



THE INDUSTRIAL AND COMMERCIAL GROWTH OF ENGLAND.

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" There be three things which make a nation great and prosperous: a fertile soil, busy workshops, and easy conveyance for man and beast from place to place". — Bacon.

Two elements enter into the discussion of the material progress of a nation namely man and his environment. We shall first call attention to the inhabitants of England and notice how often and how effectively the race has been replenished with fresh blood; we shall note the surroundings and see how the climate and soil have assisted agricultural development, how easy internal communication and mineral wealth have assisted the industrial progress and how the maritime position and coast line of Great Britain have assisted trade. We shall then examine the state of society in the early days, taking as our unit the manor, and shall see how the man of the thirteenth century tried to render his estate self-sufficing and thus to keep apart from the rest of the realm. We shall note the conditions of economic life in the towns and shall pass on to consider the gradual growth of national organisation until it exercised control over all the various developments of industrial life throughout the country. We shall then try to trace the changes that have occurred in the great departments of economic life, in the use of money and in finance, in agriculture and in manufacturing; and shall bring the thesis to a conclusion by taking a brief review of the growth of the nation along industrial and commercial lines during the past century.

Although the Britons were the early inhabitants of the southern part of the island of Great Britain yet the basis of our civilisation may be said to be Teutonic. About 449 A. D. the English came across the German Ocean from the country around the River Elbe, drove out the Britons and took possession of the country. The influence of the earlier civilisation had little effect on the growth of the newly transplanted English stock because society had been broken up before the English came to the Roman Province of Britain and the conquest was so slow that the Britons withdrew from before the invaders

Soon, however, the influence of the Roman missionaries was brought to bear on the heathen English and England was converted to Christianity. The monastic houses which sprung up here and there throughout the country were centres of learning as well as of religion. The monks acted as scribes and introduced the legal conceptions of the Later Roman Empire into the charters and wills. The communication of the churchmen with Rome furnished opportunities for trade and did something towards improving the arts of life. Under Christian influence, also, frequent and friendly communication between the tribes became possible.

The next foreign influence was that of the Danes. Sweeping down from the North, they ravished the country and devastated the land. They were defeated by Alfred the Great but were permitted to remain in England on condition that they would settle down and become Christians. Nearly half the country was treated as Danelagh and was ruled by Danish rather than English law. As time went on the two peoples became one and a new element was infused into English blood. The English people were fond of rural life but the Danes preferred to live in towns. The English were farmers the Danes were traders and seamen. Towns were established in England and soon signs of commercial activity were exhibited. The Danes were also skilled in metal work and other industrial pursuits and it is to the energy and enterprise engrafted by these settlers that England owes her shipping supremacy and commercial greatness.

The next great immigration was that of the Normans who were kinsmen of the Danes. During the reign of Edward the Confessor, Norman artisans settled in England, but after William had conquered the country great numbers came over and were given estates by the king. The most striking economic result of the Norman conquest was the introduction of the intellectual and religious movements of Europe into the island so that England entered for the first time into the common life of Christian Europe. During the next two centuries, the new element coalesced with the English and Danish immigrants to form one people. The united race had

one parliament in which the different parts of the country and the different classes of the community were represented.

Since the time of Edward the First no great band of foreigners has invaded the country. From time to time, however, numbers of foreigners for political or economic reasons have settled in the British Isles. The first immigration was that of the Flemings who during the reign of Edward III. migrated to England and gave a great impetus to the manufacturing of woollen goods. The next immigration occurred during the Reformation period when many Protestants fled to England for refuge. Again after the revocation of the Edict of Nantes in 1685, a considerable number of Protestants came over from France. These introduced silk weaving and settling down near Spitalfields and Coventry carried on a profitable trade. With them, there were also linen weavers but as they found competitors in England and as they were afterwards increased by large numbers of their fellow-countrymen, many of them went to Scotland and Ireland.

English civilisation gained much from the introduction of foreign elements. Before the age of machinery, success in manufacturing depended upon dexterity, often the inherited dexterity of artisans. To improve English workmanship it was necessary to import skilful workmen from abroad. With each successive immigration some new trade was introduced or a fresh start given to some older trade. It is therefore safe to say that the immigrants thus brought in laid the foundations of English industrial greatness in more than one department. The industrial and commercial greatness of England is in some measure due to the fact that she has attracted to herself the most energetic and enterprising as well as the most highly skilled portions of the population of neighboring lands.

## II.

Physical conditions have affected the lines on which English civilisation has developed. England has been specially favored by nature and in addition her people have had the skill and the en-

ergy to make the most of the natural advantages. The country is rich in mineral wealth. Before the Roman conquest the Phoenicians and the Carthaginians came to the British Isles for tin. During the middle ages tin together with lead formed one of the chief articles of export. Iron also was found before the Conquest and is to-day the basis of one of England's greatest industries. But coal perhaps is the mineral which is of greatest value. It was used originally for fuel only, but since the invention of the blast furnace in the eighteenth century, coal has been used for smelting, and still further after the introduction of steam power has it come to be much more largely used. The large deposits of coal and of iron ore close at hand have done much for the manufacturing industry.

The climate and soil of Great Britain have been specially favorable to agriculture. During the Roman period England was one of the granaries of the Empire. From that time till the present agriculture has been one of the prominent industries of the island, and although at the present time the people of Great Britain have to import a great deal of their grain from foreign countries, yet at no time in the history of the industry has the produce per acre been greater than it is at present. England was also rich in forest lands. From these an abundant supply of fuel for the building of houses and the constructing of ships was obtained. The most of the forests, however were ruthlessly burned up by the iron manufacturers of the seventeenth and eighteenth centuries.

Excellent pasturage has made England a wool growing country. Sheep farming became important about the twelfth century. It was carried on largely by the Cistercians and chiefly in the North and in the hilly country. The wool that was grown was not manufactured in England but was shipped to the low countries. In the sixteenth century sheep farming took the place of tillage owing to the scarcity occasioned by the Black Death. Numbers of Flemings moved across the Channel and the English began to keep their wool at home. It was of a superior qual-

ity and they therefore had a monopoly in certain kinds of cloth. The cattle industry was also important. It supplied food for the ships and in addition furnished leather, one of the most important articles of trade in medieval times.

The insular position of Great Britain has been very advantageous in promoting commerce. Living near the sea, a great many people were engaged in fishing. The fisheries were a training school for seamen and as such were especially encouraged by the government. The sea served as a defence against external invasion. Security from attack contributed to industrial progress. While other nations on the continent were harassed by foreign invaders, English industrial and commercial development went on for centuries with immunity from successful invasion by foreign powers. The coast line afforded excellent harbours. England was situated in the centre of commercial Europe. She was also near America and therefore she succeeded in getting the control of the American trade.

The contour of England gave it special advantages for internal commerce. There were no great mountains in the Southern, Eastern and midland counties, and consequently no engineering difficulties in the making of roads. The great Roman roads served as main lines of communication. The maintenance of these roads and bridges was one of the strictest obligations of landlords in feudal times. Much also was done towards the making and repairing of roads by monasteries and private individuals as acts of alms-giving. In the 15th century roads fell into a worse condition and continued so until the 18th century. During the reign of George III, a general highway act was passed, toll gates were established and a marked improvement was soon noticed. The conditions which made it possible to build roads easily made the rivers fit for navigation. Many of the rivers were tidal; this enabled ships to sail a considerable distance inland. THE RIVERS thus afforded a cheap means of carrying freight. As trade increased communication with Holland caused Englishmen to turn their attention to the improvement of the water ways and the using of them as feeders to canals.

The physical conditions which in the past have given England

such special advantages will not always continue so favorable. Commerce depends on agriculture or on manufacture. England at one time grew enough grain to send the surplus abroad but to-day she imports the greater portion of her food supply. Once she depended on the home-grown wool for the cloth industry, but since the introduction of Australian wool, now four fifths of the wool consumed comes from Australia. Improved machinery has taken the place of skilled labor and England no longer has the monopoly of the cloth trade. The mineral wealth cannot afford a permanent basis for commerce. It is estimated that at the present rate of consumption, the coal supply will not last over five hundred years, and if the coal and iron trades were seriously crippled it would be hard to meet the national debt. The industrial foundations of English commerce seem hardly sound enough to inspire great confidence in the maintenance of her position.

### III.

There are three distinct types of social life in each one of which most of us have some sort of interest, - parochial, municipal and national life. At the present time national disaster is widely felt, while local politics and parochial interests seem to be comparatively trivial. Formerly the village or the manor was the centre of man's existence; he had little or no knowledge of the outside world. Towns next grew up and became centres of trade and industry. They gave place to national regulations and institutions.

In the early times there were few great towns engaged in industry and commerce; the population was mostly interested in rural pursuits. Throughout the country were little villages, called manors ruled over by lords. Each manor had an independent life economically. It was the aim of the lord to make it self-sufficing, and it was only after their own wants were supplied that they thought of selling the surplus to outsiders. How different this was from the present state of affairs: to-day the farmer sells all his produce and with the proceeds buys his necessaries in town. Rich landlords owned several manors in different parts of the realm. They did not collect their food into one palace but moved the household from place

to place as the supply of food got low. On account of such conditions they had very few comforts in their houses. Their furniture consisted of a few rough tables and they slept in beds of straw, on the floor, altogether in one large hall.

Although the manors were independent and self-sufficient yet they were bound together for the purposes of defence. Each contributed to the Royal Treasury. This obligation bound the isolated groups into one whole for defence against foreign foes. This money was collected in the shape of taxes by the Lord of the Manor and paid to the Sheriff. He obtained the means of discharging these dues from his own private farm and from the labor of villeins to whom he had allotted parts of his estate in return for a fixed amount of labor.

Manors date back to the time of the Norman conquest. From that time on we may learn their history from the Domesday Book, but back of th is it is difficult to say whether the development of Manorial organization is due to royal influence or changes in voluntary associations. In the fiscal and judicial functions the influence of royalty is clear. Some people are of the opinion that manorial households were organized on the model of royal establishments. From the Domesday Book it seems that the first English settlers were men who voluntarily associated themselves together for combined tillage and for sharing common responsibilities. This matter is in dispute among scholars. Every centre of rural employment did not grow up in the same way. Some may have been free; some servile.

Several handbooks, published in early days, on English Estate management are still in existence. We find that during the thirteenth century a careful system of administration and the rendering of written accounts had become common. The estate was managed by a bailiff on behalf of the lord but if the latter were wealthy he appointed a higher official or steward to represent him. The bailiff was a responsible officer. He had to account for the stores and the stock each year and had to look after the work and the payments. Another official was the foreman who was elected by the men to represent them in all transactions with the lord.



To superintend the actual work an officer, known as a hayward, was appointed.

The land connected with the manor was divided into two portions. One portion called the domain was kept by the lord for his own private use and was worked by the labor of his villeins. The other portion was divided into small farms of thirty acres each and let out to the villeins. They were also given two oxen each and the right to pasture their stock on the common village land. In return, the villeins had to meet the following obligations: to work for the lord three days per week from Michaelmas to August 1; to plough four acres of the lord's land with their own oxen; to carry manure, weed, mow, cut, make and carry hay; to put in twenty-four days' from August to Christmas, these days were often taken consecutively during the lord's harvest time; to pay one shilling and six pence at Easter and at Michaelmas and to present a hen at Christmas. This system in time fell into disfavor and the landlord often found it more profitable to take the rent in money rather than in reluctant service.

The great plague called the Black Death, which swept over England in 1349, produced many changes in society. Nearly one half of the labourers were killed off and labour became scarce. As wages went up the landed class had the Statute of Labourers passed to compel men to work at old rates. The lord being unable to carry out the old system of bailiff farming broke his demesne into holdings which he let at regular money rent. Those who were still under the old system were dissatisfied when they saw the condition of those under leasehold tenure. This resulted in an organised rising which was widely spread and which took a different color in different districts. After the rebellion things resumed their old aspect. As labor was scarce the growing demand for wool led many of the land owners to go extensively into sheep-farming. The man was driven from their holdings and the manor ceased to be a centre of employment or of local administration.

#### -- IV --

As has been said above the early English favoured rural

life. This may be seen from the fact that they let the fifty-six cities which the Romans built in England fall into ruin. But the introduction of christianity and the struggle with the Danes were favorable to the growth of towns. The places of pilgrimage afforded centres of trade as did also the monasteries. The forts too which were built to keep back the Danes were centres of population. After the wars the Danes themselves settled down to trade and manufacturing and their influence may be seen in the constitution of many of the towns. In the turbulence of feudal times, population tended to crystallize around the castles of the great barons. The lords finding themselves greatly strengthened by this, began to see that it would be to their advantage to grant the inhabitants <sup>certain</sup> ~~many~~ privileges. Hence, arose towns governed by officers-provosts and bailiffs- appointed by the lord and the still more highly favored boroughs, that is towns possessing regular charters which conceded them the right of governing themselves by magistrates such as mayors and aldermen, chosen by the burghers or free inhabitants. Physical conditions also affected the growth of towns. Many, such as Perth, Stirling and Ipswich, were built at the point in the river to which the tide brought sea-going vessels.

Their chartered liberties were very highly prized by the towns and the struggle to obtain such privileges was uphill and difficult. A populous centre on the land of a manorial lord had a common interest in purchasing their freedom. They might desire a charter freeing them from ploughing his lands or freeing them from the restriction of grinding their corn at his mill. They had to obtain their charters from the king for many things; these were often purchased. They highly prized the right of being collectively responsible for the king's taxes as this permitted them to assess each inhabitant. They also desired the power of local jurisdiction without outside interference and at the same time to be permitted to associate themselves for trade and to have their gild merchant. Most towns resembled each other in certain respects so that intercourse between towns for business purposes was frequent and as a result municipal trade sprang up.

The freedom of associating themselves for the purpose of regulating commerce was a privilege eagerly sought. The grant of a hanse or a gild merchant gave them the character of an important commercial unit which could enjoy a share of trade both local and distant. The gilds were closely connected with the town authorities but they do not seem to have had a judicial character or to have been in a position to settle disputes between merchants. The conditions of buying and selling, the quality of the goods, the nature of weights and measures came under their view. They enforced the methods of dealing and kept outsiders out. The gilds were also useful for the purpose of collective trading. When a foreign ship came in a common purchase was made to prevent bidding. Sometimes we find them buying a supply of coal or provisions for the town. The gilds did not embrace all the inhabitants and to be a member of a gild was to be a personage of considerable importance. Besides the town gilds there were trade gilds comprising men of the same trade from different towns.

There were close ties between the different towns. Many privileges in their charters were not enumerated but were said to be the same as those of some other town. In this way we can affiliate the various boroughs and trace distinct family trees among the towns. Many of the towns followed the model of London and many of the customs which were common to these different towns were afterwards enforced by law. In the reign of Edward I the first full parliament was summoned and in this parliament each borough was represented by two citizens. The towns now had an opportunity of making their united voice felt with regard to subsidies as well as the duties on exports like wool or imports like wine. By the time of Richard II the towns were the principle factor in controlling the commercial policy of the realm. From the fifteenth century the main responsibility for the well-being of English industry and commerce was gradually transferred from municipal authorities to the national parliament and appointed executive institutions. This change was gradual but was hastened by the Black Death, Peasants revolt and Wars of the Roses.

As towns became centres of industry as well as of commerce, the guild merchant gave place to several craft guilds which looked after certain crafts. The distinguishing features of these institutions were that all members of a guild practised the same craft and the guilds had the authority to supervise the craft within a definite area. The authority of some of the guilds was granted by the king but this step was not a wise one as there was likely to be constant disagreement with the town authorities. Other guilds had their powers granted them by the mayor of the town and their regulations had to be approved by the council before they could enforce them. They had extensive powers for the regulation of their own trade. The wardens had the right to search to see if good material was used and workmanship was good. They saw that workmen were properly trained by undergoing a regular apprenticeship and made rules affecting the hours of labor. The primary object in the organizing of such guilds was to see that the work was properly done by qualified men and to see that such qualified men should be adequately paid. The dependence of this guild upon the municipal authorities distinguishes it from the weavers guild of the twelfth century. There is no apparent distinction between the craft guilds of the fourteenth century and the merchant guilds of the thirteenth. Both apparently manufactured and sold goods; both probably had the same regulations. It is thought that as soon as the members of a certain craft were sufficiently numerous, a craft guild was formed and the members still belonged to the merchant guild which by degrees began to lose its importance.

The craft-guilds towards the close of the fourteenth century began to be sub-divided. Bodies of men engaged in trade alone were formed on similar lines. They were skilled in judging the qualities of goods and were store-keepers rather than artisans. Some of the companies were made up of what might be called wholesale men. These companies show the rise of what might be called a class of merchant burghesses in the towns. Trade was now gradually passing from the hands of alien merchants at the fairs into the hands of burghesses with exclusive town rights. As time went on, the craft

*gilds begin to fail to discharge*

~~gilds begin to fail to discharge~~ their public duties. They pass unreason-  
 reasonable ordinances and the municipal authorities cannot control  
 them. By a statute of 1504, local craft gilds were placed directly  
 under national supervision and the judges were to decide on the or-  
 dinances which might be allowed. In the reign of Edward VI a statute  
 was passed taking away from gilds the power of fixing wages and prices.  
 They begin gradually to die out and by the time of Elizabeth municipal  
 control of trade gave place to national institutions.

#### V

In early times the king was the centre of the nation. During  
 the Norman period the king and his Exchequer were at the centre of the  
 whole social system; all contributed to him; he was the chief land-  
 owner; he was the source of judicial authority; his personal policy  
 was felt in all the relations of life. If he were a weak king the  
 people suffered from the oppression of the nobles; if he were a spend-  
 thrift the taxes were heavy. All matters of foreign policy were dir-  
 ectly in his hands. Royal alliances fostered trade. The hand of the  
 king was felt in the regulation of foreign commerce. The importation  
 of foreign ~~of foreign~~ wine sprang up under the Plantagenets, the trade  
 with the Mediterranean and the East sprang up under Richard I. Limits  
 were fixed and a minimum price was settled at which goods might be ex-  
 ported. Foreign artisans came over under royal influence and under  
 Royal protection gained privileges. The several steps in the progress  
 of the towns were sanctioned by the crown. The king also issued reg-  
 ulations affecting the weights, measures or the quality of goods. All  
 these facts serve to show that when the different local groups were as  
 most isolated and self-dependent there was a central authority not in-  
 different to foreign and internal commerce. From the time of Edward I  
 this influence increased until it gradually superseded manorial and  
 municipal powers in the regulation of all kinds of affairs.

English life was consolidated in the time of Edward I. His  
 policy was to unite all of Great Britain in a solid kingdom. To ac-  
 complish this he turns his attention to the conquest of Scotland and  
 Wales and also to the expelling of foreign elements notably the Jews.  
 He creates the first full parliament including in it representatives

from the different boroughs. The important results of such representation may be seen in increased police protection, in the national character which was given to the arrangements which had existed locally in many towns, in the changed constitution of towns which gave the municipality greater power over disorder, and in the establishment of a new fiscal system. He specified certain ports through which trade should flow to and from the realm and established officers to collect duties. National life was regulated internally and attention was turned to making systematic arrangements for foreign trade.

Alien merchants were always welcome to England while they confined themselves to wholesale trade and did not compete with Englishmen in retail and internal trade. Edward III gave such encouragement to foreigners that they soon got the whole shipping trade in their own hands. They also encroached on English internal trade with the result that jealousy arose and a strong reaction set in against this policy in the next reign. Edward also organised staple towns to which all English products had to be consigned and where foreign merchants had to buy. This concentration of trade was convenient for the collection of revenue. It also benefited merchants as buyers and sellers were sure of a market. It provided rights and privileges which rendered the merchants' goods and warehouse secure from arbitrary exactions. Calais was made the staple town. Companies were formed for trading and had special privileges for the carrying on of one great branch of foreign trade. The four staple articles were wool, wool-fells, hides and lead. The loss of Calais in the reign of Queen Mary put an end to active trade there.

Two different policies guided the statesmen of England in the laws which they formulated in the interests of the realm; one was the policy of plenty, the other was the policy of power. Edward III by favoring the easy access of alien merchants pursued a policy of plenty and imperfectly anticipated the free trade policy of England. The advocates of the mercantile policy aimed at promoting political power and were ready to subordinate the convenience of producers and sacrifice the comforts and tastes of consumers to this great national object. An island realm can only be powerful for defence or offence

when it is a naval power. The development of our shipping and the encouragement of our commerce gradually came to be the most prominent feature in the economic policy of the realm.

There are three elements which enter into political strength. First, there must be a sufficient food supply to provide for the maintenance and the rearing of a well-nourished population; secondly a sufficient supply of money and treasure must be available to meet any emergency; thirdly, when a country has no mines industry, and trade it must enter in to provide such treasure and in an island kingdom, such as England, it is necessary to develop shipping with its subsidiary employments. We will treat each of these subjects in turn and will remember that the underlying principle which actuated the statesmen in all their regulations was to promote the strength of the realm.

During the reign of Richard II, there was considerable anxiety in England with regard to the food supply, because after the Black Death, owing to the scarcity of labor, land owners went in extensively into sheep farming with the result that a great deal of land went out of cultivation and it was impossible to procure a sufficient supply of corn. The government seeing danger ahead passed laws to promote tillage. In order that the country districts might not be depopulated, laws were passed forbidding labourers to move to town. During the reigns of Henry IV and VI, measures were passed to prevent the children of rural labourers becoming apprentices. To prevent the increase of sheep farming the number of sheep possessed by any man was restricted to two thousand during the reign of Henry VIII. Another means adopted was to make land owners responsible for the re-erecting of the houses of the husbandmen that had fallen into decay within a certain period. These laws had the desired effect for a time. The sheep industry began gradually to decline and by the reign of James I the low price of wool put an end to any further need for such laws.

Measures also were passed to encourage cultivation by securing the farmer a remunerative price for his corn. This was done by giving great liberty to export especially when corn was cheap. The price was thus kept at a moderate level even in seasons of plenty. These measures resulted in the improvement of methods of farming and in

the bringing of larger areas under cultivation. But population increased and with it the demand for additional food. From 1773 till 1793 England produced only enough food to feed her own people, and the exports fell off altogether. From 1823 on, she has become dependant on foreign countries for her food supply. During the last ten years of the eighteenth century there was a great scarcity of food owing to bad crops and the war. The working man was unable to make ends meet and allowances of food were given him to supplement his meagre earnings. The results of this measure were disastrous; allowances with all their demoralising and pauperising effects came to be part of our industrial system.

#### England

As has been said above ~~we~~ depend on foreign corn for a portion of her food supply; this corn is purchased with the results of national industry. during the war the prices were good and land owners wished to keep them thus. Those who believed in the policy of power took the opportunity to pass the corn laws which prohibited the importation of corn until it should reach the price of 80 shillings per quarter. The labouring classes suffered heavily from the high prices of food but the land owners urged that this distress in manufacturing towns should be met by a rise in wages. This, however, was impossible. The close of the war did not open up new markets on the continent for English goods as smuggling had previously been carried on. The nations which would have traded with England had little to pay for English goods except corn which they could not ship in under the law. There was therefore a reduced demand from abroad and consequently less employment and less chance of the employers raising the rate of wages. The home market was poor and as food was dear it was impossible for the people to spend as much as they had previously done on manufactured goods. The manufacturing interest led by Cobden and Bright demanded the repeal of the Corn Laws, urging that they were unnecessary since the prosperity of the manufacturers would enable them to purchase a sufficient quantity of food. After much agitation they at last prevailed and the Corn Laws were repealed in 1846. Since that year Great Britain has come to depend more and more largely upon foreign countries for her food supply.



Turning to the question of trade we note that the national machinery for the regulation of the condition and terms of employment was very slowly formed. Prior to the Black Death all disputes regarding the hours of work and wages were settled in accordance with the customs of the different manors. The Statutes of Labourers passed by Edward III confirmed the customary wages and appointed Justices of Peace to look after the enforcement of the law. In the reign of Richard II, the justices were empowered to assess wages more generally and according to the plenty or the scarcity of the time. By the Statute of Apprentices in the time of Elizabeth they were authorized to assess as well as to proclaim a scale of wages. It appears, however, that the judges neglected to exercise their powers and the law became a dead letter. In the year 1613, during a period of great financial depression, the cotton operatives of Lancashire applied to the magistrate to determine what was a living wage. Parliament pronounced against this and repealed the clauses by which justices had been required to regulate wages. Since 1613, the government has not attempted to regulate wages but has left them to be adjusted by private bargaining and free competition.

The relief of the poor has always been a problem in all stages of our history. The charity of the medieval times was mostly distributed by the monasteries. In the Tudor times owing to the diminution of the employment occasioned by the increase of sheep farming, it was found necessary to organise a regular system of poor relief. The parish was taken as a unit and the church wardens were authorized to exercise compulsory powers in gathering money to be used as poor relief. As the resources of the parishes differed greatly, vagrants were inclined to shift themselves to the parishes where they could get the most. To guard against this, an act of parochial settlement was passed in the reign of Charles II. This act gave the parish the power to prevent the ingress of outsiders to reside within its bounds. The effect of this measure was the tying of the labourer to his native place and the preventing of him seeking better employment elsewhere. The poor laws however, did not work well and attempts were made at the close of the 17th century to establish work houses where the adult poor and the able-bodied vagrant might find employment, but the authorities found

it difficult to make these houses remunerative. When the wool famine took place in 1789, and many weavers were thrown out of employment, the justices granted allowances from the rates to supplement the income of labouring families. As spinning never revived, this temporary measure came to be a permanent institution and had a disastrous result

in that it tended to foster a pauper class. In 1834, the government attempted to reform the abuses in the administration of the poor laws by establishing a central board which exercised wide control and gave a more uniform character to the administration of poor relief in different districts. This has assisted in the abolishing of the worst abuses of the old days.

From an early period the central government devoted some attention to the quality of goods and the regulation of fair prices. In connection with the bread industry we find the law providing that the producer should receive a fair price for his labor and that the public should receive loaves of the right size and weight for their money; the loaf was to be larger or smaller according as corn was cheaper or dearer. In connection with the cloth industry we find an inspector or aulnager appointed to see that the cloth was the proper width and breadth. As some towns stretched their cloth, the aulnagers seal was intended to guarantee that the cloth was of sufficient size and weight. By degrees the English cloth manufacture grew and the duties of the aulnager became more complicated owing to the many different kinds of cloth manufactured for the different markets of the world. From time to time legislation was passed affecting the quality and weight of cloth but in 1809, a statute was passed which repealed the various measures. There was no longer necessity to preserve the office, since a guarantee of the quality of the cloth was afforded by the manufacturers trade-mark. While cloth was made under the domestic system it was impossible to furnish this guarantee, but under the system of factory production, the trade marks of the large houses and their reputation served to warrant the character of the goods they supplied.

The English kings were early alive to the importance of trying

to plant new industries within the realm. Under royal protection, the Dutch Bay makers established their industry at Colchester and the Wallons carried out their system of trade regulation at Norwich. Crown patents and protection were necessary to give a proper footing to the new-comers. Sometimes exclusive privileges in a line were conferred on individuals by act of parliament. The same system of trade regulation by charter from the Crown was occasionally used to shelter the inhabitants of certain towns from the incursion and competition of aliens. Often the number of separate callings united in one exclusive company was so large that there could not have been a common supervision over such a varied assortment. The maintenance of exclusive rights was the real object which the townsmen had in view in procuring the expensive privilege of ~~the~~ a royal charter.

These various methods were all intended to be expedients for fostering native industry. Every effort was made to plant new industries so as to render England as far as possible, independent of foreign nations for her supplies. It was held that if few manufactured goods were brought from foreigners and if much were sold to them, they would be forced to pay in bullion and thus to augment the treasure. Such an argument served to make men eager to plant new industries, to import materials cheap, to open up markets for surplus wares and in every way to encourage native industry. The doctrine that labour is the source of all wealth made them eager to provide employment for hands at home. It was not till the time of Adam Smith that the ordinary man began to regard different nations as co-operating for the common advantage.

The labouring man of to-day has a great many advantages over his brother of the middle ages. He is much freer in many respects. He has freedom of movement, freedom of employment and freedom to associate. This was not the case in the early days. Freedom of movement was impossible for the industrial classes, and the peasants were restricted to the manorial estates. As these restrictions began gradually to break down, attempts were made by parliament to renew them. Under the Lancastrian laws were passed to prevent the rural population from migrating to the town. In the time of Charles II, as has

been noticed in connection with the parochial administration, of poor relief, a system of restriction was re-introduced and it was not till the end of the Eighteenth Century that all restrictions were removed. Freedom to leave the realm was a boon which was still longer denied. It was not to the interest of the country for Englishmen to go abroad since the crown could not rely on their services for the defence of the realm. It was also feared that they might plant industries in foreign countries, or in the colonies, which might compete with those of the mother country. There was no scruple, however, in getting rid of criminal classes and penal colonies were established for them in America and Australia. It was not till 1824, that restrictions on immigration were abolished. With increased freedom of movement came increased freedom in the choice of employment. Under the manorial system this was not possible. Elizabeth's Statute of Apprentices which required every man to put in seven years in learning his trade did much to prevent a change in trade by artisans. But apart from this, the act gave increased freedom to the skilled artisan by fixing one standard of training and skill for the whole realm. As time went on, those who had served a seven years' apprenticeship claimed the liberty to practice a trade other than that to which they were apprenticed. After a long struggle, this liberty was acknowledged in some of the large towns such as London, but it was not secured to the country at large until the repeal of the Apprenticeship clauses of the Elizabethan act in 1814.

From earliest times unauthorised trade associations have been looked upon with suspicion. They were regarded as rings formed to enhance the price of some commodity. Such association laid the members open to the suspicion of criminal intent and heavy fines were imposed upon them by Henry II. There was a similar feeling about combinations of labourers since wages were the chief element of price. This gave rise to the Statute of Labourers under Edward III and to various measures which limited the rates of wages. In the year 1800, the government when suffering from a panic about seditious associations, hurried through the commons a measure which treated all associations of workmen as criminal bodies. It was

particularly desirable at this time that the workmen should be able to combine to drive a bargain with their employers, consequent the act gave rise to a great deal of bitterness and desperation. The government at last recognised this and the measure was repealed in 1825. Since that time working men have been at liberty to combine for mutual protection, but at the same time, the state in admitting this liberty, has been anxious to maintain, on behalf of other workmen the liberty not to combine.

----- VI. -----

If we look at the commerce in early days, we do not find many traces of local regulations. In the thirteenth and fourteenth centuries, the institutions for the fostering and developing of shipping and commerce were almost entirely created by the crown and parliament. In dealing with internal commerce, the state was at first content to enforce with additional authority the old municipal arrangements. In the fourteenth century we find fewer local limitations and the facilities for trade seem to have been devised with reference to all parts of the realm. The protection of merchants in the towns was looked after by local police but the security of travellers on the road could only be undertaken by the king or parliament. In the reign of Edward the First, the statute of Winchester was passed to secure merchants immunity from attack on the king's highway. The government also took it upon themselves to afford the merchants security from the attack of pirates on the seas. A fleet was organised for this purpose, although partly perhaps to defend the coast. The duty was, however, insufficiently done; merchant vessels which paid for a convoy did not always secure an effective escort.

As English trade expanded these difficulties had to be dealt with on a larger scale. The pirates of Algiers and Morocco infested the seas, preyed upon English trade and even attacked and destroyed some of the coast towns carrying the inhabitants off into slavery. Several commercial treaties were passed during the reigns of Edward IV and Henry VII which diminished hostilities on the high seas and also gave a footing to English merchants in foreign countries. In some cases a factory was secured to them; in others a consul was ap-

pointed to look after the interests of any merchant who visited the port. The successive appointments of consuls show the gradual expansion of English trade. By the time of Henry VII representatives had been established not only in the Low Countries, but as far East as Pisa, Crete and Smyrna. Companies were formed for the carrying on of this trade. The mercers who had formerly received sanction from the mayor and aldermen of their own town to carry on a wholesale trade in cloth within the realm, now organised themselves into "The Company of Merchant Adventurers" and received from the king the exclusive right of trading within certain limits. The grocers also took to shipping from the Levant and were organised by royal authority into the "Turkey Company".

The re-discovery of America and the opening up of new trade routes gave fresh stimulus to English merchants. Several of them organised themselves into a company and received a royal charter to carry on trade in a certain specific quarter of the globe. A Russian Company organised under Edward VI opened up trade with Arch Angel and before long pushed their way by Russian rivers and old caravan routes to Persia. The East India Company was formed to trade with India by the Cape of Good Hope. Those who entered the company did not trade as individuals but combined to take shares in fitting and loading several ships one year, and then formed a new subscription for each subsequent voyage. As there was an unnecessary complication in this, in 1612 the charter of the company was renewed in a different form and it became a joint stock company in which all the partners had larger or smaller shares. Other companies, such as the Russia and Turkey Companies, were composed of men each of whom traded on his own account and competed with others, while he regulated some general regulations which were beneficial to all. Both regulated and joint-stock companies were national institutions for the development and control of foreign commerce. The joint stock companies were monopolies, the regulated companies were not. These companies aroused considerable hostility on the part of interlopers, that is of those merchants who defied the exclusive claims and competed in the trade of the companies. Under James I, a special commission was appointed to consider the policy of allowing companies

in trade. In the latter part of the Stuart Period, the enterprising merchants were empowered to form a new general or regulated East India Company.

As the competition was disastrous, the two companies eventually amalgamated. The new company continued to pursue the policy of corporate trading but did not prevent its servants from engaging in private trade on their own account in India itself. The wealth of these servants when they returned aroused the suspicion of the share-holders and tempted the directors to gratify them by paying extravagant dividends, and as a result the company was almost brought to the verge of bankruptcy by the middle of the eighteenth century. In 1813, the trade to India was formally thrown open, but the company still retained its exclusive trade with China till 1858.

In old days when the merchants could look for little support from the home government and had to provide for their own defence, there was some excuse for conferring a trading monopoly, but now there is no longer the same excuse. The commercial policy on which the old companies were formed still holds good and the joint stock company is the outcome of it. By this means the owner of a comparatively small sum of money can club it with others so as to share great risks and, if he is successful, earn large profits. Since the time of the East India Company, enterprises of every kind have been carried out on a joint stock. Unless this form of business had been generally understood, the gigantic undertakings of the present day, such as the construction of railways, could hardly have been accomplished.

#### ----- VII. -----

Turning to the question of economic policy, we note that a common purpose underlay all the efforts at regulation and control. The central authority kept a firm hand on all sides of economic life and it employed them all so as to promote national power. The mercantile system accomplished the highest ambition of those who designed it and under it England attained to a position of immense power and prestige among the nations. Two objects were kept to

the front by the mercantilists, first to increase the shipping and strengthen the wooden walls and second to provide a large treasure of the precious metals to meet political emergencies.

Attempts were made to encourage English shipping as far back as the reign of Richard II. The merchant marine was in a very poor condition owing to the policy of Edward III. To remedy this an act was passed in 1381 which insisted on the employment of English ships. This policy was politically advantageous but not so commercially; ship owners charged such rates that fewer goods were imported and consequently the prices of foreign goods were higher than they otherwise would have been. For this reason the act was not steadily enforced during the fifteenth and sixteenth centuries. The next change was in the time of the Commonwealth when a stringent policy was re-enforced in the hope of striking a blow at the carrying trade of the Dutch, and the bringing of the American and West Indian Colonies into closer relation with the mother country. These laws told against the colonies and Scotland; the colonies were restricted in their trade with European countries; the Scotch who had shipped a good deal of their woollen goods to the colonies in Dutch ships were no longer able to do so. Although the interests of the consumers in England and of the producers in Scotland Ireland and the colonies were sacrificed by the Navigation Acts, yet they accomplished the purpose of their designers in that they made the navy of England the most powerful in the world.

Closely connected with the encouragement of the shipping were measures affecting the training of seamen and the providing of materials and naval stores. As fishing did most to foster a class accustomed to a seafaring life, many acts were passed under the Tudors for the promoting of this industry. To bring about an increased demand for fish a measure was passed insisting that a fish diet should be used on two days a week through out the year, as well as during Lent. Another plan was also adopted, namely to grant bounties in connection with the herring trade. Whatever may have been the cause English fishing developed steadily. Efforts were also made to secure that the realm should be amply supplied with naval stores. Pains



were taken to insist on the growth of flax and hemp. The supply of wood in England was, however, sacrificed to the iron trade and the demand for fuel. This was not regarded as of great importance as there was an abundant supply of wood and tar in the colonies and the policy of the government was to encourage the colonials to open up their resources so as to supply those products in which England was deficient.

To secure a large amount of treasure to meet any sudden emergency was another point of economic policy. Various measures were passed to bring a supply of bullion into the country. From the time of Richard II, we find a systematic endeavor to accumulate bullion which might be hoarded as treasure. As precious metals could be brought into England only as the result of trade, Statutes of Employment were passed requiring that those who came to buy English commodities should pay for them in bullion and at the same time the export of bullion from the realm was prohibited. These laws were not easy to enforce, so that in the seventeenth century they gave place to what is known as a mercantile theory. The promoters of this measure held that by legislating for the trade in commodities, they could induce conditions in which the precious metals would naturally flow into the country. Therefore they thought that by using expedients to limit the quantity and value of imports and to increase the quantity and value of exports, there would be a balance of trade which could only be defrayed by payments in bullion from abroad. This question was of vital importance to the East India Company. Trade with India could not be carried on without the export of bullion as there was no market in India for the woollen cloth and other products of England. THE company held that by sending some silver abroad, they were able to drive a trade which enabled them eventually to procure much more silver on the whole. They held that if London were a depot for East India goods they could procure the silver by selling the goods to other European countries.

Besides seeing that the general balance of trade was in favor of England, the authorities began to discriminate between the relative advantages of trade with different nations and to note the particular balance with each country. They desired to cut down the

intercourse with France to a minimum as the balance of trade seemed to be against England in that trade, while on the other hand they were desirous of encouraging trade with Portugal. Hence it came to be considered patriotic to drink port rather than Burgundy or Claret. As time went on the balance of trade came to be regarded as a criterion of the industrial prosperity of the country. If the balance of trade with Portugal was in England's favor, it was thought that by intercourse with that country, native industry received a stimulus. If the balance were in favor of France it appeared as if this intercourse fostered their industry more than it did England's. If the general balance of trade were in favor of England, the whole business of the country was apparently done at a profit. It was not till the time of Adam Smith that this narrow view of trade was set aside. He regarded wealth as the main object to be pursued and argued that any intercourse between trading nations since it benefited both might be wisely continued.

As the object in view was to promote power, the authorities did not hesitate to sacrifice the interests of the individual citizens or of any class to what was supposed to contribute to the political well-being of the nation as a whole. There was a constant interference with the direction in which men employed their capital. Certain manufactures were incurred and bounties given on the importation of raw material. Under the tariff of Walpole, raw products were imported on very easy terms and foreign manufactures were very heavily taxed. The interests also of some of the colonies were sacrificed. As the colonies were protected by British fleets and as they paid nothing for this protection, it came to be a recognised principle of policy that the resources of the colonies should be developed in such a fashion as to supplement the prosperity of the mother country but not on lines which would enable them to compete with British industry or trade. It seemed fair to subordinate the economic interests of the colonies to the interests of the mother country so that they might help to increase the fund of wealth.

from which the expenses of the common defence were defrayed.

Of the colonies, the most highly favored were the West Indies because they furnished a depot for a profitable trade with Spanish America and because their products were distinct from those of England. The northern colonies were in a position to compete with England. They began to enter upon the manufacture of beaver hats and the smelting and manufacture of iron, but the government stamped out the first industry and confined the latter to the preliminary processes. The colonies were adapted for ship-building but the industry was greatly hampered and at the same time encouragement was given to the export to England of raw material for the building and fitting of ships. It was believed that by rendering the colonies economically dependent on England for manufactures and other supplies, the political tie was strengthened.

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In the earliest times money was not a factor in trade: goods of one kind were bartered for goods of another. Such a period is called one of natural economy; a period in which money bargains enter, is called one of money economy. The introduction of money renders it much more easy to carry out an exchange. Barter is cumbrous and is unlikely to be fair. Close bargaining is only possible when money is in ordinary use. So long as a barter prevails there are likely to be customary payments of rent and wages and taxes; but as money is introduced competition with its frequent and precise re-adjustment of prices is likely to follow. Whatever incidental disadvantages there may have been in this exchange, there are also enormous advantages. We may see these if we trace the substitution of a money for a natural economy in connection with the expenses of the government. It is possible for the demands of the government to be much more precise and much more regular. Money can also be levied in smaller sums and from a much larger circle, and it is possible to re-adjust the amounts and to alter them in detail so that the necessary pressure shall fall on those who can bear

it best.

Before the Norman Conquest, silver was the standard metal from which money was coined. Moneyers exercised their calling under the authority and control of the crown. Great attention was given to the maintenance of a definite standard of purity and weight. As the moneyers were often dishonest, Henry II reorganised the mint and from his time onwards the excellence of the English coin came to be a matter of just pride to the kings. But during the time of the Edwards considerable quantities of debased foreign coin were brought into the country by alien merchants who came to purchase wool. Edward III began to issue coins from the mint less than the ancient weight so that they should be about the same value as those in ordinary circulation. He also tried to check the influx of debased silver by coining Rose Nobles of gold. A further debasement of English coinage took place in the time of Henry VIII and Edward VI, when coins were not merely reduced in size but the metal was debased by a very large admixture of alloy. In 1561 the silver coinage was restored to its original purity but the coins were smaller in size and weight than those of the Plantagenet times.

Alterations in the size or purity of coins bring about alterations in the number that must be paid for goods of any kind. If the quality of money is worse it is necessary to pay a greater number of coins for any article. Prices rose in the time of Edward VI but when the coins were restored to their former purity prices did not return to their former level. This was due to the fact that the coins were smaller and also that silver was more plentiful and therefore cheaper. At the beginning of the Sixteenth Century, silver was beginning to pour in from the New World and consequently there was a fall in its value. Prices rose steadily until the time of Charles I when the nominal prices of commodities in England had risen three or four hundred per cent. Until the beginning of the Tudor Period the nominal prices of the necessaries of life were practically unaltered, except in so far as the variations of the season made corn plentiful or scarce. The changes in the sixteenth and seventeenth centuries were owing to the reductions of coins to

least than one third of their former weight and the reduction of the value of silver to one fourth of what it had been. As a rough comparison of prices we might say that a shilling in the latter part of the sixteenth century would not go quite so far as a penny in the fifteenth and preceding centuries.

Since the time of Elizabeth there has been little alteration in the coinage. Money has circulated more freely and there has been less desire to hoard it. Wealthy men began to leave their gold with the goldsmiths who let it out to traders. As paper money was but little used, the payments in bullion exposed the coinage to wear and tear while at the same time many money dealers were accustomed to clip the coins. The condition of the English coinage may be seen from the fact that when William III wished to borrow money to carry on his continental wars, he had to pay one hundred and thirty three pounds of the clipped silver for one hundred pounds of the current coin of Flanders.

The difficulties with regard to the coinage in the eighteenth century arose from the fact that gold and silver were alike standard coins and that it was impossible to fix and maintain the ratio of one metal to the other. The guineas coined in the time of Charles I were intended to be the same value as twenty shillings in silver but it was found in practice that they were worth twenty one shillings. The silver coins were rated too low consequently many dealers were accustomed to melt down the silver and sell the bullion for gold with the result that there was a great scarcity of silver coins which caused a good deal of inconvenience in trade. In 1816, the government tried to solve this difficulty by the demonetisation of silver. When gold became the standard of value, silver could be coined with so much alloy that it should not be profitable to melt it down. When a limit was fixed beyond which payments in silver should not be legal tender, debtors were prevented from paying their debts in the less valuable of two standard metals.

After the foundation of the Bank of England in 1694, paper money and other forms of credit came into common use. The bank

lent the government the sum of £. 1,200,000 on consideration of receiving  $\frac{1}{2}$  100,000 permanently as interest. This enabled the bank to circulate its notes<sup>2</sup> if they had been actual coins. Attempts were made by the goldsmiths to ruin the credit of the bank by causing a run on the bank at a time when it was difficult to obtain the necessary bullion but the bank was equal to the occasion as its notes were guaranteed by the government. In the eighteenth century, Pitt made so ~~many~~<sup>many</sup> demands for advances that the governors of the bank were at last forced to suspend cash payments. A general rise of nominal prices was the result. The Bullion Committee of the House of Commons appointed to investigate the matter showed that there was a depreciation of the currency owing to the over-issue of inconvertible paper money. In 1819, this evil was remedied and the gold standard was once more restored by the resumption of cash payments by the Bank of England.

The development of banking led the traders to change their habits and to carry on their trade, more and more on borrowed capital. By means of their credit they were able to obtain loans from bankers and to carry on business on a far larger scale than was possible before. Some of the companies, such as the East India Company and the South Sea Company, made the mistake in thinking that credit was capital and after spending their capital in obtaining political advantage got into difficulties through lack of means to carry on their undertakings. As time went on commercial men began to trust more and more on borrowing money from the bank to carry on their business. When trade was bad the bank was accustomed to raise the rate on loans. The raising of the rate tended to make prices in England fall and thus to encourage exports and diminish imports while at the same time it induced foreigners to send money to the country for investment at the high rate of interest procurable. Thus conditions were brought about by which the flow of gold to England would sooner or later find its way to the coffers of the bank and money would be lent on easier terms once more.

The government was slow in taking advantage of these facilities for currency and finance. In the Norman period, the taxes were

paid in kind as late as the time of Henry the First. The same holds true of other demands; the king had a recognised right to receive a share of the exports and the imports. It was a real boon to the traders when customs came to be taken at a definite rate in money instead of at the arbitrary demands of the authorities. With the growth of parliament under Edward I and II, the commons obtained the right of stopping arbitrary taxation. Under Henry III taxation was of a very haphazard nature and there were no two consecutive years in which similar payments were made by similar persons. As the people often had not the money on hand to meet these irregular demands, the Jews and money lenders had good opportunities for reaping rich harvests. When the government came to organise machinery for the collection of taxes, special care was taken to render taxation regular as far as possible. The most striking irregularities in English taxation in later times seem to have arisen from the instinct of maintaining a regularity at any cost and of clinging to the fiscal arrangements when once made.

An illustration of this tendency may be seen in the financial agreement of 1334. Prior to this time the taxes had been levied sometimes at one fractional part sometimes at another but in this year the king's commissioners determined that the people should pay the equivalent of one tenth on the moveables in towns and villages and one fifteenth in the counties. After this when parliament voted one tenth or one fifteenth it was understood what each district had to pay. This arrangement lasted till the reign of James I but various abuses sprang up in the meantime. Some parts of the country decayed and were unable to pay their share while other parts prospered without having to pay an additional amount. Also towards the close of the fifteenth century there were many towns which obtained exemption and on account of this it was necessary to raise special taxes to meet emergencies, such as the poll-taxes of 1377 and 1381. Under Henry VIII, the tenths and fifteenths were supplemented by a general subsidy of 4s. in the pound on the yearly value of land and 2s. 6d. in the pound on personal property.

The fall in the value of silver during the sixteenth century affected all who lived on fixed incomes, such as the land-owners. They

were unable to raise their rents and as prices rose, they found it difficult to make ends meet. The difficulty fell with special force on the crown. It soon became evident that taxation must afford the regular source of national income. The Tudor kings had wasted much of the ancient inheritance of the crown, and as England was beginning to become an important power in Europe, it was necessary that she should have a navy. This difficulty faced the Stuarts. As the purchasing power of money had fallen, the sums levied by Charles I were nominally very large but were not sufficient to meet the needs of the crown. Consequently there was a good deal of dissatisfaction over the apparent mismanagement of the crown officers. The king attempted to meet the situation by introducing an excise or tax on goods produced and consumed within the country. This attempt to impose an excise was due to an effort to distribute the taxation over the community generally. Only the landowners and householders were affected by the tenths and fifteenths. Foreign goods were mostly luxuries and the duties on them affected only the rich. The excise would have reached the labouring classes who were hardly touched by the burden of taxation. Owing to opposition Charles failed to carry out his project.

When the parliamentary party came into power, they raised the money required for the support of the army by raising monthly assessments from the land owners and also by introducing an excise on beer. This last measure was very profitable but it was very unpopular. After the Restoration when the whole financial system of the country was reconstructed, the new system followed the lines of the temporary methods of the parliamentary party. They set about providing for the regular expenses of the crown by means of taxation. They tried to provide a regular income of £ 1,200,000. Over £ 100,000 of this was raised by granting an hereditary excise, which was given in lieu of money accruing to the crown from feudal incidents such as wardship and livery. People had been accustomed to an excise and there was less inconvenience in perpetuating the existing system than in trying to raise a much larger revenue by direct taxation of the land.



The development of credit is a matter worthy of notice at this juncture. When Charles I borrowed money to pay the Scotch army in 1641, he was compelled to do so on the joint security of parliament and himself. After the Restoration, public borrowing came to be an important part of the regular methods of finance. The government borrowed money from goldsmiths on the strength of grants which had already been voted but had not been collected, and the loan was paid back as soon as the taxes came in. Charles II tried to keep this money in his hands by stopping the payments from the Exchequer to the goldsmiths. A certain amount of interest was paid to them but the principal was never restored and came in time to form the nucleus of the national debt. This debt may be said to date from the time of William III. The bank of England was floated and the king obtained £1,200,000 to carry on the war while he had only to raise 100,000 by taxation. The regular interest of this sum was secured by the assignment of the income from what was a tax on the tonnage of ships.

Under Walpole attention was directed to expedients for paying off the debt. To nurture the growing wealth of the country the whole taxation was recast on the principles of the mercantile system. The first act of his financial administration was to take off the duties from more than one hundred British exports and more than forty articles of importation. By introducing bonded warehouses he helped to make England a depot for the carrying trade, by levying duties on foreign manufactures and giving bounties on native products, he endeavored to introduce such tariff arrangements as should contribute to the general prosperity of the country. Whether it was owing to these arrangements or in spite of them, the country prospered on all sides of its economic life. But the very motives which led Walpole to construct a complicated system of duties and bounties influenced financiers a century later in their efforts to remove them. Adam Smith protested strongly against Walpole's policy; he did not think that taxation should be used to promote any commercial object. When Pitt came into power he followed Adam Smith's views as to the incidence of taxation

and endeavored to distribute the burdens so that they should fall as lightly as possible on the poorer classes. Many of the leading statesmen of England followed in Pitt's steps and by degrees we find that free trade was introduced.

The doctrine of free trade was advocated by some of the leading English statesmen over two centuries before it was actually practised. Early in the seventh century Roger Coke advocated freedom of trade for imports and the repeal of the Navigation Acts of 1651 and of other similar measures. But the real father of the free trade theories was Adam Smith who in 1776 published his famous book "The Wealth of Nations". In this work he enunciates two principles: (1) That money is merely a medium of exchange between nations just in the same way as it is between individuals. (2) That the theory of division of labor may be applied to the commerce and industry of whole nations just as it is applied to the <sup>different</sup> particular departments of any particular trade. Opposed to this was the old mercantile theory in which money was regarded as the chief sign of wealth and according to it a nation was only prosperous when the balance of trade was in its favor and a greater quantity of precious metals was coming into the country than was going out of it. To bring about this state of affairs, the supporters of this theory thought that exports should be encouraged by placing a bounty on them and imports should be discouraged by heavy duties. THIS system interfered with and hindered international trade because international commerce as is the case of commerce between individuals consists in the long run of exchange of goods between one nation and another and this exchange can be facilitated only by the medium of money. The more free this exchange is made, the more rapid and easy will be the flow of trade.

Applying Adam Smith's second principle that of the division of labor to the commerce of countries we find that just as individuals possess different advantages or aptitudes which make them specially fit to perform certain branches of labor, so different nations possess different advantages of soil, climate, geographical position or national character which gives them special skill in producing or

manufacturing certain articles of trade. Italy, Germany and France are especially adapted to the growing of grapes and the making of wine, England is specially fitted for the production of coal and the manufacturing of iron goods, Canada is suited for the growing of grain. It is therefore only natural that each nation should devote its energies to the producing of that for which it is adapted, and with the wealth produced by such labour it should purchase all necessary articles from those nations which are most skilled in manufacturing them. It is therefore to the interests of all that the exchange of goods should be free and as unfettered as possible.

The doctrines of Adam Smith were not put into practice immediately. Pitt tried to follow out some of his principles when making the commercial treaty with France in 1786, but it was not till 1824 that a successful attempt was made to carry out the principles of free trade. Prior to that time most of the articles coming into England were heavily taxed. So heavy was the taxation that smuggling was carried on to a large extent and was extremely profitable. As an example of protection we might look at the corn laws. Foreign wheat was prohibited from entering the country until the average price of wheat had risen to seventy shillings per quarter. When this price was reached it was admitted at a high duty which decreased to five shillings and two pence a quarter by the time the current price at home had risen to 65 shillings.

The navigation laws were also a hindrance to free trade. By them, foreign goods could be imported only in British ships, or in ships of the country in which the goods were produced. Prior to 1815, even more stringent conditions had existed. No British goods could be exported except in British ships. As a result of such a law, British ships carried exports to America and often had to come back empty, while American ships often brought cargoes of cotton to Liverpool but were not permitted to take British exports back with them. But these laws were materially changed by a bill introduced by William Huskisson in 1825. This bill enacted that all duties should be levied and allowed equally on goods carried either in British or foreign vessels.

Still further changes were made with regard to silk. To encourage the industry at home, the laws practically prohibited the admission of silk from foreign countries. This led to extensive smuggling and in spite of the custom house officials foreign silk could be obtained all over England. The bill of 1834 provided that the prohibition on the importation of silk goods should cease in two years and at the same time the duties on raw and unfinished silk were to be largely reduced. As the result of such changes an unexpected impetus was given to the English silk industry. The raw silk imported into England in 1825 amounted to two million pounds weight; by 1840 it had increased to three million eight hundred & thousand pounds weight, while the export of English manufactured goods rose from half a million sterling to eight hundred thousand pounds sterling.

The next step towards free trade was taken in 1842 when some slight concessions were made and although slight, within three years English exports increased from 50 million sterling to 57 million. A still further advancement was made in 1845 when Sir Robert Peel abolished all duties on exports and admitted 430 out of 615 articles of raw material free. The third and greatest step was taken in 1846 when the corn laws were repealed, when the import duties on more than one hundred articles of trade were abolished and when the navigation acts were also repealed. The exports from England began to increase with great rapidity and kept on increasing until in the year 1853 they had reached ninety seven million sterling.

In 1858, Mr. W. E. Gladstone brought in a financial scheme which further reduced or abolished duties on some 250 articles. He said that he was guided by the following rules: (1) To abolish unproductive duties except in exceptional cases; (2) to abolish duties upon half manufactured articles; (3) to reduce the duties on finished manufactures to ten per cent with the exception of the silk industry which was retained at fifteen per cent; (4) to make all duties specific instead of ad valorem; (5) to get rid as far as possible of differential duties and (6) to lower the duties on articles of food of general consumption. In 1860 a still further change was made by Mr. Gladstone. The duties on food which had only been reduced in 1853

were now abolished with the exception of those on tea, cocoa and dried fruits while the protective duties on manufactures were also taken off. After this reform of 1860 only forty eight articles were subject to duty and of these only fifteen were productive of revenue. Thus after years of struggle, England adopted the policy which freed industry and commerce as far as possible from all necessary hinderances and won for herself an unique position in the world of commerce. There is little doubt that these free trade measures at the time in which they were introduced were beneficial to English commerce owing to the circumstances of the case, but at the present time there are many people who affirm that such measures have outlived their usefulness.

The main principles which have guided the commercial policy of England in modern times may be described as coming under four heads. The first of which is that raw material should be entirely free from taxation. To tax the material on which the manufacturing industry of a country relies for the use of its workers is to impose upon them a burden in the competition for the open market. The next principle is that the means of life should as far as possible be free for in the long run the increased cost of living must result in an increase in the rate of wages. If the labourer has to pay a high price for his food he must have high wages and the loss falls on his employer. If the working man gets low wages and has to pay a high price for his food, he is unable to buy a sufficient quantity and thus becomes unfit for his work and his employer suffers accordingly. The third principle is the abandoning of all protective and differential duties on manufactures or so called articles of luxury. Here it was difficult to draw the line between what are luxuries and what are necessities, for the luxury of one age may be considered a necessity of the next. Champagne, cigars, tobacco and high wines are luxuries but yet are widely enough used to make it worth while to tax them. Certain articles such as those which have just been mentioned may be justly taxed but still the principle remains that the fewer differentiations we have, the better for the import trade of the country. The fourth argument for free trade is based upon

the principle that a simple and intelligible tariff is best from every point of view. It is best for the finances of the country because there is less cost in collecting. It is best for trade because it does away with the restrictions which hinder the free flow of commodities. But here a difference of opinion exists, some thinking it advisable to make a distinction between foreign and colonial goods.

#### II

In the earliest times, land in England was farmed under what is known as the extensive system. Each year a space was cleared sufficiently large to raise the necessary crop and when the harvest was over the land was left idle and did not come under tillage again for several years. This was allright when a lapse of eight or nine years intervened between the crops on any given piece of land, but when they had to return every five or six years, there was not sufficient time for the soil to recuperate and before long it became exhausted. It was necessary then to resort to intensive culture, that is to use some artificial means to stimulate the soil. With the introduction of manures and cultivation, men were able to get from the soil five or six times as much as formerly.

When the system of intensive culture was introduced, as the benefits lasted for more than one year and as the improvements were not exhausted at once, the farmer began to prefer permanent fields constantly kept for tillage. In each village there were fields set apart for this purpose and land out with marks which were never altered. Narrow grass borders or balks divided these fields into a number of acre and half acre strips. These open fields were known as common fields. At the time of the Norman Conquest, the Lord of the Manor would have a considerable part of these fields cultivated for his own use by serfs. The tenant was given a virgate or sixty half acre strips scattered in different parts of the open field. All had the common right of grazing their cattle over the stubble when the crops were harvested. The fields were not held as common property but a great deal of collective work was done. This system was inconvenient but it had the advantage of fairness, in that one man would not get the choice pieces but the good and the bad land was distributed to all. This system owed its

origin to the fact, that when the art of surveying was unknown, it was found convenient to assign an acre, that is a portion ploughed in a day, to each villager in turn. This system of holding land lasted in many places in England till the beginning of the last century.

In the hand book of agriculture compiled by Walter of Henigge during the reign of Henry III, we find an account of the way in which the land was worked. There were two different methods known as the two field system and the three field system. According to the two field system, one field (A) was sown with wheat or rye early in winter. This crop grew until the next summer, was reaped at harvest time, and the stubble was left on the land till the following summer. During the year, the only work done on (A) was reaping the harvest. In field B, during the late spring or early summer, the stubble of the previous year was broken up and ploughed twice. The field then lay fallow for some weeks after which it was ploughed over again before being sown with wheat or rye in the early winter. Thus one field was under crop for the whole year and the other was ploughed three times and sown with wheat or rye. The three field system was similar except that a field was introduced between. After each field had a crop of wheat or rye it was given a crop of oats or barley. The barley was brought in between the wheat year and the fallow year. Where the three field system was introduced it gave greater returns, as two thirds of the land rather than one half were under crop each year.

We may compare the two systems by looking at the work of an ordinary team of eight oxen. They could only work two hundred and forty acres in a year; that is, a team could either work 140 acres on the two field system or 120 acres on the three. If the three field system- three fields of sixty acres each- were employed, the team would plough up the wheat stubble before the barley was sown in spring (60 acres), and would plough the fallow field three times, making 240 acres in all. Under the two field system, the same ~~land~~ <sup>team</sup> could work two fields of 80 acres each. Under the twofield system each team provided for 80 acres of crop; under the three field system for 120. As time went on, each of the fields under the two field system

was divided into half fields. Each was cropped every alternate year but the half which bore wheat one year would be sown in barley next time it was cropped. Each field passed through the following rotation: wheat, fallow, barley, fallow, every four years. This served as a basis for the four crop rotation which was afterwards introduced, of wheat, clover, barley, turnips.

In 1349, the Black Death swept over England and carried away about half of the population. Owing to the scarcity of labourers, the area under tillage shrunk very considerably. The old system of bailing farming could no longer be carried out, so gradually tenant farming was introduced. The scarcity of labour and the demand for wool, induced many farmers to give up tillage and to take to sheep-farming instead. From this time on, farming began to be regarded as a money making business. Prior to this the procuring of subsistence had been the ~~great~~ main object of the great lords in the managing of their estates: the estate was to supply the needs of the household as far as possible so that marketing might be reduced to a minimum. The farmer did not work with reference to the market and only offered for sale the surplus of his crop. The price of corn in the middle ages represented the price at which the surplus was sold. The fluctuations in price were greater and more rapid than in after days when the whole crop was sold. As the farmer worked for subsistence, the fluctuations in price did not affect him. In contracting or expanding his operations, he was led to do so by his own household requirements rather than by the price of corn. As has been said above, after the Black Death, the uncultivated land was used for sheep-farming. As the price of wool advanced during the fifteenth and sixteenth centuries, pasture farming so encroached on tillage that there was a rapid rural depopulation and grave anxiety was felt as to the maintenance of the food supply.

About the beginning of the sixteenth century, convertible husbandry was introduced. It consisted of an alteration of pasture and arable farming. A part of the arable land would be laid down in grass for a number of years. This gave the land a good chance to recuperate and at the same time it was the cause of the breaking up of



the permanent fields. Instead of having scattered strips in the open fields with meadow and pasture rights over the common wastes, each man occupied six separate closes. Three of these were used for crop under the old system; one was used as pasture for his cows, another for his sheep and another for meadow. In winter the cattle were turned into five of the closes, while the sixth was under a crop of wheat. As the land was now enclosed with hedgerows, it gave better shelter for the cattle; it was worked more carefully than where all the cattle of the village were allowed to wander over it; it was also favorable to tillage in that the cow pasture when broken up after a number of years, was well manured by the cattle. Where enclosure was carried out in this way, more corn and food of every sort were produced for consumers.

In many cases, however, enclosing was carried out in the interest of grazing only with the result that the country was depopulated, as the shepherd and his dog could look after the sheep that would graze on the land which formerly gave labor to twenty or twenty five men. As has been said above, capitalist farming was introduced with the sheep industry. This capitalist pasture farming tended to depress the peasant subsistence farming by the demand for increased rent. This marks the beginning of competition rents. Medieval rents were fixed and included a share in the taxation. They correspond<sup>ed</sup> with the value of the labour services of which the lord was deprived when the peasant became free to spend all his time on his own farm. With capitalist farming rent comes to have the character of payment for the use of soil. The landlord expected to receive a sum which represented the value of the land when employed in the most remunerative way. As time went on sheep farming began to loose its hold owing to the decrease in the price of wool. Tillage again began to take its place, and with it many improvements were introduced.

The reviving interest in tillage may be seen from the fact that efforts were made to extend the area of available land. Some of the districts that were flooded by rivers were drained. The Cambridge-shire fens were intersected by five rivers, so a scheme was proposed and gradually carried out for constructing a new channel into which these rivers might drain. In other cases banks were built along the sides of rivers to keep them from overflowing.

Besides gaining land in this way, considerable success was met with in rescuing some districts from the sea. The salt marshes of Essex and the low lands of Norfolk were backed against the tide and a large area of excellent pasturage was provided. In making these improvements, the English were influenced by the example of the Dutch.

The increase of the area under tillage during the time of the Georges may be seen in the progress of enclosure. This meant better cultivation of the land and the bringing of more land under cultivation, as not only the open fields but also the commons were broken up and used for cultivation tillage. These changes were accompanied by considerable dissatisfaction on the part of the smaller tenants. It was no easy matter to allot to each of the tenants a plot of ground equal in quantity and quality to his scattered strips. To overcome this commissioners were appointed from a distance or a private act of parliament was passed. These methods of procedure were, however very costly. The proceedings were often not only expensive but unfair as the wealthy carried on matters in a high-handed way and there was no redress. These changes fell heavily on the labourers in another way. They often had the right of grazing a cow on the common waste but when the enclosure took place these rights were disallowed. This was one of the many causes that at the beginning of the last century combined to depress the condition of the agricultural labourer. The system of allowances in aid of wages sapped his independence; the introduction of the spinning-jenny diminished the family earnings; the progress of enclosure prevented him from having a cow's grass.

At the beginning of the last century agriculture was in a very primitive state in most parts of the civilized world. The alternation of crops was almost unknown; drainage was of the rudest kind; the farming implements were of the most primitive type. The farmer sowed his grain by hand, he cut it with the old reaping hook and threshed it with a flail. The people of Holland had made a little progress in agriculture and the English, learning from the Dutch what they had acquired by experience, soon outstripped their

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masters in this the oldest of industries.

The most remarkable feature in the progress of agriculture during the past one hundred years has been the application to it of the discoveries of Science. As the results of practical and scientific knowledge, great improvements have been made in the methods of draining and cylindrical pipes have come largely into use. The question of manure has also received more careful attention and the results of chemical science have been applied to agriculture. Such products as nitrate of soda, superphosphates of bone dust and superphosphates from coprolites have produced a revolution in the old method of treating the soil. Great improvements have been made in machinery, and steam ploughs, self-binders and steam threshers have taken the place of the old ox-plough, the reaping hook and the flail. New crops have been tried and new vegetables have been produced. A marked development has also taken place in stock rearing. Great care is now taken by the farmer in the breeding and rearing of stock and the vast improvement may be seen from the fact that the average weight of sheep and oxen sold in the London markets has more than doubled since the middle of the eighteenth century. Towards the latter part of the last century, from 1873 on, agriculture has ceased to make much progress in England owing to the profound agricultural depression but at the same time the English agriculturalist has achieved notable triumphs, as the statistics show that the product per acre of British crops is greater than that in any other country.

After the introduction of such great improvements as drainage, chemical manure and so forth, agriculture was for some years in a flourishing condition, but towards the close of the century, the manufacturing and mining industries seem to have absorbed more and more the energies of the English people, while at the same time the system of free trade, threw their markets open to agricultural supplies from all parts of the world, with disastrous results to the British farmer. From the beginning of the nineteenth century until about the year 1846, the area under crop in England had increased by some four million acres. But a rapid decrease in acreage set in between 1870 and

and 1875 with the result that by the year 1897, the area under cultivation had decreased by two million acres. These figures point to a fall in the value of wheat after the passing of the corn laws—a fall which benefited the majority of the English people but pressed hard on the agricultural classes.

The average value of the grain crops was less in 1868 than it was in 1851, being the only one hundred and ten shillings per acre as compared with one hundred and twenty seven shillings at an earlier date. The average produce per acre was much larger owing to agricultural improvements. In the eighteenth century the average produce of wheat per acre was only 23 bushels, but before the middle of the nineteenth century, a celebrated economist estimated it at 31 bushels. In spite of the increased yield per acre, compared with the population, the production of grain in Great Britain is less than half what it was in 1850. It was then equal to seventeen bushels per inhabitant, it is now only seven or eight. At the same time the consumption has risen in quantity showing that the English people get more bread to eat than formerly. Between the years 1811 and 1830 the percentage of foreign wheat imported to England was only four per cent; between 1861 and 1869, it was no less than sixty-five per cent. From this we may see the English people are becoming almost entirely dependant upon foreign supplies of food. In the event of a great war, England would be at the mercy of any foreign foe who could cut off her food supplies and only the existence of a most powerful navy can ward off this very real danger.

Turning to the figures relating to the rearing of live stock and the production of meat, we find a little more encouragement. In 1612, there were about five million cattle in the united kingdom, in 1888, there were ten million. The number of sheep has not increased much, the figures for 1612 being twenty five million, for 1888 twenty eight million; about the same may be said of the number of sheep. The consumption has also increased. In the years 1851 to 1860, there were nine hundred and forty thousand tons of home-grown meat consumed yearly and in the years 1861 to 1891, one million and thirty thousand tons. The average consumption of meat in Great

Britain last year was 115 pounds per inhabitant. For five months of the year they are fed on home-grown meat, for five more months they rely on what comes to them from foreign countries and for the remaining two months on what they get from Ireland. The production of meat in Great Britain has increased six per cent but the consumption has increased sixty-four per cent since the year 1861 alone. There is no reason why the British farmer does not supply his fellow countrymen with a great deal more meat than he does and not allow his foreign rival to send so much.

Let us turn to another aspect of the agricultural problem. The use of machinery coupled also with the increase of pasture land, as compared with arable land, has caused a decrease in the number of labourers employed on the farms. In 1851, thirty three per cent of the total population of England was engaged in agriculture, while in 1891 there was just a little over ten per cent. This means a change in industrial conditions. Those who would in the early days have been engaged in agriculture are now engaged in different kinds of manufactures and the above figures show more clearly than anything else the radical change which has come over English industry in the last hundred years.

Although agricultural science has progressed so greatly and although the average product from the land has also improved, the interests of agriculture as a whole, have in Great Britain greatly declined in recent years. Land is even yet one of the great features of wealth in England but it is not nearly so valuable as it once was. According to statistics published in 1889 we find; "At the beginning of the century, 1801 to 1820, land fetched about thirty six pounds an acre; then for the next twenty years there was a decline to twenty three pounds an acre; then till 1860 a rise back to about thirty six pounds; then till 1870 a further rise to forty three pounds; and from 1871 to 1880 another rise to fifty one pounds. But the record for the next seventeen years, 1880 to 1897, showed a continuous fall, the average price being only twenty six pounds ten shillings an acre, a decline of quite forty nine per cent since the period 1871 to 1880".

The chief factor in the decline of British agriculture has been the competition of the United States and Canada. The quantities of grain shipped from abroad caused a decline in the value of wheat. Thousands of farmers have been ruined and agriculture has suffered a severe depression. To hope that this will not always be the case. The British Isles possess many advantages for farming. The British farmer has a larger market for his produce than any other farmer in the world. Their market is at hand and their competitors are thousands of miles away. People who have studied this question are convinced that the twentieth century will see brighter days for the British farmer than the closing <sup>Years</sup> days of the nineteenth.

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During the middle ages, the English were not famous as a commercial people. Not till the sixteenth century did they show any aptitude for foreign commerce, but after the successful wars of Cromwell and Charles II against the Dutch, England became a maritime nation of the first rank. It was, however, in the eighteenth century that she made her great step forward. This step was due to various causes. France the great commercial and colonial rival of England had lost her possessions both in India and America. Spain also had suffered in her struggles against England. Germany was disturbed by the dynastic struggles between Austria and Prussia. The power and commerce of Holland were similarly suffering owing to internal troubles. At this juncture England stepped in. The great inventions of the latter part of the eighteenth century enabled British manufacturers and merchants to supply the foreign markets and at the same time British colonial power was being extended in various quarters of the globe.

Shortly after this the American War of Independence took place and it was thought by many that England's commerce with America would be ruined, but their fears did not materialise for after the war, trade was carried on with greater freedom than before it. This was only natural as both nations were connected by ties of birth and language and as they were so situated that the one required

what the other was ready and willing to supply. America could supply Great Britain with food stuffs and raw material for her rapidly-growing manufactures, while Britain could supply the States with the clothing, implements and other manufactured articles of which they stood in need.

As a proof of this we need only look at the cotton trade. In 1791, for the first time, cotton was shipped to England and then only 189, 600 pounds. In 1795, five million pounds' weight were sent ~~sent~~ but so remarkable was the growth of the trade in this one article that in the year 1841, it had reached to 530,000,000 pounds. This marvellous growth is due to the invention of a machine for taking the seeds out of the cotton, thus enabling them with profit to grow upland cotton and bring immense areas under cultivation.

But while progress was being made in the cotton trade, along other lines the progress was not so satisfactory from the British point of view. MANUFACTURING INTERESTS began to spring up in many places in America. While the war was being carried on, the Americans were cut off from their accustomed supply of manufactured goods and had to fall back on their own resources. New industries sprang up in the Northern States and in order to encourage them the government imposed protective duties on all imports of manufactured goods from foreign countries. This together with the feeling of hostility to the English government, tended to decrease the imports from Great Britain. There was also a gradual falling off in the carrying trade between Europe and America. The United States had an abundance of material for the building of ships. The soil also was productive and yielded immense crops. To get this food to Europe they built ships. The war which grew out of the French Revolution tended to tie up the commerce of Europe to a certain extent. The Americans were a neutral nation and for the time being, the world's commerce seemed to pass into their hands. Russia, Sweden, Germany and even England took advantage of the merchant service of the new world. The following figures of the tonnage of ships sailing between England and America will serve to show the growth of American shipping.

YEAR	BRITISH	AMERICAS
1789	78,000	21,000
1858	14,000	110,000

Turning our attention to Canada we find that during the later part of the eighteenth century and the earlier years of last century, the people of England thought very little of the resources of this country. The total population did not exceed 150,000 souls and of these the greater number were French. The chief industries were agriculture, the fisheries, the lumber trade and the fur trade. Some shipping was carried on in Quebec and Nova Scotia owing to the abundant supply of lumber and the requirements of the Newfoundland Fisheries. A considerable export trade had existed with France and the French West Indies in timber, tar, pork and flour in exchange for French manufactures and West Indian products of sugar, rum and molasses but this was gradually dying out. In 1800, the total exports to England were valued at £. 387,696 and the imports at £. 975,986. Besides the fur trade from Hudson Bay District, the exports consisted of fish, whale-oil and seal skins from Newfoundland, pearl ashes, pot ashes, wheat, flour and timber from Canada proper; skins and lumber from New Brunswick; tar, turpentine, lumber and skins from Nova Scotia. The chief imports from England were guns, gun-powder, cordage, sail-cloth, salt, copper, steel, brass, cotton, silk and woollen goods, together with wines, spirits, spice and groceries which could not be produced in Canada.

Turning to the West Indies, we find that their commerce was relatively much more important in 1800 than that of the other British Colonies. At that time they were considered England's wealthiest and most flourishing possession beyond the seas. The wealth of the islands depended on one commodity, sugar, and this in its turn was largely dependent on the slave trade. With the ~~abolition~~ abolition of the slave trade and the extensive manufacturing of beet sugar in other parts of the world, the West Indies began to lose their position as the centre of the sugar industry. Some idea of the importance of the sugar trade may be gained from the fact that the average annual amount exported to Great Britain



from 1800 to 1831 was nearly four million hundred weight. Besides sugar, many other articles were exported from the West Indies. The statistics of the year 1800 show us that they sent out rum, coffee chocolate, ginger, cotton, indigo, dye-woods, mahogany, cedar, ebony, castor oil, drugs of various kinds, tobacco and hides to the value of £. 5, 805, 787, while the imports valued at three millions and a half consisted of articles of British manufacture.

Coming to the British Colonies in the East, we find that in 1800 the East India Company had control of India both in politics and commerce besides having a monopoly in the trade. The centre of this trade was Calcutta, a place with an estimated population of 600,000. One of the chief articles of export previous to the abolition of the Company's monopoly in 1813, was cotton cloth, the average value of which was over a million sterling per annum. But a remarkable change takes place. Although labour was extremely cheap in India and the natives had attained to a marked degree of skill in manufacturing, although the raw cotton was right at their hand, yet such was the skill of the British workmen and so great were the advantages of capital and the new and improved machinery, that it was found to be more profitable to ship the raw cotton to England and there manufacture it, so that India instead of exporting cotton, began to import from England and the amount of these cotton goods so imported has steadily grown until it is now counted by millions sterling.

Taking a general view of the goods imported from India, the East Indies and all parts of Asia, we find the value of the whole trade amounted to £. 4,942,241. As sugar was the staple article of England's trade with the West Indies, so tea was the mainstay of the East Indian trade. Until the year 1834, the monopoly of the tea trade was in the hands of the East India Company and a handsome profit was made out of it. The English were great tea drinkers as the returns for 1800 show that the total amount consumed in the United Kingdom for that year reached the extraordinary total of twenty three million pounds. The duty on tea for a long time had been 119 percent. To escape this enormous duty a great deal of smuggling was done. Pitt reduced the duty to twelve and one half percent and put an end to smuggling for the time being. Owing to the pressure

of the war with Napoleon, the duty on tea again rose until in 1813 it had reached one hundred percent, and the revenue derived from this source alone for that year amounted to three and one half million sterling. But the export trade to India was not so large as might be expected. According to statistics, the total exports of British goods, not only to India but to all the East Indies and other parts of Asia as well, for the year 1800 was only L. 2,838,065.

We pass on to Australia. In the records for 1800, it is mentioned under the name of New Holland and the Southern Whale Fishery and its exports consisting of whale-oil, whale bone, with a little wood and some birds were valued at eighty-nine thousand pounds, while the imports of hardware, cloth and groceries were estimated at twenty five thousand sterling. However, it soon sprang into prominence after the introduction of the sheep business. In 1797, Captain

Macarthur introduced from the Cape of Good Hope a small flock of Merino sheep. The climate suited them and they did well. In 1801, he took samples of their wool to England, and the British manufacturers soon saw that they had in Australia a supply of wool, equal if not superior to that which they obtained from Spain and Saxony. Two reasons may be given for the remarkable growth in the Australian wool trade at this time. One was the fact that the English supply of wool was insufficient because so much land was under wheat instead of pasture as the foreign war interfered with the food supply from abroad. The other was that owing to the same war, Continental manufacturers were hindered from carrying on their business, while the English not being invaded, carried on theirs as usual and therefore were in a position to supply the continental market with woollen cloth. As a result the growth of sheep farming in Australia was remarkable.

The early part of the nineteenth century is marked by wars which grew out of the French Revolution. These wars hampered and for a time checked European Commerce. England, however, did not suffer so much as some of her neighbours. It is true that Napoleon issued the Berlin Decree declaring the British Isles to be in a state of blockade and prohibiting all nations from engaging in com-

war with England but he was unable to enforce it. The English retaliated by passing the Orders in Council which placed similar restrictions on the French. English trade is said to have benefited by this blockade. France which had enjoyed a large trade both East and West, in sugar and coffee, lost this branch entirely and it fell into English hands. As the war progressed, England was excluded from direct commercial intercourse with nearly every country in Europe and consequently there was a scarcity in the supply of raw material and a difficulty in getting rid of her exports. In spite of this they were not at serious disadvantage because smuggling was largely carried on and British merchandise found its way into the ports of Germany and Italy and through them even to France. It is said that Napoleon before starting on his march into Russia clothed his soldiers with English woollen cloth.

But these difficulties in the trade at home were more than overbalanced by the new market which was opened up for English merchants in South America. The colonies of Spain and Portugal in this continent were becoming more independent and prosperous. The British manufacturers and merchants were not slow in taking advantage of this new opening for trade. They rushed into it with their characteristic ardor and the new markets became almost an English monopoly. In a few weeks in 1808 more goods were shipped from Manchester to Rio Janeiro than had been shipped in the previous twenty years. So great was the amount of goods shipped that warehouses could not be provided sufficient to contain them. Some idea of the magnitude of the trade may be gathered from the fact, that while in this year the exports to the United States amounted to some five million sterling, those to South America were valued at sixteen and one half million.

## XI.

Manufactures barely existed in England until the reign of Edward III. Agriculture was the most important industry even till the beginning of the last century. The nations were far more self-sufficient than they are now, for it was then impossible for a nation to obtain its food from the ends of the earth. There were no great grain producing centres such as there are now and few were

the facilities for transporting grain and meat for any great distance.

Although there were no factories and manufacturing centres at the latter part of the 18th century, still widespread manufacturing was carried on under what is known as the domestic system. On the farm, in the hamlet and in the village, the craftsmen were at work in their own homes spinning and weaving with wheel and loom. Manufacturing was closely connected with agriculture and often the same person would raise wool, work it into cloth and take it himself to the market for sale. By degrees this system gave place to another by which the merchants gave out the yarn to the weavers who carried on the work under their supervision. As the wool was let out to people in all parts of the country and as often one class would card it, another spin it, another weave it and still another dye it and finish it, a good deal of time was wasted in sending the material backwards and forwards at the various stages of its manufacture. But the system had its advantages in that the work was thoroughly performed and also the life of the artisan was more natural and more in touch with the country than if he had been confined with hundreds of his fellowmen in the large factories of to-day.

Four great inventions mark the beginning of the industrial revolution of the eighteenth century. In 1770, Hargreaves invented the "Spinning Jenny"—a frame with a number of spindles, side by side, fed by machinery and so arranged that many threads might be spun at once instead of one as had been the case of the old spinning wheel. The next year Arkwright invented the water frame, a machine for spinning, so called from the fact that it was worked by water power. This event marks an epoch in the industrial history, for it is the first time that we find some motive power, other than the human hand applied to the processes of textile manufacture. A few years later Crompton invented the "mule" which seems to have been a combination of the two previous inventions. These three inventions were applied only to the processes of spinning. In 1785, however, Cartwright patented the power loom which enabled the weaving process to be done by machinery and placed the weaver on the same

footing as the spinner. At first these inventions were introduced into the cotton trade with the result that the imports of raw cotton into England, rose from one million pounds weight in 1770 to eighteen million pounds weight in 1785 and to no less than fifty-six millions in the year 1800. The most important factor in this increase of industry was the introduction of steam which took the place of water power as motive force. The steam engine was invented by Watt in 1769 and in 1785 was first introduced into a factory and before long came into general use.

The development of the coal industry was at once the cause and the effect of the new factory system. The mills were no longer built in some remote region near a stream of water for the sake of its power but were set up near a coal field or somewhere near a convenient supply of coal. Factory buildings were concentrated near the coal supply and were not scattered here and there over the country as formerly. Hence a rapid development in the coal industry took place. The introduction of steam power greatly improved the conditions of mining. It was now possible to pump the water out of the mines with little difficulty, shafts could be sunk to a much greater depth than formerly, and the coal was brought to the surface by machinery instead of being carried laboriously up ladders on the backs of women, girls and boys. The growth of the coal industry during the last century has been phenomenal; the output has increased enormously, new mines have been opened up, old ones have been better worked, and the people of Britain have just begun to realise the immense wealth that is buried beneath their feet.

The use of coal soon caused far reaching effects which influenced other spheres besides those of industry. The combined influence of the factory and the coal field covered the North and West of England with large towns containing thousands of inhabitants. The shifting of the population caused a readjustment of the representation in parliament and brought about the famous Reform Bill of 1832. During the early years of the eighteenth century, the greater part of the population of England was to be found South of the River Trent and especially in the Eastern Districts. But after the devel-

opment of the coal industry we find not only a gradual shifting of population towards the north, but also a tendency to leave the country districts and crowd into the towns. As a result agriculture declined and became secondary to manufacturing.

In noting the improvements in manufacturing and machinery during the early years of the last century we must not neglect to mention the changes in the means of transit and communication. The locomotive was invented in the year 1825 but it was not till after 1840 that railways came into common use. At this juncture, therefore, it might not be out of place to review the different phases in the development of the transit problem, and in so doing, we might notice, first the canals, then the roads and finally the railways.

During the reign of Charles II we find the first attempts made to introduce canals into England. Owing to the political struggles of the seventeenth century, men, first of one party and then of another, took refuge in Holland. Struck by the prosperity of the country, they advocated on their return home, the adoption of such plans for their mother country as had been attended with remarkable success in Holland. The king himself was particularly impressed by the canal system and was personally interested in proposals for improving the internal water ways of England. This was advocated as a means of increasing the food supply of England London and other large towns, but it was not till a century later that such canals were constructed when fuel and not food was the cause of their springing into existence.

The first great canal in England was constructed in 1758 by the Duke of Bridgewater, between his large estate at Worsley and the City of Manchester, some seven miles distant. On this estate were valuable coal mines which it was impossible to work owing to the cost of carrying coal to market. Prior to this, the only means of carriage was on the backs of pack horses or on carriers carts. The roads were in a very poor condition so that it was utterly impossible to carry very heavy loads. When the Duke first advocated his scheme he was thought to be mad for his canal had to cross the valleys of the Mersey and the Irwell by an aqueduct 230 yards long. But when

Brindley, the celebrated engineer, overcame this difficulty, the canal was so successful that it was ultimately continued to Liverpool. An idea of the usefulness of the canal may be gleaned from the fact that before the canal was made, the price of the carriage of goods from Liverpool to Manchester was forty shillings per ton for the distance of some thirty miles, while the Duke's charges for carriage on the canal was limited by statute to six shillings. So great was the utility of the canal that others were speedily constructed, especially between 1791 and 1794, and goods were carried on barges all over England.

But while these water ways were being constructed, the roads also were undergoing extensive improvements at the hands of such engineers as Metcalfe, Telford and Macadam. They now began to be made of broken stone after a firm foundation had first been obtained. Upon these macadamized roads coaches could run ten or twelve miles an hour instead of crawling along as formerly and carriages and waggons no longer sank wheel-deep in the mud. Great improvements were made in the mail coaches that ran from London to various of the chief towns of England. One of the quickest services was that between Shrewsbury and Holyhead, a distance of 107 miles, which was regularly covered in ten hours. The mail coach between London and Edinburgh did the journey of 395 miles in forty-two hours twenty three minutes and that between London and Exeter took only seventeen hours for 172 miles.

But these performances, remarkable as they were, were soon eclipsed by the railway service which was not only much quicker but much cheaper than the coach. The power of steam superseded every other motive force but it is interesting to note that steam as a force for locomotion was first applied to water carriage and not to railways on land. The Comet, said to have been the first steam-bent in Great Britain, was run on the Clyde River in Scotland by Henry Bell in 1812. The first locomotive was invented by George Stephenson and was completed in 1813. "The Puffing Billy", as it was called, used to draw coal from a colliery near Newcastle to the river bank. Not until 1825 was a railway opened for passenger

traffic, and then the coaches used for passengers were drawn by horses while the steam locomotive was only used for dragging the freight cars as it was thought to be far too dangerous for passengers. Soon, however, this fear died away and a railway was built between Liverpool and Manchester with steam as the motive power. On the 15th of September 1825, this railway was opened amidst great rejoicing and the distance of thirty one miles was covered in one hour and <sup>a</sup> ~~was~~ half, which was then thought to be remarkable time. The same distance is now done regularly in 45 minutes. Since 1825 railways in Great Britain have increased in number, in perfection and in speed until at the present time they form a net-work of steel all over the united kingdom. These railways employ a great number of men and are so admirably managed that during the past year while over 600 persons lost their lives on the Canadian Railroads not a single person, either passenger or employee was killed in Great Britain.

Closely connected with the introduction of machinery and the development of the railway systems was a remarkable increase in the supply of iron. Immense quantities of iron and steel were needed for the construction of engines and especially for the railway. To furnish this necessary iron there had to be an increase in the supply of fuel. In the early days of the iron trade, wood had been used in the smelting of iron but about the middle of the 18th century, the blast furnace was introduced and coal began to take the place of wood. This change together with the great demand for iron caused by the Continental and Napoleonic wars and the fact that for the same reason iron ceased to be imported from abroad, gave an extraordinary stimulus to the iron industry in England. Many improvements also in the methods of smelting and extracting the iron greatly reduced the cost of the work and increased the quantity of the metal. In 1750 the quantity of pig iron turned out of Britain and Wales was only 23000 tons; in 1830 it had increased to 400,000 tons, while the total out-put of 1840 was 1,396,400 tons. This serves to show the remarkable increase in this industry during the earlier years of last century.



At the beginning of the nineteenth century most of the countries were contented to buy their manufactured goods from Great Britain and thus the little kingdom secured a great preeminence in the world's markets. The inventive genius of the Englishman created new machines and processes by which it was possible to turn out cloth, hardware and nearly everything required for ordinary use much more quickly and more cheaply than ever before. England gained a good start over other nations and kept the lead for many years. Now the knowledge and practice of manufactures is being spread far and wide and other countries, notably Germany and the United States, are pressing close upon Great Britain.

The introduction of machinery has changed the whole aspect of labour in that one man now with a machine is equal to several before machinery was introduced. Some idea of the results which machinery has produced in the way of saving labor and increasing production may be seen from the single fact that the spinning Jenny enabled one operative to produce as much as two hundred could do only some few years before. Or again one man can now by the aid of machinery turn out three hundred pairs of boots a day; not long ago if he had made one pair by hand every working day, this would have meant a year's work instead of one days. Or turning to the cotton industry, one girl in a Lancashire mill can turn out thirty five yards of printed calico daily, so that one year of her work at this rate would suffice to cloath no less than twelve hundred persons in the East. In the textile factories, one operative can now work ninety spindles as compared with twenty nine in 1840, so that his output is practically trebled. Few things are more remarkable than this increased efficiency of labor and the power now possessed of doing far more work than was possible fifty or one hundred years ago.

The cost of production has been much lessened in many industries. Thus about 1840, it took three and one half tons of coal to produce one ton of pig iron. Now that quantity of iron is produced by the expenditure of only two tons of coal. The cost of locomotion has also decreased. Steamboats to-day consume only about one fourth

of the fuel they used in the middle of the century. Goods are therefore cheaper owing to the lessened cost of production and to transportation.

In the iron and steel trade one of the most important inventions of the century was that of Sir Henry Bessemer. In his process, a blast of air at high pressure is forced through pig-iron in a molten state, thereby driving out the carbon therein contained and converting the iron into a cheap and useful steel. As a result of this invention, the production of steel rails, boiler-plates, rollers and so on has been largely increased as the cost is much lower than formerly. In the course of a few years after the invention, the annual production of steel was raised from fifty thousand tons to one million five hundred thousand tons while the cost of steel fell from about forty pounds per ton in 1850 to between four and five pounds in 1895. Further economies in iron production have been made by the invention of various machines of a powerful character capable of dealing with this metal almost as machines in textile factories do with cloth. Another great labor saving invention has been that of the steam hammer which can be used either to crack a nut or to smash a block of iron.

The British export trade of iron and steel has made vast strides during the century. In the period 1855 to 1859, seven million tons of iron and steel were exported to foreign countries and in 1880 to 1889 over thirty eight million tons were exported, an average of over three million tons a year in the latter as compared with less than two in the former. In 1896 the value of the various exports of iron and steel was over fifty million sterling, twenty four millions of this being more or less unfinished material, sixteen millions machinery and over eleven millions cutlery, weapons and similar articles.

This advance in the iron industry has caused a similar advance in the mining both of iron and coal. In 1800, there were some ten million tons of coal raised in the United Kingdom and some six hundred thousand tons of iron, copper, lead and tin. In 1890

there were forty nine million tons of coal and five and one half millions of iron. By the end of the century we find a further increase to 198 million tons of coal. This output is due to greater efficiency of labor and improved appliances. One man can at the present time raise as much coal or ore to the surface as four could in 1800.

One of the most important items of the nations wealth is to be found in the textile trades. This branch of industry has had a marvellous growth during the last hundred years. Never in the history of mankind has there been such a development of textile industry. To-day the British mills consume one fourth of all the fibre that the world produces. The consumption of fibre has grown from a total of eight hundred and fifty four million pounds weight in 1840 to over three thousand million in 1896. The most remarkable increase has been in the cotton and wool industries. Since 1870, the cotton industry has increased forty percent and the woollen one hundred and five percent and this in spite of severe foreign competition.

The cotton manufactures of Great Britain average more than those of all other European countries put together. The output is now over 4,000,000 miles per year; it has multiplied between thirty and forty times during the past century. It is said that more than three hundred thousand pounds sterling of cloth is produced every day. Owing to this vast expansion, cotton goods have become cheap. A mile of cloth was worth seventy pounds sterling at the beginning of the century, it is now worth less than twenty. In spite of the decrease of price, wages are better to-day than ever before. This is due to the improved machinery and the better methods of working.

The woollen trade has also made great progress. It is ten times as large to-day as in 1800. The source of supply, however, has changed during the last fifty years. At the beginning of the century most of the raw wool used was grown in the British Isles, to-day four-fifths of the supply of the British mills comes from the pastures of Australia. There has been a great decline in the

of raw wool owing to the cheapness with which it can be grown in Australia. Before the Australian competition raw wool was worth fifty-six cents per pound; it is now worth only 16 cents on the average. The improvements in machinery have also decreased the price of the manufactured article. In spite of this decline in price, the industry is of great value to England and is estimated as worth about sixty-two million sterling annually, while it pays wages to English factory hands at the rate of fifty thousand pounds sterling every day.

Looking at the value of the total output of all the manufactures of England together, we find that they amounted in 1896 to eight hundred and seventy six million sterling, a total not approached by any other European country though far below that of the United States. The volume of English trade has increased enormously during the last century. The present annual value is more than eight times larger at the end of the century than at the beginning of it.

## XII.

The British Empire is able of itself to supply all the needs of the motherland or of any of the colonies. Many writers have pointed out the great benefits which would be derived from the application of the policy of free trade within its boundaries and protection from without. But even under existing circumstances Great Britain has derived immense advantages from trade with her colonies. In 1850, the combined trade of the Empire was 65 millions; in 1887, Great Britain's trade with her colonies amounted to 186 million sterling. Compared with this, the total trade of France with her colonies amounted to 81 million pounds. To-day the total trade of India and the colonies amounted to 470 millions; the exports to 229 millions and the imports to 241 millions. The total trade of the United Kingdom was 300 millions, so that the trade of Greater Britain was nearly two thirds as large as that of Great Britain and Ireland.

During the last century the imports from the British possessions have more than doubled themselves. But although such

is the case, yet if we look at the imports from foreign countries we find that they have increased even more than those from the British possessions. In 1897, the imports from foreign countries to Great Britain amounted to L. 357,000,000 as against 94,000,000 from British possessions. The trade with foreign countries is nearly three times as great as the trade with the colonies, as may be seen from the annual figures of the Board of Trade for 1902.

FOREIGN COUNTRIES.		BRITISH POSSESSIONS.	
Imports.	L. 422,500,000	Imports.	L. 106,500,000
<u>Exports.</u>	<u>L. 174,000,000</u>	<u>Exports.</u>	<u>L. 109,000,000</u>
TOTAL	L. 596,500,000	TOTAL	L. 215,500,000

From the facts quoted in the previous paragraph, I think we may reasonably conclude that with the encouragement of protection, even though moderate, the Empire can supply the motherland with all the necessities of life as well and as cheaply as the foreign countries do at the present time.

Such a scheme would open up the import trade from the colonies to an almost limitless development. The exports also would increase proportionately; because free markets for colonial goods in the United Kingdom would mean a displacement of the population from the old world and a concurrent growth in the colonies in the demand for the goods of the United Kingdom. Where ever the people from the old land have immigrated, they have naturally shown a preference for English goods. The annual value of British goods consumed in the United States is 8 shillings per head of the entire population; in Germany 8 shillings; in France 9 shillings; in Canada 40, in West Indies 45 and in Australasia 8 pounds. The three or four million English folk in Australasia consumed more English goods than fifty million Germans or seventy million Americans. As a customer one Australasian is worth to the British artisan 16 Americans and one Canadian is worth five or six Germans. From these facts we may see how fallacious was the old idea that the migration of a British subject from the Empire's metropolis to a British colony, was a loss to Great Britain. Whereas, if he were to stay in the crowded centres of population, they would soon become congested, he would become a non-producing factor and would be a burden to the state rather

than an advantage. On the other hand not only would the colony receive benefit from his migration but also the British artisan and also the whole empire.

The recent development of colonial trade despite the vast increase of territory in Africa has not been so continuous or satisfactory as might be desired. Between 1880 and 1900 the ratio of increase with the colonies has, to put it at the best, remained stationary, whereas British trade with the United States rose 30% during those twenty years. The export trade of Great Britain with her colonies has suffered severely from foreign competition, especially that of Germany and the United States. The reports of the consuls for the last few years show that the British manufacturer is not keeping up with the times in his effort to cater for the trade of the colonists and to suit his products to the public demand. On the other hand the German and American manufacturers are ever alert to meet any change in public taste. This together with greater liberality and greater energy has given the foreigner the advantage over the British merchant in the open market. In foreign trade also there has been a decided falling off. The Englishman has a rooted objection to acquiring the mastery of foreign tongues. The German is a born linguist and in every foreign market, British commerce has received severe injury from German competition. From the report of the Board of Trade inquiry into the development of British trade, we find:—"That in many foreign markets, Germany is persistently and ~~surely~~ surely ousting British enterprise, and diverting from us trade which we have been accustomed to regard as our heritage or in any case to be had by us for the asking. It is the same story everywhere—lack of pliability and adaptability and ignorance of the language of our actual or potential customers are doing us immense damage. From Turkey, Poland, China, even from France and Italy, the same tales come. The German and the Belgian stoop to conquer, the Englishman will not."

Not only are the foreign rivals of Great Britain competing successfully with her for foreign trade but they are even invading the

colonial markets. The outlook is a dark one and something must be done. The position of the British Isles is different from what it was in 1846, 47. England is the only free trade country in the world and if the present condition of things continues, the time must come when the only neutral markets will be the Turkish Empire, the protectorate crown colonies and India. England would then be in a position where she would be obliged to import an enormous proportion of food stuffs and raw material and would have to pay for them by exports which they would find it extremely difficult to dispose of in any but the above countries.

Mr. Chamberlain in a speech delivered in Birmingham last June strongly advocated Imperial preference. He held it to be the duty of British statesmen to do everything they could even at some present sacrifice, to keep the trade of the colonies with Great Britain. Something should be done to keep the patriotic movement in the colonies in the right direction and to prevent them drifting towards separation. A policy of preferential tariffs had been inaugurated by the colonies. A conference of the colonies of South Africa had offered a preference of 25% on dutiable goods to the mother country and the Australian prime minister had agreed practically to a similar proposal. These offers were largely dependent on the experience of Canada. In 1898, Canada had freely and voluntarily offered England a preference of 15% which she had since increased to 53% and England's trade with Canada had enormously increased from six and a half millions in 1897 and 1898 to eleven millions during the present year. Canada was prepared to offer further advantages, especially in regard to goods in which England entered into competition with foreigners if England would give her a drawback of a shilling per quarter which had been put on grain, but England had to refuse this offer on account of her fiscal policy to keep her market open for all the world. But, said Mr. Chamberlain, if we persist in it we will in all probability lose the concessions already made by Canada. Germany had objected and had penalized Canada by placing an additional duty on Canadian goods. He did not see how the British Empire was under such circumstances, going to meet foreign countries unless the government had

the power to retaliate.

The next point in his speech was that Great Britain would have to defend her trade against unjust competition, such as that of the trusts of America and the Continent. At present Great Britain was the one open market of the world and, therefore, "a general dumping ground". The great trusts now formed in America, Germany, and elsewhere in Europe, the enormous aggregations of capital yielded by one man, could be brought to bear in a way to destroy any particular industry in Great Britain without running any risk whatever on its own account. In America, manufacturers were building up their works and when there was a boom as recently, their works were increased to meet the boom. So long as home trade consumed the output, no goods came to England, but the moment trade was bad, for instance if there was a depression in the iron trade to-morrow, it was certain that great quantities of iron would be put down in England or in the countries she supplied at a price she could not possibly contend with. The consequences would be that inasmuch as no manufacturer could possibly stand a loss of that description for many years together, his business would be ruined and the whole of his capital lost. Nothing should prevent the people of England from imposing a duty which would defend them against such unfair competition.

In conclusion he said; "and for my own part, I believe in a British Empire which, although it should be its first duty to cultivate friendship with all nations of the world, yet should, even if alone, be self-sustaining and self-sufficient, able to maintain itself against the competition of all its rivals, and I do not believe in a little England which shall be separated from all those to whom it would in the natural course look for support and affection, a little England which should then be dependent absolutely upon the mercy of those who envy its present prosperity and who have shown they are ready to do all in their power to prevent its future union with the British races throughout the world."

Such utterances as these from the colonial secretary give us reason to hope that before very long a change will take place in the policy of Great Britain which will lead to the closer commercial



and political union of the colonies with the mother country.

The commerce of Great Britain has outgrown with marvellous rapidity, in a hundred years or little more, the narrow limits that bound it round in the eighteenth century. It has become world wide instead of merely national. It has pressed into its service the forces of steam and electricity that were unknown to the men of a hundred years ago; and by the action of these great forces it has necessarily developed into a system that draws its nourishment from the four corners of the earth. To-day Great Britain contributes between a fifth and a quarter to the total volume of the trade of the world. Her nearest competitors are Germany with nearly 11 %, and the United States with a little over 9%. The British colonies also contribute about 2% to the world's commerce. If we include the colonies with the United Kingdom, we find that the trade of the British Empire is nearly one third of the total trade of the world. We must admit, however, that the trade of the United States and Germany will increase in the future and that the United States at least will be a close rival of England. The tendency then must be for the share of Great Britain in the world's commerce to decline somewhat in proportion to that of other nations for it is hardly possible that the various causes which have contributed to render the Island Kingdom so preeminent in the past should remain permanent in the future.

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