

Effects of the Free Trade Policy recently inaugurated in England, as indicated by its Practical Results.(Originally published in the *Moniteur* of July 23, 1855, and now continued to the latest period.)

The *official* value, which amounted in 1842 to 65,200,000*l.*, had increased in 1858 to 138,100,000*l.*, or more than double.

1.
Imports.

The *real* value of exports increased in the same time from 47,300,000*l.* to 116,600,000*l.*, or two and a-half times as much.

2.
Exports.
(British.)

The tonnage of British shipping that entered and cleared with cargoes in 1842 was 5,415,821 tons. In 1858 it was 11,114,330 tons.

3.
Shipping.

The tonnage of foreign shipping increased from 1,920,983 to 7,645,631 tons.

The total tonnage therefore increased from 7,346,864 to 18,759,961 tons, or more than two and a-half times as much.

The revenue from these sources amounted in 1842 to 33,542,791*l.* Between that date and 1858 taxes of Customs and Excise were repealed or reduced to the extent of no less than 11,100,000*l.* net (*i.e.*, in excess of similar taxes imposed.) If, therefore, there had been no increase from other articles, the revenue in question would only have amounted in 1858 to 22,400,000*l.*, whereas it actually produced as much as 40,087,703*l.*, or upwards of 6,500,000*l.* more than in 1842, notwithstanding the above enormous reductions.

4.
Customs and Excise
Revenue.

The National Debt, which amounted in 1842 to 791,250,440*l.*, decreased continually till 1853, when it only amounted to 771,355,801*l.* In consequence of the Russian war it had increased again to 868,000,000*l.* in 1856, but once more diminished to the extent of 3,500,000*l.* by 1858.

5.
National Debt.

In 1842 the expenditure exceeded the income by 3,979,539*l.* In the eleven years between that date and the Russian war, there were only two years when the expenditure was greater than the income. In the other nine, the surplus of income was on the average between 2,000,000*l.* and 3,000,000*l.* a-year. The Russian war caused a deficiency for three years, in one of which (1855) it was as great as 21,140,000*l.* In 1853 the income again exceeded the expenditure by 1,127,657*l.*

6.
State of the National
Finances.

The expenditure in 1858 was 9,739,729*l.* greater than in 1842, but the income was 14,846,925*l.* greater.

The tonnage of ships built in 1842 was 123,929 tons, of which 12,716 tons were steamers. In 1858 there were built 208,080 tons, of which 53,150 tons were steamers.

7.
Ship-building.

The deposits in the Bank of England at the end of 1842 amounted to 9,063,000*l.*; at the end of 1858 to 20,490,000*l.*, or much more than double. Its assets increased, in the same time, from 36,890,000*l.* to 45,083,000*l.*

8.
Bank of England.*Effects on the Social Condition of the People.*

The capital of Savings Banks in 1842 was 25,319,336*l.*; in 1858, 36,193,400*l.*, an increase of nearly one-half. This is a conclusive proof of the increased prosperity of the working classes since the introduction of Free Trade.

9.
Savings Banks.

In the year 1842 (ending March 1843) with an estimated population of 13,101,000, the amount expended in England and Wales for the relief of the poor was 3,200,027*l.*, being at the rate of 6*s.* 5½*d.* per head. In the year 1853, with a population of 19,373,000, the amount expended was 5,558,689*l.*, or 5*s.* 8½*d.* per head. Had the poor-rates increased in proportion to the population, they would have amounted, in the latter year, to 6,250,000*l.*

10.
Pauperism.

The number of committals for trial in England and Wales in 1842 amounted to 51,309. In 1858, notwithstanding an increase to the population of 3,400,000, the committals had fallen off to 17,855. In the former year, 193 persons out of every 100,000 were therefore grave offenders against the law; in the latter, only 91, or less than half. It should be stated, however, that a *portion* of this most satisfactory diminution in the number of committals is owing to the Criminal Justice Act of 1853, which authorizes Magistrates to convict summarily in certain cases, with the consent of the prisoner,—and to the Juvenile Offenders Act.

11.
Crime.*Effects on Producers.*

The quantities of home-grown wheat returned as sold in our markets in 1842, were 4,091,235 quarters, and in 1858, 5,203,948 quarters, exhibiting an increased demand for English corn under Free Trade to the extent of more than 1,000,000 quarters. The average price in the former year was 37*s.* 3*d.* per quarter; in the latter, 44*s.* 2*d.* That farmers can get as high a price under Free Trade while the consumer is prosperous, as under Protection while it is badly off, is shown by the fact that the average price in two recent years (1854 and 1855) was 72*s.* 5*d.* and 74*s.* 8*d.* per quarter, or considerably higher than the average for any year since 1819.

(a.)
Wheat.

The duty on foreign silk manufactures, which formerly amounted to 30 per cent, has been reduced to 15 per cent. The exports of British manufactured silks, which amounted, in 1842, to 590,189*l.* increased, in 1858, to 2,096,366*l.*, and in 1856 and 1857 were as much as 2,900,000*l.* Until 1826 foreign silks were entirely prohibited; but although the British manufacturer had a complete monopoly of the home market, the trade was far from being prosperous, the exports only averaging about 350,000*l.* per annum.

(b.)
Silk.

In 1842 foreign wool was subject to a duty of from ½*d.* to 1*d.* per lb., while Colonial wool was admitted duty free. In that year 18,486,719*lbs.* of Colonial, and 27,304,920*lbs.* of foreign wool, were imported.

(c.)
Wool.

The protection with which it was thus attempted to nurture the home and Colonial producer was entirely abolished in 1844; and in 1858, while the importations of foreign wool had increased to 41,527,624 lbs., or only one half as much again as in 1842, the importations of Colonial wool increased to 85,211,099 lbs., or between four and five times their former amount, despite the loss of all protection. The production of wool at home has also largely increased at the same time. But so great is the power of consumption under Free Trade, that notwithstanding all this increase of supply, the demand has raised the price from 10*d.* or 11*d.* per lb. in 1842, to 1*s.* 6*d.* or 1*s.* 8*d.* per lb. in 1858, of course to the great advantage of the producer. The exports of British woollen manufactures also increased in that time from 5,185,045*l.* to 9,776,944*l.*, and of woollen yarn from 637,305*l.* to 2,966,923*l.*

(*d.*)
Sugar.

Foreign sugar remained prohibited in 1842, Colonial sugar paying 25*s.* 2*d.* per cwt. Since then foreign sugar has been admitted to compete with Colonial, and the duties on all sugar have been greatly reduced, and the consumption, which amounted in 1842 to 193,423 tons, increased in 1858 to 424,523 tons. Of that amount 156,128 tons were foreign sugar, which it was predicted would drive Colonial sugar entirely out of the market, the remaining 268,395 tons coming from our own Colonies, which, instead of being ruined by competition, sent us nearly 50 per cent. more than ever.

It would be easy to multiply illustrations to swell the above figures. In fact, the difficulty rather is, to select from the vast mass of evidence of every kind that has accumulated, and that continues to accumulate, to testify to the incalculable benefits that in the short space of fifteen or sixteen years have accrued to this country from the practical adoption of the principles of Free Trade; or, to speak more accurately, from the reversion to the simple precepts of Nature, which have been so well epitomised by a great Frenchman in five short words: "Laissez faire et laissez aller."

E. A. B.

Board of Trade, June 19, 1855.

(Revised and continued to the latest date, February 18, 1860.)

STATEMENT showing the Effect of a Diminution in Import Duties on certain Articles upon the Amount of Revenue received on those Articles.

	Rate of Duty.		Quantity Consumed.	Amount of Revenue.
	<i>s.</i>	<i>d.</i>		£
<i>Sugar</i>	1821.....	27 0 per cwt.	Cwts. 3,530,362	4,077,706
	1831.....	24 0 "	4,233,509	4,650,589
	1850.....	11 0 "	6,229,094	3,900,663
<i>Coffee</i>	1801.....	1 6 per lb.	Lbs. 750,861	56,315
	1811.....	0 7 "	6,390,122	186,378
	1821.....	1 0 "	7,327,283	384,283
	1831.....	0 6 "	21,841,264	583,751
	1849.....	0 4 "	34,399,374	566,822
<i>Brandy</i>	1821.....	22 7½ per gallon.	Gallons. 1,013,400	1,031,217
	1849.....	15 0 "	2,187,801	1,640,488
<i>Excise Duty on Paper</i>	1821.....	0 3 per lb.	Lbs. 48,204,927	579,867
	1849.....	0 1½ "	132,132,657	859,575
<i>Excise Duty on Soap</i>	1821.....	0 3 per lb.	Lbs. 92,941,326	1,023,530
	1849.....	0 1½ "	197,632,280	1,026,080

Customs and Excise Duties collected in 1821.....£38,765,814.
Deduct Duties repealed and reduced between 1821 and 1849..... 27,801,667.

Leaving to be collected, 10,964,147.
But the unrepealed Duties actually produced in 1849..... 34,622,284.

So that the sum received beyond the computed amount was, 23,658,137.

NOTE.—The amount of Revenue in each of the foregoing statements will not be found to agree with the quantities at the given rates of duty. The rates as respects Sugar and Coffee represent the duties chargeable on the produce of British Possessions only, whereas some part of the duty is paid at higher rates on the produce of foreign countries, whereby the amount of Revenue is increased. On the other hand, it frequently happens that allowances have to be made to the merchant, which reduce the Revenue below what it would appear by computation.