

THE FREE-TRADE MOVEMENT AND ITS RESULTS

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The Free-Trade Movement and Its Results by G. Armitage-Smith

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G. ARMITAGE-SMITH

**THE FREE-TRADE
MOVEMENT AND
ITS RESULTS**

The
Free-trade Movement
And its Results

By

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“Were all nations to follow the liberal system of free exportation and free importation, the different states into which a great continent was divided would so far resemble the different provinces of a great empire.”

—ADAM SMITH.

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Preface.

In a Series dealing with the characteristic features of the Victorian Era it is obvious that the Free-trade Movement demands a place, although the literature of the subject is so extensive that it might be thought the last word had been already said. The old controversies, however, still remain, and have in fact been renewed with fresh vigour, partly owing to the persistence of the United States and other countries in a Protective policy, and also to the movement for federation with our Colonies, most of which are committed to Protection. The subject has a perennial interest, and there is room for a re-statement both of the historical facts and of the arguments. At no time have the arguments of Adam Smith needed to be enforced more than in the present age, when States are vying with one another in attempts to annex markets for their exclusive benefit and to the disadvantage of others. That the welfare of one nation is closely bound up with that of its neighbours is a doctrine that cannot be too strongly emphasized in these days of eager commercial and political rivalries, which seem to threaten a renewal of the old mercantile system.

The aim of the present work is to give in brief compass an historic account of the origin of Protection, and of the prolonged agitation by which it was ultimately overthrown in this country; to state the economic advantages of the Free-trade doctrine, and to estimate the effects of the change upon the well-being of Great

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Britain; and to discuss the chief grounds on which Protection is upheld in other countries, and still finds some adherents in our own. To accomplish this end it was necessary to trace the rise of the Protectionist idea, as only by understanding the circumstances of its evolution can we fully estimate its value as a doctrine and explain its relation to existing conditions. The first three chapters, therefore, are devoted to matters antecedent to the Victorian Era.

While I am convinced of the practical wisdom of the policy of the "open door" in commerce, and believe that its adoption by other nations would make for the peace of the world, I have endeavoured to deal with the subject in the scientific spirit of inquiry and explanation, and the conclusions set down are those forced upon me by a careful and long-continued study of the facts.

On such a subject indebtedness to the work of others is necessarily very great, and it is impossible to do more than make a general acknowledgment: special reference, however, should be made to Leone Levi's *History of British Commerce*, the writings of Prentice and Ashworth upon the history of the Corn-law agitation, and Mr. John Morley's *Life of Cobden*. I wish also to express my obligations to Mr. H. J. Tozer, M.A., for suggestions, and to the Editor of the Series for his valuable criticism and advice.

G. A. S.

LONDON, *March*, 1898.

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The Free-trade Movement.

Chapter I.

Origin of Restrictions on Trading.

The Free-trade Movement, which had for its aim the abolition of artificial restrictions upon commerce, is perhaps one of the most remarkable movements of the nineteenth century, yet one which has been almost confined to the British Isles, although its origin is to be referred to the teaching of French economic writers of the eighteenth century, from whom Adam Smith, the apostle of Free-trade, derived many of his views. This movement reversed in Great Britain the theories and practical maxims which had governed the commerce of nations for centuries. William Pitt had undoubtedly a strong leaning towards a Free-trade policy. He entered upon a course of economic reforms by a commercial treaty with France (1786) and a reorganization of the customs duties, but the unfortunate war which broke out in 1793 converted Pitt, the financial reformer, into a war minister, and brought about events which renewed and intensified the protective policy he would have modified. The reaction against protection began afresh about the year 1820 and was extended over some forty years, culminating in the Anti-Corn-law agitation (1839-1846). With the abolition of the duties on corn and navigation in 1849, the principle of free-trading was fully established, and by various subsequent reforms it was carried out completely, until, in 1860, all duties of an avowedly protective character had been removed from the British fiscal system.