

*A FEW WORDS IN REPLY TO MR. LOWE.*

**ALTHOUGH** the subject of 'Reciprocity' is not yet of sufficient popular interest to be the subject of another article in the *Nineteenth Century*, I beg to be allowed to say a few words in reply to Mr. Lowe's very forcible, not to say violent and contemptuous, article.

I have often been at once amused and disgusted at a common practice in the House of Commons, of flatly denying facts which a previous speaker had alleged as undisputed, or had proved on good evidence; but I hardly expected that, in an article deliberately written and published, so eminent a politician as Mr. Lowe would condescend to similar tactics, and attempt to overthrow an adversary by the mere force of his weighty *ipse dixit*. Yet the most important part of his reply to me, that which he thinks—'so complete and absolute that I am convinced, had it occurred to Mr. Wallace, his article would never have been written'—consists in the assertion that my proposal, even if carried out, would be quite inoperative, because, when foreign countries protect any class of manufactures, they thereby acknowledge that they cannot compete with us in our own or in any neutral markets, and that 'by the conditions of the problem it is impossible' that they should do so.

But the fact that such protected goods *are* imported into this country, and *do* compete successfully with our own, must surely be known to Mr. Lowe; and I am afraid the most charitable view we can take is, that his article was written with some of that want of consideration which he so confidently alleges against myself. What does he say to the fact that the United States sent to this country in 1877 manufactured goods to the value of 3,559,521*l.*, including large quantities of cotton and iron goods, sugar, and linseed oil-cake, although every one of these manufactures is protected by almost prohibitive duties? Again, we have paper imported to the value of more than half a million a year, although the manufacture is heavily protected in every country but our own; and the competition of this protected foreign article, which, according to Mr. Lowe, *cannot* compete with ours, has yet ruined many of our paper manufacturers. So iron goods of all kinds are heavily protected in France, Belgium, America, and some other countries; yet iron and steel in various

forms were imported in 1877 to the value of over 1,500,000*l.* Our total imports of manufactured goods (including metals) in 1877 amounted to 64,635,418*l.*; and almost the whole of these goods are protected in the countries which export them. Most of them, in fact, are sent to us because they *are* protected, the manufacturers finding it to their advantage to work to the full power of their plant and capital, selling the larger portion of their output at a good profit in the home market, and, with the surplus, underselling us, which they are enabled to do *because all the fixed charges of the manufacture are already paid out of the profits of the domestic trade.*

Having thus disposed of Mr. Lowe's main attack, and shown that what he declares to be 'impossible' nevertheless occurs, I have only to notice his singular attempt to put me in the wrong by giving a new and unjustifiable meaning to one of the plainest words in the English language. He says that I am quite mistaken in considering 'free trade' to be essentially mutual—to mean, in fact, what the component words mean—free commerce, free exchange, free buying and selling. On the contrary, says Mr. Lowe, it means free buying only, though selling may be ever so much restricted. But surely buying alone is not 'trade,' but only one half of 'trade.' Just as imports cannot exist without exports of equal value, so I have always considered that buying cannot long go on without selling, and that the two together constitute trade. Mr. Lowe, however, says I am historically wrong, but he does not give his authorities; and without very conclusive proof I cannot admit that the English language, as well as the English commercial system, was revolutionised by the free-trade agitation.

One of the most important of my arguments—that reciprocal import duties are just and politic, in order to secure 'stability and healthy growth' to our manufactures—Mr. Lowe, with more ingenuity than ingenuousness, converts into a plea on my part for stagnation and freedom from competition; and he maintains that the power of foreign governments to alter their import duties and bounties at pleasure, with the certainty that we shall take no active steps to neutralise their policy, is a healthy incentive to activity and enterprise!

The remainder of Mr. Lowe's arguments and sarcasms may pass for what they are worth; but, while so many of our manufacturers, and that large proportion of our population who are dependent directly or indirectly on manufacturing industries, are suffering from the unfair competition brought upon them by foreign protection, the allegation that these form an insignificant *class*, and may be properly spoken of as 'particular trades' whose prosperity is of little importance to the rest of the community in comparison with that *summum bonum*—cheap goods—deserves a word of notice. I therefore beg leave

to call attention to Richard Cobden's opinion of the supreme importance of these manufactures to England's welfare. He says:—

Upon the prosperity, then, of this interest [the manufacturing] hangs our foreign commerce; on which depends our external rank as a maritime state; our custom-duties, which are necessary to the payment of the national debt; and the supply of every foreign article of domestic consumption—every pound of tea, sugar, coffee, or rice—and all the other commodities consumed by the entire population of these realms. In a word, our national existence is involved in the well-being of our manufacturers.

If we are asked, To what are we indebted for this commerce? we answer, in the name of every manufacturer and merchant in the kingdom, The *cheapness* alone of our manufactures. Are we asked, How is this trade protected, and by what means is it enlarged? the reply still is, By the *cheapness* of our manufactures. Is it inquired how this mighty industry, upon which depend the comfort and existence of the whole empire, can be torn from us? we rejoin, Only by the *greater cheapness* of the manufactures of another country.<sup>1</sup>

In another passage in the same volume he says: 'The French, whilst they are obliged to prohibit our fabrics from their own market, because their manufacturers cannot, they say, sustain a competition with us, even with a heavy protective duty, never will become our rivals in third markets where both will pay alike;' from which it appears that he never contemplated the state of things that has actually come about, when, by means of protective duties, and our open markets supplying all the world with cheap coal, iron, and machinery, other nations have been enabled to foster their manufactures till they have reached such a magnitude as not only to supply themselves, but, with their surplus goods, produced cheaply by means of protection, are actually able to undersell us at home. That time has, however, come; and I feel sure that if Cobden were now among us, his strong sense of justice and clear vision as to the true sources of our prosperity would lead him to advocate some such course of action as I have proposed, in order to bring about those benefits to the all-important manufacturing interests of our country, which the system of free imports—miscalled 'free trade'—has not procured for it.

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<sup>1</sup> Cobden's *Political Writings*, vol. i. p. 227.