



COMMERCIAL POLICY
OF FRANCE,

AND

The Treaty with England

OF

1860.

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COMMERCIAL POLICY OF FRANCE,

AND

The Treaty with England of 1860.

THE effects of the Treaty of Commerce of 1860, between England and France, upon the intercourse of the two countries, and of the commercial policy of which that treaty was the beginning, upon the progress and prosperity of France, are well known to all who have had the opportunity of investigating the facts. But at a time when the financial exigencies of France have led to a discussion of measures which would profoundly modify the conditions of her foreign trade, and check her material development, it is essential that a knowledge of those facts should be brought home to the minds of the people of both countries, and be diffused as widely as possible.

It is for this reason that the Cobden Club has caused the following brief statistical summary to be

compiled from the official documents published by the English and French Governments, in the conviction that the results which they exhibit require little commentary.

In France the Free Trade policy was introduced, not as in England, by independent tariff reforms, but by successive Treaties of Commerce with foreign powers, whereby reciprocal simultaneous reductions were effected, thus securing in each case a double advantage, by opening the markets of France to foreign competition, and at the same time obtaining for French produce increased facilities of access to the markets of other countries. As these arrangements were necessarily, however, a work of time, and are even still incomplete, the effect of the new policy upon the industry and trade of France has been less rapid and powerful than it would have been if her commercial reforms had been concentrated in one general measure.

This consideration gives to the following statement, which is taken from the "Annals of Foreign Trade," published by the French Ministry of Commerce, greatly increased significance :—

COMPARATIVE STATEMENT OF THE FOREIGN
TRADE OF FRANCE IN THE YEARS 1859 AND 1868.

*General Commerce.**—The general commerce of

* The term "General Commerce," includes all importa-

France for 1868 represents a total value of 8,114,000,000 francs, or £324,560,000, of which 4,258,000,000 francs, or £170,320,000, consisted of imports, and 3,856,000,000 francs, or £154,240,000, of exports. This is an increase of 2,702,000,000 francs, or £108,000,000 over the total value of the general commerce of France for 1859, the year which preceded the reforms commenced in 1860.

*Special Commerce.**—The special commerce of France, which is an exact representation of her direct exchanges, amounted in 1868 to 6,229,000,000 francs, or £249,160,000, of which 3,304,000,000 francs, or £132,160,000, consisted of imports, and 2,925,000,000 francs, or £117,000,000, of exports.

This is an increase of 2,322,000,000 francs, or £92,880,000 over 1859, of which 1,663,000,000 francs, or £66,520,000 consisted of imports, and 659,000,000 francs, or £26,360,000, of exports.

The distribution between the different quarters of the globe, and the principal countries, of the aggregate amount of this "special commerce," in each of the years 1859 and 1868, viz., 3,907,000,000 francs in 1859, and 6,229,000,000 francs in 1868, was as follows:—

tions, whatever their origin or destination, whether for consumption in France or for re-export; and all exportations, whether of French or foreign origin.

* The term "Special Commerce," includes importations for consumption only, and exportations of French produce and manufacture only.

1.—*Europe.*

	Imports. Milliard frs.		Exports. Milliard frs.		Total. Francs.
1859	1,036	...	1,469	...	2,505,000,000
	£41,440	...	£58,760	...	£100,200,000
1868	2,355	...	2,232	...	4,587,000,000
	£94,200	...	£89,280	...	£183,480,000

There has thus been an increase in 1868 over 1859 of 2,082,000,000 francs, or £83,280,000, in the European trade of France.

2.—*Africa.*

	Imports. Millions francs.		Exports. Millions francs.		Total. Francs.
1859	55	...	37	...	92,000,000
	£2,200	...	£1,480	...	£3,680,000
1868	88	...	60	...	148,000,000
	£3,520	...	£2,400	...	£5,920,000

In this branch of trade there has been an increase in 1868 over 1859 of 56,000,000 francs, or £2,240,000.

3.—*Asia and Pacific.*

	Imports. Millions francs.		Exports. Millions francs.		Total. Francs.
1859	76	...	17	...	93,000,000
	£3,040	...	£680	...	£3,720,000
1868	204	...	32	...	236,000,000
	£8,160	...	£1,280	...	£9,440,000

Here the increase in 1868 over 1859 has been 143,000,000 francs, or £5,720,000.

4.—*America.*

	Imports. Millions francs.		Exports. Millions francs.		Total. Francs.
1859	334	...	521	...	855,000,000
	£13,360	...	£20,840	...	£34,200,000
1868	479	...	420	...	899,000,000
	£19,160	...	£16,800	...	£35,960,000

In the American trade generally there has been an increase of 44,000,000 francs, or £1,760,000, consisting exclusively of imports. The decline in the export trade is due to the falling off in the trade with the United States, owing to the civil war, and the exorbitant tariff maintained in the American Union.

5.—*French Colonies, Réunion, Martinique, Guadeloupe, Guinea.*

	Imports. Millions francs.	Exports. Millions francs.	Total. Francs.
1859 ...	75 £3,000	58 £2,320	133,000,000 £5,320,000
1868 ...	63 £2,520	43 £1,720	106,000,000 £4,240,000

The decrease in the trade with these possessions has arisen in the trade with Réunion. With the other colonies the trade has slightly increased.

6.—*Other French Possessions out of Europe, including Algeria.*

	Imports. Millions francs.	Exports. Millions francs.	Total. Francs.
1859 ...	64 £2,560	165 £6,600	229,000,000 £9,160,000
1868 ...	114 £4,560	138 £5,560	253,000,000 £10,120,000

The following table shows the imports and exports in the principal articles of French commerce, in each of the years 1859 and 1868 respectively :—

IMPORTS (IN MILLIONS OF FRANCS).

	1859.	1868.	Difference.	
			Increase.	Decrease.
Silk	211	438	227	—
Cotton	154	271	117	—
Wool	126	238	112	—
Wood, common	106	179	73	—
Animals	51	158	107	—
Coal	95	132	37	—
Skins and furs	76	108	32	—
Flax	28	85	57	—
Coffee	44	74	30	—
Sugar, foreign	45	67	22	—
„ colonial	59	53	—	6
Grain, oleaginous	33	58	25	—
Copper	33	40	7	—

EXPORTS (IN MILLIONS OF FRANCS).

	1859.	1868.	Difference.	
			Increase.	Decrease.
Silk Tissues	500	523	23	—
Woollen ditto	181	251	70	—
Cotton ditto	67	64	—	3
Linen ditto	15	27	12	—
Wine	232	234	2	—
Silk	45	146	101	—
Skins and Leather	130	123	—	7
Cereals	152	67	—	85
Cheese and Butter	24	70	46	—
Chemicals	33	54	21	—
Paper, &c.	32	38	6	—
Pottery (verres et cristaux)	31	37	6	—
Wool	9	37	28	—
Horses, &c.	17	35	18	—
Instruments and Metal Work	44	35	—	9
Eggs	13	35	22	—
Wood, common	17	35	18	—
Cotton and woollen yarn	7	31	24	—
Grain for sowing	13	23	10	—
Hair	5	10	5	—

It is to be observed that as regards the two principal articles of the French export trade, silks and wine, the increased value of the exports has not corresponded with the general progress of the trade of France in the periods under comparison; and an inference may be hastily drawn from this fact, adverse to the policy which has been pursued. It is therefore necessary to state that in consequence of the civil war in the United States, and the exorbitant tariff which has been in force during recent years, the export trade of France to the United States in silks and wine has been reduced to an extent which would have been disastrous to these two great industries, had not the expansion of the trade between France and England compensated them for the loss sustained in the American trade. These are the figures:—

EXPORTS OF SILKS AND WINE FROM FRANCE TO THE UNITED STATES IN EACH OF THE YEARS 1859, 1868.

		1859.	
		Quantities.	Value.
Silks	938,761 kilos.	138,246,607 francs.
Wine...	...	22,299,552 litres.	32,007,998 francs.
		1868.	
		Quantities.	Value.
Silks	351,283 kilos.	43,975,163 francs.
Wine...	...	14,364,789 litres.	13,827,528 francs.

It is a matter of wonder that in the face of such a sudden and severe check to French trade in these branches it has been able to maintain its present

amount; and this is solely due to the policy adopted in 1860, which is alleged to have been injurious to France.

These official statements conclusively prove the marked impulse given to the foreign trade of France, and to many important branches of her industry by the commercial reforms which have been effected by means of treaties with other countries.

The general results may be thus summed up:—In 1859 the special commerce of France, imports and exports combined, amounted to 3,907,000,000 francs, or £156,280,000, to which aggregate amount the following countries, with which treaties have since that time been concluded—viz., England, Belgium, Germany, Switzerland, Austria, and Holland—contributed 1,697,000,000 francs, or £67,880,000.

In 1868 the special commerce of France amounted to a value of 6,229,000,000 francs, or £249,160,000, to which the above-mentioned countries contributed 3,175,000,000 francs, or £127,000,000, against 1,697,000,000 francs, or £67,880,000, as before stated, in 1859; showing an increase of 1,478,000,000 francs, or £59,120,000.

Italy has been expressly excluded, owing to the difficulty of making an accurate comparison between the trade of that country, when it was composed of several distinct states, and when it forms, as it now does, an independent commercial unit.

The following is a statement of the trade with

each of the six above-mentioned countries in 1868:—

SPECIAL COMMERCE (IN MILLIONS OF FRANCS).

	Imports.	Exports.	Total.
England	580	921	1,501
Belgium	354	288	639
Zollverein.....	266	226	492
Austria.....	47	8	55
Switzerland.....	141	276	417
Holland	40	31	71

Total, 3,175,000,000 francs, or £127,000,000.

In examining this table, it must be observed that the treaty with Austria was only concluded in 1866, and those with the Zollverein and Switzerland in 1865.

Shipping.—The development of the foreign trade of France under the policy of recent years has been attended necessarily by a large increase in the tonnage engaged in it; and although the principal part of this increase consists of foreign shipping, there has been a very marked progress in the employment of French tonnage also in the foreign trade of France, as well as in her colonial trade; the national tonnage engaged in the coasting trade—a trade, be it observed, which, with some unimportant exceptions, is exclusively reserved to French navigation—having, on the contrary, declined.

The important changes made in the French navigation system in 1866, by which the indirect foreign trade of France was opened on equal terms

to the shipping of foreign countries on condition of reciprocity, and the remaining protective and differential restrictions on such shipping at once partially abolished, and prospectively removed altogether, have not been in operation yet for a period long enough to bear their full fruits; but the following tables show that there is no reason to believe that they have been attended with injury to the French shipping interests :—

	1858. Tons.	1868. Tons.
French Shipping in foreign trade	2,218,199 ...	3,095,544
" " colonial ditto.....	625,140 ...	992,576
" " coasting ditto....	<u>6,234,610 ...</u>	<u>5,498,248</u>
Total (exclusive of fisheries)	9,077,949 ...	9,586,368

It is remarkable that the only branch of French navigation still protected from foreign competition should be the only one which has declined in importance since the new policy has been in operation.

The total tonnage engaged in French trade in each of the years 1858 and 1868 was as follows :—

	1858.	1868.
Foreign trade	5,924,506 ...	9,513,514
Colonial ditto	625,252 ...	1,011,211
Coasting ditto	<u>6,234,610 ...</u>	<u>5,498,248</u>
Total	12,784,368	16,022,973

During the last ten years there has been but little addition to the total tonnage of the mercantile marine

of France; but of steam tonnage France possessed, in 1868, 135,259 tons, against 66,587 tons in 1858.

In the trade with England, the employment of French steam tonnage has advanced from 24,371 tons in 1859 to 251,985 tons in 1869.

Further evidence of the material progress of France since the introduction of the economic reforms of 1860 is afforded by the following official statements:—

PRODUCTION OF WINE AND OTHER SPIRITUOUS DRINKS.

Wine.

The average production of Wine of all kinds in France in the six years preceding and in the six years subsequent to 1860.

	Hectolitres.
Average of years from 1854 to 1859, inclusive ...	27,752,000
Do. do. from 1861 to 1866, inclusive ...	50,276,000
Increase in latter period ...	22,524,000

Taxed—made with Brandy, &c. &c.

	Hectolitres.
Average of two years—1858-59 ...	37,614,000
Do. of six years after 1860 ...	39,224,000
Increase ...	1,610,000

Other Spirituous Liquors subjected to Taxes.

	SPIRITS. Hectol.	CIDER. Hectol.	BEER. Hectol.
Average of two years } —1858-59 ...	832,810	4,586,031	6,751,716
Average of six years } after 1860 ...	878,053	5,666,066	7,298,070
Increase ...	54,757	1,080,035	546,354

ACCOUNT OF COAL EXTRACTED FROM MINES AND
CONSUMED IN FRANCE.

	EXTRACTED. Quintaux Métriques.	CONSUMED. Quint. Métriques
Average in six years before 1860	74,905,000	125,586,000
Average in six years after 1860	109,211,000	173,768,000
Increase	34,306,000	48,182,000

STATEMENT OF THE PRODUCTION IN FRANCE OF THE
FOLLOWING METALS :—

	PIG IRON. Tonn. Mét.	IRON OF ALL KINDS. Tonn. Mét.	STEEL. Quint. Mét.	COPPER. Quint. Mét.
Average of six years before 1860	878,650	545,917	229,167	75,483
Average of six years after 1860	1,148,576	757,686	412,749	154,178
Increase	269,926	211,769	183,582	78,695

STATEMENT OF THE SALE OF TOBACCO BY THE STATE.

	TOBACCO-LEAF AND CIGARS. Kilog.	MANUFACTURED TOBACCO. Kilog.
Average of six years before 1860	33,626,000	26,283,000
Do. do. after 1860	32,145,000	24,479,000
Decrease	1,481,000	1,804,000

ACCOUNT OF THE STEAM POWER USED IN PRIVATE
INDUSTRIES.

	No.	Steam power.
Average of six years before 1860	10,703	133,679
Do. do. after 1860	19,015	231,971
Increase	8,312	98,292

ACCOUNT OF THE STEAM POWER USED IN CERTAIN
INDUSTRIES IN 1852 AND 1867.

	1852.		1867.		Increase.
Chemical manufactures ...	313	...	2,006	...	1,693
Glass works	620	...	2,387	...	1,767
Pottery works	296	...	1,048	...	752
Weaving manufactures ...	1,738	...	9,796	...	8,058
Spinning manufactures ...	16,495	...	49,996	...	33,501
Cloth manufactures	1,194	...	3,847	...	2,653

CIRCULATION OF LETTERS BY POST-OFFICE.

	No.
Average of six years before 1860 ...	243,750,830
Do. do. after 1860	297,295,948
Increase	53,545,118

ACCOUNT OF THE PROGRESS OF SAVINGS BANKS IN FRANCE
FROM 1854 TO 1868 INCLUSIVE.

	NUMBER OF BOOKS.	RELATION OF THE DEPOSITORS TO THE POPULATION.	AMOUNT OF DEPOSITS.
	No.	No.	Fr.
Average of six years } before 1860 ... }	972,981	... 1 to 37 ...	126,101,407
Average of six years } after 1860 ... }	1,516,308	... 1 to 24 ...	177,496,516
Increase	543,327	...	51,395,109

But to return to the effects upon the foreign trade of France, and of the commercial policy which has been pursued during the last ten years. The foregoing statement has exhibited those effects upon the general trade of the country, but in order to form an adequate conception of its operation it is necessary also to examine the course of the special trade between France and England; both for the reason given

above, viz., that it was to this particular branch of French trade that the new tariff was first applied, and, secondly, because the trade with England constitutes so important an element in the whole foreign commerce of France.

This latter consideration is too often forgotten in the question so often and so uselessly asked, viz., whether France or England has benefited the most from the Treaty.

It is therefore necessary to recall the fact that French trade with England forms about one-fourth of the whole foreign trade of France, while English trade with France forms only about one-tenth of the whole foreign trade of England.

A comparison of the total value of the trade between England and France, including imports, exports, and re-exports, as shown by the English trade accounts in the two quinquennial periods 1855-9 and 1865-9, gives the following results:—

	1855-59.		1865-69.		Increase.		Per cent.
	£		£		£		
Imports from } France ...	12,328,219	...	33,960,099	...	21,631,880	...	175
Exports to } France ...	10,204,788	...	24,353,265	...	14,148,477	...	139
Total ...	22,533,007	...	58,313,364	...	35,780,357	...	159

The following table shows the progress made in the same period in the total foreign trade of the United Kingdom:—

TOTAL FOREIGN TRADE OF THE UNITED KINGDOM.

	1855-59. £	1865-69. £	Increase. £	Per cent.
Imports from all countries. } 169,539,526 ... 286,339,903 ... 116,800,377 ... 69				
Exports to all countries. } 139,512,257 ... 229,666,659 ... 90,154,402 ... 65				
Total	309,051,783 ...	516,006,562 ...	206,954,779 ...	67

TOTAL TRADE OF THE UNITED KINGDOM WITH COUNTRIES WITH WHICH COMMERCIAL TREATIES HAVE BEEN CONCLUDED SINCE 1860—VIZ., FRANCE, BELGIUM, SWEDEN AND NORWAY, ITALY, AUSTRIA, ZOLLVEREIN (HANSE TOWNS AND HOLLAND).*

	1855-59. £	1865-69. £	Increase. £	Per cent.
Imports	40,158,369 ...	81,881,672 ...	41,723,303 ...	104
Exports	45,518,909 ...	87,165,799 ...	41,646,890 ...	91
Total	85,677,278 ...	169,047,471 ...	83,370,193 ...	97

The next tables, which have been compiled from the English trade accounts, show the imports and exports of the principal articles in the trade between England and France, in the years 1859 and 1869 respectively:—

* The exports to the Hanse Towns and Holland include a large part of the trade to Germany and Austria.

IMPORTS FROM FRANCE INTO THE UNITED KINGDOM
IN EACH OF THE YEARS 1859 AND 1869.

	1859.		1869.	
	Quantities.	Value.	Quantities.	Value.
Butter - - - cwts.	36,854	£ 152,480	407,432	£ 2,231,450
Corks - - - lbs.	481,866	30,116	1,323,466	71,687
Cotton manufactrd. including yarn value	—	375,352	—	612,474
Eggs - - - cubic feet	649,863	293,588	Gt.Hundreds. 3,215,442	974,895
Feathers, ornamtl., lbs.	31,476	73,262	81,187	111,744
Fish - - - value	—	26,695	—	133,594
Artificial flowers - „	—	97,273	—	358,376
Fruit - - - „	—	105,287	—	253,047
Garancine - - - cwts.	18,343	131,504	17,960	119,332
Glass of all kinds „	6,324	28,227	—	208,623
Hair - - - „	1,949	9,699	34,889	211,661
Hats of felt numb.	53,619	16,084	214,033	64,210
Jute yarn - - - lbs.	not distinguished.	—	3,302,566	80,474
Hides - - - „	1,963,850	145,930	5,747,265	298,724
Hops - - - cwts.	—	—	30,572	69,383
Iron and steel - „	5,114	6,916	—	101,248
Lace - - - value	—	22,364	—	179,374
Leather gloves pairs	4,500,049	487,775	9,440,928	1,022,766
Leather boots - „	695,445	111,002	296,328	61,421
Madder - - - cwts.	65,699	165,353	24,806	58,915
Musical instru. numb.	3,790	37,900	—	177,541
Oil, rape seed - tons	4,158	161,178	4,065	153,856
Oilseed cake - „	11,981	92,233	59,115	416,955
Opera glasses value	—	35,198	—	73,419
Paper of all kinds cwts.	7,353	25,883	56,330	122,039
Potatoes - - - „	443,927	69,674	833,640	190,977
Poultry & game value	—	13,280	—	67,074
Rosin - - - cwts.	4,258	1,676	159,429	63,521
Seeds - - - value	—	254,296	—	357,274
Raw silk - - - lbs.	667,404	1,064,806	950,561	1,448,513
Silk, thrown - - „	155,872	298,427	240,917	569,653
Silk manufactures val.	—	1,732,928	—	9,004,291
Spirits - - - galls.	3,955,736	1,377,511	3,841,644	1,233,711
Sugar - - - cwts.	199,492	247,952	908,590	1,294,364
Watches - - - numb.	99,894	210,738	122,985	183,057
Wine - - - galls.	1,010,888	559,304	4,255,483	1,585,858
Wool - - - lbs.	1,312,776	128,392	2,224,947	142,636
Woollen manuf. value	—	607,609	—	1,586,639
Total - - - -	—	16,870,859	—	33,527,377

N.B.—These importations are exclusively for consumption in the United Kingdom, French exports to the United Kingdom in transit to other countries being shown in a separate account of the "Transit Trade."

Produce and Manufactures of the United Kingdom.

EXPORTS FROM THE UNITED KINGDOM TO FRANCE IN
EACH OF THE YEARS 1859 AND 1869.

	1859.		1869.	
	Quantities.	Value.	Quantities.	Value.
Alkali - - cwts.	29,079	16,023	157,000	£ 62,731
Apparel - - value	—	39,695	—	123,079
Caoutchouc - - „	—	21,366	—	135,665
Coals - - - tons	1,391,009	615,232	1,999,920	869,137
Copper - - cwts.	90,320	493,083	80,086	331,226
Cotton yarn - lbs.	360,319	33,319	1,914,731	242,018
Cotton, manufac. value	—	222,383	—	1,195,077
Chemicals - - „	—	18,386	—	120,197
Fish - - - „	—	10,530	—	131,378
Hardware - cwts.	9,964	95,479	26,671	127,389
Iron - - - tons	82,713	395,135	134,151	704,440
Leather - - value	—	3,600	—	93,943
Linen yarn - - lbs.	766,963	89,371	3,484,833	230,505
Linen manufac. value	—	68,743	—	193,912
Machinery - - „	—	199,402	—	317,124
Oil, linseed - galls.	1,362,625	163,698	1,544,950	184,617
Silk yarn - - lbs.	231,574	113,464	116,760	72,498
Silk, thrown - „	289,456	308,568	242,191	346,442
Silk manufactures val.	—	44,039	—	113,630
Telegraph wire - „	—	28,349	—	534,432
Tin plates - - „	—	23,680	—	43,038
Wool - - - lbs.	6,170,228	428,942	4,986,664	380,292
Woollen yarn - „	832,384	176,118	3,993,381	705,573
Woollen manuf. value	—	243,286	—	2,183,674
Total - - -	—	4,754,354	—	11,438,330

RE-EXPORTS FROM THE UNITED KINGDOM TO FRANCE.

	1859.		1869.	
	Quantities.	Value.	Quantities.	Value.
Coffee - - lbs.	480,739	£ 14,232	17,882,486	£ 528,006
Copper - - cwts.	12,006	64,392	139,500	492,743
Cotton, raw - „	66,324	185,693	269,709	1,227,331
Hemp and flax - „	28,071	46,581	377,303	398,087
Indigo - - „	1,747	53,284	2,982	109,850
Rice - - - „	153,048	85,452	152,476	81,320
Seeds - - - qrs.	123,818	279,065	106,785	303,275
Silk, raw - - lbs.	1,569,045	1,588,658	2,767,861	3,263,769
Wool - - - „	12,214,600	914,160	65,190,828	3,860,729
Total - - -	—	4,807,602	—	11,838,892

The effect of the recent policy of France on her financial resources is a question at the present time of the greatest interest.

It is generally assumed that the commercial advantages which have incontestably been gained by the economic reforms of the last ten years, have been attained at the expense of fiscal resources. This is the reverse of the truth. The falling off in the custom-house receipts is in France a most imperfect test of the effects of commercial policy upon revenue ; for there, as is well known, some of the largest branches of indirect taxation—viz., the taxes on the greater part of the spirits, salt, and sugar consumed in the country, and the proceeds of the sale of tobacco—are all included under other divisions of the revenue, and must be added to the custom-house receipts, in order to establish a real comparison with former periods. In other words, the proceeds of the service of the “indirect contributions” must be added to those of the “service” of the customs. If this course is taken, the result is found to be as follows :—

TOTAL RECEIPTS OF BOTH SERVICES IN 1859 AND 1868.

	1859. Million francs.	1868. Million francs.
Customs	228,455,000	144,564,000
Indirect taxes	485,676,000	620,225,000
Total	<u>714,131,000</u>	<u>764,789,000</u>

From this comparison, it appears that the French

revenue from these combined sources has been increased by 50,000,000 francs, or £2,000,000, since 1860.

The policy of attempting to increase revenue by the imposition of new charges on the raw materials of industry, and upon manufactures, is condemned by the experience of every country under economical conditions similar to those of France. So far as such changes are of a protective nature, they can of necessity only succeed in their object by checking or destroying the trade from which revenue is derived. No tax can be at once protective and fiscal; it can only succeed in one direction in proportion as it fails in the other. And even if, by a careful equalisation of the taxes upon raw materials and upon their manufactured products, the protective element were to be removed, all such charges would constitute a direct burden upon French industry, which would have the double effect of restricting competition at home, by keeping small capitalists out of the field, and crippling the French export trade, thus cutting at the root of the industrial life of the country, and drying up one of the most important sources of national wealth and financial prosperity.

The example of the United States of America is sometimes adduced in evidence of the financial success which may attend such a policy. Such an appeal can only be made by those who are profoundly ignorant of the effects of that policy

upon the industrial economy and well-being of the American Union. That a large revenue has been raised by a system of taxation weighing upon every branch of trade and industry, and by a most oppressive tariff of customs' duties, is incontestably true; but this result has only been attained by a process which has partially annihilated American manufactures, and inflicted an amount of privation on the people which nothing but the vast territorial resources of the country could have enabled them to support, and which, if attempted in the older countries of Europe, would lead to crushing national disaster.*

* The following statement is taken from a recent article in the *North American Review* by Mr. David A. Wells, late Revenue Commissioner of the United States:—

Since 1860 the population of the Union has increased nearly 8,000,000; there are 25,000 miles more of railways; the debt is only about one half that of Great Britain; and, exclusive of this charge, Government expenditure infinitely less; and there is no natural reason which would render the United States less able to compete in the world's markets now than in 1860; but it is nevertheless a fact that the people of the United States now use less sugar and coffee, and fewer boots, shoes, hats, and other articles of universal consumption, per head, than they did in 1859. The consumption of cotton cloth was less in 1870, measured in pounds, with a population of 39,000,000, than in 1860, with 30,000,000; and they not only buy less at home, but sell less abroad, and send what they sell in foreign ships.

The following account of the value of various exports in 1860 and 1869 respectively, affords conclusive testimony of this

decline in prosperity; and as the value in the former year is calculated in gold, and that in the latter in paper currency, which is now depreciated 13 per cent., the decrease, great as it is shown to be, is really greater than it appears:—

	Value of Exports.	
	1860. In Gold. \$	1869. In Currency. \$
Animals	1,855,091	689,508
Beer, ale, and porter	53,573	9,755
Boots and shoes	782,525	356,290
Candles	760,528	324,995
Carriages.....	816,973	299,487
Garden and other seeds	596,910	44,816
Gunpowder	467,972	122,562
Hides and skins.....	1,036,260	219,918
India rubber manufactures	240,844	128,216
Marble and stone manufactures ...	176,239	65,515
Paints and varnish	223,809	91,452
Paper and books	564,066	290,098
Pot and pearl ashes	882,820	187,004
Soap.....	494,405	384,950
Tobacco (manufactured)	3,337,083	2,101,335
Trunks and valises	37,748	24,800
Wool and woollens	389,512	237,325

There has also been a great decline in shipping, not only as regards foreign trade, but also in the coasting trade, of which the Americans have the monopoly, and in fishing tonnage. In the trade with Great Britain the entries were, in 1860, 924 American and 613 foreign vessels; in 1869, 365 American and 1,394 foreign. Mr. Wells states that in 1860 15,000 men were employed, in New York city alone, in building and repairing marine steam engines; and that in 1870, fewer than 700 found employment in this, which was one of the best paid and paying branches of American industry, and in which American artisans formerly excelled. This has happened, he says, in the face of a rise of wages in the same branch of English industry since

1863-4, by about 15 per cent., notwithstanding which, owing to improved machinery and better knowledge, the cost of construction has declined. From this Mr. Wells draws the inferences that within the last ten years the result of Protection in the United States has been to decrease the purchasing power of wages, diminish consumption, prevent exports, and increase the cost of the manufactured product; whilst in Great Britain wages have been increased, cost decreased, consumption increased, and exports largely augmented.