

either to buy or not to buy as he pleases, it must be his own fault if he ever suffers any considerable inconvenience from such taxes."

FOURTH.—"Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state."

AGRICULTURAL PROTECTION.

The following letter, on the subject of the dialogue between two Eastern Township farmers, which appeared in a recent number of the *Economist*, has been addressed to the Editor of the *Sherbrooke paper*, who attaches to it some remarks of his own, in defence of the particular protection referred to. It will be remembered that at the time of the insertion of that dialogue, we differed with the writer in the view he took of the subject, inasmuch as his arguments, if carried out practically, would leave the colony without any revenue at all: and further, we stated what we conceived to be the true objection to the Agricultural Duties Act, namely, that whilst it throws a heavy expense on the community, it affords no adequate advantage to the farmer, who pays out of one pocket in various ways a great portion of what he receives into the other in the shape of protection.

The Editor of the *Sherbrooke Gazette* defends the duty by saying, "If our farmers were permitted to purchase their supplies from the U. States, they would save about one-half the profits they now pay to the Montreal merchant; and if there was no tax upon their household furniture, agricultural implements, &c. &c., the extra price which they now pay to manufacturers and mechanics, in consequence of these duties would be saved them; but the farmers are willing to live and let live,—all they ask is reciprocity in trade."

To this we reply, that in the taxes spoken of, the farmer only contributes *equally* with the rest of the community. The Montreal merchant derives no advantage from the duties levied by the Colonial and Imperial Governments; and he would gladly get rid of them altogether, if the state of the country permitted it. He is quite willing to submit to the rule of buying in the cheapest and selling in the dearest market; but not so, a portion of the agricultural class. They ask absolutely for "protection" against the cheap cattle of the United States, declaring that they cannot support themselves against this competition. And why cannot they do so? The Editor of the *Sherbrooke Gazette* would have us suppose that it is on account of the Provincial and Imperial duties: but let him compare those duties with the duties the American farmer has to pay, and will he assent so then? Let him look at the new American Tariff, in which everything the farmer requires is protected by duties ranging from 25 to 75 per cent, and will he then assert that the Canadian is worse off on this score? But then the American farmer is protected; that is to say, the American Government goes through the form of keeping up a set of duties which, if we are to believe the arguments of our farmers, are quite useless, and which we know have, in effect, proved pretty nearly a dead letter.

We are glad, however, to hear our contemporary say, "Give the farmer an opportunity to make his purchases free of duty, and we have no doubt he will be willing to sell his produce free of duty," for in this avowal is conceded the whole question. We are quite willing that the tariff should be made as light as possible, and we hope the farmer will exert himself to see it done; but he must not confound duties raised for the purposes of revenue solely, with a tax having for its object, not revenue, but to raise the price of everything in which the farmer deals. The one is a tax which every man alike has an interest in seeing paid; the other, a tax which the farmer alone has an interest in forcing the payment of. When the farmer purchases his broadcloth or hardware in Montreal, he pays no more towards the government than the merchant himself pays, but when he sells his cattle he insists upon adding to the cost price, a large sum, which benefits the Government hardly anything, whilst it increases the cost to the consumer. As a revenue Act, the colony would be immensely the gainer by doing away with the Agricultural and Wheat Duties Act: which multiply Custom-houses, and help to eke out a sum of £30,000, paid yearly under this head in one way or other; but the farmer, who sees nothing but the amount of duty raised to protect him, will not listen to it, and in this he is encouraged by those who call themselves his friends. Enquiry, however, will show him that these duties are inconsistent with the general interests of the colony, and that they must be abandoned.

With these remarks, we give the letter to which we referred on commencing:—

To the Editor of the *Sherbrooke Gazette*.

Mr. Editor, Dear Sir,—I have taken the liberty of enclosing you a dialogue which appeared in a late number of the *Economist*. Its object is to prove to the farmer that his protective duties are worse than nothing so far as the interests of agriculture are concerned. I am induced to call your attention to this subject from the ruin that is fast falling upon Canadian Commerce, and although excessive taxation is not the only cause of the falling off of our trade, it is one of the injurious elements of our present commercial system. Montreal and Quebec have lost the grocery trade of Upper Canada, and the carrying trade of wheat and flour is flowing in the same channel. Several mercantile houses in Montreal now export (some of them largely) from New York and New Orleans. Such alarming facts need no comment.

If the protective duties were of any benefit to the farmer, there would be something to counterbalance the great injuries done to our trade, but

these duties can never rule the prices of the grain market. Indeed the matter is at first blush preposterous. It requires no extra gift of perception to discover that a colony on the northern verge of civilization in the new world cannot legislate upon the grain markets of the earth, with any valuable effect either to the colony itself, or to consumers of grain generally.

The price in the market of greatest consumption will rule sales, not the tax in Canada. True, the protective duties on fat cattle make the poor man's food dear in this country, and drive him off to bestow his industry for the benefit of other nations, where he can live cheap, and find his loaf free from taxation; but it can have no influence on the price beyond the limits of the colony. The intelligent, shrewd farmers of Canada cannot fail to perceive this, and I feel confident that the day is not far distant when they will willingly give up duties which, though called protective, really afford them no protection.

Protective duties, on cattle and grain, are only a portion of an excessive system of taxation, which is levied upon us in the form of customs, and as the impost is not direct, it is not perceptible, but it is not the less injurious or burdensome. W.

MONTREAL VS. THE UPPER PROVINCE.

A letter on the subject of the Navigation Laws—in which the course pursued by the "*Economist*" is somewhat perty called in question—appears in a late number of a Kingston paper. The writer does not appear to know much about his subject, and is dreadfully inconsistent in the little he does say. Thus, he insists that the repeal of the Navigation Laws would not reduce the price of freight, which, he says, is as low as it possibly can be, considering the dangers of the navigation. To use his own words, "the thing is impossible;" and, if it is so "impossible," what possible harm, we would ask him, can result to the British ship-owners from repealing the Navigation Laws? If the title of that party to the market is founded on cheapness, and not on monopoly, what has he to apprehend? Protection either increases the price of freight or it does not. If it does, we say that it is neither to the interest of the Colony nor of Great Britain to maintain it: if it does not, the yielding of it can do no one any harm, and the sooner it is done the better.

But it is not so much to notice the illogical arguments of the writer on this subject that we took up our pen, as to refer to the very bad temper he displays when speaking of Montreal and its progress. Although we were not altogether unaware that a sore feeling exists in some minds in the Upper Province against the start this city has taken, we could scarcely suppose that it could manifest itself in so rabid a manner as it has done through the letter of this writer. He tells his readers that all that Montreal is doing in the cause of Free-Trade is selfish—in order to retain a trade she cannot long keep, and which, he rejoices, is passing fast from her. He then goes on to say—

"The fall of Montreal, through the loss of her business, will excite but little sympathy and less of sorrow in the minds of Upper Canadians, who have for years looked upon her as the greedy monopolist of the profits of their labor. Of this the proofs are abundant; I need only point to the splendid buildings public and private, and her unprecedented advance in wealth within the last few years. Look, for instance, at that magnificent edifice now in the course of erection by one of the Banks, to cost, as I am informed, little short of twenty thousand pounds! Whence have all the vast sums expended in public and private improvement been derived? Not surely from the profits of the petty trade with the inhabitants of the surrounding country, but from the hard-earned resources of the settlements of Western Canada."

It is really difficult to conceive how any person, claiming a right to address the public through a new paper, could have written anything so grossly illiberal and so unjust as the above. The rise of Montreal, we need scarcely say, resulted from natural causes, and has had no more of monopoly in it than those causes determined. Instead of being regarded with envy and jealousy, it should excite pride and satisfaction, as one of the best evidences of general prosperity. We never hear the people of Montreal complain of the rapid growth of Toronto, Hamilton, &c., or look with an eye of jealousy on their neighbours at Quebec, who, thus water prophecies, will soon inherit their trade and prosperity. The truth is, all such feelings are the result of ignorance, and exhibit a total unacquaintance with the rules which, in these days, govern commerce. We have frequently before stated that, in advocating Free-Trade, we have in view no local interest whatever, but only a desire for the interests of the Province at large. We wish to see Canada what we believe she may become—the great channel of the Western trade, and whether that trade finds its terminus at Montreal or Quebec is with us a secondary question. When—in what number of our paper—have we ever exhibited a different feeling? Let the laws which now stand in our way be done away with, and we care little about the particular point of terminus. We confess, however, that we take sufficient interest in the general advance of the Colony, to view with satisfaction every sum of money spent in carefully embellishing this city; but even in this respect our feelings are locomotive, and can travel as readily from the Bank at Montreal to the New Market at Kingston, as they can from the latter place to the improvements at Toronto. We rejoice alike in all, and trust that each city will long proceed prosperously to build up what may last for ages.