

RECENT CHANGES IN THE AMOUNT OF THE FOREIGN TRADE IN THE UNITED KINGDOM, 1884.

The object of the investigation undertaken and reported on demonstrates the effect of changes in price on the aggregate values of imports and exports. The amounts of our imports and exports, and the nominal values, are plainly two very different things. If prices should happen to fall between two given dates when the aggregate nominal values of imports and exports decline, or if they should happen to rise when the aggregate nominal values increase, it is clearly quite possible that there should be no corresponding decline or increase in the quantities of goods imported or exported. Quantities may even increase when aggregate nominal values decline, or may fall off when aggregate nominal values increase. Hence it is highly necessary in comparing imports and exports at different periods to allow for changes of price.

In 1881-3 there was a further increase of trade but without any general sustained rise of prices, even as compared with 1879. Eliminating the element of price, the quantity of the foreign trade in 1881-3 must be considered to have been greater than in any previous year.

The changes in the nominal values of imports and exports in those years were as follow:—

	Imports.	Exports.
	£ sterling.	£ sterling.
1879	363,000,000	191,500,000
1880	411,000,000	223,000,000
1881	397,000,000	234,000,000
1882	413,000,000	241,500,000
1883	427,000,000	240,000,000

The increase in nominal values between 1879 and 1883 thus corresponds to an increase in quantities.

The greater volume of the trade is, however, brought out strongly when we compare the value of the imports and exports in 1879 and 1883, computed at the prices of 1873, with the declared values of the imports and exports of that year. As regards the exports, the following were the results:—

Exports of Enumerated Articles of British and Irish Produce at the prices of 1873, and at the actual declared values compared.

	Declared Values.	Values computed at the Prices of 1873.
	£ sterling.	£ sterling.
1873	172,000,000	172,000,000
1879	122,000,000	174,000,000
1883	146,000,000	212,500,000

Thus the exports of 1873, which were the largest on record nominally, were really exceeded by those of 1879 in the proportion of 174 to 172, and by those of 1883 in the proportion of 212½ to 172, or by nearly 25 per cent. The figures of 1879 and 1883, showing smaller nominal values, in the former of about 30 per cent and in the latter about 15 per cent, do not correspond to any similar changes in quantity, the quantities in 1883 at least having greatly increased.

A similar comparison as regards the imports gives the following results:—

Imports of Enumerated Articles at the prices of 1873 and at the actual declared values compared.

	Declared Values.	Values computed at the Prices of 1873.
	£ sterling.	£ sterling.
1873	308,000,000	308,000,000
1879	289,000,000	349,400,000
1883	336,000,000	403,000,000

Thus the imports of 1879, which show a nominal decrease of about 6 per cent compared with those of 1873, really increased by nearly 13 per cent, and the imports of 1883, which show a nominal increase of about 10 per cent only compared with 1873, actually increased about 30 per cent.

It is quite certain, therefore, that the volume of our foreign trade was unprecedentedly large in 1883, but the changes as compared with former years, owing to differences of prices, are not accurately shown by changes in aggregate values.

Rectifying the total values of imports and exports recorded according to the proportionate changes shown as above in the aggregate for enumerated articles only, we should get the following comparison:—

Declared Values of Imports and Exports in 1873, 1879, and 1883, compared with the computed values, on the assumption that the values of the whole trade are affected by differences in prices as are the values of enumerated articles.

IMPORTS.

	Declared Values.	Values computed at the Prices of 1873.
	£ sterling.	£ sterling.
1873	371,000,000	371,000,000
1879	363,000,000	438,000,000
1883	427,000,000	512,000,000

EXPORTS.

	Declared Values.	Values computed at the Prices of 1873.
	£ sterling.	£ sterling.
1873	255,000,000	255,000,000
1879	191,500,000	273,000,000
1883	240,000,000	319,000,000

Thus, if our imports and exports in 1883 are valued at the prices of 1873, the former would exceed £500,000,000 instead of being only just over £400,000,000, and the latter would be £349,000,000 instead of being only £240,000,000. These totals, as compared with those of 1873, show the real progress which has taken place.

Attention is called to the importance of such figures with reference to the proper mode of stating the increase or decrease of imports and exports from time to time, and as to the profitableness of our foreign trade and the return to British labour and capital at different periods; and the fact that as our exports, even of so-called British and Irish produce, include a large amount of raw material previously imported, many allowances have to be made in making comparisons at different periods of the amount of work done by British labour and capital represented in the exports.

The effect of differences of prices can be more directly shown by computing the values of trade in all the years at the prices of one year only. Using the prices of 1883 as a basis, we obtain the following comparison:—

Values of Enumerated Articles of Export in the under-mentioned years as actually declared and as computed at the prices of 1883 compared.

	Declared Values.	Values computed at the Prices of 1883.
	£ sterling.	£ sterling.
1840	41,000,000	32,000,000
1850	53,000,000	52,000,000
1860	97,000,000	87,000,000
1870	143,000,000	113,500,000
1880	143,500,000	138,000,000
1883	146,500,000	146,500,000

The increase of the export trade since 1840 is, by the first column of the above table, dealing with values as actually recorded, only about 3½ times—viz., from 41 millions, the declared value of the enumerated articles to 146½ millions; whereas by the second column, in which all values are computed at the prices of 1883, the increase is nearly five times—viz., from 32 to the same figure of 146½ millions. The latter rate of increase, it may be stated, corresponds more closely to the increase of shipping business than does the former. It will also be observed that while, by the first column, foreign exports appear to be almost stationary since 1870, the progress, according to the second column, appears to be continuous from decade to decade, corresponding closely to the increase of shipping and the real increase of trade which has occurred.

Dealing with the imports in the same way, the following comparison should be made:—

IMPORTS.

Increase or decrease of the index number of 81'16 in the following years:—

1854	0'80	1876	3'61
1855	3'51	1877	1'48
1857	7'08	1878	7'04
1859	1'39	1879	10'30
1865	13'59	1880	6'39
1868	5'73	1881	6'99
1874	4'43	1883	9'43
1875	0'25		

Here the course of the figures is much the same as in the case of the exports, though it is unfortunately impossible to go quite so far back. The period of high range of prices is from 1865 to 1875, and since the latter date there has been practically no recovery. The maximum and minimum prices have both been less than before. As regards imports, as well as exports, it is true that aggregate values were exaggerated in 1865 and 1873 by high prices, while the progress since the last date appears less than it really has been because nominal values have declined.

While the direction of the course of prices has in both cases been much the same, it is to be observed that the average increase of value in 1865 and 1873 appears greater in the case of the exports than of the imports. It may be suggested that this is not improbably owing to the fact that the exports include a larger proportion of goods dependent on the price of cotton than do the imports, and cotton was specially high in price about the year 1865, owing to the American Civil War, and did not return to the prices normal before that event until after 1873.

As already explained with regard to the exports, the effect of such differences of prices can be directly shown by computing the values of trade in all the years at the prices of one year only. Using the prices of 1883 as a basis, we obtain the following comparison:—

Values of Enumerated Articles of Import in the under-mentioned years as actually declared or computed, and as computed at the prices of 1883, compared.

	Declared Values.	Values computed at the Prices of 1883.
	£ sterling.	£ sterling.
1855	127,000,000	111,000,000
1860	186,000,000	159,000,000
1870	250,500,000	213,000,000
1880	324,000,000	313,500,000
1883	336,000,000	336,000,000

Here the increase since 1855, by the first column, is about 160 per cent only; while, by the second column, it is 200 per cent. By the first column, also, since 1870 the increase is about 30 per cent only, while by the second column it is over 50 per cent. Thus in imports as well as exports progress is shown to be very different according as allowance is made or not made for changes of price.

A YEAR'S FIRES IN LONDON.

The report of the Board of Works, 1884, states that the staff of the Fire Brigade under the control of the Board consisted in all of 669 officers and men. The brigade consists of 55 fire-engine stations, 23 street stations with hose-carts, 127 fire-escape stations, four floating stations, three floating steam fire-engines, two steam-tugs, five barges to carry engines, &c., two large land steam fire-engines, and 42 small land steam fire-engines. The number of calls for fires, or supposed fires, received during the year had been 2806. Of these 373 were false alarms, 144 proved to be only chimney alarms, and 2289 were calls for fires of which 194 resulted in serious damage, and 2095 in slight damage. The fires of 1884, compared with those of 1883, showed an increase of 145; and, compared with the average of the last ten years, an increase of 531. The number of occasions on which life had been seriously endangered by fire during the year 1884 had been 137, and the number of occasions on which life had been lost had been 29. The number of persons seriously endangered by fire had been 200, of whom 158 were saved, and 42 lost their lives. Of the 42 lost, 20 were taken out alive, but died afterwards in hospitals and elsewhere, and 22 were suffocated or burnt to death. The quantity of water used for extinguishing fires in the metropolis during the year had been 42 million gallons, or about 187,000 tons. Of this quantity about 105,000 tons, or more than one half of the whole, was taken from the river, canals, and docks, and the remainder from the street pipes. During the year there had been 43 cases in which the water arrangements were unsatisfactory. As regarded the water supply, the board regretted that another year had passed without anything having been done towards giving the inhabitants of London control over their own supply of water.

THE REPEAL OF THE CORN LAWS was carried by 227 Liberals and 112 Conservatives; and of the 231 who voted against it, 220 were Conservatives. When, on a decisive division, two thirds of a party vote against a reform, it is gross abuse of language to say that the reform was carried by that party.