

**FREE TRADE AND
BRITISH
COMMERCE**

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Free Trade and British Commerce by Augustus Mongredien

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AUGUSTUS MONGREDIEN

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"If you wish to see this question of free trade and our trade well discussed, I advise you to pay sixpence for the little book published by Messrs. Cassell, Petter, Galpin & Co., of London, entitled 'Free Trade and English Commerce,' written by Mr. Mongredien. I wish every elector in Preston could have it and read it."—*The Right Hon. John Bright, M.P., to an Elector of Preston.*

REVISED BY C. H. CHOMLEY.



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1903

PREFACE TO 1881 EDITION.

THIS little work, which was written in 1879, has enjoyed a wide circulation, owing chiefly, no doubt, to some words of praise from a great orator,* and to the powerful propagandism of the Cobden Club. We are now in 1881, and I have little to add to, or to subtract from, either the facts or the principles embodied in it. I have, however, carefully revised the present edition, and made a few corrections in trifling matters of detail.

The present position of our trade with the United States of America curiously confirms the doctrines advanced in this little book. In August, 1879, Mr. James Howard, the present member for Bedfordshire, asked me my opinion as to how the United States had been paid for their large exports to us; my reply was as follows:—

1. The Americans have been buying largely, from both England and the Continent, of their own Bonds and Stocks, and have given prices above the marketable value of them in Europe.

2. Normally the United States are exporters of gold, they being producers of it. Latterly they have ceased sending gold to Europe, and the flow has set in from Europe to America,—not to an extent inconvenient for us, for we have a redundancy, but to an

* Right Hon. John Bright, in his speech of the 25th October, 1879.

extent that may become inconvenient to the United States if the influx should continue; for, when it reaches a certain point, gold will diminish in value (in other words, prices will rise), and importation will be encouraged and exportation checked; and their protective system will be *severely tried*.

3. Notwithstanding the redemption of American Bonds and Stock referred to, the United States have still to remit a very large sum annually to Europe for interest and dividends, for which they pay in exports.

4. The commercial operations of one year are so interwoven with those of the year before and of the year after, that a series of years must be taken into account;—and the enormous increase of the American bread-stuffs, which deficient harvests have compelled Europe to import, only dates a couple of years back. Its effects are not yet fully disclosed.

To these remarks I fully adhere, and I may take this opportunity of adding that:—

1. It is not our gold that has gone to pay for our large imports from America. Our stock of bullion has remained remarkably steady throughout, and is more than ample for our requirements.

2. American indebtedness to England, far from being reduced, is now greater than it was, for our fresh investments in the United States exceed the amount of American State Bonds, etc., redeemed.

3. Our exports to the United States have, in spite of the exorbitant import duties, exhibited within the last two years a very considerable augmentation.

4. The largely increased revenue-receipts of the United States customs, in consequence of their largely increased importations from Europe, constitute a largely increased tax on the American consumers.

For that revenue comes out of their pockets, and is not paid by the European exporters, who have made handsome profits on their sales.

5. As long as America continues to export largely, she must also import largely, at whatever enormous cost (under the present tariff), to American consumers.

6. The superfluously large Customs' revenue that is being raised by heavy duties on heavy importations will year by year become a source of greater trouble and perplexity to the United States Government.

7. Every fresh addition to the productive and exporting power of American agriculture will increase the difficulty and hasten the crisis. For there is no escape from the inexorable law that the more a country exports, the more, in the same proportion, it must import.

AUGUSTUS MONGREDIEN.

Forest Hill, London, S.E.

March, 1881.

PREFACE TO THE PRESENT EDITION.

IN preparing for the Press the present edition of Mongredien's "Free Trade and British Commerce," the argument has been left untouched, while comments and later facts and figures have been supplied in a smaller type where it seemed that they might be useful. In the chapters giving a statistical account of British Commerce, much of the matter written by the late author dealt with a state of facts which no longer exists, and numerous omissions have been made; but wherever Mr. Mongredien's arguments were applicable to the present day, they have been republished. A very valuable lesson is often to be learnt from his summary of past events, and from a comparison of his figures with those of later date.

The first edition of the book, published in 1879, had a circulation of nearly 90,000 copies, and obtained the highest praise from Mr. John Bright and other champions of the free trade cause.

C. H. CHOMLEY.

August. 1903.

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The following table shows the results of the experiment. The first column is the number of trials, the second column is the number of correct responses, and the third column is the percentage of correct responses. The data shows that the percentage of correct responses increases with the number of trials, indicating that the subject is learning the task.

| Trial | Correct | Percentage |
|-------|---------|------------|
| 1 | 0 | 0% |
| 2 | 1 | 50% |
| 3 | 2 | 66.67% |
| 4 | 3 | 75% |
| 5 | 4 | 80% |
| 6 | 5 | 83.33% |
| 7 | 6 | 85.71% |
| 8 | 7 | 87.5% |
| 9 | 8 | 88.89% |
| 10 | 9 | 90% |
| 11 | 10 | 90.91% |
| 12 | 11 | 91.67% |
| 13 | 12 | 92.31% |
| 14 | 13 | 92.86% |
| 15 | 14 | 93.33% |
| 16 | 15 | 93.75% |
| 17 | 16 | 94.12% |
| 18 | 17 | 94.44% |
| 19 | 18 | 94.74% |
| 20 | 19 | 95% |
| 21 | 20 | 95.24% |
| 22 | 21 | 95.45% |
| 23 | 22 | 95.65% |
| 24 | 23 | 95.83% |
| 25 | 24 | 96% |
| 26 | 25 | 96.15% |
| 27 | 26 | 96.3% |
| 28 | 27 | 96.43% |
| 29 | 28 | 96.55% |
| 30 | 29 | 96.67% |
| 31 | 30 | 96.77% |
| 32 | 31 | 96.88% |
| 33 | 32 | 96.97% |
| 34 | 33 | 97.06% |
| 35 | 34 | 97.14% |
| 36 | 35 | 97.22% |
| 37 | 36 | 97.3% |
| 38 | 37 | 97.37% |
| 39 | 38 | 97.44% |
| 40 | 39 | 97.5% |
| 41 | 40 | 97.56% |
| 42 | 41 | 97.62% |
| 43 | 42 | 97.67% |
| 44 | 43 | 97.73% |
| 45 | 44 | 97.78% |
| 46 | 45 | 97.83% |
| 47 | 46 | 97.87% |
| 48 | 47 | 97.92% |
| 49 | 48 | 97.96% |
| 50 | 49 | 98% |