

# **FREE TRADE AND THE EUROPEAN TREATIES OF COMMERCE**

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Free Trade and the European Treaties of Commerce by Various

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**VARIOUS**

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## EUROPEAN TREATIES OF COMMERCE

BEING



1. REPORT OF PROCEEDINGS AT THE DINNER OF THE  
COLDEN CLUB, JULY 17, 1875; M. MICHEL CHEVALIER IN  
THE CHAIR.
2. CORRESPONDENCE ON THE PROSPECTS OF FREE TRADE  
IN GERMANY, AUSTRIA, ITALY, THE UNITED STATES,  
AUSTRALIA, ETC.
3. DISCUSSION ON THE TREATIES OF COMMERCE, AT A MEETING  
OF THE POLITICAL ECONOMY SOCIETY OF PARIS,  
AUGUST 6, 1875.

WITH AN INTRODUCTION;

REPORT OF THE COMMITTEE, 1875; LIST OF MEMBERS, ETC.



CASSELL PETER & GALPIN:  
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1875.

*N.B.—All communications for the Hon. Sec., THOMAS BAYLEY POTTER, M.P. should be addressed to him at the Reform Club, Pall Mall, London.*

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GEORGE C. WARR,

*Secretary.*

5, MILLMAN STREET,  
BEDFORD ROW, W.C.

## INTRODUCTION.



IN circulating the Report of the proceedings at the dinner of the Cobden Club on the 17th July last, the Committee are glad to be able to append to it a series of very valuable letters which they have received from distinguished members of the Club, both in foreign countries and in some of our Colonies, on the prospects and progress of Free Trade at the present time.

The chief practical interest of the letters of the European contributors turns upon the probable policy of Continental Governments on the occasion of the approaching expiration of the Commercial Treaties, which have regulated the international trade of Europe during recent years.

As is well known, the foundation of the present Treaty system of Europe is the Treaty between England and France of 1860, which was speedily followed by similar treaties between other countries not less than fifty or sixty in number.

The reforms which preceded and followed the Repeal of the Corn Laws, as well as that decisive

measure itself, were made without any attempt to secure the co-operation of other countries. - This may have been, at the time and under the circumstances, the best policy to pursue ; but, at all events, the hope that foreign nations would profit by our experience, and follow our example, was signally disappointed. During the fifteen years which succeeded the Repeal, no reductions of any importance were made in the tariffs of Europe ; and great as was the impulse given to our export trade by the independent remission of duty upon our imports, the restrictions upon our trade still maintained in foreign countries began, after a time, to be seriously felt. The value of the trade in British exports to the European countries with which treaties have since been concluded amounted in 1847 (the year after the Repeal) to £18,394,000. In 1856 it had advanced to £35,936,000 ; in 1859 it had fallen to £32,489,000. It was at this period that Cobden and Chevalier conceived the idea of the Anglo-French Treaty, and the Governments of England and France had the wisdom and the courage to conclude it. The necessary consequence was the conclusion of the fifty or sixty similar treaties to which reference has already been made, and by which the tariffs of Europe have been reduced by about fifty per cent. In 1874 the value of the British export trade to the same countries



attained the amount of £81,297,000, while the total addition to the trade of England with them in imports and exports was no less than £103,965,655 ! When it is considered that the effect of this general removal of restrictions upon the foreign trade of France, and of other Continental countries, has been even greater than upon that of England, it is difficult to over-estimate the importance of the impulse thus given to the international intercourse of Europe, both in its national and moral aspects.

For it must not be forgotten that the acquisition of new markets in Europe is far more essential to our national prosperity than the progress of our trade with distant and half-civilised countries, upon which we have been compelled to rely by the unnatural state of our relations with our nearest neighbours. In a commercial sense, our trade with Europe partakes much more of the nature of a home trade, and gives far more employment to labour, by the quicker circulation of capital, the rapidity of exchange, and the greater variety of its component parts ; and in a political sense, instead of involving heavy costs of supervision, and constant risks of war, tends more than any other agency to relieve our people from the burden of large armaments and excessive taxation, by fixing amidst "the waves of conflicting passions, and jarring interests, deep in the tenacious ground

of commercial sympathy, a rock for the foot of Peace!"\*

That which is disguised under the specious name of "protection" is, in reality, a mere tradition of primitive barbarism—a remnant of the bygone era when every foreigner was an enemy, and the rule of war—to take every advantage of the adversary and injure him as much as possible—entered into the spirit of all international dealings. The modern Treaty of Commerce is, on the contrary, a legible record of the dawning conviction that the good of each nation is the good of all. This truth in its economic aspect was first mastered by Adam Smith, in England, and Turgot, in France; and in the same two countries was devised, by Cobden and Chevallier, the machinery in question for the gradual accomplishment of their mission.

But the principles of commercial policy upon which the Treaty of 1860 proceeded have been the subject of much hostile criticism on the part of theoretical objectors in this country, from the date of its signature to the present day; and Mr. Cobden's character for consistency and sagacity has been constantly impugned for the part which he played in connection with it.

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\* Essay on the Mission of Richard Cobden, by the late Lord Hobart, in *Macmillan's Magazine* for January, 1867.

The objections which have been felt and expressed in certain quarters to the Treaty have never been better summed up than in Lord Hartington's speech at the recent dinner, reported at page 24 of the proceedings :—

“There were some even among Cobden's own friends, and among the professors of the strictest school of political economy, who doubted the soundness of the enterprise on which he was engaged, and doubted whether, under any circumstances, it could be right to enter into stipulations on the subject of tariffs, and whether, until all the nations were prepared fully and freely to accept the principles of Free Trade, it would be wise to give any countenance to the idea that we could under any circumstances produce commercial advantages for ourselves by concessions which were not in reality concessions at all, but which were much greater advantages to ourselves than to the other party.”

It is on this ground that it has been urged that the Treaty has impeded the recognition of the true principles of Free Trade among nations.

This line of argument could hardly have been advanced by any one who did not regard the question from an exclusively British point of view, or who was in a position to appreciate the practical conditions of tariff reform on the Continent of Europe.