade on the prosperity of Great Britain.

Mr. W. J. HARRIS, opening the discussion said:—Mr. President and gentlemen, Mr. Giffen's paper is called "The Use of Import and Export Statistics." It might quite as fairly be called "an indictment of the Fair-Traders." As such I accept it. The lecturer points out at page 47 how difficult it is to ascertain the comparative advantage of a Free-Trade or a Protectionist system to different communities, or even "to the same community at different periods of its own history," and he goes on to say "external economic conditions are besides incessantly changing." This is just what we as Fair-Traders feel, and we feel also that a policy, which was good for England when the world was forced to buy from her, may be the reverse when the greater part of that world is intent on supplying itself from its own workshops. The political economy of trade is a very different study to what it was before the introduction of railways, steam, and telegraphy. Instead of there being only one great centre of capital, viz., London, there are now many. New York is likely to be soon the largest, while Paris, Vienna, Berlin, and Amsterdam, are all becoming large centres of investments. Capitalists in all nations are becoming internationalists—that is to say, an investment abroad that pays a well-secured rate of interest is almost as welcome to

them as though it were in their native country. Thus invisible remittances take place, by which countries may import much more than they export, and so long as the imports do not consist too much of such things as can be made at home, and are such as contribute to the building up of permanent real wealth, they are not an unhealthy sign. I fear, however, that the character of British imports will not answer this description. Well now, what I wish to lead up to is this: Mr. Giffen made an elaborate calculation of the wealth of this country in the year 1875. Nearly seven years have passed since then. If his calculation was correct, and we then possessed £8,500,000,000 we ought surely to have added to this sum something like five per cent. on the capital every year; but let us only put it at four per cent., then there ought to be £340,000,000 a year to add, or £2,380,000,000 altogether. From this might reasonably be deducted the amount of about £50,000,000, which Mr. Giffen proved, in his letter to Mr. Chamberlain, had been the total loss to the country by exceptionally bad harvests. The addition of 340 millions a year is only in proportion to the yearly increase which Mr. Giffen proved for the previous decade of £240,000,000 per annum on the smaller capital sum of £6,100,000,000, and therefore I have not overstated anything. A merchant balancing his books would not for one moment think of adopting any other course of ascertaining his position. He would not think of arguing "Because I am selling four times as many goods and buying six times as many, therefore I am making more money." Whereas this is about the statement we are asked to accept from the Cobden Club and Mr. Giffen. I was therefore greatly surprised to find no allusion whatever made in the paper as to the increase or decrease of real wealth. Let Mr. Giffen prove to us by a simple balance sheet how we now stand. It must be compiled with a due regard to facts as well as to figures. The fact being that the decreased value of real estate is not yet ascertained by the Income Tax, nor will it be fully so until leases have fallen in; but such a statistician as Mr. Giffen can easily calculate it from test cases. I cannot accept deductions based on the legacy and succession duties, as they represent the accumulation of the past, and not of the present. I am afraid the result will be a terrible disappointment to the nation, and a great surprise to the Optimists. A calculation like this is the bottom of the whole affair. It was Mr. Giffen's favourite study; why has he thrown it over, and gone into this maze of invisible Exports, guessing at figures in the wildest manner? For instance, he gives his own statement of the Imports and Exports of the whole world at page 22, while at page 26 he gives the same particulars as supplied by Dr. F. von Neumann-Spallart, who differs from him by about £200,000,000 in both amounts. Again he gives us the real value of the Exports and Imports of the Austrian Empire, and comparing them with the official values, we find that the Exports have been undervalued in four years by no less than £30,000,000, while the real value of the Imports about corresponds with the official figures. Thus Mr. Giffen takes his figures of £162,000,000 as balance of trade in favour of Imports of the whole world from data which he proves to be incorrect even in civilised coun-

tries, and which may be far more incorrect in others. On these data the whole super-structure is built up as regards freight earned and profits of English trade. The allotted time will not allow me to reply to the arguments advanced as to our invisible receipts due on account of freight and insurance. That part of the paper will be replied to by others, but I take exception to the amount which is credited to English shipowners and merchants for commission and profits on business in various parts of the world. On page 27 the lecturer claims £16,000,000 on this account, while on page 39 he repents of his moderation, and claims £20,000,000, being at the rate of 2½ per cent. on £800,000,000. Mr. Giffen seems to forget that the greater part of English Exports are bought in this country by foreigners, and therefore the Export values are the full result to us. If any further profits or commission are made, they belong to the foreign owners. Our Imports, in like manner, often belong to the foreign consigner, and are sold by him to consumers in this country—perhaps through a broker, often direct, so that Import value closes the transaction so far as this nation is concerned. Beside this, English ships which are chartered in foreign ports are subject to a commission on freight to be paid away abroad. Thus it may be that the item, instead of being a credit, may often be a debit. Besides all this, a very large portion of our Export and Import trade is done by foreigners living in England, whose wealth may be any day removed.

As to the remittances due to us for interest from foreign countries, the amount is the purest guesswork.

When Mr. Giffen made his statement of the national wealth of 1875, he could only find that Income Tax was paid on £6,836,000 of Foreign and Colonial Securities, and on the small sum of £1,330,000 on railways out of the United Kingdom. It is evident, therefore, that if this large amount of property exists, it is owned by persons who do not consider themselves liable to their own Government for Income Tax. The money we invest abroad certainly does not go out in the shape of goods. The goods we export do not pay for the goods we receive, and therefore they cannot provide the funds for our investments as well. This wealth is not therefore made in the home trade. If we are still investing largely abroad, as Mr. Giffen maintains that we are, it must be the income of previous investment that provides the funds, and if so, it cannot also be remitted here. No doubt some persons in this country have large investments abroad, but owing to our system of taxation these investments cannot be called national wealth. A country like ours, which has adopted internal taxation for raising its revenue, is dependent on the increase of its real property, and the increased profits of its trades and manufactures. We are burdened with a charge of about £130,000,000 per annum, which must come out of the pockets of our own people in a more or less direct fashion. It is a charge on our industry, and puts us at a disadvantage with the rest of the world, almost as much as a tax on the raw material of manufactures would do. Even our receipts from Customs being levied only on such things as we cannot produce, must all be paid by the consumer. The investor in foreign property does not contribute towards

this. The English owner of real property in America pays the American tax there. Surely if the American nation claims this property as a national possession, we cannot claim it also. The fact is, that the Englishman who has all his property invested in the United States is simply an American in disguise. "Where thy Treasure is, there will thy heart be also." If Mr. Giffen thinks that the owners of this property, the yearly income of which he values at about £100,000,000, are compelled to remit the interest to this country every year by sending produce or manufactures, the necessity would in the end ruin every industry in the country, since the owners might be compelled to overstock our market to such an extent that the goods would hardly be saleable at half their value. The tax-paying power of our producers would be neutralised, and we should at once have to levy enormous duties on those imports as the only means of meeting our national expenditure. Then, and only then, would such property give its quota towards the support of the State. Our system of internal taxation is therefore inextricably mixed up with this question of Free-Trade and Fair-Trade.

I will now proceed to take one trade in the United Kingdom, and compare it with the same trade in the United States, and we shall see how the system of taxation affects each. I will take the business of Agriculture, as being the largest we have, and I will make no mention either of tenants or rent. I will simply suppose that the owner of the land both here and in America has it in his own hands. The burden of taxation of various kinds for Church and Country on good wheat-growing land in England and Wales amounts to fully 12s. per acre. In the Western States of America, land of equal or better quality pays only 6d. per acre.

Thus the English producer of wheat is at once handicapped by 11s. 6d. per acre. This shows the result of our system of taxation, which is necessitated by our so-called Free-Trade system. We burden our own producers, and thus enable foreign producers more easily to compete.

The American looks at these matters from an entirely different point of view. He desires to produce and consume all he can at home, and the rest of the world he considers simply as a fortunate accident in his favour. In consequence of our policy, his agriculture has naturally advanced more in proportion than his other industries, and there is no doubt that the climate and soil will enable him to deliver his wheat and his meat to us much cheaper than he has already done. Our industry of farming must be, therefore, very severely tried. This would of course be bearable if the impost bore its fruits by stimulating our great manufacturing industries, and by enabling us to supply his wants in the same manner; but this is no part of his plan. He has built up a mighty nation which we must all admire. It is a nation that has not bound itself down to any particular system of trade as though it were a religion. The only unalterable trade condition which its constitution admits is, that Exports shall never be taxed. All the rest is a matter of expediency. Its growth in real wealth is simply marvellous, and during the last few years surpasses ours tenfold.

The Americans take an entirely different view of the incidence of Im-

port duties to that taken by the Cobden Club. Senator Morrell, in his famous speech on the tariff made last December, says that the price of iron, steel, &c., has not been higher there since the heavy duties were imposed than it was before. His argument is, that if American ports had been open to our manufactures, the price of our raw material and labour in England would have advanced. In this way he holds that the tariff which the American Government now collects for the nation would have found its way into the pockets of Englishmen. As to the truth of this position there is a great deal to be said in favour of it, and we need look no further than our own history for its confirmation. In the early half of this century, when we too had our tariff, the price of wheat for 30 years, viz., from 1820 to 1850, averaged 57s. 6d. per qr. During that period there were very heavy duties on the import of foreign wheat. The prices in the countries that supplied us were very low. Thus in 1824-26 the price of wheat in Dantzic, which was then the principal shipping port, was as low as 21s. per qr.; from 1833 to 1837 inclusive it averaged less than 28s. In 1843, on the 13th of May, Mr. Gladstone made a speech in the House of Commons in opposition to Mr. Villiers' motion for the repeal of the Corn Laws. In the course of his arguments he referred to the low price of wheat then ruling at New Orleans, which was from 20s. to 24s. per qr. Now, if it be true that the consumer pays the whole of a duty, it must follow that when that duty is removed he will get the benefit. But what do we find?

The duty on wheat was removed in 1849, and the average price from 1850 to 1874 has been 53s. The consumer has therefore gained 4s. 6d. per quarter, and the producer abroad has gained at least 10s. per quarter. Duties imposed on the import of articles not produced in a country must certainly in most part be paid by the consumer; but the import of an article that is likewise produced at home comes into competition with the home producer, and the price for a long time depends more on the power of the home producer to compete than on the cost of production abroad. I am convinced that a tax on wheat would only in part fall on the consumer, and I maintain that the incidence of duties on all articles imported into, but also produced within a country, is regulated by supply and demand; thus, if there be an urgent demand, the consumer pays the larger share, and if the supply be in excess the producer does so. The largest importing countries to a great extent fix the price for other countries.

There can be no doubt whatever that during the last seven years the Americans have been taking their own bonds from this country to a very large extent, and that they now own nearly all their own debt. At the last founding operation, when the 5 per cents. were called in, an agent was sent to London to receive and extend bonds held in Europe. Only 35 million dollars were extended in Europe, while 365 million dollars were extended in America. I cannot, therefore, understand how Mr. Giffen can maintain, as he does on page 44, that no foreign property has been parted with by this country, but on the contrary it has greatly increased. There can be no doubt that in 1870 the major part of the American debt was held in England, whereas in 1881 we only find about 10 per cent. of it in the whole of Europe.

The opinion of American Protectionists is that they have by their tariff secured for their manufacturers and working classes a natural price for their manufactures and labour, that the competition of their manufacturers with one another, prevents that natural price from advancing, and that all which they buy in other countries is given to them at an unnaturally low price, the tariff forming the difference. They therefore maintain that the foreigner pays the tariff, and that if it were removed he would gain the advantage, and not the American consumer. It seems to me that they have just as much right to hold this opinion as the Cobden Club has to hold the reverse one. All other countries are looking to the United States as their model, and are endeavouring to foster their industries in the same way. Tariffs go on increasing against us. Every year we are working for less profit, and parting with our real but exhaustible wealth in coal and iron for a smaller exchange value. I will here refer to articles which appeared in the *Economist* newspaper on the 21st and 28th January in this year. The writer, who is evidently a statistician of the first order, clearly proves that in 1881 the exports of manufactured goods were relatively lower in price than in 1880 by a greater percentage than the raw materials from which they were made. It is a most important consideration. If foreign tariffs affect us in this way, what conclusion can we possibly come to, except that we are not only paying our home taxes, but also a portion of the taxes of all tariff countries—that the majority of our population is not receiving its natural remuneration, and that the moneymakers are the few instead of the many—that we are parting in its simplest form with our latent power—that every day the supply of this latent power becomes somewhat less available, while the same materials in other countries are becoming more available? There is no doubt whatever that our wages have been much lower during the last seven years than they were in the previous seven years; and they would have been still lower had it not been for trades unions *and short time* keeping up the nominal rate.

This paper of Mr. Giffen's will no doubt have one good effect, which has likewise been contributed to by all the publications of the Cobden Club. It will prove to the French Government how little need there is to make any Commercial Treaty with England, and, if we are saved from that Treaty, which of all Free-Trade proposals is the most illogical breach of all the laws of Political Economy, we shall have great cause to thank Mr. Giffen for having written it; and the high reputation in which he stands will no doubt gain for his lecture the attentive perusal of the politicians and economists of other nations.

We have now about forty Commercial Treaties existing. Fortunately all the important ones have arrived at that period when, by giving twelve months' notice, they can be cancelled. I would propose at once to give the notice to all. The world would perfectly well understand what we meant, and one nation after another would seek to come to terms with us. But before making terms with any foreign nation we are bound to consult our own Colonies. If they desire confederation on Free-Trade terms let them have it, and with the rest of the world let us be independent, treating

those countries best which treat us best. Our own Colonies are quite as well fitted for the production of food as America, and by encouraging them to produce wheat in large quantities, we shall have a never-failing supply. The crops could not fail in India, Australia and America, all in the same year, and we should be preserved from high prices by the increased number of our sources of supply.

In conclusion, I beg to say that I entirely differ from the conclusions arrived at by the lecturer. I believe that the system of Free-Trade (so-called) which now exists, did us no harm for many years after its inauguration, that it did us but little harm for many years more, and that it is now doing us much harm, and is likely every year to us more; and although personally I am perhaps more interested in its continuance than any other person in this room, I feel that I am only discharging a duty which I owe to my country, in denouncing it.

Mr. Harris concluded by handing to the President the details he had collected of American Taxation. These details covered an area of 1,600,000 acres of land, including 39 towns all in the State of New York.

The total amount of Taxes levied for all purposes on land, houses and personality did not exceed 6d. per acre on the total number of acres, and therefore represented a much lower rate than that sum as a tax on agriculture. Mr. Harris explained that, these details being collected from well-settled and valuable agricultural land in the Eastern States, it might be regarded as certain that in the far West the burdens were lighter.

Mr. DAVID MACIVER, M.P, said :—The interesting statement from Mr. Harris to which we have just listened, and in which I heartily concur, is in the nature of a complete essay on the whole subject, and the position is, as if there were two separate papers before the meeting. But I will confine myself to dealing with Mr. Giffen's paper, which originated the discussion. The first, and, I think, the only difficulty which presents itself in the way of reply, is the inordinate length of that paper. It was only partially read at our meeting, but I have completed its perusal at home, and find that to read the paper from beginning to end requires a period of rather more than four hours. It would be easy enough, did time permit, to "trip up" every paragraph in detail; but to do this in a speech of something like ten minutes' duration is an obvious physical impossibility. I must content myself with taking a point here and there, and I hope I shall not be blamed for leaving much unsaid that I would have wished to say, did opportunity permit. It must, therefore, not be supposed that I have no answer to make to those portions of Mr. Giffen's most voluminous paper, which, so far as I am concerned, must be left untouched to-night. But I wish at the outset to demur emphatically to Mr. Giffen's introductory remarks. It is not for me to defend the gentlemen to whom Mr. Giffen refers, but if Mr. Giffen is no more correct in his quotations from their speeches and writings than he is in reference to myself, the probability is that they can each of them make a good defence. Mr. Giffen's reference to myself

consists of a garbled quotation from a question asked in the House of Commons, accompanied by a misstatement of the points which were involved ; but with that I will deal later on. Returning to Mr. Giffen's introductory remarks. I wish to point out that even although Fair-Traders may occasionally be in error, and may even misuse figures, this is no more than can be said with still greater truth of their opponents. I have perhaps no right to speak on behalf of the Fair-Trade cause, but I may say that there are Fair-Traders of various kinds. Some amongst them are honestly desirous of promoting the reality of Free-Trade, while others are undoubtedly Protectionists. They are of varied opinions, and of every shade of politics ; but they have one common platform, which certainly does not depend upon statistics. The term Free-Trade, on the other hand, is more definite—but definite only in wrongly defining the existing state of things. What the Fair-Traders —and Fair-Traders of every description—allege is, that our present system is improperly called Free-Trade, and that it is, in reality, only a system of free importation, combined with restricted exports. The hostile tariffs of other nations make, as Fair-Traders believe, Free-Trade impossible ; and as a body, and with whatever difference of view there may be amongst us, we are, at all events, united in condemning the system under which foreigners are free to compete with the industries of this country, while we are not free to compete fairly with the industries of other lands. The Fair-Trade case, therefore, depends much less upon statistics than upon practical experience ; but nevertheless, we most of us, believe, that statistics have their proper place in our arguments, and although requiring to be received with many qualifications, that they are not without usefulness. But it is quite wrong to say, as this paper does many times over, that we, Fair-Traders, rely upon statistics, and have nothing else to rely upon. Statistics at best are but half truths, and I think that Mr. Giffen himself has not by any means succeeded in eliminating the errors and removing the difficulties, which lie in the way of a right use of statistics. I agree with him entirely as regards the absurdity of putting imports on one side of the account, and exports on the other, and treating the balance as if it were national loss. Had this been so, we should all have been in the workhouse long ago; yet there is a half truth in the figures nevertheless. Going back ten or a dozen years to a period when the value of our imports did not very greatly exceed that of our exports, we were undoubtedly much more prosperous than in the subsequent period, when imports increased relatively much more rapidly than exports, thus making the balance excessively against us. In the former case, the apparent balance was probably no real balance against us at all, and nothing more than that which was represented by the profits of trade, by the earnings of shipowners, and by our income from foreign investments. Therefore I quite agree with Mr. Giffen, that it is only a natural and a healthy state of things that we should have some apparent balance against us ; and I would like also to point out that this legitimate balance would be the greater because of that inaccuracy in the form of our returns,

which includes freight in the value of our imports, and excludes it in the value of our exports. But I contend, and so, I think, would most Fair-Traders, that whenever the balance against us is of an excessive character—whenever it exceeds in fact that which is due to the inaccuracy of the returns added to our legitimate profits, including, of course, those of the carrying trade—that this excess represents actual indebtedness, and must necessarily be eventually paid out of our material wealth.

But to what extent are these exports upon which some of us pride ourselves, robbing this country already of our material wealth? So little does the case of the Fair-Traders depend upon mere statistics, that there are many amongst us who regard the exportation of enormous quantities of coal, and of raw material, in the form of iron ore and pig iron, with considerable alarm. This looks to some of us as if it presaged the exhaustion of our mineral wealth, and that the day will come when we may no longer have that to give, which foreign nations are willing to take in exchange for food. Again, there are many amongst us who look with dismay upon the exportation of machinery and millwork to foreign lands, which we would prefer to see erected in this country. Yet all these things figure largely in the Board of Trade statistics, and if the Fair-Traders' case were based upon figures alone, we should be obliged to congratulate ourselves upon this state of things, as if it were to the advantage of the nation. Then, again, there are others, many others, amongst the Fair-Traders, who regard with alarm our needless dependence upon the United States of America, and upon Russia, for our food supply; but we do not think that the remedy is to be found in the establishment of a Chair of Statistics, as suggested by Mr. Giffen in the conclusion of his paper, because we think that the whole question involves considerations of political importance, and that it is the future of this country which ought to be considered, rather than those minor questions raised by Mr. Giffen.

I shall not follow Mr. Giffen in detail through his "general remarks upon import and export figures," because I entirely admit the necessity, not merely for most of the qualifications which he puts forward, but I would like to point out that there are other qualification besides, which go still further to invalidate any conclusions, drawn whether by Fair-Traders or by Free-Traders, from figures alone. Take, for instance, the emigration statistics, to which Mr. Giffen briefly alludes. These, although he does not say so, are surely an important element in the proper consideration of questions affecting the balance of trade. There were last year 243,000 British and Irish emigrants to the United States, and it is a mistake to suppose that these people were generally paupers. I know, from a former experience of the emigration business, that emigrants are very often well-to-do people, who manage to take a little property with them, which does not appear in any official returns. In any case, an adult labouring man is, himself, practically an export for which we do not get paid. He is worth a considerable sum of money to the country of his adoption, and that which it has cost the land of his birth to feed, clothe,

and educate him during the years when he was a burden, is all loss to the old country. Mr. Giffen, in another portion of his paper, speaks of our ships as if they were exports, and I confess that I do not follow him there in his argument; but I ask whether the emigration of able-bodied men and women, leaving the old and the infirm behind—for that is what emigration too often means—does not represent a money value, which, if the Board of Trade statistics of imports and exports were the whole of the truth, should, in some form or another, appear therein?

I do not think it need have required eight long columns to show that the Board of Trade statistics of imports and exports, taken by themselves, without qualification, are practically worthless. But before entirely passing away from this subject, I should like to point out, as Mr. Giffen alludes to it, that the total entrances and clearances of ships at ports in the United Kingdom are perfectly unreliable, even with the corrections supplied by Mr. Giffen, and that it is, in point of fact, impossible to get at the truth. The clearances in ballast, which are so recorded at the Custom House, do not include the large number of vessels which, during the last few years, have sailed from such ports as Liverpool, with no more than a ballasting of cargo. This is not the fault of the Custom House authorities, because it is impossible for them to discriminate in regard to whether vessels are completely or only partially laden. As a matter of fact, arriving vessels nearly always bring full cargoes, while the vessels which sail from those of our ports, that are not coal ports, are not unfrequently in a less fortunate position. Therefore anybody who treats the statistical record of Customs' clearances as if they were the whole truth, is making a mistake. Then, again, is it not a perfectly natural state of things that a country like the United States, with enormous immigration, and everybody prosperous and contented, should have such a large home trade, so far as her own manufactures are concerned, as to leave very little for exportation? Mere statistics of the value of exports and imports alone, clearly cannot be taken as indicating the measure of a nation's prosperity.

Mr. Giffen's third subject, viz.:—"The balance of trade and balance of indebtedness" I have already partially dealt with, and when I look at the clock and see how time is passing I think that I ought not to do more than refer briefly to what he says about shipping. It is obviously true that in the consideration of questions affecting the balance of indebtedness the earnings of our carrying trade should be considered; but it seems to me that Mr. Giffen himself falls into the mistake which he charges against Fair-Traders, and that in putting forward sixty millions he is in reality dealing with figures, about which nothing is certain, except their uncertainty. Something ought, of course, really to be added, and if Mr. Giffen had merely put his figures at sixty millions without showing how he arrived at them, there are many people who might have thought he was possessed of information not open to the outside world; but his paper shows plainly enough that £60,000,000 is a mere guess, and a guess of the wildest description. If it had suited his purpose to put the figures at £6,000,000 or at £600,000,000

there would have been just as much to say for or against them. The whole argument by which he arrives at the £60,000,000 is a paradox not really worth serious attention, but as it is based on alleged facts I propose to point out one or two statements of fact, with regard to which Mr. Giffen is in error. His calculations are like a calculation of the distance between Westminster Clock Tower and the middle of next week, and nothing would be proved if his figures were correct; but as a matter of fact he is quite wrong, and grossly wrong, in nearly the whole of the estimates upon which his so-called argument is based. The real value of shipping property is much less than Mr. Giffen says. The expenditure abroad is more—the average profits of ship owning are much less. I speak not without knowledge of the whole of these subjects, and on knowledge not based upon my own individual experience alone, but also on that of relations and friends interested in steamers and sailing vessels of every kind, and during a long series of years. The large profits which those, who understand the business, sometimes succeed in making, tempt others into the field, the performance of whose vessels certainly does not yield a profit of 12½ per cent., but, in too many instances, no profit at all. Mr. Giffen takes about 12½ per cent. per annum as the all-round profit of shipowning; but I have no hesitation in saying that if he put it at half that sum he would be very considerably over the mark. Still if there is any gentleman here who would like to have a better return than 12½ per cent. upon a shipowning investment, I think I could myself afford him the opportunity, although it would be in an individual ship rather than in the combined property of a larger company. Cargo steamers cost, not what Mr. Giffen says, but something like £10 to £11 a ton upon the total dead weight capacity. This is the price of new vessels, and as there are a considerable number of steamers afloat which are not new, but which are at work, and whose real value is only the value of old iron, I have no hesitation in putting the average value of shipping property at very much less. Mr. Giffen makes a queer estimate about the gross tonnage and net tonnage; but no one knows better than he, that the law in relation to tonnage measurement is of such a character that the nett register tonnage of a steamer is no evidence of her size. It is rather an indication of the extent to which the shipowner has understood his business, in procuring a vessel whose carrying capacity shall be large upon a small dues paying register. Tonnage statistics and value statistics based upon tonnage, contain therefore large elements of uncertainty, sufficient altogether to destroy Mr. Giffen's calculation upon which his argument—if it can be called an argument—is based.

But before passing entirely away from this subject, I want to refer to page 44, in which Mr. Giffen speaks of the decadence of American shipping. This paragraph is of special importance, because the argument is precisely that which Mr. Gladstone used not very long ago when speaking at Leeds. It is an argument which, after Mr. Gladstone's speech, received a good deal of attention in the *Times* and other newspapers, and which was put forward by a considerable section of the press as if it were a crushing reply to the Fair-Traders. But I could select

no more clear instance of the misuse of statistics. The decadence of American shipping is due, as every practical man knows, to no question either of Free-Trade or of Protection. It has nothing to do with statistics; but is simply the result of the mechanical question involved in the substitution of iron for wood. Mr. Giffen must have been quite aware of this, because he makes a casual reference to the change of materials; but nevertheless he slurs it over with little more than a passing remark, and treats the subject as if it were one of statistics. Those who base their arguments against Fair-Traders upon the statistics of American shipping, are misusing these statistics by stating only a part of the truth. The whole truth is that when wooden ships were right, the Americans had cheaper materials than ourselves and could beat us; but that now, when wooden ships are wrong, we have cheaper materials as well as lower wages than they, and can beat them. This, I think, you will see is really apart altogether from any question between Free-Trade and Protection. If the Americans could to-morrow import iron duty free, they would still be at the disadvantage of a freight across the Atlantic or of the cost of a long railway journey for their materials, as well as the disadvantage of requiring to pay the higher scale of wages which their workpeople enjoy, before they could successfully compete with shipbuilding in this country. If the Americans were to become Free-Traders, the effect would not be to arrest the decadence of American shipping, but to destroy that which remains; and although they might no doubt come to this country to buy their ships and put the American flag over them, such vessels would only become American in the sense that French wines become British when they are put into an Englishman's cellar. Figures therefore on this shipping question are certainly only a part of the truth; few Fair-Traders would seriously argue otherwise; but I think that Mr. Gladstone at Leeds, and Mr. Giffen here, have themselves done that which Mr. Giffen charges against us. It is they, and not we, who seem to rely exclusively upon statistics.

But what about the misuse of statistics by other great authorities who call themselves Free-Traders? I heard Mr. Chamberlain, replying to Mr. Staveley Hill the other night in the House of Commons say that the annual value of our imported manufactures was £35,000,000 Mr. Gladstone, speaking at Leeds last October put it at £45,000,000—while the Cobden Club not very long ago circulated 41,000 copies of a pamphlet by Sir Louis Mallet in which the figures of our imported manufactures and half manufactures were stated to be £49,000,000. On reference to the Board of Trade statistics I find by the simple process of addition that the whole of these figures are wrong, and that something like £75,000,000 would be nearer the truth. Of course the whole point turns upon the question "what are manufactures"? And in regard to this I cannot better explain how such discrepancies arise than by recalling your attention to a published correspondence which I had three years ago with Sir Louis Mallet in regard to the Cobden Club pamphlet, to which it referred. Of that correspondence I have some copies by me,

giving in detail the explanation to which I now briefly refer, and I shall be happy to send one of them to any gentleman who would like to see what a "hash" of figures "the chief cooks"—if they will allow me to call them so—are themselves capable of making. Now, with regard to Mr. Gladstone's reference to statistics at Leeds, it is right I should call your attention to the circumstance that he was endeavouring to make out a case against what is called "retaliation," and that what he said was that our imported manufactures were a small field of £45,000,000 while our exports were a large field amounting to more than £200,000,000, and that therefore we could not hit the foreigner as hard, or nearly so hard, as the foreigner could hit us. No more glaring instance of the misuse of statistics could possibly have been made, because as a matter of fact these £200,000,000, of which Mr. Gladstone spoke, were not merely our exports to those countries which tax our goods, but to the whole world, including nations which are strictly Protectionist, those which are partially so, and those whose people rank themselves as Free-Traders, as well as our own Colonies and Dependencies. The comparison of course ought only to have been that of our imported manufactures from the nations which tax our wares, as against our exports to the same nations.

Now, one word more and I have done. Mr. Giffen, near the commencement of his paper, refers to a question which I asked in the House of Commons; but he forgot to tell you that he was only quoting part of my question, and that the question commenced by reference to some statistics, which Sir Henry Peek was at that time circulating and which dealt in detail with the figures of our trade with France over a series of years. It is quite true that Mr. Chamberlain gave the same twist in his reply which Mr. Giffen does in this paper; but that this was not really the point of my question, anyone will see by reference to Hansard,* for I immediately rose and gave notice that I would ask the President of the Board of Trade "if he would be good enough to furnish a brief statement showing whether it is or is not true that France is every year sending us increasing quanties of woollens, silks, cottons, linens, and other textile fabrics, gloves, clocks, jewellery, loaf sugar, wines, and other luxuries, while the exports from Great Britain and Ireland show no corresponding increase except as regards raw materials, coals, and other articles which afford comparatively little employment to our industrial population." Mr. Chamberlain in reply assured me that the suggestions of my question were inconsistent with the facts. That Mr. Chamberlain was wrong, is evidenced by the publication of the return which I asked for and which has just been issued,† and no later than yesterday there appeared in the City Article of the *Times* newspaper a paragraph, of which Mr. Giffen himself is the reputed author, which says:—"It is evident that we are much larger consumers of French goods than the French are of ours, but the work done by British ships is here omitted, and would have to be

* See "Hansard's Parliamentary Debates." June 13-16, 1881.

† "Trade, (United Kingdom and France). Return, showing the Trade between the United Kingdom and France, in each of the years from 1861 to 1879.

reckoned in a complete statement. It is clear, also, that the French market is of less importance to us than our market is to French producers, especially as our exports to France are not only absolutely, but relatively, smaller than their exports to this country." Now, passing away from Mr. Giffen for a moment, I will take the French figures as published in a pamphlet recently issued by the British Chamber of Commerce at Paris, and which are those of the French Tribunal of Commerce. These show that our importations of French manufactured goods during the period of Mr. Cobden's Treaty have increased considerably, and are more than twice as great as our exports of manufactured goods to France They show also that our importations of farm and garden produce alone, were of more value than the whole of everything we sent to France, and they also show that we were large exporters to France of raw materials for their industries. I do not believe even Free-Traders, as a rule, consider that the existing state of things is satisfactory, or that we should sit down quietly and allow our business to be prejudiced any more than we can help. by the hostile tariffs of foreign nations; but the remedy, I think, is to be sought, not in a chair of statistics at our Universities, as suggested by Mr. Giffen, but rather in the establishment of "a chair of common sense" at the Board of Trade. It would, I think, be a great misfortune if the Board of Trade, as a public department, were to follow the plan which seems recently to have been adopted, and make it its business to engage in controversial politics, rather than in the consideration of how best to help the industries of the country. If, however, the Board of Trade continues in the path on which it has entered, it is evident that, as in the United States of America, the officials would require to go out with every change of Administration. It would be a misfortune if a change of Government caused the country to lose the services of the present able permanent Secretary of the Board of Trade, as well as the services of that eminent statistician, Mr. Giffen, to whom we are indebted for the able paper, which has furnished us with so useful a discussion.

Mr. JOHN GLOVER (shipowner):—The issue raised by the previous speakers is one of the gravest that it has been my privilege to listen to during the many years that I have been in the habit of attending the society's meetings; and I do not know any better service that the society can render to the public than to allow the present controversy to be thrashed out. Mr. Giffen's paper, whether he intended it or not, appears to me to throw out a direct challenge to the Fair-Trade League party; and it is the duty of the society, seeing that its journal has for a great number of years held steadily by Free-Trade principles, and still recommends their practice, to give an ample hearing to those holding opposite views. I hope, therefore, that no consideration of time will prevail to prevent the discussion being full and complete. (Hear, hear.) At the same time I hope the able paper read at the last meeting will have its fair share of our attention. In the last two or three years there has been, something like a ghost

in England, which has been going about alarming people with statements to the effect that we are living on our capital, and that, therefore, we are very much in the condition of a man living on his vitals, and will soon come to an end. If these prognostications are anything like accurate, there is no doubt that the English nation is in a very bad way. (Hear, hear.) With that statement, however, the head of the statistical department of the Board of Trade has grappled, and has told the authors of such statements that they are alarming themselves needlessly: that, although the imports into this country are so far in excess of the exports, the country is not going wrong; he has told us not to be alarmed, and that these fears arise from making an improper use of the statistical tables—that we may prove anything by figures, and nothing is so false as figures—(hear, hear)—unless they are used with great intelligence. Mr. Giffen says that from the alleged value of imports great deductions are to be made, and to the alleged value of exdorts great additions to be made; and that if we make these corrections—deducting from the value of the imports and adding to the value of the exports—we reduce the difference between these two figures to a quantity which ought at once to lay the ghost and destroy the alarm which the Fair-Traders have raised. Now, the bulk of that assertion rests on what Mr. Giffen rather felicitously calls "invisible exports," viz., that our export tables do not tell the whole truth; and he shows that something like £60,000,000 must be added to the exports if we would arrive at accurate figures, not of actual value, but of their value as a matter of international exchange. Mr. Giffen calls witnesses in favour of that opinion. He has cited the late Mr. Newmarch, Mr. Stephen Bourne, and Mr. M'Kay, each of whom puts the figures at from £58,000,000 to £68,000,000 sterling. If these be approximately true, then they destroy the Fair-Traders' case. (Hear, hear.) I think, however, that Mr. Giffen exaggerates the value of freight as a matter of international exchangeable value, because he includes in it the subsidies paid to steam companies; but the subsidies are provided by Parliament, and cannot therefore be regarded as an item of exchangeable value. (Hear, hear.) In the same way he also includes passage money, and the great bulk of that money is paid by Englishmen, and is consumed by Englishmen. (Hear, hear.) How can that be said therefore to have anything like an exchangeable value? I am disposed to think that all the estimates from the £50,000,000 to the £68,000,000 are greatly exaggerated. (Hear, hear.) On the other hand, enough allowance is not made by the Board of Trade for the work done by English ships for other nations. If an English vessel carries a cargo of wheat from New York to Havre, or from Bombay to Marseilles, the freight of that operation becomes for all purposes an item of international exchangeable value, equivalent to an export from this country; because the bulk of it is English property. But it finds no place whatever in our returns. (Hear, hear.) I believe that quite 75 per cent. of the 80 million tons of foreign shipping, entering Foreign States, belongs to this country. Referring to Fair-Traders' complaints, there was so-called

Fair-Trade at the beginning of this century, when wheat was 115s. per quarter and the population only nine millions, and when the poor rate was ten shillings per head of the population. (Hear, hear.) Down to 1840 there was manufacturing distress of an acute character, and besides that, agricultural distress so acute that farms in many parts of the country were going out of cultivation because the pressure of the rates destroyed the rent. All that is changed, and in 1881 with 27 millions of population, wheat is 46s. per quarter, and since 1840 we have increased our trade fourfold. I ask whether we are prepared to call upon the legislature to reverse the prescriptions of the philosophers, who have in one generation quadrupled the trade of the country, and if so whether we think the next generation of Englishmen will be able to sustain the rate of progress under the operation of a Fair-Trade tariff. Until the Fair-Traders can show that Fair-Trade would do something better than the above increase of four-fold, the English nation will adhere to the Free-Trade policy, which had produced this magnificent result. (Cheers.)

Captain Halford Thompson (Exeter) said :—I should like to ask Mr. Giffen a question before I proceed with my remarks, as I do not want to speak under a false impression, on what I consider to be a most important portion of his paper. On referring to p. 28 of his paper : Do I understand that he considers 15s. per cent. a fair average percentage for freight on the import trade of the whole world ?

Mr. Giffen : That is what the figures appear to show.

Captain Thompson : Although I have for some years been a fellow of the Society, I have never been able to be present at one of our meetings before, but I naturally feel some diffidence in rising to address a meeting containing so many gentlemen who have made political economy the study of their lives. Mr. Giffen is very hard upon those who "*can handle figures*" without a previous education to the trade, an education which he evidently thinks cannot be complete, unless it has been carried out under the supervision of the Cobden Club. I have no doubt that I shall be considered by him as one of those persons who in his own words "*have strictly no ideas at all, no picture of what is really going on in the world*," but having been appointed a fellow of the society on the strength of writings in favour of the Fair-Trade which Mr. Giffen is pleased to style as "Protectionist Heresy," I must have the courage of my convictions, and speak out now. We have heard from a previous speaker of a ghost, but Mr. Giffen's primary object appears to be to raise up a sort of "bogey," showing that there are so many deductions, and allowances to be made from statistics of imports and exports, that no ordinary observer can make a safe use of argument based upon them. To say the least, it is peculiar that, while doing this, he bases pages of argument and piles of figures, and upon what? Why, upon a table of the import and export trade of the whole world, based upon figures *taken in different years, and taken by his own shewing, from returns based upon utterly different principles* !!! How a well-known authority in statistics

like Mr. Giffen can have put forward such figures before a society like this, I must confess surprises me. Surely our one great object here should be *never to put forward figures that cannot be absolutely substantiated.* How little Mr. Giffen's figures can be substantiated, I will endeavour to show hereafter. The main object of Mr. Giffen's paper is to shew that, granting that there is a large balance of excess of imports over exports in our British trade, this balance is really no more than it ought to be, and can be all of it accounted for, without admitting that any injury is being caused to the nation thereby.*

I will pass quickly over the first portion of his paper, as to the impossibility of obtaining absolutely accurate data. The difficulty as to ascertaining the actual values is I am aware a great one, more especially in the case of imports, as in many cases it is really nobody's business to verify the returns made. Perhaps, if we return to import duties on manufactured goods, we shall have less difficulty in ascertaining true values. And it will be some consolation to Mr. Giffen, when contemplating what he would think so terrible a back-sliding, to think that in future he would have more chance of getting accurate statistics, although there would of course then be an incentive to merchants, to fraudulently undervalue their consignments. But for the present there can be no question that returns of imports are not to be absolutely relied upon as to value. No doubt too the different ways in which data are obtained in different countries, is another element of inaccuracy. I also fully admit that allowance must be made in the calculation for the falling off that has taken place in the price of raw cotton, though as the price of raw cotton is seldom more than 40 per cent. of the mannfactured article, I fail to see how the reduction in the price of the raw material can have had the immense effect claimed for it by Mr. Giffen at p. 17 of his paper. But granting all this, I must really take exception to Mr. Giffen "begging the question" by "supposing" there is an error of 2 per cent., and that this acts on imports and exports in *opposite* directions. That there *are* errors I fully admit, but it does not the least follow that, after admitting this, the errors will help Mr. Giffen's argument in the least; and if he can find no better reason for £15,000,000 of "excess of imports" than this, he is nearly as badly off as when he had to appeal to "*invisible* exports."

However, having admitted the possibility of error, I now come to Mr. Giffen's main point, viz., that the excess of imports over exports is to be thoroughly accounted for, and that the greater portion of it is due to our being the great "carrying nation" of the world. Mr. Giffen might have spared himself a great deal of trouble in demonstrating what we all know viz., that imports must always have a percentage taken off, in comparing them with exports, because imports *include freight* and exports do not. In point of fact, the principle upon which our returns are based is that the value of exports is calculated at the moment when the ship *weighs* her anchor, and of imports when she *drops* it. But, admitting

* Captain Thompson might also have fairly asked Mr. Giffen whether he more especially defended or explained away the balance of excess of 1871-2-3, or that of 1877-8-9. It is these differences in the "balance of excess" into which Fair-Traders demand enquiry.—Ed.

that an allowance must be made for this, we are still a very long way from admitting the accuracy of the figures, which Mr. Giffen has built up, upon his wonderful table as to the trade of the world. What Mr. Giffen wants to prove is that the £162,000,000 which his table shows as the excess of imports over exports in the trade of the world, "represents approximately the cost of conveyance" after deducting a sum of £32,000,000 for certain miscellaneous charges and commission, which brings the amount down to £130,000,000. To prove that this is not an excessive amount, Mr. Giffen calmly informs us that this sum only amounts to a charge of 15s. per cent on the total imports of the world. I purposely asked him a question on this point, and his reply seemed to show that he still thought this a fair estimate. Now it happens that so far from the result of the calculation justifying Mr. Giffen in saying that his figures only show a charge of 15s. per cent., it *really shows* £7 7s. 0d. per cent., which would be the percentage for cost of conveyance. Being only a poor Fair-Trader, and not having had the advantage of an education in statistics as Mr. Giffen has had, I have not entirely trusted to my own knowledge of figures, in making this calculation, although it is simple enough, viz., Trade of the world £1,768,751,000 : £100 : £130,000,000 to the amount of charge per cent. This as I have already said amounts to £7 7s., instead of 15s.

Mr. GIFFEN : I find it should be £7 10s. per cent., not 15s. (Loud laughter.)

CAPTAIN THOMPSON : Mr. Giffen's conception of his argument seems somewhat elastic. This extraordinary error does not seem to have made much impression on his mind while reading the paper. Curiously enough, however, Mr. Giffen, who is so very hard on the mistakes of his opponents, has made another gross miscalculation in the next paragraph, where he says that these figures, viz., £130,000,000 show a gross average of £8 per ton on the total tonnage of the world, sailing and steam together. A table he himself gives below on the same page puts this total tonnage at 28,400,000 tons, and on this amount the gross earning wonld be £4 11s. per ton instead of £8.

Mr. GIFFEN : I think the 28 millions are reduced to equivalent in sailing tons.

CAPTAIN THOMPSON : I think not ; at any rate it does not appear so. If Mr. Giffen's other calculations are as little to be relied upon as these, his voluminous paper will not be of much practical use ! ! But suppose Mr. Giffen says the 15s. is a clerical error, that it should be £7 7s., and that the latter 147s. is only a fair percentage for cost of freight. Has he then proved his case ? I answer that he is very far from having done so. In the first place I must decline to admit that his table of imports and exports of the world, based upon the heterogeneous materials upon which he has formed it, can the least be relied upon, and as for the calculations by which he supports his theory at p. 30,* *this days'* quotations of American freights are a ½d. a bushel, equal to 1s. 6d. per ton from New York to Liverpool for wheat, and Mr. Giffen is

* "The Use of Import and Export Statistics."

putting the average freight at 27s. 6d —!! I admit. of course, that this is exceptional. But there is a still more fatal blot in Mr. Giffen's calculations, where he makes a deduction of £16,000,000 for miscellaneous charges and commissions. In respect to *insurance*, which Mr. Giffen particularly specifies as a miscellaneous charge, all he can possibly take credit for is the *profit on premiums*, as we have to pay the losses. Altogether his £16,000,000 instead of being an "invisible import" is more like an "invisible item." Mr. Giffen has raised his own theory for the excess of imports over exports in this country, and has most distinctly failed to prove his case. Had he succeeded, I for one should still maintain that the injury done to our manufacturing trade by the excessive importations of manufactured goods is so great, that no arguments in the latter part of Mr. Giffen's paper can prove that our present system of free imports is for the good of the nation.

In the year 1880, £68,839,000 worth of manufactured goods were imported into this country, which came into *direct* competition with *similar* articles manufactured here. Had we the free access to foreign ports, no one could complain, but can anyone say that no injury has been done as it is? Mr. Giffen asserts that the predictions made, when free-trade was first inaugurated, regarding certain trades, have been falsified (p 64), and he particularly specifies the "cork cutting trade." He could not have taken a worse instance, for the cork cutting trade of this country has been simply annihilated, and corks are now almost invariably cut abroad. Mr. Giffen talks of the rapid increase of our population, as a proof of no injury being done to our trade. He might as well point to his having a number of children as a proof of his wealth, and he goes in for the old old story about our "progress" since Free-Trade was established having been "astonishing." He would do well to remember a remark in Professor Fawcett's admirable book on Free-Trade and Protection, viz., that we in England are much too prone to overstate the effects of Free-Trade. What we want at the present moment are really reliable statistics of our home manufacturing trade—statistics that are at present *most* difficult to get. We shall then be able to define more accurately the terrible injury that is being done to our manufacturing trade by letting their goods in here free, so long as they refuse to make some reduction in the heavy import duties they levy on ours. In spite of all the teachings of the Cobden Club, I firmly believe that the fair consideration of our import and export trade will eventually bring the great majority of Englishmen to see, that Fair-Trade is the only policy that can save the empire. There is a strong analogy between the cases of a good billiard player and a tyro, and that of England and other countries. A good player who wishes the tyro to play with him must give him points, but the day may come when the tyro will be as good as his master, and can play without points. So years ago it was worth our while to give foreign states points in our game of commerce. But to day they are our equals in their manufacturing power, and we can no longer afford to do so, under penalty of being ruined in the long run.

Mr. M. Wood drew attention to the mode of dealing with the statis-

tistics of India, and urged that a great reform was necessary in the way the national balance-sheet was kept.*

Mr. STEPHEN BOURNE said: I will not attempt to go *seriatim* through the enormous paper read; but I thank Mr. Giffen for his elaborate researches. It may appear ungrateful, after the kind manner in which Mr. Giffen has alluded to me, to criticise his work and differ from him; but I am sure Mr. Giffen will not feel hurt at what I am about to say, or undervalue the remarks I may make. I am quite sure Mr. Giffen erred, as Mr. Glover admitted, with regard to his statistics on shipping. I have consulted the Peninsular and Oriental transactions on shipping, and they do not bear out the large sum which Mr. Giffen assigns—£17 a ton. In fact, that is about double what the Peninsular and Oriental returns for its magnificent fleet, notwithstanding that subsidies for postal traffic, and large sums received for passengers, are included in that amount. After all, the question is not how much freight is earned for the country, but how much of the outgoing of the expenditure by the shipping interest is fairly to be carried on one side or the other, in taking the balance between the imports and the exports. (Hear, hear.) Now, the freight paid abroad for goods transported there, is clearly applicable to the purchase of goods which come to this country, without entailing the necessity for sending money for them, or any goods to meet them. But it is only a portion of this that can be fairly placed to that account. The freight on goods coming to this country, are admittedly included in the valuation of our imports, and therefore must be struck off. I put it down that in 1876, £37,000,000 a year must be abstracted from our imports before we can bring them into comparison with our exports of late years. Then, with regard to our exports: something must, no doubt, be added to them under what Mr. Giffen terms the "invisible exports," but they are nothing like the extent to which he has gone. With regard to freights, there is a great reason to believe that the expenditure abroad is much larger than Mr. Giffen has estimated. He instanced the case of the coal depots of the P. and O. all over the world, the coal being sent out to work the ships on their homeward passage. Now, the whole of the coal, whether abroad or not, is paid for out of the freight received at home, and the whole of that coal has already figured in our exports, because it has gone out in ships as so estimated. (Hear, hear.) As far as I can estimate, we put about five million tons of bunker coal on board ship to work the outward voyage, which are not included in our exports; but it is reasonable to suppose that there must be at least twice as much as that sent away from this country, to maintain the shipping transactions of the foreign and colonial traffic; and if ten million tons of coal are put down as sent out for the purpose, it makes a large slice out of available exports which have already been included in our returns. These are not available in any shape or form for the purchase of imports. Neither is the payment of money in England for passages, or the subsidies for postal traffic, available for the purchase of exports or

* Mr. Wood's speech is not given here *in extenso*, as it did not refer to, or in any way bear upon, the Fair-Trade controversy.—ED.

imports abroad, and yet they are large items in the earnings of shipping. (Hear. hear.) The only amount that can come into the account is that paid for foreign service. Then, with respect to commissions, no doubt a large amount of these return to this country on the goods imported, which represent the amount which has to be sent out abroad to pay for them; but there is a corresponding amount which we have to pay on our exports for commissions for persons we employ abroad. If goods are sent on commission, and if we have mercantile agents maintaining their partners abroad, they have to transact the business there, and the profits derived are not available for the purchase of imports to be sent to this country. So that if we come to look at the various amounts of "invisible export" to which Mr. Giffen refers, we shall have to make a large deduction. With regard to the wide question of the balance of trade, what is meant by the balance of trade? All of us admit that there are certain deductions to be made and certain additions on the other side, and yet with all these there is a large balance against us. (Cheers, and hear, hear.) But it does not follow that that balance is against us, for we may be earning that balance abroad by our capital or our labour. Yet there is this remarkable fact, that while England was prosperous, and building up her trade, her exports were always in excess of imports. (Hear, hear.) But her exports then were left abroad to fructify. (Hear, hear.) America is now paying herself for the corn she is sending us. America has discharged a very large amount, if not the whole of the debt she owed to England. Other countries may have been increasing, but if we are lending to those countries it must be recollected that we can only send them goods—not bullion. (Hear, hear.) If we lend Australia money, it goes out there in the shape of goods, and therefore we cannot count the goods twice over, first in money being paid, and second as available imports. If I lend £100 to a man in Australia, and I send him £100 worth of goods, or somebody else does. I send that man an order for payment; and whether that man exchanges it or not, the money is not available to come over in the shape of imports, because it remains there. Therefore it comes to this, that we cannot ascertain anything like how the whole matter stands, unless we can ascertain what are the balances going backwards and forwards, lending, repayment of loans, &c. (Hear, hear.) But there is this remarkable fact, that of late years the balance in our favour has fluctuated from time to time, but whenever we hear that trade is good—then it is found that our excess of imports is diminishing—(cheers)—or rather let us say "deficiency of exports." I feel that a consideration of the case cannot fail to carry conviction, that England has for many years been labouring under a very unhealthy deficiency of exports—(hear, hear)—and that as by her export trade, England has risen to a position of influence and wealth, she is clearly not now maintaining that export trade at all, in proportion to the increase of her population or of her necessities. (Hear, hear.) We must recollect that there are about 30 millions of inhabitants, out of whom about 10 millions only are the producers; of these, 70 per cent. are employed in producing the absolute food necessities of life, and 3 millions only are available for pro-

ducing articles of luxury, and acquisition of wealth. (Hear, hear.) I have said before that, as our population is increasing so rapidly, we are adding to the number of those who should be available for the production of articles of export; and that unless we keep our export trade to employ the whole of our surplus population, we cannot be maintaining our ground. (Hear, hear.) We may not be living on our capital, but we cannot be increasing our capital abroad; and the remedy applicable to the case is, that we must in some way or other gradually extend our export trade, or else we must send our population to take in the new territories and magnificent new soils which we have in various parts of the world, where they may raise food and become customers for our manufacturers. I think Mr. Giffen is wrong in including bullion. It should not be stated on either side, for it goes backwards and forwards just as the Bank rate leads it. I cannot help feeling that Mr. Giffen has fallen into an error in including it. With regard to the accuracy of statistics I think that as a rule they are tolerably near the mark. There has of late been a great improvement, and I hope that improvement will go on. As to the accuracy of the statement with regard to the trade of the world, I feel with some of the speakers, that it is rather too questionable ground on which to found so elaborate an argument as has been made. It bears out some of the other conclusions by which the sum of £60,000,000 was arrived at, but I believe the sum to be much overstated; I believe that something like half the £60,000,000 is nearer the mark. The whole question is so involved in difficulties, and presents so many phases that it is utterly impossible to arrive at anything like a thoroughly accurate conclusion on the matter. All that can be done is to get as near as possible to the truth; and I think Mr. Giffen has done a great service in his endeavour to give that truth, and in putting it in the light he has done. (Cheers.)

Mr. Giffen:* I think I may claim the liberty, during the short time of the meeting that remains, if there is to be no more discussion, to have some opportunity of correcting a few of the statements that have been made. I have to thank Mr. Glover and Mr. Bourne very much, and one or two other gentlemen who have spoken, for the favourable manner in which they have remarked upon my paper generally, but I think that some of the other speakers, if I may be allowed to go so far, seem hardly to have read the paper at all. One remark which was made, called attention to what appeared to be a discrepancy between the figures which I gave of the total Imports and Exports of the world, and the figures which Dr. Spallart has given; but apparently the gentleman who read that remark had not read the footnote, in which I stated that the figures I read included the bullion and specie, which are not included in Dr. Spallart's figures. I stated a most distinct reason why the two sets of figures should not agree, and I think that when a remark of that kind is made, the speaker should show that he has paid attention to what was

*Mr Giffen's speech is taken from the columns of the *Statist* newspaper of the 8th April, the only alteration being from the third person to the first person in conformity with the speeches of the other speakers.

said in the paper itself. When I was preparing the second table for this paper I had two tables before me; I had one without the bullion, and one with the bullion, and it was a matter of option with me which I should use. I preferred using the table with the bullion, as being, on the whole, for certain purposes, for which the table was to be used in the discussion, more accurate, and the figures came to a very large sum indeed. When I took alone the bullion—I can hardly speak from memory, and it varied in particular years—I think it would swell the Exports and Imports by about £40,000,000; it would make a difference in the figures in the United Kingdom alone of £40,000,000; the difference in the countries trading with the United Kingdom would come to another £40,000,000 or £50,000,000, so that there is £100,000,000 at once. The bullion is a very important matter. I think I may pass over some of the minor criticisms which have been made, and go on to the points of substance which have been touched upon. I think those have particularly been touched upon by Mr. Bourne and Mr. Glover, and though they have made some criticisms on the figures in reference to shipping, I do not think they have proved in the slightest degree there is any exaggeration in the figures. I have paid very great respect indeed to what Mr. Glover has stated, and should like to go into the matter with that gentleman, if he would be kind enough to favour me with information a little more in detail; but the points mentioned are not sufficient to qualify in any way the figures that have been given. Mr. Glover said a great deal about subsidies—that subsidies were part of earnings of steamers. Well, what are the subsidies paid by the United Kingdom? Only £700,000 or £800,000 per annum, which is a mere fraction; and, supposing they deducted it from £60,000,000 or £65,000,000, the sum of £800,000 did not count at all.

Mr. Glover: I quite agree the £700,000 reckon for nothing in this account, but the subsidies being included in the statement of certain companies' accounts, then those companies' accounts reduced to a rate per ton, and that applied to the whole British fleet, does make a difference.

Mr. Giffen, continuing: Although in some companies—in one or two with which I happened to deal—the subsidies figured as a very important item indeed, yet the gross earnings of those companies are not much larger; in fact, are not larger than some of the other companies which were mentioned, and which have no subsidies. It appears to me that those companies obtained the subsidies for doing a special service, and they are obliged to run constantly, and their ships are so constructed that they are not able to carry the goods that other ships are able to carry, yet the sum is made up in a different way; for those particular companies which have subsidies, on the whole, do not do so much better than companies which have no subsidies. I think that perhaps the point ought to have received a little more attention than it has done. In dealing with a question of this kind—my paper not being one on shipping, but of a general character—it would be impossible to make it a paper on shipping, and show all the minute details from which all the

calculations are derived. It seems to me that the criticisms have not in any way proved that there is any exaggeration in the estimates I made. I can only refer to the numerous statements by different shipowners cited, and which included a great many other companies besides those which have subsidies. If the gross earnings are at all right, then my figures are very near the mark, and the only deduction we have to make in connection with the subsidies is the figure of £600,000 to £700,000. I pointed out that a very large part of what is paid by passengers is really paid on foreign account. That is really my point. Mr. Glover, I think, said that the passengers are chiefly English people; but in spite of his great experience as a shipowner, to which I defer, I do not think that that is a correct statement. Perhaps Mr. McKay would be able to say in the American trade whether it is the English passengers who are the bulk, so far as Americans are concerned. I quite agree they belong to the United Kingdom, but I do not think it can be said that the cabin passengers are more than one-half; I do not think so much as one-half English people. But that is not the whole point. The earnings from the passengers of the passenger steamers which belong to the United Kingdom, include the earnings from passengers who do not come to the United Kingdom at all; they include the earnings of passengers who go between foreign places to a large extent. There is a very large amount of money earned in that way. Mr. Bourne I do not quite follow, if I may say so, in some of the remarks he made, in which he wound up by stating he did not think that I ought to have more than a sum of £30,000,000, in place of the £60,000,000, as the gross earnings of our fleet. It is the gross earnings which come, less the outlays abroad.

MR. BOURNE: My point is this,—not more than £30,000,000 should be applied to the rectification of the balance between Exports and Imports.

MR. GIFFEN: Then I understand Mr. Bourne to maintain that the earnings of the fleet, less the outlay abroad, are not a legitimate set-off.

MR. BOURNE: You have coals sent out.

MR. GIFFEN: I will state it as a matter of book-keeping. I said in a debit and credit account of this kind the earnings of a mercantile fleet in the United Kingdom, less whatever is spent abroad by the shipowner, must be represented by an Import of some kind. A good deal has been said about common sense. It is really a question of common sense to a very large extent. I should like to know, if Mr. Bourne disputed it, if he would take an opportunity of showing what deduction there ought to be from those gross earnings besides the outlay abroad. That is really the point, I think, to which the whole thing is brought. So little has been said by way of criticism that I feel at a loss how to proceed beyond that point. I have noticed really all the points which bear on the substance of what I have said. I think that the second table has been a good deal misinterpreted. It seems to have been thought that that is a main part of my argument, whereas it is really used as an indicator to the rest of the subject, and to prove one point which I thought was a

very important one. Taking the statistics as they are, with all their discrepancies, there is an excess of Imports over the Exports that has been going on for many years, and is surely a very important fact indeed in the study of the question. That is the primary purpose for which I used the table, although the figures might not be accurate to a pound, or a million, or ten millions; still, taking the figures as they stand, taking the actual accounts, which the different countries publish, this is the result we get. In all those countries there is an excess of Imports over Exports, the difference really representing the cost of conveyance. This, I show, is only introductory to the subject, and although the figures form in a general way the conclusions arrived at, I think some attention should have been paid to the logical position of this table in the argument. It is by no means used as the sole argument, but as introductory to a great many other statements on the subject. It would have been inconsistent with my object to use the paper in any other way. We ought not to use one set of figures when we can get two or three different sets of figures to check each other, and help us to come to a conclusion as to what the real facts are. On some future occasion I may read a paper on the accumulation of capital. In reference to certain remarks that have been made, I contend that Government officers should be able to give their statistical knowledge to the public, and that if these discussions are to be prohibited to public servants, it will be a great loss to the country.

The CHAIRMAN, in bringing the discussion to a close, asked for a vote of thanks to Mr. Giffen for the paper read; and referring to the remark of Mr. MacIver, that this country was being made dependent for its food supplies on the United States and Russia, he pointed out to him that beyond those two countries there was Canada, India, and Australia, each of which could send us food to any extent. Beyond that, in any emergency they could ultilise the grass lands of this country to an extent sufficient to meet any demand at home.

A vote of thanks having been tendered to Mr. Giffen, the meeting separated.

POSTSCRIPTUM.

For the benefit of those who have not read Mr. Giffen's paper, on which the foregoing discussion is founded,* the following precis of that portion of its contents which more especially affects the Free- and Fair-Trade controversy is prepared, together with suggestions that occur on points not touched upon by any of the speakers, or which have not been specially alluded to in the foregoing preface.

TITLE. Its title is "The Use of Import and Export Statistics."

CONTENTS. The Paper is divided into nine parts, as follows:—

i, Introductory;
ii, General Remarks on Import and Export Figures;
iii, Balance of Trade and Balance of Indebtedness, The Generality of the Excess of Imports;
iv, Subject continued: How the Excess of Imports into the United Kingdom is to be accounted for;
v, Subject continued: The Excess of Imports over Exports in France and the United States (conclusion);
vi, Import and Export Statistics and the Protectionist Controversy;†
vii, Subject continued: Negative Use of Import and Export Statistics;
viii, Subject continued: Other Uses of Import and Export Statistics (conclusion);
ix, Conclusion;
x, Appendix, i to x.

DIVISION I. Introductory. In the Introduction Mr. Giffen briefly condemns certain individual writers, whom he considers to have made errors in estimating or denominating figures. He deplores that, though the Statistical Society has been in existence nearly fifty years, the study of figures is little advanced. He asserts that, no statistics can be used without qualification and discretion, and that if so used, "without anxiety to appreciate them in their right meaning, and to support no greater conclusion than they can be made to bear, we may be sure there is something wrong."

The further instances given in Preface (pp. 6-7) of carelessness in using statistics, show how Mr. Giffen's views on this point should be shared by all who have to deal with figures in any shape, and how much more strongly he might have enforced them, had he drawn other illustrations. Those he has given are scarcely more than what might be termed clerical errors at the utmost, and each case is that of a writer holding fiscal views, to which Mr. Giffen is opposed. Neither of them, however, so clearly illustrates statistical fallibility as Mr. Giffen has himself done in this very paper, in the blunder detected and adroitly shown by Captain Halford Thompson, in the discussion that followed, (page27).

* Since re-published by the Statistical Society, London, (Edward Stanford).

† See Preface (page 4, line 34) for Mr. Giffen's confusion as to Protection and Fair-Trade.

DIVISION II.

General Remarks on Import and Export Statistics.

Mr. Giffen's "General Remarks" deal with the causes of error in handling Import and Export statistics. These are sub-divided under five heads:—

1. The difficulty arising from the varying data, upon which the statistics of different countries, and years or epochs, are founded. No comparison is fair, if these are not only accurate, but substantially of the same nature. Mr. Giffen pays full homage to Mr. Bourne's valuable paper on this subject, published in his volume "Trade, Population and Food."*

2. The difference of method by which the data of Import and Export statistics are obtained,—in some States by value, in others by quantities. Also the variety of systems in competing values—official or declared. Mr. Giffen regards this latter difficulty as striking at the root of "a good deal of reasoning lately about the comparative growth of English foreign trade, and the foreign trade of other countries."

3 The periodical difference of aggregate values, in cases of countries where quantities are not also given.

4. The disturbing influences of economic events or abnormal circumstances,—such as war, stimulating the trade of certain countries, and destroying that of others, and necessitating large loans; gold discoveries, creating migration and colonisation; famine, whether the act of God or the result of war; all tending to disturb what may be progress or retrogression, if in a normal state.

5. For purposes of comparison, the "different characters intrinsically of the foreign trade of different countries," is a cause of difficulty in appreciating the figures of imports and exports.

The basis of these "General Remarks," which occupy sixteen pages of Mr. Giffen's pamphlet, may be accepted by all, with only slight occasional reservation. It is to be hoped that not only Mr. Giffen, but also Mr. T. H. Farrer, as well as the Board of Trade itself—when supplying its Chief or the public with figures, either for a parliamentary speech, or for a Cobden Club publication—will carefully bear these points in view. With regard to sub-division 2, it may be remarked parenthetically, that the "difference of methods" adopted by different countries may sometimes tell in favour of, and sometimes against, the conclusions drawn by a comparison of figures. It is conceivable, for example, that in a falling market "official" values may represent larger imports than the reality, and in a rising market they may represent a smaller volume. This difficulty suggests, that it is only by taking a long series of years that anything like a just comparison can be formed, a conclusion in which Mr. Giffen will, no doubt, readily coincide. The foregoing subdivision 5 is expressly directed to the consideration of one-sided Free-Traders. These, in their belief in an infallible theory, invariably overlook the intrinsic character of trading. Mr. Giffen forms a notable instance of this when he puts it forward as a consolatory fact, that the contraction of trade of late years has been mainly in values, not quantities.

DIVISION III.

Balance of Trade and Balance of Indebtedness. The generality of the Excess of Imports.

Mr. Giffen refers to the problem of the "balance of trade" and the "balance of indebtedness" of a country. He admits that the recorded imports of the United Kingdom show great excess of imports over the exports, but regards as extravagant the notion that this excess is paid for at all by the export of securities. On this head he says "I have never thought it worth while to discuss it." He urges that we cannot know exactly what this excess may be, because of possible errors of calculation, which errors Mr. Giffen instances as occurring so as to effect an increase of exports and decrease of imports. [He does not instance, or hint at the possibility of, such errors operating in an opposite direction. ED.] And he here first introduces the element of a ship

* London, Bell and Sons,

DIVISION III. (continued).

owning country, like England, having a large export of the produce of our capital and labour in an unrecorded form," which he styles an "invisible export.'

Mr. Giffen gives a table (Appendix ii.) showing how general is an excess of imports, and furnishing forty-five instances of an excess of imports, with forty-two instances of an excess of exports. Mr. Giffen, however, adds—"I say nothing at present of amounts in each case; it is possible that the United Kingdom is especially unfortunate on account of the magnitude of the case." The figures selected by Mr. Giffen are those of the latest year obtainable in each case, usually 1878 or 1879, and a summary of these eighty-seven instances gives the following results :—

	Imports.	Exports.	Excess of Imports.
British Empire.....	570,988,000	466,280,000	104,708,000
Other Countries...	1,197,743,000	1,139,980,000	57,763,000
	1,768,731,000	1,606,260,000	162,471,000

And analyzing the British Empire we find—

United Kingdom...	109,779,000*	Excess of Imports
Rest of Empire.....	5,071,000	Ditto Exports
Nett.....	104,708,000	Excess of Imports

The natural reason for the surplus of imports is the cost of conveyance, or chiefly freight.

This excess of £162,471,000 of whole world imports over exports is again analysed as follows :—

Europe.....	254,000,000	Excess of Imports
Rest of the World.	92,000,000	Ditto Exports
Nett.....	162,000,000	Excess of Imports, of whole world.

And of Europe it may be noted that a further analysis shows :—

United Kingdom and Malta ...	112,000,000	Excess of Imports
Rest of Europe	142,000,000	Ditto.
Excess	254,000,000	Excess of Imports in Europe.

Hence the inference is drawn that "it is the old countries—the homes of capital—which have to receive interest, and the new countries, principally the United States, which have to pay it"; and, in the case of the more notable instances of a large excess of Imports, the introduction of the factor, that besides the element of the carrying trade, there is that of money lending to, or investments in, foreign States.

Mr. Giffen concludes Division iii. by giving a table (Appendix iii.) showing the continual excess of Imports over Exports in this country since 1854. "Thus," he says, "we have always had an excess of Imports in this country, . . . the only novelty to be inquired into is clearly the increase of the excess."

From the only practical economical point of view, namely, the economy of the industrial wealth of a nation, the problem of balance of trade is essentially different from that of its "balance of indebtedness." To treat these as one, is to make as great a blunder as any opponent to the Fair-Trade controversy could possibly do. A country--especially an old country, with immense stores of wealth acquired in the past—may be paying its way for the time being, and no "balance of indebtedness" may exist; but still, as far as the industrial forces of the people are concerned, there may be a palpable adverse "balance of trade." The labour classes may in fact be injured in an inverse proportion to the benefit accruing to the rich and wealthy. But even the benefit to these latter cannot but be comparatively transient, since without the maintenance of the full labour resources of a nation, riches and wealth cannot long endure.

* Needless to say that had Mr. Giffen selected more recent years, he would have found the Excess of Imports of the United Kingdom much larger. But he has preferred to take an average, prior to the large increases of 1880 and 1881.

He has also included Bullion and Specie in very many cases, and not in others, so that his data are of different characters.

The results of the table of the excess of Imports over Exports in eighty seven countries are extremely interesting and valuable. By this table, Mr. Giffen has brought out in bold relief the fact that, while the total trade of the United Kingdom is not quite one fourth that of the whole world, her excess of imports, even in 1879, was two-thirds of that of the eighty seven States. Again he brings out for us the fact that whilst the United Kingdom possesses less than one-third of the Foreign Trade of Europe, her excess of imports was, in 1879, very nearly one half. And we all know that if the figures for 1880 and 1881 had been selected, they would have shown a condition considerably more adverse to England, as far as the question of "Balance of Trade" is concerned.

The necessity for showing that this excess is not national loss, must therefore have weighed strongly with Mr. Giffen. Roughly speaking, he finds credit for the deficiency, in the profits of our ocean carrying trade and our investments abroad. The full bearing of this argument appears in Division iv., and will be treated further on. The remark may, however, be here made, that Mr. Giffen strangely confuses cause and effect. He explains that the prosperity of our shipping, for example, involves (if not necessitates) imports corresponding to its profits—whereas it is the increase on our import commerce that has given so much shipping employment, and to which cause (*inter alia* of still more important character) is partly due the increase in our shipping of late years.

The comment made by Mr. Giffen, above, on this table (Appendix iii.) giving the Import and Export figures of the United Kingdom since 1854, is curious, inasmuch as it practically ignores our commercial existence prior to that date. It precludes from consideration the undoubted fact that, in the early part of this century, our Exports were generally in excess of our Imports. On this head a remark made by Mr. Stephen Bourne in the discussion (page 30) is worthy of note. If any laic in figures had made such a statement, and the argument to be proved had been the reverse, Mr. Giffen would have severely dealt with the culprit.

DIVISION IV.

Subject continued. How the Excess of Imports into the United Kingdom is to be accounted for.

Here Mr. Giffen continues his enquiry as to how the excess of Imports in the United Kingdom "is to be accounted for." His investigation resolves itself into two chief branches: (1) How much is annually due to us as a carrying nation? (2) What sum is annually due to us as interest on foreign investments? Speaking broadly, his contention is, that if these two items together make up the sum of excess of Imports, even approximately, there is no reason for alarm.

Starting from the basis that the Imports of the world are £162,000,000 in excess of the exports of the world, Mr. Giffen deducts £32,000,000 from that amount as representing miscellaneous charges and commissions, calculated at a little less than 2 per cent. on the aggregate trade of £1,768,000,000. Thus he leaves a net sum of £130,000,000 as due

DIVISION IV. (continued).

for freight alone. Of this sum he assumes 55 per cent. to belong to the United Kingdom, founded on the Parliamentary paper "Progress of Merchant Shipping," issued last session. This estimate gives the proportions as follows:

	Per cent.	Proportion.
United Kingdom.....	55	£71½ Millions
Rest of the World	45	58½ do.

The sum of £71,500,000 is, says Mr. Giffen, certainly enormous. But he contends, or rather he did so when reading the paper. that it "cannot be called extravagant," since it amounts only to a charge of 15s per cent! In the course of the discussion which ensued a fortnight after, it transpired, however, that this 15s. should be 150s. [See discussion p. 27 and remarks further on]

From this sum of £71,500,000, Mr. Giffen deducts a sixth for outlay by English ships in foreign ports. Thus he arrives at the net amount of £60,000,000 as the sum due to the United Kingdom for freight. To this he contends should be added £16,000,000 as our share of the amount originally deducted for miscellaneous charges and commissions, making altogether £76,000,000 as our share of the £162,000,000 difference between the Imports and Exports of the whole world.

Mr Giffen cites Mr. Bourne, the late Mr. Newmarch, Mr. McKay, and sundry shipowning firms, from whom he has received statements of the value and trading of their shipping property, in confirmation of these general estimates. He puts, among other incidental proofs, the profits of ship-owning at 12½ per cent., and—strengthened in his opinions by the various points he brings forward — is firmly impressed "that probably a much larger sum" than £76,000,000 is due to us (p. 38). In short, if he deducts £80,000,000 in respect to carrying profits, calling them "invisible Exports," as a balance against our present apparent excess of Imports of "about £120,000,000," he regards himself as moderate.

In this manner he brings us to a "balance" of £40,000,000. This in its turn is, by his reasoning, again balanced by from £40,000,000 to £60,000,000 (at least) of interest due to us annually on our foreign investments.

Mr. Giffen's "problematical figures" may be left to take care of themselves. Whether exaggerated or not, they do nothing to account for the vast increase of "Excess of Imports" of late years, which he himself, in Division iii, has said, and said correctly, "is the only novelty to be enquired into." A legitimate adverse balance is no doubt the natural consequence of freights and other small charges. But this shipowning "set-off" existed equally in 1871-2-3-4, when the adverse balance averaged £55,065,103, as in the four years 1877-8-9 and 1880, when it averaged £126,096,039 per annum. And of these two periods, the former was notably one of prosperity, and the latter one of great depression. It is hard facts, such as these. which force upon Fair-Traders the conclusion, that we have reached a period in our national trading, when other factors of payment—than those of the ordinary operations of trade —have come into play.

The debate that follows, so fully enters upon Mr. Giffen's shipping trade estimates, that beyond commenting on the industrious ingenuity, with which he has parcelled out his figures, to prove even a great deal more than needed, and in point of fact to show that, reckoning "invisible

exports," we are sending away more earnings than we are receiving in exchange, there is little to be said here. The question arises, indeed, whether in his zeal Mr. Giffen has not proved too much. If the speeches of two practical shipowners, Mr. David MacIver (a Fair-Trader), and Mr. John Glover (a one-sided Free-Trader) are studied, it will be seen how completely they are in agreement, as to the general exaggeration of Mr. Giffen's figures. The same may be observed also as to the criticisms of Captain Halford Thompson and Mr. Stephen Bourne. As stated however, in the foregoing preface, were Mr. Giffen's figures absolutely accurate, they in no way affect the policy of Fair-Trade. Alarm may still be felt at the ever increasing excess of our imports over our trade exports, because the labour forces of the country are thereby threatened. The fact that in some shape or another, we are enabled, as yet, to bear the strain of this over expenditure, by no means justifies the contention that our national industries, are not being handicapped by unfair competition, both at home and abroad.

A word may perhaps be written as to the "awful example" which Mr. Giffen has himself furnished of the danger of dealing with figures. Ordinarily it would be no great sin for either compiler, transcriber or printer, to write 15s instead of 150s. (see page 27). But the lesson taught by this blunder, proves how little Mr. Giffen, as a theorist, really understood the question on which he wrote *ex cathedra*. As the victim of a clerical error, it did not occur to his mind, whether 15s. per cent. or 150s. per cent., was the fairer estimate of the average sea carriage of the trade of the world. Not only did a whole fortnight elapse after the reading of the paper, prior to the debate, without this error being discovered, but the republication in pamphlet form was actually made without the correction; and this still circulates as the most eloquent proof in the world of the ease with which statistics may be made to prove anything—unless found out.

DIVISION V.

Subject continued. The Excess of Imports over Exports in France and the United States.

Mr. Giffen here especially, though briefly, refers to the international trading of the United States and France. In the case of the former country, he concludes there "is nothing, at least in the Import and Export figures corrected as they ought to be, to indicate" a reduction in its indebtedness abroad; and in that of the latter country, he contends that its figures of international trading "teach nothing as to comparative prosperity or the reverse." He concludes this portion of his paper [treated in Divisions iii., iv., and v.] by the remark that "Import and Export figures require delicate and careful handling for any such inquiry as the amount of indebtedness between nations."

Mr. Giffen's conclusions with regard to the United States not having reduced its indebtedness abroad, may probably be left to the judgment of those who have some practical knowledge of the changes that have taken place of late years in the holdings of American Bonds in Europe. On this head the information given by Mr. W. J. Harris ought sufficiently to enlighten him. [See discussion, page 14]. And with respect to the condition of France, whatever her Import

and Export figures may or may not teach, it would be difficult even for Mr. Giffen to convince the world, that in spite of the comparative smallness of French shipping, prosperity has not been the portion of France of late years, notwithstanding destructive wars, the levy of ruinous indemnities, and internecine strife. There can be no controversy whatever with Mr. Giffen that "Import and Export figures require delicate and careful handling for any such enquiry as the amount of indebtedness between nations." The real question at issue is, as has been said already, how far "balance of trade" and "balance of indebtedness" are convertible terms, or whether they are not rather distinct in effect, as they are in operation. To use the *argumentum ad absurdum*,—let us suppose that the extraordinary wealth of our foreign investments, and strength of our carrying trade, enabled us to pay for the whole of our Imports, without recourse to Exports of industrial products at all, we should then have no "balance of indebtedness." But surely the "balance of trade" in such case would be sadly adverse to the labour forces of the people! As theoretical economists, we might look on with equanimity, but the wage-earning power of the nation could not afford to regard the loss of its labour market so calmly.

Indeed, when this is thoroughly examined in detail, it is a matter for earnest reflection whether there is not, almost necessarily, a relative decay of prosperity of the industrial and producing classes, as compared with the mere buying and selling and speculative classes; as well as that of the owners of home property, as compared with the owners of foreign property, or of securities based thereon. In the consideration of these elements, statistics help us very little. An example may be taken in the case of a woollen factory, producing £150,000 of woollen goods per annum, in which perhaps a capital of £100,000 is invested. Half of its productions may find a market in England, and the other half be exported to the Continent, causing an export of £75,000. But cheaper labour, or other reasons, may cause a transfer of this factory to France, when our imports would be swelled by £75,000, and £75,000 of our manufactured exports would cease, but there would be an additional re-export of some £40,000 of Australian wool. The shipping business on these transactions would be slightly increased, as well as the profits on buying and selling, commissions, banking, &c., and the interest, depreciation fund, and profit, equal to about £16,000, would have to be annually remitted to the owner, still residing at home, thus enabling England to import so much more of French goods, without corresponding export. But a great producing agency, and a population depending on it, would be thrown out, involving permanent injury to the wage-earning power of the country. Wages would cease directly to the extent of at least £30,000 to £40,000 a year, and national earnings to a very large further amount. Yet all the effects of such a transfer upon our commercial statistics would be reckoned by the Board of Trade, as proofs of increasing prosperity!

DIVISION VI.

Import and Export Statistics, and the Protectionist Controversy.

Having (in his previous divisions) accounted for the disparity of the imports of the United Kingdom over her exports, Mr. Giffen now enquires how far the statistics of these figures assist in the controversy between "Free-Traders and Protectionists."

[It may be noted that throughout this Division he does not mention "Fair-Trade" or "Fair-Traders," but deals only with "Protectionists." ED.]

Mr. Giffen is struck by the fact, that no statistics are available to settle directly the cardinal question between Free-Trade and Protection. He can quite understand a Free-Trader admitting a Protectionist system to be the best materially, and a Protectionist admitting the Free-Trade system to be the best materially. Nor is a comparison between two countries of different *regimes* possible, unless practically alike in their "economic and industrial circumstances," and the "same with a community at different periods of its own history." Mr. Giffen adds "external economic circumstances are besides incessantly changing, and may affect two communities, apparently of much the same character and position, quite differently."

Again, import and export statistics are irrelevant to the question of progress or retrogression, since a country may be very prosperous without foreign trade at all, or with very little; or for special reasons, the foreign trade of a country that is least progressing on the whole, may be making greater progress than the foreign trade of a more progressing State.

But, though these statistics are not available as direct proof, rightly handled, they may contribute materially to a solution.

First, the fact that they are not available for direct proof, is "entirely on the Free-Trade side of the argument; for, he adds, the *onus probandi* lies, not with the Free-Trader, but with Protectionists When the latter show, for instance, that the United States is prosperous, this is not what they have to prove. They have to show that it is more prosperous than it would have been under a Free-Trade regime. When they assert, that the foreign trade of Protectionist countries increases faster than that of Free-Trading countries, what they have really to prove is that it increases faster than it would have done under Free-Trade.

As a deduction from these premises, Mr. Giffen thus concludes this Division:—

"We may say that as the Protectionist relies so much on statistics, and has nothing else to rely on—his argument is always an appeal from theory to facts—then there can be no argument for Protection. This appears, in fact, to be the logical portion of the controversy."

On reading this concluding sentence, one is irresistably inclined to the idea that Mr. Giffen has devoted all his great abilities to the task of depreciating statistics, and the conclusions drawn from them, for the purpose of demolishing the Protectionist, who, he says, always appeals from theory to facts. At all risks, therefore, these "facts" must be relegated to the limbo of doubt and uncertainty. This complaint of Mr. Giffen's is, however, somewhat difficult to reconcile with another, made by an authority of equal weight only last October. Speaking at Leeds, on "Land and Fair Trade," Mr. Gladstone said, "I observe that those who write upon these subjects on the wrong side [i.e., contrary to English Free-Trade] very generally avoid specific facts, and deal with generalities, and I think that is a proof of sound discretion on their part.* Who then is the true prophet, Mr. Gladstone or Mr. Giffen?

As Fair-Traders, we cannot assume the position to defend Protection from Mr. Giffen's assault. It is, however, a fitting subject for enquiry,

* Speech delivered by the Right Hon. W. E. Gladstone, 7th October, 1881. Published Edition, page 18.

why the *onus probandi* of proof should always lie on the Protectionist. When the latter desires to substitute Protection for an existing system of Free-Trade, the burden of proof naturally lies on him. But when he points out the actual prosperity of the United States as a patent fact, it is not for him to show that under Free-Trade it would have been less—in that case the *onus probandi* lies on the Free-Trader, whose duty, if he desires to disprove the argument, is to show that under Free-Trade, the United States would have been equally, if not more prosperous.*

But the more interesting portion of this Division is the practical cohesion given by Mr. Giffen to some of the cardinal points of the Fair-Trade argument. Fair-Traders contend, that for all practical business purposes, a fiscal policy cannot be carried out, if economics are to be regarded by politicians in the light of a fixed science. They urge that the conditions of different nations, and of different times or epochs, demand a varying treatment. So says Mr. Giffen—"economic circumstances are constantly changing." Fair-Traders could not wish a higher testimony to the very basis on which they now call for a reconsideration of the fiscal policy of the nation; namely, that the "economic and industrial circumstances" of to-day are not the same as in a past period of our history. They freely admit that there may be, and indeed have been, times when a free import system can be, and has been, of advantage to the country—in days, for example, when we had the markets of the world at our command, with which to exchange the products of our labours for the products of the earth we required. Whilst Mr. Giffen has come forth to curse, he has remained to bless.

DIVISION VII.

Subject continued. Negative Uses of Import and Export statistics.

In this Division Mr. Giffen claims from statistics generally, presumptive conclusions in favour of Free-Traders. He contends that as the national prosperity of the United Kingdom is not really denied by "Protectionists," it is sufficient to know that it has been consistent with Free-Trade.

But, narrowing the field to the consideration of Import and Export statistics, he refers to one or two facts, always guarding against the supposition, that the progress of foreign trade is necessarily an index of the progress of general national prosperity.

Conceding, however, that it may be an index, the first point considered is the progress made by shipping during the past forty years. The following table is given of entries and clearances:—

	Tons.	Increase on previous 10 years.	
1840	9,440,000		
1850	14,505,000	5,065,000	53·4 per cent.
1860	24,689,000	10,184,000	70·2 ,,
1870	36,640,000	11,951,000	48·6 ,,
1880	58,736,000	22,096,000	60·4 ,,

Making a total increase in the forty years of 49,296,000 tons, equal to 525 per cent.

Saying that he desires to be quite fair, "even in dealing with Protectionists," Mr. Giffen admits that the increased use of steamers, has created a calling trade, with an increase of entries and clearances,

* Writing, in a leading article, on "the present extraordinary prosperity of the United States," the *Times* of December 2nd, 1881, says, "Protection is in possession of the field, and the burden of proving that it should be abolished is thrown upon Free-Traders."

DIVISION VII. (continued).

without a corresponding increase of goods carried. He also acknowledges, by inference, that cargoes are, of late, more bulky than hitherto. All factors considered, however, he assumes the movements of shipping to be a good index of the movements of Imports and Exports.

He supplies tables showing the increase of Exports of cotton yarns and piece goods 1840—1880, to be respectively 84 per cent. and 468 per cent., in quantities; of Exports of iron and steel to be 1,167 per cent. in quantities; and of hardware and cutlery, 169 per cent in values; of Exports of machinery (in values) to have been 1,483 per cent., during the same period; of the Exports of coal (in quantities) 1,070 per cent. And the increase of the whole Exports of British and Irish produce, between 1840 and 1880, are established at 335 per cent.

Dealing with Imports in like fashion, though in bulk, and not in detail, and taking them from the year 1854, our first year of computed or declared values, Mr. Giffen records the increase—1855 to 1880—at 186 per cent. He remarks that in "imports, at least, there can be no question, of its (the increase) having continued to the latest date."

"Thus, negatively," urges Mr. Giffen, "the statistics of foreign trade are useful." Being "consistent," (co-existent? Ed.) with Free-Trade, Protectionists are bidden to look elsewhere for an argument against "Free-Trade" policy.

A comparative table given of the increases of shipping movements and Export values is interesting:—

	Increase of Shipping Movements.	Increase of Export Values.
1840–50	53·4 per cent.	40 per cent.
1850—60	70·2 ,,	90 ,,
1860—70	48·6 ,,	47 ,,
1870—80	60·4 ,,	12 ,,
1840—80	525·0 ,,	335·0 ,,

Mr. Giffen concludes,—"There has obviously been an enormous growth of our foreign trade since the Free-Trade period, continued to the most recent date. What the Protectionist has to prove is, that Protection would probably have done better or so well.

Mr. Giffen rejects the possibility of going through the Imports and Exports of foreign countries, looking at the difficulty of analysing the data themselves. But he instances the figures of the United States and France.

Taking the foreign trade of the United States for the same period, 1840—1880, he gives the following table, in values, and in millions:—

	Imports.			Exports.		
	Amount.	Increase.		Amount.	Increase.	
1840	£21			£26		
1850	36	15	72 p. c.	30	4	16 p. c.
1860	72	36	100 ,,	80	50	165 ,,
1870	92	20	28 ,,	90	10	12½ ,,
1880	152	60	65 ,,	170	80	89 ,,

thus showing the increase in the Imports for the whole period "at nearly 700 per cent., and in the Exports between 500 and 600 per cent." Whilst, however, this is greater than that of the United Kingdom, Mr. Giffen points out that "mere proportion of increase is not the proper test;" the United States, though a much larger unit than the United Kingdom, having still a much smaller volume of Trade." The numerical increases of the two countries, 1840—1880, are as follows:—

United States.		United Kingdom.	
Imports.	Exports.	Imports.	Exports.
£130,000,000	£144,000,000	£268,000,000	£171,000,000
		Since 1854 only.	

DIVISION VII. (continued).

Turning to the French figures, Mr. Giffen gives a similar table, but from the year 1850, (in millions):—

	Imports.			Exports.		
	Amount.	Increase.		Amount,	Increase.	
1850	£45			£ 43		
1860	106	61	135 p. c.	91	48	109 p. c.
1870	140	34	33 „	112	21	22 „
1880	245	105	75 „	139	27	22 „

Here, again, is a rate of progress equal to that of the United Kingdom, with the same features as in the case of the United States; that whilst a larger unit, France's volume of foreign trade is smaller, notwithstanding the proportion of increase is maintained. The numerical increases of the two countries, 1850 to 1880, are as follows:—

France.		United Kingdom.	
Imports.	Exports.	Imports.	Exports.
£200,000,000	£96,000,000	£268,000,000	£151,000,000
		From 1854 only.	

Consequently, reckoning per head, "our Imports are still about four times per head those of the United States, twice per head those of France, and our Exports about twice those of either country, not counting 'invisible Exports.'" Hence, the onus of proof is laid on the Protectionist to show we should have done better under Protection than we have done.

It will be noted that in this Division also, Mr. Giffen utterly excludes Fair-Traders from his criticism. It is, therefore, for present purposes, only necessary to glance at some of the arguments, as they bear on the anti-one-sided Free-Trade controversy.

The whole are framed to show the superiority and progress of England, by reason of the increase of her foreign trading, without reference to the persistency with which Mr. Giffen laid down in Division VI., (page 49) that "the increase of foreign trade proves nothing by itself as regards the relative national prosperity of different countries," and that (page 50) "what has to be proved is that the industry of the country as a whole has prospered, which is a very different thing." These are Mr. Giffen's own words; they go to the root of the question, and aptly express the Fair-Trade position.

It seems, therefore, almost like beating the air, to have expended so much energy to prove what is, after all, by his own showing, *nihil ad rem*.

The figures and tables are, however, highly interesting, and worth reproducing. Whether they are simply the *post hoc* of the free import era, and are traceable to directly different causes; or whether they are the legitimate consequences of the policy of that period, and have worked certain good without at the same time doing general harm, are questions, which each student must work out for himself. But they are certainly not settled, or even touched upon, by Mr. Giffen.

The comparative tables of increases of trade in the United Kingdom, United States and France, arrest attention. They show that, during the Free-Trade era, the *pro rata* increases in France have been equal, and in the United States greater, than in the United Kingdom. But Mr. Giffen's argument is that, since the United Kingdom still remains at the head of Commerce, and in the aggregate has done a much larger volume of foreign

trade, we may therefore "rest and be thankful." It is worth thought, however, whether Mr. Giffen's argument does not cut against himself. If figures of imports and exports avail anything, the real question to determine progress properly, is to ascertain whether the United Kingdom was relatively as far in advance of the rest of the world's trade in 1880, as she was in 1840 or 1850. That she commenced that epoch on a larger trading basis, than that upon which the progress of the United States or France has been built, furnishes a very good reason why, *cæteris paribus*, she ought *pro rata* to have made a considerably larger progress. Mr. Giffen's tables prove that the contrary has taken place. They show how other countries are creeping upwards, and how the relative distances between their trade, and that of the United Kingdom, are diminishing. This is exactly the Fair-Traders' argument.

When to this is added the contraction of our home trade, admitted to be going on by all business men, the reasons for the Fair-Trade movement are apparent.

DIVISION VIII.

Subject continued. Other Usses of Import and Export Statistics.

Here Mr. Giffen further deals with the question—how statistics may be used in controversy. The *third* way, showing that "Protection" does things obviously of an injurious tendency, without counter-balancing advantages, is illustrated by a few facts sought for in past history. Sir Henry Parnell's "Financial Reform," published in 1832, is cited as giving instances of the effect of high duties in checking consumption. The period of 1843—4, being two years after the introduction of the Free-Trade tariff of 1842, is also brought forward to prove that remission of taxation on raw materials produced a recuperative revenue. The example of the United States is cited, (1) to show how its woollen manufacture was impaired by the protective tariff on wool, as indicated so long ago as 1866; and (2) to repeat what Mr. Giffen calls "the well-known story of the decline of the American shipping trade, and the great increase of the foreign trade of the United States itself, carried on in foreign ships." This latter, illustrated by tables, 1871—80, forms the *piece de resistance* of this Division. Allusion is also made to the high tariff in Germany, as given in the "well-known" paper recently presented to the English Parliament by the Board of Trade, containing extracts from reports of the German Chambers of Commerce.

A *fourth* way of demonstrating the "confusion of ideas" which are always to be found as the essence of a Fair-Trade argument, is more directly addressed to Fair-Traders. This "confusion of ideas" arises, says Mr. Giffen, because they take figures, without collateral aids, and blindly rush at conclusions, with which nothing else will agree Such collateral aids, as increase of population, and decrease in, or at least stationary, pauperism are suggested Excess of Imports is dealt with as though the country were thereby running into debt, and *vice versa*. These "confused notions," he adds, are not to be found among leading business men in "the city," or among men conversant with great business affairs anywhere. A passing reference is made to Mr T. H. Farrer's "refutation of the idea, that our trade with the Colonies is especially beneficial, or tends to increase more than our trade with foreign countries. Finally, Mr. Giffen sums up to the effect that, whilst a use can be made in discussion of Import and Export statistics, they are only useful in proportion as we observe their necessary limitations,

There is nothing in the general argument of this Division, which Fair-Traders would not adopt as their own basis of reasoning—though arriving at different conclusions. They go thoroughly with Mr. Giffen in believing that high duties operate unfairly in the restriction of trade. The advantage of remitting all taxation on raw material, needed for conversion into the manufactured article, is not only fully appreciated, but forms an absolute part of the Fair-Trade policy.* The evils experienced for a time by the taxation of wool by America, and those now felt in certain circles in Germany by the taxation of manufacturing materials, are fully admitted. At the same time, this allusion cannot be dismissed without the suggestion that it was, perhaps, at least, premature for the Board of Trade to rush into the arena with the results of Prince Bismark's fiscal policy, founded on the reports of only some of the German Chambers of Commerce; and for a period of only twelve months—a term utterly inadequate to realise the effects of any new national policy.

But the decline of American shipping, as contrasted with the increase of British shipping, is the chief argument in this Division. As this, however, is exhaustively dealt with in the discussion (see pp. 20-21) nothing more need be said here, beyond repeating the equally "well-known story," that the decline of the one, and the advance of the others, are both attributable to one and the same cause—the alteration in the material of which ships are now constructed; *i.e.* by the substitution of iron for wood, and the advantageous position occupied by the United Kingdom over America, in her possession of cheaper labour and of iron at a short distance from the building yards.

It is curious that, in the indication of the *fourth* way in which statistics may be useful, Mr. Giffen ascribes to Fair-Traders, exactly what Fair-Traders charge to their oppponents—"confusion of ideas" in interpreting them. Whether this arises from "Fair-Traders" not being fortunate enough to make themselves understood, or from "Free-Traders" rejecting any other interpretation of Fair-Trade views than their own, needs no discussion here. But, as bearing on the question, it may be useful to quote a portion of Tract 20, published by the National Fair-Trade League. "Few of our opponents understand the Fair-Trade policy and its ends, and those who do are sensible of their inability to impugn them when stated. They, therefore, waste their time in arguing in favour of Free-Trade or its benefits." Again, "The Fair-Trade policy is an effort—even by temporary sacrifices, if need be—to secure and extend that free exchange which our opponents and ourselves alike value, and if we cannot secure such free exchange with the world, to make sure of it within the limits of our own Empire." Whatever faults or blunders individual Fair-Traders may have made in speaking or writing of figures of imports and exports, or on any branch of our national progress—and of what school can it be said that none have erred?—the very essence of the Fair-Trade movement is the complaint that Cobdenites, both as a body and as individuals, use statistics "without collateral aids." Mr. Giffen himself again furnishes a striking instance, when he cites

*See published Programme of Policy, Article 11.

pauperism returns, in proof of the absence of decay in our home manufactures, since there are no other statistics in the kingdom which require more to be read by "collateral aids," and by such tests as alterations in poor-law relief, trades unionist and charitable organisations, expenditure or emigration. And, however, some on one side may form an exaggerated idea of a country necessarily running into debt, solely because she has a large excess of national imports, Mr. Giffen's confusion as to "Balance of Trade" and "Balance of Indebtedness," is surely the more misleading!

DIVISION IX. Conclusion.

In his last pages Mr. Giffen urges the need for improvement in our system of education, in which there is hardly any visible place given to statistics, and proposes the establishment of Chairs of Statistics, side by side with Chairs of Political Economy,—so that, statistics shall have a recognised place in our Universities. "The study of statistics should undoubtedly form a necessary part of liberal education, especially of those who aspire to be politicians or public men."

This recommendation has already been dealt with, both in the Preface (p. 9) and in the discussion (p. 23). It is, therefore, needless to comment on it further, beyond the reiteration of the hope, that when such an event takes place, the advice of business men, practically acquainted with trade, will be sought, and not that of theorists,—however *intellectually* conversant with the mere Figures of Trade.

EDITOR.

FOREIGN EXPORT BOUNTIES

AND

FREE TRADE IN SUGAR.

REPORT OF A MEETING

OF

PRODUCERS, MERCHANTS, MANUFACTURERS, AND WORKMEN,

HELD AT

THE MANSION HOUSE, LONDON,

ON 28th MAY, 1880.

THE RIGHT HONOURABLE SIR F. WYATT TRUSCOTT,

LORD MAYOR, IN THE CHAIR.

MANCHESTER:

J. ROBERTS, PRINTER, 168, CHAPEL STREET, SALFORD.

RESOLUTIONS.

1st.—"That, in the opinion of this Meeting, Free Trade in British Markets can only exist, and the permanent interests of the consumer be thereby secured, when all producers, British and Foreign, are placed on terms of equal and unsubsidized competition."

2nd.—"That, in the opinion of this Meeting, foreign protection in the form of Export Bounties denies to British producers free trade competition even on their own markets; injures the legitimate interests of British capital and labour, and restricts the developement of the natural sources of production."

3rd.—"That as diplomatic negociations and treaty engagements have, for eighteen years, failed in their object to restore free trade competition in British Markets by obtaining the abolition of Foreign Bounties on the exportation of Sugar, it is necessary, in the opinion of this Meeting, that this end should now be attained by the immediate enactment by Parliament of such a duty on Bounty-fed Sugar as shall, while ensuring the free admission of unsubsidized Sugar from all parts of the world, countervail the Bounty, and make the policy of our long-continued negociations efficacious."

4th.—"That the Right Hon. the Lord Mayor be requested to sign a Copy of the foregoing Resolutions, and forward the same to the First Lord of the Treasury."

5th.—"That the most cordial thanks of the Meeting be presented to the Right Hon. Sir F. Wyatt Truscott, Lord Mayor, for his kindness in allowing the Meeting to be held in the Mansion House, and for his presiding over the same."

THE FOREIGN EXPORT BOUNTY SYSTEM AND FREE TRADE IN SUGAR.

Report of the proceedings of a public meeting of Producers, Merchants, Manufacturers, and Workmen, held in the Mansion House, by the kind permission, and under the presidency, of the Right Hon. the Lord Mayor, Sir F. Wyatt Truscott, on Friday, May 28th, 1880, to protest against a system which destroys free competition in British markets, which has already paralysed an important British industry and injuriously affected the sugar-producing colonies of the Empire, and which is equally capable of destroying any other British industry while threatening the security of all: and to consider resolutions in favour of appealing to Parliament to secure free trade in sugar in British markets by adopting a practical remedy for the evil caused by foreign export bounties.

The meeting had been convened by the following circular:—

9, Billiter Square, London, E.C.,
11th May, 1880.

Sir,—The Lord Mayor, the Right Hon. Sir F. Wyatt Truscott, having consented to preside at a public meeting in the Mansion House, on Friday, the 28th May, at three o'clock, in support of a practical remedy being provided by Parliament for the evil caused by foreign export bounties on sugar, we beg most earnestly to invite your attendance on the occasion.

The meeting is intended to be a representative one of all British and foreign interests injuriously affected by the export bounty system, but it will not be confined to the special interests concerned. A protest against export bounties involves the assertion of a principle of vital importance to all engaged in our national productions, industry and commerce.

The foreign export bounties on sugar have been successful in paralysing an important British industry, and in causing much loss, injury and suffering to the sugar-producing colonies of the Empire. They have enabled an artificial bounty-fed industry to dominate British markets, and have thus produced distrust, and prevented capital from finding its way to places were it is well known that sugar can be most cheaply produced. This may encou-

rage foreign countries to extend the attack to other industries; and it is therefore, necessary that an emphatic protest should at once be made on behalf of the productions, manufactures, commerce and labour of Great Britain and her colonies, against acquiescence by our State in a system subversive of free trade, and equally capable of destroying any other British industry, while threatening the security of all.

The evidence reported by the Select Committee of the House of Commons, which was appointed last year at the instance of Mr. Ritchie, M.P., to investigate the subject, is now before the public, and shows clearly the nature and extent of the foreign export bounties on sugar, the injuries they inflict, the fruitless efforts which have been made to obtain their abolition, and the principle of the remedy now proposed.

Export bounties constitute an attack by foreign Powers on British capital and labour, by which natural sources of production are injured and restricted, and British producers denied free competition even on their own markets.

Acquiescence in this attack would be inconsistent with our commercial policy, which demands equal competition on British markets for all producers, British and foreign, by which alone the permanent interests of the consumer can be secured.

A duty to intercept the bounty would restore free competition, by removing the bounty from the market and securing it for the revenue, and would therefore be a tax on bounties, not on sugar. The operation of such a duty would leave the price of sugar exactly what it would be were there no bounty and no duty; and would, therefore, immediately attain the end which long continued negociations on the part of successive administrations have sought but failed to secure. The result, therefore, would be the same, as regards the consumer, whether the bounty were countervailed by duty or abolished by treaty; but if countervailed, the bounty, instead of being lost, would be accepted for the revenue to the relief of taxation.

Equal competition on British markets is, in other cases, secured for British producers by means of countervailing duties, which are levied for that object and not for revenue purposes.

The object in view is solely to obtain freedom of competition for all the world on our *national* markets, and is, therefore, in no way concerned with the foreign protective tariffs which hinder or prohibit our exports to *foreign* markets. Hence no question of reciprocity or retaliation can possibly be involved.

Liberal and Conservative governments have vied with each other in their efforts to obtain the abolition of these export bounties. Whether removed by foreign governments or excluded from our markets by our own Parliament, the result to the consumer is identically the same. Eighteen years of negociations having failed to remove them, the time has now come to do so by other means; and, while gratefully accepting as revenue any bounty foreign governments may give us, to withhold its operation from the home markets. A resolution will, therefore, be submitted to the meeting,

approving an appeal to Parliament for the only practical measure consistent with the principles of our commercial policy, viz. : a countervailing duty on bounty-fed sugar imported into the United Kingdom.

Your support and presence at the meeting is most particularly requested, and we hope you will kindly favour us with a reply, at your earliest convenience.

Kindly address—"THE CHAIRMAN OF THE JOINT COMMITTEE ON SUGAR BOUNTIES," 9, Billiter Square, London, E.C.

We are, Sir,

Yours faithfully,

THOS. D. HILL, Chairman of the West India Committee.
N. LUBBOCK, Deputy Chairman do.
G. H. CHAMBERS, Chairman of the London & St. Katharine Docks Company.
DAVID POWELL, Jun., Chairman of the East and West India Dock Company.
J. L. OHLSON, Secretary West India Committee.
JAMES DUNCAN, Chairman of the British Sugar Refiners' Committee.
GEORGE MARTINEAU, Secretary do. do.
H. E. CRUM-EWING, Chairman of the West India Association of Glasgow.
C. D. DONALD, Jun., Secretary do. do.
ALBERT T. WRIGHT, Secretary West India Association of Liverpool.
ALEX. SCOTT, Jun., Chairman of the Scottish Sugar Refiners' Association.
THOS. NEILL, Secretary do. do.
J. M. HEAP, Chairman of the Lancashire Sugar Refiners' Association.
WM. MACFIE, Secretary do. do.
JOHN MONTEITH, on behalf of Cooper' Associations of the United Kingdom.
SAMUEL PETERS, THOS. M. KELLY, } Secretaries of the Workmen's National Executive Committee for the Abolition of the Foreign Sugar Bounties.
C. H. QUINTON, Secretary of the City of London Society of Coppersmiths.

The following were among those present:—The Right Hon. The Lord Mayor in the chair; Mr. Alderman Fowler, M.P.; The Right Hon. J. G. Hubbard, M.P.; Mr. Alderman Lawrence, M.P.; Sampson Lloyd, Esq.; D. MacIver, Esq., M.P.; Mitchell Henry, Esq., M.P.; Arthur Cohen, Esq., Q.C., M.P.; General Sir Charles Trollope, K.C.B.; Edward Clarke, Esq., Q.C.; Thomas Daniel Hill, Esq., Chairman of the West India Committee; N. Lubbock, Esq., Deputy-Chairman of the West India Committee; J. L. Ohlson, Esq., Secretary of the West India Committee; G. H. Chambers, Esq., Chairman of the London and St. Katherine's Dock Company; David Powell, Jun., Esq., Chairman of the East and West India Dock Company; James Duncan, Esq., Chairman of the British Sugar Refiners' Committee; George Martineau, Esq., Secretary of the British Sugar Refiners'

Committee ; Messrs. Thomas Daniel & Co. ; The Colonial Company ; Messrs. Thomson Hankey & Co. ; Messrs. A. M. Gillespie & Co. ; Messrs. Cotesworth, Powell & Co. ; Messrs. J. J. Ronaldson & Sons ; Messrs. A. W. Shove & Co. ; Stewart Gardner, Esq. ; William R. Sandbach, Esq. ; Sir T. Edwards Moss, Bart., Deputy-Chairman of the West India Association of Liverpool ; Messrs. Bosanquet, Curtis & Co. ; Messrs. J. D. Ewing & Co. ; Wm. Hosack, Esq. ; Captain Maycock ; N. Forte, Esq. ; H. B. Lane, Esq. ; William Walker, Esq., late Government Secretary of British Guiana ; Messrs. Donald Currie & Co. ; Sir Gerald Codrington ; Messrs. James Shears & Sons ; Charles Levy, Esq. ; Messrs. Fredk. Huth & Co. ; Messrs. Kleinwort, Cohen & Co. ; Messrs. John Henry Schroeder & Co. ; Messrs. Tesdorf & Co. ; A. P. Francke, Esq. ; Richard Martin, Esq. ; G. B. Powell, Esq. ; Messrs. Blythe, Greene, Jourdain & Co. ; Messrs. Samuel Dobree & Sons ; Messrs. Maclaine, Watson & Co. ; Messrs. Hawthorn, Watson & Co. ; Messrs. Hawthorn, Sheddon & Co. ; Messrs. Henckell du Buisson & Co. ; Messrs. Du Boulay, Mackay & Co. ; G. R. Clarke, Esq. ; Messrs. R. & F. Neave ; Messrs. Joseph Marryat & Sons ; Messrs. H. B. Muir & Co. ; Messrs. Simson Bros. ; Messrs. Scott, Simpson & Wallis ; Messrs. Kemble & Trower ; Messrs. Wilkinson & Gaviller ; Messrs. C. M. & C. Woodhouse ; Messrs. Wm. Anderson & Co. ; Messrs. S. Rucker & Co. ; Messrs. Rucker & Bencraft ; Messrs. J. & E. Williams ; C. Czarnikow, Esq. ; Messrs. Budgett & Son ; Messrs. W. H. Carey & Sons ; Messrs. Patry & Pasteur ; Messrs. Paines & Reid ; Messrs. Macdonald, Hutcheson & Co. ; Messrs. Batten & Ginner ; Alfred Barry, Esq. ; Messrs. Claud Neilson & Sons ; Messrs. Goulding, Hussey & Co. ; Messrs. Moon, Bower & Co. ; John Morgan, Esq. ; Messrs. Livens & Bishop ; Messrs. Rolls and Lucock ; Messrs. Devitt & Hett ; J. H. Goodhart, Esq. ; Messrs. Macgregor & Co. ; Messrs. Schmidt & Co. ; Percy Jourdain, Esq. ; Messrs. Conway, Phelps & Co. ; Messrs. Hanson, Son & Co. ; Messrs. Harvey Bros. & Tyler ; Messrs. G. Startin & Co. ; Messrs. H. & M. Sewell ; A. Lehmkuhl & Co. ; Messrs. Henderson & Liddle ; Messrs. Weatherly, Mead & Hussey ; M. H. Voss, Esq. ; Messrs. T. M. Fairclough & Sons ; A. W. Gadesden, Esq. ; Messrs. David Martineau & Sons ; Messrs. S. B. Hodge & Sons ; John Schwartz, Esq. ; T. B. Dakin, Esq. ; Messrs. Henry Tate & Sons ; C. Wohlgemuth, Esq. ; Messrs. L. Cowan & Sons ; T. Hicks, Esq. ; Messrs. James

Cook & Co.; Messrs. Corrie & Co.; Messrs. Edmunds, Furner & Co.; Messrs. E. D. & F. Man; Messrs. Cottam & Hill; Messrs. C. & C. J. Coles; Messrs. Carey & Browne; Messrs. Tolmé, Runge & Co.; James Lowndes, Esq.; E. Kynaston, Esq.; J. W. Macfie, Esq.; Messrs. Jno. Mc.Connell & Co.; A. C. Mc.Calman, Esq.; Messrs. C. Tennant, Sons & Co.; Joseph Bravo, Esq.; Messrs. Alexander Turnbull & Co.; Messrs. Sendall & Wade; A. J. Pitman, Esq., of Demerara; J. Haynes, Esq.; J. Q. Henriques, Esq.; Jas. Clark, Esq., Secretary of the Colonial Bank; W. P. B. Shepheard, Esq.; Forster Alleyne, Esq.; Colonel Alleyne; H. W. Challis, Esq.; T. C. Garth, Esq.; F. Maitland, Esq.; Mr. Samuel Peters and Mr. Thomas M. Kelly, Secretaries of the Workmen's National Executive Committee for the Abolition of Foreign Sugar Bounties; Mr. H. Phipps, Delegate from the workmen employed in St. Katherine's Docks; Mr. Barratt, Delegate from the workmen employed in the London Docks; Mr. L. Gillman, Secretary of the Hand-in-Hand Society of Coopers; Mr. G. Jones, Philanthropic Society of Coopers; Mr. J. Silverside, London Docks; Mr. W. Jack, Delegate from the workmen employed in the East and West India Docks.

The following were among the letters received prior to the meeting:—

The Duke of Manchester, after expressing regret at being unable to attend the meeting, "A sincere and honest free-trader ought, if he cannot get the bounties withheld, to countervail them by import duties, so as to secure free competition."

The Earl of Harewood—"I shall be glad to support any action that may be taken by the meeting with a view to obtaining the abolition of these bounties."

Dr. Cameron, M.P.—"Receive the assurance of my sympathy with the object of your meeting, and hearty concurrence in all the resolutions that are to be laid before it."

Mr. Whitley, M.P.—"I am well aware of the importance of the subject to which you call my attention, and am prepared to support Mr. Ritchie in his endeavour to get the committee re-appointed in reference to the foreign export bounties on sugar."

Mr. Duncan McLaren, M.P., Mr. P. Stewart Macliver, M.P., The Mayor of Bristol, and other gentlemen wrote, expressing their

regret at being unable to attend. Mr. Ritchie, M.P., and other members of Parliament were prevented from attending in consequence of being members of the Select Committee.

The Lord Mayor, who on rising was received with loud and continued cheering, said: Gentlemen. having been requested some few days ago by a large and influential deputation to allow a public meeting to take place in the Mansion House, on a subject which was alleged to be of great national importance, and a national evil in connexion with the sugar bounties, I had great pleasure in allowing the use of this Hall, in order that everything may be said on both sides for the general information of the public. (cheers.)

Mr. G. H. Chambers, Chairman of the London and St. Katherine's Docks Company, who was warmly received, moved the first resolution, which was in the following terms:—"That, in the opinion of this meeting, free-trade in British markets can only exist, and the permanent interests of the consumer be thereby secured, when all producers, British and foreign, are placed on terms of equal and unsubsidized competition." He said: The cause of justice has been frequently advocated within these walls, but on no occasion, I venture to think, has a stronger case for justice ever been brought forward than the one which we are here, my Lord Mayor, to-day to advocate. (Cheers.) We do not come to ask either favour or protection. What we ask for, and what we have a right to obtain, is that which is supposed to be dear to every Englishman,—I mean that we should have fair play. (Hear.) I was very much surprised a few days ago by reading in the *Times* newspaper words to the effect that information was very much needed on the subject of foreign sugar bounties. Well then, considering that we have had a Committee of the House of Commons sitting upon the question, and the proceedings of this Committee reported in the daily press, I thought very naturally that the information which the *Times* appears to be ignorant of was in the hands of the general public. (Hear, and laughter.) However, to make sure, I will now endeavour to put the circumstances of the case before you in the broadest manner possible, whilst at the same time I will not go into matters of detail, but simply confine myself to stating the case as plainly as I can, in order that all may understand it. (Hear.) We all know that the best source from which

sugar can be obtained is the sugar-cane. It is true, no doubt, that there are, to a certain extent, some useful substitutes for that valuable commodity, but nevertheless the sugar-cane is the natural source to which we should all look from whence to derive our supply of sugar, and our colonies have supplied us with the finest and best quality. We know, also, that in those colonies —especially in the West Indies—the planters have had to overcome many difficulties. There was, for instance, the emancipation of the negro slaves in the islands under British rule. That was one difficulty they had to contend with. Another exists at the present day, and that is, they have to contend with slave-grown sugar in other parts of the West. Notwithstanding all that, as I have said before, our own colonies can supply us with the best possible product, and in abundant quantities. (Hear.) Such a state of things is owing to the land possessing great natural advantages, and to the skill and energy of the people. These advantages would, however, seem to avail but little under the present unfair manner in which we are allowed to be treated by producers of sugar on the continent. (Hear.) Let us just look at the loaf sugar refiners. We know that they possess every advantage that skilled labour can give them, together with a magnificent supply of the raw material, but still the colonists and the British loaf sugar refiners are deprived of what should be the results of those natural and other advantages, and find themselves undersold in their own markets. Such being the case, we naturally look around to see what has brought it all about. And what then do we find? We find that their markets are taken from them in consequence of supplies coming forward under heavy subsidies given by bounties, under the name of drawbacks. (Hear.) There can be no worse form of protection than the allowance of a bounty. It goes beyond any special duty, and moreover it is indefinite; and being so, we do not know to what extent we have to contend against it. (Cheers.) We know most clearly that the effect of subsidised importations is only advantageous, if advantageous at all, to the consumer, just so long as there is a surplus in existence; but the moment the surplus is taken away, and the consumer has to rely for a supply of his sugar, or whatever it may be, on subsidised importations, then the evil is seen directly. The price of the article rises materially; and thus it is that it is infinitely more advantageous to the consumer

to have all the sources of supply open than to have a subsidised industry resulting in a monopoly. (Hear.) I am old enough to remember the earlier discussions which took place in this country upon the question of free trade, and I can say from my own knowledge, judging from what I then heard and now know, that if Richard Cobden were still alive we should have him ranged on our side—(cheers)—because the principle I have heard him uphold is that where you could naturally produce in the best and cheapest manner, there you should be allowed to produce, without being in any way trammelled by fiscal arrangements. (Hear.) That was the true principle of free trade laid down by the late Mr. Cobden. That same principle of free trade was adopted by Sir Robert Peel, and when another principle of free trade was being promulgated, namely, to buy in the cheapest and sell in the dearest market, and he was taunted in the House of Commons for not following that principle in all cases, he justly retorted that, treating free trade on that ground, it was sometimes necessary to make exceptions. Mr. John Stuart Mill said, if you do not make exception sometimes, you may be buying stolen goods. (Hear, and laughter.) When we say it is right to countervail this bounty, by any means, to prevent its damaging operation on our markets, I am sure that we are going on the true principles of free trade. (Hear, hear.) We know that successive Governments, both Liberal and Conservative, have been endeavouring to do away with the present pernicious system, and with good reason too, because it does not involve a question merely affecting colonists or refiners. The production of sugar is a great labour question, and affects the interests of many trades. There is not only the wellbeing of the sugar operatives pure and simple, connected with the production of sugar, dependent upon a proper settlement of the question at issue, but there are also the interests of the coopers, coppersmiths, engineers, chemists, ship-owners, carriers, and other bodies of men, also to be taken into consideration. All these interests being involved, I say therefore it is impossible to injure the sugar trade of England and her colonies without at the same time causing great and general distress amongst the masses of the people. (Cheers.) Such has been the result already owing to foreign bounties, and if something be not speedily done to counteract their deleterious influence, the mischief will be more widely spread and more keenly felt every day. I

hope most sincerely that the Government will now, without delay, take this matter in hand, and apply a remedy that will be found to be efficacious, and not have it said of them that they allowed this country to be unjustly deprived of a valuable industry, the bread taken out of the mouths of the working classes, nor allow the continuance of a system, the result of which must be to render this country dependent on a giant monopoly for one of the necessaries of life. (Loud cheers.)

Mr. James Duncan (Chairman of the British Sugar Refiners' Committee), who was greeted with much applause, said: My Lord Mayor and Gentlemen, it is with feelings of the greatest pleasure I rise to second the resolution which has been so ably moved by the gentleman who has just addressed you. The question now before us is, I take it, one of paramount importance to all classes of the community. (Hear, hear.) While of great and undoubted importance to all of us, whether consumers, West Indian Planters, workmen or refiners—still I must be permitted to say that I think it is of even more importance to the consumers and refiners than to any of the other classes of the community to which I have referred. What we wish to see is a large supply of good sugar from all parts of the world coming on our markets. (Hear, hear). That, however, we shall never be permitted to witness so long as foreign bounties on exported sugar prevail. What we shall see, though, is a stoppage of all sugar supplies except from those European countries where bounties obtain. That certainly is not what is required. What we desire, in the interests of all, is that there shall be a plentious incoming of sugar from all parts of the world. (Hear.) All Mincing Lane men know very well that within a very few days since, the price of French refined sugar was 26s. 9d. per cwt., and at that very time the French refiners were actually paying 26s. 6d. per cwt. for raw sugar. It is scarcely necessary to tell any one that it is impossible for a refiner to sell in the legitimate way of trade refined sugar at the same price he pays for raw sugar if he wishes to obtain a profit. Of course the refiners abroad do sell, as we are made painfully aware, refined sugar at almost identically the same price at which they buy the raw, and even then realize a profit, but a profit, not because the cost of production is not increased, but by means of the bounty system. (Hear.) It is to get rid of such a system

that the agitation against foreign bounties has been prosecuted in this country. That agitation is based upon a sound principle; and in proof of that, I may say it has been the means of doing a large amount of good. By this agitation the bounty system has been kept in a great measure in check, and we are determined to continue in the course we have hitherto pursued until such time as we see our demands in the interest of free trade acceded to. (Cheers.) The foreign bounty system not only does a great amount of injury to British trade, but also has the effect of stopping entirely what might be, but for it, a great British industry. I myself was deeply interested in the cultivation of sugar-beet in England, and I discovered that that description of beet can be quite as well cultivated in this country as in France, or, in fact, anywhere else; but it is quite impossible to carry on that industry against the foreigners, when they receive, as export bounty, as much as two pounds, three pounds, and sometimes four pounds sterling per ton on their produce. (Hear, hear.) This is also a question for the corn-growing interests of this country to take note of. It appears from all accounts—and I have no just reason to dispute their accuracy—that, owing to the introduction of American corn, the cultivation of wheat, to any great extent, in the British isles is doomed. Such being the case, our own farmers might with advantage turn their attention to the raising of beet; but this they cannot do at the present moment, as the bounty system would prevent their growing a profitable crop. (Hear.) It is not only the farmers of Great Britain who are thus injured, but it is also those in the sister kingdom. (Hear, hear.) In the East of Ireland there is land quite as well adapted for the growth of beet as any possessed by France. I will not weary the meeting by going into details upon this part of the question, as full particulars concerning it are to be found in a Blue Book published in 1852. The bounty system not only prevents the growing of sugar-beet in Britain, but it also has the effect of materially curtailing the propagation of the sugar cane in her colonies. Of my own knowledge, I know several colonies where magnificent canes can be grown, but the people of those colonies will not expend money on their cultivation so long as the foreign bounties are allowed to paralyze our home and colonial sugar industries. It is time, then, I think, that something was done to neutralize the ill effects of these bounties. (Hear.) We

have been now carrying on negotiations respecting these bounties for many years past with foreign Governments, but apparently without getting any further in the matter, and we are now looking to our Government at the present time in order to know what is to be done respecting these bounties. Whilst we are waiting, however, it should be borne in mind that the difficulty is becoming greater and greater every day. The country which gives the largest bounty—if the present system is allowed still to prevail unchecked—is the one which will win the race, and the country which continues to give the biggest bounty must be the richest; therefore, under those circumstances, France will ultimately take the lead. I may here mention that France is in a very peculiar position. There has been a proposal to reduce the sugar duties by one-half, but if they are so reduced the bounty would be reduced in the same proportion—a result which would render the refiners unable to send their produce to England. Again, the *fabricants* propose that the duty should be levied on the juice, and that *they* should receive the bounty, and not the sugar refiners. So much for the condition of the French sugar trade. The sugar refiners of Great Britain are anxious to carry out the principles of free trade. (Cheers.) We do not want to see sugar taxed, we want it free. Both the Liberal and Conservative Governments of this country have negotiated for the abolition of foreign sugar bounties for years, but all their negotiations have come to nothing. We are just as far forward in that direction now as we were ten years since. That being the case, the question naturally arises, "What course are we to adopt?" The plan we propose is, that a countervailing duty, to the amount of two shillings per cwt., should be placed on all bounty-fed sugars coming on British markets. (Cheers.) That would be a mere trifle; it is less than a farthing per pound. Small as it is, however, we believe that as it would show the admission of the principle it would be quite sufficient for our purpose, as it would have the effect of at once causing foreign Governments to alter their system and allow refining in bond, and charge the duty on sugar instead of on roots, or juice, or raw sugar, as is done at present. In conclusion, I must also bring before your notice that the refiners of this country do not merely ask for a countervailing duty to be levied on refined sugar, they wish it also to be placed upon raw sugar—(hear),—and their desire, I think, is

reasonable, for it is only just that all sugars receiving a bounty should be countervailed. (Loud cheers.)

The Lord Mayor: In the absence of Dr. Cameron, M.P., I will now call upon Mr. Edward Clarke, Q.C., to support the resolution.

Mr. Edward Clarke, Q.C., who was received with loud and prolonged applause, said: My Lord Mayor and gentlemen, I was particularly anxious to be here to-day and take part in this meeting, because I may state that I am well satisfied that the cause, to support which the meeting has been convened, is eminently just. For some reason or other, however, I am afraid the desire to levy a countervailing duty is not fashionable. There are a good many of my friends with whom I have discussed the question of the sugar bounties, and who are in favour of a countervailing duty being levied, yet who are afraid to come forward because they imagine that in some way it violates the principle of free trade. (Hear, hear and laughter.) I think it is a good thing that the first resolution should be an affirmation and not a denial of the true principles of free trade. (Hear, hear.) I attended this meeting not only because I believe that the well-being of a great national industry is at stake, but because the question involves a sound principle of commercial legislation. The principle we have met here to uphold is the principle of equal trade. Without equality of competition there can be no true freedom, and because that principle is at the bottom of this agitation, it is of great importance. One has been told, when speaking about the decrease of a branch of the sugar industry of this country, "Well, the mischief is done, you cannot restore the trade which has disappeared, and therefore there is no use in taking any action in the matter." This is not the place to go into details with respect to a statement of that kind, but the answer to it is two-fold. In the first place, it is not correct to say that the trade has been destroyed in the sense of being so irretrievably injured that it cannot be revived. (Hear.) It has been checked, and refiners and producers have been seriously injured; but there is no reason why, if the produce of cane sugar were not unduly handicapped by foreign bounties on the beetroot, there is no reason, I maintain, why the sugar industry should not flourish and revive, and be the means of employing large numbers of workmen and immense capital as in former years. (Hear, hear.) But even if the objection were a true one, if it could be said with

accuracy that the effect of these bounties had been to entirely destroy the whole of a once flourishing portion of English trade, and if that should be true, I hold that, as the adoption of a countervailing duty would be the means of bringing back the prosperity to that particular branch of trade which it possessed in times gone by, it would be the strongest reason possible for the Government to recognise the principle, so as to provide against the possibility of a recurrence of mischief which they had hitherto been unable to remove. (Cheers.) If one industry is extinguished by means of foreign bounties, another industry may to-day or to-morrow follow suit in its turn, and it is quite time, then, whilst recognising to its fullest extent the principle of free trade, we should call on our Government to devise some means to relieve this particular trade of the mischief which has been done to it. (Cheers.) The grievance, my Lord Mayor and gentlemen, is an admitted one. It is not for a fanciful or a sentimental reason merely that successive Governments, for the last 16 years, have employed your representatives in foreign courts to make suggestions having for their object the stoppage of the bounty system. (Hear.) There is no commercial authority in this country of any standing that does not state that bounties do exist in France, Belgium, Holland, and Austria. It is not only admitted by the authorities in France, but the most circumstantial statements are made of the amount of the bounties. On this subject I think the most trustworthy statement was made by M. Pouyer-Quertier, a former Minister of Finance, who estimated the bounty paid by the French Government on the exportation of sugar at nearly one million sterling per annum. You will see, therefore, that the fact is an undoubted one. We know that it does exist, and the French authorities are equally well aware of it. It is not alone the sugar trade in England that complains, but also the same industry in France. In the latter country, they complain because they are over-topped in the matter of bounties by the Austrians, the effect of which they say will be to drive them out of the markets. The matter of the foreign bounties is a question that cannot be allowed to stand still. (Hear.) Somehow or other, it must be dealt with, and that speedily; unless the Government is prepared to say, we are quite helpless in the matter, and cannot do anything to prevent foreign nations injuring our commerce or trade. (Loud cheers.)

The French producers are now seeing how they can best bring about an increase of bounty, because they say we are beaten by Austria in the way of bounties, and so we shall have to have an increase of our own. And the French will be beaten unless they adopt some such plan, and it is not very likely they will allow themselves to be worsted without making an effort. The result, then, as I foresee, will be that when they have got an increased bounty, they will glut the markets with cheap sugar. What is one to do, then, under these circumstances? Surely not to sit down with folded hands, to see a great industry destroyed, capital deteriorate, labourers sent away to seek employment in a foreign land? No! a remedy must be sought for this evil, and it is full time it was sought and carried into effect. (Cheers.) The remedy is a simple one. We have it already in operation for the protection of certain industries, in the shape of certain surtaxes upon articles coming from abroad, and which are also produced here. (Hear, hear.) There is, for instance, a duty put upon spirits imported from abroad superior to the excise duty paid upon spirits manufactured in Great Britain. That was put on for the express purpose, not of excluding the foreign spirit, but protecting the English producers from being unfairly handicapped; and that which has been adopted with respect to one interest can be brought into play with regard to another; moreover, it is the obvious and reasonable and just way of meeting the difficulty under which we labour at present. (Cheers.) There is really no practical objection to the introduction of a countervailing duty, although, in the Committee over which Mr. Ritchie presided with the greatest ability, all sorts of suggestions were made as to the difficulties which would be experienced in endeavouring to impose surtaxes on the produce from different countries. Those difficulties, however, were soon disposed of by one of the most, if not the most experienced man of the present day, I mean Mr. Lilley, the Surveyor-General of Customs. (Cheers.) That gentleman said most emphatically that there would be no difficulty in the way of levying the tax. There is nothing antagonistic to the principles of free trade in putting on a countervailing duty. What we want is that all the countries of the world shall have fair play and free scope for the industries of their people. (Cheers.) When bounties come on, it drives our people off their own markets, by a bribe given to the foreign producer,

or, in other words, by the Government paying part of the price of production; and the effect of that is that it can come cheaper into English markets than on foreign markets, and be sold at a less price than sugar made at home in this country. That is forcing it below the natural market prices. (Hear, hear.) Now, what can be the result on the other side, supposing a countervailing duty is imposed, equal in amount to the bounty given by foreign Governments upon exported sugar? Why, the bounty will be taken off; for I believe that the mere threat of the tax will be probably sufficient to deter foreign Governments from endeavouring to ruin British trade by keeping on, under such circumstances, the bounty. If then the bounties were taken off, the soil and the people of this country would be left to make the best they could of their own natural capabilities. (Hear, hear.) On the other hand, even supposing the bounties were still continued—which is very unlikely—the people of England would then be on an equal and fair level with those of the nations abroad, whilst the Government would put into its pockets the whole amount of the sugar bounties. (Cheers.) It is not in the interest of a particular trade only that I was anxious to speak here to-day, but it was in the interests of fair commercial dealings between nation and nation; and I commend most earnestly to the acceptance of this meeting the resolution which has been read. (Loud cheers.)

Mr. Arthur Cohen, Q.C., M.P., who, on rising to address the meeting, was received with cheering, said: My Lord Mayor and gentlemen, I wish in the first place to explain to this meeting the position I here occupy. About a week ago some of my constituents—I dare say you know I have the honour to be one of the representatives of the people of Southwark—wrote to me requesting me to come to this meeting. I may say, in passing, that it was quite unnecessary to remind me of this gathering, as I had already assured a deputation composed of some of the leaders of the working-classes, who waited upon me during my election, relatively to the question now before us,—the deputation wished to know, very naturally, what were my views upon the bounty question,—that I took a lively interest in the subject. (Cheers.) Therefore, even had I not been reminded of this meeting, I should not have forgotten it, and should have felt

bound in honour to be here. The result is as you see, I have kept my promise and here I am. (Cheers and laughter.) I am here to express briefly my own views upon this question, and in doing so, it may, perhaps, not be out of place to inform this meeting of the position I took up in answer to some questions which were put to me during my candidature, by the deputation already alluded to. I observed on that occasion that as the question had not yet received full discussion in the House of Commons I thought it was not the duty of any member of Parliament, or candidate seeking the suffrages of any constituency, to pledge himself to any particular measure with reference to the sugar bounties. But I added, at the same time, that I would freely state my views with regard to the question about which they had waited upon me. I said that I thought, so far as I could form any correct judgment on the case, that their views respecting it were right, and that those of their opponents were wrong. (Hear, hear.) Having said so much, you will perhaps allow me to state the main grounds on which my opinion was formed. (Hear.) Many persons now speak in favour of free trade, and are more or less conversant with its principles; and I am delighted to find that my political opponents have at last become fully aware of the truth of the principles of free trade. (Hear, hear.) But I must be permitted to add that I think there are many more people who speak in favour of free trade than there are who understand its true principles; and that those who are opposed to any action being taken in order to remedy what has proved to be, a grave, serious, and extensive injury to a whole trade, misapprehend the fundamental principle of free trade. (Loud cheers.) That is a statement I am prepared to prove. (Hear.) My proposition is, that those who think that Her Majesty's Government ought to take no action in the matter now immediately before us, because any such action would be inconsistent with the principles of free trade, gravely mistake those principles. (Hear.) I think this capable of proof. The great principle of free trade is this: that the products of every country should be allowed to be forwarded and exchanged, and bought and sold, without any artificial or State regulations. (Cheers.) It is said of protection—and I think, truly said—that it has one characteristic and essential vice, namely, that it favours

a particular class to the disadvantage and injury of the consumer. Now, some of our friends feel this difficulty with regard to the foreign sugar-bounty question. They say that after all the consumer gets his sugar cheaper by the means of these foreign bounties than he otherwise would. Here is my answer to that. Why, I would ask,—if it were true that these bounties are a benefit to the whole country,—how comes it, I say, that every Government, whether Liberal, Radical, or Conservative, that we have had for many years past, declare "the present system is extremely bad, and we will do our best to alter it, only we don't know how?" (Loud cheers and laughter.) No Liberal or Radical Government would venture to say, "we will favour a particular class or trade, although the general community will be injured by our so doing." You have, then, this fact, that Liberals, Radicals and Tories deplore the existence of these subsidies granted by foreign States, because they do an injury to the whole British community, and yet do nothing to remove the evil, although the bounties might be rendered innocuous without, in my opinion, in the slightest degree interfering with the principle of free trade. (Cheers.) Undoubtedly it does conduce to the advantage of the whole community that the products of various countries should be allowed to exchange at what Adam Smith calls the natural price. But it is not to the benefit of the whole community that the consumer should get an article at a lower cost than its natural market price. It is for the benefit of all that every artificial interference, whether for the purpose of raising or lowering the price of a commodity, should be removed. (Hear, hear.) But it is not true that any political economist—that is to say any political economist who understands his science—would uphold the doctrine, that it is advantageous to the whole community for the consumer to be allowed to purchase a product at a lower rate than its natural price. (A Voice: "What is the natural price?") I am glad this question has been asked, and in answer to it, I think I cannot do better than give the definition which is due to the great founder of modern political economy—Adam Smith. (Hear, hear.) He, in effect, holds the natural price to be that price at which every article would sell if home and foreign trade were not trammelled with artificial fetters. Or, in other words, the price at which they would sell if there were free and unrestricted

competition. The fundamental principle of free trade asserts that the wealth of countries will be best furthered by allowing the products of different countries to be sold at their natural price, but it is not in the least inconsistent with that principle to hold, that the community is not on the whole and in the long run benefited, by the consumer being able to purchase an article of consumption at a lower price than its natural market price. Now this is the case with sugar, in consequence of the bounties given by France and other Governments to those who export the article, and therefore it seems to me that those who acknowledge the principle of free trade as a fundamental and well-established principle may, nevertheless, consistently support the present cause. (Cheers.) My learned friend, Mr. Edward Clarke, has however said, "now is the time for the Government to interfere." But I think that inasmuch as the late Tory administration was in power for a period of six years, during which time a great portion of the sugar trade in this country has been nearly, if not entirely destroyed, the only excuse to be pleaded for the inactivity of Lord Beaconsfield and his colleagues is that they thought it unwise to take any steps for the purpose of mitigating the great and growing evil, until the Committee had reported upon the question. Does it not then follow, in all fairness, that the present administration cannot be expected to take any steps until the Committee has been reappointed and made its report? I cannot, therefore, admit either the fairness or the accuracy of the statement that the present is the right moment for the Government to do that immediately which the preceding administration thought proper and wise, during the period of six years, to abstain from doing. (Hear, and cries of "Oh.") I have already shewn how it appears to me that the justice of your cause can be supported by strong argument. (A voice: "Truth requires no argument.") With that observation I do not agree. If all men were infinitely wise, truth would require no argument; but in the present state of the world, fools would have an enormous advantage over men who are wise and who are diligent in the acquisition of knowledge, if truth did not require any argument. (Cheers.) In the long run and in the end, no doubt, truth will prevail, but it rarely gains the victory without a struggle, in which the best, the wisest, and most earnest men are

bound to take a part. (Renewed cheers.) Now let me revert to the immediate question at issue. It is said by some that as the countervailing duty is proposed to be equal to the amount given in the shape of bounties by the various foreign governments, there will be great trouble in ascertaining the proper duty to be levied, owing to the difficulty involved in finding out the country from which the sugar has come. Some persons go even so far as to say that it would be impossible to find out its origin. This objection was, however, removed by the Surveyor-General of Customs, who said that no great difficulty had been experienced—before protection was done away with—in procuring certificates of origin Again, there has been raised a cry about the difficulties to be overcome with respect to the "favoured nation" clauses. On this point however, I venture to say that no lawyer of much eminence will be found to declare that "favoured nation" clauses preclude our right to levy countervailing duties. Such objections as these are generally raised by the timid, but even supposing there were difficulties in the path which leads to right and justice, those difficulties should only mean things to be overcome. (Cheers.) From what I have heard, I have every reason to believe that the re-appointment of the Committee asked for by that zealous, and earnest man, Mr. Ritchie, will be granted. (Cheers.) And now, my Lord Mayor and gentlemen, allow me to congratulate you, and all who are here, that as the arguments which we have heard to-day have been forcible and convincing, there is good reason to believe, and strong ground for hoping, that something may be done to relieve the evils which have weighed down, and to avert the distress and calamity which threaten the very existence of an important trade, and consequently the interests and the prosperity of the vast body of men connected, directly or indirectly, with that important industry. (Loud cheers.)

The resolution was put to the meeting and unanimously adopted.

Colonel Cowan (of Messrs. Cowan & Sons, Sugar Refiners,)—My Lord Mayor and Gentlemen, after listening to the theory and the right application of free trade, so ably explained by previous speakers, it would be waste of time on my part if I were to offer any remarks with reference to the scientific application of the principles of free trade, as bearing on the question we have to answer. (Hear.) Before I proceed with the few remarks I have to offer, I wish in

the most emphatic manner to disclaim any sentiments of protection or reciprocity. (Cheers.) Our desire is to be merely given fair play. We do not in the least desire retaliation or protection. (Cheers.) You, gentlemen, have just affirmed in a most unmistakable manner your adherence to the principles of free trade. I hope that whilst you support those principles you will also express your abhorence of a system of foreign protection which is being pursued to the detriment of this country. (Hear.) You will no doubt also clearly indicate, and that without hesitation, what in your opinion is the proper means for bringing about the abolition of this protectionist scheme to which I have alluded. (Cheers.) With your permission, my Lord Mayor and gentlemen, I will now read the resolution which has been entrusted to me to move. It is "That, in the opinion of this meeting, foreign protection in the form of export bounties denies to British producers free trade competition even on their own markets; injures the legitimate interests of British capital and labour, and restricts the development of the natural sources of production." It is difficult in the words of a resolution to convey all the evil wrought by a departure from the system which we are anxious this day to restore. (Hear.) During the past eighteen years I have had great experience of the pernicious way in which these foreign bounties have operated. Notwithstanding that, however, we did not come here to ask for help until we had exhausted all other means of endeavouring to cope with the evils complained of. (Hear, hear.) For the whole of the time I have stated the various members of my trade have been constantly complaining of the deleterous way in which foreign bounties have acted upon British trade. I am bound in fairness, however, to state that the various Governments which have been in power during those years, whether liberal or conservative, have done their best from time to time to redress the grievances complained of, because they were fully aware of the great injury inflicted on the country at large by their continuance. Our several Governments have remonstrated with the authorities of those countries who grant these bounties, and they have also entered into diplomatic negotiations for the purpose of getting them reduced or taken off entirely. They have, as we know to our cost, not succeeded; for the foreign bounties are to-day as rampant as ever. I think then the time has arrived for us to

indicate in no uncertain manner to those now in power in this country, what is the desire of the people of England in the matter My own opinion and that of my colleagues is that the only means by which we can obtain redress for this great evil, from which our trade has been suffering "nigh unto death," is by the placing of a countervailing duty upon all sugar coming from abroad and the manufacture of which has been partially paid for in the shape of bounty. (Cheers.) A countervailing duty of 2s. per cwt., I have no hesitation in saying, would redress the wrong. When I appeal to this mixed meeting, consisting of legislators who have testified their interest in this matter, of merchants of the city of London, and a meeting largely composed of the working men of this country, (loud cheers,) and when I hear them encourage me by their affirmation of the principle advocated, I feel certain that our deliberations have been actuated by a wise policy and in a spirit of justice. (Renewed cheers.) There is one point I should like to mention, if I am not trespassing too much upon the time of the meeting. We have said that the natural sources of production have been diverted. You have heard what has been said about our colonies, and on that point I have nothing to add to what has already been stated by Mr. Chambers. I have something, however, to offer to your consideration respecting an industry which might now have been flourishing in a neighbouring country and in England, were it not that it was stifled in its birth by foreign protection. I mean the cultivation of beet root. We have now become accustomed to the use of beetroot sugar, and as it is a natural article and the nation is able to produce it, the nation should not by these foreign bounties be stifled and checked in its aspirations to produce this commodity. (Hear, hear.) In this period of agricultural distress this question is of the greatest importance, and now I should like just to say a word or two with reference to the special bearing of this question as regards Ireland. I think we can ask for Ireland what is fair for England, and that is justice (Cheers); and I know that I speak the sentiments of every right minded man when I say that in every measure of legislation affecting Ireland, side by side with full justice there should be an ample spirit of generosity. Now I ask you whether the existence of these bounties is consistent with that sentiment which is so honourable to our nation. (Cries of no, and loud cheers.) We

have not alone been told by scientific men that sugar-beet can be most profitably cultivated in Ireland, but it has been demonstrated by actual experiment. Yet Ireland, distressed and full of woe, with this gift of nature, this inherent quality of riches, is condemned to poverty by the action of foreign protectionists. Does not such a state of things as that demand justice? (Cheers.) I believe soon there will be a better state of things, and I am encourged in that belief by the knowledge that those who have sought for justice have never sought for it here in vain. (Hear, hear.) I believe that in this Mansion House,—this dwelling-place of honour, this temple of fair play—there will, this day, be born that which will correct those evils which we are here to denounce with no unmistakable voice. (Cheers.) We ask you, my Lord Mayor, to use your great influence to help us in our appeal for justice. Gentlemen of the House of Commons, you have shown your interest in this matter, and I, on behalf of suffering industries, ask you to do your best to help us in the legislature. And last, but by no means least, you working men of England, who have been our fellow-labourers in the great cause of reform, and fellow-sufferers by this terrible foreign curse, we appeal to you to use your best efforts, your great intelligence, and the utmost vigour of your manhood to obtain justice. (Loud cheers.)

Mr. Samuel Peters, (General Secretary of the Workmen's National Executive Committee for the Abolition of the Foreign Sugar Bounties,) who was received with loud cheers, said: My Lord Mayor, gentlemen, and fellow-workmen, I have been deputed to explain to this important meeting the views of the workmen dependent for their livelihood upon the home and colonial sugar industries, upon the question which has brought us together this day. My Lord Mayor and gentlemen, what the workmen want is that the foreign bounties should be abolished, and I think I am not far wrong when I say that they are determined that they shall be. (Cheers.) It is now eighteen years since negociations of various kinds have been going on between the representatives of this country and those abroad for the abolition of the foreign bounty system. They have come to nothing however. We have been put off by specious promises from time to time. We say then, that if these countries, after eighteen years of negociations, still refuse to take off their unfair

and obnoxious bounties it is high time that we took them off for them, by the simple plan of putting on a countervailing duty. (Cheers.) (A voice: And raise the price of sugar to 6d. a lb.) No, it would not. It would not be the means of enhancing the price of sugar one farthing a lb.; and, if it did raise the price of sugar one-fourth of a penny per lb. it would at the same time be a whole penny cheaper to the consumers, on account of the better sweetening properties of British sugar manufactured from cane. (Hear, hear.) Mr. Cobden, when speaking at Manchester on one occasion when free trade was being first agitated, said he did not care what the price of corn was so long as it was obtained at its natural price. The same argument holds good with respect to sugar, and no man with common sense or patriotic feeling would wish to get the proceeds of a manufacture in which his fellow-countrymen were competing with foreigners at a price lower than the natural one. (Hear.) If this country and her colonies had been given fair play, sugar would have been cheaper to-day than it is even with the aid of bounties given by foreign European States. (A voice: "Oh!") Perhaps the gentleman who keeps interrupting is an agent for "Say's loaves"—(cheers and laughter,)—or is sent over here by the Austrian land owners. (Renewed cheers and laughter.) Another thing I can tell that individual who said that if there was a countervailing duty sugar would be 6d. a lb., is that if we thought that wonld be the case we should not be anxious for such a duty being levied, because the consumption of sugar would then be comparatively small, and, as a natural consequence, there would not be so much work required for its production as there is at the present moment. (Hear, hear.) What is good for the foreigner is equally good for us, and the great opponents to the agitation, which has for its object the countervailing of foreign bounty-fed sugars, are men who have never given any time to consider the question in its various phases. Moreover, half of the so called public men, when they have given an opinion upon a question involving a principle of which they are ignorant, do not, even when they get wiser or are proved to be in error, like to admit that they were wrong. So much the worse for them, and unfortunately their obstinacy in refusing to be set right causes them still to continue our opponents. (Hear, hear.) I will just read a few lines from the Oxford Cobden Prize Essay of last year,

on the depression of trade. It says: "The trades of sugar growing "and sugar refining are being ruined in England, not only by "foreign duties but also by foreign bounties, which enable our "rivals to sell their sugar in England below the cost of production, "indemnifying themselves at the expense of their own tax-payers. "there is no doubt that in so doing they are making a present to "the English consumer; but it is a present of no great value to "him"—(hear, hear)—"whilst it is fatal to a thoroughly legiti- "mate British industry, and it is given at the expense of the "foreign tax-payers, as well as at the cost of much absolute waste. "With such a present we can afford to dispense;"—(hear, hear)— "at any rate a succession of governments have shown this to be "their opinion, by the frequent remonstrances they have addressed "to foreign governments on the subject. If we could impose on "foreign sugar a duty, exactly equivalent to the bounty it has "received abroad, we should simply annihilate the effects of the "bounty and restore a sort of virtual free trade." (Cheers.) "The "foreign governments would be making a present to the English "Government instead of to the English consumer. But, no doubt, "they would soon cease to confer a bounty which would do no "good to any of their own subjects." (Loud cheers.) Even supposing that the consumer does benefit by the cheapness, artificially obtained by means of foreign bounties, I maintain that it is the bounden duty of the English nation not to benefit by it, for by so doing they are ruining thousands of their countrymen, and those who are helplessly dependent upon them. (Hear, hear.) Lord Derby said, not very long ago, that there could be no doubt but that if the foreigners once got the markets into their own hands the price of sugar would inevitably rise. And in that state- ment his lordship was perfectly correct. If these bounties still continue they will soon be masters of the situation; and, when they are, they will make the people of this country pay not only the cost of their bounties, but also a much larger price for their sugar than ever they did before. (Hear, hear.) The French, and the Belgians, and the Hollanders, are now struck by the Austrians, who have given a larger amount of bounty than either of the other three Governments. Such being the case, the struggle is now between a clique of Austrian landowners and the British workmen; and the

British workmen, because they have right and justice on their side, will eventually win the day. (Loud cheers.)

Mr. Mitchell Henry, M.P., in supporting the resolution, said: I felt myself called upon to attend this meeting to-day, and that for one particular reason—that reason being that I represent a part of the United Kingdom with which your lordship and the generous citizens of London are painfully acquainted. I could not give utterance to the few sentences which I trust you will permit me to say on the bounty question without first of all, and that from the bottom of a very full heart, tendering to your lordship and the citizens of this great city, the heartfelt thanks of the distressed people of Ireland, for the kindness, benevolence, and generosity which you have shown them. (Cheers.) I myself am engaged both in mercantile and agricultural pursuits. I wish more especially, though, to address myself to the agricultural part of this question, and in doing so I wish to take the broadest possible view. It has been demonstrated to us that if agriculture is to exist—I will not even say flourish—in this country, or in Ireland, or in Scotland, it must be only under perfectly free and unfettered conditions. (Hear, hear.) The discovery, or rather the use, of extensive portions of territory, both in Canada and America, for the production of wheat has rendered, in the future, the cultivation of the same description of cereal in these our own islands, a much less profitable agricultural undertaking than it has hitherto been. Every one now says that a new source of agriculture must be discovered. Well, if that be true of England it is ten times more true with respect to that unfortunate country which I am here to represent. (Hear, hear.) The Irish people depend almost entirely upon the products of the soil for their very existence, for the number of manufactures in Ireland are infinitesimally small, and if I except the linen industry of the North I may say there are none extant. Roots of all kinds can be grown in Ireland more profitably than in any part of the country. In the east, and especially in the neighbourhood of Kilkenny, the sugar beet can be raised in great quantities, and of a quality containing a larger amount of saccharine matter than any produced on the continent. (Hear, hear.) That statement may be taken as absolutely correct, for what I have stated with regard to the sugar beet grown in Ireland has been proved by analysis made by eminent agricultural chemists.

(Hear, hear.) It will never do, however, for agriculturists or manufacturers to attempt to grow, or when grown to manufacture sugar beet into sugar so long as they are liable to be unfairly handicapped by bounties given by foreign countries. (A voice: Certainly not.) Under these present circumstances it is impossible that any rational man can enter into this industry as a matter of profit. (Hear.) With respect to free trade, I wish to say I am old enough to remember the commencement of the agitation for its adoption. I also have a knowledge of the negociations relative to the French treaty. After that treaty was negociated, free-traders complained that Mr. Cobden had by it violated the principles of free trade. I think, however, that as people have become older they have become wiser in such matters. (Hear.) We all know that for the last five or six years there has been a great commercial depression,—from what precise cause I will not take it upon myself to say,—but I am one of those who think that although virtue may be its own reward, still those who practice it require bread and butter to eat. (Cheers and laughter.) It may be all very well to declare that the principles which we profess shall make their own way, but the proper way to cause our principles to make their own way is to have these principles based on justice and right. (Cheers.) We maintain expensive diplomatic systems, but they have been unable to accomplish anything worth having. Diplomacy involves us in a great deal of expense. The most successful diplomatist was a merchant who knew what he wanted and was willing to accept that which he could get. He was a man who acted upon the principle of common sense—a sense by the way which is the most uncommon of all. (Hear, hear, and laughter.) I believe now that if the question of the sugar bounties was taken up by the Government in a wise and determined spirit, that the French Government would yield. If a solution be found for this great question—and that it must be found is certain,—neither you, my Lord Mayor, nor the people of the United Kingdom, nor of Ireland itself, will permit the state of famine and degradation in which the people of Ireland now are, to continue because the freedom of the cultivation of the soil in that country is not left unfettered. (Cheers.)

The resolution was then unanimously adopted.

Mr. N. Lubbock said: I presume, my Lord Mayor and gentle-

men, that it is owing to the fact of the position I hold, namely, that of the Deputy Chairman of the West India Committee, and consequently identified with the West Indian colonies, that I have been asked to move the third resolution, which runs in the following terms :—" That as diplomatic negotiations and treaty engagements have, for eighteen years, failed in their object to restore free trade competition in British markets by obtaining the abolition of foreign bounties on the exportation of sugar, it is necessary, in the opinion of this meeting, that this end should now be attained by the immediate enactment by Parliament of such a duty on bounty-fed sugar as shall, while insuring the free admission of unsubsidized sugar from all parts of the world, countervail the bounty, and make the policy of our long-continued negotiations efficacious." The negotiations alluded to in the resolution commenced as long ago as 1862. In July of that year the Belgian Government called the attention of Her Majesty's Government to the system of bounties on the exportation of sugar, and in December of the same year, the French Government made a formal proposal to Her Majesty's Government that a Conference should be held with the view to an international agreement on the sugar question. The proposal was accepted. Conferences took place in Paris and London in 1863 and 1864, and finally, on 8th November, 1864, a Convention between France, Belgium, Holland, and England was signed, its object being to regulate the amount of drawback given, so that it should represent the amount of duty paid on the raw material only, without giving any benefit to the manufacturer by way of bounty. It is important to point out that this Convention distinctly recognised the principle of countervailing duties. Article XIX. of the Convention, which was drawn up in French, says, " Dans le cas ou des primes seraient accordés dans les dits pays à l'exportation des sucres raffinés, les Hautes Parties Contractantes pourront s'entendre sur les surtaxes a établir a l'importation des sucres raffinés des dites provenances;" and as this Convention was approved by the British Parliament of that day, Parliament as well as the British Government must be taken as having, in the case of sugar, admitted the principle of countervailing duties in cases where bounties on exportation are granted. By a declaration made on 20th November, 1866, it was agreed that the Convention should come into operation on the 1st May, 1867,

and, as regards England, was carried into effect by an Act of Parliament passed on 6th April of that year, and in Belgium and Holland by laws enacted about the same time. Unfortunately, the example of these countries was not followed by France, who, under one pretext or another, continually evaded her obligations; and, in fact, during the whole of the ten years for which the Convention was in force, this evasion by France was continued, notwithstanding the most vigorous remonstrances and representations on the part of Her Majesty's Government. Not only, however, were the export bounties granted on refined sugars by France not removed under a Convention proposed by herself especially with that object, but they were positively largely increased, when, in 1871 and 1872, the sugar duties in that country were doubled. In view of the approaching termination of this Convention, a Conference was held at Paris in 1873, which, however, ended in no agreement being come to. Another Conference was proposed to be held at Brussels in February, 1874; but this Conference Her Majesty's Government declined to attend. At that time a mixed Commission, appointed under the commercial treaty between England and France, was sitting in London, and a deputation from the British sugar refiners fully set forth before it the points bearing on the non-fulfilment by France of the stipulations of the Convention of 1864, and M. Ozenne, the French Commissioner, engaged to give them his attention on his return to France. The question was again taken up at the meetings of the mixed Commission held at Paris in April and July, 1874. Again a Conference was held at Brussels in May, 1875, and the result was another Convention between the four Powers—England, France, Holland, and Belgium. Before the expiry of the time granted for the ratification of this Convention, however, Holland raised objections, and proposed a new Conference. This was agreed to, and a fresh Conference was held at Paris in July and August, 1876. But at this time a new phase of the question had appeared, viz., that Austria was now granting large bounties. The delegates, therefore, suspended their sittings to suggest the participation of other Powers, particularly Austria, Germany, and Italy. These three Powers, however, declined to join in the negotiations. The Conference again met in February and March, 1877, and agreed again upon a Convention; and in this Convention also, it is important to notice, occurred the

following stipulation: that "if one of the contracting Powers was compromised by bounties, direct or indirect, granted by other countries on raw or refined sugar, a new understanding might be promoted, in order to consider, in concert, as to the measures of defence which might be taken." Pending the ratification of this Convention, a change of ministry took place in Holland, and resulted in Holland refusing to ratify the Convention. This was in July, 1878. I have so far drawn attention especially to the Conventions and Conferences which were from time to time being held; but an active correspondence between Her Majesty's Government and one or other of the European Powers had been going on almost incessantly during the past eighteen years; the object of which has been solely to secure the removal of export bounties. Conventions, Conferences, and correspondence have, however, all proved fruitless, and have demonstrated the impolicy of expecting other Governments to do for us that which we all along have had it in our power to do for ourselves, viz., to keep export bounties off British markets. A few words now on the subject of these bounties: it was recently asserted in one of the newspapers, that the amount of these bounties had never been ascertained; this is not the case; the Committee of the House of Commons which sat last year, and which was so ably presided over by Mr. Ritchie, took complete evidence on this point, and the amount of the different bounties, as testified to before that Committee, has in no way been impugned. The effect of the bounties may be briefly described. They have naturally stimulated enormously the production of sugar in those countries where they are granted, since they have enabled producers who receive them to make large fortunes, whilst selling their produce below the cost of production. Producers of cane sugars, however, who have received no such artificial aid, have been forced to sell their sugar in competition with this State-aided product. In these circumstances, it is not surprising to find that whilst the beet crop, which has been so heavily subsidized, has increased during the last ten years by 100 per cent., the unsubsidized cane sugar production of the world, taken as a whole, has remained stationary during the same period. The magnitude of the interests involved will hardly perhaps be appreciated by those not conversant with the subject. There are some theorists who say, "Well, if sugar manufacture does not pay, employ your capital in something

else;" unfortunately that cannot be done; vacuum pans will not spin cotton, and the capital invested in the sugar industry, if that industry ceases to be profitable, is practically lost, and I need hardly say that the capital invested in the British sugar industry is very large; probably in the West Indies, Natal, and Mauritius, it does not amount to less than £20,000,000. But the loss of this capital is not by any means all that is involved in the destruction of the British sugar industry. At present, Mauritius, Natal, and the West Indies produce about 350,000 tons of sugar, which involves an expenditure in British labour of not less than £7,000,000 sterling annually. (Cheers.) Again, we are now importing from Europe 300,000 tons of sugar annually, which, but for bounties, would probably in great part be produced in British colonies, and which represents a further sum of £6,000,000 spent annually in foreign labour, a large proportion of which would be expended in British labour, if free trade in sugar were restored on British markets. Moreover, if this were done, it seems more than probable that sugar could be profitably grown in England, but whilst so serious an element of insecurity exists, he would be rash indeed who would embark capital for such a purpose. I think I may say that the evidence taken by the Committee of the House of Commons last year has conclusively proved the existence and the amount of the bounties. There has so far been no difference of opinion expressed as to the desirability of their removal. Liberal and Conservative Governments have vied with each other in their efforts to procure their removal, and the only question now which apparently exists is, as to the manner in which this shall be brought about. A loud cry has been raised as to the interests of the consumer, but if the removal of these bounties is an injury to the consumer, which I deny, then the object of eighteen years of negotiations, Conferences, and Conventions, has been the injury of the consumer, for it is self-evident that whether these bounties are removed by negotiation or by countervailing duties, the result to the consumer is identically the same. This is indeed so undeniable that it is surprising that it appears to have entirely escaped the observation of those who oppose countervailing duties; indeed, it is not too much to say that countervailing duties are a preferable means of obtaining the end desired, since if any sugar could come with a bounty, under a system of free trade, the bounty would be

secured to the revenue. Now I saw it argued in an influential paper, not long ago, that if we put on duties, foreign Governments might increase their bounties, and so on *ad infinitum*. Well, in the first place, though foreign Governments are liberal in the way of bounties, there is a limit even to their liberality; but if it became a question of competition as to who should get soonest tired, we of receiving revenue from foreign Governments, or foreign Governments of paying it to us, I should myself feel no doubt of the issue. But it is evident that, once the *raison d'être* of these bounties was removed, the bounties themselves would disappear. I said just now that the removal of these bounties whether by countervailing duty or by negotiation (for the effect would be the same) would be no injury to the consumer, and I say so for this reason. The result of these bounties is to make us dependent for our sugar supply upon an artificially created source. Hitherto we only rely for about one-third of our consumption upon this source, and yet a diminution in the yield of the beet crop of 1876-77 sent prices of sugar up 1d. per lb. It is evident that the more largely we are dependent upon this one source, the more liable we are to famine prices whenever the crop is deficient, particularly as the beet crop is all grown in a limited area, as compared with cane sugar, which is grown all over the tropical world. Then again, we have no security whatever that these bounties will be continued, and I cannot too strongly impress upon you the fact, that if bounties are ever acquiesced in by this country, no free competition is likely again to be renewed. No man will knowingly play against loaded dice; and the knowledge that bounties can be effectually used against him would be sufficient to prevent any sane man from embarking in what would result in inevitable loss. (Hear, hear.) But the evil does not stop there. The consumer will have no security that once the bounties have achieved their object of stifling competition, foreign Governments may not strike out a new line, and put export duties instead of bounties on their sugar. *Timeo Danaos et dona ferentes* may well be said of these foreign Governments. There is only one other argument I wish to refer to, and that is this: it has been said, if Parliament recognise the rights of British subjects to free trade on British markets, they will be equally bound to recognise the rights of British subjects to free trade in foreign markets. This is indeed a strange theory;

that, because we cannot obtain justice abroad, we must put up with injustice at home. So far as I am aware, there is no case analogous to that of sugar. (Hear, hear.) Should any such case arise, the same arguments as are applicable to sugar would of course equally apply, and it ought to be always borne in mind that export bounties may be given on other articles besides sugar, and that if the principle of allowing them to influence British markets be admitted, an element of insecurity is introduced of which it is impossible to see the end. There are some who do not shrink from saying that we are asking for protection. What protection can there be when the whole world is placed on an equal footing? If we were asking for some special privilege for the West Indies, such a charge might possibly fairly be made; but what we ask for the West Indies, we ask equally for the whole world—for Cuba, Peru, Guadaloupe, Manilla, Java, and British India. What we ask, we ask in the interest of free trade. We ask that the competition of the whole world shall not be stifled by the European bounties—that English markets shall be freely open to the whole world, and not be monopolised by produce the outcome of a system at once unjust and injurious to all concerned. I will not believe that for the sake of temporarily obtaining one commodity below its cost price this country will tolerate or acquiesce in the infraction of principles upon which depend the security and vitality of our industries and the permanent interests of consumers. (Loud cheers.)

Mr. Thomas M. Kelly (Assistant Secretary of the Workmen's National Executive Committee for the Abolition of the Foreign Sugar Bounties) said: My Lord Mayor, gentlemen, and fellow-workmen, the people of this country who have been appealed to at public meetings over and over again have either actively supported the movement for the abolition of foreign sugar bounties or tacitly acquiesced in our propositions. The public say, "We shall not be in any way injured by the putting on of a countervailing duty, whilst at the same time the industry which provides employment for thousands of men and their families will be preserved." That, after all, is the common-sense and patriotic view of the question. (Hear, hear.) The gentlemen who oppose us in our movement to obtain justice and fair play do not carry on their opposition honestly or fairly. It is not only individuals whom I have to complain of in that respect, but a great leader, or rather

misleader, of public opinion. I mean the *Times* newspaper. (Hear, hear.) That journal has endeavoured to crush the cause we know is right and have at heart. It says that our object is not merely to put on a duty for revenue purposes. Well, if the organ which seems only able to grind out one tune upon only one side of the question, and that not in tune with truth, means that the duty being placed on would have the effect of rendering nugatory the evils of the foreign sugar bounties, then it is right—we do not care about the duty merely being put on for the purpose of enriching the Government. But, on the other hand, we most emphatically disclaim any desire to participate in the profits of that tariff beyond that which we would obtain by their reviving what Mr. Gladstone has justly called a legitimate British industry. (Cheers). We do not in any way want protection or reciprocity. Our desire is simply that we should be allowed to compete on an equality with foreign countries on British markets. (Hear, hear.) It has been said by some that if we have a countervailing duty it will be the means of raising the price of sugar. If that is the case, all I can say is that Lord Beaconsfield's and Mr. Gladstone's Governments have been endeavouring to do so, because they have expressed their desire to get rid of foreign bounties, and the only way in which their wish can be fulfilled is by countervailing all bounty-fed foreign sugars. (Cheers.) The fact is there are a great number of persons who talk about free trade, but who do not know the A, B, C, of the principles involved in it. They seem to have got off a lot of stereotyped phrases, with the real meaning of which they are entirely unacquainted, but which, with that confidence to which ignorance leads, they fire off on every possible occasion. (Hear, hear.) Whether foreign bounties were got rid of by negotiations, which I may remark is not very likely, or by a countervailing duty, which is very much more likely, the public would be just in the same condition. It would not make the slightest difference to them. Richard Cobden deplored the amount of economic ignorance which prevailed in his day. He would, I imagine, not be inclined to alter his opinion with respect to the enlightenment of our own time if he were in the flesh and could but see some of the comments in the city article of the *Times* on the sugar bounty question. (Hear, hear.) The *Times* and some other papers pretend to defend the interests of the working classes;

in reality, however, they injure them, for in nine cases out of ten they do not understand the trade questions which are at issue. It is well, however, for the working classes of this empire that they have sufficient political sagacity and power to defend their own interests. This is not merely a Whitechapel question, as the paper emanating from Printing House Square sneeringly remarks; it does not alone affect one trade or one locality, but the whole nation. The great trade councils and associations of this country, we ought to remember, have memorialized the Government to put on a countervailing duty. And it is only reasonable to suppose that the secretaries and other officers of those associations understand the wishes of their constituents and have the interests of the people they represent at heart. (Cheers.) The working classes of this country are now all free traders, but they do not understand the beautiful principles of free trade being observed by one country and not by another. (Hear, hear.) If foreign bounties are permitted to ruin the sugar trade of this country and her colonies, what guarantee have we that the Governments abroad will not immediately bring the same tactics to bear, which have proved so successful for the destruction of one British industry, upon another of our manufactures. Whilst they are in vogue, there is no security for the cotton trade of Manchester or the woollen manufacture of Yorkshire. Some persons imagine that it is fine fun getting articles below their natural cost of production. If they only live long enough, and the foreign sugar bounties are not abolished, they will see that it is not such a good joke for the consumer after all, unless they can discern any amusement in paying monopolist prices. (Cheers.) That will not be all; for men willing and anxious to work will be walking about unable to gain employment, or will become chargeable upon the rates. The principle of free trade has been attacked by foreign nations, and it is high time that our own Government did something to defeat this insidious foreign aggression. We invite competition—we are not afraid of it—from all parts of the world, knowing that our skill and industry, if only permitted fair play, will prove more than a match for any competition which we are likely to experience. (Loud cheers.)

The resolution was adopted *nem. con.*

Mr. Alfred Henriques, in moving the fourth resolution, said:

It is not my intention to go into this political discussion at any length, but I should like to bring before your notice some questions which I consider are of interest. (Hear.) It is a remark frequently made that political economy is less understood on the continent than in this country, and I think perhaps, that is so. We, I think, in England, understand more of the principles of political economy than the people of any other nation. We have attempted for the last eighteen years, by negotiation, and by almost every other means, to obtain a repeal of these bounties, but all our efforts in that direction have failed. To carry out our object it now only remains for us to devise some plan by which we can counteract the pernicious influence of the foreign sugar bounties. Such a plan I think can be found by adopting a countervailing duty. (Hear, hear.) The adoption of such a duty would in no way be contrary to the doctrines of free trade, but we will not let our love of free trade interfere with our interests. (Hear.) We must educate the continental nations up to our level, in this question of political economy. There is another point to which I should like to refer before I sit down. I would yield to no one in my desire to relieve the condition of our fellow-subjects in the sister isle, but when we consider that the interests of the West Indies are at stake through the operation of the sugar bounties, it would not be right to divert the object of this meeting from considering the sugar question to taking into consideration the condition of Ireland. To keep the sugar trade in our colonies I have always been led to believe is one of the great glories of this country. (Hear, hear.) We can obtain from our colonies in the West Indies better sugar than from any other part of the world. The principle of adopting beet root sugar for the whole globe, instead of cane sugar, would be something like working up old goods in the form of shoddy for clothes, instead of using the best wool. (Hear.) I have now simply to move the fourth resolution, which is to give effect to the discussion which has taken place here to-day. It runs as follows:—"That the Right Hon. the Lord Mayor, be requested to sign a copy of the foregoing resolutions, and forward the same to the First Lord of the Treasury."

Mr. George Martineau (Secretary of the British Sugar Refiners' Association), who, upon rising to second the resolution, was received with considerable cheering, said: I cannot help thinking

that the question which has brought us here to day has been thoroughly exhausted. (Hear.) I shall not trouble you, upon this occasion, therefore, with any lengthened remarks of my own. Little more could be said on the occasion than has been urged by previous speakers, especially by the hon member for Southwark and the gentleman who immediately preceded him. (Hear, hear.) I will only add one fact. The honourable member for Southwark has said that both the Liberal and Conservative Governments of this country have tried to get rid of these bounties. To that I wish to make an addition. When Mr. Gladstone introduced to the House of Commons the Convention of 1864, he said that that Convention was entered into with the view of establishing "perfect freedom of trade," and he added that Her Majesty's Government regarded the arrangement as beneficial alike to the producer and the consumer. Those were Mr. Gladstone's words, and they entirely get rid of the difficulty with regard to the consumer. I beg to second the adoption of this resolution. (Cheers.)

Mr. D. MacIver, M.P.: I think that the first difficulty that you have to get over is to obtain the serious attention of the House of Commons to this matter. Such a magnificent meeting as this has most certainly, I make bold to say, assured you the reappointment of the Committee which Mr. Ritchie will ask for on Tuesday next, to continue inquiries into the operation of the bounty system. If it were not for such a meeting as I now see before me, your case would have stood but a poor chance of having any attention paid to it this session. (Oh!) You have still a great work before you. You must write to members in the House and get them to make such eloquent speeches in favour of your agitation as we have heard here to-day. I do not think this question ought to be treated as a question between Liberals and Conservatives. (A voice: "It is not.") Different people have different ideas as to what free trade means. On this question we can all be agreed. (Hear.) We must keep before the House the fact that this great industry, which ought to give a large amount of employment in our midst, is seriously crippled, in so far as the loaf-sugar portion of the industry is concerned, owing to the operation of foreign bounties. I want you to point out to your friends that, whilst the benefits arising to the consumer on account of this artificial cheapness are small, the injury inflicted on the producer is im-

mense. The consumer does not feel the small advantage in price gained by foreign bounties not being countervailed, but the producer is ruined by it. (Cheers.)

Mr. Liggins, who described himself as a West India planter, said: I want to state a phase of this question which has not been touched upon by any previous speaker. I am not going to say anything about protection or free trade. If we receive sugar from our magnificent colonies in the West Indies, we must remember that it is brought to this country in English ships, manned by English sailors,—men who will stand by us in our hour of need, and be ready and willing to defend the honour and interests of this our country. Navigating vessels from the West Indies is a fine training for sailors, but woe to the day when England has to depend on men whose only training has been coming across the channel from Boulogne in a steamer. (Hear, and laughter.) That is a question for us all to answer. The West India sugar trade is doing all it can to develope itself, but it is impossible for it to compete in English markets with foreign bounty-fed beetroot sugar. I as a West Indian, and ruined as I am by these bounties, tell you that the sugar trade in the West Indies will develope, but it will do so by going to that great Republic on the other side of the Atlantic. Those are the points which I wished to lay before you, and which have not been touched upon by any previous speaker.

The resolution was then put to the meeting and adopted.

Mr. David Powell, Junr., (Chairman of the East and West India Dock Company,) moved a resolution thanking the Lord Mayor for his great kindness in granting the use of the Egyptian Hall to hold the meeting in, and also for the interest he manifested in the proceedings by taking the chair. The speaker, who was cordially received, said: This meeting has been a great and wonderful success. It is a purely representative meeting, as all classes and different industries are represented, and, so far as I am able to judge from the various sounds which came from the different parts of the Hall, I should say that all political parties have had their interests represented here to-day. (Hear, hear.) I think it should go forth that it is the general feeling of the whole of the city of London that a countervailing duty should be put on, and that the Government should lose no time in doing so. (Loud

cheers.) If this meeting had been held in a corner, or thinly attended, I do not think we should have effected much. As it is, however, I am of opinion that we have done a great deal towards removing the evils we all complain of. (Cheers.) The Lord Mayor, with his proverbial kindness, has given you the use of this Hall. (Cheers.) A Hall in which many of the most important questions have been ventilated;—(Hear, hear.)—and he has also done us the honour of presiding over our deliberations. I, therefore, beg to tender him on behalf of this meeting our best thanks. (Loud and prolonged cheers.)

Sir T. Edwards-Moss, Bart., Deputy-Chairman of the West India Association of Liverpool, seconded the resolution. He said: Seldom have I seen such interests at stake, or a more magnificent meeting to uphold them. (Hear, hear.) We have heard with deep sympathy of the distress which is now prevailing amongst those operatives who have hitherto devoted themselves to the refining of sugar. We must not, however, look upon a speedy settlement of the question in despair, for I have seen as great difficulties overcome by united action as we have now to contend against. (Hear.) I can assure you that the inhabitants of these glorious colonies, which were once the pride of England, are in a very sad condition, owing to their trade being taken from them by unfair competition. What they want and what we want is merely fair play—not protection. (Hear, hear.) If they do not obtain that, they may emigrate to other parts of the world, and it will be a nice thing for any Government to have it said of them that they allowed the people of England to starve or emigrate when they could have easily prevented it.

The motion was then adopted amidst loud applause, which was repeated on the Lord Mayor rising to acknowledge the compliment.

His Lordship said: I am much obliged for the kind manner in which you have received the resolution just submitted to you. I am at all times willing to assist my fellow citizens and the public at large in any question generally interesting, by granting them the means of discussion. (Loud cheers.)

A LETTER

TO THE

PEOPLE OF THE UNITED KINGDOM

ON THE

PROPOSED ALTERATION OF THE PARLIAMENTARY OATH.

BY

SIR JOHN E. EARDLEY-WILMOT, BART.,

MEMBER OF PARLIAMENT FOR SOUTH WARWICKSHIRE.

"Injurioso ne pede proruas
Stantem columnam."—HORAT.

SECOND EDITION.

LONDON:
EDWARD STANFORD, 55 CHARING CROSS, S.W.
1882.

PREFACE TO THE SECOND EDITION.

THE steadfast and reiterated refusal of the House of Commons to permit an elected Member to go through the form of an oath, the sacred obligation of which he has openly and boastingly denied, renders it probable that another attempt will be made to enact that a common affirmation or simple promise, declaratory of allegiance to the Sovereign, be held equivalent to an oath for the purpose of admission to the Legislature. The following observations, protesting against such alteration of the law, will, it is hoped, be found seasonable, and not without weight, at the present important crisis of our Constitution.

A LETTER

TO THE PEOPLE OF THE UNITED KINGDOM ON THE PROPOSED ALTERATION OF THE PARLIAMENTARY OATH.

"High stands his city, who interweaves the laws of his native land with the oath that binds the gods to justice."—SOPHOCLES' *Antigone*, v. 369–370.

MY FELLOW COUNTRYMEN,

You are doubtless aware that a proposal is about to be made in Parliament with the sole and distinct object of admitting an avowed Atheist, one who acknowledges no responsibility to a Supreme Being, to a seat in the Legislature of our country; not, perhaps, by the direct and declaratory abolition of the Parliamentary oath, but by a measure which will do away with the necessity and obligation of taking it, and render a simple affirmation, not based on the religious conscience of an individual, but resting only on what he may call his sense of moral right and wrong, equivalent to an appeal to God, either expressed or in silence, as a test of truth.

I venture to submit to you the following observations, in order to show that the whole groundwork of our social and legal system will be undermined if such a proposal is carried into effect; and that, at all events before so great an innovation is made in the Constitutional fabric, you, the people of the United Kingdom, ought to be consulted, and your approval of it signified by your votes,

given at an election of your representatives in the House of Commons.

From the first day when Britain became a nation, you have willed that this Realm and its form of government, subject as that government may have been since to internal modifications, should have Religion as a material part and essence of its State Polity and as its very foundation. Religious observances have, by your universal consent and agreement, been made inherent and coherent with the political structure, while by that union it has been very greatly consolidated and strengthened.

Accordingly, of the laws under which you have agreed and bound yourselves by a social compact to live, almost every one contains a recognition of the Supreme Being, to whom you acknowledge yourselves responsible. You have established a National Church, and elevated its ministers to places of the highest rank and dignity. You have endowed their offices in a manner worthy of a rich and powerful kingdom. You have made your Sovereign Supreme Head of the Church, and next to her have given precedence to one of the Archbishops. He it is who officiates at the royal coronation in that most ancient and venerable pile, coeval with the first ceremony of enthronement of our monarchs. He it is who administers the sacred and solemn oath, sworn upon the Holy Scriptures, to each one of them at the inauguration and commencement of his reign, that he will study to preserve the people committed to his charge in wealth, peace, and godliness.

If we pass from the regal to the judicial office, we find that the recognition of the Deity as our rule of action, sets in motion, animates, and hallows the whole of our jurisprudence. Our judges are sworn to execute justice impartially between man and man; the jury to well and truly try the prisoners whom they have in charge; and the witnesses to speak the truth in the delivery of their

testimony. Even the prisoner arraigned on any offence says he will be tried by God and his country. The oath taken in some of these cases may have been exchanged for an affirmation, from a scrupulous desire to meet the objections of those who are unwilling, on religious grounds, expressly to utter the name of the Deity, but their affirmations are not less made under a sense of the Divine Presence. Every statute which becomes law by the joint assent of the three estates of the realm, acknowledges itself in its preamble to be made by the advice and authority of the Lords Spiritual as well as Temporal, and the former in its language take precedence of the latter. The proceedings of your Parliament commence each day, in either House of Legislature, with a set form of solemn prayer, in which the Supreme Ruler of the Universe, the King of Kings and Lord of Lords, is prayed to bless the councils of the nation, and give a wise and understanding heart to its counsellors. That beautiful Common Prayer, which is heard every Sunday in our churches, invokes also the Divine blessing upon the Sovereign, her Parliament, and her people. Even the current coin of the realm, which passes daily from hand to hand, certifies to us and reminds us, by its image and superscription, that our Queen reigns over us by the grace of God, and is the defender of our faith. The royal motto, too, is notable in its significance, "Dieu et mon droit" (God and my right).

Our military and naval, no less than our civil establishments, have religious rites and ceremonies inseparable from them. Chaplains are specially appointed by the State for the solemnisation of public worship, as well as for attendance upon the sick and wounded, in both branches of the service. The presentation to our regiments of their colours, so many of them destined afterwards to be inscribed with the records of heroic deeds and of victories won by their defenders, is invariably accompanied by a religious ceremony, performed often in

the presence of the Sovereign, by the dignitaries of her Church. The bareheaded seaman too on the deck of his ship, amidst the raging of the storm, joins in public prayer to that Supreme Being to whom he looks for safety from danger, and whose wonders he sees everywhere around him in the deep.

But, independently of your own act in having interwoven religion with every department of the State, and made it a vital element of your laws, the recognition of the power and providence of the Deity underlies your whole social and everyday life. For, although the weakness of man's nature renders him often forgetful of the Divine authority, yet a sense of superintending, protecting, and controlling influence from above clings fast to our hearts and will not be let go. It is the balm of our sickness and suffering, the support of our adversity, and the solace of our old age and death.

But if any man deliberately places himself outside the pale of a system so organised, and rejects its leading and self-appointed obligations, he has no claim to a participation in its rights and privileges, and is, in the language of Edmund Burke, an outcast from the society with which he lives at open variance.

Returning, however, to the share which you have given to religion in your State policy, let me draw your attention for a few moments to a noble epoch in the annals of your country.

When the barons of England obtained from their king the great charter of their liberties, your ancestors, highly valuing as they did their freedom and in the full pride of their achievement, acknowledged with humility that it was to God they dedicated their rights, and to God's laws they affirmed their full obedience. Magna Charta was granted by King John, but the first embodiment of it in writing that we have dates from the ninth year of the reign of Henry III. (A.D. 1224):—

"Henry by the Grace of God, King of England, Lord of Ireland, &c., To all Archbishops, Bishops, Abbots, Priors, Earls, Barons, and to all his faithful subjects, Know ye that we unto the Honour of Almighty God, and for the Salvation of our Soul, to the advancement of Holy Church, and amendment of our Realm, have given and granted to the Archbishops, Bishops, and to all of our Realm, these Liberties underwritten, to be kept in our Realm of England for evermore." Then follows the written declaration, glorious and ever memorable, of your rights and privileges.

A confirmation of this statute was decreed in the 14th and 15th (A.D. 1340–1341), and again in the 37th and 38th (A.D. 1364–1365) years of Edward III. and more fully again in the first year of Richard II. (A.D. 1377), when the language of the statute is as follows:—

"Know ye, that to the Honour of God, and reverence of Holy Church, Holy Church shall have and enjoy all her rights, liberties, and franchises, wholly and without blemish, and that the Great Charter and Charter of the Forest shall be observed and firmly kept at all points."

In all subsequent reigns we find the recognition of the power and providence of God as the head and front of the statutes, until in the first year of William and Mary, A.D. 1689, in the Declaration of Right drawn up by Lord Somers, and enacted by Parliament, "Their Majesties were pleased, with concurrence of the Lords Spiritual and Temporal and Commons, to make effectual provision for the Religion, Laws and Liberties of this Kingdom, so that the same for the future might not be in danger of being subverted."

I have, perhaps, at too great length drawn your attention to this religious element, giving breath and life and health to our Constitution, as some would have you believe that to exclude a professed and avowed Atheist from the House of Commons, is subversive of your rights and

liberties. I hope presently to show to you, that any person openly denying the authority of the Holy Scriptures, and teaching men so, brings himself within the pale of the law, and ought, so far from being permitted to legislate for his fellow-citizens, to have his own personal liberty curtailed, and thus to be prevented from disseminating the pernicious poison of his evil doctrines. Before, however, doing so, I will briefly advert to those Acts of Parliament, under which any member, before he is able to sit in debate or vote, is called upon to take the oath or make the affirmation of allegiance to his Sovereign.

Both have been very much altered and abridged since the passing of the Roman Catholic Relief Bill and the admission of Jews to Parliament; and at last in 1866 by the 29 Vict. c. 19, the form of the oath to be taken by members of both Houses of Parliament on taking their seats was enacted as follows :—

"I (*A.B.*) do swear that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, and I do faithfully promise to maintain and support the succession to the Crown, as the same stands limited by virtue of the Act passed in the reign of William III., entitled 'An Act for the further limitation of the Crown, and better securing the rights and liberties of the subject, and of the subsequent Acts of Union with Scotland and Ireland.' So help me God."

By the 4th section of the same Act, "Every person of the persuasion of the people called Quakers, and every other person being by law permitted to make a solemn affirmation or declaration, instead of taking an oath, may, instead of taking and subscribing the oath hereby appointed, make and subscribe a solemn affirmation in the form of the oath hereby appointed, substituting the words 'solemnly, sincerely, and truly declare and affirm,' for the word 'swear,' and omitting the words 'So help me God;' and the making and subscribing such affirmation with such

substitution as aforesaid by a person hereby authorised to make and subscribe the same, shall have the same effect as the making and subscribing by other persons of the oath hereby appointed."

By the 5th section of the same Act, "The penalty for voting or sitting, without having made the oath hereby appointed, during any debate in the House after the Speaker has been chosen, is 500*l.* for every such offence; and, in addition to this money penalty, the seat of the member so doing is vacated, in the same manner as if he were dead." It is remarkable that this section makes only mention of the oath, and not of the affirmation.

An Act passed two years subsequently, entitled "The Promissory Oaths Act," 31 & 32 Vict. c. 72, A.D. 1868, contained forms of administering official and judicial oaths, and made a slight alteration in the form of the Parliamentary oath, as directed by the preceding Act. By the 2nd section of the Promissory Oaths Act, the Parliamentary oath was made to run thus: "I do swear that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, her heirs and successors, according to law. So help me God." * The 3rd section contains the form of the official oath: "I do swear that I will well and truly serve Her Majesty Queen Victoria in the office of ( ). So help me God;" and also that of the judicial oath: "I do swear that I will well and truly serve our Sovereign Lady Queen Victoria in the office of ( ), and I will do right to all manner of people after the laws and usages

* The Athenians, with whom the science of legislation was carried to the greatest perfection, were, of all the Greek States, the most punctilious in regard to the oath. The youth entering upon his twentieth year was not permitted to assume the privileges of a citizen without taking a solemn oath in the Temple of Aglauros to obey the laws and defend his country. A like oath was taken by the Senate of Five Hundred. After the establishment of the Roman Republic, the consuls, and subsequently all the other magistrates, were obliged, within five days after their appointment, to promise on oath that they would protect and observe the laws of the Republic."—SMITH, *Gr. and Rom. Ant.*, p. 648.

of this Realm, without fear or favour, affection or ill will. So help me God."

By the 5th section, the penalty for not taking the oath is the vacating of the office. While by the 8th section, the form of the Oath of Allegiance provided by this Act shall be deemed to be substituted, in the case of the Parliamentary Oaths Act, for the form of the oath thereby prescribed to be taken and subscribed by members of Parliament on taking their seats. "And all the provisions of the said Act (1866) shall apply to the oath substituted by this section, in the same manner as if that form of oath were actually inserted in each of the said Acts (1860, 1866) in the place of the oath for which it is substituted."

By the 11th section of the Promissory Oaths Act, where an oath is required to be taken under this Act, "Every person for the time being by law permitted to make a solemn affirmation or declaration instead of taking an oath, may, instead of taking such oath, make a solemn affirmation, in the form of the oath hereby appointed, substituting the words 'solemnly, sincerely, and truly declare and affirm,' for the word 'swear,' and omitting the words '*So help me God.*'" The affirmation made at the table of the House of Commons, therefore, now runs thus: "I do solemnly, sincerely, and truly declare and affirm, that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, her heirs and successors, according to law."

In the following year (1869) the Evidence Amendment Act was passed (32 & 33 Vict. c. 68), by which affirmations were allowed instead of oaths to persons giving evidence in courts of justice :—"Whereas the discovery of truth in courts of justice has been signally promoted by the removal of restrictions to the admissibility of witnesses. If any person (4th section) called to give evidence in any court of justice, whether in a civil or criminal proceeding, shall object to take an oath, or be objected to as incom-

petent to take an oath, such person shall, if the presiding judge is satisfied that the taking of an oath would have no binding effect on his conscience, make the following promise and declaration: 'I solemnly promise and declare that the evidence given by me to this Court shall be the truth, the whole truth, and nothing but the truth.' And any person who, having made such promise and declaration, shall give wilfully and corruptly false evidence shall be liable for perjury as if he had taken the oath."

The words "in any court of justice" and "presiding judge," not being in their scope and meaning sufficiently explicit, in 1870 (9th Aug.) the Evidence Further Amendment Act was passed (32 & 33 Vict. c. 49), whereby it was enacted, "That whereas doubts have arisen as to the extent and meaning of the words 'courts of justice' and 'presiding judge' under Section 4 of 'The Evidence Amendment Act 1869.' The words 'courts of justice' and 'presiding judge' in Section 4 of the Evidence Amendment Act, shall be deemed to include any person or persons having by law authority to administer an oath for the taking of evidence." This Act of 1870 was followed by another passed in 1871 (34 & 35 Vict. c. 83) of similar character, but applicable only to witnesses when about to be examined in legal proceedings.

There had been, however, several previous Acts authorising affirmations. As far back as the reign of William III. the affirmation of Quakers had been permitted. The first section of the Act 7 & 8 William III. c. 34, required them to make the following solemn affirmation instead of an oath: "I (*A.B.*) do declare in the presence of Almighty God, The Witness of the truth of what I say." This Act was at first limited to seven years, but was afterwards made perpetual. The religious sect, however, whom the Act intended to favour, was aggrieved by the form of declaration in this statute, and another form was substituted for it by the Statute 8 George IV. c. 6, as follows:

"I (*A.B.*) do solemnly, sincerely, and truly declare and affirm." The penalties of perjury by this Act attached to any person convicted of having wilfully and falsely made such declaration or affirmation.

By the 3 & 4 William IV. c. 49 (1833) this privilege was given to Moravians as well as Quakers, and the 1 & 2 Vict. c. 79 (1838) extended it to those who had been Quakers or Moravians, but had ceased to be so.

The Statute 3 & 4 William IV. c. 82, allowed Separatists to affirm by the following form of words: "I (*A.B.*), of the persuasion called Separatists, do, in the presence of Almighty God, solemnly, sincerely, and truly affirm and declare that the taking of an oath is contrary to my religious belief as well as essentially opposed to the tenets of that sect, and I do also in the same solemn manner affirm and declare," &c.

By the Common Law Procedure Act (17 & 18 Vict. c. 125), Section 20 provides for the affirmation of witnesses in civil causes only, and also in the case of affidavits, where the judge is satisfied of the sincerity of the objection to the oath, that the taking of an oath is, according to the religious belief of the person making the oath, unlawful. The 24 & 25 Vict. c. 66, gave to courts of criminal jurisdiction a like power of receiving the affirmations of witnesses. The 30 & 31 Vict. c. 35, s. 8, enables persons to affirm who object, from religious scruples, to take an oath.

As regards the Parliamentary oath required respectively by the 29 Vict. c. 19 and the 31 & 32 Vict. c. 72, it may be remarked that the editor of Blackstone's 'Commentaries,' has the following historical observations:—*

"For 600 years the oath of allegiance contained a promise to be true and faithful to the king and his heirs, and truth and faith to bear of life and limb, and terrene honour, and not to know of any ill or damage intended him without defending him therefrom. Sir Matthew Hale

* *Public Rights*, bk. 4, ch. 2.

(1 *Pleas of the Crown*, 63) says of this oath, that it was short and plain, and not entangled with long and intricate clauses or declarations, and yet was comprehensive of the whole duty of a subject to his sovereign. At the Revolution (1 William & Mary, Sess. 1, c. 8) the oath was altered, and the subject swore that he would be faithful and bear true allegiance to his sovereign, without naming his heirs. With this oath the oaths of supremacy and abjuration were joined, as prescribed by 13 William III. c. 6. The Parliamentary oath continued in that form till 23rd July, 1858, when the single oath of allegiance was substituted for the three by 21 & 22 Vict. c. 48; and again by 30 & 31 Vict. c. 75, when it was reframed to meet the scruples of Roman Catholics and Jews, and re-enacted in its present form."

I have found it necessary to make this long mention of the several statutes on the subject of oaths and affirmations, Parliamentary and otherwise, that I may be better able to place before you the proposal about to be made virtually to cancel the Parliamentary oath by rendering equivalent to it the simple affirmation of any man who may have openly proclaimed his disbelief in a Supreme Being, and is entirely without religion as a guide and guarantee of his life and actions, but who will, nevertheless, thereby gain admission to the Legislature, where many of the debates and votes must necessarily relate to religious matters of national interest, and of vital importance.

You will remark that the several statutes which I have enumerated permitting affirmation have, as a material ingredient in them, an acknowledgment, either expressed or implied, of the Deity, as the supreme upholder of truth and the avenger of falsehood, and recognise no other responsibility. Without such responsibility there can be no consciousness of right and wrong, no inward dread of evil-doing.

"It may be well," says Dr. Adam Clarke (in his 'Com-

mentary,' on that passage in the first chapter of the Second Epistle to the Corinthians, "I call God for a record upon my soul"), "to examine the solemn affirmation made by the people of the religious sect called Quakers, and see whether it does not contain the essential principles of an oath, and whether it should not be reputed by all people as being equal to any oath taken in the common form, and sufficiently binding on every conscience that entertains the belief of a God and the doctrine of a future state. The word '*solemnly*' refers to the presence and omniscience of God, before whom the affirmation is made; and the word '*sincerely*' to the consciousness that the person has of the uprightness of his own soul, and the total absence of guile and deceit; and the word '*truly*' refers to the state of his understanding as to his knowledge of the fact in question. The word '*declare*' refers to the authority requiring and the persons before whom this declaration is made; and the term '*affirm*' refers back to the words '*solemnly, sincerely, and truly,*' on which the declaration and affirmation are founded. This also contains all that is vital to the spirit and essence of an oath, and the honest man who takes or makes it feels that there is no form among men by which his conscience can be more solemnly bound."

Dr. Clarke proceeds to argue that the penalty of perjury attached to a false affirmation shows that the law considers it an oath; and of the same opinion is Mr. Pitt Taylor, in his valuable book on 'Evidence' (p. 1201):—

"Under the Evidence Amendment Act 1869, in order to warrant affirmation, two points must occur, (1) the person called (i. e. in a court of justice) must object to take an oath, and (2) the judge is required to satisfy himself that the taking of an oath by such person would have no binding effect on his conscience. An inquiry must therefore be made into the religious opinions and moral sentiments of the witness, and it is as necessary *now* as it was before

the Act was passed, to gauge his faith in a Deity, who is alike the rewarder of truth and the avenger of falsehood. Now the degree of religious faith which is presumed capable of binding the conscience of a witness to speak the truth, and which will render him consequently competent to take an oath, seems, as at present understood, to be a belief in the existence of God, and in the fact that Divine punishment will be the consequence of perjury. It matters not whether the witness believes that the punishment will be inflicted in this world or in the next. It is enough if he has the religious sense of accountability to the Omniscient Being who is invoked by his oath."

It was upon this Evidence Amendment Act, as well as upon the Parliamentary Oaths Act (29 Vict. c. 19) and the Promissory Oaths Act (31 & 32 Vict. c. 72), that the late discussion in Parliament took place, occupying much time and causing great heat in debate, and it is consequent upon the decisions then come to, that you are now called upon to consider this most grave and important question.

In May 1880, Mr. Bradlaugh, chosen as their representative in Parliament by the electors of Northampton, claimed to be allowed to affirm, in virtue of the two Parliamentary Oaths Acts, and of the Evidence Amendment Act, which last enables persons to affirm upon whose conscience an oath has no binding effect when giving their testimony in courts of justice. Mr. Bradlaugh had previously, in a letter published in the *Times*, openly avowed his reason for not taking the oath as prescribed by the statutes at the table of the House, viz. that in his opinion an oath was an empty form of words, without sense or meaning. The Committee of the House of Commons to whom this claim was referred, negatived his claim; doubtless by a small majority, but it must be recollected, that the composition of the Committee, formed in a great degree of members of the legal profession, gave to it decidedly a party character. Thereupon Mr.

Bradlaugh again came to the table of the House, and asked to be allowed to take the oath.

This insult, not only to the House, but also to the Royal Personage to whom he now proposed to swear allegiance, although a short time previously he had openly declared the oath, which was to be expressive of that allegiance, an empty form, was at once resented through the statesman-like and bold interference of Sir Drummond Wolff, and ultimately the claim to take the oath was referred to a second Committee, which decided that "the compliance by Mr. Bradlaugh with the form used when an oath is taken would not be a taking of an oath within the meaning of the statutes, and that the House could and ought to prevent his going through the form," but the Committee concluded with a recommendation, mainly on the suggestion of Mr. Serjeant Simon, one of the Committee, "that he be permitted to affirm, in order that his right to do so may be determined by the law courts."

On a review of the proceedings of the Committee and of the evidence taken by it, the conclusion arrived at appears to be most just and right. First of all, on the Parliamentary Oaths Act, the words "*and every other person*" added to the preceding words "*every person* of the persuasion of the people called Quakers," would appear to limit the privilege to other persons *ejusdem generis*, i.e. of religious character and persuasion, though differing in their form of worship, and not to extend it to all persons whatsoever. That this construction is the correct one appears from the following words in the 4th section of the statute: "*Being by law permitted to make a solemn affirmation or declaration,*" and it is quite clear, that up to the present time, the law has never allowed any one to affirm who has openly and unequivocally expressed his disbelief in a Supreme Being. Nor is the decision of the Committee upon "The Evidence Amendment Act 1869" less correct, for the words of the Act (4th section) expressly limit the

privilege of the affirmation to courts of justice, and then only when the presiding judge shall be satisfied that an oath would have no binding effect on the conscience of the person claiming to affirm; and although the House of Commons has been held to be a Court of Record,* it has seldom exercised its power of examining witnesses, except in Committee; nor can the office of the Speaker be held to be in any way analogous to that of a presiding judge. So strictly were the words "*courts of justice*" in the Act interpreted, that it was necessary to pass the statute 33 & 34 Vict. c. 49, extending the words "*courts of justice*" and "*presiding judge*" to any person or persons having by law authority to administer an oath (*for what?*) "for the taking of evidence."

Upon the discussion of the second Report of the Committee, Mr. Labouchere moved that Mr. Bradlaugh be allowed to affirm, but his motion was defeated upon an amendment proposed by Sir H. Giffard, by a majority of 45 (275 against 230), the terms of the amendment being: "That, having regard to the anterior proceedings, Mr. Bradlaugh be permitted neither to take the oath nor affirm." There the matter ought to have rested, but the Prime Minister (Mr. Gladstone) interfered, and carried (2nd July, 1880), by a majority of 54, a resolution "That EVERY PERSON *claiming*" (*mark the scope and latitude of the words*) "to be a person entitled to affirm, shall be permitted to affirm without question, but subject to any liability by statute." This victory of the Prime Minister enabled Mr. Bradlaugh to make the affirmation, and to sit and vote in the House, but legal proceedings were immediately taken against him upon the penalty section of the Parliamentary Oaths Act. The result was, as you well know, that Mr. Justice Mathew, in a very able and exhaustive judgment, held that the chosen member for Northampton

* *Commons Journals*, A.D. 1621, 19 James I.

was not a person by law permitted to affirm, and that his having given evidence in courts of justice had no relevancy to his claim to make the affirmation prescribed as a qualification for a member of Parliament, and "that he had incurred the penalty attached to the omission of the oath, being neither a Quaker nor other person by law permitted to affirm." This judgment was confirmed unanimously on appeal by the Lords Justices of Appeal, Bramwell, Baggallay, Lush, Brett, and Cotton.

In the meantime, a new writ having been issued for Northampton, Mr. Bradlaugh again offered himself to the electors early in April 1881, and was re-elected. On the 26th April he once more presented himself at the table of the House, proposing to take the Parliamentary oath, but was prevented by a resolution of Sir Stafford Northcote, "*That he be not permitted to go through the form of repeating the words of the oath,*" and this resolution was carried by 208 against 175. Mr. Bradlaugh's subsequent proceedings and violent attempt to force his way into the House are well known, and need not here be described. Suffice it to say, he was removed in the custody of the Serjeant-at-Arms, and forbidden admission to the House.

On the 2nd May an abortive attempt was made by the Attorney-General to obtain leave to bring in a Bill to Amend the Laws relating to Parliamentary Oaths, but owing to the great opposition made and threatened against its introduction, and the great demand made upon Parliament by the Irish Land Bill and other matters, the debate which had commenced on the question was not resumed, and all legislation on the matter was postponed till the following Session.

It is evident, from the above short statement of the occurrences of 1880 and 1881, that if any alteration or so-called amendment of the Parliamentary Oaths Act is to be made, it is mainly, if not entirely, with the object of enabling an individual to take his seat in Parliament, who

has not only defied the authority of the House of Commons and openly set himself in opposition to its decision, but has otherwise placed himself within the pale of the law by his conduct outside Parliament, in endeavouring to bring the national religion into contempt, and by his open denial of the sacred character of the Scriptures, which are the groundwork and basis of the national faith. That any one having acted in such a manner should be selected as meriting special legislation in his favour, is a disgrace to the Government which, from party motives, shuts its eyes to the injury it is thereby inflicting upon the Constitution, which it is bound to uphold and maintain. Far otherwise did our ancestors deal with cases such as this. Judges like Hale, Lord Kenyon, Lord Ellenborough, Lord Tenterden, Mr. Justice Ashurst, and Lord Denman, declared, in no hesitating or compromising language, their condemnation of those who disseminated the pernicious poison of their dangerous and destructive doctrines.

In Taylor's case, indicted and convicted of a blasphemous libel on our Blessed Redeemer,* Lord Chief Justice Hale, the presiding judge, said, "Such kind of wicked blasphemous words are not only an offence to God and religion, but a crime against the laws, State, and Government, and therefore punishable in the Court of King's Bench. To say religion is a cheat is to dissolve all those obligations whereby civil society is preserved; Christianity is part of the laws of England, and therefore to reproach the Christian religion is to speak in subversion of the law." † And in the case of Williams, who was prosecuted and punished for a misdemeanour in publishing Paine's 'Age of Reason,' being an attack on the Holy Scriptures and the Gospels of our Saviour, Lord Kenyon said, "It could not be doubted that offences of this kind were cognizable in civil courts of justice" (*as opposed to ecclesiastical*),

* 1 Ventris, 293 (27 & 28 Charles II.)

† Russell, *On Crimes*, p. 333.

"it being of primary importance to the peace and welfare of the country that when men were bold enough to disseminate principles dangerous to the welfare of the State, they should be answerable to the outraged laws of their country;" and, in the same case, Mr. Justice Ashurst, one of the judges present, used these remarkable words. He said that, "Although the Almighty did not require the aid of human tribunals to vindicate his precepts, it was, nevertheless, fit to show our abhorrence of such wicked doctrines, as were not only an offence against God, but against all law and government, from their direct tendency to dissolve all the bonds and obligations of civil society, and that it was upon this ground that the Christian religion constituted part of the law of the land; that if the name of our Redeemer were suffered to be traduced and His holy religion treated with contempt, the solemnity of an oath, on which the due administration of justice depended, would be destroyed, and the law stripped of one of its principal sanctions, the dread of future punishment." * Many similar cases might be cited from our Law Books.†

I ask you, is any man, however great his capacity, however extensive his knowledge of natural science and philosophy, whose conduct has been such as to merit the words of condemnation pronounced by the eminent judges I have mentioned, one whom you will admit within the precincts of your Houses of Parliament, in whose behalf you would desire the statutes of England to be changed, and to whom you would entrust any share in making the laws which regulate the conduct of your families and your-

* 3 Russell, *On Crimes*, p. 196.

† R. *v.* Woolston, *State Trials*, vol. 17, 158, FitzGibbon, 66; R. *v.* Carlisle, 3 Barn. and Ald., 161; R. *v.* Waddington, 1 Barnwell and Cresswell, 26; R. *v.* Hetherington, Townsend's *State Trials*, vol. 2. See also Cowen *v.* Milbourne, *Law Reports*, vol. 2, p. 230; Roscoe, *On Evidence* (Powell's edition), and the judgment of Lord Chief Baron Kelly thereon, supported by the judgments of Barons Bramwell and Martin.

selves, and under whose consideration must, from time to time, necessarily come, and not unfrequently, many religious questions relative to the education and marriage of your children and the interment of your dead? Parliament has not always been indifferent to the acts of those whom it has admitted within its walls. We find in the 'Commons Journals' that in the sixth year of the reign of Queen Anne (A.D. 1707), Mr. Asgill, a member of the House of Commons, was proved by a Committee of the House to have been the author of a book which it reported to be contrary to and reflecting on the Christian religion, and Mr. Asgill having acknowledged himself, in his place in the House, to have been its author, and having been heard in his own defence, after debate and division, was expelled the House, and his book was (on December 18, 1707), ordered to be burnt by the common hangman in New Palace Yard; the Sheriffs of London and Middlesex being directed to assist the Serjeant-at-Arms in seeing the order of the House carried out.* Shall we be less scrupulous in watching over the sanctity of the established religion of our country than our forefathers were, or shall the House of Commons of the present day be less sensitive and careful of the honour of its members than it was 170 years ago? Was the Parliament of that time less jealous than now of the personal liberty of those either without or within its walls? Were they not the descendants of those who had not long before sealed with their own blood the testament of their freedom and their rights? And if for a moment they had considered that liberty assailed by their condemnation of Mr. Asgill, do you think they would have resorted to an act apparently so arbitrary and vindictive? Would they have inflicted a punishment so degrading as his expulsion from their House and from all fellowship with them? It is left for the enlightened and liberal nineteenth

* *Commons Journals*, vol. 15, p. 474.

century to propose a statute by which conduct such as that of Mr. Asgill may be not only legalised, but encouraged and rewarded, and to extend to Englishmen, Irishmen, and Scotchmen, the permission given already by Statute 6 & 7 Vict. c. 22, "to uncivilized races, as being destitute of the knowledge of God and of any religious belief," or by the Indian code, which, from the necessity of the case, admits the testimony of the ignorant and idol-worshipping Hindoo on a simple affirmation, "where the court in which his evidence is required is of opinion that, from want of religious belief, he ought not to be allowed to swear or make solemn affirmation." Yet even the Hindoo, benighted as he is, has some indistinct knowledge of a future state, and a dim and imperfect hope of reward and dread of punishment hereafter.

This cannot be said of the avowed and professed Atheist. He is not afraid to proclaim himself like the beasts that perish. "He that denies a God," saith Lord Bacon, "destroys man's nobility, for certainly man is akin to the beasts by his body, and if he be not of kin to God by his spirit, he is a base and ignoble creature." *

Dim indeed must be that intellectual vision by which the invisible things of the Power and Godhead of the Deity are not clearly seen, being understood by the things which are made. Can a man possessing ordinary understanding be insensible to the marvellous acts of the Almighty and Allwise Architect and Creator, which meet him at every step and confront him at every hour and minute of his life? to the heavens which declare the Glory of God, and

* *Essay on Atheism.*

"I would say to these men (the atheists), you shall not degrade us into brutes, these men, who would take away whatever ennobles the rank, or consoles the misfortunes of human nature, by breaking off that connection of observances, of affections, of hopes and fears, which bind us to the Divinity, and constitute the glorious and distinguishing prerogative of humanity, that of being a religious creature."—*Burke's Speech on the Relief of Protestant Dissenters.*

to the firmament which showeth His handiwork? to the unchanging course of the seasons, which, following each other in regular succession, without either speech or language, join in hymning praise to Him who hath ordered their appointed times, and regulated the magnificent harmony of the universe in which we live? Does no divinity stir within that man when he beholds the infinite variety of products, so good for food, so beautiful and variegated in colour, so graceful and symmetrical in form, so rich and diversified in fragrance? and can he be in his right mind to ascribe these to chance or spontaneous origin?

Well might Aristotle, a heathen philosopher, who sat in the darkness of paganism, and upon whom the blessed light of heavenly truth, which has been vouchsafed to us, never dawned, on beholding the wonders of the natural world, exclaim, "The Deity is a living sentient Being, everlasting, of exceeding goodness." * And well might Tully say, with equal perception of the Divine Nature, "There is no nation so savage, none so barbarous, as not to be imbued with belief in the Deity;" † and how cogent and noble is the argument of the same philosopher, "If a concourse of atoms could create the world, why could it not build a portico, a temple, or a city, which require far less labour in construction, and are far easier to be spontaneously made;" ‡ and again, the same author, "What can be so manifest, so palpable, when we raise our eyes to the heavens, and contemplate the celestial bodies, than that there must exist a Deity of supreme intelligence, by which these things are governed." §

We in the United Kingdom have, hitherto, with submissive awe, regarded this Almighty and Omniscient

* *Metaph.* 12. 7. † *Tusculan Questions.*

‡ *On the Nature of the Deities*, bk. 2, ch. 86.

§ Ibid. ch. 53. Sir Isaac Newton had a globe in his study, on which the celestial bodies were exquisitely delineated. An infidel acquaintance, admiring the beauty of the work, asked him who made it. "Nobody," was the reply. The atheist understood the rebuke and was silent.

Founder and Ruler of the Creation. We have, however imperfectly, honoured and reverenced His Name. In the hour of our national troubles we have knelt before Him, and prayed His succour and gracious deliverance. He hath favoured us remarkably as a nation. For eight hundred years, no hostile invader has trodden our shores or eaten the fruits of the labours of our husbandmen. "He hath made fast the bars of our gates and blessed our children within us. He hath given peace in our borders, and filled us with the finest of the wheat."* Shall England be no longer grateful for these innumerable benefits, and shall Englishmen forget the name of Him who hath done so great things for them? I know and am persuaded otherwise of you, my fellow-countrymen.

If it be said that we are committing an injustice to any constituency, in refusing his seat to its chosen representative, the answer is, "Your duty to your country, as required by the writ sent down to you by your Sovereign, is to select a fit and proper person from your county or borough to take part in the counsels of the Realm, and you are unfaithful to the trust reposed in you and insult your fellow-citizens if you defy public opinion by bestowing so distinguished an honour on one who openly boasts that the rules binding society together have no force or cogency as regards himself."†

Then, again, if the Parliamentary oath and solemn affirmation are to be altered, why not the coronation oath? why not the judicial? why not the official? why not those of witnesses and jurors? And yet we find that

* *Psalm* 147 v. 13.

† "Sans Dieu, point de Société. Deny the existence of God, and nine thousand affirmations are no more than ninety or ninety thousand words, Without God, there is no lawgiver above the human will, and therefore no law; for no will by human authority can bind another." See the whole passage in the very able article in the 'Nineteenth Century' for August. 1880, by Cardinal Manning.

in courts of justice, the judges, where witnesses and jurors avow themselves devoid of religious belief, reject them as unfit to be entrusted with the property or lives of their fellow-countrymen.* And it must also be remembered that, in the case of witnesses now admitted under statute to affirm, ample power and opportunity are in the hands of the presiding judge to test, by question, the extent of their religious belief, and to reject their testimony where they avow themselves as without any knowledge or sense of a Supreme Being; whereas, if a Parliamentary affirmation were to be allowed, the Houses of Legislature would possess no such power, and it could only be accorded to them by special clause inserted in any Act allowing alteration in the mode of declaring allegiance to the Throne. Nor is there any probability that such a clause would ever find its way into the Act.

Hence it is clear that, under colour of a simple affirmation, the most notorious unbeliever could make himself eligible to the highest offices in the State.

I will ask you, in conclusion, to bear in mind three important features of this momentous question. I once more urge upon you, appealing to you as of all creeds and denominations, but of one mind in your devout recognition and adoration of the Diety:—

1st. That there is now attached to the Parliamentary oath and the solemn affirmation allowed in certain cases of religious scruple to be substituted for it, a sacred character arising from the appeal thereby made, either openly or in silence, to the Supreme Being who is the Author of all Truth, and that this sacred character would be weakened, if not entirely destroyed, should an equivalent to them be set up in an affirmation unaccompanied by

* The proper test of the competency of a witness to be sworn, was settled, upon great consideration, in the case of Omichund *v.* Barker (Willes, 538; 545) to be the belief in a God, and that He will reward and punish us according to our deserts.—SMITH'S *Leading Cases*, p. 381.

any sense of the existence and presence of the Deity, such affirmation being an empty form of words without binding validity or meaning.

2nd. That an alteration of the present mode of declaring our allegiance would be a disrespect to the revered and beloved Sovereign set in authority over us, a Sovereign strictly constitutional in every act of her reign and life, and to whom each one of her subjects, on entering the councils of the nation, has hitherto not hesitated to vow, by a sacred covenant most obligatory on his conscience, his loyalty, fidelity, and truth.

Lastly, I will call upon you to reflect, that by such alteration of the present law as is proposed, you will be exhibiting to surrounding nations the unenviable spectacle of a people tearing off a strong ligament, and a seal of their Constitution, for the paltry purposes of party, and of throwing to the ground and trampling under foot one of the most ancient and venerable banners of their national faith, under the pretext of a freedom, perfect only with the service of God.

I am, my fellow-countrymen,

Your faithful servant,

J. E. EARDLEY-WILMOT.

MENTONE, *December* 31*st*, 1881.

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MR. BRADLAUGH AND THE OATH.

A LETTER

ADDRESSED TO THE HONORABLE THE MEMBERS OF THE HOUSE OF COMMONS.

BY

CHAS. H. M. WHARTON,

BARRISTER-AT-LAW.

MANCHESTER

T. SOWLER AND CO., PRINTERS, CANNON STREET

TO THE HONORABLE THE MEMBERS OF THE HOUSE OF COMMONS.

My Lords and Gentlemen,

In a very few days the Bradlaugh question will again occupy the attention of the House of Commons, and, if I may judge from the speeches made in different parts of the country, many of the members intend, as far as they can, to support Mr. Bradlaugh. The reasons given by some are based upon a misunderstanding of the actual facts or of the true legal aspect of the case; those given by others assume a state of things absolutely impossible; and in almost every instance there is an evidence of party feeling which prevents the matter from receiving impartial consideration. There is a growing tendency in England to put a premium on revolutionary action, and if a man will but persevere and produce sufficient excitement in the country he soon attracts followers around him. The arguments which have been most frequently put forward in support of Mr. Bradlaugh I have endeavoured to answer in this letter, and I venture to think that those who follow me in the consideration of this question will admit that I have done so fairly. For the facts related in this letter I have been satisfied with Mr. Bradlaugh's own version, or have obtained them from the reports of the House of Commons; for the law I have referred to the proper authorities, and I leave you to judge of the fairness of my deductions.

Mr. Bradlaugh tells us he has never refused, but has always been ready, to take the oath of allegiance. I will not discuss the question as to how far his claim to make the affirmation was a refusal of the oath, but I will take a much bolder standpoint, and assert that *he is not* and *never has been willing to take the oath*; he has *only been willing to go through the form.*

He has never offered to comply with the statute, and as long as he is an atheist he never can. The statute does not say merely that he shall go through the form of taking the oath, but that he shall make and subscribe the oath thereby appointed, which is as follows: "I swear that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, her *heirs* and successors, according to law." It is true he says "I will take the oath," but at the same time he informs the House in effect *that he cannot do more than repeat the form of words.* The word "oath" in the Act must have a definite meaning, and the Act must be explained in the usual way. There is no special interpretation of the word in the statute itself; we must therefore, adopting the recognised rule of construction, ascertain its ordinary meaning. Puffendorf defines it, and this definition is endorsed by the highest legal authorities [see The King *v.* White, 1 Lead. Crown Cases 430, and the Queen's Case, 2 Brod. and Bing., p. 284], "as a religious asseveration by which we renounce the mercy or imprecate the vengeance of Heaven if we speak not the truth." "The scope and meaning of oaths," says Puffendorf, "is likewise suggested by the end for which they have been introduced, and that is, that persons might be the more firmly engaged to declare the truth or to perform their promises by the just awe and dread of the Divinity, infinite in knowledge and infinite in power, whose wrath they thus invite down upon their own heads if they knowingly deceive, whereas, perhaps, there would not have been force and security enough in the fear of men whose strength they might fancy themselves able to baffle or deceive or whose discovery they might hope to escape."

Aristotle defines an oath as "an undemonstrable assertion made with an appeal to the Divinity;" or, in other words, as Puffendorf puts it, "an asseveration not demonstrated by arguments, but credited on account of the religion of the swearer."

Every oath and affirmation involves an appeal to a Supreme Being, all the definitions having that one point in common; and, therefore, repeating the words of the Act and supplying

the definition of an Oath, instead of the word "*Oath*" itself, it follows that Mr. Bradlaugh must make an appeal to a Supreme Being before he is qualified to sit and vote in the House. Has he been willing, or can he appeal to a Supreme Being? Clearly not. For him to say he is willing to make such an appeal would be just as absurd as for a man to say "I will lift up my right arm," at the same admitting that he has no arm to lift. In his examination before the second Select Committee, and in his letter to the newspapers of the 20th May, 1880, Mr. Bradlaugh attempts to show in what way the oath would be binding on his conscience; but he has no right to take the oath or go through the form, except with the meaning attached to it by the Legislature, for, as Puffendorf says, "although the Invocation of the Divine name in oaths is to be adjusted according to the Persuasion (*i.e.* the Religion) of the person who swears, yet the whole proposition shall bear that sense which he who requires the oath protesteth to understand in it. For it is on his account chiefly that the oath is taken, and not on the swearer's; and therefore it belongs to him too to settle the form of words; and he ought to do this so clearly and plainly as both to signify how he understands them himself and to bring the swearer to acknowledge that he apprehends his meaning." The Legislature has for years admitted the importance to be attached to an appeal to a Deity; it has admitted that such an appeal is of the greatest strength; it has always insisted upon such an appeal; it has hitherto accepted nothing less.

Let us enquire how far Mr. Bradlaugh admits an oath to be binding upon him. In May, 1880, he appeared before Mr. Vaughan, a police magistrate, and according to Mr. Bradlaugh's own account (*National Reformer*, May, 1880, p. 341) this is what took place. "Mr. Bradlaugh then stepped into the witness box to give evidence, and proceeded to make his affirmation. Mr. Vaughan—'stay; you say, Mr. Bradlaugh, that an oath is not binding on you in any sense?' 'Yes, that is what I say.'" Now, it will be observed that Mr. Bradlaugh is not

here referring to the particular oath then in question, but to supply information necessary under the Act he informs the magistrate that *an oath is not binding on him in any sense.* No doubt on this occasion he speaks the truth. But when before the second Select Committee he tells another story. Question 178 is as follows, put by Mr. Watkin Williams: "If you are permitted to take the oath, do you intend the Committee to understand and believe that it will be binding on your conscience *as an oath?*" Answer, "Yes." I fail to see how Mr. Bradlaugh can reconcile these two directly contradictory statements, and it is only fair to assume that he is prepared to say anything, or contradict any number of previous statements, provided it suits his purpose at the time. There can be no mistake about the truth of both these statements, as one appears in Mr. Bradlaugh's own paper, and the other in the Blue Book. In an earlier part of his examination (Q. 85) he says, "The *essential part* of an oath is in the fullest and most complete degree binding upon my honor and conscience, and the repeating of words of asseveration does not in the slightest degree weaken the binding effect of the oath of allegiance upon me." He explains the "non-essential" part of the oath to mean the words "So help me God" (Q. 111 and 112), and cites Lord Campbell in the case of the Lancaster and Carlisle Railway Company *v.* Heaton (4 Jurist N.S.) in support of this, but he forgets to give us Lord Campbell's explanation, viz.:—"That the words 'so help me God' are involved in the oath itself," and that therefore the mere omission of those words does not make the remainder of the oath less an appeal to God than it was before. Mr. Bradlaugh, in his anxiety to deceive the Committee, makes a distinction without a difference.

An argument has been often used, viz., that oaths are useless to a good man inasmuch as his word is as good as his oath; but Mr. Bradlaugh does not seem to endorse this suggestion of his supporters, as is evidenced by his answer to Q. 105, where he says that a promise read out of a book or paper is more

binding upon him than a mere ordinary assertion. As may be seen from Lord Campbell's judgment before referred to, the words "I swear," &c., are, without the words "so help me God," in every sense of the word an appeal to a Deity; but Mr. Bradlaugh attaches to them a totally different meaning. To explain this meaning, I prefer to give his answers to Qs. 107 to 110, without comment of any sort.

Q. 107. Do you attach any express or particular meaning to the words "I swear"?—The meaning that I attach to them is that they are a pledge upon my conscience to the truth of the declaration which I am making.

Q. 108. But a pledge given, may I ask, to whom —A pledge given to the properly constituted authorities, whomsoever they may be, who are entitled to receive it from me.

Q. 109. Do you attribute any more meaning to those words than a pledge to human beings around you?—I attach no more meaning to those words than I do to a pledge to human beings authorised by law to take such a pledge from me under similar solemn circumstances.

Q. 110. But the solemn circumstances, I suppose, are the mere mundane circumstances?—The statutory circumstances. I meant "solemn" simply in the sense of being the statutory circumstances; I meant to distinguish between that and mere conversation.

One of the most prominent arguments in favour of Mr. Bradlaugh's being allowed to affirm is the fact that he has been allowed to do so in Courts of Justice; but this argument is easily answered. There is not the slightest analogy between the oath which is administered in a Court of Justice and that taken by a member of the House of Commons. I will deal first with the Evidence Oath. It frequently happens that only one person is a witness of an occurence which it is necessary to prove for the furtherance of justice. Suppose that person has no belief in a future state—owns no responsibility beyond this world; unless there was something to compel him to speak the truth apart from the oath, which to him would

be meaningless, his evidence would be absolutely unreliable; he might or might not speak the truth, just as his interest guided him; but he must give evidence because he is the only witness, and therefore the legislature supplies as far as possible the defect by assigning punishment to him if he swears falsely. The same reasons, though different in degree, render it necessary to assign a punishment to the professing believer, because as God is alone able to search men's hearts, or, to put it in another way, as one man cannot pretend to read another man's thoughts, there must exist an incentive to truth which is palpable to all of us apart from a belief in God, and the incentive in this case is the dread of a prison. It may be said, then, if the fear of a prison is the incentive, where is the necessity for the oath? To this I should answer that two incentives to right are better than one, and advantage should be taken of both whenever they exist. It would be absurd to remove an incentive to right merely because it was inoperative in certain cases. For the observance of the "Oath of Allegiance" there is no such incentive as a prison. The punishment for treason is dealt with separately, has no connection whatever with the oath, and is equally applicable to every member of the State. There is but one incentive to the observance of this oath, and that is the hope of future reward or the fear of future punishment. Then what incentive can there possibly exist in the case of Mr. Bradlaugh? Surely none, at least for keeping the oath; he has many incentives for breaking it, as I shall show hereafter. Mr. Bradlaugh saw the force of this argument when he was before the second Committee, as the following extract from the beforementioned Report will show:—"Then what greater weight do you attach to a promise made under statutory obligation than to an ordinary promise?—I would prefer not making any promise that I did not intend to keep; but the law has attached a weight to statutory promises, and a penalty and a disgrace on the breaking of them." "That is a consequence resulting from human action; you do not attribute any other weight to such

a promise beyond what results from such penalties?—I object to that question." He objects, and well he might; since, if he had said "Yes" he would admit a Divine influence, and if he said "No" he would have been reminded of the fact I have just set out—that there was no penalty, therefore he could attach no weight to it whatever.

But the argument most frequently made use of is that of the injustice to Northampton. Loud and frequent have been the cries as to the rights of the constituencies, and it seems to have been taken for granted that some terrible injustice has been done to the electors of Northampton; but we must not forget that Great Britain has a constitution, and whatever rights the electors of Northampton may have, they must either be synonymous with or subordinate to that constitution. Can it be denied that religion—and the Christian religion too—forms an important part of that constitution? Can it be denied that religion formed a portion of the constitution long before Northampton had any electoral rights at all? Not until Great Britain ceases to be a kingdom; not until the ruler of England ceases to be Defender of the Faith; not until the Church is entirely separated from the State; and not until all religious observances in connection with the affairs of Government are entirely abolished, can it be contended for a moment that religion is not part and parcel of the constitution of England. Religion has grown with the constitution, so intermingles with its every principle, and forms such an important element in all its formalities, that it is perfectly clear they must stand or fall together. But while they stand united there is a perfect answer to the cry of Northampton. They have returned a man as their representative who is not duly qualified, who is incapable of performing an act the performance of which is an essential part of such qualification. Whilst allowing "fair play for Northampton," let us have *fair play for Great Britain.* All the constituencies have a right to say that the representative of Northampton shall be bound by the same obligation by which their own representatives are bound; that

he shall conform to the same laws; that the law requires more than a mere repetition of words—it requires a solemn oath. If the people of Northampton are not satisfied with the law as it stands, it is their duty to endeavour to alter, not to disobey it. Further, we must not forget that the electors of Northampton who returned Mr. Bradlaugh are only an accidental majority even of Northampton; this majority may not now exist, and yet they assume to dictate to the whole realm.

It is not the friends of their country or those who would maintain the constitution who have raised the cry. Between the haters of the constitution and those who hate religion there is most perfect unanimity. The voice of the rabble is not the voice of the English people. The action of the rabble can exert no influence until it is recognised in high quarters. As has been well said, "France was in no danger from the mobs in the gardens of the Palais Royale, or from the orators mounted on butchers' blocks, until rank and education were prevailed upon to give consistency and direction to the efforts of vulgar vanity and brute force." England was in no danger from the advances of Atheism and Republicanism, or from the open blasphemy, indecency, and disloyalty of this favourite of Northampton, until the leaders of public opinion, until professors of religion, until those whose education should have taught them better, attempted to palliate this blasphemy, this indecency, and disloyalty, merely for party purposes, and to gain the triumph of an hour.

The same sad scene which was witnessed in the House of Commons last session seems about to be reproduced. Religious men—or professedly religious men—will sit in their places in the House of Commons, and they will see a man who, for more than thirty years, has been reviling the name of God, who has designated that God "an Almighty fiend '—who has declared God is "an inhuman monster," a "foul and bloody-minded creature," that Christ was a "coward craven," that Christianity is "an eating cancer," a "poisoner of life blood," and a "blasphemy against humanity." They will see this man take in his hand a book which they believe to be the written word

of God, which they profess to regard as sacred; they will see him kiss that book with lips which have so often reviled and blasphemed its Author, and they will hear him take the name of God in vain. They will allow him to commit what they themselves consider to be a horrible sin; they will allow him to insult Almighty God, having all the time the power to prevent him.

On the last occasion there were many Liberals who opposed Mr. Bradlaugh, who were true to their religious professions; but strange coincidence that every member of the Government, every person who held office under Mr. Gladstone, should be of the same opinion upon such a question; strange coincidence that every member of the Government who voted at all should have followed Mr. Gladstone's example; but it ceases to be strange, it ceases to be a coincidence, if we assume that they did not express their own opinions, that they did not vote in accordance with the dictates of their own consciences, but in accordance with the dictation of Mr. Gladstone. There were, I say, many Liberals there who stood firm, who had the courage to act for themselves; and I doubt not there will be many such Liberals who will be equally firm and equally courageous when that courage is again put to the test. Surely the Jew, whose reverence for Jehovah is as great as that of the Christian, who worships that Jehovah under the name of God; surely the Quaker, whose religion causes him to put a more literal construction upon the word of God than his fellow Christians, surely they must feel keenly the insult which Mr. Bradlaugh heaps upon them by pretending that his case is analogous to theirs.

But let us assume that the House will refuse to allow the oath to be desecrated. What then? There are those who, like Lord Derby, see no necessity whatever for any oath, and would abolish it altogether. Lord Derby tells us he "utterly disbelieves in the value of political oaths." But why of political oaths more than any others? If Lord Derby has the slightest reverence for God he *must* know that an oath is of infinite value.

If he has no such reverence, one can quite understand his inability to appreciate its influence whether political or not. Will he venture to say that he has no reverence for the Almighty? I think not. *If avowed atheists are to be admitted to the House of Commons,* most people will agree with any legislative enactment which would prevent a desecration of either oath or affirmation, inasmuch as the oath and affirmation required to be taken by members of parliament are equally appeals to a Supreme Being. It would probably be wise to admit an avowed atheist upon his simple declaration; but, as I have before said, the mere fact that an oath is valueless in reference to a particular class is no argument for abolishing it when it is of importance, and therefore any attempt to abolish either oath or affirmation ought to be strenuously resisted. For my own part I cannot see why *avowed* atheists should not by Act of Parliament be rendered ineligible to sit, since there would be no difficulty in arriving at a clear definition of the term, and such an enactment would merely be endorsing what has practically existed until quite recently.

But it is suggested on the contrary that an Act should be passed at once to obviate the difficulty caused by Mr. Bradlaugh's persistent interruptions of the proceedings of the House. Surely this is putting a premium on lawlessness. It has been the most prominent feature in this man's life that he has defied the laws of his country, and instead of endeavouring to alter the law, and submitting until the alteration took place, he has always assumed a defiant attitude and endeavoured to overthrow authority by appealing to the mob. On the occasion of the prosecution of Dr. Simon Bernard Mr. Bradlaugh used every effort in his favour. This, perhaps, could hardly be objected to, but one of the jurymen, who was a friend, was, at Mr. Bradlaugh's instigation, "sent into the jury box with his pockets loaded with an extraordinary amount of sandwiches." "The party were determined that he should not yield for want of food;" and, further, it is no secret that there was an organised

conspiracy, with Mr. Bradlaugh at its head, to prevent the English Government from giving up Dr. Bernard to the French authorities. Again, it is no secret that Mr. Bradlaugh not only sympathised with but took an active part in the Fenian rising, and according to the evidence of Massey and Corydon, Mr. Bradlaugh actually drew up the proclamation. An extract will be useful. "To-day," says this treasonable document, "having no honourable alternative left, we again appeal to force as our last resource. We accept the conditions of appeal, manfully deeming it better to die in the struggle for freedom than to continue an existence of utter serfdom." In a leader written by Mr. Bradlaugh after the Clerkenwell explosion, he attempts to palliate the murder of Sergeant Brett. "Hitherto," he says, "*the Irish disaffected have refrained from reckless life taking*;" but unfortunately for this assertion, the Irish disaffected had murdered Sergt. Brett, and this must be explained. He therefore continues, "the killing of Brett, however deplorable, was the result of the intention to rescue the illegally held prisoners at all costs, and was not, if judged from the Fenian point of view, a wanton and useless sacrifice of human life—but for the Clerkenwell havoc I can find no shadow of palliation." Surely this can have only one meaning, namely, that for the murder of Brett he could. We next find him sympathising with the Commune, and although he does not appear to have actively supported that body, his conduct caused many complaints, even from his Republican friends. His action in reference to the publication of blasphemy is also worthy of notice. "According to the law (says he) every newspaper was required to give securities to the extent of £800 against blasphemous or seditious libel. I had never offered to give these securities, as they would have probably been liable to forfeiture about once a month. In March, 1868, the Disraeli Government insisted on my compliance with the law. I refused. The Government then required me to stop my paper. I printed on the next issue—'Printed in defiance of Her Majesty's Government.'"

The foregoing and many other instances could be cited to show the lawless tendencies of this recipient of Radical sympathy, and we may fairly assume that he holds it as a principle that any means are justifiable to gain his ends, all the rest of the world to the contrary notwithstanding. His opinions are too well known to need any description from me, but what about his ambition? We know that he desires to prevent the Prince of Wales from succeeding to the Throne, his object, he tells us, is "to procure the repeal of the only title under which any member of the House of Brunswick could claim to succeed the present Sovereign on the Throne," but he desires something more than this. He would abolish Kings and Queens, and would establish a Republic in England. "I shall be quite content (he said in 1873) if we have secured the Republic of England in twenty years." Time after time he has been greeted in America and elsewhere as the future President of the British Republic, and when we remember that he has said that he has "a big ambition, bigger than the world dreams of," that "the membership of Northampton is but the first round of the ladder, to the top of which he meant to climb," that "he meant to win the foremost place in his country," what other conclusion can we come to than that he himself aims at the position of President of the British Republic?

For this man we are asked to waste the time of the House, and specially to legislate in order that he may have better opportunities for the exercise of his disloyalty, that he may, from a more exalted position, disseminate his blasphemous and filthy ideas. It cannot be disputed that any such legislation would be for this man alone, inasmuch as it has been clearly laid down that there is no power in the House to interrogate any member desirous to take the oath upon his religious belief, and, therefore, there is nothing at present to prevent an Atheist, who is not so confessedly, from taking his seat in Parliament. I think we may safely wait before granting any such privilege until someone appears more worthy of the consideration of decent and loyal men.

Let us remember the House has the power to refuse and has refused admission to this man, and the country endorses such refusal. Let us remember that *he has no right to affirm*, that *he cannot take the oath* required by the statute, that it has been once decided by the House that he ought not to be allowed to go through the form of taking the oath (and I trust it will be so decided again), and all therefore that is left for him is the passing of a special Act of Parliament. Will any man who has the slightest reverence for the Almighty assist him? Will any one who possesses any notion of common decency assist him? Surely not. A man who earns his livelihood and amasses wealth by blaspheming his Maker—by endeavouring to sow disloyalty among the people—by publishing blasphemous literature—one who begs from the poor working man his hard earned pence to assist in gratifying his own selfish ambition, is hardly the man to legislate for this country.

If men of position will refuse to recognise him he will sink back to the level from which he has just arisen; and if he then insists upon exhibiting that tendency to lawlessness which is his peculiar characteristic, the authorities will know how to deal with him.

In conclusion, let me appeal most earnestly to all who have the slightest influence in the country, whether they be Liberals or Conservatives, to use their utmost efforts to overthrow this man. The fire of sedition has just been lighted, but the means are at hand to quench the flames. Let the friends of the constitution hesitate no longer. Let them be up and doing. Let them not forget the answer given by Her Most Gracious Majesty to a foreign potentate many years ago, that the Bible is the secret of England's greatness.

I am,

My Lords, and Gentlemen,

Yours respectfully,

CHAS. H. M. WHARTON.

Cross Street Chambers,

Manchester, Feb. 2, 1882.

A NARRATIVE OF THE CASE OF MR. BRADLAUGH.

In 1868 and twice in 1874, Mr. Bradlaugh was a candidate for Northampton, but failed to obtain anything like the united support of the Liberal Party.

In March, 1880, he was again a candidate, receiving the countenance of Mr. Adam, then the official representative of the present Government, who sent a telegram in favour of his and Mr. Labouchere's candidature, requesting the Liberals to split their votes. A telegram was also received from Mr. S. Morley, M.P., who has much influence with the Dissenters, urging united effort in all sections of the Liberal party, and the sinking of minor and personal questions in order to prevent the return of a Conservative.

Favoured by such assistance, Mr. Bradlaugh was returned by a majority of over 700 votes.

On Monday the 3rd of May, Mr. Bradlaugh came to the table of the House and claimed to be allowed to affirm, as a person for the time being by law permitted to make a solemn affirmation instead of taking an oath; and on being asked by the Clerk upon what grounds he claimed to make an affirmation, he said that he did so by virtue of the Evidence Amendment Acts, 1869 and 1870. The Speaker thereupon informed Mr. Bradlaugh, "that if he desired to address the House in explanation of his claim he might be permitted to do so." In accordance with the Speaker's intimation Mr. Bradlaugh stated shortly that he relied on the Evidence Further Amendment Act, 1869, and the Evidence Amendment Act, 1870, adding, "I have repeatedly for nine

years past, made an affirmation in the highest courts of jurisdiction in this realm; I am ready to make such a declaration or affirmation." The Speaker then acquainted the House that Mr. Bradlaugh having made such claim, he did not consider himself justified in determining it, and having grave doubts on the construction of the Acts above stated, he desired to refer the matter to the judgment of the House.

A Select Committee was therefore appointed, on the motion of Lord F. Cavendish (as the principal representative of the Government then present), to consider and report their opinion whether persons entitled, under the provisions of the Evidence Amendment Acts, 1869 and 1870, to make a solemn declaration instead of an oath in courts of justice, might be admitted to make an affirmation or declaration instead of an oath, in pursuance of the Acts 29 and 30 Vict., c. 19; and 31 and 32 Vict., c. 72.

On the 20th of May the Committee reported that, in their opinion, persons so entitled could not be admitted to make such affirmation or declaration instead of an oath in the House of Commons.

This report was adopted by the Committee only by the casting vote of its Chairman (Mr. Walpole). The following amongst others voted in favour of the opinion that Mr. Bradlaugh was entitled to affirm:—

Mr. Bright.
Sir H. James, Q.C.
Sir F. Herschell, Q.C.
Mr. Watkin Williams, Q.C.
Mr. Serjeant Simon.

On the same day (May 20) Mr. Bradlaugh addressed to the newspapers a letter, which contained the following passages:

"The oath, although to me including words of idle and meaningless character, was, and is, regarded by a large number of my fellow countrymen as an appeal to Deity to take cognizance of their swearing. It would have been an act of hypocrisy to voluntarily take this form if any other had been open to me, or to take it without protest, as though it meant in my mouth any such appeal.

"My duty to my constituents is to fulfil the mandate they have

given me, and if to do this I have to submit to a form less solemn to me than the affirmation I would have reverently made, so much the worse for those who force me to repeat words which I have scores of times declared are to me sounds conveying no clear and definite meaning. I am sorry for the earnest believers who see words sacred to them used as a meaningless addenda to a promise, but I cannot permit their less sincere co-religionists to use an idle form in order to prevent me from doing my duty to those who have chosen me to speak for them in Parliament. I shall, taking the oath, regard myself as bound, not by the letter of its words, but by the spirit which the affirmation would have conveyed had I been permitted to use it."

The proceedings of the next day (May 21st) are thus described in the Journals of the House of Commons:—

"Mr. Bradlaugh, returned as one of the members for the borough of Northampton, came to the table to take and subscribe the oath, *and the clerk was proceeding to administer the same to him*, when Sir Henry Drummond Wolff, member for Portsmouth, rose to take objection thereto, and to submit a motion to the House."

He moved—

"That, in the opinion of this House, Mr. Bradlaugh, member for Northampton, ought not to be allowed to take the oath which he now requires to be administered to him, in consequence of his having previously claimed, at the table of the House, to make an affirmation or declaration instead of the oath prescribed by law, founding his claims upon the terms of the Act 29 and 30 Vict. c. 19, and the Evidence Amendment Acts of 1869 and 1870, and on the ground that under the provisions of those Acts the presiding Judge, at a trial, has been satisfied that the taking of an oath would have no binding effect on his conscience."

To this an amendment was moved by appointing a fresh Committee to consider the right of the House to refuse to allow the oath to be administered.

This Committee reported on the 16th of June, 1880, and amongst other things said:—

"As to the right and jurisdiction of the House to refuse to allow the form of the oath prescribed to be taken by duly elected members to be taken by them, your Committee are of opinion that there is and must be an inherent power in the House to require that the law by which the proceedings of the House and of its members, in reference to the taking of the Parliamentary oath is regulated, be duly observed. But this does not imply that there is any power in the House to interrogate any member desirous to take the Oath of Allegiance upon any subject in connection with his religious belief, or as to the extent the oath will bind his conscience; or that there is any power in the House to hear any evidence in relation to such matters.

"And your Committee are of opinion that by and in making the claim to affirm, Mr. Bradlaugh voluntarily brought to the notice of the House that on several occasions he had been permitted in a court of justice to affirm, under the Evidence Amendment Acts, 1869 and 1870, in order to enable him to do which a Judge of the Court must have been satisfied that an oath was not binding upon Mr. Bradlaugh's conscience; and, as he stated, he had acted upon such decisions by repeatedly making the affirmation in courts of justice; and, as above stated, nothing has appeared before your Committee to cause them to think Mr. Bradlaugh dissented from the correctness of such decisions, your Committee are of opinion that under the circumstances, the compliance by Mr. Bradlaugh with the form used when an oath is taken would not be the taking of an oath within the true meaning of the Statutes 29 Vict. c. 19, and 31 & 32 Vict. c. 72; and therefore, that the House can, and in the opinion of your Committee ought, to prevent Mr. Bradlaugh going through this form."

On the question whether the House ought in the exercise of its power to prevent him from taking the oath, eleven of the Committee voted in favour of, and ten against it. Amongst the latter were:—

Mr. Bright.
Mr. Childers.
Sir H. James.
Sir F. Herschell.

The report, however, contained also an addendum, suggested by Mr. Serjeant Simon, to the effect that "as the state of the law upon the subject cannot be regarded as satisfactorily determined," Mr. Bradlaugh should be allowed to affirm at his peril, and so have an opportunity of testing his legal right to do so in the High Court of Justice.

The Committee accordingly recommended that should Mr. Bradlaugh again seek to make and subscribe the affirmation he be not prevented from so doing.

This was carried by 12 votes to 9, Mr. Bright, Mr. Childers, Sir H. James, and Sir F. Herschell voting in the majority.

Accordingly Mr. Labouchere moved, on June 21, 1880, that Mr. Bradlaugh should be allowed to affirm, to which Sir Hardinge Giffard moved, as an amendment:—

"That having regard to the Reports and Proceedings of two Select Committees appointed by this House, Mr. Bradlaugh be not permitted to take the Oath or make the Affirmation mentioned in the Statute 29 Vict. c. 19, and 31 & 32 Vict. c. 72."

After two nights' debate the amendment was carried by a majority of 275 to 230, the Government supporting Mr. Labouchere and voting in the minority.

On the 23rd of June Mr. Bradlaugh came again to the table and claimed to take the oath, when the Speaker communicated to him the above resolution. Mr. Bradlaugh was heard in support of his claim, and Mr. Labouchere then moved to rescind the resolution, but withdrew his motion at the suggestion of Mr. Gladstone, who said that it would involve "some loss of dignity."

Mr. Bradlaugh was then ordered to withdraw, but having refused to do so, the following scene occurred:—

The SPEAKER.—"I have now to appeal to the House to give authority to the Chair to compel the execution of its orders. (Cheers.) I have no authority without the order of the House to enforce, and I must therefore appeal to the House to give me instructions for that purpose."—(*Times'* Report.)

Again there was a pause, and again there were cries of "Gladstone," but the right hon. gentleman, who was reading a letter, made no sign, and Sir S. Northcote rose and moved that Mr. Bradlaugh should withdraw, and subsequently that he be taken into custody for disobeying the order of the Chair. Mr. Bradlaugh was accordingly taken into custody; but on the following day Sir S. Northcote (the Government refusing to give any advice) moved for and obtained his discharge from custody.

On the following Saturday the Cabinet considered the subject, and in consequence, on July 1st, 1881, Mr. Gladstone moved to postpone all orders of the day in order to bring on his resolution rescinding the previous vote of the House so far as related to affirmation, which was as follows:—

"That every person returned as a member of this House who may claim to be a person for the time being by law permitted to make a solemn affirmation or declaration instead of taking an oath shall henceforth (notwithstanding so much of the resolution adopted by this House on the 22nd day of June last as relates to affirmation) be permitted without question to make and subscribe a solemn affirmation in the form prescribed by 'the Parliamentary Oaths Act, 1866,' as altered by 'the Promissory Oaths Act, 1868,' subject to any liability by Statute."

In opposition to this Sir Stafford Northcote moved:

"That this House cannot adopt a resolution which virtually rescinds the resolution passed by it on the 22nd day of June last."

After two nights' debate Sir S. Northcote's amendment was rejected by 303 votes to 219.

Mr. A. M. Sullivan then moved that the new resolution should apply only to future members of the House, but was defeated by 274 to 236, the Government all voting against him.

Mr. Gladstone's resolution was then made a standing order of the House; and on July 2nd Mr. Bradlaugh, "claiming to be a person for the time being by law permitted to make a solemn affirmation or declaration instead of taking an oath," made an affirmation at the table.

On the same day an action was commenced at the suit of Mr. H. L. Clarke against Mr. Bradlaugh to recover penalties in consequence of his "having sat in the House of Commons during a debate after the Speaker had been chosen," without having made and subscribed the oath required by law.

On March 31, 1881, the judgment of the Court of Appeal was delivered by Lord Justices Bramwell, Baggallay, and Lush, approving the judgment of Mr. Justice Mathew against Mr. Bradlaugh. In the course of his judgment Lord Justice Bramwell said:—

"I think it is about as plain a case as ever came before a court of justice; I think it is a perfectly plain case that the defendant was not entitled to affirm or to declare by virtue of the Act for the further Amendment of the Law of Evidence combined with the Parliamentary Oaths Act."

Accordingly, on April 1, 1881, a new writ was issued for the borough of Northampton, on the motion of Mr. Labouchere, and on April 9th Mr. Bradlaugh was returned by a majority of 132 over his opponent, Mr. Corbett, the number of votes recorded for him shewing a decrease of more than 500.

On April 26, 1881, on Mr. Bradlaugh again presenting himself at the table and claiming to take the oath, Sir Stafford Northcote rose to object, and on cries of "Order" being raised, the Speaker ruled that the House ought to have

an "opportunity of expressing its judgment upon the new conditions under which the oath is now proposed to be taken."

Sir S. Northcote then moved that Mr. Bradlaugh be not allowed "to go through the form of taking the oath prescribed by the statute."

This motion was opposed by the Government, Mr. Bright, Mr. Gladstone, and Sir H. James speaking against it, but was carried on a division by 208 to 175. Mr. Bradlaugh thereupon again advanced to the table, and refused to withdraw.

"There were loud calls for Mr. Gladstone, who did not, however, respond to them."—*(Times' Report.)*

Sir S. Northcote then said:—

"Sir, the Prime Minister having abdicated the proper functions of his position, and having called upon those who voted in the majority on a particular question to act in a matter in which, as I consider, the honour of the House is concerned, I will not refuse to accept that responsibility." He then moved that Mr. Bradlaugh should withdraw, which was carried.

Mr Bradlaugh, being then removed by the Sergeant-at-Arms, immediately returned to the Bar, and the Speaker rose and said that he must only throw himself upon the House in the circumstances in which they were placed. (Loud cries of "Gladstone.")

The House shortly afterwards adjourned.

On the next day (April 27) Mr. Bradlaugh again presented himself, but the debate was adjourned on the understanding that the Government would bring in a Bill on the subject.

On May 2, 1881, the orders of the day and the debate on the Irish Land Bill were adjourned, on the motion of Mr. Gladstone, in order to enable the Attorney-General (Sir H. James) to bring in his Bill. After Sir H. James's statement the House adjourned.

On Friday, May 6, the Government proposed to fix a morning sitting on the following Tuesday to continue the debate. This was resisted by Mr. Balfour, and the debate was adjourned until the 9th, on which day the Government renewed the proposal of the morning sitting, and defeated a motion for the adjournment by a majority of 20 only. After this they gave way.

On May 10th Mr. Bradlaugh again presented himself at the table and refused to withdraw, upon which the Speaker again appealed for instructions. Mr. Gladstone showing no signs of rising, Sir S. Northcote rose and moved that the Sergeant-at-Arms should remove Mr. Bradlaugh from the House until he should give an undertaking not to disturb its proceedings. This was carried without a division, and Mr. Bradlaugh was and remains excluded from the House.

June, 1881.

APPENDIX.

It may be useful to append here some particulars of the trial of Charles Bradlaugh and Annie Besant, in June, 1877, for publishing the "Fruits of Philosophy," which are extracted from the full report published by the defendants themselves.

The indictment against them alleged that they "did print, publish, sell, and utter a certain indecent, lewd, filthy, and obscene libel, to wit, a certain indecent, lewd, filthy, bawdy, and obscene book, called 'Fruits of Philosophy,' thereby contaminating, vitiating, and corrupting the morals as well of youth as of other liege subjects of the Queen, and bringing the said liege subjects to a state of wickedness, lewdness, debauchery, and immorality, &c."

The trial took place before Lord Chief Justice Cockburn and a special jury, and resulted in a verdict of guilty against both defendants. The Lord Chief Justice, in passing sentence, said: "We cannot help seeing, in what has been said and done pending this trial, and since the verdict of the jury was pronounced, that the defendants, instead of submitting themselves to the law, have set it at defiance by continuing to circulate this book," and he sentenced them both to be imprisoned for 6 months, to pay a fine of £200, and to find recognisances for good behaviour for two years. On appeal the sentence was reversed by the Court of Appeal on "a purely technical question"—whether the indictment sufficiently set out the words relied upon as constituting the offence—Lord Justice Brett adding that, nevertheless, "the verdict stands untouched," and it must follow that the reiteration of the offence, if it be proved to be an offence, must be met by a greater punishment than that which may have been passed already upon the defendants.

MR. CHARLES BRADLAUGH.

Mr. Charles Bradlaugh was elected for Northampton at the General Election, April, 1880, having received during his candidature the countenance and support of the Liberal "whip," the official representative of that party. On presenting himself in Parliament to take his seat, it was necessary that he should first take the Oath of Allegiance to the Queen. He, however, claimed to be allowed to make an affirmation instead of taking an oath, which, he had said, contained words (namely, the invocation of the Deity) which were to him of "an idle and meaningless character."

It was pointed out that he was not qualified to make an affirmation instead of taking an oath, as the statute which enables certain persons to make affirmation was passed to relieve those only who had conscientious religious objections to the oath, and that as Mr. Bradlaugh did not object on those grounds he could not be one of the persons intended by the statute.

Mr. Gladstone and the bulk of his party strongly advocated Mr. Bradlaugh being allowed to affirm, but the House referred the question to a Committee, which decided that Mr. Bradlaugh was not entitled to do so. A second Committee decided that he could not take the oath, but, reversing the decision of the former Committee, recommended that he should be allowed to affirm, subject to the decision of the Courts of Law. Mr. Gladstone afterwards supported a proposal that Mr. Bradlaugh should be allowed to affirm on these conditions, and was defeated by 45 votes in a House where he has an ostensible majority of over 150. Mr. Gladstone afterwards carried a resolution practically rescinding this decision, and Mr. Bradlaugh did affirm and took his seat.

An action was then brought in a Court of Law to recover the statutory penalty of £500 for having voted without having taken the oath. This raised the whole question, and the Courts of Law unanimously decided that Mr. Bradlaugh was not a person who is entitled to affirm.

In consequence of this decision, Mr. Bradlaugh's election was considered void, and a new election for Northampton was held in April, 1881, when Mr. Bradlaugh was returned, but by a very much smaller majority—nearly 600 persons less voting for him than on the former occasion.

Upon Mr. Bradlaugh again presenting himself in the House of Commons to take his seat, he offered to take the oath. But it was objected that as he did not believe in the sanctity of an oath it would be a mockery and a profanation to allow him to take it. A division was taken, and Mr. Gladstone and the other friends of Mr. Bradlaugh, who saw no objection, were defeated by a majority of 30.

Mr. Gladstone, having signally failed on these two occasions to force Mr. Bradlaugh upon the House, proposes to introduce a Bill into Parliament with the object of allowing anyone to affirm, whether he has any religious belief or not, and thus to secure Mr. Bradlaugh's admission. Before such a change is made in the law of the country it is desirable that public opinion should be expressed both by meetings and petitions to Parliament. Do the people wish the law to be altered in order to enable Mr. Charles Bradlaugh to take his seat in Parliament?

Many persons are excluded by law from Parliament, such as peers, clergymen, women, minors, paupers, foreigners, lunatics, &c. Why should not the law exclude Mr. Bradlaugh, who is an avowed atheist, who says of Christianity that it is "a cursed inhuman religion" and an "accursed creed;" that it is "theoretically unjust" and "practically pernicious;" "rotten, intolerant, and false;" that it "has been a corroding, an eating cancer to empoison the whole life blood of the world, the enemy of all progress;" who says of our Divine Lord that "His mission was a sham," that He was "a coward craven," that His language on the cross was that of "an enthusiast who had deluded himself, or a knave who deluded others;" who says of the Bible that "if you take the Bible as a guide immorality must necessarily result," and denounces it as an "immoral book?"

Are Englishmen prepared to give a voice in framing their laws to a man who approves of the atrocious sentiments that "marriage is one of the chief instruments in the degradation of women," and that "whether children are born in marriage or not is a matter of very little importance;" who says "lying is only a vice when it does harm, but it is a very great virtue when it does good?"

These are some of the opinions of Mr. Bradlaugh, as recently brought to public notice by Mr. Henry Varley.*

This is the man that Mr. Gladstone's Chancellor, Lord Selborne,† considers ought not to be prohibited from publicly going through the awful mockery of swearing before God, whose existence he refuses to acknowledge, allegiance to the Queen, whose authority he contemns.

Let the voices of loyal and God-fearing Englishmen be heard on this matter by public meetings and petitions; let them declare that a man who outrages all their religious feelings, who scoffs at the sanctity of family life, and who has been convicted of ‡publishing and circulating obscene literature, is *not* a fit and proper person to sit in Parliament, and that the laws of our country shall *not* be altered to admit him.

June, 1881.

*An Appeal to the Men of England, by Henry Varley, published by Shaw and Co, 48, Paternoster Row.

† Letter to Rev. F. H. Randolph.—*Morning Post*, May 11th, 1881.

‡ It will be remembered that the conviction was quashed on the technical ground that the book itself was not textually set out in the "information"

MR. BRADLAUGH & THE PARLIAMENTARY OATH.

FORM OF PETITION.

To the Honourable the Commons of Great Britain and Ireland in Parliament assembled.

The Humble Petition of the Undersigned Inhabitants of

Sheweth,

That your Petitioners have heard with regret that it is proposed by her Majesty's Government to pass through your Honourable House a Bill which will have the effect of nullifying the provisions of the Parliamentary Oaths Act, 1866.

That in your Petitioners' opinion Her Majesty's Government have introduced this measure with the express view of facilitating the entrance to your Honourable House of a person who has publicly declared that he does not acknowledge the existence of a God, and has derided the most sacred doctrines of Christianity.

That your Petitioners regard the Bill introduced by her Majesty's Government as one which is calculated to degrade the sanctity of the Parliamentary Oath, and as contrary to the Constitution and Common Law of the country.

Wherefore your Petitioners pray your Honourable House to refuse your assent to the proposed alteration of the Law.

And your Petitioners as in duty bound will ever Pray.

(*Here follow Signatures.*)

N.B.—The above Form is suggested for those who may be promoting Petitions to the House of Commons on this subject.

The Petitions themselves must be **written** by hand, **not printed,** and one or more signatures should be written on the same sheet as that on which the Prayer appears. They should be sent to Members of the House of Commons for presentation before the Bill comes on for second reading.

The Church

IN ITS RELATIONS TO THE STATE.

A LECTURE

DELIVERED IN THE NATIONAL SCHOOL, DUKE-STREET, MACCLESFIELD,
ON MONDAY, APRIL 24TH, 1882.

BY

JAMES CROSTON, F.S.A.

Reprinted from the Macclesfield Courier for the Northern Church Defence Association.

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1882.

THE CHURCH
IN ITS RELATIONS TO THE STATE.

On Monday evening, April 24th, under the auspices of the Beaconsfield No. 1 Ward Conservative Club, Mr. Croston, of Upton Hall, delivered a lecture in the National School, Duke-street, on the above subject. There was a good attendance. The Vicar (Rev. E. C. Turner) occupied the chair; in addition to the lecturer, the Vicar was supported by the Revs. J. Ellison, Vicar, and W. Seed, Curate of St. George's; W. Laycock, Vicar of Hurdsfield; R. Hurst, Curate-in-charge of Newtown; Mr. J. W. H. Thorp, president of the club; Mr. Touchstone, of the Northern Church Defence Association; and Councillors P. J. Eaton, and R. A. Thorp.

The VICAR, on rising to introduce Mr. Croston, was cordially received. He said that when Mr. Thorp, the respected president of the Beaconsfield Club, invited him to be present on that occasion, he accepted the invitation without a moment's hesitation, and with the very greatest pleasure, because he was always glad to make himself useful, and he was especially pleased if he could be of any use to the working men of Macclesfield and its neighbourhood. (Hear, hear.) Mr. Croston, who was about to deliver a lecture on the very interesting subject of the Church in its relations to the State, was no stranger to Macclesfield (applause), and he (the Vicar) had been rather astonished to hear him, before the opening of the meeting, say that he had not attended a public meeting in Macclesfield for some years. They were all, he was sure, glad to welcome Mr. Croston among them on that occasion. The subject of Church and State was, as he had said, a most interesting and important one, and he ventured to think it was a subject which before long would occupy the serious attention of Parliament, and would then, no doubt, bring before the public a considerable number of good, bad, and indifferent speeches. It was, therefore, very important that the public should be properly instructed on this important question. (Hear, hear.) It was the more necessary that this should be done because perhaps there was no subject on which there was more lamentable ignorance displayed,

nor no subject upon which there were more strenuously and earnestly false theories and false views promulgated amongst the people. (Applause.) It was desirable, therefore, on this account that meetings like that should be held and lectures delivered in our great centres of industry, with the object of informing the public mind, and it was much to be thankful for that we in Macclesfield had a gentleman residing in our midst who was so well qualified to deal with the subject as Mr. Croston undoubtedly was, and who was at the same time willing to give his neighbours the benefit of his research and information. (Applause.) He hoped that the effect of Mr. Croston's lecture would be to attach us all more firmly than ever to our beloved Church, and to convince us that an Established Church was not only the greatest possible blessing to the State but also to the people of England. (Applause.)

Mr. CROSTON, who was greeted with enthusiastic applause, then delivered his lecture. Having thanked the meeting for the cordial reception given him, he said that when last he addressed a public meeting in Macclesfield it was under different circumstances to the present—it was either in defence of great and cherished principles, or for the purpose of correcting error, where he believed error required correction. He came before them on the present occasion under different circumstances; he did not come there in any spirit of controversy, in any spirit of bitterness or contention with those who might hold opinions at variance to his, but rather in a spirit of enquiry, to discuss a question that could not fail to be of interest, and which he hoped would be made instructive. The history of a Christian Church, and especially when that Christian Church was the Church of England, could not fail to be of interest to every Englishman, no matter what his opinions might be—(hear, hear)—whether he was a member of the Church; whether he belonged to the Nonconforming bodies, and had withdrawn himself from her communion; or whether he belonged to the Roman Catholic Church and acknowledged allegiance to a foreign prelate. As the Vicar had said, these were times in which the people of the country should be informed on this question. We often heard the question asked, "Where was your Church before the passing of the Act of Uniformity?" as if, forsooth, the re-introdnction of the Liturgy was the creation of a new Church. "Where," asks the Roman Catholic, "was your Church before Henry VIII.?" knowing that the claim thus set up of the antiquity of his own Church, the assumed claim of the Pope's supremacy, and the universality of his authority

over the Christian churches, was the strongest argument he can use with unthinking proselytes to win them over to the Church of Rome. "Where was your Church before Luther?" and we answer that it was hidden away beneath the many folds of the parti-coloured garment which tradition and superstition had woven and gathered around it. Before he sat down he hoped to prove that the Church of England of the present day was a continuation of the Church of the earliest ages in this country—(applause)—that she had a history going back as far as that of the Church of Rome, if not even to an earlier date, and that she had maintained her position, asserted her independence, and retained her continuity through long ages. (Applause.) There were those who fondly believed, despite the facts which must be apparent to the careful student of history, that our Church was a new creation, and so recently as last Friday night Mr. Illingworth, one of the members for Bradford, spoke of the Church as a department of the State; placing her on the same level as the army or navy, or, as he said, any other department of the public service; and there were those who argued that the Church was State-made, State-paid, and State-governed; that her clergy were supported from the national funds—that she was in fact a creature of the State. To hold this argument, it was necessary to suppose that at some period or another the State had selected, had called into existence, some particular Church—that the State had bestowed upon it certain privileges over all other religious bodies—maintained its clergy—and that the Church on her part had entered into a compact that her formularies, her liturgy, and her prayers, should be under the direction of Parliament. Now he ventured to affirm that any man who had given the slightest consideration to the question of the origin of the Church knew that such a position was altogether untenable. (Hear, hear.) The Church was never established by the State or by Parliament; she established herself long ages before there was a State in the sense that we understand the word now—long ages before there was a Parliament, and before there was an English nation capable of any such a national act. (Applause.) But it might be asked, "How do you trace back the history of the Church?" We could not tell with absolute certainty when the light of Christian truth first flashed upon pagan darkness in Britain, but we do know from the earliest of our ecclesiastical historians that the name of Christ was mentioned in England before the time of the revolt of the British forces under Boadicea, and this carried us to an event which took place in the year 61, so that we were satisfied that Christian truth had been

brought within the borders of our country during the life-time of men in whose memory the great tragedy enacted on Calvary was still fresh. We did not know with certainty who was the first to bring the truth to us; various writers gave different authors. At that time England was a dependency of Rome. There was a trade carried on with Britain, and people came from every country and clime in the civilised world, attracted by the mineral wealth of the district, and therefore it was not unlikely there was a connection with Rome at the time St. Paul was a prisoner there, when the new doctrine was brought to us. We knew that the wife of Aulus Plautius, the Roman pro-prætor, was an English woman, and became a convert to Christianity. We also knew that Claudia, the wife of Pudens, mentioned by St. Paul, in his Second Epistle to Timothy, who was also a convert, was an English woman, the daughter of an English prince. What was therefore more natural, when they came back to their own country, than that they should have brought the glad tidings with them. Coming down to a later period, we know there was a Christian Church established in this country, teaching the truths of the Gospel as we know them now; a Church that was Episcopal in its character; it had its bishops because we frequently found them taking part in councils concerning the affairs of the Church. The third century was an important period in the history of the Church; it was the time of the persecution of the Emperor Diocletian, and England suffered equally with other countries—it was because the truth was widespread at that time, because there were many churches in the country, many bishops and seminaries, that the wrath of Diocletian was raised, and England was subjected to persecutions like other parts of the civilised world. The town of St. Albans, known at that period as the City of Verulum, commemorates the martyrdom of St. Alban, in 303, in its abbey, recently raised to the position of the cathedral church of the diocese. In the same manner similar events were commemorated in the name of Lichfield, the meaning of which was "the corpse-field;" and the city arms represented a field with a number of persons slain, who had died for the truth. In 314 there was a council held at Arles, a town in the south of France, and at that assembly there were three bishops of the British Church present—the Bishops of London, York, and Caerleon-upon-Usk. Again, in 347, at Sardica, and in 359, at Ariminum, there were councils of the Church, at which British bishops were present, all of which facts went to prove that at a very early date there was a Church established in the country, true in its teaching, independent in its action—not dependant

on the Church of Rome, or forming a branch of that Church, but a true branch of Christ's Church, and springing not from the Church of he West, but rather from the Church of the East—from the Church of Jerusalem, not from the Church in Rome. Applause.) That this was so was testified by the Roman Catholic historian, Dr. Lingard, who certainly was prejudiced in favour of his own faith, but who makes the candid admission that in the third century, within 200 years of the death of Christ, Christianity had spread through the length and breadth of the land, and Jerome says that the Church of England was then independent and sufficient for salvation. (Applause.) And Lingard further made the remark that those must be unacquainted with the position of the Church who suppose that there was any great difference between the teaching of the ancient British Church and the teaching of the Church of Rome at that time. True, because even in the Church of Rome the faith was comparatively pure in those days — the Invocation of Saints, the worship of images, transubstantiation, and purgatory were not then included in her articles of faith, she had not asserted universal sovereignty, and the Pope had not claimed to be the universal father—long after hat, Gregory the Great declared that whoever assumed that title was filled with the pride of Anti-Christ, and those distinguishing doctrnies now asserted as dogma by the Church of Rome were unknown, and the difference between the two Churches was not in doctrine but in discipline and in ritual. (Hear, hear. It was to that Church, and not to the men sent from Rome, that we owe our Christianity at the present ime ; and even at the period of which he spoke the Church was in fact, though not in name, a protesting Church.

In 596 a mission was sent by Pope Gregory from Rome, which landed on the shores of Kent ; it came under the leadership of Augustine, the Roman monk, as it was said, to convert the English people to Christianity. There was no occasion for it ; the object was not to convert the native Britons, but to convert their Saxon oppressors. He was not going to say one word in disparagement of that mission—far from it. It redounded to the credit of Gregory and Augustine that that mission took place, showing as it did the anxious desire on the part of both to spread Christian truth in the country, but it was because they did not know the exact circumstances of the case. Gregory had seen the white-haired children from York-

shire sold as slaves in the market-place at Rome, and believed therefore the country was in a state of paganism, and like a generous-hearted Christian-minded man he desired to convert the country, but it was the oppressors of the English people who were in a state of paganism, and not the native race. It was quite true that at that period the Church had been driven to a large extent towards the Welsh borders. The Roman empire had been broken up a century before, and the whole of Europe was seething like a great cauldron. The native Britons, unaccustomed to defend themselves, called in the aid of the Saxons, and it was characteristic of the Saxon then, as it was of him at this day, that whenever he planted his foot in a country which was fair and fertile he was a difficult subject to get rid of. (Applause.) When Augustine and his monks landed in the Isle of Thanet, they made their way to Ethelbert, the king of Kent, for it must be remembered that in those days the country was not governed by a single king—it was divided into a number of petty states, each governed by its own sovereign. What did he find when he got there?—a Christian temple and a Christian priest. Though Ethelbert himself was a pagan, his wife, Queen Bertha, was a Christian; she had her own chaplain, and services were performed in her own church. He remembered a few years ago being in Canterbury, and attending a service in the cathedral; in the afternoon he worshipped in another church outside the walls of Canterbury; a very different structure, but to him infinitely more interesting than the great cathedral; it was the little church of St. Martin, the church in which Augustine himself worshipped after landing upon our shores. (Applause.) Looking at that building with something of the eye of an antiquary, he (Mr. Croston) saw, from the material of which it was made, that it had had a much earlier existence even than the time of Augustine, because the material was the old Roman brick, and it had therefore been originally built before the Romans took their departure from our shores. (Applause.) If there was no Church in the country when Augustine landed, how was it that he sought a conference with the British bishops? They had more conferences than one; they had disputations, and the British bishops refused to yield to Augustine's authority. Their differences arose not so much in doctrine as upon the question of ritual, the mode of administering baptism, and the time for observing the festival of Easter, facts which pointed to the conclusion that our Christianity came from

the Church of Jerusalem, and not from the Church of Rome; so that we could pride ourselves that our Church had an antiquity greater than that of the Church of Rome itself. (Applause.) As he had said, our Church was a protesting church even in those days—the native prelates refused to yield allegiance to the Pope of Rome—they asserted their independence, and their independence they maintained. (Hear, hear.) But he might be asked—how came the country to be converted to Christianity—how came these Saxon invaders to receive the truth? The country was divided into a number of small states, and as one petty sovereign or chief after another became converted to the truth he endeavoured to bring about the conversion of the people within his territory. But, so far from the Church being established by the State—established at one particular time, as some people affected to believe, the spectacle was presented in the early history of the Church of one state acknowledging the Divine power, and, being converted to Christianity, while another state was still in a condition of heathenism. Yes, and the spectacle was also witnessed of states, after having been converted to Christianity, falling away again and relapsing into their old state of idolatry. The mission of Augustine was not a success. It was true that in addition to the sees of Canterbury and London, he founded the see of Rochester, but the bishops he appointed were compelled to abandon their positions and leave the country, and the people within their dioceses relapsed again into idolatry. How then were the conversions brought about? —not by those who received the teachings of Augustine and his monks, but by those of the old British Church, who had retired, some into Ireland and some into Scotland; from Scotland, missionaries came south and spread the truth amongst the Saxons, who had taken possession of the soil; therefore, when we spoke of our Christianity, we looked not to Rome, but to Iona and to Lindisfarne. (Hear, hear.) Those missionaries spread over the whole of what was called the kingdom of Mercia, and we had evidences in many of the older parishes of their visits. Without going beyond the borders of the great parish in which we are located (Prestbury), we had had a singular illustration of this brought fo light within the past year. The idea prevailed in the minds of some that the old church of Prestbury had existed long antecedent to the arrival of the Normans. The old chapel in the churchyard bore indications of Norman architecture; but the name of the place suggested the idea that there

was an ecclesiastical establishment anterior to that time; and, curiously enough, during the recent restoration some remains had been found that spoke in the clearest possible language of the existence of such an establishment in Anglo-Saxon times. (Applause.) Built up in the walls and hidden for centuries from view, we found portion of a cross, but it had now been taken out and placed in the churchyard, and after long centuries it was there, a silent but eloquent witness of the truth having been taught in this district at a very early period. (Applause.) And now, after long ages, during which it had been hidden from view, it reflects the same shadow, the same sun-light, and displays the same rude carvings it did more than 1,000 years ago. Though to some it might seem rude and unshapely, still, in the expressive symbolism in which it speaks, it teaches the principles of our Christianity, and we see inscribed upon its face that which tells of man's state of innocence, man's fall and punishment for disobedience, and he ventured to believe, if the other fragments of the cross could have been found, we should have the story of man's redemption. From such evidences as this we got some insight into the history of our Church, and we were thus made aware of the fact that even in this district, long before the arrival of the Normans, the truth was taught in its pure simplicity.

Up to that time Rome had made but little effort to assert her dominion over the Church in this country; when, however, the change in dynasty came about—when Harold was overthrown and William had succeeded to the throne, the imperious Hildebrand stepped in and wished to induce William the Norman to own allegiance to her, to submit to her rule, and pay homage to him as the Pope. What was the answer he gave? He said, "I can't find that any of my predecessors did own allegiance to the Pope of Rome; I never have owned it, and never will." (Applause.) William maintained his independence, and refused to allow the Bishops of his realm to obey the mandates of the Bishop of Rome. His son and successor, William Rufus, prohibited all appeals to Rome as unheard of and contrary to the usages of the kingdom. Henry I. did the same thing, and, if we ran over the list of the Plantagenet Kings, we find that by nearly every one of them there was some enactment declaring the independence of the Church of England and repudiating the claim set up by Rome; especially was this the case in the statute of provisors passed in the 25th year of Edward III., which made it clear that the Church of England was founded in a state

of prelacy in times past by voluntary effort, by different individuals, and that she was free and independent of the Church of Rome. (Applause). It was not until the time of King John, the most vicious, the most weak-minded, and most tyrannical king England has ever had, that the English Church was brought under subjection to the see of Rome. John had quarrelled with the Bishop of Rome, and the Bishop in retaliation had sanctioned the invasion of his country by Philip of France, and in his arrogant way gave the country to him. John, alarmed at the position he was in, humbled himself to the Pontiff, yielded his crown to him, and did homage before the Pope's legate ; but that was not an Act of the English Parliament. (Applause.) And what was the result of his submission? The English barons protested against the act of degradation, and it was that which led to the glorious assembly on the field of Runnymede, near Windsor, when the great Charter of English liberty was extorted from the weak minded monarch. (Applause.) What was the opening sentence of that charter?—"This Church of England (not of Rome) is, and shall be for ever free, and shall enjoy her rights and her liberties inviolate." (Hear, hear.)

But we were told the Church was established by the State. How was she established? As he had said, in the Saxon times, as the Sovereign of each State became converted to Christianity, he was anxious to become a nursing father to the Church and to encourage the spread of Christian truth within his own realm, and as each chief landowner became converted, his practice was to build a church upon his own domain for the use of himself and family and dependents, at the same time making permanent provision for the maintenance of those who should minister in it by a permanent rent charge, as he had a perfect right to make, and in this way he made a provision which he thought would never be challenged, and that the maintenance of the Church's ministers would be secure for all time. This circumstance explained why it was that the parishes in England differed so much in size and in the value of their endowments—as the estate was conterminious with the boundary of the parish, and the church was built for the spiritual benefit of those residing within it. Some men were wealthier than others and provided more liberally; some, in addition to the rent charge, gave glebe lands, and in the course of time other benevolent people added to these glebe lands, and so it was that some churches were more richly endowed than others, and some parishes were more

extensive than others. Then, again, the patronage was in the hands of the founder. We might rest assured that if the State founded and established these churches and provided for the permanent maintenance of the clergy, the State would have reserved to itself the patronage. (Applause.) The fact that these founders held the patronage in their own hands was strong proof of the voluntary origin of the endowments. (Hear, hear.) Moreover, in those days there was no State in the sense in which we understand it now. There was no Parliament. There was the council held in the Saxon times known as the Saxon Witan, but the Witan had no power to grant lands or make a permanent charge upon the estates of the landowners. Had those landowners' estates been so interfered with, they would have made right good use of their trusty swords. It was not until centuries after this that there was a Parliament in this country, and that Parliament had nothing whatever to do with the establishing of the Church. It was this—the Bishops and the Ecclesiastics of the Church were the most learned and the most cultivated men in the country, and they took part in the councils of the nation—such councils as were then held, and if there was any establishing in the case it was the Church which established the State and not the State which established the Church. (Applause.) The Church existed and became the principle of attraction, and cohesion which drew together and consolidated the conflicting elements of secular authority, until at last they formed the English constitution in Church and State. There was yet another evidence. Mr. Illingworth in the House of Commons, spoke of the Church as being similar to the Army and Navy or any other department of the public service. We have no difficulty in ascertaining where the money comes from for the support of the Army and Navy; the Chancellor of the Exchequer, while he (Mr. Croston) was addressing them, was in the House of Commons unfolding his Budget and showing how each department of the State was maintained, and what it cost, but it was because the property belonging to the Church was not State property, and is not held by the State, that the State does not know what it is. (Loud applause.) Some years ago, before he came to reside in the neighbourhood of Macclesfield, he was warden of a church a mile or two out of Manchester ; one day the rector came to him with some forms he had received from London requiring a particular return of his endowment—the sources of income, &c.,—and the rector asked him to fill them up. Instead of doing so he tore them up and put them into the waste paper basket. (Laughter, and hear, hear.) Some four or five months after the rector came to him again and said, " You did

not send these returns," and gave him another form, which he put in the fire,—(applause)—telling the rector that the State had nothing to do with his sources of income ; that the property was not vested in the State but in him as rector—that he was a corporation sole and as independent of the State as any Nonconformist minister in the land. (Applause.) There was no such thing as the Church of England as a single corporation—no such thing as one vast aggregation of property belonging to it as a Church ; its property was of all kinds, tithes, glebe lands, rentals, houses, and places in various localities, and held under various tenures, sometimes to a large and sometimes to a small extent, just as the generous individuals from time to time gave endowments in the first instance on the foundation of the Church, and had added to them by gifts made subsequently, and every incumbent was himself a corporation sole.

But it might be urged, as it often was, that the Church was under the control of Parliament or the State. He thought he had answered the question as to its being a State-made Church—the State did not exist when the Church was made or established. He also thought he had shown pretty clearly it was not a State-paid Church, and now he would show that it was not a State-controlled Church, any more than any other religious body was controlled by the State. We were told the State governed the Church. The State did nothing of the kind. (Hear, hear.) Parliament was all powerful, and it was quite true that Parliament had the power to disendow the Church ; it could exercise that power at any time a majority in Parliament might decree it. But it was equally true that Parliament had the same power and precisely the same right to confiscate the property belonging to any Roman Catholic or Nonconformist chapel, or of any other institution in the country. (Applause.) Not only so, but Parliament had the power and the same right to confiscate the property of any private individual. (Hear, hear.) And once the principle of confiscation was admitted, it would not stop at church or chapel property —the flood gates would have been opened, and we might depend upon it that a state of communism would not then be far distant. (Applause.)

We had been told that the State chose this particular Church and gave it certain privileges. We enquired when those privileges were given, and some people pointed triumphantly to the Reforma-

tion, and assured us our Church was made by Henry VIII.,—an Act of Parliament Church. How did he make it? They admitted there was a Church in the country long before, and a great many believed that the endowments were taken from a previously existing Church, and given to the Church we now called the Protestant Church. No such thing. There was no such change, no overthrow of one church and the setting up of another in its stead, no turning out of one set of ecclesiastics and putting others in their places, no taking of property from one Church and giving it to another. There was a change, it was true, but it was not effected by Henry VIII., but by the Church in her own councils and by her own ecclesiastics. She cleansed and purified herself of the traditions and errors and superstitions that had crept into her during those long centuries that the Pope of Rome had been struggling to gain spiritual dominion over her and the country. (Applause.) But during that period didn't she acquire endowments—were there not gifts made to her for superstitious purposes—for the saying of prayers for the repose of the souls of the departed? He granted there were. And those moneys were left for the maintenance of chantry priests who would say prayers for expiation of the sins of the departed. In the church of Macclesfield there were such chantry chapels. Chantry chapels were not used for such purposes now. The endowments were seized and confiscated to the Crown by Acts passed in the last year of Henry VIII., and the first of his successor, Edward VI.; and the people of Macclesfield should always bear in mind that the vicar did not receive a penny piece from those chantry endowments. There had been similar chantry chapels at Prestbury, but their endowments, like those of Macclesfield, had been swept away centuries ago. (Applause.)

But it was asked—Didn't Parliament make the prayer-book? Was it not a fact that the prayers in that book were the work of parliament? Nay, was not the Sovereign as the head of the Parliament the supreme head of the Church? The reply to these questions was to be found in the 39 articles. It might be some time since some of them read them, but he would ask them to refer at their leisure to the 37th article of the Church, which would show them pretty clearly what was meant by the supremacy of the Sovereign. The 37th Article is as follows:—

"The Queen's Majesty hath the chief power in this realm of England, and other her dominions, unto whom, the chief government of all estates of this realm, whether they be ecclesiastical or civil, in all causes doth appertain, and is not, nor ought to be, subject to any foreign jurisdiction. Where we attribute to the Queen's Majesty the chief Government, by which titles we understand the minds of some slanderous folks to be offended, we give not to our Princes the ministering either of God's Word, or of the Sacraments, the which thing the injunctions also lately set forth by Elizabeth our Queen do most plainly testify; but that only prerogative, which we see to have been given always to all godly princes in holy Scriptures by God himself; that is, that they should rule all estates and degrees committed to their charge by God, whether they be ecclesiastical or temporal, and restrain with the civil sword the stubborn and evil-doers. The Bishop of Rome hath no jurisdiction in this realm of England."

That article was put on record to re-assert the independence of the Church, to show that the Bishop of Rome had no right to claim her submission; it also showed, plainly enough, that the Sovereign was the temporal but not the spiritual head of the Church.

It was oftentimes stated that the Prayer-book was made by Parliament? What were the creeds and the liturgy? They were not the composition or compilement of that which was new, but the collection of that which was old. The Prayer Book contained the ancient creeds of the Church, and nearly every prayer in that book had been at the time in existence for a period of 1,200 years. (Applause.) They were in existence when the Church was in a state of purity, and they were translated from the Latin tongue into a language the people could understand that they might all join in worship —the English tongue—and so they found their way into the Prayer-book of to-day. But they were made by the Church. (Hear, hear.) The liturgy was prepared for the Church in her own councils by her own ecclesiastics,—learned and discreet divines, not by Parliament, not by the State, but by the Church, and after they had been approved by Convocation were merely ratified by Parliament. Those ecclesiastics prepared the liturgy and gave it us in a single book instead of its being in three or four books, and in the Latin tongue, as it had been before, and it was merely ratified by the State. (Hear, hear.) Then we were told that after that there had been alterations in the Liturgy. Well, the Church had always claimed the right to make such alterations and modifications in her Prayer Book as relates to non-essentials, and that was plainly set forth in her articles. But we were told by some that the Church was

established at the time of the passing of the Act of Uniformity, in 1661. He would just remind them of some circumstances that preceded that event. During the persecutions of Queen Mary's reign many earnest and thoughtful members of the Church of England, who had embraced the reformed doctrines, were subjected to the cruellest persecutions, and, to protect their lives, fled from their own country, and sought refuge on the Continent; many of them went to Switzerland, and listened to the teachings of Calvin and Zwingli; they accepted some of the novelties taught there, and when they came back to England they wished to introduce them into their own Church. After the death of Mary, and Elizabeth had ascended the throne, these men introduced into this country the principles of Puritanism. What they wished to introduce was something different from the Prayer Book itself—they wished to have a certain amount of freedom which the Prayer Book did not permit. In all recognised bodies there must be rules and regulations, and in a Church to be considered a National Church, there must be a certain amount of freedom, but that freedom must be within certain defined limits, or liberty would lapse into license. In course of time these people gained power, and, joining with political partizans, they succeeded in overthrowing the Government and compassed the death of the sovereign, Charles I. They gained the ascendancy, and the result was, we had admitted to our Churches men who were not Churchmen—Presbyterians, Independents, and others holding various opinions—placed there by the lawless acts of an unconstitutional power. About 5,000 of the clergy of the Church of England were expelled from their benefices, and these Puritans were illegally obtruded into their livings, where they had no moral right. After the overthrow of the Commonwealth and the restoration of monarchy in the person of Charles II., the liturgy was re-introduced into the Churches. Its use had been forbidden during those days of freedom—the days of the usurpation — (laughter) — it had been forbidden to be read in the Churches, aye, and forbidden to be read in private houses, and any man found at that time—in those days of liberty and religious freedom—(laughter)—reading a single prayer from that book to comfort and solace, the dying hours of a father or mother, a sister or brother, was fined, for the first offence £5, for the second £10, and for the third was imprisoned. Those were the days of liberty. With the restoration of monarchy, the Prayer-book came again into use, the Act of

Uniformity was passed, and many of those who were not Churchmen in the true sense of the word, but had improperly found their way into the pulpits of the Church, had the option given to them—they had three months in which they would make up their minds either to subscribe to the Prayer-book or withdraw from the Church, whose teaching and principles they repudiated. (Applause.) He was not there to say one word against those men because they refused to subscribe to the Prayer-book. All honour to them if they had conscientious convictions on the matter. He was not there to say an unkind word of them, but he was there to say how it was they went out of the Church—a Church in which they had no legal or moral right, and in which they should never have been found. (Applause.)

Were we not told by Mr. Illingworth the other night, that questions affecting the Church come under the consideration of Parliament? Mr. Illingworth said the fact that Parliament was asked to consider questions relating to the Church was a proof that she was a Department of the State. (Laughter.) He ventured to affirm that there was scarcely a Session of Parliament when there was not some question raised affecting some one or other of the many religious bodies, because they had property as well as the Church of England, and Parliament was often appealed to to legislate on such questions and to give them protection; because so long as the different religious communities in the country are recognised as they are by the State, they are protected by the State. Every subject of the realm has a right to claim this protection, and there were instances where questions affecting Dissenting chapels had been before Parliament and had also been dealt with just in the same manner as Church questions when the law courts were appealed to. We were told that sometimes the law was appealed to to determine matters relating to the doctrines of the Church. So it was in relation to Dissenting chapels. If a minister of a Nonconformist chapel preached a doctrine at variance with the trust deeds, and those connected with the chapel chose to raise the question—he did not say they always would, because it was rather the boast of the president awhile ago, at the annual meeting of the Congregational Union in Yorkshire, that half the ministers of that denomination were preaching doctrines at variance with the trust deeds of their chapels, and that if they must require conformation to the trust deeds, they would empty their pulpits of half their best men; but still we had seen even within

the last year or two where divisions had arisen amongst them upon questions of doctrine—that the law had been appealed to just as it would be in the case of a clergyman of the Church of England. Dissenting communities were just as much State-governed as the Church of England was, and they had just as much State protection.

And now a few words with respect to the right of Parliament to deal with the property of the Church. We were told that because Parliament dealt with questions affecting the Church, Parliament had also a right to dispose of the property of the Church. Some years ago Mr. Gladstone was asked whether he recognised any difference between the property of the Church or public property and private property, and whether he believed that one was as sacred as the other. His reply was "Yes, I believe that public property is as sacred as private property, but I recognise this distinction between the two—that private property is sacred to persons, and public property is sacred to purposes." Now, the property of the Church of England was not public property in the ordinary sense of the word. It was property given for specific purposes, was vested not in the State, but in the individual clergy, or in trustees on their behalf. It had been said that a church could not be consecrated unless it was first handed over to Parliament. (Derisive laughter). As a matter of fact many churches had been built in these latter years having their endowments vested in the Ecclesiastical Commissioners, but the Ecclesiastical Commissioners were not Parliament. (Hear, hear.) And it was not necessary that endowments should be invested with the Ecclesiastical Commissioners — that was only done as a matter of convenience, to save the cost of transfer from time to time from one trustee to another as changes occured; anyone might build a church to-morrow, endow it, and vest the endowment in private individuals as trustees, and neither Parliament nor the Ecclesiastical Commissioners have any right to control them. (Applause). The rector of the parish was a corporation sole, and the endowments of his Church were held under the same tenures as any other property. "Granted," some men would say, "But that being the case—this property having been given in time past, when all residing within the parish were members of the Church, does it not follow that now when there are many within the parish who have withdrawn from the communion of the Church, but who still confess the name of Christ—Is it not right

that they should have part of that property which was left for the spiritual teaching of all in times past?" The answer was at once, "No." (Applause.) The property was left to the Church; the Church of England was a kind of ecclesiastical common, where every person residing within the parish had a right to pasture. (Hear, hear.) Any parishioner could command the services of the clergyman—he had a right to be christened, or to be married in his parish church, to attend the services in that church during life, and to sleep beneath the shadow of its walls at death; but if we were to allow every religious body or any individual to come upon that ecclesiastical common and enclose a little bit here and a little bit there for his special benefit, or for the benefit of the religious community to which he belongs, there would soon be no ecclesiastical common to pasture upon. (Applause.) The same principle might be applied in regard to any public institution. Suppose, for example, there was in the town a public dispensary to which any suffering member of the community could go for help. A man might go and say, "I don't believe in your mode of treatment. I believe in another system of treatment; your infirmary or dispensary has been endowed by benevolent persons, it has a rich endowment, and, as I can't avail myself of it, and am going somewhere else, I will ask you to hand me over part of the endowment to enable me to be treated elsewhere." (Laughter.) The principle would be precisely the same—just as reasonable and just as consistent. Knowing this, was it not of advantage to the community at large that the Church should maintain her position? Was it not a great and glorious thing to think that in these days of what was called free thought, and scepticism, and infidelity, that every inch of the soil in this country was included within some parish or another—whether it was amongst the town populations, or in the rural districts, or wherever it might be—that there was a church, the centre of the parish, that there was a clergyman located there, whose services could be commanded by rich and poor alike—a man to minister the rites of the Church, visit the sick, comfort the afflicted, and who was the centre of light and civilisation to those around him? (Applause.) Far be it from him to say one word in depreciation of the great efforts made by Nonconformists in the same direction. (Hear, hear.) Far be it from him to say one word against the great revival that took place more than a century ago in this country, but there was just this difference between the Nonconformist minister and the parish clergyman—the one was the minister of a

congregation and had no claims upon him beyond those of his congregation; the other was the clergyman of the parish, and every soul within the geographical limits of that parish had a right to look to him for spiritual comfort (applause), had a right to look to him for spiritual counsel and advice, and before we sanctioned the removal of these churches, or assented to what was called disestablishment and disendowment, we should ask whether there was anything better to put in their place. What guarantee had we for the continuance of Christian teaching to the masses of the people, especially in the poorer districts? What guarantee had we for the upholding of truth in the land? Through the teachings and the influence of the Church and her ministers, England had become the greatand free nation that she is—she had been the bulwark of liberty; to the Church we owed the preservation of the Scriptures we read from day to day, and while she had been tolerant and forbearing, and left to others the fullest right of conscience and religious freedom, she offered her service to every man, woman, and child within the realm. (Applause.) Complaint might be made against her services; it might be said they were dull and tame, because they were written for us, and that some migh prefer the impromptu utterings of those who might minister within her walls. Had we ever heard anything better than the Prayer-book contained. (Applause.)

"And surely in a world like this,
So rife with woe, so scant of bliss;
Where fondest hopes are oftenest crossed,
And fondest hearts are severed most;
'Tis something that we kneel and pray
With loved ones near and far away;
One God, one faith, one hope, one care,
One form of words, one house of prayer."

(Loud applause.) In the language of another writer he might say—

Something in these aspiring days we need
To keep our spirits lowly,
To set within our hearts
Sweet thoughts and holy;
And 'tis for this they stand,
The old grey churches of our native land.

(Loud applause.) Mr. Croston then expressed his thanks for the patience with which the audience had listened, and the hope that what he had said might be the means of drawing closer the ties of attachment between those present and the Church of the country—that Church

which had stood as a bulwark against the encroachments of Rome, and as a barrier against the advances of infidelity. Remembering all that the Church had done for the country, he would say that—

He must have a coward's heart
Who would not make a stand,
For altar, throne, for hearth and home,
In this our fatherland.

(Loud cheers.)

The Rev. Mr. ELLLISON then proposed a vote of thanks to the lecturer, and in doing so said that while Churchmen must appreciate the efforts of Nonconformists, they should let it be known they belonged to the Church of England. (Applause.) He thought the history of the Church ought to be brought more particularly before the young, so that they might be able to give a reason for belonging to the Church of England. (Hear, hear.)

Mr. TOUCHSTONE, in a vigorous speech, seconded. He said that while the Church of Rome had changed her formularies and doctrines to suit herself, the Church of England, for 1,600 years, had stood the same ground. He commented upon the unreasonableness of those who sought to take the property of the Church, and said that if the 60 different sects in the country were allowed to deal with the property of the Church as they liked, they would be doing something very different to what they allowed in their own communities. Without invidious feeling, he should like to refer to the splits in one great body; there were some within our recollection, and some running not very much out of our recollection, there had been some half dozen splits in the great Methodist body. But did any one ever hear when the Wesleyan reformers went out, when the Warrenites and the Kilamites went out—(laughter)—that they took one penny of property with them? Certainly not; it never was tolerated, not even the bare mention of it, and why, he asked, should they, having gone out from the Church, claim that for themselves which they don't allow others to claim from them—they would repudiate it, and he simply said to all such, "Come back, the Church and her emoluments shall be at your service, her doors and her ministrations will be open to you, but so long as you cut yourselves off, by the life of Pharoah, you'll take none of her property." (Loud applause.) Why was it that tithes were given originally to the Church?—because money was scarce. He would just refer to one or two Churchmen standing out prominently in the mass of benefactors to the

Church. Mr. F. S. Powell had at Bradford built a church and schools, and endowed them at a cost of £33,000. (Applause.) In the adjoining town of Halifax Colonel Akroyd had done similar work at a cost of £64,000. (Applause.) Then there was Charles Brook, of Meltham Mills, near Huddersfield, who had spent not less than £150,000 in a similar way—(applause)—while the Birleys in Manchester had built and endowed amongst them no less than sixteen churches. (Applause.) And to tell him that any little sect which had jumped up yesterday had a right whether they were Quakers, or Shakers, or Thumpers of to-day—(laughter)—to take the property given by such men was the height of absurdity. (Applause.) Churchmen wanted nothing from Dissenters; all they wished to do, all they were determined to do, was to hold their own. (Applause.) He appealed to the Churchmen and women of Macclesfield to stand up for the Church and what belonged to her—to take care that the property which was given for certain pnrposes remained intact and

> Let no rude hand sever
> The links that come between
> Their dear old Church of England,
> The altar, and their Queen.

(Loud cheers.)

The proposition was then put and carried by acclamation.

Mr. CROSTON, in acknowledging the compliment, said he had endeavoured to guard himself against making use of language that might hurt the feelings of any who were disposed to differ from him—his object in delivering the lecture was to inform Churchmen and others on the history of the Church—a subject upon which he was afraid a great amount of ignorance prevailed. He concluded by proposing a vote of thanks to the Vicar for presiding, expressing his personal obligation to him for his presence and support.

Councillor EATON seconded, and Mr. ARMSTRONG, schoolmaster, Hurdsfield, supported the proposition, which was put to the meeting by Mr. Thorp, and unanimously agreed to.

The VICAR, in reply, endorsed what Mr. Croston had said as to the clergyman being at the service of every person in his parish, remarking that on very many occasions he was called in by Dissenters and those who attended no place of worship at all. He did not mention

this as an extraordinary fact, but in substantiation of what the lecturer had said—the people had a perfect right to the services of the clergyman—no matter to what denomination they belonged, and he was quite sure the clergy were not slow in rendering what service they could. (Applause.) There was only one deduction he made from his own experience, and it was this, that if ever disestablishment of the Church became an accomplished fact, which God forbid it should, the working classes and the poor would be the greatest sufferers. (Applause.)

The meeting then terminated with the singing of the National Anthem.

Claye, Slade, and Gundry, "Courier" Office, Macclesfield.