



# CANADIAN ECONOMIST.

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## THE CANADIAN ECONOMIST.

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### THE PROVINCIAL TARIFF.

In our last number we showed by facts and figures, a most conclusive mode of illustration, that the *Differential Duties* might be instantly and completely abandoned, not only without impairing our revenue, but, on the contrary, with reason to expect from doing so, a material increase of revenue.

Our calculations, our readers will bear in mind, were based on the importations of 1845, and the scale of duties we employed varied in a very slight degree from the Tariff now in existence; the only essential difference being that we made our trial scheme apply equally to the whole quantity of each article imported,—that is to say, the same on goods from France, the United States, and all other foreign countries, as from Great Britain and her dependencies. We considered it was incumbent on us, as we advocate an immediate, unreserved repeal of the *Differential Duties*, to show that the country could afford to do it without jeopardizing its revenue or credit, or embarrassing its trade.

The next step in the inquiry is to ascertain what duties should be substituted for those we propose to repeal. For this purpose therefore, we will suppose that our present tariffs, Imperial and Provincial, are repealed, and that a substitute is to be provided.

Taking up then the rough scheme which we submitted in our last article by article, we shall proceed to inquire whether the duties then proposed are maintainable or not. And first as to sugars, raw and bastard.

The duties now levied on these are as follows:

- 1st. On British or Colonial, . . . 7s. 6d. per cwt.  
2nd. On Foreign, . . . 12s. 6d. do.

there being obviously a differential duty of 5s. per cwt. on the foreign article.

We may as well remark here, that in all our reasonings on the question before us, we shall take for granted that all parties agree with us that *differential duties* are to be totally abandoned, and that the only question is, What uniform scale of duties shall be adopted by the country?

Two questions then naturally present themselves as to the duty upon raw and bastard sugars:

- 1st.—Is 12s. 6d. per cwt. too high for a revenue duty?  
2nd.—Should the same rate of duty be levied upon both kinds?

We apprehend that the best means of forming an accurate judgment upon the first question, is to pass under review the average importations for a few years under different duties. Our readers are no doubt aware that the duty on sugar was more than doubled in 1842: that is to say, that the Provincial duty on raw and bastard was then made 1d. stg. per lb. without any allowance for waste, instead of a halfpenny per lb. currency, with an allowance of three per cent for waste. We may add, for the sake of accuracy, and parenthetically, that the Provincial duty was reduced a trifle during last session, that is, from 9s. 4d. to 7s. 6d. stg. per cwt., but as we shall not bring the importation of 1846 into our comparison, no authentic statement of it hav-

ing yet appeared before the public, this change is of no consequence in our present inquiry.

Omitting then also the importation of the year 1842, as that in which the enhanced duty took effect, and comparing the importations for three years before and after it, we find they stand as follows:—

1839, . . . 5,340,301 lbs.	1843, . . . 7,927,535
1840, . . . 7,471,317 "	1844, . . . 11,513,684
1841, . . . 9,548,119 "	1845, . . . 8,462,867
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22,359,737	27,904,086

Average, . 7,453,246 lbs.                      9,301,362 lbs.

Thus, while the duty was only a halfpenny per lb. the importations averaged 7,453,246 lbs. per annum; and after the duty was augmented to a *penny stg. per lb.* the importations increased to an average of 9,301,362 lbs. per annum (omitting the year in which this increased duty took effect), thereby proving that the latter rate of duty was not too high for revenue purposes, as consumption seems to have increased in spite of it in a greater ratio even than the natural increase of population and wealth would reasonably and fairly account for.

From these premises it would seem to follow that the duty of 14s. 4d. stg. per cwt.—the rate which prevailed from 1842 to the beginning of 1846 on foreign sugars, (the only kind imported with the exception of the "refuse" called "bastards")—was not too high to come within the meaning of a strictly revenue duty, inasmuch as it obviously did not check consumption. We would always, however, on principle, advocate a low rate of duty rather than a high one, whenever the state of the revenue will admit of trying the experiment, and therefore we would rather see the present duty of 12s. 6d. stg. per cwt. reduced a little, than any attempt made to increase it.

A doubt, however, here presents itself to our mind, as to whether this duty of 12s. 6d. per cwt. operates as a purely revenue duty. It has been shown that even a higher rate does not check consumption to any obvious extent. But the consumption of the country is not supplied exclusively by importations,—being partially supplied by maple sugar, an article of domestic manufacture. We are not prepared to state the extent to which this article contributes to the general consumption, having no data in our possession to found an accurate opinion upon. We have heard it stated, however, vaguely and variously at 500,000 to 1,000,000 lbs. per annum. Perhaps, therefore, 700,000 lbs. per annum may not be far from the truth. The public, however, must take such conjectures for what they are worth, as it is impossible at present to establish how far they are right or wrong. One thing, however, is clear, that whatever quantity may be consumed (and none being exported, the whole quantity produced must evidently be so), the market value of the whole must be enhanced to the extent of the duty upon the imported article, an inference which, we presume, will be readily conceded without argument. Hence, if muscovado were sold at 4d. per lb., as it could be without the duty, it follows that the market price of maple would sink to that or less; thereby making it manifest that the consumers of maple sugar contribute to their fellow-subjects a bonus of about 1½d. per lb. on the whole quantity consumed.

That this is an evil every Free-Trader and unprejudiced inquirer will admit; but, on the other hand, can it in the present state of the country be avoided?—can we afford to do without the revenue hitherto raised upon sugars? We freely confess we do not think we can, without increasing some other tax which would perhaps be attended with still greater injury to the community at large. The fact is, it is scarcely possible to impose a tax upon any imported article whatever, which would not incidentally involve similar consequences to a greater or less degree.

It is an effect which cannot be wholly got rid of, while a system of indirect taxation is maintained. At best, therefore, such a system is faulty, and must inevitably favor certain classes at the expense of others, and in unequal degrees—from whence it follows that the aim should be to make as equitable a compromise among all interests as human judgments can arrive at.