

and Mr. Chevalier, acting under the direct authority of the Emperor Napoleon III. This celebrated treaty was the basis of other treaties between England and France with Belgium, Italy, the Zollverein, Austria, Italy, Turkey, and other European nations. It is admitted, by Professor Levi, that it was a departure from Mr. Cobden's own principles, which were to carry out free trade without reference to the policy of the other nations with which we trade. The free traders, however, "gladly withdrew their objection to the form and accepted the substance, even though by so doing it might appear that the nation was swerving from a position alike independent and dignified." While these no doubt are the sentiments of Professor Levi and his friends, there are many who are of opinion that the treaty in question has been advantageous in a great degree owing to its being based on the principle of reciprocity. Professor Levi says:—"It is quite evident from the statistics of trade that, during the period from the conclusion of the French treaty to the year 1874, the trade of all the parties to the treaties has largely increased. Other causes may have operated to some extent in favor of this increase. The enormous importation of gold from Australia and California and the extension of railways have exercised their influence on the increase of trade. These causes were, however, quite subordinate in comparison with the influence of free trade." The aggregate increases in the imports and exports of Austria, Belgium, France, Holland, Italy and the United Kingdom are stated in detail. The imports increased from £358 millions to £668 millions, of which the United Kingdom contributed from £182 millions to £313 millions, or about one half of the whole. The exports increased from £315 millions to £558 millions, Great Britain having increased from £136 millions to £240 millions. It is to be remarked that the percentage of increase was greater both in Holland and Belgium than in Great Britain, and nearly as great in the other three countries. The increase in the consumption of foreign meat, butter, cheese, eggs, coffee, tea, rice, sugar and wine has been very considerable, ranging from 50 up to 728 per cent. Professor Levi laments over the commercial policy of the United States, which he attributes to the civil war. "It was (he says) under the influence of such hard necessities that the United States, once the paradise of freedom and exemption of taxes, became the most grievously burdened and the hottest bed of protection." Mr. Bourne's

paper is mainly directed to show the enormous increase of imports over exports during the last twenty years, and it is accompanied by a number of most interesting tables. From these he shows that in twenty years the excess of imports has been £1,200,000,000, or an annual average of £60,000,000. This excess is accounted for mainly by interest on investments in foreign countries and the colonies, and also by drawings from India and earnings of the shipping. We shall here give at some length the concluding remarks of Mr. Bourne:

What, then, are the requisite changes? How may the growing evils indicated by the figures we have before us be checked or averted? These are questions for the political economist rather than the statistical inquirer. If, however, the investigation we have been pursuing has at all served to make clear facts of importance as regards our natural position as a manufacturing and trading community, I crave your indulgence for the utterance of a few thoughts which have arisen during its progress.

The gravity of the situation lies in the fact that whilst we are every year becoming more dependent upon foreign supplies for the support of our population, the products of its industry are becoming less necessary to the countries from which those supplies are drawn. "Hitherto security in our ability to defy competition, and a knowledge of the large profits hitherto accruing to our manufacturers, have induced our artisans and labourers to grow more exacting in their demands, and their masters to be more lavish in their expenditure, other nations have been profiting by our experience, and rival manufactures have been springing up on all sides. Whilst we have been appropriating a large portion of our earnings to the increase of our productive powers, other nations have been calling forth and utilising their natural advantages; so that for a time at least supply has overtaken demand, and competition has lowered prices to such an extent as to render a large recovery very doubtful. Whilst we have been freely lending our money to other nations, thereby enabling them to pay for their purchases from us, more than one of those deeply in our debt have been repudiating or neglecting their pecuniary obligations to us, and so acting that it seems uncertain whether national expenditure may not be forced upon us for their maintenance, or repression, as the case may be. Is it, then, for us to sit down in inactivity or despair? Such has not been the Anglo-Saxon character hitherto; such will not be the conduct of Anglo-Saxons now. If we have been running riot in the "seven ears full and good," and are about to suffer from the "seven thin ears blasted with the east wind," we may learn such lessons from adversity as to lay the foundation of a higher state of prosperity than any we have yet attained to."

I firmly believe that Britain now stands tottering on the eminence to which she has attained, and that it rests entirely with her sons whether a further rise or a rapid fall is to mark her future history. It may be said that no nation has hitherto stayed in its upward progress without suffering a speedy descent. Other nations have possessed wealth, science, art, but none have ever combined with these the higher gifts which we enjoy. Let these but be consecrated to the advancement of civilisation and Christianity throughout the world, and I, for one, have no fear for our lasting prosperity or enduring glory. Say not these are but the visions of an enthusiast, such enthusiasm has had its share in making us what we are, it may yet play an important part in the salvation of our country, and the regeneration of the world.

Mr. WALFORD.—Turning to Mr. Bourne's paper, the chart accompanying it was one of the most

instructive that had ever been prepared. In reference to the export columns, any one who was familiar with commerce would see that difficulties presented themselves which would require further elucidation. It was well known that the years that showed the largest exports had produced, not success, but disaster. What had happened? The exports had been made unprofitably; they had been much too large for the requirements; and those very years were the causes of the disaster which is marked on the following lines. It was clear that no table, showing imports as against exports, could give the true index of the wealth of a country, and nothing could make that more certain than the chart which had been exhibited. One of the ways in which the gap was filled up was, as given by the author, the receiving by this country of the amount of money from interest on foreign loans. It was the same with a nation as with a person. If a person spent more than his income he could not continue long to do so; and if a nation really spent more than its income it would very soon stop payment, as in the case of Turkey. There was something to be added to the chart, able and clever as it was, to give a solution of the state in which the country stood. There was one consideration in reference to the interest from foreign loans. The million received for every million of exports shown was not really profit; there was probably 10 per cent. profit upon it; but the million of interest obtained from a foreign country was, in a national sense, a million of profit, and therefore the one million of interest coming in from the loans that had been made was equivalent to 10 millions of exports to other countries. This was a point which would have to be remembered; and when the table was worked out in that sense, namely, the interest received on foreign loans taken in regard to the cash interest—a net payment in reference to the 10 per cent. on the exports, a solution of the question brought forward by Mr. Bourne would very nearly be arrived at. . . .

PROFESSOR JEVONS.—He should, however, have liked to have a little more details as to the manner in which some of the estimates had been made, but he thought that the values as given might be accepted, seeing they were estimated by a careful and skilful statistician. First of all, exports and imports should not be looked upon as a matter of profit and loss. The exports must, in the end, pay for what was received as imports. The inquiry to be made was, what made one amount greater or less than the other. This would indirectly lead to suspicion as to the error in estimating the quantities—which was quite possible; or else it would lead to the supposition that there were some amounts left out of account altogether. . . .

Mr. Bourne had given a careful account of the amount of income coming from abroad; but he had not said much, if anything, about the reverse process of the investments abroad, which was equivalent to leaving out of the account the original debt, and only looking to repayment. Professor Cairnes showed that in periods when there was no investing abroad there would be a natural recurring income of imports to pay dividends. Looking at the last few years, there was nothing more marked in the course of trade and public discussions than the discredit attaching to a great many countries abroad; and since 1872 there had been an immense decrease in the investments of the English abroad, although, as a general rule, the dividends had been paid. He apprehended that this sudden cessation of investments abroad was the most important cause, although he was far from saying the only one, of the difference referred to, so that the explanation of Professor Cairnes was therefore entirely corroborated on that point. . . .

Rev. J. DOXSEY.—He felt indebted, as he was sure others present would be, to Professor Levi and Mr. Bourne for the excellent papers they had read. They were valuable, not only as showing the facts which had already been revealed, but as pointing out, in a most clear and succinct way, the direction in which further inquiry must be made for the purpose of getting at the real truth