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PROTECTION PAVES THE PATH
OF PROSPERITY

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AN EXPOSURE OF FREE
FOOD FOLLY AND FICTION

BY

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"FREE TRADE A FAILURE FROM THE FIRST"

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PREFACE

IN venturing to criticize statements and opinions which now apparently appeal favourably to a considerable portion of the population of this country, it is above all things desirable that the critic should have ample time and opportunity to fully study his case and to put it forward in the strongest and most convincing manner possible. The writer of this book is, unfortunately for the success of his effort, not so situated, and it is only because of his firm conviction that a protest should be made against the present efforts to suppress, or at any rate to postpone, the question of taxing foreign food supplies, that he is now attempting to place before the public a few facts and arguments in order to show the absurdities of the Free Food cry, and the misleading and inaccurate assertions made in support of this cry. The longer the delay in submitting to the electorate of this

country the question of a reversal of the disastrous policy of '46, the more likely are the evils which that policy has entailed to become stereotyped as permanent institutions.

Notwithstanding the personal disadvantage above mentioned, I take courage in entering the lists on behalf of Protection (in my opinion a better word than " Tariff Reform "), because, at any rate, I am on the side of the vast majority of the inhabitants of the world, and because I comfort myself with the thought that it is better to have a good case than a good advocate. There is in this book one innovation for the insertion of which I throw myself on the indulgence of my readers. I refer to the tables I have ventured to construct of the production and consumption of wheat in the United Kingdom, commencing with 1822 and terminating with 1912, a period of ninety-one years, being twenty-five years under Protection and sixty-six years under Free Trade. In putting forward the figures in these tables, I have tried to avoid overstating my case, especially as regards the relation of wheat consumption to the population. It is generally admitted that meat now enters

more largely than ever before into the daily diet of the working classes, and, therefore, in basing my estimates of the consumption of wheaten foodstuffs on the statistics of recent times, it would seem probable that the tables mentioned above err, as regards the early periods, in giving figures which are under rather than over the mark.

In setting forth the merits of Protection as compared with Free Trade, as herein I have endeavoured to do, it seems well to state that any bias I may have in the matter does not arise from personal motives. I am not the owner of a single acre of land in the United Kingdom, and if the establishment of Protection affected me in a pecuniary sense, it would be adversely rather than otherwise, as my interests are, to a considerable extent, identified with a foreign country which now exports freely large quantities of cereals and other foodstuffs to the British Isles.

Although it seems a pity that the fiscal policy of the country should be treated as a party question, I feel bound to say that as a convinced Unionist, serving in the ranks under leaders

who are in every way antagonistic to untruths and misrepresentation, I submit these leaves to the public without any fear that I shall injure the cause which is in their custody, and on the triumph of which, in my opinion, the welfare of the country depends.

T. PENN GASKELL.

TOWNSHEND HOUSE,
NORTH GATE,
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July 1, 1913.

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THE DECAY OF AGRICULTURE IN
THE UNITED KINGDOM SINCE
THE ESTABLISHMENT OF FREE
TRADE IN 1846

CHAPTER I

THE DECAY OF AGRICULTURE IN THE UNITED KINGDOM SINCE THE ESTABLISHMENT OF FREE TRADE IN 1846

THE contention of the majority of the advocates (Cobden, as will be shown, was an exception) of Free Trade, previously to, or at the time of, the passing of the Repeal Act, was that Agriculture would benefit by the proposed legislation. Even that earnest, able, and disinterested writer and statistician, George Richardson Porter, who was an ardent Free Trader, and to whom we are so largely indebted for statistical information relating to the first half of last century, speaks in the Preface to the second edition of "The Progress of the Nation" in glowing terms of the expected prosperity that would follow in the wake of Free Trade legislation. Writing on November 30, 1846, a few months after the passing of the Repeal Act, he says:—

“ Since the first appearance of this work, the fifth decennial enumeration of the population has been

completed, and if no other indication of the prosperity of the country were to exist we might justify our assertion of that prosperity by the simple fact that our numbers have increased from 16,338,102 in 1801 to 27,041,031 in 1841, or $65\frac{1}{2}$ per cent., being $1\frac{5}{8}$ per cent. per annum. This rate of increase could assuredly not have been maintained without a concurrent increase in the powers of production. The extent to which our progress in this respect has been carried, is strikingly seen in continually increasing harvests, raised for provisioning the people, and which are the result of progressive applications of capital to the land. Great as has been the effect thus produced, there is reason for believing that we shall see far greater results from the same cause in future years. When our agriculturists shall have been made to feel that their chief dependence for prosperity must be upon their own skill and industry, they will find that, like their fellow-subjects employed in trading and manufacturing pursuits, they, too, are able successfully to compete with those engaged in the same pursuit as themselves in other lands. It would indeed be difficult to show why, when an equal degree of skill and energy and a greater amount of capital are employed in the *manufacture* of wheat, our farmers should not be able to undersell the foreigner, as we now are able to undersell him in manufacture of cotton and hardware. This question must shortly now be put to the proof, and I, for one, have no misgiving as to the result."

The above is a panegyric of the splendid position of Agriculture in England under Protection, and a confident prophecy of the still more glorious condition of rural England, in the "New Heaven and the New Earth" that the British Parliament had just created, in the shape of Free Trade! As a commentary on Porter's prediction of the then coming enhanced prosperity to British farmers, I present a table of the production and consumption of wheat in the United Kingdom during the last twenty-five years (commencing with 1822) under Protection and the first sixty-six years (terminating with 1912) under Free Trade. In this table I have confined the figures to the single article of wheat, for the reason that, as Porter points out, it is the one product of the soil that affords the best example and index of the condition of agriculture. Porter bitterly complains of the want, in his day, of authentic agricultural statistics, and in tabulating returns of the production of wheat in Great Britain, adopts the ideas of two schools of writers, one school estimating the consumption of wheat per head of population per annum at 8 bushels and the other at 6 bushels. He places the two estimates in juxtaposition, without expressing approval of one over the other, and shows how many inhabitants of the country would, according

to each estimate, have sufficient home-grown wheat for their support, and how many would have to rely on imports from other countries. In the tables he sets out there is, comparing one year with another, considerable variation in the amount of wheat imported, but it can be scarcely said that up to 1845, the last year that he deals with, there is any decided tendency for the imports of wheat to increase; the fluctuations, no doubt, were mainly caused by the greater or lesser amounts of the home harvests. It is, in fact, clear that previous to the Repeal Act, the tendency was for the home production of wheat to increase fairly uniformly with the population.

The present facilities for making estimates of the wheat production of the United Kingdom as far back as the census of 1821 (the first time that a complete enumeration of Ireland was taken) are fairly adequate for the purpose, and I will proceed to explain the method I have adopted in endeavouring to form a table of wheat statistics for the ninety-one years commencing with 1822 and ending with 1912. Starting, then, with the year 1822, I have made use as far as possible of official figures, taking Porter's Official Tables to the end of 1839 and adopting for the subsequent period the Statistical Abstract, which commences with the year 1840 and has

since been continued, but with much additional information included from time to time. From these two sources estimates of the population and the imports, exports, and re-exports of wheat for each year are obtainable. For 1867 and subsequently the areas of land under wheat, as well as other crops, are given in the Statistical Abstract; and for 1884 and subsequently the annual produce of the various crops (of course, including wheat) is stated. In Porter's Official Tables, and also in the Statistical Abstract, figures are given of the sales of British wheat in the English and Welsh markets; but, unfortunately, it is not possible to make much use of this information, as in 1865 a number of towns which had previously collected returns of sales discontinued to do so, and other alterations were subsequently made in these returns. It is, however, interesting to note as regards the records (all on the same basis) of sales of wheat down to 1865, those for 1845 (the year before the Repeal Act was passed) were by far the highest. It will also be noticed that in the table shown later on this was a record year of the home production of wheat.

It has just been stated that full returns are published of the home production of wheat for 1884 and subsequently, so that for the twenty-

nine years 1884-1912 the official figures are used as a base in the tables below. The area under wheat for these years being also published, it is easy to find the average production per acre per annum during the period, and this works out at $30\frac{1}{2}$ bushels. Taking the seventeen years 1867-83, during which period the acreage under wheat in each year is known (although no records were made of the production), it would seem reasonable to adopt an estimate of the yield per acre equal to the known results of subsequent years. However, as for the first five years (1884-88), where the produce is recorded, the average result is only a little over $29\frac{1}{2}$ bushels to the acre, I have thought it better to assume a yield for the seventeen years 1867-83 of 29 bushels to the acre. We are thus able for 1867 and subsequently to get reliable (or fairly reliable) figures of the wheat production in the United Kingdom. It is, of course, not reasonable to assume that all the home-grown wheat is available for consumption, an allowance having to be made for grain used as seed for the next crop. It is calculated in the tables that 93 per cent. of the crop is consumed and that the other 7 per cent., or rather more than two bushels to the acre, is left for seed. Having arrived at the figures of the available home-produced wheat, commencing

with the year 1867, and knowing the net imports of wheat each year from abroad since a date before 1822, a calculation can be made of the average annual consumption in relation to the population for the time being. In this respect, a difficulty arises in applying figures to the United Kingdom in regard to Ireland, where such great variations have taken place in the population from time to time, and where it has been customary to substitute other foods, such as oats and potatoes, to a more or less extent for wheat. Taking these facts into account, it seemed to me reasonable to assume that each inhabitant of Ireland would consume only half the wheat that would be the case with an inhabitant of Great Britain. Although it is possible that Scotland, in proportion to its population, is not so large a consumer of wheat as England, this is of little consequence, as the population of the two countries has increased fairly uniformly. From the above statement it will be seen that the number of units of wheat consumers at any time represents the whole population of Great Britain and half the population of Ireland.

Before giving further explanations of the way the two tables below are constructed, it should be stated that the " Net Imports of Wheat " repre-

sent the total importations less the re-exports and the export of home-produced wheat. "Wheat" includes flour, with an addition of 25 per cent. to the weight.

In the preparation of the tables below, which consist of nine columns, it was necessary to leave the period antecedent to 1867 until it was seen, from the figures relating to subsequent years, what annual amount per unit might be fairly put down as the consumption of wheat. Column No. 8 represents the consumption per unit, and it will be seen that for the forty-six years 1867-1912 the highest figure was 7.13 bushels, for the year 1882, and the lowest 5.35, for the year 1886, the average for the whole forty-six years being 6.35 bushels. In the second table, where the annual averages of quinquennial periods are taken, the figures are much closer, the maximum being 6.56 bushels per unit and the minimum 6.06. It has therefore been considered reasonable to adopt $6\frac{1}{4}$ bushels, or 25 pecks, as the annual consumption per unit per annum for the years 1822-66. On this principle the two tables have been constructed by first ascertaining the total consumption of wheat for each year, such total in bushels being obtained by multiplying the number of units by $6\frac{1}{4}$ for the years 1822-66, whilst the difference between the total consump-

tion and the net imports represents 93 per cent. of the home production.

The nine columns of the first table are as follows :—

Column No

1. The year, from 1822 to 1912 inclusive.
2. Population of Great Britain in 1,000's.
3. Population of Ireland in 1,000's.
4. Units of Wheat Consumption in 1,000's.
5. Net Imports of Wheat into the United Kingdom in 1,000 quarters.
6. 93 per cent. of Home Production of Wheat in the United Kingdom in 1,000 quarters.
7. Total Consumption of Wheat in the United Kingdom in 1,000 quarters.
8. Consumption of Wheat in bushels per unit.
9. Gazette Price of Wheat per quarter in shillings and pence.

As the yearly figures in Table I are liable to convey erroneous impressions as to the wheat statistics for each year, on account of the impossibility of ascertaining the stocks that would be carried over from one year to another, it is desirable to eliminate this error as far as possible, consistently with showing the changing character of agriculture in one period compared with another. Table II, therefore, has been prepared to show the average annual figures grouped in

PROTECTION PAVES THE

TABLE I

COL. 1.	COL. 2.	COL. 3.	COL. 4.	COL. 5.	COL. 6.	COL. 7.	COL. 8.	COL. 9.
1822	14,214	6,895	17,662	ml	13,798	13,798	6'25	s. 41 7
1823	14,428	6,900	17,923	12	13,978	13,990	6'25	53 4
1824	14,044	7,086	18,187	16	14,193	14,209	6'25	03 II
1825	14,863	7,183	18,455	525	13,893	14,418	6'25	68 6
1826	15,085	7,280	18,725	316	14,313	14,629	6'25	58 8
1827	15,311	7,376	19,000	575	14,271	14,844	6'25	58 6
1828	15,541	7,471	19,277	842	14,218	15,000	6'25	00 5
1829	15,780	7,569	19,565	1,364	13,921	15,285	6'25	66 3
1830	16,014	7,667	19,848	1,702	13,804	15,506	6'25	64 3
1831	16,261	7,767	20,145	1,492	14,246	15,738	6'25	66 4
1832	16,481	7,810	20,386	325	15,602	15,927	6'25	58 8
1833	16,701	7,853	20,628	82	16,034	16,116	6'25	52 II
1834	16,925	7,896	20,873	65	16,242	16,307	6'25	46 2
1835	17,151	7,939	21,121	28	16,473	16,501	6'25	39 4
1836	17,380	7,982	21,371	25	16,646	16,671	6'25	48 6
1837	17,612	8,025	21,625	244	16,651	16,895	6'25	55 10
1838	17,848	8,068	21,882	1,834	15,261	17,095	6'25	64 7
1839	18,090	8,112	22,146	2,591	14,710	17,301	6'25	70 8
1840	18,332	8,156	22,410	2,385	15,123	17,508	6'25	66 4
1841	18,551	8,200	22,651	2,778	14,918	17,696	6'25	64 4
1842	18,783	8,221	22,893	3,011	14,874	17,885	6'25	57 3
1843	19,016	8,240	23,136	1,010	17,665	18,075	6'25	50 I
1844	19,248	8,277	23,386	1,315	16,955	18,270	6'25	51 3
1845	19,481	8,295	23,628	1,088	17,371	18,459	6'25	50 10
1846	19,714	8,288	23,858	2,236	16,403	18,639	6'25	54 8
1847	19,947	8,255	23,959	4,199	14,319	18,718	6'25	69 9
1848	20,184	7,649	24,000	3,109	15,641	18,750	6'25	50 6
1849	20,413	7,250	24,041	4,858	13,924	18,782	6'25	44 3

PATH OF PROSPERITY

1850	20,616	6,878	21,085	4,880	13,936	18,816	6,25	40	3
1851	20,879	6,514	24,136	5,328	13,528	18,856	6,25	38	6
1852	21,111	6,337	24,280	4,151	14,818	18,969	6,25	34	9
1853	21,344	6,109	24,444	6,135	12,062	19,097	6,25	53	3
1854	21,576	6,083	24,617	4,380	14,852	19,232	6,25	72	5
1855	21,798	6,015	24,806	3,657	16,323	19,380	6,25	74	2
1856	22,038	5,973	25,025	5,006	14,545	19,551	6,25	69	4
1857	22,268	5,919	25,228	3,878	15,831	19,709	6,25	50	4
1858	22,499	5,801	25,445	5,391	14,488	19,879	6,25	44	2
1859	22,729	5,862	25,660	4,954	15,095	20,049	6,25	43	3
1860	22,958	5,821	25,869	7,410	12,800	20,210	6,25	53	9
1861	23,186	5,788	26,080	8,078	12,297	20,375	6,25	55	4
1862	23,420	5,785	26,313	11,641	8,916	20,557	6,25	55	5
1863	23,655	5,740	26,525	7,131	13,592	20,723	6,25	44	2
1864	23,891	5,675	26,729	6,689	14,193	20,882	6,25	40	2
1865	24,270	5,592	27,066	6,001	15,144	21,145	6,25	41	10
1866	24,557	5,520	27,317	6,768	14,573	21,341	6,25	49	11
1867	24,853	5,482	27,594	8,991	12,271	21,262	6,16	64	5
1868	25,150	5,461	27,886	8,397	13,319	21,716	6,23	63	9
1869	25,470	5,444	28,192	10,325	13,425	23,750	6,72	48	2
1870	25,793	5,413	28,499	7,974	12,733	23,697	5,81	46	11
1871	26,127	5,387	28,820	9,127	12,915	22,042	6,12	56	8
1872	26,467	5,369	29,151	10,921	12,916	23,867	6,55	57	0
1873	26,787	5,337	29,456	11,513	13,047	24,500	6,67	58	8
1874	27,112	5,315	29,760	11,200	12,915	24,115	6,48	55	9
1875	27,440	5,309	30,095	13,843	11,846	25,689	6,83	45	2
1876	27,772	5,322	30,433	11,799	10,535	22,334	5,88	46	2
1877	28,108	5,339	30,777	14,535	11,190	25,731	6,69	50	9
1878	28,572	5,300	31,222	13,397	11,402	24,799	6,35	46	5
1879	29,037	5,266	31,670	16,716	10,303	27,019	6,82	43	10
1880	29,420	5,203	32,021	15,531	10,336	25,897	6,46	44	4
1881	29,780	5,146	32,362	16,306	10,003	26,399	6,50	45	4
1882	30,106	5,101	32,657	18,458	10,067	26,125	7,13	45	1
1883	30,426	5,024	32,938	19,636	9,146	28,782	6,98	41	7
1884	30,750	4,974	33,237	15,256	9,540	24,796	5,97	35	8

PROTECTION PAVES THE

TABLE I (continued)

COL. 1.	COL. 2.	COL. 3.	COL. 4.	COL. 5.	COL. 6.	COL. 7.	COL. 8.	COL. 9.
1885	31,077	4,939	33,546	19,459	9,258	28,717	685	32 10
1886	31,468	4,966	33,861	15,274	7,354	22,628	535	31 0
1887	31,742	4,857	34,161	18,462	8,801	27,333	640	32 6
1888	32,080	4,861	34,481	18,549	8,637	27,186	631	31 10
1889	32,422	4,757	34,801	18,194	8,823	27,017	624	29 9
1890	32,767	4,718	35,126	19,003	8,834	27,837	634	31 11
1891	33,116	4,681	35,457	20,621	8,689	29,313	661	37 0
1892	33,474	4,638	35,793	21,973	7,065	29,038	649	30 3
1893	33,883	4,607	36,187	21,592	5,918	27,150	608	26 4
1894	34,270	4,589	36,565	22,341	7,057	29,401	643	22 10
1895	34,662	4,560	36,942	24,802	4,451	29,253	633	23 1
1896	35,057	4,542	37,328	22,974	6,771	29,745	637	26 2
1897	35,457	4,530	37,722	29,447	6,544	26,991	572	30 2
1898	35,862	4,518	38,121	27,041	8,706	30,347	637	34 0
1899	36,272	4,502	38,523	22,501	7,819	39,320	630	25 8
1900	36,686	4,480	38,921	22,601	6,315	28,916	594	26 11
1901	37,091	4,460	39,314	23,158	6,269	29,427	599	26 9
1902	37,459	4,434	39,676	24,999	6,775	31,684	630	28 1
1903	37,830	4,416	40,038	27,006	5,675	32,681	653	26 9
1904	38,204	4,405	40,407	27,302	4,468	31,710	628	28 4
1905	38,583	4,390	40,781	26,237	7,914	33,241	654	29 8
1906	38,965	4,383	41,162	25,841	7,047	32,888	638	28 3
1907	39,351	4,371	41,543	26,434	6,571	33,005	636	30 7
1908	39,741	4,379	41,930	24,078	6,269	30,947	590	32 0
1909	40,136	4,380	42,326	25,889	7,347	33,236	628	36 11
1910	40,534	4,378	42,723	27,166	6,579	33,745	632	31 8
1911	40,914	4,375	43,101	25,485	7,476	32,961	612	31 8
1912	41,278	4,375	43,466	27,618	6,673	34,591	634	34 9

quinquennial periods. It is not only more correct from the fact that there is a reduction by four-fifths of any error that might arise from the variation in the yearly balances, but it is useful in giving a clearer view of the general tendency of the figures in the different columns to increase or decrease, as time moves on, for five quinquennial periods under Protection, and for thirteen like periods under the blessings (?) of Free Trade. Table No. II is graphically illustrated by the diagram in the frontispiece.

Comments on these two tables are scarcely necessary, as the figures speak for themselves, but it seems fairly clear that up to the passing of the Repeal Act in 1846 there was no important increase in the importation of wheat from abroad, but that the yearly addition to the population had (as Porter describes) its wants supplied by additional home production of wheat. It will also be observed that the reduction in the yearly output of wheat went on at a slower rate for the first twenty years after Repeal than it has done since. No doubt the large profits made by agriculturists during the Crimean War, and the fact that prices of all commodities were raised owing to the gold discoveries in California and Australia in the middle of last century, counteracted to a large extent the disastrous conse-

TABLE II

COL. 1. Quinquen- nium ending with—	COL. 2. Population in 1,000 s		COL. 3. Population in 1,000 s		COL. 4. Units of Wheat Consumption in 1,000 s	COL. 5. Net Imports of Wheat in 1,000 Quarters	COL. 6. 93 per cent. of Home Production of Wheat in 1,000 Quarters	COL. 7. Total Consumption of Wheat in 1,000 Quarters	COL. 8. Consumption of Wheat in Bushels per Unit.	COL. 9. Gazette Price of Wheat per Quarter
	Great Britain.	Ireland	Great Britain.	Ireland						
1826	14,617	7,087	18,100	14,035	174	14,209	6.25	s 57	d. 10	
1831	15,781	7,570	19,567	14,092	1,105	15,287	6.25	63	2	
1836	16,927	7,896	20,876	16,199	105	16,304	6.25	49	1	
1841	18,087	8,112	22,143	15,333	1,966	17,299	6.25	64	4	
1846	19,248	8,264	23,380	16,534	1,732	18,266	6.25	52	10	
1851	20,414	7,263	24,044	14,310	4,475	18,785	6.25	48	8	
1856	21,573	6,121	24,634	14,700	4,546	19,246	6.25	62	1	
1861	22,728	5,856	25,656	14,102	5,943	20,045	6.25	50	7	
1866	23,959	5,662	26,790	13,283	7,646	20,929	6.25	46	5	
1871	25,480	5,431	28,197	12,931	8,962	21,894	6.21	56	0	
1876	27,116	5,330	29,781	12,258	11,855	24,113	6.48	52	7	
1881	28,983	5,251	31,610	10,648	15,297	25,945	6.56	47	4	
1886	30,753	4,989	33,248	9,193	17,617	26,810	6.45	37	3	
1891	32,425	4,763	34,805	8,769	18,966	27,735	6.37	32	7	
1896	34,269	4,587	36,503	6,252	22,737	28,989	6.34	25	9	
1901	36,274	4,493	38,520	7,131	22,070	29,201	6.06	28	8	
1906	38,208	4,409	40,413	6,184	26,257	32,441	6.12	27	5	
1911	40,135	4,379	42,325	6,848	25,930	32,777	6.19	32	5	
1912 (1 yr)	41,278	4,375	43,466	6,673	27,918	34,591	6.34	32	9	

quences that would otherwise have overwhelmed the British farming interests at an early period after the passing of the Repeal Act. The registration duty of 1s. per quarter, which was retained up to 1869, afforded also some small degree of Protection to farmers. In the thirty years from about 1866 to 1896 there was a reduction of about 50 per cent. in the price of wheat, and no doubt partly in consequence of this a reduction of about 50 per cent. in the home production, which has since remained at the same low level of about 40 per cent. of the amount it was when the Repeal Act was passed.

It may be noted, that if the home production of wheat, available for consumption, had for the last sixty-six years remained at the same level as it was for the quinquennium ending with 1846, the year of Repeal, something like 6,000,000 quarters of wheat less per annum on the average would have had to have been imported, and as this excess of imports has on the average cost about £2 a quarter, there has been an extra expenditure of £12,000,000 a year on imported wheat due to the fiscal policy adopted in 1846. At the present time the average excess of wheat imports, due to the diminished yield at home, is about 10,000,000 quarters a year, and as the present price of imported wheat is about

35 shillings a quarter, it may be said that £17,500,000 per annum is being spent abroad instead of being allowed to fructify at home in the shape of wages and profits to our agriculturists.

It will be seen from the two tables above that at the time of the abolition of the Corn Laws, the net imports of wheat into the United Kingdom were only about an eighth part of the home production, whereas now the home production is only about a fourth of the wheat imported.

The above-mentioned change in the sources of supply of wheaten foodstuffs to the inhabitants of the United Kingdom naturally leads to an inquiry as to the effect on the labour market of the country, arising from the remarkable alterations during the last three score years or so in British and Irish agriculture. This is by far the most important question of all from the working man's point of view, and I purpose dealing with it in a subsequent chapter, first of all, however, clearing the ground by a quotation *in extenso* of an article written and published by the principal advocate of Free Trade about eleven years before the Corn Laws were repealed, and republished in 1867, under the editorship of John Bright and Professor Thorold Rogers, in a book entitled "Cobden's Political Writings."

COBDEN AND THE REPEAL OF THE
CORN LAWS *VERSUS* MALTHUS
AND THE SUPREME IMPORTANCE
OF AGRICULTURE

CHAPTER II

COBDEN AND THE REPEAL OF THE CORN LAWS VERSUS MALTHUS AND THE SUPREME IMPORT- ANCE OF AGRICULTURE

IN "Cobden's Political Writings," mentioned in the last chapter, and which was republished under the editorship of John Bright and Professor Thorold Rogers with this title in 1867, the first reference to Free Trade occurs on page 149 in Part III, Vol. I, in a chapter entitled "England, Ireland, and America," and which was originally published by Cobden in 1835 in the form of a pamphlet. The reference to Free Trade is as follows:—

"By repealing the present Corn Laws, and putting only a fixed duty of such an amount as would bring the greatest revenue (we object no more to a tax on corn than on tea and sugar for the purpose of revenue,* but we oppose a *protective* duty as it is called), which, probably, might be found to be two

* Note by Editors: "Mr. Cobden soon after acknowledged his error."

shillings a quarter, such an impulse would be given to the manufactures of this country, whilst so great a shock would be experienced by our rivals, from the augmented price of food all over the world, that a rapid growth of wealth and increase of numbers must take place throughout the coal and iron districts of England, Wales, and Scotland.

“The population of Staffordshire, Lancashire, Yorkshire, Lanarkshire, and of counties adjacent to these, might be trebled in the course of a couple of generations ; and there would be no limit to its increase but in the contents of our coal mines, to which geologists assign a duration varying from two to three thousand years !

“It will be asked, What would be the effects of such a change upon the agriculture of the country? The best way of replying to this question is to consider what must have been the consequences to all interests in this country, if, in lieu of the restrictions put upon the import of corn in 1816, a law had been passed imposing only such a moderate duty as would ultimately produce the greatest revenue, and which, in our opinion, would be found to be two shillings a quarter. The factory system would, in all probability, not have taken place in America or Germany ; it most certainly could not have flourished, as it has done, both in those States, and in France, Belgium, and Switzerland, through the fostering bounties which the high-priced food of the British artisan has offered to the cheaper fed manufacturer of those countries.

“ Our belief, after some reflection upon this question, is (having already far exceeded the intended limits of this pamphlet, we are precluded from going into details) that, had a wise modification of our Corn Laws been effected at the close of the war, the official value of our exports would have exceeded, by one third, its present amount. This is, of course, presuming that our manufacturing population had augmented proportionately ; we believe that, under such circumstances, the before-mentioned counties would have now sustained upwards of a million more than their present numbers ; but as the increase of their inhabitants would not have been equal to the demand for labour, a great immigration must have taken place from the agricultural districts. This would have saved those quarters that frightful ordeal of pauperism and crime with which they have disgraced our modern history. The farmer would, by the offer of other resources for his family and dependents, have been saved from the state of servility into which he is plunged. Instead of the rent of the tenants being dictated by the landlords, the former would, under this more favourable state of things, have been the arbiters of the incomes of the latter. In short, the buyers—*i.e.*, the farmers—would in this case, as the purchasers do in dealing with all other commodities, have decided the prices of their farms --they would not have been, as at present, determined by the sellers, *i.e.*, the landowners.

“ Under such an assumed state of things, this country would, we believe, by this time, have acquired

an increase to its present wealth, to the extent of 350 millions*—nearly one-half the amount of the National Debt.

“The immediate effects of all this to the landed proprietor would, clearly, have been a reduction of rent; or where the property was heavily encumbered, his estates would have passed into other hands.

“We should not, in such a case, have heard of those displays of wanton extravagance that tend so much to demoralize all classes. Instead of the exhibitions of prodigality and insolence abroad with which some of those proprietors affronted the nations of the Continent, and disgraced at the same time their native country—instead of their contributing, at home, to raise and support a palace for Crockford—instead of their dispensing with all decorum and herding with grooms and blacklegs at Newmarket or Doncaster—instead of the necessary consequences of all this, the subsequent ruin and exile of such wastrels †—in place of these things we might have beheld a provident and virtuous proprietary residing principally upon and managing their estates; and who, we verily believe, would, under this supposed state of things, have become richer in wealth, as well as honour, than they are at this day.

“But selfishness, which is ever short-sighted, has hitherto governed supremely the destinies of this

* It is estimated that our annual loss on corn alone is 9 millions.

† *Wastrel*, in Lancashire phrase, an idle, debauched, and worthless spendthrift—a word that may be useful in London.

Empire ; and we have seen how disastrous has been its rule, not only to its own interests, but to the prosperity of the nation at large. Should the same misgovernment, from no better motives, be persevered in, with respect to the corn question, the effects will be still more calamitous for the future. 'The public debt, that 'eternal ally of truth and justice' (to use the words of a famous political writer, without adopting his malignancy), will visit with terrible reprisals the monopolists who shall persist in upholding the present Corn Laws."

It is difficult to reconcile Cobden's meaning in paragraph 5 of the above quotation with the note of the editors (Bright and Thorold Rogers), in which they estimate an annual loss on corn alone of 9 millions. The saving of this loss (if such existed) for the twenty years 1815-34 would, no doubt, account for half Cobden's estimate of 350 millions. It is, however, evident from the first paragraph of the quotation that Cobden believed that if a small fixed duty had been placed on corn directly after the Battle of Waterloo the world's price of food would have been so augmented that foreign manufacture would have been destroyed and have been replaced by British manufacture, thus causing a vast increase of wealth in the United Kingdom.

In commenting on the above extract from

Cobden's writings, it is easy to express approval of the statement in the last paragraph, relating to selfishness being ever short-sighted. One cannot, however, help remembering that at the time Cobden was full of spiteful abuse of the British landowners, the condition of child and woman labour in the northern factories (the cause of the owners of which he was championing) was simply appalling ; and that when, later on, Lord Shaftesbury carried his Factory Acts, the bitterest opponents of those Acts were the " Manchester School " and the leaders of the Anti-Corn-Law League.

My main object, however, in giving the quotation from " Cobden's Writings," is not to find fault with anything Cobden wrote and said, but simply to give my readers an opportunity of judging for themselves as to whether the object of the Free Trade movement, as disclosed by this orthodox publication, was to confer any benefit on the working classes of this country, or whether it was not rather solely to further the interests of the manufacturers, without regard to any injury that might be inflicted on those at the top or the bottom of the social scale. As to the Free Trade orthodoxy of the pamphlet that first appeared in 1835, the fact that it was written by the leader of the Free Trade move-

ment, and was republished ten years after the Corn Laws were repealed, under the editorship of John Bright (Cobden's chief lieutenant) and Professor Thorold Rogers, a staunch champion of Free Trade, stamps it with a seal of authority that none can dispute.

I intend later on to refer to the above-quoted article in the chapter entitled "The Effect of Repeal on Employment and Wages," and in the meantime will only again call attention to the first paragraph of the quotation. It may cause some surprise to those reading this paragraph, for the prevailing idea is that Free Trade was sought with a view of getting cheap food, but Cobden here distinctly states that Free Trade in England would "augment the price of food all over the world." Now it is clear that a general rise in the price of an article could only be caused by an increase of the demand (of which there is no suggestion) or a decrease in the supply. It is evident that it was this decrease in supply that Cobden had in his mind, and that he foresaw that it would be the production of foodstuffs in the United Kingdom that would decrease. The two tables given in Chapter I confirm the realization of Cobden's benevolent anticipations.

Having given Cobden's opinion of the relative importance of manufactures over agriculture,

it may not be amiss to give the converse view of that great thinker (Malthus), whose name was so much before the public one hundred years ago.

In Vol. II of the 3rd edition of "An Essay on the Principle of Population" (and published in 1806), on page 209 and onwards, Malthus says :—

"If the earth had been so niggardly of her produce as to oblige all her inhabitants to labour for it, no manufacturers or idle persons could ever have existed. But her first intercourse with man was a voluntary present, not very large indeed, but sufficient as a fund for his subsistence till by the proper exercise of his faculties he could procure a greater. In proportion as the labour and ingenuity of man exercised upon the land have increased this surplus produce, leisure has been given to a greater number of persons to employ themselves in all the inventions which embellish civilized life. And though in its turn the desire to profit by these inventions has greatly contributed to stimulate the cultivators to increase their surplus produce; yet the order of precedence is clearly the surplus produce; because the funds for the subsistence of the manufacturer must be advanced to him before he can complete his work, and if we were to imagine that we could command this surplus produce, whenever we willed it, by forcing manufactures, we should

be quickly admonished of our great error, by the inadequate support which the workman would receive, in spite of any rise that might take place in his nominal wages. If in asserting the peculiar productiveness of labour employed upon land, we look only to clear moneyed rent yielded to a certain number of proprietors, we doubtless consider the subject in a very contracted point of view. The quantity of the surplus produce of the cultivators is indeed in part measured by this clear rent, but its real value consists in its affording the means of subsistence, and the materials of clothing and lodging to a certain number of people according to its extent, some of whom may live without manual exertions, and others employ themselves in modifying the raw materials of nature into the forms best suited to the gratification of man.

“ A clear moneyed revenue, arising from manufactures, of the same extent and to the same number of individuals, would by no means be accompanied by the same circumstances. It would throw the country in which it existed into an absolute dependence for food and materials on the surplus produce of other nations, and if this foreign supply were by any accident to fail, the revenue would immediately cease.

“ The skill to modify the raw materials produced from the land would be absolutely of no value, and the individual possessing it would immediately perish if these raw materials and the food necessary to support those who are working them up could

not be obtained ; but if the materials and the food were secure, it would be easy to find the skill sufficient to render them of considerable value.

“According to the system of the Economists, manufactures are an object on which revenue is spent, and not any part of the revenue itself. But though from this description of manufactures, and the epithet ‘sterile’ sometimes applied to them, they seem rather to be degraded by the terms of the Economists, it is a very great error to suppose that their system is really unfavourable to them. On the contrary, I am disposed to believe that it is the only system by which commerce and manufactures can prevail to a very great extent, without bringing with them at the same time the seeds of their own ruin. Before the late revolution in Holland, the high prices of the necessaries of life had destroyed many of its manufactures.* Monopolies are always subject to be broken ; and even the advantage of capital and machinery, which may yield extraordinary profits for a time, is liable to be greatly lessened by the competition of other nations. In the history of the world, the nations whose wealth has been derived principally from manufactures and commerce have been perfectly ephemeral beings compared with those the basis of whose wealth has been agriculture. It is in the nature of things that a State which subsists upon a revenue furnished by other countries must be infinitely more exposed to all the accidents of time and chance than one which produces its own.

* Smith's “Wealth of Nations.”

“ No error is more frequent than that of mistaking effects for causes. We are so blinded by the showiness of commerce and manufactures as to believe that they are almost the sole cause of the wealth, power, and prosperity of England. But perhaps they may be more justly considered as the consequences than the cause of this wealth. According to the definition of the Economists, which considers only the produce of land, England is the richest country in Europe in proportion to her size. Her system of agriculture is beyond comparison better, and consequently her surplus produce is more considerable. France is very greatly superior to England in extent of territory and population ; but when the surplus produce or disposable revenue of the two nations is compared, the superiority of France almost vanishes. And it is this great surplus produce in England, arising from her agriculture, which enables her to support such a vast body of manufacturers, such formidable fleets and armies, such a crowd of persons engaged in the liberal professions, and a proportion of society living on money rents very far beyond what has ever been known in any other country in the world. According to the returns lately made of the population of England and Wales, it appears that the number of persons engaged in agriculture is considerably less than a fifth part of the whole. There is reason to believe that the classifications in these returns are incorrect ; but making very great allowances for errors of this nature, it can scarcely admit of a doubt that the number of persons employed in agri-

culture is very unusually small in proportion to the actual produce. Of late years, indeed, the part of the society not connected with agriculture has unfortunately increased beyond this produce ; but the average importation of corn, as yet, bears but a small proportion to that which is grown in the country, and consequently the power which England possesses of supporting so vast a body of idle consumers must be attributed principally to the greatness of her surplus produce.

“ It will be said that it was her commerce and manufactures which encouraged her cultivators to obtain this great surplus produce, and therefore indirectly, if not directly, created it. That commerce and manufactures produce this effect in a great degree is true ; but that they sometimes produce a contrary effect, when carried to excess, is equally true. Undoubtedly agriculture cannot flourish without a vent for its commodities, either at home or abroad ; but when this want has been adequately supplied, the interests of agriculture demand nothing more. When too great a part of a nation is engaged in commerce and manufactures, it is a clear proof that, either from undue encouragement or from other particular causes, a capital is employed in this way to much greater advantage than in domestic agriculture, and under such circumstances, it is impossible that the land should not be robbed of much of the capital which would naturally have fallen to its share. Dr. Smith justly observes that the Navigation Act, and the monopoly of the colony trade, necessarily forced

into a particular and not very advantageous channel a greater proportion of the capital of Great Britain than would otherwise have gone to it ; and by thus taking capital from other employments, and at the same time universally raising the rate of British mercantile profit, discouraged the improvement of the land.* If the improvement of land, he goes on to say, affords a greater capital than what can be drawn from an equal capital in any mercantile employment, the land will draw capital from mercantile employments. If the profit be less, mercantile employment will draw capital from the improvement of the land. The monopoly, therefore, by raising the rate of British mercantile profit, and thus discouraging agricultural improvement, has necessarily retarded the natural increase of a great original source of revenue, the rent of land." *

The contrast between the quotation from the writings of the pushing commercial man of the middle of last century and those of the calm philosopher of its commencement, who laid down the rule that the proper cultivation of the soil ought to be the first consideration of every civilized nation, is most striking. Time will show which writer has truth on his side, but there can be little doubt that Cobden was, in the policy he was advocating, taking a short-sighted view, whereas Malthus was rather looking to the per-

* "Wealth of Nations."

manent interests of the country. It is evident that Cobden had no qualms of conscience in asking for legislation which, whilst it would, as he thought, add greatly to the profits of the manufacturers, must, as he foresaw, greatly interfere with the prosperity of the largest and, at the time, the most important industry in the country. In the last portion of the above quotation from Malthus, it is clearly pointed out that capital will seek the best form of investment, and in this respect both he and Cobden are in accord as to the result that would follow any action that would benefit commerce at the expense of agriculture, the difference being that Cobden wished for that which Malthus was anxious to avoid.

THE EFFECT OF REPEAL ON EMPLOY-
MENT AND WAGES

CHAPTER III

THE EFFECT OF REPEAL ON EMPLOYMENT AND WAGES

IN discussing this subject, one naturally turns to the various Census Returns and Reports, especially so far as they record the Occupations of the people at the time. There have, up to date, been twelve of these Returns, commencing in 1801 and being repeated every tenth year. In all, or nearly all, the Censuses it has been customary to record the numbers of persons engaged in the more important occupations, but, unfortunately, the method adopted in all the earlier Censuses of making and recording the results of the enumerations has varied so greatly that, so far as Agriculture is concerned, it is practically impossible to reduce the returns to a common basis. It is not till we get to the Census of 1851 that we get figures that are really reliable, and are so recorded that they can be compared, as regards the Occupation Returns, with the subsequent Censuses.

Table III, as given below, is a reproduction from a table on page 101 of the "General Report with Appendices of the Census of England and Wales, 1901," the note below the table being also reproduced. The figures apply to England and Wales only.

TABLE III

Census Year	Males engaged in Agriculture.	Proportion per cent. of Total Males aged Ten Years and upwards.	Females engaged in Agriculture	Proportion per cent. of Total Females aged Ten Years and upwards.
1851	1,544,087*	23·5	168,652	2·4
1861	1,539,965*	21·2	115,213	1·5
1871	1,371,304*	16·8	85,667	1·0
1881	1,288,173	13·8	64,216	0·6
1891	1,233,936	11·6	51,045	0·4
1901	1,153,185	9·5	38,982	0·3

The following paragraph precedes the table (from which the above Table III is copied) in the Report of the Census of 1901:—

"It will be interesting to compare the numbers engaged in agriculture at each of the last six Censuses. In the following table these numbers for the earlier Censuses have, as far as possible, been rendered comparable with those of the later ones; but they may, nevertheless, still be affected by changes in classification, and by the fact that Carters, Wag-

* The figures for 1851, 1861, and 1871 include the "Retired."

oners, and Labourers have probably returned themselves differently or have been classified differently at successive Censuses. Domestic Gardeners who, at the previous Census, had been included with all other Gardeners, are here likewise so included. Farmers' sons under 15 years of age must, however, be excluded, since they were not generally classed as occupied at Censuses prior to 1901, even though returned as assisting in the work of the farm. The female relatives of farmers returned as assisting in farm work, who were not completely shown at the recent Census, and were not shown at all in 1891, must likewise be omitted. Farmers' wives also assist in the work of the farms, but their numbers have not been ascertained."

After giving the figures as set out in Table III, the Report goes on as follows:—

"The above Summary shows that the numbers of both sexes engaged in agricultural pursuits have declined continuously throughout the last half-century. During the last ten years the males have decreased from 1,233,936 to 1,153,185, or 6·5 per cent., following on a decrease of 4·2 per cent. between 1881 and 1891; and the females have declined from 51,045 to 38,932, or 23·6 per cent., following on a decrease of 20·5 per cent. in the preceding intercensal period. This decline in the numbers is illustrated by the large amount of arable land which has gone out of cultivation during the past ten years, as shown by the figures below."

The Report then goes on to give a table of figures showing that, as regards England and Wales, there was, in 1891, an area of arable land of 12,903,585 acres, the corresponding area in 1901 being only 12,118,289 acres, a reduction in the ten years of 6·1 per cent. As bearing on this same point, it may be mentioned that, according to the Statistical Abstract, in 1867 (the first year when such returns were made) there were in the United Kingdom 11,432,000 acres under corn crops, whilst the corresponding figures for 1912, according to the last Report of the Board of Agriculture, vol. xlvii, part ii, p. 158, were 8,314,000 acres, a decrease of 3,118,000 acres in the forty-five years, or 27 per cent.

TABLE IV

Census Year	Male Workers employed in Agriculture	Proportion per cent of Total Males aged Ten Years and upwards	Female Workers employed in Agriculture	Proportion per cent of Total Females aged Ten Years and upwards
1851	1,232,570	19·0	143,475	2·0
1861	1,206,280	16·6	90,525	1·2
1871	1,014,428	12·4	58,656	0·7
1881	924,871	10·1	40,346	0·4
1891	841,884	7·0	24,150	0·2
1901	715,138	6·0	12,002	0·1

This table (IV) is produced as otherwise it might be said that the preceding figures and statements, although showing a serious decline in agricultural prosperity, were not altogether relevant to the heading of this chapter as appertaining to employment and wages. However, Table IV is, as regards columns 1, 2, and 4, a copy of a table near the bottom of page 104 of the above-mentioned Census Report of 1901. I have added columns 3 and 5 to Table IV to make it correspond with Table III.

The following are the comments in the Report set out below the table made use of in the preparation of Table IV :—

“ These figures illustrate the rapidity with which during the last half-century agricultural labour has declined. In 1851, of every 100 males over 10 years of age, 19 workers were on farms, whilst in 1901 the proportion was only 6 in 100. In the course of fifty years, the number thus engaged has declined 42 per cent. Between 1881 and 1891 the decline was 9·0 per cent., and between 1891 and 1901 it was 15·1 per cent. In all the English and Welsh counties, more or less decline has taken place, but it is a striking fact that, with the exception of Cornwall and Dorset, the decline in all the counties south of a line drawn from the Wash to the Severn has exceeded 15 per cent. Even more remarkable has been the

reduction of female agricultural labour, the numbers having fallen from 143,475 to 12,002, or by 91·6 per cent. during the last half-century. The highest rate of decline occurred during the last decennium, when it was equal to 50·3 per cent., as compared with 40·1 in the previous decennial period."

It appears from the Report that whilst there was such a great decline between 1851 and 1901 in the number of workers on farms, the decrease in the number of farmers and graziers was comparatively small, these having been 249,431 in 1851 and 224,299 in 1901, a decrease of only 10 per cent.

There can be little doubt that the large decrease in farm labourers and the small decrease in farmers has arisen from the conversion of arable land into pasture, where so many fewer hands are required.

The above comments in the Report (dated July 1, 1904) of the Registrar-General and his associates are indeed strong and striking, and ought to appeal, not only to every inhabitant of the United Kingdom, to whatever rank in the social scale he may belong, but doubly so to the working classes, who, if they read the Report and follow the statistics therein recorded, cannot fail to see that when in 1846 Free Trade became the law of the land their predecessors, in the

elegant language of one of the present Labour representatives in the House of Commons, " were had " !

The rapid decline of agriculture, and the consequent driving away of labour connected with it, coupled with the fact that we have in Great Britain a population increasing (notwithstanding an enormous emigration) at a rate that causes a doubling of the numbers in sixty years, should afford convincing evidence to the British artisan and factory-hand that their wages are being kept down to an abnormally low level because their fellow-workers, through lack of employment on the land, are being forced to migrate into the industrial centres to seek a share of the pay which otherwise they would keep to themselves.

It is unfortunate that the portion of the Census Returns for 1911 relating to the " Occupations of the People " is not yet published (July 1, 1913).

THE CONDITION OF AGRICULTURE
IN THE UNITED KINGDOM COM-
PARED WITH THAT OF FRANCE
AND GERMANY

CHAPTER IV

THE CONDITION OF AGRICULTURE IN THE UNITED KINGDOM COMPARED WITH THAT OF FRANCE AND GERMANY

ENGLAND, under the malign influence of the Anti-Corn-Law League, adopted Free Trade sixty-seven years ago, whilst France and Germany, recognizing the prestige which this country enjoyed above all others, as regards fiscal policy, later on followed in our footsteps. In 1854, when England still had a registration duty (abandoned in 1869) of a shilling a quarter on corn, France took off all duties on agricultural produce imported into the country, a course which was followed by Germany in 1865. What did their experience of Free Trade teach these two countries? France was not long in seeing the errors of her way, for she reverted to Protection after a six-years trial of a fiscal system which has stuck to us over a period more than ten times as long, and which a large number of British citizens still seem to look upon as ideal! As regards Germany, it was not till 1865 that

she allowed the free importation of agricultural produce, but she then retained our fiscal system for fourteen years, that is to say, until Bismarck's prescience came to her aid in 1879, when she reverted to Protection, establishing tariffs from time to time based on scientific principles. As a consequence she has acquired unbounded prosperity and has become the wonder and the envy of the world. Since France and Germany reverted to Protection in 1860 and 1879 respectively, they have, as seemed advisable, made alterations in their tariffs, and it is interesting to note the direction in which such alterations have been made. It is true that on some occasions the tariffs have been lowered, but the general tendency has been in the upward direction. In the case of France there was, in 1881, a reduction (lasting for four years) from 1s. 1d. to 1s. 0½d. a quarter on wheat, and in 1891 there was a reduction from 8s. 8d. a quarter to 5s. 2d. This reduction lasted only a year, and in 1892 the tariff was again raised to 8s. 8d. a quarter. The tariff on wheat was raised to 12s. 2d. a quarter in 1894, and ever since has remained at this rate. Germany, in 1879, began with a tariff on wheat of 2s. 2d. a quarter, increasing it in 1885 to 6s. 6½d., and further increasing it to 10s. 10½d. in 1888.

However, in 1892 Germany made a substantial reduction in the tariff to 7s. 7½d. per quarter. This tariff was continued to 1906, when it was raised to 11s. 10d., at which rate it has since remained. As regards the duties on rye in Germany, they have been the same as those on wheat, with this exception, that when in 1906 the duty on wheat was raised to 11s. 10d. a quarter, that on rye was only raised to 10s. 10½d., and has since remained at the same rate. It would seem from the above history of the treatment of the duties on cereals by France and Germany since the two countries gave up Free Trade and reverted to Protection, that they have both arrived at a rate, almost identical in amount, that is effective for the object they have in view, namely, to maintain the prosperity of those connected with agricultural industry, and to put their respective populations in a position to see that, as regards breadstuffs, it is only necessary to a very small extent to rely on foreign importations of wheat and rye.

There are given below, in Table V, the annual averages, grouped in quinquennial periods, of the quantities of home-grown wheat available for consumption in the United Kingdom and France, and similar figures of wheat (and rye also) in Germany, together with corresponding annual

averages of customs duties. The figures relating to home-grown wheat are from 1842 as regards the United Kingdom, and from 1880 as regards France and Germany; and those relating to customs duties from 1842 for the United Kingdom, and 1852 for France and Germany. There appear to be no official figures to make the comparison between the three countries more complete.

It is as well to complement Table V by giving further figures showing how the three countries have had more or less to rely on foreign importations of wheat (and in the case of Germany of rye also) to make good any deficiency in the home production. In Table VI, in corresponding periods to those given in Table V, the Net Imports and Total Consumption of wheat (and rye also for Germany) are stated, as well as the proportion per cent. which the Net Imports bear to the Total Consumption. The Net Imports represent the total Imports less the Re-Exports and the Exports of the Home Production.

It seems clear from Tables V and VI that the United Kingdom, as regards its agriculture, has suffered terribly from the inauguration of Free Trade, whilst France and Germany, by not hesitating to raise duties on imported foodstuffs

TABLE V

Quinquennial ending with Year—	UNITED KINGDOM.		FRANCE.		GERMANY.			
	93 per cent. of Annual Production of Wheat in 1,000 Quarters	Annual Customs Duties per Quarter	93 per cent. of Annual Production of Wheat in 1,000 Quarters	Annual Customs Duties per Quarter	93 per cent. of Annual Production of Wheat in 1,000 Quarters.	93 per cent. of Annual Production of Rye in 1,000 Quarters.	93 per cent. of Annual Production of Wheat and Rye in 1,000 Quarters	
	s	d		s	d		s	d
1846	16,534	11 0						
1851	14,310	2 6						
1856	14,700	1 0						
1861	14,102	1 0						
1866	13,283	1 0						
1871	12,931	0 6½						
1876	12,258	Free						
1881	10,648	"	31,375†	1 1	9,435†	22,287†	31,722†	2 2
1886	9,193	"	35,431	2 8	10,832	25,500	36,332	4 9½
1891	8,769	"	32,844	8 0	11,165	23,845	35,010	10 0
1896	6,252	"	36,413	10 9	12,799	34,479	47,278	7 7½
1901	7,131	"	36,297	12 2	14,002	36,375	50,377	7 7½
1906	6,184	0 2½	37,203	12 2	16,142	43,585	59,727	8 5½
1911	6,848	Free	36,404	12 2	16,169	45,373	61,542†	11 10
1912*	6,673*	"	38,937*	12 2				11 10

* One year only.

† Average of two years (1880 and 1881 only).

‡ The duty on imported rye in Germany has been the same as on wheat, with the exception of the period from 1906, when it has been about one shilling lower.

PROTECTION PAVES THE

TABLE VI

Quinquennium ending with Year—	UNITED KINGDOM			FRANCE			GERMANY.		
	Net Imports of Wheat in 1,000 Quarters	Total Consumption of Wheat in 1,000 Quarters	Proportion per cent of Net Imports of Total Consumption	Net Imports of Wheat in 1,000 Quarters	Total Consumption of Wheat in 1,000 Quarters	Proportion per cent of Net Imports of Total Consumption	Net Imports of Wheat and Rye in 1,000 Quarters	Total Consumption of Wheat and Rye in 1,000 Quarters	Proportion per cent of Net Imports of Total Consumption.
1846	1,732	18,266	10						
1851	4,475	18,785	24						
1856	4,546	19,246	24						
1861	5,913	20,045	29						
1866	7,649	20,929	33						
1871	8,962	21,894	41						
1876	11,855	24,113	49						
1881	15,207	25,045	59	7,533†	38,928†	19†	3,587†	35,309†	10†
1886	17,617	26,810	66	4,467	39,898	11	5,303	41,625	13
1891	18,966	27,735	68	5,831	38,875	15	5,735	40,745	14
1896	22,737	28,989	78	4,284	40,817	11	7,655	54,933	14
1901	22,070	29,201	75	2,663	38,961	7	8,895	59,272	15
1906	26,257	32,451	80	1,200	38,463	4	9,923	67,650	15
1911	25,930	32,777	79	3,079	39,483	8	9,337	70,879	13
1912	27,018*	34,591*	80*		38,937*				

* One year on.

† Average of two years.

in order that their respective populations should, by the increase of the home production, have small occasion to rely on foreign supplies, must have added vast sums to the national wealth, quite apart from the fact that there being a consequent ever-increasing demand for labour in the fields must have tended to keep up the wages of those engaged in other industrial pursuits. The emigration returns of a country may be said to afford a fair test of employment, and according to this test, Germany's position, where in the year one person in 2,600 emigrates, is vastly superior to that of the United Kingdom, which loses annually by emigration one out of every 180 of its inhabitants.

To make a comparison between the three countries as disclosed by the figures in the two tables above from the £ s. d. point of view, we may take the price of wheat and rye to-day at 35s. a quarter, and compare the present time with thirty years ago. It will then appear that the United Kingdom loses about £7,000,000 a year by the decrease in the available home production, France gains about £12,000,000 a year by the increase of such production, and from the same cause Germany gains about £52,000,000 a year. If the matter is considered from the relative cost of the imported corn, then

the United Kingdom loses about £22,000,000 a year, France gains about £8,000,000 a year, and Germany loses about £10,000,000 a year. Whichever aspect of the case be taken the United Kingdom shows up to great disadvantage.

When we see the continuous and successful efforts being made by Germany to maintain agriculture in a flourishing condition, surely some attempt might be made in this country to restore vitality to such an important industry, which has, entirely through the fault of Parliament, been for over three score years going from bad to worse. It may be worth while, as bearing on the point of the attitude taken up by those in high places, in looking upon this important question, to make a quotation from a communication sent on February 12, 1913, from Berlin, by the *Times'* Own Correspondent, and appearing in that journal on the following day. It is as follows:—

“The Emperor William, who has returned here from Karlsruhe, attended this morning the annual meeting of the German Agricultural Council and delivered a speech. The subject of the debate was ‘Measures for Increasing the Productivity of German Agriculture,’ and the Emperor said that his own experience enabled him to agree absolutely with the following sentence in a resolution presented to the meeting: ‘It is beyond all doubt that German Agri-

culture is capable of providing not only the present population of the Empire, but the increased population of the future, with a sufficient quantity of the most important foodstuffs—especially bread, meat, and potatoes.’

“ His Majesty added : ‘ I subscribe to that absolutely. We can do it and we must do it.’ ”

“ The enthusiastic applause of the meeting will re-echo through the country, and the Emperor’s remarks will probably have more value for the agrarian cause than anything which the Imperial Chancellor or others may say at a banquet which is being held to-night.

“ The meeting was held as usual in the Upper House of the Prussian Diet, and the Emperor sat on the Ministerial Bench with Baron von Schorlenscr, the Prussian Minister of Agriculture, at his side. Herr von Lochow opened the debate with a speech on the improvement of methods of land cultivation and the breeding and feeding of cattle, in order to show that there might be an enormous increase in the productivity of the land at present under cultivation in Germany. The Emperor was the second speaker, and gave the meeting a further account of the experiments on his estate at Cadinen, which he had described in his speech on February 17, 1911. He said that the reclamation of marshland had been completed with perfect success, so that there had been a very large increase of crops and livestock. He gave figures to show that the reclamation had been very profitable, and said that he had himself proved

that production could be increased to such an extent that Germany could meet the whole German demand, not only for meat, as he had maintained in his previous speech, but also for bread."

Will the time ever come when to a British audience a British statesman will dare to make a speech breathing the spirit which the Kaiser imparted into the above, and to advocate, as a preliminary step, the placing of a substantial duty on foreign imported meat and corn?

GERMANY'S PROGRESS IN AGRICULTURE

CHAPTER V

GERMANY'S PROGRESS IN AGRICULTURE

IN the last chapter reference was made to the keen interest that Germany takes in agriculture, and it may not be out of place to refer here to a publication, entitled "Germany's Economic Forces," presented by the Dresdner Bank, Berlin, on the occasion of its fortieth anniversary, and for the possession of a copy of which publication I am indebted to the kindness of the Manager of the London branch of this bank. The following is the introduction to the portion of the book dealing with Agriculture :—

"Germany's agriculture chiefly lies in the hands of peasant farmers. Four-fifths of the entire soil is cultivated by peasants, farming up to 100 hectares (247 acres). Smallholdings are on the increase owing to the breaking up of large estates. Characteristic of Germany is its developed silviculture, especially in mountainous districts. For decades no woods have been destroyed in Germany, but many a tract of unproductive land has been afforested. About

50 per cent. of all the forests belong to the State, or to Municipalities. The entire forests of Germany have a probable value of nearly £500,000,000, bearing interest at about $3\frac{1}{2}$ per cent. Crop returns show that Germany, despite her great industrial development, is still one of the principal agrarian countries. This has only been achieved by a marvellous system of intensive cultivation. In this respect Germany heads the list of the agricultural countries, which is the more remarkable as in many ways the soil is inferior to that of other agrarian countries. The favourable crop returns of Germany must be attributed to the general spread of scientific methods and agricultural colleges, as well as to the increased use of chemical manures. She alone uses as much potash salts as the rest of the world together. An estimate of the value of agricultural products shows alone for wheat and rye, cattle, pigs, etc., and milk, a sum of nearly £500,000,000 annually. That Germany is a country of smallholdings is shown by the number of co-operative societies of farmers, which have a membership of about $2\frac{1}{2}$ million agriculturists. Another sign is extensive cattle, and especially pig, breeding. Special mention must be made of sugar-beet cultivation, in which Germany leads the way."

It appears from the first tabular statement in the book, following the above quotation, that taking Germany, the United Kingdom, and France in the order stated the percentage of

the soil devoted to specific purposes is as follows :—

		Germany	United Kingdom.	France.
Crops and Vineyards ... ..	..	48.8	24.2	59.4
Meadows and Pasture ... ..	...	16.0	53.6	10.5
Forests ... ..	...	25.9	4.0	15.8
Unproductive Land ... ..	...	9.3	18.2	14.3

It will be seen that nearly half the land in Germany and more than half the land in France furnishes the most valuable products of the soil, whilst less than a quarter of the land in this country is used for this purpose. We largely predominate in pastoral land, where, unfortunately, little employment is provided for the working classes, and the same condition of things holds good as regards unproductive land. The area devoted to the growth of timber is very small in the United Kingdom, compared with Germany and France.

Another very instructive tabular statement is given in the Dresdner Bank publication under the heading, "Increasing Intensification of Crops." This statement compares the average crop returns in Germany for the five years 1881-5 with those of the five years 1906-10. In order to bring the United Kingdom, as far as possible, into the comparison referred to, it is convenient in the following table (VII) to substitute the three years 1909-11 for the five years

1906-10, for the reason that the recent Reports of the Board of Agriculture give full statistics for these three years both for the United Kingdom and Germany. As regards the earlier period, 1881-5, the Statistical Abstract does not give the produce of our crops prior to 1884, and as regards hay, the produce of this crop is stated as from 1885 only, and the figure for this year for the hay crop relates to Great Britain only. Therefore in Table VII opposite the figures in the third column represent the average annual produce of the years 1884 and 1885, except as regards hay, in which case the amount stated is for Great Britain only and the year 1885 only; Rye is a very insignificant crop in the United Kingdom, and no official returns are given for this country. Where pounds or hundredweights have to be converted into bushels, 60 lb. of wheat and rye, 50 lb. of barley, and 40 lb. of oats have been taken to the bushel.

It will be seen from the figures that with the exception of a very slight decrease in the case of barley in the United Kingdom in the second period, as compared with the first, in both countries there has been an improvement in all the crops in the produce per acre. Although in the earlier period the level of production in Germany was much lower

TABLE VII

Crop	Unit	UNITED KINGDOM.			GERMANY.		
		Average Annual Produce per Acre in 1884 and 1885	Average Annual Produce per Acre in 1909-11	Increase per cent in Second Period over First Period.	Average Annual Produce per Acre in 1881-5	Average Annual Produce per Acre in 1909-11	Increase per cent in Second Period over First Period.
Wheat	Bushel	30.57	32.43	5.7	19.01	30.22	58.87
Rye	Bushel	—	—	—	14.35	26.37	81.23
Barley	Bushel	34.69	34.63	-0.2	22.97	35.52	54.63
Oats	Bushel	37.71	42.55	11.4	34.27	42.66	75.71
Potatoes	Ton	4.85	6.01	23.9	3.36	4.99	48.51
Hay	Ton	1.41	1.59	12.8	1.14	1.75	53.51

than it was in the United Kingdom, the intensification of the crops in Germany was most remarkable, as will be seen by the percentages in the last column. In the second period the level of the crops in the United Kingdom, as compared with Germany, was better as regards wheat by 6·6 per cent., and as regards potatoes by 17 per cent.; whilst in the same period Germany was better than the United Kingdom in the case of barley by 2·5 per cent., in the case of oats by 0·3 per cent., and in the case of hay by 5·3 per cent. As regards the potato crop in the United Kingdom in the years 1909, 1910, and 1911, in the latter year the crop seems to have been a record one of 6·47 tons to the acre, the crop of 1909 having been 5·95 tons to the acre, and that of 1910 having been 5·6 tons to the acre, whilst the crop of 1912 was only 4·74 tons to the acre. There are no official figures of the crops in Germany in 1912, or this year would have been entered in the above table.

From the above figures it seems certain that, as regards farming, unless the British Government aids the agriculturist interest in one way or another, Germany will soon outstrip us in every branch of this important industry.

The Dresdner Bank book, in drawing attention to the quantities of chemical manures used in

Germany, mentions that in 1880, out of the world's consumption of 230,000 tons of Chilean nitrate of soda, she took 55,000 tons, or about 24 per cent. ; whilst in 1910, out of the world's consumption of 2,274,000 tons, she took 750,000, or 33 per cent. Again, as regards potash-salt manure, in 1911 for each square kilometre of cultivated land Germany used 1,204 kilogrammes, the United Kingdom 203, France 81, and the United States 142 kilogrammes.

It is also stated that in the years 1910-11 Germany produced 20 per cent. more beet-sugar than Russia, 70 per cent. more than Austria-Hungary, considerably more than three times as much as France, and five times as much as the United States.

Perhaps the most valuable of all the statistics given in this book are those relating to the occupations of the entire German population in percentages in the years 1882 and 1907. The figures are as follows :—

	1882.	1907.
Agriculture	42·5	28·6
Industry and Mining	35·5	42·8
Trade and Traffic	10·0	13·4
Miscellaneous	12·0	15·2

There are many other interesting particulars in this book relating to such important matters as Agricultural Education, Co-operative Societies

in connection with agriculture, and machinery used by farmers. Although in all these matters there has been great and rapid improvement, I will confine my statement of figures to agricultural machinery. In 1882 there were in use in Germany 836 steam ploughs, whilst in 1907 the number was 2,995, an increase of 258 per cent. In the same interval sowing-machines increased from 63,842 to 290,029, or 354 per cent., mowing-machines from 19,634 to 301,325, or 1,434 per cent., and steam threshing-machines from 75,690 to 488,867, or 545 per cent.

The above figures need no comment, except as regards the occupation of the people engaged in agriculture, in which case there was a decline from a percentage of 42·5 of the population of 1882 to 28·6 of the population of 1907. In other words, the percentage of the population engaged in agriculture was only two-thirds in the later period of what it was in the earlier one. In order to get the actual numbers employed in agriculture in 1907 compared with those so employed in 1882, we have to take into account the increase of population in the interval. This amounted to 33 per cent., and if we add 33 per cent. to 28·6 we get 38·1 as the percentage of the population of 1882 that represent those em-

ployed in agriculture in 1907. Therefore, in actual numbers the agriculturists of 1907 were about 10 per cent. fewer than those of 1882. It can easily be understood, looking to the enormous increase in machinery, as above stated, that a decrease of 10 per cent. in the number of persons employed would be quite compatible with a large increase of production, which, it is well known, actually took place in Germany in the interval between 1882 and 1907.

NATIONAL GRANARIES OF BRITISH
AND IRISH WHEAT, TO AFFORD
SECURITY FOR FOOD SUPPLIES
IN TIME OF WAR, AND TO EN-
COURAGE HOME AGRICULTURE

CHAPTER VI

NATIONAL GRANARIES OF BRITISH AND IRISH WHEAT, TO AFFORD SECURITY FOR FOOD SUPPLIES IN TIME OF WAR, AND TO ENCOURAGE HOME AGRICULTURE

PERHAPS I may take this opportunity of suggesting a way in which the United Kingdom could, in the course of a few years, secure a large stock of British and Irish wheat, and at the same time greatly assist the agricultural interests of the country. In 1892 a book called "Land: its Attractions and Riches," was published by Mr. C. F. Dowsett, F.S.I. One out of the 57 articles in the book was contributed by me, and was entitled, "The Importance of Combination amongst Farmers." The latter part of this article was as follows:—

"The writer would like on this occasion to draw attention to a subject touching the necessity of farmers combining together in order that their influence in matters affecting their class and the country generally may be more widely felt. The awful famine which is now afflicting Russia must call to the minds

of all the position in which we should be placed if for any reason our food supply were cut off for a lengthened period. For the matter of this, we may consider how practically most of the civilized world would have been placed if the harvests of North America had this year been a comparative failure, instead of, as was providentially the case, most exceptionally abundant.

“ In order that we should, in some measure at any rate, be prepared in future to meet such calamities, or even as a step of ordinary precaution in time of war, it appears to the writer that the farmers of this country should urge on the Government the importance of buying up every year so much grain, to be stored as national property and only to be used in case of necessity. In one way, if such a step were taken, it would be unnecessary to spend the same sum on the Navy, as if we had a larger amount of food in the country it would not be of so much importance to keep the control of the ocean highways. To show the position we should be in at present if our foreign food supply were cut off, it may be useful to give our imports of foodstuffs for the year 1890. In addition to the articles already mentioned,* we obtained from abroad fresh and salt meat (including bacon and hams, but not including living animals or preserved meats) 9,373,451 cwts., of the value of £18,800,237 ; and cereals and pulses, including flour and meal, 142,893,787 cwts., of the value of £49,576,067. If

* In a preceding portion of the article.

we take, then, the whole of the foodstuffs which we annually import to supplement our own produce, we shall find that they amount to over eight million tons, and that their estimated value is over ninety millions sterling. However, in case of foreign supplies being cut off, it is probable that for at least a year no great hardship would be felt if there were means at hand to supply the usual amount of cereals. It is the writer's opinion that in order adequately to protect ourselves against future emergencies, the Government should gradually (say in the course of ten or twenty years) accumulate fifty million pounds' worth of grain in this country, only to be used in time of necessity. The annual burden which this step would involve would mean eventually only a halfpenny in the pound income tax ; for of course the principal sum might fairly be raised by loan ; and this additional liability on the nation would be amply compensated by the feeling of security engendered by such a public insurance against the danger of famine.

“ We have biblical authority for the fact that Joseph in seven years stored a supply of food in Egypt for seven other years, so that it would require no great effort for England in ten or twenty years to collect one year's supply. If the step here proposed were adopted, there would be many indirect advantages to the farmers and the public generally. It would, of course, be advisable in years of plenty to make a larger provision for the future than in years of scarcity, and this would tend to equalize prices. Then again, the Government would each year be able

to part with a considerable portion of former years' accumulations and purchase in their place fresh supplies, thus placing at the disposal of the community old corn, which is far better for milling purposes than new corn.

“ Probably the best way of carrying out the principle of establishing national granaries would be by the employment of Government officers, who would visit the various parts of the country after harvest, and buy up a certain amount of new corn after it was stacked. Of course only such corn would be bought as was harvested in good condition and stacked properly, so that it would suffer no deterioration from weather or vermin. At the same time that new corn was bought it would be possible to dispose of (perhaps to some extent in exchange) a certain portion of the corn bought in former years, it being understood that the annual increment to the stock would be maintained.

“ The writer is not aware that this idea has been before seriously broached (certainly he has not heard of it), but it appears to him that it is a suggestion well worth the attention of our public men, although there can be little doubt that all questions involving the expenditure of public funds are never likely to be earnestly solved by Parliament until forced on its attention by public opinion. For this reason it is hoped that the matter would be put before the Government by the combined action of our farmers, as it is a matter which would add greatly to the public security, whilst no doubt it would confer

indirect benefit on a class who, perhaps more than any others, through their many misfortunes in recent years, are deserving of sympathy and support." ·

Since the above was written, more than twenty years ago, the lot of the British Agriculturist has been getting worse and worse, so that there is more need than ever that something should be done to improve his position. If I were writing the article to-day, I should suggest that if national granaries were going to be formed in this country, it would be better to begin in a small way and to go on adding to the stock by increments that each year became larger. The two reasons for adopting this principle are that the annual amount of wheat required for the United Kingdom is a good deal larger than it was, and as the production of the country is at such a reduced level, it would cause much inconvenience if at the beginning too much of the cereal were withdrawn from consumption. I should suggest, as before, that all the purchases should be of British and Irish production, and that instead of having equal annual increments, the first year the national purchases of wheat should be a million quarters, the second year $1\frac{1}{4}$ millions, the third year $1\frac{1}{2}$ millions, and so on. At this rate in the fifteenth year the purchases in the year

would amount to $4\frac{1}{2}$ million quarters, and the accumulated stock at the end of the year would be $41\frac{1}{4}$ million quarters.

The present annual consumption of wheat in the United Kingdom may be taken at 34 or 35 million quarters, and if the population goes on increasing at the present rate of about 1 per cent. per annum, it is probable that the annual requirements of the nation in fifteen years' time will be about 40 million quarters. If any scheme of this sort became a national obligation, there would be a very great inducement to the farmers to grow the largest crops and of the best quality possible. The Government agents in making their purchases would naturally select the most superior grain, and there would no doubt be considerable emulation amongst the growers to put before them wheat of the highest standard. It is as soon as possible after the corn is harvested that many farmers are obliged to send it to market for sale, and it would be a great boon to such men if the Government purchases were made at this time, whilst the country's finances would benefit from buying cheaply, with the opportunity of selling at a profit in twelve months' time.

It is not suggested that other cereals than wheat should be bought and stored by the

Government, but perhaps eventually it might be considered advantageous to adopt this course. It may be asked if the proposal to establish National Granaries is to be combined with protective duties on imported wheat. I may point out that annual Government purchases of British and Irish wheat would be equivalent to a bonus to our farmers, and even if duties were imposed on wheat coming from foreign countries, Colonial grain being admitted free, our own agriculturists would have a clear advantage over all similarly occupied abroad. However, I am decidedly of opinion that the formation of National Granaries should be combined with the imposition of protective duties on wheat coming from abroad. The matter will be more fully dealt with later on, but it seems to me reasonable that if duties are to be imposed on imported wheat a portion of the receipts should be used to pay for the corn purchased by the Government, or, at any rate, should be made available to meet the interest on the loans raised to make this purchase.

A COMPARISON OF THE WEALTH OF
THE UNITED KINGDOM WITH
THAT OF OTHER GREAT NATIONS

CHAPTER VII

A COMPARISON OF THE WEALTH OF THE UNITED KINGDOM WITH THAT OF OTHER GREAT NATIONS

IT is recorded that when war was raging on the Continent in the early part of last century, the European Powers who were allied with us against Napoleon had to rely largely on British gold to enable them to relieve that financial strain which was beyond their unaided power to bear. Fifty million pounds of British money was at the time advanced to our continental allies, and there can be little doubt that the eventual overthrow of the Emperor in 1815 was largely due to the "sinews of war" furnished by this country. Not only does this fact show the comparatively small pecuniary resources possessed at the time by the principal continental States (France excepted) of Europe, but it proves the great wealth of the United Kingdom.

A hundred years ago the capital of the world was insignificant compared with what it is to-day, and yet at the time of the Battle of Waterloo

not only was the United Kingdom able to pay interest on a National Debt of about £900,000,000 (or £50 per head of the population), but she managed in the thirty-one years' interval that elapsed between the capture of Napoleon and the repeal of the Corn Laws to redeem this debt at the average rate of over £2,000,000 a year, besides in 1835 compensating the slave-owners of the West Indies to the extent of £35,000,000 for the liberation of their slaves. In 1846 the National Debt, through the redemption just mentioned, and by the increase of population, stood at a figure which represented only £30 per head, a circumstance which was very favourable to the inauguration of Free Trade. No doubt the lightened pressure of the debt, produced under, if not brought about by, Protection, coupled with the fortunate occurrences that happened at the time or soon afterwards, helped to prevent any early disastrous consequences arising from Sir Robert Peel's fiscal policy.

The above statements afford some indication of the great wealth of the United Kingdom anterior to the introduction of Free Trade ; but it is also necessary to show the financial condition at the time of the principal continental States of Europe. The quotation given in

Chapter II from Cobden's writings shows the poor opinion he had of the manufacturers in foreign countries, and how easy it would be under certain circumstances to drive them, as he thought, out of the field altogether by putting a little extra pressure on their financial resources. We also know that for many years subsequent to 1846 the exports from the continental countries of Europe mainly consisted of raw materials and agricultural produce, in connection with which no large amount of capital was required, nor did any great profit arise from the sale of such commodities. Probably, however, no better indication of the amount of capital in the possession of the leading Powers of the world three or four score years ago is afforded than by a statement of the methods adopted by them to obtain the wherewithal to construct their respective railway systems, which at the time all civilized countries considered indispensable in developing industrial enterprise. In 1830 the first important railway in the United Kingdom—namely, the one connecting Liverpool and Manchester—was opened for traffic. Not long after this event an era of rapid railway construction was going on in this country, as may be judged from the fact that in the middle of the year 1847 the length of the railways in use was 3,424 miles, whilst the capital that had

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been expended on these works up to this date amounted to £109,500,000, of which sum £46,000,000 had been spent in the previous three years.

The example thus set by England, in the promotion and construction of railways between important industrial centres in the country, was quickly followed by the more important nations of the world. There was, however, this remarkable difference in railway development on the Continent of Europe and in North America, as compared with that in the United Kingdom, inasmuch as our railways were made from our own resources, whereas foreign nations, on account of their paucity of capital, appealed to us for assistance, and as a consequence their railways were in the early days largely constructed by means of funds obtained from the United Kingdom. In fact, not only did the money come from this country, but in many European States, now our powerful rivals in trade and commerce, some of their early railways were carried out by British engineers, British contractors, British navvies, and by the use of British material and capital. When in later years these countries became more prosperous, they expropriated nearly all the British-owned railways and other public undertakings in their respective countries,

so that there must now be a comparatively small amount of our capital invested in industrial enterprises on the Continent. It may be mentioned that the waterworks of Berlin were erected and owned by an English company, but it was not many years before Germany purchased the undertaking. In the United States British capital has—since the days when it was said that Cobden invested a large portion of the first handsome grant he received for his services from his friends and admirers in the stocks of the Illinois Central Railway Company—borne a considerable portion of the cost of railway construction in that country. Thirty or forty years ago it was commonly supposed that at least half the stock of some of the principal railroads in the United States was held in Europe, and mainly in England. That a very large amount of British money was at the time invested in United States railway securities is borne out by the fact that when, shortly afterwards, financial difficulties arose in connection with some of the companies, making it necessary to carry through schemes of reconstruction, these schemes were largely inaugurated and carried out in London with the object of protecting the interests of British proprietors. Conditions have now changed, and for a considerable time, there can be no doubt,

large blocks of American railroad securities have drifted back through sales to the United States from holders in the United Kingdom. Probably at the present time the amount of American railroad stocks held by British investors does not exceed a third, or possibly a fourth, of what was similarly held thirty years ago. The British investors who have sold their stocks to citizens of the United States have received a fair equivalent in exchange ; but, speaking of countries and not of individuals, the method of exchange seems clearly to have been effected by the States sending over perishable commodities and receiving back capital in the shape of railway stocks.

The average annual value of the net imports from the United States into the United Kingdom for the three years 1909, 1910, and 1911 amounted to £89,900,000, the net imports representing the total imports less the re-exports to the United States of foreign and colonial produce previously imported into the United Kingdom. The average annual value for the same three years of the exports of British and Irish produce to the United States amounted to £29,600,000 only, showing, as regards our commerce with the United States an excess of imports over exports of £60,300,000. It is highly probable that the sale of our American

railroad securities to American investors is still going on, and that payment for the same comes out of this excess. It may be mentioned that for the three years 1909-11 the average annual value of the animal and vegetable foodstuffs and tobacco imported from the States into the United Kingdom amounted to £36,600,000.

In calling attention to the existing wealth of foreign countries, it is not sufficient to show that these countries have become independent of outside financial support to prove that they are on terms of equality with the United Kingdom, a country possessing so many interests in all parts of the world. It is therefore necessary to go one step farther than I have done, and to point out some of the profitable international advantages that our foreign rivals have secured by the enterprise of their people and the judicious employment of capital. There is no question that our Free Trade policy has resulted in an enormous addition to the number of foreign financial establishments in our midst. Probably the foreign banking element in London to-day is out of all proportion to that of any other city in the world. The doubt, however, arises in one's mind as to whether in this matter the chief benefit falls to us or to the enterprising bankers who have opened branches in London. If the chief advan-

tage rests with the inhabitants of the city where such banks are established, it seems somewhat surprising that our neighbours on the Continent cannot offer sufficient inducement to get British banks established in their chief cities. It has been stated on good authority that there is at times as much as a hundred millions sterling of French money engaged in banking business in London. This of itself affords an index of the wealth of our continental allies, and also establishes the fact that the business carried on is not unprofitable. It is well known that most of the large companies domiciled in the United Kingdom have on their registers the names of foreign holders of considerable amounts of their stocks, whilst the readiness and ability of foreign investors to put money into British Government and municipal securities, as well as in those of British industrial enterprises, are shown by the frequency with which arrangements are made for converting registered stocks into "bearer" stocks, which are essential to secure any considerable amount of foreign investment.

Apart from the introduction of foreign capital into this country in the way above described, large sums of money from abroad have been employed in the direct development of British industrial enterprises. For instance, much

French and German capital has been employed in various ways in connection with the collieries of South Wales, whilst the tube railways of London have been largely constructed by means of funds supplied from the United States. Further, it may be stated that German and American capital has been invested in a number of electrical enterprises in the North of England.

One other illustration may be given of what is happening in the race for wealth amongst the great nations of the world, and this relates to shipping. For two hundred years or more England has held a foremost place in the shipping world. Seventy or eighty years ago, before there was any serious attempt to construct ships of any other material than wood, it looked as if the United States and the northern States of Europe, owing to the enormous timber tracts which they possessed, would deprive this country of the lead it had in shipbuilding. Fortunately for us, at this time iron began to be used in the construction of ships, and so rapidly did this material show its superiority for the purpose over wood that by the year 1860 there was as much shipping tonnage constructed of iron as there was of wood. From this time forward iron was more and more used, and wood less and less, for shipbuilding. As until recent times the United

Kingdom was by a long way the largest producer of iron in the world, her control of the ship-building trade became indisputable. This country still leads the way in shipbuilding, but a distinction must be drawn between the building of ships and the owning of ships. The former, no doubt, may be remunerative to the shipbuilder and to those he employs, but there is no longer a profit when the ships have been sold, except to the person who buys, whereas the shipowner has an income-earning asset. As indicating the relative position of the United Kingdom and other countries in respect to shipping, a comparison is made below of the statistics for the five years 1888-92 and the five years 1908-12. For the first period the figures are extracted from the Statistical Abstract No. 41, and for the second period from the Statistical Abstract No. 59, and the Board of Trade Accounts relating to Trade and Navigation for the three years 1910, 1911, and 1912. For the two quinquennial periods the figures extracted show that the average annual net tonnage of sailing and steam vessels that entered and cleared with cargoes in and from ports of the United Kingdom, from and to places abroad, was as follows:—

	British Tonnage.	Foreign Tonnage.	Total Tonnage.
1888-1892 ...	45,689,000	16,097,000	61,786,000
1908-1912 ...	65,672,000	34,892,000	100,564,000

From the above figures it will be seen that for the first period 73·9 per cent. of the tonnage was British and 26·1 per cent. was foreign, whilst for the second period, which is twenty years later than the first, 65·3 per cent. of the tonnage was British and 34·7 per cent. was foreign. From the above figures it will be seen that whilst the British tonnage has increased during an interval of twenty years by 44 per cent., the foreign tonnage has increased during the same time by 116 per cent.

Many of those who approve our present fiscal policy consider that the excess of our imports over our exports is largely counterbalanced by our profits on shipping, but they never allude to the fact that if British profits are earned on British ships entering and leaving our ports with cargo, foreign profits are earned on foreign ships doing similar business. Therefore, as the freight represents an extra charge on the goods carried, it is evident that if as a nation we claim credit for the profit earned on the British ships entering and leaving our ports, we should be debited with the loss we suffer by having to pay the freight on the foreign ships carrying goods to and from our shores. As from the figures given above it is seen that about two-thirds of our carrying trade is performed by British ships and one-third by

foreign ships, it is only as regards one-third of such trade for which we can claim to be credited, as the loss of one-third must be deducted from the gain of two-thirds.

Confirmation of the earlier statements in this chapter, as to the present wealth of European countries, is given in our Diplomatic and Consular Reports. Our Consul-General in Paris, Mr. W. Gastrell, in his Report on the Economic Development of France in 1910 and 1911 (Cd. 6005-174), quotes M. Leroy-Beaulieu as stating that £189,600,000 were subscribed in France in 1910 in respect of new financial emissions, and gives a list of the securities acquired. The Consul-General also mentions that M. Alfred Neymarck calculates that the savings of the French population enable them to invest from £80,000,000 to £100,000,000 a year. It is also stated that the same financial expert estimates the floating capital of France as being between £4,200,000,000 and £4,400,000,000, whilst the French capital invested abroad in Government stock or foreign securities is £1,600,000,000, bringing in an annual return of £80,000,000.

As regards Germany, the Report of Consul-General Sir Francis Oppenheimer is very instructive. This Report shows that the number of German Savings Bank books increased from

14,863,956 in 1900 to 19,845,329 in 1908, whilst the amount to the credit of depositors increased from £441,929,150 in 1900 to £727,627,750 in 1908. It is further stated that whereas the amount to the credit of each depositor was, on the average, about £29 in 1900, this figure had increased to £36 in 1908. It will therefore be seen that, in the eight years from 1900 to 1908, the German Savings Banks deposits increased at the rate of £35,000,000 per annum. It may not be out of place to give the corresponding figures for the United Kingdom. It appears, from the Statistical Abstract No. 59 (pp. 355 and 357) that in 1900 the United Kingdom deposits in the Post Office Savings Banks and the Trustees Savings Banks, taken together, amounted to £187,005,562, the number of depositors being 9,310,340, and the amount due, on the average, to each depositor being £20. In 1908 the deposits in the two banks were £212,364,164, the number of depositors being 12,726,284, and the amount due, on the average, to each depositor about £17. It will be seen that whilst the deposits in the German Savings Banks increased at the rate of over 35 millions a year, representing more than 10s. per head of the total population, the increase of deposits in the case of the United

Kingdom was less than $3\frac{1}{2}$ millions a year, and represented only about 1s. 6d. per head of the population.

The striking signs of wealth in France and Germany, indicated by the Reports of the British Consuls-General, are the more remarkable considering the drawbacks to trade and commerce caused by the necessity of maintaining enormous standing armies. The loss entailed by this necessity is by no means fully represented by the direct outlay that falls on the State, but there is probably an equal loss arising from the fact that in each country a large number of the pick of those able to work are withdrawn from industry, so that as regards the production of the necessaries of life their contribution is represented by a minus quantity.

CAPITAL THE CONDITION PRECE-
DENT TO EMPLOYMENT

CHAPTER VIII

CAPITAL THE CONDITION PRECEDENT TO EMPLOYMENT

IN the last chapter two things were attempted, the first being to show that at the time the Repeal Act was passed the United Kingdom was the only country in the world with a plentiful supply of capital, whilst the second was to establish the fact that the financial condition of certain countries had so improved during the last three score years that their wealth approached if it did not exceed our own. The ground having thus been cleared, this chapter is introduced with a view of proving that capital is an essential antecedent to the good and constant employment of labour. It does not follow from this that by degrees from a small beginning a large amount of capital may not be accumulated ; but the process is comparatively slow, and it is only when capital becomes abundant that means are afforded for a large and constant employment of labour. For instance, take the case of factories on the

Continent that were established ten, twenty, or thirty years ago. They were in many cases started with small and uneconomical plant, but through the protective duties ruling at the time, the owners were enabled to sell their output on better terms than their foreign rivals. As a consequence, their works as a rule were run to their full capacity, the ideal way of earning a maximum profit, for there is in every business a constant in the shape of rent, rates and taxes, establishment charges, and other items, which remain the same whether the works are fully employed or not. Our foreign competitors have, however, not been content to run their mills and factories to their full capacity, but they have been introducing in every possible way the best up-to-date automatic machinery and plant obtainable. As a consequence their works are second to none in the world for economy and efficiency. Their competition has been severe in the past ; but if our fiscal policy is to continue unchanged, the lot of our manufacturers in the future seems likely to realize, in its description, the striking words, which it is unnecessary to repeat, recently used by Sir Edward Grey.

In illustration of the arguments adduced above, I have extracted figures from the Statistical Abstracts of Foreign Countries, Cd. 8015 and

Cd. 6698 (this latter being the last published), for the purpose of compiling the four following tables: No. VIII dealing with the Average Annual Production of Coal and Lignite, No. IX giving similar information about Iron Ore, No. X Pig Iron, and No. XI Crude Steel. As far as possible, in these tables, the annual averages of quinquennial periods have been taken. At the bottom of each table the percentage of the

TABLE VIII

AVERAGE ANNUAL PRODUCTION OF COAL AND LIGNITE
IN 1,000 METRIC TONS.

Period	United Kingdom Coal.	United States Coal and Lignite	Russia. Coal	Germany. Coal and Lignite	France Coal
1890 and 1891	186,493	148,025	6,124	91,772	25,547
1892 and 1896	186,833	166,473	8,260	100,514	26,833
1897 and 1901	217,131	224,433	14,034	137,417	31,755
1902 and 1906	239,189	329,823	19,029	160,971	33,152
1907 and 1911	270,177	427,269	25,056	219,009	37,203
Increase per cent. in Last Period over First Period.	45	189	308	138	46

NOTE.—With regard to the grouping of Coal and Lignite together, it may be mentioned that the Blue Books do not separate the two minerals in the figures relating to the United States, but do so as regards Germany, in which case rather more than two-thirds of the above grouped figures represent coal, and rather less than one-third represent lignite.

TABLE IX

AVERAGE ANNUAL PRODUCTION OF IRON ORE, IN 1,000 METRIC TONS.

Period.	United Kingdom.	United States.	Russia.	Germany, including Luxemburg.	France.
1890 and 1891	13,493	15,564	1,738	11,032	3,526
1892 and 1896	12,436	14,580	2,484	12,380	3,748
1897 and 1901	13,966	24,001	4,982	16,978	4,908
1902 and 1906	14,429	38,315	4,732	22,284	6,825
1907 and 1911	15,507	48,110	5,777	27,214	12,612
Increase per cent. in Last Period over First Period.	15	209	232	146	257

TABLE X

AVERAGE ANNUAL PRODUCTION OF PIG IRON, IN 1,000 METRIC TONS.

Period	United Kingdom	United States	Russia, excluding Finland.	Germany, including Luxemburg	France.
1891 and 1893	7,143	8,316	1,051	4,845	1,986
1894 and 1896	8,057	8,373	1,443	5,729	2,138
1897 and 1901	8,882	13,150	2,491	7,735	2,538
1902 and 1906	9,220	20,446	2,672	10,352	2,922
1907 and 1911	9,804	24,069	3,019	13,538	3,822
Increase per cent. in Last Period over First Period.	37	189	187	180	92

TABLE XI

AVERAGE ANNUAL PRODUCTION OF CRUDE STEEL IN 1,000 METRIC TONS.

Period	United Kingdom	United States.	Russia.	Germany, including Luxemburg	France.	Belgium.
1891-1893	3,057	4,352	522	2,827	786	239
1894-1896	3,567	5,352	868	4,142	958	487
1897-1901	4,813	10,240	1,821	5,964	1,450	637
1902-1906	5,534	17,630	2,532	9,160	2,032	1,107
1907-1911	6,282	22,577	3,155	12,803	3,159	1,708
Increase per cent. in Last Period over First Period	106	419	504	353	300	614

increase of the last period over the first has been stated for each country the returns of which are tabulated. It will be seen that without exception England stands lowest as regards percentage increase, although as regards coal she is very little indeed below France.

The above four tables show how rapidly in countries which have a protective tariff production in certain trades is increasing in comparison with the United Kingdom. But what is still more important is the self-evident fact that this increase in production must have been preceded by a

large outlay of capital for providing additional factories, or for extending those previously in existence, whilst this additional accommodation could only be properly utilized by a corresponding increase in the number of persons employed.

It will no doubt be observed that so far no reference has been made to two of the most important industries of the country, namely, that of Cotton Manufacture and that of Woollen and Worsted Manufacture. I will endeavour to remedy the omission by presenting on page 105 Table XII, giving the quantity of raw cotton used in manufacture in the United Kingdom, the United States, Germany, and France; and Table XIII, relating to the consumption of raw-wool for manufacturing purposes in the United Kingdom, Germany, and France. The difficulty of tabulating the returns of other countries than those mentioned arises from certain necessary factors not being recorded in the Statistical Abstracts. This is more particularly the case in respect to wool. With regard to Table XII relating to raw cotton, the figures for the United Kingdom, Germany, and France are obtained by deducting the re-exports from the imports, whilst for the United States use has been made of a table on page 491 of Cd. 6698,

giving the amount of American cotton retained for home consumption.

There has been greater trouble in constructing Table XIII on account of the difficulty of ascertaining the home production of wool. The number of sheep in the United Kingdom has been recorded for every year, commencing with 1867, whilst the imports and re-exports of foreign and colonial wool have been recorded in the Statistical Abstract from the commencement of the publication, which included the year 1840. From the same date the exports of British and Irish wool have also been tabulated, although under somewhat varying headings. The number of sheep in France and Germany in the earlier years have only been recorded periodically instead of annually, as has been the case with the United Kingdom. The home production of wool is relatively of much more importance in the United Kingdom than in France and Germany, on account of the number of sheep in this country having been at a continuously high level, centring round a figure of about 30 millions, whereas in Germany the number of sheep has fallen from 25 millions in 1873 to about 7 millions at the present time, whilst as regards France the fall has been from 25 millions in 1875 to 17 millions in 1909.

The annual production of wool per sheep I have taken at 5 lb., which is probably a fair figure at the present time. Tables XII and XIII, the methods of constructing which have been just stated, are set out on page 105.

The increase per cent. of British Cotton and Wool Manufacture as shown in Tables XII and XIII will be seen to be less, and mostly considerably less, than that of the other countries tabulated. In one respect this is surprising, as Lancashire and Yorkshire, the home of the cotton and woollen trades respectively, seem in no way alienated from their Free Trade affection; and yet these two counties above all others seem to suffer from the attacks of Protectionists, who are not only progressing more rapidly, but are forging new weapons of attack by amassing fresh capital, which will be invested in their businesses, with the view of making their competition all the keener. The fact that, according to both tables, Germany is going ahead faster than France, in all probability is mainly due to the rapid increase of population in Germany, whilst that of France remains almost stationary. It is unfortunate that the statistics of most foreign countries are very meagre antecedently to 1872. The years 1872 and 1873 were "boom" years in England, so that if these years had been

TABLE XII

AVERAGE ANNUAL QUANTITIES IN MILLION POUNDS OF
RAW COTTON USED IN MANUFACTURE.

Period.	United Kingdom.	United States	Germany.	France.
1874-1878	1,240		266	206
1884-1888	1,438	1,082*	377	234
1890-1894	1,535	1,315	533	230
1899-1903	1,508	1,954	728	408
1907-1911	1,876	2,280	928	500
Increase per cent. in Last Period over First Period	51	111	248	142

TABLE XIII

AVERAGE ANNUAL QUANTITIES IN MILLION POUNDS OF
WOOL USED IN MANUFACTURE.

Period.	United Kingdom	Germany	France
1874-1878	362	206	369
1884-1888	377	307	404
1890-1894	426	375	454
1899-1903	424	372	461
1907-1911	480	426	506
Increase per cent. in Last Period over First Period	33	107	37

* Four years only, 1885-8.

selected, British returns in subsequent periods would have shown up badly in comparison. Therefore, in the above two tables the years 1874-8 have been adopted for the first quinquennial period.

It may be worth while to make some kind of comparison, as regards our wool trade, antecedently to the adoption of Free Trade and the present time. Comparative statistics are, therefore, set out below, relating to the year 1844 and the average returns for the years 1907-11. The year 1844 has been chosen because Porter, in his "Progress of the Nation," gives many interesting particulars as to this year on pages 175, 176, and 177. He estimates that the number of sheep in England and Wales only, in this year, was 25,343,476, and that the average weight of each fleece was $5\frac{3}{4}$ lb., making a total production of wool, not including Scotland and Ireland, of 145,724,880 lb. By adding the net imports of foreign wool, namely, 63,154,698 lb., he gets a total available supply for the year of 208,879,578 lb., or, as he points out, an increase of more than 100 per cent. since 1800. Probably the best illustration of the prosperity of the woollen trade at the time is given in Porter's words at the top of page 177: "The increase in the population of the whole

West Riding of Yorkshire, the chief seat of the woollen manufacture in England, was, between 1801 and 1841, from 563,953 to 1,154,101, or 104 per cent."

To get at the number of sheep in the United Kingdom in 1844, on the basis of Porter's estimate for England and Wales only, of 25,343,476, is somewhat difficult, as although in 1867 and subsequently complete records have been made for the United Kingdom, divided into Great Britain and Ireland, England and Wales do not seem to be distinguished apart from Scotland. However, as in 1867, there were, according to the returns, sheep to the number of 28,919,101 in Great Britain, or only about $12\frac{1}{2}$ per cent. more than Porter's estimate for England and Wales of 25 million odd for 1844, and as in 1867 the number of sheep in Ireland was 4,826,015, making 33,745,116 in the United Kingdom, it would seem a moderate estimate to take 30,000,000 as the number of sheep in the United Kingdom in 1844. Although probably in Porter's time the fleece may have been heavier than subsequently, owing to the then preponderance (of which he speaks) of long-woolled sheep in the country, I have, in order to avoid exaggeration in all cases, instead of taking Porter's figure of $5\frac{3}{4}$ lb. to the fleece, only esti-

then sell it to the foreigner, so that in either case it is not unlikely that the finished article into which it is made will come into direct competition with his own productions. I know not if Porter's statement of the superiority of British wool still holds good, but it is not so many years ago that this was a matter of common knowledge. Unless, therefore, the sheep farmers in other countries have got level with ourselves, Free Traders should be called upon to explain the reason why British manufacturers cannot, or will not, buy the best article when it is at their very doors.

It will be noticed that seventy years ago one-third of our imports of wool came from Germany, whereas no mention is made in the Board of Trade Returns for the last three years of any sheep or lambs' wool coming from that country. It appears, however, that on the average during the last three years there was an annual export from the United Kingdom of British and Irish raw wool to the extent of 6 million lb. to Germany, and of 17 million lb. to the United States. In times past other nations, more especially in Europe, were glad to supply us with the raw material for our factories. It is, perhaps, only a just dispensation that the respective positions should be reversed, and that we should now be

the senders and they the receivers of this raw material. Unfortunately, the chief sufferers by the change seem to be those who can least afford it—the British working man and the British working woman.

PROTECTION FOR BRITISH INDUS-
TRIES, PREFERENCE FOR BRITISH
COLONIES, COMMERCIAL TREATIES
WITH FOREIGN COUNTRIES

CHAPTER IX

PROTECTION FOR BRITISH INDUSTRIES, PREFERENCE FOR BRITISH COLONIES, COMMERCIAL TREATIES WITH FOREIGN COUNTRIES

IN the minds of many people Protection is coupled with high prices, but it is difficult to understand the foundation of this belief as regards articles of which the home production is quite or nearly sufficient for home requirements. The question of price may be said to depend mainly on three conditions—firstly, the efficiency of the means of production ; secondly, the extent to which the means of production are utilized ; and thirdly, the cost of labour and material employed. In order to obtain cheapness, the first condition implies that the soil, climate, and situation are favourable, and that up-to-date machinery and plant exist ; the second that a full output is produced and finds a ready market ; and the third that both labour and material are good and not unreasonable as to cost. When there is compliance with the three

conditions stated, there is no fear of the home buyer of the article or articles turned out having to pay more than a fair price, for home competition will ensure this result. It is not contended that, under all circumstances, the proposition stated above holds good, for it is conceivable that in a Free Trade country there may be imported articles that have been produced under inferior conditions by badly paid coloured labour, in competition with which the work of the white man will stand but a very poor chance. Of course it will be said that the consumer gets the advantage of cheap imports, but there are but few consumers who are not producers also, and probably five out of six of the adult population have first to become producers in order to obtain the wherewithal to become consumers.

The exploitation of China, until the late political disturbances broke out, was going on apace. Many millions sterling were being poured into the country annually by most of the great capitalist countries of the world for the purpose of making railways, opening collieries, building factories, and effecting a general development of the resources of the country. China possesses a vast population of industrious, skilful, and thrifty citizens, and there can be

little doubt that her progress will soon be resumed at a redoubled rate. In the last ten years the trade of the country has increased 100 per cent., and it is not unlikely that in another ten years it will be 200 per cent. more than it is to-day. The cheap labour in Asiatic countries is being more and more brought into use as time moves on. Fortunately, up to the present this labour has been mostly employed in providing articles which do not compete with the manufactures of the more civilized countries, but, rather, render assistance by furnishing supplies of necessary raw material. However, signs are not wanting that uses of a different character are being found for the abundant labour of the East; and now that the great development of the coal industry is taking place in China, it seems morally certain that the large deposits of iron ore that exist there will be utilized by the putting up of smelting furnaces, to be followed later by the production of iron and steel in a more finished state.

In most cases a Chinese labourer gets no more pay for the work of a fortnight than an English labourer gets for that of a day; and although the result of a day's work by the former may not be equal to that done by the latter, it is quite safe to say that in a factory in China, where all

the workers are Chinese, an article that would cost ten shillings to make in Great Britain could be turned out for half a crown. Is the Free Trade idea of buying goods (no matter under what conditions they are produced) in the cheapest market to be continued when China becomes a manufacturing country? If so, what will be the standard of living of the British working man, the produce of whose labour will be brought into competition with that of the Chinaman, who gets his threepence or fourpence a day? We know the dread of the working man in Australia of a large influx of labour from the Far East, and we have daily evidence of the agitation in California in favour of restricting immigration from Japan. We have no fear in the United Kingdom of an invasion of workers from China and Japan; but if Free Trade is to continue as the basis of our fiscal policy, there is a certainty that the product of the labour of these workers will largely displace that of British working men, whose means of livelihood will be sadly reduced.

It was pointed out at the beginning of this chapter that if cheapness is to be secured, it is essential that industrial enterprises should be worked to their full capacity, a condition which implies that there should be a market for the

whole output. It is evident that in every manufacturing business there must be certain expenses and charges which are fixed and constant, whether the factory is used to its full capacity or not. For instance, rent, interest on borrowed money, rates, insurance, salaries of manager and staff, and cost of advertisements, are wholly or largely the same whether the trade carried on is brisk or slack. Then, again, there are other expenses, for instance, in connection with furnaces, where the cost per unit is less for a full output than it is for a partial output. Take the case of a mill or factory capable of turning out 1,000 units or articles per week, and the expenses of working which, with a maximum output, amount to £1,000 a week, all told. Assume that one-quarter of the full expenses of £1,000 is constant and irrespective of the amount of the output, then it is clear that £750, or 15 shillings per unit or per article, represents the cost apart from the fixed charges, the total cost being £1 per unit or per article. Now assume that owing to a lessened demand the owner of the mill or factory finds it necessary to reduce his output to 500 units or articles per week, then his fixed charges remain at £250 per week, and the other charges, which are in proportion to the output, are reduced from £750 to £375, making the cost

of producing 500 units or articles £625, or 25 shillings each, or 5 shillings per unit or per article in excess of the cost when he turns out a full output.

According to the above statement, the owner has an increased margin, on the right side, of £250 a week, if he works his business to its full capacity instead of to the extent of only half its full capacity. The consideration now to be taken into account is the method of securing to producers the profits arising from a maximum production. Protection alone can obtain this *desideratum*. The United Kingdom has in its midst to-day the best markets in the whole world. Ought not the British citizen to have the first claim on his own markets, and ought the foreigner to be allowed the use of them without any payment whatever? But this is not all, for it has been shown that a large production means cheap production. Increased production means an increased demand for labour, and, consequently, more employment and better wages. Cheap production means more profits for the producer, which must be shared with the consumer either voluntarily or as the result of new competition. Increased production by decreasing the relative cost of production will enable British manufacturers, who are now handicapped as com-

pared with those in protected countries (and what manufacturing country but the United Kingdom is not protected?), to compete on level terms for the supply of goods to neutral countries. Protect our home industries by taxing all foreign competing goods which seek an entry to our markets, and you will kill two birds with one stone, for you will give the home producer a larger share in the supply of these markets ; whilst by so doing you will proportionately decrease his cost of production, which decrease in cost will act in his favour when he tenders for the supply of his British-made goods to British Colonies and to neutral foreign countries. In fixing a protective duty on any commodity that the country is in an advantageous position to produce, the first consideration in settling the rate (whether *ad valorem* or otherwise) on any commodity is to determine what rate will best effect the desired object of ensuring a large home production, and at the same time allow a substantial revenue to be received. A large home production will, as stated above, tend to lower the cost of production, whilst a rate that is not too high lessens the danger of the formation of trusts to keep up prices, and at the same time brings revenue to the Chancellor of the Exchequer. The question of the amount of customs

duties that should be imposed on competing food-stuffs and manufactured goods is a matter that can only be settled after full examination. But both France and Germany have tried Free Trade. They went on from Free Trade to low duties, which they gradually increased, and now, apparently, they have ended with substantial duties, which, as regards wheat, are in both countries in the neighbourhood of 12 shillings a quarter. It may be said that they have, after many years' experience, realized that there is some truth in the well-known lines :—

“ Tender-handed stroke a nettle,
And it stings you for your pains ;
Grasp it like a man of mettle,
And it soft as silk remains.”

When one considers the generous manner in which our Colonies have come forward and granted us a large abatement on the duties levied on imported manufactured goods, and which abatement has over and over again in large contracts, where the duty payable has had to be included in the price, been sufficient to turn the scale in favour of the British tenderer, it is base ingratitude on our part not to do all in our power to return the compliment. But what we have been doing in announcing that we were willing

to accept any amount of Preference, although we would give nothing in return, is most ungrateful towards our Colonial kinsmen, and at the same time (as can easily be shown) is highly detrimental to ourselves. In the last published Statistical Abstract for the United Kingdom (Cd. 6399) on pages 81 and 83, the net values of the consignments from each foreign country and British possession are shown for the years 1904-11; and on pages 82 and 84 the values of the produce and manufacture of the United Kingdom consigned to each foreign country and British possession are set out for the same years. Dividing the foreign countries into two divisions, "Competitive" and "Neutral," and putting Russia, Germany, Belgium, France, and the United States into the first division and all the other foreign countries into the second division, the following summarized statement of our average annual trade for the five years 1907-11 has been prepared:—

NET ANNUAL VALUE OF CONSIGNMENTS OF MERCHANDISE
RETAINED IN THE UNITED KINGDOM.

From all Foreign Countries and British Possessions	...	...	...	...	...	...	£	551,000,000
From "Competitive" Foreign Countries	...	...	...	...	...	...		261,000,000
From "Neutral" Foreign Countries	...	...	...	...	...	...		181,000,000
From British Possessions	...	...	...	...	...	...		109,000,000

NET ANNUAL VALUE OF MERCHANDISE CONSIGNED FROM
THE UNITED KINGDOM.

To all Foreign Countries and British Posses-	£
sions	413,000,000
To "Competitive" Foreign Countries	111,000,000
To "Neutral" Foreign Countries	162,000,000
To British Possessions	140,000,000

FOR EACH £1 SPENT BY THE UNITED KINGDOM SHE
RECEIVES ON ACCOUNT OF SALES—

From all Foreign Countries and British Posses-	£	s.	d.
sions	0	15	0
From "Competitive" Foreign Countries	0	8	6
From "Neutral" Foreign Countries	0	17	11
From British Possessions	1	5	8

In the fifth paragraph of the quotation from "Cobden's Writings," in chapter ii, he refers to the importance of the buyer in any transaction. We all know how much easier it is to buy than to sell, and every newspaper is crowded with advertisements from people who want to sell, whilst those from would-be buyers are few and far between. Curiously enough, the British Government makes the way easy for those who wish to sell their goods in the United Kingdom, but offers no encouragement whatever to those who are the principal buyers in our markets. The figures above show how badly we should do without our fellow-citizens overseas. What is their reward? They are merely told that

we accept their gifts, but can offer nothing in return. Surely the importance of giving a Preference to the dwellers in our possessions abroad should far outweigh the objections that are raised against taxing foodstuffs, although to my mind, apart from the question of Preference, the arguments in favour of taxing foodstuffs are far stronger than those the other way. If we give a Preference to our Colonies, it is also evident that it would be advantageous to make commercial treaties with countries which are large buyers of goods which are manufactured in this country. We see the agricultural prosperity in France and Germany that has resulted from duties imposed on foodstuffs, and we also see how industries connected with manufacture have contemporaneously under the fostering influence of corresponding duties prospered and progressed in these countries. Wherein lies the wisdom, then, of denying similar advantages to the citizens of the United Kingdom?

There is on page 193 in Cd. 4954, a Blue Book on British and Foreign Trade and Industry (1854-1908), an interesting table dealing with the price of bread in London, Paris, Berlin, and New York. For the nineteen years 1890-1908 there are given the prices in pence per 4 lb. of bread in each year in all four cities. In the

nineteen years the price of bread has fluctuated between 5·0 and 6·2 in London, between 6·1 and 7·4 in Paris, between 4·4 and 6·8 in Berlin, and between 9·4 and 10·7 in New York. The curious thing about these figures is that in the United States, a country which grows more wheat than it consumes, and which, during the six years 1906-11, exported on the average over 6 million quarters of the cereal per annum, the price of bread in its chief city is enormously higher than the prices in London, Paris, and Berlin. These facts show that as regards the price of a commodity other factors have to be taken into account than the cost of the raw material from which the commodity is produced. If asked to explain the cause of the high price of bread in the United States, an innocent seeker after truth might be tempted to suggest with all humility that it arose from the high level of profits or wages earned by the agriculturist, the transporter, the miller, the baker, and the distributor, whose services had all been requisitioned between the initial stage of sowing the corn and the final stage of placing the bread in the consumer's hand. Should, however, any one make such a rash suggestion, he would immediately expose himself to the sledge-hammer argument of that great logician, the present Prime Minister.

Mr. Asquith, speaking at the Hippodrome, Birkenhead, on December 21, 1909 (I quote from the *Times* of December 22, 1909), after saying that he was going to put a question to which he could not get an answer, went on:—

“ Is it or is it not denied that in the case of a prime necessary of life like corn, for which a country like this is obliged to get the main source of its supply outside its own shores, which it cannot itself out of its own natural resources produce—is it or is it not denied, in the case of such a duty, that such an import duty, be it large or be it small, must raise the price of the commodity in the whole market, and not only to the extent of the duty—at least to the extent of the duty—and not only raise the price of the imported supply, but raise also the price of the supply which is produced at home? ”

It would not be becoming for me to attempt to refute the Prime Minister's argument, but perhaps a statement of fact may be permissible. On page 206 of Cd. 4954 it appears that for the three years 1906-9 the average price of wheat per quarter in the United Kingdom was 33s., the duty being nil. In France the import duty was 12s. 2d., so that theoretically (*vide* Prime Minister) the price ought to have been 45s. 2d. It was only 40s. In Germany the duty was 11s. 10d., so that the price for the three years,

on the average, ought to have been 44s. 10d. instead of 41s., as was actually the case. In the United States the duty during the three years was 8s. 7d., although there was no importation ; but as it is (as Mr. Asquith says) the duty which raises the price of the home production, this price ought to have been 41s. 7d., whereas it was 33s. I may perhaps be allowed to suggest that sometimes it is found that an increase in the price of a commodity causes an increase of production, some people trying to obtain a greater share of large profits than they do of small profits. It is also sometimes said that prices depend on demand and supply, so that it is perhaps conceivable that if the latter is increased whilst the former remains the same prices will go down. It may also be suggested that if the corn duties in France and Germany did not exist the production of wheat in those countries during the last thirty years, instead of showing almost continuous increases, would, as in the case of the United Kingdom, have shown almost continuous decreases. It will be seen by Table V that whilst under Free Trade during this period the production of wheat has decreased by 37 per cent., the production in France, with duties rising from 1s. 1d. to 12s. 2d., has increased by over 20 per cent., and that in Germany, with duties

rising from 2s. 2d. to 11s. 10d., has increased by 60 per cent. The production of wheat in the world for 1912 has been officially estimated at 491,000,000 quarters. On the basis of the results during the thirty years of the average increase in wheat production in France and Germany, the available production in the United Kingdom would now be 13,097,000 quarters, making the present production of the three countries about 68,000,000 quarters. Whereas had France and Germany been Free Trade countries up to the present time, and had in consequence shown a corresponding reduction in the production of wheat to that which has taken place in the United Kingdom, the total production of the three countries would now have been only about 33,000,000. Under such conditions the probability is that the world's price of wheat would have been 10 per cent. higher than it is now.

It is always well to hear the two sides of a question, and therefore in concluding this chapter I will quote another speech made by Mr. Asquith, at Haddington, on January 3, 1910, and recorded in the *Times* on the following day:—

“ Are we to be any better in regard to unemployment if we were to adopt what Mr. Balfour calls a rational system ; if in other words—for that is the

essence of the matter—we were to construct a tariff which would have the effect of excluding from our home market here a number of foreign manufactured goods which at present find entrance, and if at the same time we enforced—for this is part of the scheme—a differential import duty upon foreign corn and meat? I will not say anything about the foreigner paying. It is very obvious that the foreigner will not pay if his goods no longer come in here. I am merely for the moment examining the effect of such a tariff upon the increase of employment. There are some people, and very intelligent people too, who seem to think that there is in this and in other countries an inexhaustible reservoir of labour waiting for employment, into which capital, once secured by the protection of the home market, has only to dip its bucket, and everything will go on just as it did before, with so much additional employment created. That is a fairy tale. It has no correspondence with the actual realities of industrial and economic life. But just follow me for a moment—it is a very simple argument. You have excluded by that hypothesis, through the erection of your water-tight or goods-tight tariff walls, so many millions of foreign manufactured goods from our shores. You assume that those goods are to be made here, and that so much additional employment is going to be given to British capital and British labour. What happened when foreign manufactured goods came in here? Just ask yourself the question, How were they paid for? They did not come here for nothing. They were not

presented to us as a free gift. They were paid for by the products of British capital and British labour, which went in exchange for them. For the capital and for the labour, when these goods are excluded from your shores, there will be no longer the demand that there was before, and the result of this precious piece of legerdemain is simply this, that you will have diverted capital and diverted labour from natural into artificial channels, and will not have profited a penny's worth of additional wages for any working man in this country. Yes, but meanwhile there will be no increase of employment, and what about the wages of the working men—those who were employed before and will continue to be employed? Wages are paid in money, but the value of wages is measured in what money will buy, and the value of a workman's wages is measured in the command which it gives him over the necessaries and the simple comforts of life. If after you have performed this precious process of excluding foreign manufactured goods, you have simultaneously adopted a system of import duties on food which I think we have demonstrated over and over again not by abstract argument, but by the experience of other countries and of our own in days gone by—must enhance the actual cost of the necessaries of life, you have depleted the wages fund of the country, you have made the real remuneration of the working man less than it was before, and your industrial condition at the end of the process is far worse than it was before you touched it."

No doubt the above extract represents the orthodox Free Trade view, and may be taken as authentic evidence that the Prime Minister and his party have nailed the Free Trade flag to their mast in the firm resolve that if the ship goes down they will go down too. Mr. Asquith says truly that if there were a duty the foreigner would not pay if his goods no longer came in, but it would be equally true and more to the point to say that he would pay if the goods did come in. It is asserted that it is a fairy tale to state that if goods were excluded by a tariff there would be an increase of employment, and in the course of a long argument he proves to his own satisfaction that unless you buy from one country you cannot sell to another. The old threadbare dictum is hashed up again, "Goods are paid for by goods," a saying which, if it has any meaning at all, implies that no country can ever get either richer or poorer. During the Russo-Japanese War, so keen was the demand by the belligerents for cotton and woollen goods, that it was said that there were large numbers of manufacturers in Lancashire and Yorkshire who, owing to slack markets, had been accumulating stock for as many as ten or even twenty years, and who were then enabled to absolutely empty their store-rooms. As a result of these sales, enormous

profits were made by millowners, who, in many cases, were able to double the capacity of their factories with the money received in payment for the goods exported. How does this fact fit in with the Prime Minister's theory that unless we first buy largely we cannot sell largely? To put the case shortly, does it not require a very elastic imagination to believe that because, by the imposition of duties, Russia, Germany, and France (or rather the manufacturers in those countries) find that it no longer pays them to send certain goods to Great Britain, that Brazil, Argentina, Chile, and China will discontinue making as many purchases in this country as they have been accustomed to do, apart from the fact that owing to the exclusion of certain foreign goods there would be an increased home demand, and, consequently, a decreased cost of production, with the ability of British manufacturers to quote reduced prices for their output?

However, I pass on to the last chapter, with apologies to the leader of the Liberal Party for venturing to differ from him in a matter of economics.

ESTIMATES OF REVENUE TO BE DE-
RIVED FROM PROTECTIVE DUTIES

CHAPTER X

ESTIMATES OF REVENUE TO BE DERIVED FROM PROTECTIVE DUTIES

IN order to arrive at a basis that would be equitable to the whole population, in a country where a new system of taxation was being proposed, it would seem desirable to lay down a general rule to be observed in fixing the details of such a scheme. The natural principle that seems likely to strike any one seeking to establish for the first time special import duties, is the adoption of a scale based on a percentage of the price of the commodity proposed to be taxed. It has been mentioned before that *ad valorem* duties are objectionable, for the reason that they offer an encouragement to import inferior grades of goods in order to obtain a lower duty on a given quantity of such goods, whilst such duties are also more difficult to assess than those based on weight or measurement. There is no reason, however, why a duty levied on a certain weight or measurement should not approximately repre-

sent the agreed percentage on an ascertained value at the time the duty is fixed. Although, looking to the necessity of finding means of meeting our rapidly increasing expenditure, new sources of revenue must be found, it does not seem desirable in the first instance to establish duties at too high a level, as time is necessary to increase largely the home production of any article the importation of which must be curtailed by a duty. Probably the best tentative duty in the initial stage would be one of approximately 10 per cent. of the value. This would not be large enough to shut out importation, and yet would offer a distinct encouragement to producers to increase their output. The result would be that a greater demand for labour would arise, and this demand could only be met by an improvement in the conditions of employment.

In Table XIV, set out on page 140, the duties are based on quantities and not on values, whereas the duties in Table XV are all based on the values of the articles on a fixed ratio of 10 per cent. In the latter case it would probably be found advantageous in many instances to fix duties based on weight or measurement, but this is a detail which need not be considered here. It will be seen from Table XIV that the articles therein contained, and which are all foodstuffs, amount

in value to £189,565,000, and the aggregate duties come to £18,905,000.

The construction of Tables XIV and XV, set out below, in five columns, is as follows:—

- Column 1 gives the name or names of the article or articles proposed to be taxed.
- „ 2 gives the quantity (where available) of the articles imported in 1912.
- „ 3 gives the Board of Trade valuation of such imports.
- „ 4 gives the rate of duty proposed.
- „ 5 gives the amount that the proposed duty if applied to the imports of 1912 would realize.

It must be pointed out that from the above estimate of £18,905,000, the aggregate duties on foodstuffs, important deductions must be made on account of Preference to our Colonies, commercial treaties on mutually advantageous terms with foreign countries, the preventive effects of duties as regards goods which, if there were no duties, would come as before into the United Kingdom, and other minor matters, such as re-exports. On the supposition that a remission of 50 per cent. was given to all British possessions abroad, a maximum rebate of 25 per cent. was allowed to any foreign country concluding a satisfactory commercial treaty with this country ;

TABLE XIV
 IMPORT DUTIES ON AGRICULTURAL PRODUCE ON THE BASIS OF THE 1912 RETURNS.

COL. 1.		COL. 2.	COL. 3.	COL. 4.	COL. 5.
Wheat	...	...	£ 46,450,000	s. d. 0 10 per cwt.	£ 4,566,000
Wheat Flour	...	109,582,000 cwt.	5,518,000	1 2 "	594,000
Barley, Oats, Beans, Peas, Maize, and Rice	...	10,189,000 "	34,489,000	0 8 "	3,230,000
Dead Meat	...	96,89,3000 "	47,156,000	4 6 "	4,808,000
Poultry and Game	...	21,369,000 "	846,000	7 0 "	86,000
Butter	...	217,000 "	24,354,000	12 0 "	2,403,000
Cheese	...	4,005,000 "	7,414,000	6 8 "	770,000
Lard	...	2,399,000 "	4,573,000	5 0 "	447,000
Eggs	...	1,790,000 "	8,394,000	1 0 g.h.	954,000
Apples and Pears	...	19,085,000 g.h.	3,056,000	1 4 per cwt.	299,000
Strawberries, Currants, Gooseberries, Cherries, Grapes, and Plums	...	4,487,000 cwt.	1,400,000	2 4 "	132,000
Onions	...	1,135,000 "	1,303,000	0 4 "	156,000
Potatoes	...	9,353,000 "	1,746,000	0 7 "	170,000
Tomatoes	...	5,828,000 "	1,146,000	1 8 "	119,000
Hops	...	1,425,000 "	1,720,000	14 0 "	171,000
Total	...	—	189,565,000	—	18,905,000

whilst at the same time making allowance for the preventive effect of the duties on imports, it would probably not be unreasonable to calculate that, for some few years at any rate, 50 per cent. of the above estimate would be realized. On this basis it may be said that the national revenue would receive (without allowing for the expense of collection) an annual sum from the above duties on foodstuffs of £9,452,500, or, in round figures, say £9,400,000.

As in the case of foodstuffs deductions must be made from the £13,303,000, the gross estimate of the duties on manufactures set out in Table XV, although as in this case the imports from competitive foreign countries largely predominate, it will not be necessary to make such a large allowance for rebates on account of Colonial Preference or commercial treaties with non-competitive countries. Some allowance, however, will have to be made on account of the re-export of manufactures imported from foreign countries, and which would be entitled to a drawback. In the case of foodstuffs this was of comparatively small importance. Taking all things into consideration, including, of course, the effect of the 10 per cent. duty in restricting imports, a reduction of 40 per cent. from the full estimate of £13,303,000 would probably represent the

TABLE XV

IMPORT DUTIES ON MANUFACTURES ON THE BASIS OF
THE 1912 RETURNS.

COL. 1.	COL. 2.	COL. 3.	COL. 4.	COL. 5.
	Tons	£	Per cent	£
Iron and Steel	2,000,000	12,971,000	10	1,297,000
Cutlery	—	169,000	10	17,000
Hardware	—	1,291,000	10	129,000
Implements and Tools ...	—	505,000	10	50,000
Scientific Instruments (not elec- tric)	—	3,079,000	10	308,000
Clocks	—	506,000	10	50,000
Watches and Parts thereof ...	—	1,440,000	10	144,000
Electric Goods and Apparatus	—	1,458,000	10	146,000
Machinery	—	6,821,000	10	682,000
Manufactures of Wood and Timber	—	2,874,000	10	287,000
Cotton Yarn and Waste ...	—	951,000	10	95,000
Cotton Manufactures	—	10,556,000	10	1,056,000
Woollen and Worsted Yarn ...	—	3,172,000	10	317,000
Woollen and Worsted Manu- factures	—	6,040,000	10	604,000
Thrown Silk and Silk Yarn ...	—	741,000	10	74,000
Silk Manufactures	—	13,615,000	10	1,361,000
Jute Manufactures	—	2,369,000	10	237,000
Linen Yarn	—	1,613,000	10	161,000
Linen Manufactures	—	1,120,000	10	112,000
Other Textile Manufactures ...	—	3,787,000	10	379,000
Apparel, not waterproofed ...	—	3,800,000	10	380,000
Boots and Shoes	—	1,069,000	10	107,000
Hats and Bonnets	—	1,164,000	10	116,000
Chemicals, Drugs, Dyes, and Colours	—	12,561,000	10	1,256,000
Leather and Leather Manu- factures (except Boots and Shoes)	—	14,343,000	10	1,434,000
Earthenware and Glass	—	4,279,000	10	428,000
Paper	—	7,233,000	10	723,000
Railway Carriages and Trucks, Motor Cars, Cycles	—	7,851,000	10	785,000
Musical Instruments	—	1,020,000	10	102,000
Starch, &c.	—	1,119,000	10	112,000
Stones and Slates	—	1,286,000	10	129,000
Toys and Games	—	1,350,000	10	135,000
Total	—	133,953,000	—	13,303,000

full results that would ensue in the first instance from the restrictive character of the duty and the drawback to be allowed on re-exports. The sum of £5,321,200 will have to be deducted from £13,303,000, leaving £7,981,800 as the gross revenue derived from the 10 per cent. duty on imported manufactures. In round figures this may be called £7,900,000. Adding this figure to £9,400,000, the duty on imported foodstuffs, we get a total sum of £17,300,000. For the financial year 1908-9 (according to the Statistical Abstract), before the Excise was transferred from Inland Revenue to Customs, the total annual expenditure applicable to Customs was less than £1,000,000. It would seem, therefore, that it would be a liberal allowance to estimate that the extra cost of collecting the £17,300,000 of increased Customs duties would be £700,000. This would mean that the national revenue would be a gainer by the suggested duties of £16,600,000 per annum.

In addition to the increase of national revenue, there would be a gain to the industrial classes, both masters and men, in the replacement of commodities made abroad by those produced in this country. This increased production would, as has been before pointed out, bring the additional advantage of reducing the ratio of

cost, and consequently of improving the position of home producers in competing for foreign contracts. If national granaries were established in this country on the lines suggested in Chapter VI, then, on the supposition that the price of wheat was £2 a quarter, the sum of £2,000,000 would be required to make the necessary purchase the first year, £2,500,000 the second year, £3,000,000 the third year, and so on until the fifteenth year, when the year's consumption would be in stock, with the purchase for that year of $4\frac{1}{2}$ million quarters at a cost of £9,000,000. It will thus be seen that the estimated revenue of £9,400,000 derived from the duties on imported foodstuffs, besides leaving large margins in the earlier years, would, unless there was extraordinary progress in British agriculture, and a consequent large reduction in the importation of foodstuffs from abroad, always suffice to meet the purchases of wheat necessary to establish a national granary.

A few words on the public dislike of duties on foodstuffs. The proposal herein contained of a duty of 10d. per cwt. of wheat means that if the whole of the duty were added to the cost, the price of the cereal to the consumer, on the basis of $6\frac{1}{4}$ bushels per head per annum, would amount annually to 2s. $9\frac{1}{2}$ d. per head. For a

family of five persons the extra cost would amount to rather less than 14s. per annum, or 3¼d. per week. This is the worst that can happen from the imposition of a duty of 10d. per cwt. on wheat. But what may happen from other causes? Although wages seem comparatively stagnant in the United Kingdom, almost everywhere else they are increasing, and in some cases rapidly increasing. This remark applies not only to white labour, but also to coloured labour as well. As a rule, wheat is a comparative luxury with the coloured races, but it is said that in China it is more and more sought after as an article of food. Canada is becoming the principal source from which we obtain our wheat supply. In that country and in the Argentine Republic, from which we also import wheat largely, wages are continually rising, although as regards Canada there is a set-off against the high wages on account of the winter months, when little work can be done. It would, at any rate, appear not unlikely that, taking all things into account, we may see during the next few years a considerable rise in the price of wheat. Should such an event happen, England, unlike France and Germany, will be unable to boast that in good time she put her house in order. It should be mentioned that not only are wages

abroad rising, but all over the world there is an increase going on in the cost of transport which should stimulate every country to develop its internal resources.

Next in importance to the restoration of general farming to its former position of prosperity is the rendering of assistance, by means of protective duties, to those engaged in the cultivation and production of some of the smaller items connected with the land, such as dairying, poultry-rearing, fruit-producing, hop-growing, etc., in all of which pursuits not only is the skill of the master required, but a much larger amount of labour necessary on the same area than in the growing of cereals and the rearing and fattening of live stock. Unfortunately, too, the effect of foreign competition is much more severely felt by those devoting their attention to the smaller class of farming than is the case with other farmers. Fruit-growers probably suffer most of all from this cause, because continental fruit can be placed on the English markets weeks earlier than the home production. As a consequence, the public taste gets satiated, and only poor prices are all that can often be obtained for the English fruit. It was only a few years since that in the ordinary Kentish village no empty cottage could be seen. Now, owing to

emigration to Australia and Canada, there is a surplus of house accommodation in most of the hop and fruit districts.

Probably in no part of the United Kingdom has the Free Trade blight produced so much disaster and desolation as it did in Ireland. According to the Statistical Abstract, the total average production of wheat in Ireland for the five years 1907-11 was only 196,000 quarters; whereas in the early forties, according to Porter, Ireland not only grew enough wheat for her own consumption, but annually exported a large amount (more than twice the above figure) to Great Britain. It is extremely doubtful if there would have ever been a demand for Home Rule in Ireland if Free Trade had not been introduced into the United Kingdom. John Bright said truly that the Irish question was a material and not a sentimental one. Certain it is that the Land Act of 1903 in full operation, and a return to a protective fiscal policy on moderate lines, would cause Ireland to "flourish as the green bay-tree."

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