

FREE TRADE  
AND  
TRADES UNIONISM.

BY A SHIPOWNER.

ENTERED AT STATIONERS' HALL.

W. J. POTTS AND CO., PRINTERS AND PUBLISHERS, NORTH SHIELDS.

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## INTRODUCTION.

Owing to the insulated position of this country, all its international trade must of necessity pass through the hands of the shipowner. As a rule, he is better paid for carrying imports than exports, and so cannot be influenced by class interests when advocating a policy that would result in an increase of home-grown food. The following remarks on our Free Trade policy, therefore, may be accepted as unbiassed, whatever their other merits may be.

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HAVING in view the present agitation in favour of reciprocity, or regulated free trade, instead of the unrestricted free trade policy of the present day, we would ask those who advocate a continuation of our present system to follow us in some further consideration of the subject. We say "further consideration," because there is much reason to fear a disposition exists with many to shut their ears to all argument, and to "pooh, pooh" those who advocate reciprocity. This disposition may be the result of an unquestioning confidence in the opinions of eminent Free Trade leaders, or a conviction that free trade has proved itself so superior to every other system that the days for discussing its merits are passed; and that not to recognise it as the true commercial panacea is proof of a fossilized mind, or of self interest so strong that the eye of the objector is blinded thereby. Consequently those who would regulate trade are often treated either contemptuously, or with a compassionate regard for their weakness, receiving such answers as—"Your



notions are antiquated ;” “ Your arguments have been exploded long ago ;” “ You had better try and persuade the people to have their food taxed again ;” “ Would you revive the iniquitous Corn Laws ?” “ Taxing the first necessities of life is repugnant to an Englishman ;” “ Would you hamper trade, and increase the cost of living in favour of a class ?” Now such remarks are not arguments, and prove nothing except a disinclination to discuss.

There are also numbers of men who do not treat you so cavalierly. These will listen to what is advanced, and even confess we may be going too far ; but they judge that you will not be able to convince the people of England that Free Trade is wrong. They are glad to dismiss the troublesome subject, and are content to allow things to go on as they are, under the impression, apparently, that it does not immediately concern them. These latter form a class that would in exactly the same spirit acquiesce in the worst form of protection, if it happened to be the rule of the day.

A summary dismissal of an important subject without a hearing, should never be practised, no matter how small the minority may be. Truth does not always rest with the majority, and this is especially true in matters of public policy, because in all popular movements there is a disposition to run to excess. History proves that national movements do not stop at their proper limits on the first swell of the tide, but run on beyond proper bounds ; after which comes the inevitable reaction, which in its turn also goes too far. Free Trade is now in its first flow ; and in asking for a hearing we only ask what should wisely be given to every respectable minority. But the claim for a hearing is much stronger in this case, as it may even be the voice of a majority, and one composed of men quite as capable of judging as Free Traders. For although the latter appear in the majority in this country, and have for the time decided its policy, we must not forget that men of an opposite way of thinking are in the majority on the continent and in America. Nor is it certain that even in this country hard and fast Free Traders are more numerous than in others, at least amongst men who think for themselves. We know our Free Trade leaders are chiefly Liberals who count on the working men to support them. That such support can be nothing but a blind following, so far as Free Trade is concerned, is proved by the fact that directly workmen are free to



follow their own opinion in commercial matters they become the most rabid protectionists the world has ever seen. The rules and practices of Trades' Unionism are nothing if not intensified protectionism.

It is not because they have no abstract belief in the merits of Free Trade principles that Frenchmen and Americans refuse to follow us. No doubt in theory they hold the same opinion as our Free Traders, viz.:—that if trade could be allowed universal free course, without any restrictions whatever, it would be better for all; but they argue they must act on the practical view of the subject. They see we have opened our markets to them unconditionally, and they avail themselves of our generosity, this being all the advantage they can derive from Free Trade. They will not impose its obligations upon themselves, and open theirs to us, as they know that by so acting they must be the losers.

Let us see what are the views of the Reciprocity man. His first fundamental position is that Free Trade is correct in principle, and next, that it would be highly beneficial universally, if it could be universally carried out. There is no difference of opinion as to the merits of the principle. It is in its practical application the great divergence exists. It may even be admitted that it was worth this country's while to make some sacrifice in taking the first step, setting a custom for the entire world to adopt, and so becoming the leader in a movement that would have benefitted all nations. But having done so, and having shown that other countries will not, or cannot, follow, it is time to stop. The proof that it is time to stop, and that the one-sided application of Free Trade is injurious to this country, can be better given than by answering the Free Trader's reasons in defence of the practice. As before stated, the Free Trader gives but few arguments. His inducements for continuing Free Trade are given more in the form of statements (which you are expected to accept) than sound reasonings, and some of these statements are merely sentimental ones. Let us take the principal or leading Free Trade reasons or statements, and answer them singly, with the view of showing that reciprocity is a necessity to this country, and that without it Free Trade is an alarming loss. The Free Trader's views and statements may be tabulated thus :—



- 1.—Freedom in trade must of necessity be correct, seeing that it gives liberty of action, allowing every one to buy and sell in the cheapest and best market.
- 2.—No class interest should be studied, but only the general or great consuming public.
- 3.—They point triumphantly to the increase in trade, and in individual income in this country, since the introduction of Free Trade, and claim them as proofs of its merits.
- 4.—When asked how the Annual One Hundred and Forty-two Millions excess of imports over exports are paid for, a few confess it is a puzzling question, seeing the movements of the precious metals do not shew it, while others give imperfect and inaccurate explanations.
- 5.—They claim cheapness of food as the result of Free Trade, and especially freedom from famine prices after bad harvests.
- 6.—They ask, "is it not better to buy cheap than dear?"
- 7.—Some put the imports and exports together, and look upon them as sources of national wealth.
- 8.—They tell us that other countries would take retaliative steps if we now attempted to put duties on the goods they send us.
- 9.—They ask us "how would it be possible to arrange tariffs that would not interfere with our industries, seeing that raw produce is necessary for our manufactures?"
- 10.—It is said trade will take its natural course if left free, and will find healthy levels.
- 11.—To tax the first necessities of life is repugnant to the feelings of Englishmen.
- 12.—Free Traders will sometimes tell us we dare not advocate in public a tax on food importations.
- 13.—During the trade depression, we have been continually asked to trust in something turning up, and very often assured that when the Liberals are in power again, trade will revive.

Before replying to the foregoing points, let us lay down a rule to be followed in a consideration of them. This is the more necessary, because in discussing national commerce we find always a strong disposition to theorize and wander into new principles, it being forgotten that the function of buying and selling, or getting a living, is but a homely business, and whether you consider one man's efforts, or those of the several millions forming a nation, it is the same thing. The rules that give success to one will have the same result if followed by each of the others, and thus a whole



community, whether it be a small town or large nation, may prosper by following the same simple rules which give success to the individual. It is a mere question of multiplication, developing no new principles whatever; and just as a whole regiment can jump no higher than one soldier can, so a nation in commercial matters cannot, merely by numbers, develop new principles of commercial growth. It is proposed, therefore, to test this vexed question of international and internal trade and national prosperity by the homely rules a prudent man follows in his business or domestic arrangements. And to further assist the consideration of the subject, let us first see what our Trade Statistics are, say for 1877:—Exports £252,346,020; Imports, £394,419,682. Out of this balance of £142,073,662 we were, in 1877, £31,590,082 to the wrong side in our trade with France, £61,449,134 with America, and £7,963,781 with Russia.

Our total imports and exports are given in the two first sums, but only home products are referred to in the last three amounts. To give a clue also to subsequent reasonings, the following eleven unproved positions are put forward,—not finally of course, but only to assist in understanding the argument, and on the understanding that their accuracy is to be ultimately proved.

1st. All the food we import must be paid for. A nation can no more avoid this condition, than an individual can obtain food and clothing without paying for them.

2nd. England could not only exist, but continue prosperous for all time, even though she did not grow a tithe of her consumption, so long as she paid for her supplies by her labour, or in other words exported minerals or manufactures of equal value to her imports. If she does not pay for them in this manner, it must be done in a way that is extremely exhaustive, and must inevitably lead to national ruin.

3rd. The balance of 142 millions is an annual and irrecoverable loss, the importance of which may be best seen by considering that a relatively small increase of taxation of four millions may at times be sufficient to oust a Government.

4th. Money taken from the people by taxation, sent down to our Dockyards and Arsenals, and circulated back into the community through the workmen, is not so injurious to the nation as money or values taken from it and sent abroad, never to return.



5th. Nearly all classes are supported by working to supply the artificial wants of their neighbours; so no class interest can be injured without affecting prejudicially the whole nation, as its destruction removes a circle of purchasers.

6th. Free Trade as now practised by England has injured instead of assisting us. Free Trade, by an unfortunate coincidence, has received credit not its due, and this mistake, like an "*Ignis fatuus*," is leading us to ruin.

7th. Free Trade has not cheapened food, nor prevented the effects of bad harvests.

8th. By the circulation of money in a community, a coin can pass from hand to hand in payment of services rendered and received, and come back to the original holder intact. This may go on for an indefinite repetition of the circulation, each holder during its course receiving the full value of the whole coin: but if each person, say in a community of twenty persons, should take a shilling from the sovereign and send it abroad for food,—instead of circulating the whole within themselves, the sovereign will be exhausted in one circulation, with the disadvantage of having only circulated an average value of ten shillings through its gradual reductions. What would happen to one coin will happen to any number; consequently a nation spending five per cent. of its income in foreign supplies, loses in property the whole value of its income in every turn-over of twenty times its value. In point of fact we spend not five, but about twelve per cent. of our income in this manner.

9th. The operations of foreign trade are exhaustive when not carried through on the principle of equal balance as between imports and exports.

10th. Gold has no intrinsic value; but the universal representative character attached to it renders it of the highest commercial importance, and for all practical purposes it must be treated in its operation during circulation as if it was as much food and clothing given to each person whose hands it passes through. We know that giving a man money has the same potentiality as giving him food. Circulation of coin is a revolution of gifts. This process of circulation has three features, and these should be borne in mind while considering the operations of trade.



*a.*—There is the circulation of money that gives means of existence, but does not produce articles of commercial or exchangeable value, such as money spent in education, or amusement, or in wages paid for personal attendance. These outlets, notwithstanding their intrinsic utility, do not result in the production of exchangeable wares that can be exported.

*b.*—There is the circulation in classes which result in the production of articles which are exchangeable, but short-lived, such as food or clothing,—articles which are created and immediately perish in the using.

*c.*—There is the circulation among builders, engineers, architects, ironworkers, &c., resulting in the production of exchangeable values of a more durable character, from the building of a harbour that adds permanently to the wealth of a nation, down to the less lasting articles that may endure only for a few years.

11th. Free Trade and Trades Unionism, although at first sight appearing remote as the Poles, are yet so intimately connected that one cannot be thoroughly considered without the other. This is the result of England's inability to grow sufficient for her own consumption. The surplus must be paid for. To pay for it by our manufactures we must produce them cheaper than the foreigner. This will be impossible if the efforts of labour are artificially restrained and its value increased by arbitrary measures which force it above what the law of supply and demand would give.

It is necessary before proceeding further to understand who are consumers, because the interests of the consuming classes are put forward on every occasion by Free Traders as a plea for their views. Let these Free Traders show that the nation, or even the great majority of it, is composed of people with greater interests as consumers than as producers. If they can prove this, they prove their whole case, as certainly it would be unjust to follow a course that would injure the people of this country in the interests of a few producers. The whole contention centres itself here. If it can be shown that the nation is *not* divided into a majority of consumers on the one side and a few producers on the other, the greatest stumbling-block to a consideration of the effects of Free Trade will be removed. Let us try and find a person that is a



consumer and not a producer as well. Nay, go a little farther and try to discover one who is not overwhelmingly more interested in this nation's commercial affairs as a producer than as a consumer. Is he to be found among weekly workmen, or in the salaried classes? Are we to find a specimen among Government employees, or among those who live on interest, Government securities, or railway dividends? It is impossible to enumerate the whole, but take at once the most extreme case possible. Search among pauper children to find one interested less as a producer than as a consumer. Does not the very existence of every one depend on the manufactures, agriculture, and trade of this country? Every imaginable salary, wage, or pension, would disappear if you destroyed these three. Are not revenue and taxes derived from them? Could Government pay salaries and dividends if there were no revenue,—and is it not of vital importance to the pauper child that he should have a prosperous community to come to and work in? We think that no one will dispute that “How to get a living?” is a far more important question than “How to save 5 per cent. on our purchases?”

If it is impossible to find a person who is not personally interested in the welfare of producers, and by this community of interest a producer himself, it is wrong to speak of the majority of this nation as with interests distinct from those of its producers. We are said to be a nation of shopkeepers, but this remark applies to all other nations. The difference is only in degree, and possibly there never was a civilized being, leaving out, of course, the mythical Robinson Crusoe, who did not want to sell his services to his neighbour in some form. And the only buyers in the market are Agriculture, Trade, and Manufactures. As a man's income is always the first consideration, ought not we rather to speak of ourselves as a great producing public, and try by every means to increase our income, than be for ever wandering up and down the world seeking cheap goods to buy? Imagine an individual walking up and down seeking the cheapest shops, to the neglect of his business and the destruction of the income wherewith to buy! Such a man would be insane. Now although one-sided Free Trade does not tell you to idle your time, its teachings in result are the same. It says the majority of the nation are consumers and not producers, and contends that their interests consists more in merely buying



cheaply than in protecting the trade and incomes of the producing classes. Of course Free Traders will go so far as to lament the refusal of the foreigner to buy your goods, but the moment you suggest the advisability of preserving your own home market, or rather what a sensible business man would term "the keeping hold of your connections," you are told that your interests are those of a consumer, and that you are to buy of these people who refuse to trade with you, because they sell at an inappreciable fraction less than your own climate and limited acreage will permit at home. But still some may hesitate in accepting this community of interests with the producer, and ask—how can persons living on dividends from railways or Government stock, or the employees of such persons be held as producers? We answer, because without trade there would be no railway dividends and no national revenue. A person may live here on profits derived from property abroad, and thus be indifferent as to this country's prosperity, but he cannot relieve himself from his dependence on Trade, Agriculture, or Manufacture, as these are the sources from which everything is derived directly or indirectly, no matter in what country his property lies. But there are very few relatively who thus live in this country without a stake in it, these few being amply balanced by those who, though residing abroad, are dependent on the prosperity of England. Having so far prepared the way, the pet positions of the Free Trader as tabulated, may now be disposed of *seriatim*.

## I.

FREEDOM OF TRADE MUST OF NECESSITY BE CORRECT, SEEING THAT IT GIVES LIBERTY OF ACTION, ALLOWING EVERYONE TO BUY AND SELL IN THE CHEAPEST AND BEST MARKET.

There can be no doubt as to the advantage of Free Trade in principle; it is in its practical application that a difference of opinion exists. It is not a question of what would be best under certain conditions that do not exist, but one of what is most profitable under the present order of things. Had Free Trade been adopted by all other countries, and so given us the true freedom of commerce that is implied in the term of "Free Trade," there would possibly not have been a dissentient voice in this country, notwithstanding that it would have materially injured some important interests. We believe in the principles of honesty



and confidence, and desire the universal extension of them ; but it is not therefore inconsistent with this belief, that while the world is being reformed we bolt our doors and act with reserve, except to those we can trust, and who fully reciprocate our confidence. And so it is with Free Trade. We must take a practical view of it, and not a merely sentimental one. Now, it professes to give freedom to trade, but what freedom has it given us ? It has given us greater liberty for buying abroad without extending our opportunities for selling abroad, and at the same time it has partially closed our home market against our own goods—as in the case of refined sugar for instance. If we are producers more than consumers, Free Trade must be to us a misnomer. Let us see what a common sense business man would do if such a form of trade were proposed to him for adoption.

His shop is in a good business neighbourhood, but provisions, and other household requirements, are five per cent. dearer than at a short distance where rents are cheaper. Notwithstanding this, he buys in his own neighbourhood,—and why ? Because he knows that unless he buys from his neighbours they will remove their custom from him, and because he recognizes that a matter of five per cent. extra on his own household expenditure is as nothing compared with loss of trade. And why would other shopkeepers remove their custom ? Because they know the purchases of the tradesmen in the neighbourhood form a considerable item in each man's account. But, say some, this is not a parallel case:—the removal of the neighbours' custom would not be a necessity of trade, but a result of pique. Whether the motive in removing custom be retaliation or not, the result is the same, viz.,—a fostering of the trade of a neighbourhood to the benefit of all. And, in fact, the very dissatisfaction would often arise not so much from anger as from a desire to check an offence against the first and best recognized principle of commerce, viz., fostering a business connection. How often do you hear it said of a successful man—“He had a good connection, and skilfully kept it together.” Our Free Trade is contrary to the recognized principles of all other relations, as it tells you to disregard your market or trade connection in making your purchases, and to buy even from those who refuse to purchase from you, if their goods are in the least the cheaper, and that even although the difference may be so slight that in



all the more important articles of consumption it is almost inappreciable to the customer when retailed out. Our Free Trade blinds itself to the fact that by this refusal to purchase within your own connection or home market, you impoverish it, and thus contract your opportunities of selling, without any compensating opening abroad. As a nation, we should carry out the individual practice of buying from those who will trade with us upon well regulated tariffs, giving preference to our own countrymen, and to those foreigners who will accept our goods on a reciprocity of Free Trade principles.

Take another illustration of how reciprocity acts, and how damaging our one-sided Free Trade must be to us. In England there are numerous towns that have increased from almost insignificant hamlets to large and important centres within the memory of many living. Let us consider whether it was Free Trade principles, as we practise them, or a forced Reciprocity, that caused this growth. A new industry has been created in or near a village—say a factory has been erected, or docks have been built. The first effects of this is to draw to the neighbourhood sufficient labour to supply the increased wants. This influx completed one would, expect perhaps to find the new development satiated; but instead of this, a scarcity of house accommodation and shops is probably felt. Houses are built. This building brings more labour; shopkeepers come and settle, and the personal requirements of these fresh arrivals swell the demand. To meet these, fresh arrivals of supply respond, every arrival causing further increase in demand. The town is getting on; it must be paved, lighted, &c.; roads, gas works, water works, places of worship are built, each causing further labour and further increase of the town; commercial and other travellers follow; hotels are needed; a branch railway is extended to the place, and so the increase goes on until the first cause is almost lost in its effects. Now let us consider the reverse of this picture, and see what would have been the result if the first comers had been staunch Free Traders, and willing to sacrifice their own comfort to fancied principle. On arrival they would have discovered that food and lodgings were cheaper at the large town six miles away, because of competition keeping down prices there, and they would decide to walk to and from their work, carrying their food with them. In this case, the flourishing town that we now see would



have remained an obscure hamlet. But say some, "What matter? What is loss to the hamlet is gain to another town." But this expresses only a half truth, as the gain to the town would not be in the same ratio. It is, however, not necessary to discuss this point. We remark, perhaps, that it may be a matter of indifference from a national point of view which town prospers, but we are not or should not be quite so cosmopolitan as to extend this difference to international concerns. It does matter to us what becomes of this little town England. A favourite form of illustration used by Free Traders to prove the merits of their system, is the following :—Two towns are not far from each other ; some articles are cheaper in the one than the other. Town A refuses to buy from town B. Now would it not be foolish of the people of town B to refuse to buy their goods in town A where they can get them cheaper, for no other reason than that the others will not trade in return ? Is it not folly to punish the pocket merely to satisfy resentment ? Now, there is the appearance of so much calm common sense in this statement that it seldom fails to carry an audience. Let us look closer, however, into this illustration of two neighbouring towns.

If those who use it would speak merely of the few people in town B who have no local interests whatever, and are merely visitors or residents, deriving their income from outside of the town, and say it would be wise of these people to buy from town A in the hypothetical case, we could heartily agree with them ; but in such a small community, there could be very few so placed, and the general cause of residence is bound to be employment, directly or indirectly, in the Agriculture, Trade, or Manufactures of the neighbourhood. And here are we brought to the proof of the assertion with which we started, viz., that all are producers. Now, in this case we need not trace the doings of a private individual under the temptations of the cheap prices in town A, because it often happens that a person will do privately that which he knows would, if generally carried out, create serious public injury. For instance, most folks like the chance of buying direct from the wholesale dealer, although readily acknowledging that if the practice, by becoming general, were to extinguish all those classes who now find employment in the distribution of food and clothing, as between the wholesale man and the consumer, a great national evil



would result. So it is in this joint case of towns A and B. But we will look at the question from a standpoint of closer proximity to the national policy of Free Trade.

In town B some leading men call a mass meeting of the inhabitants, and address them thus :—"Because of our higher elevation we cannot produce crops so cheaply or abundantly as our neighbours can down in the fat valley below us. Now friends, although we can manufacture many things cheaper and better than our neighbours can, they have resolved to take nothing but money in exchange for what they grow, and the better to carry this out, they have placed a heavy octroi on all that enters their gates. It is evident to the most unthinking of us that if a large part of our weekly wages is taken down yonder to buy food, the money so sent down is for ever lost to this town. Your own growers of food and your intermediate men will get poor through the loss of your custom. In consequence of this poverty, their purchases of your manufactures will cease, and all of us who now obtain a livelihood in manufacturing must soon leave our birthplace in search of employment, while those of you who now hold property here will discover it to be but a drug in the market. We therefore put it to you whether it is not better to buy from your own growers and tradesmen, even although that does cost you sixpence per family per week more for mere living than it would if you went down below. If you save your sixpence, you lose your employment, and you depreciate your property." With a case stated as this is stated, there would surely be unanimity of opinion in favour of buying exclusively at home until such a time as town A consented to take goods in payment for food, although the very opposite opinion prevails in these Free Trade meetings when the suppositious towns are referred to in a superficial manner. The blunder comes of jumping at the conclusion that the inhabitants are mere consumers without local or producing interests.

The general prosperity of this country has been so great during this generation that decaying towns are not numerous, and possibly many of us have not seen even one specimen. But still we know there is one here and there that has declined by the failing of an industry, or, in the case of some towns, by the removal of the coaching system in favour of a railway, which passes at too



great a distance to benefit it. The decline has not been confined to the classes directly affected, such as hotel keepers, but to many who were deriving their living in such an indirect manner as to be scarcely conscious that they were indebted to any special industrial condition for it. All these people have either to seek employment in other towns, or squeeze in among those who are making a living out of the neighbouring agriculture and by doing so cause a shilling to cover four where formerly it was divided amongst three only. In passing through these decayed towns, there is visible an appearance of depression which extends over a much greater area than the mere neighbourhood of the hotels.

If we find that one-sided Free Trade is rejected in the individual practice of tradesmen; that it prevents the development of smaller communities; that it has ruined the very towns relied on by Free Traders for an illustration,—then it must stand as condemned by the most reliable tests, and we are at liberty to reply to the Free Traders' statement No. 1, that Free Trade without Reciprocity is damaging to the country.

It may appear an unnecessary repetition to say that Free Trade, as now practised, tells you to send to-day's earnings abroad for provisions, and to take no thought for to-morrow as to who is to employ you. Reciprocity says, circulate your money at home that you may be employed to-morrow, and buy from the foreigner only when he will take your goods in exchange. By so doing, both the home and foreign producer takes your labour (or your goods, which is but the result of your labour), in place of your cash. This labour is an exhaustible gold mine so long as a market can be found for it. Of course not alone manual labour is meant, but every effort of mind, limb, or capital, the latter being but the exertions of the two first at some former period. All properties are but results or representations of labour. Coal is valueless unless brought to the surface. Iron without labour is worth nothing. Grain grows by labour; and anyone who says—"I will not take your labour in exchange for the food I send you, or, in other words, I refuse you employment," is an enemy, and the principle, if fully carried out, must starve all those not vegetating on their own patch of ground. Nor is it necessary to put duties on imports to an extent which would do more than barely appreciably increase



the cost to the consumer, or in any way to interfere with the importation of the surplus that a small country like ours can neither produce nor do without.

The erroneous system followed, has, it is to be feared, caused in a great measure our present depression, by the same process that the decline of our suppositious towns was produced. It is no answer to this to say that all other countries have suffered in the same way, as we are reminded that England has not had to recover from an exhaustive war; that she has not been overrun by a foreign army, or outrageously taxed to pay an indemnity. We have not had to remodel and support an enormous army, during a reign of internal political uncertainty, as France has had to do, nor have we had to contend with the political experience, the crushing military system, or the historic poverty of Germany. Further, an average German, or even a provincial Frenchman, for matter of that, would consider himself very well off with our artizan's pay, consequently cannot spend, man for man, one-half what an Englishman does. The trade of a nation must be in exact proportion to the amount and number of purchases made in it, these purchases being in exact proportion to the spending means and disposition of its inhabitants, and we have thus within ourselves the finest market in the world wherewith to prosper. England is rich, and she is free from alarm. Germany individually and nationally is poor. Bismarck only receives about £2,800 a year. She has had to devote her whole strength to training for battle, and she now presents the spectacle of an entire nation in arms, and on the watch. France, excepting in money, is no better off than Germany, and yet some of us are so callous to shame as to compare English conditions with French ones, and to rest satisfied at the discovery that we are not much worse off. England had the start in everything that gives supremacy in trade; politically, she is at the present moment in an immensely superior position to all others, and it cannot be too emphatically stated that to be tolerant of trade depression, merely because other countries are slack, is a disgrace. When all disparity of conditions is considered, we must acknowledge that, if Providence had reversed them, and given to England French and German shortcomings, while endowing France and Germany with our advantages, this country must have ceased to



exist as a first-class nation. Neither can America be compared with us. Think of her civil war. What, for instance, would have been the condition of this country after a four years' bloody war with Scotland? Consider also the political squabbles that are constantly stopping all useful legislation in America. Her commercial immorality is even so much greater than ours that business is frequently interfered with by the uncertainty of men carrying out a losing contract, and by a Ring getting possession of the railroads, or of the municipal funds of New York itself. We are not quite so bad as this, and we were far richer to start with; consequently it is mere cowardice to sit still under a load of trade depression, even though it may be the same case in naturally blessed America. Taking this relative view of our position with other countries,—their oppressive disadvantages, our freedom from difficulties; their poverty, our wealth and complete command of the finest market in the world (meaning our own)—we may conclude there is, peculiar to this country, something which works against its prosperity, and so direful of effect that it equals all the evils of war, domestic and political uncertainty, and poverty of foreign countries combined. Is it Free Trade that is this something? We have a right to ask the question; but perhaps this something is materially supplemented by the follies of our working men, who of late have got it into their heads that the way to grow rich is to work as little as possible.

## II.

THAT NO CLASS INTERESTS SHOULD BE CONSIDERED, BUT ONLY THE GENERAL OR GREAT CONSUMING PUBLIC.

Much prejudice is often imported into this question of class interests. Even moderate men are apt to think of it only as concerning people who are well off, and who can stand a little hard usage; but others (and they are perhaps numerous) look upon it as affecting only employers of labour,—rich men whose gains have not always been fairly gotten, whether in dealings with their servants or in the market. Take an average of manufacturers' profits, and it would appear the manufacturing business of this country is being conducted, one year with another, possibly for less profit than would tempt salaried servants to undergo the same amount of work and anxiety. And further, in their efforts to succeed, the so-



called capitalists are giving employment to a body of men, which in number possibly exceeds themselves three or four hundred-fold, being themselves simply the necessary centres round which the interests of a great number revolve. It is consequently not the employers alone, but the multitude who depend on them, that are to be considered. Nor must we suppose that more than a relative few are capitalists in reality. It cannot be otherwise. One necessity for cheap production is, that work should be on a large scale, and quite beyond the financial powers of small manufacturers. Money is in the hands of those who are not manufacturers, and it must be borrowed. This operation brings with it a train of anxieties and a reduction of profits to the modern manufacturer.

This feature of men trading with insufficient capital, recalls to one the astounding remarks often heard—"Such men have no right to enter business." "A good thing for the country when these weak ones are weeded out, and then trade may prosper again,"—thus classing them with the trade swindlers. Do such statements proceed from thoughtful persons? Do they ask themselves the question, how many men there are in the country who have the means, combined with the necessary practical knowledge, to carry on a business in a sufficiently large way to meet the demands of many of our industries? Possibly there are not 10 per cent. who would carry on if deprived of financial assistance through banks or otherwise. To exclude the other 90 per cent. would reduce the industries affected to a small portion of their present size. We must look further than this, and then we shall see what a blessing these so-called weak men have been to this nation during the last few years of depression.

At first sight we can observe they have saved thousands from want by giving employment; but a closer examination will show that their very weakness has been so far a blessing. Go over the country, and you will find the weak man's factory does not close because he finds his business unprofitable. A man with capital at his back reckons up which will cause the most loss, closing or keeping his works open, and he decides accordingly, and in making his calculations, fair valuations are set on the depreciation, wear and tear of machinery, &c., if kept running. The weak one having his interest on capital to meet, and his bills falling due, must make a turn over, even if losing the value of his depreciation or more,



and he does this hoping in better times to recover the loss. Some may say that this has caused over-production, and done harm, but this is not the case, for, if there has been over-production during these years of depression, where, let us ask, are the stocks? In fact we, as a rule, have only been going on from hand to mouth. Well, the weak man goes on until, perhaps, he loses all his margin of capital, and then he stops. All weak men don't stop payment, however, but some, on the other hand, have fed and clothed thousands through their very inability to close their factories. Before trade revives, a man may have lost the whole value of depreciation and the capital he started with, but may have circulated in wages during that time a hundred times that amount. When you treat lightly this class question you are not dealing merely with a few monied men, but with necessary centres of industry, whose preservation is so important that injury, even to the weakest, at once affects prejudicially a great number dependent on them. Nor does the mischief stop here. Every man thus employed is a purchaser, and circulates his earnings among other classes of the community, and thus in his turn becomes an indirect employer of labour. It is impossible to trace or limit the extent to which this indirect employment, by the circulation of the workmen's wages, proceeds. A sovereign paid away passes from hand to hand, causing a movement in the labour market, in a constantly extending, if feeble circle,—like a stone thrown into a smooth pool, causing the circle of its waves to extend to its farthest shores.

As before stated, nothing can exist which is not the result of labour or effort in some form. "In the sweat of thy brow shalt thou eat thy bread." We may therefore reckon that all the money that would pass through the hands of any class, would represent effort. The bulk of it passes through the hands of those we style workmen, and through whom it is multiplied by constant circulation. The best channel for circulating money is the workman; he pays it away directly he gets it, except, perhaps, a very small portion that he saves, his weekly wages not much exceeding his weekly wants. We must be very careful how we sacrifice class interests if it involves all this loss. We should certainly never sacrifice them to some undefined good that even its advocates cannot trace from cause to effect, or show how it comes at all. An export bounty given to the French sugar producers enables them to undersell our



manufacturers. Large fortunes are being made in France with full and profitable wages being paid to her workmen, while our factories are either nearly idle or closed. What do the consumers gain by this? Nothing whatever; because the difference in price is only sufficient to compel the wholesale man in the race of competition to buy abroad, but not enough to affect the consumer. Not one in a hundred retail buyers would be affected by it, as the difference may not be a fraction of a farthing per pound. What do the consumers lose? They paid £2,609,924 to France for refined sugars in 1877, and this money if circulated in England, would have employed directly and indirectly many thousands of these very consumers, relieving other trades of the pressure of their surplus labour; or, if they had bought raw sugar of Jamaica, and refined it in England, would have paid for it in increased exports (as Jamaica would take our goods in payment), and thus have benefited the whole community in England to an extent far in excess of the total value of the sugars,—the values of such exports being inevitably multiplied by circulation during the course of manufacture. How can we expect prosperity in this country while such a suicidal condition of things remains?

We must further consider that the Free Trader puts no limit to his willingness to sacrifice class interests to what he calls the consuming public; therefore, we are to understand that after every class is ruined in detail, a prosperous whole will result. Of course he will say he does not mean such extravagance. Then what does he mean? Will anyone tell us? The best way of testing a principle is to see how it would act if it had free scope. This question of class interest is an almost inexhaustible one, if once we accept the view that all classes are not only producers, but also consumers and producers combined,—or, in other words, labourers and employers of labour. If you withdraw this or that class of producers, you reduce the ranks of consumers (or indirect employers), and materially prejudice the whole nation, as possibly the evil done to the community, by the loss in the circulation of money, may be twenty times the amount that circulation at first represented.

During the late inquiry into the working of the Civil Service Co-operative Stores, some strange economical views were expressed, so strange, in fact, that you might imagine the speakers, having



received some cut and dried maxims from others, and without knowing whether they were applicable or not, were using them parrot fashion. Here is one argument given in favour of Co-operative Stores:—"The shopkeeper is in part the servant of the working man; if a person can do with less servants he must grow richer." Are the Rochdale working men aware that the fabrics they make are bought by shopkeepers, and that, in this sense, the shopkeepers are not only servants but employers? It might not materially affect the demand for Rochdale fabrics, if the majority of the tradesmen of that town were ruined; but if the Rochdale co-operator's views and principles became general, and all the thousands that are now employed in retail distribution were to cease purchasing through their poverty, the Rochdale men would discover that they had committed a crime not against others only, but against themselves also, as possibly one-third of them would be thrown out of employment. They would then find to their sorrow that the way to be rich is not by saving the cost of retail distribution, but by respecting the good old maxim of our fathers, "Live and let live."

If there are abuses in the credit system of small shops; if bribery of servants prevails in large towns, or if there is any other local evil that co-operation might remove, then adopt it by all means in those localities where the evil exists,—but as you value the general welfare do not recommend the general destruction of intermediate men. And if you look at the question closer, you will see that possibly more than nine-tenths of the population of this country must be artificially supported. "Man wants but little here below," and could exist with a little grain to feed him and a little flax to cover him:—but give him a chance and he becomes a most luxurious animal. He could be reduced to digging a little patch of land sufficient for himself and family, and still live; but what would become of those who could not dig, or could not find room on the soil. These would have to discover some desire in the tiller, which his patch of soil would not gratify. They would work to satisfy it, and, receiving in exchange for their labour a portion of the produce of the ground, they would thus introduce an infant form of exchange capable of increasing to the enormous proportions of our present trade. But the whole is the outcome of the never-satisfied cry of man for more than actual necessities; sometimes it is wealth,



sometimes comfort ; now it is something to please the eye or ear, and again it is a mere craving of vanity ; while it is in all cases purely artificial, if judged by the standard of natural necessity. If nine-tenths of the people are employed merely in supplying each others artificial wants, and it were thought good to remove intermediate men to avoid the expense of keeping them, you might go on without stopping ; but while going on you would be destroying the very people who employed you. How many of the first necessities of life do the men of Rochdale manufacture, that they should think they can afford to destroy the shopkeepers as unnecessary ! Surely the making of carpets is as much dependent on the luxurious tendencies of the age as, and not one whit more a necessity than, the labour of food and goods distribution called shopkeeping. History is in favour of this view. Queen Elizabeth could do without carpets, but the poorest person in London in her reign could not do without shops. Would it not be equally as rational for the shopkeepers of Rochdale to try to grow rich by doing without carpets, while at the same time recommending the same plan to all the shopkeepers in England ?

Returning to the agricultural classes, let us ask,—are there not special reasons why they should be preserved, not on their own account solely, but for their works' sake ? We could afford to let a manufacturing or an intermediate class fall, if it produced a general good ; but could we afford to let our fields remain uncultivated, and the country to depend entirely on an import traffic, which a score of active privateers might suddenly destroy ? We must remember that the convoying of last century would be an impossibility now ; the import current streams in from all points of the compass, and would require more than all the ships in the navy to protect it. Modern navies are made up of fewer vessels than when our commerce was small, and our huge ironclads are unfit for such duties, even if we had enough of them for their performance. With our fields out of cultivation, England could be starved into submission in a few months, as it would be impossible to get in the enormous quantities of food necessary for keeping alive the country. Ask those acquainted with the class of steamers used in the grain trade to-day, and they will tell you that half a dozen steamers of from 15 to 20 knots speed, cruising about the channel, could cut off any number



of inward bound grain steamers, notwithstanding all they could do. In less than three months our imports could be so reduced as to be practically stopped. We know Free Traders don't profess to make provision for war,—but can they keep us out of it? If not, we must not throw off every weapon of defence, and the weapon of home grown grain must be retained at all costs. We might sacrifice other classes, if a proper Free Trade or Reciprocity had that effect, because the remaining trades would, by the opening of foreign markets, expand themselves, and absorb the injured men,—but in the case of our Agriculture, we dare not sacrifice it, even on the altar of a proper Free Trade. Of course Free Traders will say that they don't want to ruin agriculture, and no doubt have a sincere hope that in spite of all the injury it may receive, it may still manage to struggle on and keep the fields cultivated;—but how is it to be done? In the Red River Valley, North America, there is a farm called the Great Dalrymple with this year (1879) 37,000 acres sown with wheat, raising between 400,000 and 500,000 bushels. The cost of production was but 35 cents. or 1s. 7½d. the bushel. This was done (it is said) without impoverishing the land, and this farm is reported as not one whit better than the average land along the whole length of the valley, which is 400 miles long and 70 miles wide. Now, what chance is there of our fields being kept in cultivation, without protection, after that? The common Free Trade cry of sacrificing a class to the interests of the consumers, is shewn to be quite unsound when applied to the farmers. We lament the failure of the harvest of 1879, but at the same time it does not affect the price of bread; no one suffers but the farmer, and we are therefore lamenting a loss caused by the elements one year, while contemplating with perfect composure a permanent destruction of these very interests. Our instincts are sometimes more reliable than our reason, and these tell us harvests are a gift to the nation on whose soil they grow, and that if imported (no matter how cheaply) they have to be paid for. Farmers formerly were told:—"If you cannot grow corn you will always have a first chance with the cattle." But steam has shewn that this is not reserved to them. Of course sufficient quantity to feed the nation has not yet been imported, but enough to keep the prices down below a paying point, has,—and without the prospect of



profits, there is no inducement to continue working. And this is the case in all industries. Take away the profits for any length of time, and industry representing forty (or many more) times the amount of the value is withdrawn from the people. So we must not estimate the injury of bad trade by the falling off of prices representing the profits to the employer, but by the whole value of the industry, multiplied by circulation and withdrawn from the working classes,—should, by the loss of profit, the inducement to continue it be permanently removed from the so-called capitalists.

We need not discuss here how duties are to be levied. All that it is necessary to state is, that where climate or soil renders it impossible for us to grow as cheaply as others, or, where other adverse conditions, not of our own creation, are present, there some artificial protection must be given, seeing that we cannot pick up the nation and drop it down somewhere else. Protection is also needed in cases where other countries render artificial assistance,—by bounties for instance, as in the case of French sugars; but in all trades, where we have a fair field, we should stand or fall according as we can hold our own. The best protection to our manufacturing industries is not a custom house, but our own efforts to produce good articles cheaply, and whenever we are on an equal footing, the foreigner cannot enter our markets; but if the working men have determined upon continuing the suicidal practices of the last few years, of course they will be undersold in our own market, and the nation must go down before foreign competition. Duties protecting a country from its own folly would be but folly continued. As stated before, no duties that would more than inappreciably affect prices of food are recommended; but only those sufficient to direct trade to healthy channels, such as to India, or to nations that will trade reciprocally with us.

Returning to the remark of the free trader “that no class interests should be studied,”—the reciprocity man will go with him, if the sparing of these interests would be injurious to the nation, but will protect them if those classes are beneficial, or, as in the case of mixed results, when the balance of result is beneficial.



## III.

FREE TRADERS POINT TRIUMPHANTLY TO THE INCREASE IN THE INTERNATIONAL AND INTERNAL TRADE OF THE COUNTRY, AND TO INDIVIDUAL INCOME, SINCE THE INTRODUCTION OF FREE TRADE, AND CLAIM THESE AS THE WORK OF FREE TRADE.

A careful consideration of the subject will shew that Free Trade has had very little to do with these, and that little more than counterbalanced by the evil it has produced, and it will appear that it is the great development of steam and telegraphy which has caused the development. To ascertain how far Free Trade or steam has affected our prosperity, we must imagine a state of things where one or the other is absent. Wake up to-morrow and find all our steamers, railroads, quick postal services, telegraphs, factories, &c., replaced by sailing vessels, canals, coaches, and slow inland and continental posts for letters, with an increase of number only, in proportion to our population; tell the people they are to go on as before; remind them that they have the Free Trade which caused their prosperity; and assure them that it is quite a delusion to suppose it will not continue it. Oh! all right then. The intended merchant looks around to see how he is to communicate with his correspondents. Wires are gone! Where is the post? He finds letters must go by horse post, possibly by sailing ships, and that weeks, or perhaps months, must pass before he can make arrangements. This first difficulty is sufficient to make many withdraw, as trading becomes a mere speculation as to what markets may be months hence. The risk is intensified when we consider that after the correspondence is completed, the ship to carry the cargo to or from the Black Sea, or India, as the case may be, is but a very slow and uncertain vehicle; she is not on the spot to load when required; she will take a considerable time to arrive at her loading port, and a long time to get home,—perhaps nine months in a round Black Sea voyage. The result of these second difficulties is a still further reduction in the number of merchants, as few have the means or capital to trade under such uncertain conditions, or can stand a long-continued outlay of capital. Nor would the difficulty be confined to sea transport and foreign communication. It would be felt equally along our sea coasts and



between inland towns. Excepting along canals, how could goods be conveyed? The cost of land carriage by waggons would be enormous. Nor is this all;—what would be the use of bringing a large quantity of raw material to the factory doors, if there was not sufficient steam power to work it up? We see that if we could thus be carried back to a state of things that existed prior to that development of steam and telegraphy which has taken place during the last few years, we would feel ourselves like men excluded from the rest of the world, not knowing what is going on, and powerless to work except on a scale infinitesimal as compared with the present actual dimension of trade.

It would appear by the foregoing considerations that trade, being a question of transport, and a purely mechanical one, could not have developed had the means for carrying it on been confined to its former narrow facilities; it must have gone on with but trifling change, simply because we had not the mechanical appliances necessary for development, increasing, perhaps, in proportion to the population, although even this is doubtful. Nor is it reasonable to expect more, seeing that man can only work according to the means at his command; and no doubt the last generation did quite as much as we could do now if reduced to their scale of appliances. We could not travel sixty miles an hour without the locomotive, or send a message to India in an hour without the telegraph, any more than our fathers could. We have done no more than they have in the way of trade by aerial transport, simply because we have no better tools than they had; but if an aerial machine had been invented by which the trade of the world could have been increased above its present proportions, by carrying it into the centres of Africa, Asia, China, Australia, &c.,—places now inaccessible to the trade through the difficulties of transport,—free traders would, of course, have hung this scalp to their waist also. And why not? It would be equally as much theirs as is the development of trade due to steam navigation, railroads, and telegraphy.

Now we have considered what trade would have been without steam and telegraphy. To make the case clearer, let us see what it would be with all our appliances retained, but mis-called Free Trade abolished, and say, a duty of 5s. per quarter put on



American grain, 30s. a head on foreign cattle, and other such light duties on American and French produce. Trade would flow on in its present dimensions, excepting that our own countryman, hitherto unable to get a price for his stuff to compensate him for his struggle against climate and soil, having now the first chance of the market, would show signs of increased activity; our internal trade would increase to the benefit of all classes, by the increased circulation of money, the result of their increased prosperity, while in proportion as home production increased, foreign importation would fall off. The second effect would be that those foreigners who now close their markets against us, finding they were losing our custom, would, like sensible men, make an effort to retain it by reciprocating, which they now, still like wise men, steadily refuse to do; for why should any man buy a thing that is offered him for nothing? And why should foreigners purchase our custom by opening their markets to us when they have it for nothing? The result of this reciprocity would be that the revival of our manufacturing industries, due to the increased prosperity of the agricultural and other classes, would find realisation in manufacturing, for the foreigner, wares to pay for those he afterwards sent us. If this reciprocity prejudicially affected our agricultural interests as badly as Free Trade does now, we would have the satisfaction of knowing that the increased activity of other trades opened a fresh field for the classes thrown out of employment by the failure of agriculture and its dependencies. Free Trade as now practised ruins all classes, and gives no new opening for other employment. We have been considering how Free Trade and Steam affect our foreign trade. Let us see how our internal or home trade and the incomes of the people have been increased by it.

It is most difficult to accurately trace the effects of any branch of trade, because it never runs alone, but always mixes with other branches. To form an idea how far an increase of imports has increased trade generally, we must only consider imports, because Free Trade reduces exports below what reciprocity would do, and how far it has improved the individual incomes of the people, we must go the round of the railways, factories, &c., employed in providing means of inland transit, and form an estimate how this or that industry is affected by our importations. The conclusion



mostly arrived at is that the imports affect the bulk of our industries but very little, and that against this little we have to set the increase of internal trade, if foreign importations were only slightly restricted. The foregoing considerations will shew that one-sided Free Trade has not increased our trade, either foreign or internal, but that telegraphy and steam have been the instruments, and we see that without these our trade could never have developed as it has. All trade, both international and internal, can only exist as supported by the purely mechanical appliances of communication and transport, and we have seen that with these and without Free Trade, we would not only have had as large a trade as now, but a much larger,—if the efforts of these agents had been seconded by Reciprocity, instead of being combatted by Free Trade.

Now what has Free Trade done for our incomes? It cannot have benefited these if it has injured trade,—but as they have indisputably increased, it will be necessary to point out the causes. The name of these causes is legion, and they are impossible of enumeration, but they can all be classed under one descriptive title, viz:—Internal development produced otherwise than by foreign imports. We will take two or three instances. We had in 1877, 17,077 miles of railway valued at £674,059,048, all these works, excepting the sleepers, being the creation of British labour. All these millions went through the hands of the working classes, and remained in the community; they merely changed hands, but the effect of this change is, that whereas the nation only had £674,059,048 of money before, its wealth is now doubled by having the railways added. This doubling of money is going on with every house, factory, or other permanent work that is made; it goes on with all the vast increase we have seen in our towns, and it accompanies the erection of works of every imaginable description, and it adds thereto the artificial increase in the value of land for building purposes. It is impossible to enumerate all classes of work, but sufficient has been said to point to the source of increased wealth. Some may hesitate to accept this as correct, and we will therefore ask these if they do not consider themselves equally as well off after a good investment in bricks and mortar, or a building site, as they were when their money lay at interest in the bank. If so, and as somebody has received this money in payment for labour, there must of necessity be a doubling of values. Then further, we must



consider that at a five per cent. per annum profit on these undertakings, there is another doubling of values in twenty years and above; but beyond and above all this is the labour required to work our commercial undertakings. Take the railways at £1,497 per mile in England, £951 in Scotland, £455 in Ireland, or £21,500,000 per annum, and apply this as a standard to estimate all our other works; then imagine that all this is being incessantly circulated chiefly by means of the working classes, giving employment to hundreds of thousands in their turn, who have their centres called employers,—and we need not fish about for a cause of prosperity, or pick up the remote one of imports. It is steam and telegraphy that have called an increase in trade into existence, and also works that would never have been wanted without them. They have added these material values to our wealth, and their revenues and demand for labour to our incomes. A one-sided foreign trade has not done this, but has on the contrary retarded these efforts. And again, if these are not the causes, what then has produced the increase of French trade and wealth, which has been relatively greater than ours, notwithstanding the frightful losses caused by the German and civil wars? Between 1868 and 1877 the French exports of their own products increased by £27,775,880, while the exports of British produce only increased during the same period by £19,215,253. Are these figures not alarming, when it is considered that France, during those years, had to pass through a death-struggle and creep back along a slow recovery, while Free Trade England enjoyed perfect Freedom from all evil except that of her own creation in trade.

#### IV.

WHEN ASKED HOW THE 142 MILLIONS OF IMPORTS AND EXPORTS ARE PAID FOR—CONFESS THAT IT IS NOT CLEAR.

The movement of the precious metals cannot indicate how these importations are paid for, as gold is subject to laws of supply and demand, the same as any other commodity, and directly a slight scarcity is felt here, the price goes up and brings it back. Then how do we pay for our goods? All the public undertakings before mentioned are transferred by means of scrip; much of what may be considered private property is also transferable by documents of mortgage, &c. Government securities, British and foreign, are



also transferable by scrip. The increase of wealth before alluded to the post carries out of the country every night, by means of transfers, in payment for the imports. Now if we had Free Trade in reality, and not merely in name, or, in other words, if we had Reciprocity, our ships would be carrying out manufactured goods in payment, and the increase of that part of our wealth which is due to internal development would be saved to the country. England is a small country, and how far its powers of internal trade expansion may extend is a matter of pure conjecture; possibly its limits are nearer to us than we imagine, but granting that they are not, and that nation continues to expand until the whole island is one huge town, the uncertainty of the prospect should still make us careful in fostering our resources. All things are relative. In nothing is this more true than in national greatness. We had a grand start, and ought to have kept the lead.

A few more years of present relative progress between this and other countries, and we shall be left behind; and let us ask—where will be the great merit of our progress, if other nations have done so much better? We shall be the poorest, as well as the smallest, nation, and what chance shall we have then? Let us act, therefore, like judicious men; let us take care of our property, and see to it that those who desire to supply us with food are willing to receive our manufactures in payment. The man who keeps on selling his property to supply his table, instead of keeping his factory going and supporting himself out of its profits, is practically insane. Be the limit of England's internal development far or near, the collapse when it does come will be rapid and decisive. We know how a slight discrepancy in the balance of supply and demand may cause either an enormous inflation or great declension in values. For instance, take the coal famine. The extra demand was so small that no one foresaw the famine or could trace it when it was upon us; but strangest of all, during the inflated time, while all the nation thought prices could never return to their old level, the forces were in active though unseen operation which brought prices down even below their former figures. So perhaps when the decline of the nation is on the eve of approach, no one may foresee the calamity. We may however indicate the "how," if we cannot the "when." This nation has been and is still increasing, not only in numbers, but also in wealth. A time arrives when this wealth



increase stops, and when we go on paying out a large and very much increased sum for our food. These disbursements come not out of our *increase*, but merely out of past accumulation. The community is becoming poorer; its purchasing power dwindles; all the property we have hitherto called "material wealth" we find has but an artificial value;—in fact we discover that value has depended entirely on demand. As soon as there is a turn in the scale, and the sellers outnumber the buyers, every one rushes into the market, and the declension of values goes on with the increasing rapidity of a falling body, every grade of declension in value impoverishing the community and making matters worse, until the land which formerly carried such fabulous prices on account of its central position, and the palatial edifices erected upon it, will be of less value than so much pasture, inasmuch as that in the case of pasture there is no rubbish of bricks and mortar to clear away.

But on the other hand, let us see what would be our condition, when we reached the limits of our expansion, if we were to follow the plan that every sane trader pursues in his own business, and trade only with those who will trade with us. When these limits are reached, we will be buying only as much as we are selling, or, in other words, will be living on the profits of our business of manufacture. We will keep up to a certain point of prosperity, without any of the declension before named, just as a man lives on a fixed income, without getting any richer by savings. And the reverse of this corresponds with the position of a man who, having no income, parts with his property piecemeal to supply his daily wants, and does this until all is gone.

Prof. Fawcett tells us that the difference between the value of imports and that of exports is more apparent than real. He says, freights and profits are included in the value of the imports, and that these with interest due to Englishmen abroad, largely make up the balance of trade. Now take the total steam tonnage of the kingdom, employed exclusively in the foreign trade, in 1877, at 1,625,411, and the sailing vessels at 3,264,149. Value the former at £30 per ton register, and the latter at £10; consider that the first will gross fifty per cent. of those values per annum, and the latter thirty; and that steamers will spend out of the freight abroad, say, fifty per cent. of their freight, and sailing ships



thirty. We have thus only £15,140,616 finding its way into the British pocket, of which only about two-thirds, or £10,093,744, will be declared on imported articles, and may thus be taken off the value of the imports. This is an amount of no practical value. Then as to the question of profit being included in the declared value,—that is impossible, unless the merchant could sell his cargo at sea before it is landed. This is a common practice with grain merchants, but when cargoes are so sold in the gross, the profits are extremely small, perhaps not averaging 3d. per quarter, and are not worth mentioning in the estimates. The large profits reckoned on by Mr. Fawcett are (if they exist at all) made by the factors with whom distribution commences, but these selling transactions commence after the cargo is reported for value, and we have thus the 142 millions excess of imports over exports practically undisturbed. The plea with regard to the interest of British money invested abroad being expended here, and so reducing the balance of trade, is one somewhat difficult to understand. If we are spending our money in buying food instead of purchasing it by our manufactures,—how is the evil reduced by the money being due to us in New York instead of London? It is our money all the same, and the interest is as much part of our income as any other investment,—at least it would be difficult to find an individual who could understand any such alleged difference. No matter whether he remits dividends received in London, to New York to make a purchase of wheat, or instructs his American agent to collect the dividends on his American property and appropriate it to the shipment, he knows in both cases that he has paid for his grain in money, and not by a consignment of goods in exchange. If no opportunity of investing money offered in England, and it lay idly here through no American investment offering, the plea might have some show. In such a case we might consider America as conferring a benefit by employing the money and creating interest, but unfortunately we know the reverse is the case; that American investments have been unprofitable, and that great difficulty is felt in England in obtaining money for manufacturing or trading purposes, notwithstanding its apparent cheapness in the discount market. Again, it is said America must be in our debt because she is sending her produce without gold being returned in payment. If this were the case, it would only prove that formerly England was able to lend



her money, but that now America is reaping such exceptional and unfair advantages out of the present system of trade that she is able to permanently retain and use our own money. America obtains our capital to build railroads, &c., against which the British public hold scrip. Grain is sent to England, and the railroad shares are sent back in payment, and thus, as stated already, we are paying for our food by our capital instead of by our manufactures, and are so exhausting our wealth. Mr. Fawcett and others, in casting about to see how the imports are paid for, aver that the Americans must be in our debt, and that excess of imports is partly interest. They are here very near stumbling upon the truth, but unfortunately they do not appear to have very clear views on so important a subject. They fail to see that by sending us ship loads of corn, and at same time refusing payment in goods, the Americans are permanently retaining capital formerly advanced them, and that we are by this operation paying for our food out of our capital, and involving ourselves in all the evil ever charged to Free Trade. With regard to paying for a portion of our food by interest due to us in America, this, as stated before, is as great an evil as if we remitted money. Free Traders, by these statements, acknowledge that we lose both capital and interest, and yet ask us not to consider it an evil. But what is thought of a private man who spends his capital in living? The interest due to us in America, however, is insignificant when regarded in the same calculation as the balance of trade, and consequently it is clear we must be sending exhaustive quantities of scrip to the United States, which scrip is by no means necessarily American.

## V.

FREE TRADERS CLAIM GENERAL CHEAPNESS OF FOOD, AND ESPECIALLY FREEDOM FROM FAMINE PRICES AFTER A BAD HARVEST, AS THE WORK OF FREE TRADE.

There is no foundation for this claim, and the error is more easily shewn than when the Free Trader is claiming prosperity as the result of his system. Imagine, once more, all our present postal and telegraphic facilities abolished, and the merchant reduced to his former difficult position in matters of correspondence, and say,—how would it be possible for him to carry out those financial arrange-



ments which are a necessity of these enormous modern shipments ? There is not one importer in a hundred who can buy a cargo out and out, and trade depends very largely, indeed, on advances made on the documents. Formerly documents were weeks and months on the road, but now advances on shipments can be arranged by telegraph. Take us back to our old means of trading, and possibly not one in a hundred of present traders could operate ; where then would be our cheap food if supplies were thus reduced ? In addition to this, there would be the uncertainty of transport, rendering the arrival of goods a mere chance of markets at some uncertain time in the future, inducing caution and causing limitation even to those who, by special facilities or large means, could continue trading. Then again, those who know trade practically, are aware that the before-mentioned facilities for large operations have called into existence a class of steamers, and of sailing vessels also, of a size that admits of a reduction in the cost of carriage, and a corresponding reduction in the cost of the article, which is far in excess of the value of any duty which it would be necessary for us to put on. Such considerations will show that our modern facilities for trade and transport are the causes of present magnitude and cheapness of imports, and that the remission of a trifling duty of say, 5s. per quarter, or less than one halfpenny on the 4lb loaf, has nothing to do with the matter. After all how is it possible for a duty, especially a slight one, to interfere so as to prevent trade ? All that such duties could do would be to increase the value of the importations by the value of the duty, and give our home producers, when contending with natural or other insurmountable difficulties, a better price for their produce. But how does it operate in keeping down famine prices after a bad harvest ? We have seen what our position would be under normal demands on our communications and transport. What would it be if a sudden extra demand were made by a bad harvest ? Say the present year 1879, when prospects of a failure of crops were anticipated. With what forebodings would we contemplate the operations of our few merchants when we considered the difficulties and time to be overcome in giving instructions to ships. And how these forebodings would be increased when we mentally watched correspondents bidding against each other for every unchartered vessel in the Black Sea or American ports, and sending messages down to Constantinople to catch vessels coming up,



freights all the while rising enormously under this exceptional demand, and adding to the price of the corn. We must also consider that, strain as each man may to obtain tonnage for his own shipments, not a ship more can be obtained than is sufficient for ordinary times. All their straining can do is to raise freights, because there would be no more vessels bound towards the Black Sea, the Levant, or America, than sufficed for the normal conditions of trade; the other tonnage would be, as usual, scattered all over the world, on its slow road to or from the East and West Indies, Australia, &c. From these trades you might divert them in 1880, but not in time to assist you in 1879. To intensify the distress, the very vessels chartered would, in many instances, fail to arrive in time. They were not dispatched from England in time to return again for this special demand. Then, again, consider the uncertainty of arrival in the case of all of them. Can we not remember of provisions having to be sent out to the chops of the Channel to relieve the crews of vessels detained by a long continuance of easterly winds? Is it not also in the memory of all sailors of middle age that provisions have often run short through long continuation of foul winds? With this impossibility of obtaining sufficient transport, and with the uncertainty attending that which we could get, we might well give ourselves up to despair. Call, then, upon the god Free Trade, and see what he can do; tell the people famine prices and hunger are a delusion; say to them they have Free Trade, and ask them what more can they want. It is hardly necessary to emphasise these self-evident facts by reminding people of what really did occur in India last year. There was no duty on the rice,—nay it was given away; there was no want of money, for the Government was the provider; there was even no lack of steamers to carry it, and in that respect India was far more favoured than England twenty years ago, before the development of steam for the carrying of grain. Then how was it that the people starved while thousands of tons of rice were rotting on the beach in India? simply because the Government lacked the means of transport for conveying the food the last few hundred miles by land; and in like manner can any man be so blind as not to see that grain might be rotting in Russia or America, if there were no adequate transport, and that we might be starving in England. What has happened in 1879, with a bad harvest. Why, nothing at all; prices are



scarcely affected by it. How comes this? Because importers know that at any time a few days are quite sufficient to concentrate any extra quantity of steam tonnage at any port in the world. Trade goes on as usual, the extra tonnage is taken as it is wanted, spreading the special demand over the year, just as the markets indicate. Some slight fluctuation does occur, but not to an extent affecting the price of food; and if an extra duty of 5s. were laid on to-morrow, the price would rise just 5s., and trade would go on undisturbed.

It is truly a trial of patience to listen to free traders claiming as their doing, this relief from dear food and famine prices, when the veriest child in practical knowledge can point to the true causes. Twenty years ago a steamer carrying grain from the Black Sea was a novelty. Take Earl Granville's speech at Wolverhampton on unveiling the statue of the Right Honourable C. P. Villiers. All the peace and quiet of the agricultural labourers, the prosperity of the farmer and nation generally, were attributed to Free Trade; as usual, no attempt was made to trace these benefits from cause to effect; there was a mere statement which you were supposed to accept, and during the whole speech not a single allusion was made to the real causes, no more than if steam and telegraphy were not in existence. Now, would it not have been much better had Earl Granville told his hearers that railways had given the farmer an opportunity of disposing of his cereals, roots, and cattle at distant markets; that steam had increased the demand for labour, and that working men had spent more money in beef and other food; or, in other words, that the increasing wealth of the nation had caused such an extra demand for the farmer's produce, that it had more than counterbalanced the evil of foreign competition (till within a year or two ago); that steam by its cheap, rapid, and general transport prevented any local increase in price after bad harvests, and so produced peace and quiet amongst those classes who chiefly live upon corn food? Earl Granville might also have said: This prosperity belongs to the past; foreign competition, assisted by the yearly reduction in cost of transport by cheaper and yet cheaper steam conveyances, has now over-run the demand caused by the increased prosperity of the working classes, and our farmers must now go to ruin at an increasing speed year by year, as it is quite impossible for them to grow food on our soil and in our climate as cheaply as in America or Russia."



Earl Granville's fault is that of all free traders. You invariably find them,—not shewing how trade operates, but making statements which are unsupported by proofs, except in this, that they invariably point to our increase of trade and wealth, and to cheapness of food, as indisputable evidence of the correctness of their views. It was an unfortunate coincidence for this nation that Free Trade and the development of steam occurred together, as the former has received a credit to which it never can have any title. Steam has worked on quietly, because no one could make political capital out of it. Free Trade has been a formidable party weapon, and has been dinned into our ears until too many admire its stolen plumage.

As the Indian famine has been mentioned, let us consider India's poverty and what would help it. A duty on American corn slightly in favour of India, would divert the British millions now sent annually to the United States into a channel which would take them to India. That vast country could produce all we require; the people of India would prosper and become our customers, and Indian Finance (that bugbear of Indian Statesmen) would become healthy. All sorts of schemes are put forward and eagerly discussed in Parliament to remedy the ills of India, but none of them comes to anything, while the simple common sense plan that is lying at our hands, and which any nation but England would adopt, is never proposed. Why is it not proposed, or why has Reciprocity no chance for English or Indian difficulties in the Houses of Parliament? Because a Conservative Government dare not, for fear of the hue and cry which would be raised by the Opposition; and Liberals dare not, because, right or wrong, they have nailed their colours to the mast. But this feeling does not exist in the country. Talk to whom you will, excepting perhaps those who close their ears and pooh-pooh you, there is discovered a wide-spread fear that, after all, Free Trade may be wrong. Some of these may be glad to dismiss the question as an unpleasant one to contemplate, but the majority are evidently under dread of disaster.

Free Traders claim all cheap foods as parts of their great triumph; but their position is a most ridiculously laughable one when the case of animal food is regarded and examined. Fresh meat, or cattle, could not be imported at all before steam was employed for the purpose, and it would still be imported even if a small duty were laid upon it.



It is somewhat of a digression to speak here of India in a political sense, but its political relationship with this country has such a close connection with our future trade prospects that it may be as well to consider it. The theoretically correct idea of the advantages of colonies is this: When a country grows too populous for its own soil, its surplus populations found new nations with sympathies, habits of thought, and customs corresponding with those of the mother country; politically, the spreading all over the world of a confederation of nations of one stock adds strength; in commerce these young nations will naturally draw their supplies from, and trade as much as possible with, the mother country and with each other, and in fact a double bond of race and commerce should exist, giving strength and prosperity to the whole;—but what is the actual result? We find a spirit of self assertion shewing itself from the first; we find the bonds of race and commerce not strong but very weak, so weak indeed, that you cannot rely on them continuing for a generation. To-day, we of course get an outlet for our surplus population, and these offshoots have such trade with us as the duties they put on against us will allow; and, further, while their populations are so largely formed of people who have emigrated from the old country, sufficient sympathy will exist to cause them to rally round us if in “*extremis*.” But still all who consider the subject will pronounce the bonds that hold them to us as very weak; they will agree that in each generation these bonds are likely to grow weaker, and that perhaps in another fifty years many of them will be as America is now. It cannot be denied that if this country could secure to itself permanently a large dependent nation with a fertile soil, one that could be relied on to sincerely join us in our defence, and freely trade with us in times of peace, it would be the very supplement to which Providence points as befitting our peculiarly limited geographical condition. Now we have sought this supplement in colonization; and to be the mother of nations, and have half the world speaking our language, is certainly a proud position to occupy. But we want substance as well as glory, and colonies do not supply this. Let us see if India does.

The races of India are not self-asserting, but docile; and, like most Asiatics, they take readily to the domination of a stronger race. The history of India, although extending so far back, stirs



no emotions of patriotism in the breasts of the bulk of the people. Putting religious or local prejudices aside, the people would much prefer the secure but mild government they now have to the local tyrannies of the past. If these views are correct, there is nothing in the way to prevent a complete and lasting union between the nations of India and Great Britain but what time and good government can remove. We may therefore conclude that time will loosen the bonds between England and her colonies, until they are as distinct as Great Britain and America. But time will draw the bonds closer between India and us, until in all political sympathies we shall be one nation. The nations of India, although, perhaps, able to excel the British workman in matters of taste and skill, are too lacking in energy and physique ever to be independent of us for heavier works. In the colonies we have not only a doubtful defence, but a very uncertain market for our goods; time is ever making this defence more doubtful, and this market more uncertain, because the colonists are men of the same energetic race as ourselves, and may soon not only cease to take our goods, but begin to rival us in manufacturing. In India this is not the case, as they are less energetic, and will never be independent of us in this respect. In the 250 millions of India we have a force that should render us capable of resisting the whole of Europe, and a country which in her peaceful requirements should make a permanent market for our goods, such as the world can only offer England once. This offer, if rejected, can never be renewed, while if accepted and properly employed, it is sure to strengthen and increase. In return for these benefits, we take her earth products, and thus live by our manufactures. Does not Nature point to the permanent cementing of these two nations? England is small, and with the limited list of earth products, cannot produce food sufficient for her population. India is large, and able to produce for an enormous population everything we lack in ours. Englishmen are a dominating race. India's sons are the reverse; but, when well directed, do not lack courage. England must of necessity manufacture for some one in payment for the food she cannot grow. India's millions, if traded with on sound principles, would grow comparatively rich, and open to England an enormous market, from which would come back produce in payment. Such an opportunity of cementing together two nations, who are Nature's



supplements of each other, for mutual protection and advantage, the world never presented before, and cannot repeat. Russia might conquer the semi-barbarous nations of Asia, but instead of a strength and benefit to her, they would give her trouble for generations after India and Britain had become one.

China might be conquered, but it would always have a history to stir up its patriotism. New colonies may be founded, but they will follow in the footsteps of all others, and would not be a permanent market. If India is to be the future strength, growing district, and market, of England, should we not draw the Indian bond close as possible, and not play fast and loose with it, rendering the people uncertain as to their future? The income of Great Britain is £1,100,000,000; ought we not, out of this, to set aside a little to improve her railroads, buy her produce, or do anything that will raise the poor of India out of their abject poverty, and make them buyers of our goods? If we but divert a few of the 78 millions paid to America every year to India, in payment of corn that she could send us, these poor people's condition would be improved, and in a few years we would reap the harvest in an improving Indian market for our goods. But, no; everything must be sacrificed on the altar of Free Trade. Not the welfare of the nation only, but the destiny of two great nations is to be postponed, if not frustrated, by this delusion. That India has had famines does not prove her fields unreliable. Irrigation will stop failure of crops, and even with no irrigation corn will grow, as this cereal does not need the great saturation that rice requires. America is the ideal country, having mineral resources, manufacturing population, and, in addition, a soil and climate capable of producing the growth of every clime. Such a nation is perfect in itself. England has the mineral and manufacturing elements, but fails in the third. In India she finds the missing requirement, and becomes as perfect as America. What matter is it that its shores are 6,000 miles away. The telegraph, the steamship, and the locomotive, so far as communication and the cheap conveyance of goods are concerned, have annihilated space. England and India are practically as near as two counties in England were formerly. A ton of goods may be conveyed between these countries for about the same cost as Pickford would charge for carting a similar load through London,



## VI.

FREE TRADERS ASK US IF IT IS NOT BETTER TO BUY CHEAP THAN DEAR ?

This question has in substance been answered. It is much better to buy cheap than dear, provided always your cheap purchases do not ruin your employer and throw you out of work. We have seen that buying from the foreigner impoverishes our own selling countrymen, and prevents their employing us in turn, by running the wealth out of the country like a stream to sea, never to return,—instead of keeping it at home and circulating it there. Foreigners have been telling us for years that no matter what we buy of them, they will not employ us. In this they are even worse than the stream, which does return by evaporation ; so it is safe to conclude, that although buying cheaply is good in principle, yet we should yield this smaller advantage of cheap buying for the greater good of employment, just as any sensible man would consider his means of living of more importance than saving one farthing on a loaf. An opposite conduct, indeed, would bring upon him the ridicule of all who heard of it. But what we ridicule in the “individual” we strangely approve in the many called a “nation.”

## VII.

SOME FREE TRADERS PUT OUR IMPORTS AND EXPORTS TOGETHER, AND CLAIM IN THE TOTAL A PROOF OF PROSPERITY.

Now, a man's expenditure, or the goods seen entering his house, may indicate his purchasing powers, but no one will add his butcher's and baker's bills to his salary, and call the total “income.” Most folks subtract the one from the other, the arithmetical result not being always a pleasant subject for contemplation. How, then, can a nation be justified in doing otherwise ?

## VIII.

FREE TRADERS MAINTAIN THAT IF WE WERE TO PUT DUTIES ON OUR GOODS THE FOREIGNERS WOULD RETALIATE.

Now, the first question that strikes the mind on hearing such a statement is,—Has England, then, lost power over her own affairs ? The second feeling is that such views must be absurd.



England is the largest buyer in the world, and like buyers on a smaller scale who have various sellers competing for her custom, can dictate terms, and is not under the thumb of any one of them. Is it not absurd this telling of the world that we are afraid of their retaliation, if we request them to deal on the usual fair and equitable terms of business, viz., Reciprocity? Why, when restrictions were contemplated on American cattle importations under the Contagious Diseases Act, the American cattle farmers were in alarm. Talk of retaliation forsooth! Why, in six months America would throw her ports open to us if we arranged a tariff that would favour Indian produce; and then, if we could not pay for all we bought by our manufactures, that would be the fault of our working men, against whom of course it would be idle to try protection. Nothing but a return to common sense can remedy the latter evil. So long as they think they can produce cheaply by producing less, or get more purchasers by artificially increasing the cost of their goods, so long will we be unable to pay, in manufactures, for those things our country cannot grow for herself. But this is a difficulty of itself, to be alluded to further on.

## IX.

HOW WOULD IT BE POSSIBLE TO ARRANGE TARIFFS THAT WOULD NOT INTERFERE WITH INDUSTRY?

It is not necessary to enumerate all the articles that should be taxed; all that is necessary is to lay down a rule by which taxation should be regulated. It is this:—Wherever climate, extent of soil, or natural difficulties of this kind are against us, a slight duty should be applied, sufficient to put our producers on an equal footing with the foreigner, but not sufficient to interfere with the importation of our surplus supplies, for of course our country is not large enough to grow all we require. This duty to be laid on against all countries that refuse to take our goods, but taken off immediately they consented to trade freely with us. Of course such a rule might be carried to an absurdity, by, for instance, trying to put Englishmen on the same footing as the Spaniard in producing oranges or wine, or even in interfering with the American cotton,—unless it could be shown that Indian or Egyptian cotton will answer our purpose as well. No duties should be laid on manufactures, because we ought to manufacture as cheaply as the foreigner; and



if with no more difficulties to contend with than they have we cannot keep them out of our market, then we deserve to lose. Of course, in such cases as the French sugar bounties a duty should be imposed until unnecessary. We know that at present we cannot keep the foreigner out of our market, even in those articles in which we ought to excel, but this is the result of the great social difficulty before referred to,—one which no taxation could remedy, or anything else, except some thorough paced enactment to protect us in our vices. Until Trade Unionism is removed, permanent prosperity to the country is an impossibility.

## X.

IT IS SAID BY SOME, THAT IF TRADE IS LEFT FREE, IT WILL TAKE CARE OF ITSELF BY FLOWING IN CERTAIN NATURAL CHANNELS.

This would be true if the surroundings were also natural so that it might find its true levels; but when artificial barriers are thrown across its course by hostile foreign tariffs, the stream of trade, like every other stream, requires assistance to find out newer legitimate courses, or it will overflow and run to waste.

## XI.

TO TAX THE FIRST NECESSITIES OF LIFE IS REPUGNANT TO THE FEELINGS OF AN ENGLISHMAN.

The answer to this is,—The sooner an Englishman gets rid of this very feeble sentimentality the better; or perhaps his absurd refinement of sentiment will be next forbidding us trading in articles of food at all, as making profits out of the first necessities of life must through its very selfishness, be of course as repugnant to his feelings as the imposition of tariffs necessary to the welfare of the nation. No doubt there exists a rather general indisposition to advocate duties on food, this being due to an impression of evil left on our minds by the old Corn Laws; but if this fear is groundless, why should we retain it? What relationship can there possibly be between an arrangement that would not appreciably affect the price of bread, and one of the old law which forbade imports until the price of corn rose to 80s. per quarter? Even this law, scandalous as it was, would not have produced the evil



that followed, had our Protectionist fathers not made the same mistake as our contemporary Free Traders have made, who are under the impression apparently, that to remove duties brings supplies, and all the while forgetting that the "bringing" is a mechanical matter of transport. Our fathers thought they had only to remove restrictions, and corn would flow into the country. They forgot that when the scarcity was upon them, it was too late to arrange for supplies to reach them (to be of any service) by their appliances of correspondence and transport. And much also that might have arrived in time, if tried, would not be shipped at all owing to the uncertainty of its arriving before markets fell. Believing therefore, that food can be taxed, not only without injury, but to the advantage of all who eat it, we dare to advocate a tax upon it.

## XII.

WHEN OUR PRESENT DEPRESSED STATE OF TRADE IS DEPLORED, ATTEMPTS ARE SOMETIMES MADE TO POINT OUT REMEDIES. WE ARE ASKED BY SOME TO TRUST TO SOMETHING TURNING UP; WHILE OTHERS WILL GRAVELY SAY THAT WITH THE LIBERALS IN POWER AGAIN TRADE WILL OF COURSE REVIVE.

If it is the agricultural interest that complains, the tenant farmers are told to obtain better terms or less rent from their landlords, and that this will put them right; but probably in the majority of cases if the landlord were to allow his tenant to live rent free altogether, and practically give him the land, it would do no more than keep matters square. This yielding up of land, because it had become valueless as a rent-paying property, would be equivalent to a destruction of, say, two thousand millions of national property as a commercial commodity. In endeavouring to keep up the value of the land, it is not the interest of the owners that is considered; it would not matter whether this man or that held it; but if the present owners were ruined because the land became of no commercial value that is quite another matter, as the value of the land being no longer existent, and no longer transferable as an article of commerce or possession, the whole nation suffers the loss to the extent exactly of the former value. Supposing some one should propose a permanent reduction of, say, 50 per cent. in all



dividends on Government stock, railway shares, household property, &c., this would be equivalent to destroying one-half the money that has been invested in such stock, and which is now lying as securities with bankers and others, either forming a basis of trade, or yielding rental. Now, would it not be a national loss to have such an impoverishment, independent altogether of the individual loss to those who held the depreciated paper. Yet so would it precisely be if we were to tamper with the landlord's rents, and destroy the commercial value of the land in order to make up for losses caused by the folly of Free Trade, seeing that we cannot avoid the inevitable canon that the value of all property can only be known by a reference to the profit it yields. It would be much more wise to foster the agricultural interests, and thereby induce our farmers to bring into cultivation the land now lying almost unemployed, and indeed, but of little value, because not sufficiently fruitful to be cultivated profitably. Such an improvement of the market value of land would be adding to the nation's wealth, and giving it annually, of home grown products, some millions worth which we have otherwise to buy of the foreigner. If it is the manufacturing classes that complain, they are sometimes advised to improve themselves. Mr. Gladstone, in a speech at the opening of the Art Exhibition at Chester, Aug. 11, 1879, told them to improve the trade of this country, and overleap the fiscal barrier raised against them by foreign import duties, by improving the quality of their goods in matters of taste. In this speech he acknowledged we were labouring under difficulties caused by the protective duties of foreigners, and told the working men of England they were to overcome these difficulties by improving themselves in artistic work. In the same address he acknowledged Englishmen were, at the time of speaking, behind Frenchmen in these very points, and if so, we may well ask what possible chance is there of an improvement in trade by Mr. G.'s method, if our working men are behind the Frenchmen in matters of skill, the latter being at the same time securely entrenched behind high fiscal barriers. It is absurd to suppose that such a bound is to be made in a generation, even if the Frenchman would consent the while to stand still,—for bear in mind it is not merely the acknowledged inferiority that has to be made up, but such a leap beyond as to more than counterbalance the protective fiscal barrier of the foreigner. Mr. Gladstone cannot



guarantee, even were this amount of progress attained, that higher duties abroad would not be put on. What is to prevent a further increase in duties if the present ones were found insufficient to keep us out? But this need not be seriously considered, because Mr. Gladstone's remedy for the evils of Free Trade is obviously impossible even of trial. Could Mr. Gladstone gather all the working men in a class, and as a teacher in a school educate them up to what he wishes, we might wait while he tried the experiment; but we have to deal with the practical. How many men have set themselves to improvement on account of Mr. Gladstone's speech? It would be rash perhaps to say half-a-dozen. Then how long will it take for Mr. Gladstone's plan to improve our working men to the point of re-entry into the foreigners' market? Does he think he can educate the present generation? We will go farther, and ask,—does he think he can even make this generation conscious of its deficiency?—or farther still,—does he think it reasonably possible to get a majority of the present generation to give the matter a passing thought? Nor is this said in a disparaging spirit, but the question will obtrude itself;—who is there among us of any class having the cares of life on his shoulders who would subject himself to a second course of education? This revival of trade by Mr. Gladstone's views is clearly a work of the next generation, if it is to be done at all; but will they not have another and improved foreign generation to contend with and be as far off success as their fathers. Are we to go on chasing this "Will o' the Wisp" of Mr. Gladstone's, and spending many millions a year in the fruitless hunt, when a stroke of the pen would put matters right? What we want is a speedy remedy for the evils of to-day,—not something that will only commence to operate in the next generation, if at all. If the whole trade of this country were in the hands of one man, and Mr. Gladstone told him to improve it in this way, would he not ridicule the advice, and say, "No, I have a shorter way than that, I will buy elsewhere until my neighbours remove their duties; this is a reasonable arrangement of trade, and if afterwards I cannot send them goods in payment for what I receive cheaper than they can make them themselves,—then I will own honestly beaten." Mr. Gladstone's advice to improve is good in its way, but pernicious in the extreme if he gets us to scatter our millions in pursuit of a delusion. A re-adjustment



such as he proposes is not within the sphere of practical accomplishment. Lord Derby recommends emigration to the working man. The working man very naturally resents it, and he is quite right. Expatriation should only be recommended after every other remedy has been tried and failed. It may be a good ready remedy for local distress, but those who recommend its general application must have poor hope in the future of their country. A closer consideration of the subject would lead us to suppose that we cannot stand too close if our duties to each other are rightly understood, we all live on each other; the more there are of us the larger must be the field to live on; every wages-spending individual benefits others directly to the exact extent of what his own living costs, and much more indirectly by the further circulation of the money set in motion by him. Only those should emigrate who are unfit, physically or otherwise, to earn a living here. Other advisers tell us the long depression will soon pass off, and that an improvement is observable in America; but of what good is America's improvement to us if she won't buy? So far as selling goods to us is concerned we may possibly get them cheaper when her own people are less able to buy. But we are told that all her orders may not be placed at home, and that some may find their way here. Supposing they do, and that our exports to them are increased by five millions,—if these five millions are so important, in the name of common sense, why don't we send her eighty millions? We could open a way to this by a stroke of the pen. All we have to say is,—“we put a duty on your goods until you receive ours,” and in six months our exports would be increased at the rate,—not of five millions per annum, but eighty millions. Others tell us to cheer up, as something will turn up. We don't know whether any man dare trust his business to such Micawberish rules, yet it is no uncommon thing to hear this said in matters of national commerce. Then as to a Conservative Government affecting trade, there is possibly as much connection between our Government and our trade depression as between St. Paul's Cathedral and Goodwin Sands; there is the coincidence of contemporary existence, and that is all. Then as to the allegation that our foreign relationships restrict trade. Look at the statistics of our exports. Do they show it? Has our trade not declined with other countries as well as with Russia. But, say some, when there is any political uneasiness it affects trade all over,—a saying which is



more easily said than proved. We know there is much parrot talk about political atmospheres, about horizons being clouded, and trade cowed, but to understand why trade is depressed we must go to the consumer if it is a question of manufacture for private consumption. Can we imagine a person in France, Germany, or any other country in Europe, prevented buying a British-made article because England and Russia were not quite friendly? Ask yon foreigner the question, and he will tell you, "I have not been able to buy because trade is bad, and I have not the means." But this is working in a circle!—trade is bad because there are few buyers, therefore we must look for something more substantial as the cause of bad trade than this whimsical one of a Conservative Government being in power in England. In England, it is no doubt Free Trade and Trades Unionism, two most substantial and easily-traced causes; other countries will have equally substantial ones injuring their prosperity, but it is not our place to hunt them up. A country disturbed to a serious extent by preparations for actual or probable hostilities with this country, would have its trade affected by them, but no one will say that this is the case as between England, France, Germany, Austria, Italy, or America,—in fact we know that it certainly is not the case. Take for example the article coal, the most sensitive item in our exports. The slightest breath of political disturbance between maritime nations will cause a fluctuation of many shillings per ton in coal freights alone. What has been our experience on it? Why this, that contracts to deliver coal abroad, and even into Russia, have been taken on a smaller margin of profit than was ever known before.

Now, if our exporters stood in fear of the prices of freights going up, say, 5s. a ton to Cronstadt and other Baltic ports, 10s. a ton to Black Sea and Mediterranean ports, and continuing at this increase for weeks or months while the agitation continued,—before it subsided or resulted in hostilities, would they be so insane as to bind themselves to a large monthly delivery at a price that would not leave more than 3d. profit, even if all went smoothly. Many coal contracts will not leave more all round than 3d. or 6d. a ton, based on present low rates of freights. No, our exports may have fallen off, as the result of bad trade, but not through any political uncertainty on the part of the exporter or of any other man



connected with it: the "outbreak of hostilities" clause in coal contracts would give no protection to the contractor during all the weeks or months of agitation that would in all probability precede any actual outbreak of hostilities. But let us see what statistics say on this subject of disturbed foreign relationship affecting trade. From Great Britain to the following countries, exports of our own home produce were as follows:—

	1876.	1877.	Increase.	Reduction.
America .....	16,833,517	16,376,614	....	456,703
Austria .....	784,634	1,041,603	257,469	
France .....	16,085,615	14,233,242	....	1,852,373
Germany .....	20,082,262	19,642,128	....	440,132
Italy .....	6,689,402	4,218,412	....	470,790
Russia .....	6,182,838	4,178,641	....	2,004,199
Turkey .....	3,379,424	3,035,296	....	344,128

The above figures are rather opposed to the general belief that the Russian and Turkish difficulty was so injurious to our trading interest. We would naturally expect to find that where the conflict was impending the worst effects would be felt; instead of that we find the reduction of our home products to France is nearly as great as to Russia, although there was not the slightest prospect of that country being affected politically, while Austria, the most interested next to Turkey and Russia, actually took more from us than in 1876. It is also rather curious that the statistics of 1878, as far as completed, reveal the same eccentricity, our exports to Russia and Turkey exceeding 1876. One thing therefore is certain,—the difficulty did not affect us in trade during 1877—for what are a couple of millions out of about two hundred millions of exports of home produce alone? Certainly nothing to cause the depression attributed to it.

In conclusion, there is one great question to be touched upon which in one sense does not belong to Free Trade, but in reality it is so interwoven with every department of trade that it is impossible to consider the one without the other—"Trades Unionism." We will



not enlarge on its tyrannies ; its oppressions so grinding that the world never saw the equal before. It hinders man doing what he likes with his labour. It compels him to plunge his wife and family, whom he is bound by every law of nature to provide for to his utmost abilities, into misery, and that at the dictation of a few who lord it over the rest. Nor do we say much here upon the inconsistency of laws that will allow men to deliberately plot the ruin of employers and to carry the enterprise through, and at the same time punish the slightest breath of reflection on the financial position of the same employer as scandal, if that word of reflection is spoken by any man of position. But we will speak of Trades Unionism as it affects trade,—and in order to do this we must review several of the points already discussed, because it mixes itself up with them.

We have seen that classes are so interwoven that the whole nation is but a huge mass of entangled class interests—each class consuming, employing, and being employed. We have seen also that the majority of the community depend on the luxuries or fancied wants of their neighbours. We see, in fact, that the British workman is dependent on the various artificial wants of all classes of his own countrymen for support ; we feel that other countries ought to accept his wares in exchange for the food he buys, but find they have steadily refused to do so, although the foreign workman is free to send his goods to England for sale. England has a larger population than her soil will support, and consequently must either pay for surplus provisions—the same as an individual—in coin or other value, and this dependent state must increase with the increase of population. We are at present not paying for them by our manufactures, but by sending out of the country, by means of scrip, a portion of our internal development. This system can only continue so long as there continues an internal increase of wealth from other causes. As soon as the climax arrives, each year will reduce our previous savings, the people will become poorer, the demand for such property will lessen, and a rapid declension in everything will result. All this we have seen and recognised.

And now, having summed up several points of our previous considerations, let us see how Trades Unionism has injured our own internal trade, and how it defeats the nation in every struggle



to help itself by foreign trade, in the peculiar circumstances that nature and providence have placed it.

First we may accept it as indisputable that the working men form a very large class interest. The more prosperous they are the better will it be for all other classes, seeing that these find an increased employment in the increased demands of the working classes for the comforts and luxuries of life. It would be a great good for this nation if every working man could live in his detached villa in the suburbs, and drive into town to his work in a pony trap or some other even more luxurious conveyance, as in every increase of his prosperity he would make a further demand on the labour of other classes. So far as the welfare of the working classes go we can desire all that the most ardent Trades Unionist ever imagined, but on the question as to how is this to be accomplished, we differ as wide as the poles. The Trades Unionist's practice is to fight, and to keep on fighting, no matter how great may be the havoc and devastation, and when he scores a nominal victory he considers success has crowned his efforts. A soldier counting his spoil after the pillage of a town, knows that if his actions were universal, general beggary would result, and no doubt he would never think of recommending their general adoption ; but the working man never appears to consider the devastation caused by his battles and spoil ; he only rejoices over his fancied gains, and clamours for a general war on all who are unable to give him what he asks. Such a course can have but one result, viz., injury to the community on which he lives, and a speedy killing of the goose that used to lay the golden eggs. He also deliberately increases the prices of the articles he makes, by reducing his hours of labour, by organised limitation of effort during those hours, by insisting that the inferior man shall receive as much as the good one, and by many other regulations and devices calculated to check production, and make it bear a relatively larger value to the wages of those who produce it than it otherwise would. Succeeding in these aims, he concludes prosperity is with him, like the short-sighted mortal he is.

But such courses can at the very best only produce a transient advantage to them,—granting that the gain is not at the time far more than counterbalanced by what is lost in the struggle—because



in destroying instead of cultivating social prosperity—the field on which they have to live in the future—and in increasing the cost of production, they place the article less within the purchasing powers of the workmen themselves, and of other classes of small incomes—the latter being the largest consumers—and hence they only succeed in one way eventually, and that is in at the one and the same time curtailing the market, and the employment of the workmen. That the workman himself and others of similar humble classes are the workman's employers is seen at a glance. A large proportion of our manufactures are composed of cheap or low-priced goods, wearing apparel, cutlery, furniture, cheap fancy articles for women's attire, &c. The workman, above all others, also, wants cheap locomotion, cheap food, and cheap rent,—and yet his every effort is used in increasing the cost of the precise articles in the cheapness of which he is more interested than any other, and he actually strains himself for the practical placing of these things beyond his own reach, and consequently for the curtailing of his own markets of employment. Nor is this declension of market confined to the lower classes. All things are relative, and it is just in the proportion a man's means bears to the value of articles of convenience or luxury that he buys them. Let the cost of any of these be increased and he at once buys less. Let us here consider how this question of Trades Unionism bears on our present depression and Free Trade.

For some years, importations of produce have been seriously injuring the large and highly important agricultural classes, with, as one result, a great reduction in their purchasing powers. For the same term of years a constant war has been carried on by working men, and for several years the prices of all manufactured goods went up enormously through the increased cost of production. For a short time there was the appearance of prosperity; but it was a tree without roots. First the working classes, then others higher in the social scale, found prices beyond their means; purchasers fell off; manufacturers tried to sell and could not; to tempt purchasers they reduced their prices to the extent of part, and in some cases the whole, of their profits; still prices were too high,—they must come down further still, they must, in short, reduce the workman's wages. Then came the second bitter struggle, to this day con-



tinued, with the workman's main cry in resistance,—“We cannot live on the same wages as formerly, as the price of everything has gone up.” And thus out of their own mouths were their suicidal practices first condemned. Did they not know that by working half time and receiving double wages they were increasing the cost of production to themselves? and that as the cost of production was as much increased by lost time as by increased wage, they had increased the cost of living more than they had added to their purchasing powers, although their wages were nominally more? No plea of the workman, that the increased cost of living prevented him taking less wage, could make his own or other classes buy what they could not afford, and therefore down wages came. During these trade struggles the workmen's purchasing power for all articles of luxury or convenience has been reduced or destroyed; many thousands have been barely able to find bread, and of course the trade of the country has been reduced to the extent of their lost means of buying. The importance of the fact that the working classes are their own employers cannot be too strongly impressed. About one-third of the entire income of the country is represented by weekly wages,—that is to say, incomes of poor persons who spend all their money in living, and buy more or less according to prices. If workmen increase the cost of production, they immediately contract this very important part of their market; a greater scarcity of employment ensues, with the effect of still further contracting the market,—and so on down and down.

These struggles, producing poverty among the working classes, and loss to employers, have directly or indirectly more or less affected the intermediate and other classes, whose purchasing power they have shortened, and thus provoked a further proportionate contraction of demand. Of what use is it now to offer cheap goods to these crippled classes? Commercial men tell you business is bad, and they cannot afford to buy. Salaried men tell you that as their position, owing to bad trade, is uncertain, they must husband their resources. Working men tell you they are on half or quarter time at a reduced rate, and can only buy bread. Is it to be wondered at, then, that we have bad trade, when the purchasing power of every class is either greatly reduced or altogether destroyed? The imperative problem is, how to restore that power in its original



vigour.—But how is it to be done? With Free Trade injuring our most important class, and Trades Unionism doing the same for all others, we need not marvel at a dying trade. With all these operations going on under our eye, it is mere mockery to talk vaguely of general depression being the cause. We know what the real cause is, and know that it is a creation of our own, and it is mere fooling, therefore, to talk in poetic strain of brightening horizons, waves of prosperity, &c., &c., when, if we will, we may at once lay finger on the difficulty that darkens our present horizon and, ourselves practically consenting, places us at the bottom of the wave of depression. For, our Free Trade craze and our Trades Unions, combined, have done much more injury to this country than the German armies, the Commune, and Indemnity, combined, did to France. If this is doubted, let the doubter look at the state of the two countries now, and he will see France better off than we are, in spite of all her afflictions.

We have considered how Trades Unions co-operate with Free Trade in destroying internal trade. Let us now see how these influences act together in neutralising our efforts to comply with those conditions that Nature and Providence have assigned us. We have seen that Britain has a large population, with insufficient soil to support it; but we are, on the other hand, a pre-eminently commercial and manufacturing race, and have all the requirements of minerals and skill for prosecuting commerce and manufacture. Well, the simple and natural arrangement to meet these conditions is, that we should make articles with which to purchase our surplus food,—after, of course, growing as much as we possibly can on our own soil. But Free Trade steps in, and although in practice it provides opportunities of buying cheaply abroad, it totally ignores the all important question of providing a market for the sale of our goods. Then Trades Unions speak. We know it is of the first necessity that goods should be made cheaply, so as to be exported to foreign countries and exposed for sale there at a less price than the native article, but, nevertheless, knowing this, we seem determined, by putting a price on our labour above what the law of supply and demand would give us, and by reducing the hours of work and limiting effort, so to increase the cost of production, that instead of in this way paying



the foreigner for our surplus food, the foreigner shall be enabled to manufacture at less cost than we, and shoulder us out even of our own markets. Thus we have Free Trade and Trades Unionism,—the one the *reductio ad absurdum* of sentimental Liberalism, the other the grossest, most short-sighted, most suicidal extreme of protectionism,—going hand in hand to defeat our prosperity and destroy our national stability. But it will be asked—what is the legitimate way to improve the workman's condition? The answer appears self-evident. Create as great a disparity as possible between the cost of things produced, and the wages of the producer, so that more of these productions of convenience, comfort, and luxury may come within his own reach, and be brought down as generally as possible within the purchasing power of the poorest classes. By thus extending the area of the market, we increase the prosperity of our industries, and those engaged in them; but to attain this end we must once and for all give up the idea that the road to prosperity is to limit the hours of labour, and to establish regulations preventing a man doing more than a certain amount of work. The only road to wealth in the case of a community is the same as that which the private man must tread. It is one of hard work, one of labouring cheerfully, grudging not the toil as if it were an evil; of devoting all the skill and energy of mind and limb to the work; and of exalting employment by steadiness of purpose and correctness of judgment. A steady treading of this path must increase the confidence of the monied classes, so that they may come forward with their capital to assist in the work in the multitude of ways that capital can assist labour, in cheapening production, and notably in making experiments in machinery for effecting improvement in the quality of products, and generally in multiplying the efforts of the workman by the costly aid of experiment and applied science. It is better to admit at once that it would be most difficult, if not impossible, to arouse English workmen sufficiently to assume this necessary intensity of interest in their work. The fatal levelling spirit of Trades Unions has made the good workman feel his abilities bring him no personal good, and the indifferent workman to know that his faults do him no harm. All receive the same reward; no interest is taken in the work, which is reduced to mere drudgery, and submitted to solely because it brings in a fixed sum at the end of the



week. It would almost appear that nothing short of abolishing all time wages, and paying labour according to the amount of production in quality and quantity, would suffice to bring back that wholesomely energetic interest in his work that was once supposed to characterise the British workman, and which is absolutely necessary to us if we are to exist as a nation of the first class. If piece-work could be introduced on equitable terms, a man would feel that every effort he put forth and every hour he worked added to his income; and, further, capital would have increased confidence, and be induced to bring in freely the assistance of the applied sciences. Then, by cheapening production and increasing wages simultaneously, it would come to be shown that it was not quite so absurd after all to look forward to a time when the workman would live in his detached villa, and drive to his work in a commodious conveyance. On the contrary ruinous plan, the system of destruction that follows, may, like the sacking of a town, bring a temporary advantage to the spoilers, but entails permanent misfortune to all afterwards. In addition to the foregoing reasons applied to internal trade, there is the other view of external or international trade, showing us also why we should at once reverse the policy of the workman of *raising* the cost of products. We have seen that this country must purchase large food supplies from abroad. From whom have we to buy these supplies? Why, from nations now fast approaching, if not already arrived at, our own level in skill and power of manufacture, this being more particularly the case with those people who are of the same race as ourselves. When our level is fully attained, and they can produce for themselves, we shall then have no foreign market for our wares, and nothing wherewith to pay for our imports, and that even although the present Custom House restrictions of the foreigner were removed. We should be very near the catastrophe by that time, if our slowness in learning the lesson is to carry us so close to the brink. Let that not be said. Let us be wise, and without a day's loss of time, acknowledge the errors of Free Trade; let us acknowledge the errors of Trades Unionism, and hereafter work loyally to keep what little lead we have left. For we must make up our minds to work harder even than those nations of our own race if we are to do more than they in fostering every trade assistance of capital, art, science and labour, and by a happy union of the whole, produce goods cheaper for other nations than these



other nations can for themselves. Those who cannot contemplate this life at high pressure except with discomfort had better remove to a more favoured land, for Nature and Providence have now laid these conditions of existence on all those who remain here. It was not so formerly. We not only wanted less (even relatively), and consequently had smaller bills to pay the foreigner, but owing to the backward condition of other countries, we could manufacture at our leisure sufficient goods to pay for our imports, and a large margin to spare. But other nations have been pushing us so hard for years past, and have been so aided by their Custom Houses, that it is long since we were able to export enough to pay for our imports. Each year, as the advancement of other countries goes on, and we remain unreformed, our condition in this respect must become worse. We might, as said before, postpone the evil day almost indefinitely if reciprocal trade were insisted on, and if this policy were seconded by a determination on the part of the workman to reduce the cost of production as much as he possibly could, and to work harder than the workmen of other nations. By what has been said here, it might perhaps be supposed that the workman is looked upon as some one out of whose toil the rest of the nation would procure the means of living. This is not only to be denied, but that the workman has any special claim to the title of producer must also be denied. Manual labour is but one element in production. Intellect designs and mentally creates; machinery, supplemented by the craft of the workman, puts into effect the previous labour of the mind, and not one of these three can do without some aid from the other. Any attempt to put the skill of the hand on a level with the effort of the mind, and to claim as much reward for the one as the other, would, if successful, immediately place the physical labour of the assistant labourer on a level with that of the skilled artisan, and if mere force were to be thus exalted, we should find the horse above the man, and the machine beyond all. Workmen must not, therefore, claim any special right to be called producers. Production is not the result merely of physical effort, which is the province of the workman, but is also, in a primary and more important sense, the direct offspring of the mind.

We have seen that the majority of us live in ministering to the artificial wants of our neighbours, and that this is true from the capitalist down through all intermediate grades to the artisan.



Unless it be the tillers of the soil and a few others, there are not many workmen who can claim consideration on the score of the dignity of their employment. The importance of an employment is in proportion to its object, and there are few trades that have not comfort, convenience, or luxury for their object. A working man must not look upon himself as a producer on whom others live, but should rather be thankful that there are so many artificial wants around him to give him employment. Nor must he forget that while he is working for others, they also are working for him. This is not only true as regards the working classes, but also with all others; the capitalist is working for the workman as much as for any other, and the same may be said of science and art. Possibly the greatest employers of labour are the humbler classes. They are more numerous, and their wants require more supplies; nor are their wants confined to mere necessities of life. Look through our factories and shops, and ask who buys all those low priced goods—not mere necessary wearing apparel, but ornamental articles. The man who makes the axle for a carriage in which gentility rides, ministers to the luxury of wealth the same as the flunkey in the hall; the making of finery for women's head gear, whether it be costly for the rich, or cheap for the workman's wife, is not a more dignified employment, nor does it give a greater claim upon the title of "producer," than the employment of the shopkeeper who puts them in his window to tempt the passer-by. All these matters are merely of degree, and should dispose of any special claim the workman puts forward for special consideration as a producer. All that he can say is, that he ministers to the comfort of others, who are in return doing the same service for him. Referring again to the absolute necessity for cheap production, in order to pay for our imports, we would repeat that India should be our future market when through the ability of the foreigner to produce as cheaply as we can, we are excluded from all others. The races of India, notwithstanding their skill, must for ever have less of that extreme energy that is necessary to successful manufacture and trade, consequently India, if rightly valued, should be our permanent market when all others fail. There is a most trying feature for the employer's patience in connection with these trade disputes, viz., that of theorists publicly recommending employers to improve their wares by more generally applying the arts



and sciences and mechanical improvements in their works. In other words, employers are instructed to educate themselves still higher in their business, and to devote more time and more of the inventive faculty to these improvements. Do such counsellors know the difficulties in the way of carrying out such recommendations during trade depression or trade disputes? Recognise the position of an employer with the usual departments to his business, these being the result of the necessary division of labour. If one of these divisions or branches stops, all must be stopped. Possibly, taking one year with another, there are not three months out of the twelve without the experience of labour agitation in one department or another; each morning, and throughout the day, this employer will be anxiously consulting his manager as to the progress of disaffection, how to stop it, or the wisdom, or the reverse, of resistance. If it should culminate in a strike, he has the heavy fixed expenses of his factory and staff running on, his customers pressing for completion of their contracts, and threatening to withhold all future orders. In addition to this, in bad times the most intense thought and the closest attention must be given in seeking fresh orders, because of the keen competition which always arises at such periods. Now to ask a man, already well laden with the ordinary cares of business, to devote his time and thought to fresh study and improvement, may be a reasonable request, although doubtless difficult to comply with, but when added to these ordinary cares he has to conduct a perpetual warfare with his men, it is as reasonable to expect him to study improvement as it would be to ask a field-general to study chemistry, and introduce improvements in explosives, during the height of a campaign. This advice is generally given when a question of foreign competition in the foreign markets is under consideration. Is it known how our manufacturers are hampered by the working men in obtaining contracts? Take an example. An order for rails, or something of the kind, is in the market, to be delivered, of course, at a specified time; tenders are put in by English manufacturers with the clause, "Strikes excepted." Now, who will have the order executed in England, when they can go, say, to Belgium, and place the order with a fixed time for delivery, and a fair prospect of punctuality. This clause is absolutely necessary in English contracts, not only on account of the frequency of ordinary strikes, but be-



cause of the fact that if workmen discovered their employer had a contract without it, they would immediately strike for some advance in wages or concessions respecting conditions of work. Poor chance, then, has England of getting any other contracts than those our neighbours refuse, and if the contracts are really worth having, still poorer is the chance unless our neighbours happen to be too full-handed to undertake them.

If workmen have reduced us to the ignominious position of thankfully snapping at the mere offal of trade, or at the crumbs that fall from our richer neighbours' tables, we have a poor outlook. Would a man, if he wanted a suit of clothes home on a certain day, give the order to a tailor obliged to stipulate that he would send them home by the day only if his men did not strike, when he could go across the road and have the clothes promised on the day required without fail? Certainly not, more especially if he knew the first tailor's men to be in a chronic state of disorder, with no certainty as to whether they would work or not, while the second tailor's employees were noted for skill, sobriety, and regularity in their attendance. These difficulties with workmen are generally known, yet no one, except in private conversation, is found to raise a voice of warning. From the silence that is preserved publicly, one would suppose that no evil existed. How can we account for this when the thing is so patent to every one's private convictions? Why do not Conservatives speak out? Because political opponents would represent any movement in this direction as the never-to-be-uprooted disposition of the Conservative to return to old abuses, and the working man would be warned against them. Liberals dare not, because condemnation would be construed desertion of friends; newspapers (no matter what shade of politics) dare not, because the workman's pence are as important as any others; the pulpit does not, possibly considering it hardly within its province, or if it does, it touches the evil so delicately that its words lose practical effect. This is also the case whenever an exception is made by our politicians and newspapers. The workman is addressed so carefully, and such tenderness is expressed or shown for his sensibilities, that he receives an impression that he is sinned against rather than sinning. And yet the pulpit, although thus carefully avoiding this social difficulty, is not markedly reticent on political matters. Mr. Spurgeon, in his Tabernacle, on Sunday, the 13th July, 1879, among other



unsupported statements against the Government, told his congregation and the working classes that the Zulu War must be paid for out of the "sinew and muscle of the working man." How much, and in what manner, do our working or lower classes contribute to our Imperial taxation? Beyond a small duty on tea, coffee, &c., a working man can live in this country without contributing one farthing towards the taxes of the nation. If he drinks beer and smokes tobacco, he must contribute the same as any other person who can afford such luxuries. As these latter are the only chances for the workman to contribute, has Mr. Spurgeon had private information from the Government that they intend increasing the duties on such articles, or will the working man, out of a fit of generosity and noble self-sacrifice to his fatherland, begin to puff more smoke or drink more beer in order to swell the receipts of the Exchequer? But, say some, Mr. Spurgeon only meant that it would interfere with trade to the prejudice of the working man. If he meant this why did he not say as much, and so let all classes amenable to injury through bad trade have share in his sympathy? But how will the Afghan or Zulu wars interfere with trade? There is no interest that could be much injured in England. In fact the whole cost of the two wars is but a fleabite when compared with the adverse balance of trade with America which is being paid for, and no one caring about it. The truth is that even were it possible to discover one person that had been injured financially by these two wars, or through the war interfering with ordinary trade to Natal,—for that one we could point to a score that have been materially benefited in the extra circulation of money in transport, and in the neighbourhood of dockyards and arsenals, and, besides, the special exports by the Government have far exceeded the value in the reduction of ordinary ones, if any such has taken place.

If it is the workman in Natal that is the object of Mr. Spurgeon's sympathy, we think we would like his muscles and sinews a little more drawn on in the same style,—especially if he owns a bullock cart,—judging by the rates that have been charged for transport services. The farmers of Natal might be injured, but it is not these, but the working men of England that have to get their muscles and sinews taxed, and it is no small matter mind you; it is a "muscle and sinew" question,—language indicative of cruel oppression, and calculated to arouse bitter animosity.



From Mr. Spurgeon's tabernacle, possibly not a score of persons would leave that day believing otherwise than that the working men were to suffer. Not one out of the many thousands of working men who read the sermon in the newspapers will believe otherwise than they have to pay for these wars by their labour, and that they are to be robbed by being taxed out of the proceeds of their efforts, although all the while it would baffle Mr. Spurgeon to prove they are affected in the most infinitesimal manner. What a contrast here between the modern pulpit and the pulpit of earliest times. St. Paul freely advised on social subjects, but conspicuously avoided politics. We reverse the rule. Perhaps in his day the Government was less oppressively inclined than ours; perhaps there was a more watchful opposition in both Houses of Parliament than we have now,—or shall we simply say St. Paul was more thoughtful in the selection of his subjects and language, knowing that an error might produce discord?



## SUMMARY.

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England could at one time grow all her own food. After a time her population exceeded her agricultural powers, but her manufacturing capacity had grown so much greater than that of other countries that we could sell more goods than were sufficient to pay for our surplus food,—the excess adding to our wealth. For some years this state of things, which looked so favourable, has been reversed, and our surplus food has been purchased out of the accumulation of wealth of former years. The evil is increasing yearly, and must end in ruining the nation, unless the whole question be taken up in a statesmanlike manner, with a view to the future of the country, reversing the policy of the last few years,—that hand to mouth policy which considers everything is done for the nation that it can require, commercially, when the last farthing is saved on the loaf.

In addition to the Customs barriers of other nations, which could be removed under pressure, there is the more permanent difficulty to be considered that they may be able shortly to manufacture as cheaply as we are now doing, all those articles that we now chiefly rely on as specialities. When this time arrives it will be impossible for us to pay for our surplus food except by our capital or material wealth. When that is gone, the nation must emigrate until the population is reduced to such limits as our soil will support.

We can avoid this if we will at once attach India to us by diverting the millions to her that are now sent to America, by buying our food, corn, &c., of the former, instead of the latter. The people of



India would become prosperous, and take our goods in exchange. At the present they are impoverished by our unjust and shortsighted preference for American produce, and are unable to buy from us what they otherwise would.

Paying America and other countries by sending them scrip, representing material wealth accumulated by this country in former years, or the material wealth gathered by the internal development of the present period, would have shewn its evil effects ere this had not the internal development exceeded the adverse balance of foreign trade, and so concealed our losses. So long as this development exceeds the adverse balance referred to, so long may we live in a fool's paradise unconscious of our losses. Directly the latter seriously affects the former, the balance of trade will begin to make itself felt; the people, becoming poorer, will begin to part with their material wealth without a sufficient number of buyers; the law of supply and demand will bring prices down rapidly, and we shall discover that all our property had but an artificial value, and see that the nation is permanently impoverished.

Modern society must of necessity create its own fields (speaking figuratively) for support, all cannot actually till the ground, so we must mutually live on each other. The artificial wants of each class are the acres that we mutually cultivate. If we destroy any class without increasing the employing powers of the remainder, we practically allow part of our farm to go out of cultivation, without increasing the productive powers of the remaining acres.

No man or class of men are consumers except in a secondary sense, but all are producers, deeply interested in surrounding classes, as in their prosperity rest all prospects of a market for their wares; consequently it is a shortsighted policy that keeps its eye only on how to buy cheaply, forgetting that we are more deeply interested in the question of markets for the disposal of our goods than in buying a loaf or a pound of sugar.



It is necessary that all classes, including the workman, should endeavour to produce as cheaply as possible, in order to bring down the comforts or luxuries of life within the reach of the humbler classes in this country, not only that their lives may be benefited, but that the area of the market for such goods may be extended,—thus giving to the workman simultaneously better employment and the comforts of life at a cheaper rate, and raising him to a position in the social scale unobtainable by any other means.

No one has any special claim to the title of producer above his fellows ; we all merely live by working for the necessities, comforts, luxuries, or vanities of each other,—more often the three latter.

It is absolutely necessary to our national existence that we produce cheaper than the foreigner, as unless we do, we cannot pay for the surplus food we must obtain from abroad, except out of capital, which must in time be exhausted. It is obvious that if labour is to be restricted by trades rules, and prices of goods raised thereby until our foreign markets are partially or wholly closed, Trades Unionism will bring this country down from its high position, and that even although our Free Trade folly should meanwhile terminate. The Trades Union prevents the extension of our home market by keeping prices above the reach of the humbler classes, and partially closes our foreign market also.

It is necessary that we should raise from our own soil as much as possible. That food so raised must be sold at a little higher price to pay for our fight with adverse conditions, in no way alters the fact that all food so grown is a gift from Nature, as the money expended in tilling the ground is circulated by the agriculturist through all classes, and thus increasing the prosperity of the whole ; we thus retain the money, and have this money's worth given to us from the soil, as it were, free ; but if the money is sent abroad to buy grain in order to save 10 per cent. to the consumer, we not only



lose the whole of it, but lose the benefit it would have produced here by circulation. This circulation of money from hand to hand is the same as giving each one whose hand it passes through so much food and clothing; a sovereign passing through twenty hands gives to each twenty shillings' worth of food..





