

COAL AND FLOUR.

The weight of attack upon the Free Trade side against the National Policy falls largely upon the coal and flour duties. Declared opponents of the policy think they score a point when they denounce it as being not national, but anti-national in its character. Because, as they allege, it acts the interests of the Provinces in opposition, each against the other. It aims to force Ontario to buy Nova Scotia coal when it is for her interest to buy from Pennsylvania instead, and similarly, it aims to force Nova Scotia to buy Ontario flour when American flour is to be had much cheaper and nearer at hand. Therefore, they argue, its effect must be to rend the East and West asunder, instead of drawing them together. Taking the case of Ontario first, we venture to assure these open opponents of the National Policy that they are very far astray in their reckonings. Indeed if they imagine that public opinion in that Province will hold the small duty on imported coal sufficient, were it felt as a burden at all, which we contend it is not, to outweigh the many great and important benefits of the National Policy. It is plain that this tax does not touch the farmers, to begin with, so we shall hear no grumbling from that quarter. But who then does it touch? The dwellers in cities and towns, of course, who use coal, and to make the matter clearer let us divide coal consumers broadly into three classes. First, we may take consumers of some means who use coal for domestic, shop, office or warehouse purposes. If the duty be really a tax paid wholly by the consumer, we may say that consumers of this class are able to pay it, and we may add further, that for the trifling outlay they find themselves repaid several times over through the larger custom and better payments of their neighbours. Next we may put down those manufacturers who use coal in their respective industries, and with them the story is a short one and soon told. The trifle extra which they pay for coal, if they do pay it, after all is but a drop in the bucket compared with the rush of orders, works running full time, and the large increase of production and sales arising from the life-giving operations of the National Policy on home business. We think that this class of consumers may be set aside, very little grumbling against the coal duty is to be expected from them. And now we come to the "poor men"—he, over whose oppression by the coal-tax the antagonists of the National Policy are shedding their briny tears. Pictures are drawn of the poor man and his family suffering cold the winter through, because of the fifty cents per ton on hard coal. But let us put these pictures from imagination's reckless brush beside the clear outline of hard facts, and see how they will stand the test. Of those who can fairly be called "poor" men, very few use over four tons of coal in the year, or indeed as much as that, but let us say five tons, which will make this outrageous tax \$2.50 per annum. Now, if the "poor man" aforesaid happens to get just two or three days work in the year more than he would have got, but for the National Policy, he is even as far as the coal duty is concerned. But he gets far more than that, say, twenty times more. He gets it not only in the shape of better wages per day, but still further in the shape of steadier work—more days' work in the year. We firmly believe that working men generally know how to "put this and that together," and that labourers, mechanics, and factory hands in all departments of production, who live in the towns and use coal, will utterly refuse to join in the senseless cry against the policy which brings work for themselves and bread for their families. But surely the Nova Scotians will rebel against the odious "bread-tax," so it is said. In answer to which, we make bold to deny that there is any bread-tax at all. Oh! but there must be, it is said, don't you see how our fellow-citizens down by the sea are compelled to buy flour all the way from Ontario, when they might buy it so much nearer hand, on the wharves of Portland, Boston, and New York? The huge false assumption which underlies this bit of sophistry has never yet been half as fully exposed as it deserves to be. If Maine, and Massachusetts, and Eastern New York had wheat of their own production to sell, then with some little show of reason might it be said that these ought to be the best markets for Nova Scotians to

buy flour in. But the flour sold in the Atlantic States is made from wheat of far inferior growth—wheat raised on the prairie of Illinois, Wisconsin, Minnesota, Iowa, and Dakota—some five hundred to a thousand miles farther off than the wheat fields of Ontario. If flour from those far-off prairie countries sold at the "real" market price than Ontario flour, it is not 1. a good geography has decided in favour of the former, for the geographical facts are really in favour of the latter. If the thing be stated at all, it can only be so through artificial and not natural means—through railway rates favouring the United States at Canada's expense, for instance. Ontario is much nearer to the seaboard than the far-off Northwestern States, and if Ontario flour costs more delivered there than flour from Minnesota and Iowa it must be through anti-Canadian railway combinations, and from no other cause. But does it really cost more? We say that it does not, and that the alleged increase of price to the consumer is wholly imaginary. Free Traders are bound to admit this on their own reasoning. The prices of grain and flour on this side the Atlantic, they say, are fixed in the markets of Europe, where the surplus of this continent must be sold. But if European markets govern prices in Montreal and Halifax, they must equally govern prices in Boston and New York, both Canada and the United States being exporters of breadstuffs. Or are we to believe that the effect of the European demand and the Canadian N. P. together is to keep flour twenty-five or fifty cents a barrel dearer at Canadian seaports than flour of the same quality is at American seaports? If they take up this ground, then they give away entirely their case with the farmers, and acknowledge that the agricultural interest is a distinct gainer by the National Policy. And let it be remembered, here, that it is the fashion with Free Traders to represent the farmers as constituting the "bone and sinew" of the country—three-fourths or seven-eighths of the whole population—only an insignificant number of our people, as they contend, having any interest in manufactures. If they admit higher prices of produce because of the National Policy, they have no case, and are put out of court so far as the farmers are concerned. If, on the other hand they say that the farmers get no better prices because of the National Policy, but even worse prices, as the Toronto Globe actually maintains, then what becomes of the contention that the same National Policy raises the prices of breadstuffs to the Nova Scotians? We might ask, further, whether it is a part of their argument to affirm, and to hold it for a fact—that the United States is a cheaper country to live in than Canada? And again, whether, it is the case, it is not the high American tariff—so much higher than ours—that has made the United States such a cheap country to live in? These are some of the difficulties which opponents of the National Policy have not been able to meet.

TRADE BETWEEN ENGLAND AND FRANCE UNDER THE TREATY

Now that the negotiations for the renewal of the commercial treaty between England and France have been broken off, and that there is every probability of the 8th of November, the date upon which the treaty will expire, passing without anything having been done to make new arrangements, leading journals are discussing the situation and comparisons are being made to show the advantages both countries have enjoyed under the treaty of 1860. The Wool and Textile Fabrics, a weekly journal published in London, contains the following statement in answer to the question: "What has been the result to both countries?"

Table with columns for 'England Imported from France' and 'England Exported to France'. Rows include 'Manufactures', 'Silk manufactures', 'Woolen manufactures', 'Artificial Sowers', 'Gloves', and 'Value before treaty' vs 'Value after treaty'.

Table with columns for 'Wine and Spirits', 'Woolen manufactures', 'Cotton', 'Silk and throwns', 'Linen', 'Machinery', 'Apparel', 'Hardware'. Rows show 'Value before treaty' and 'Value after treaty'.

Commenting upon the present aspect of the case the journal named says— "The present position of the French Commercial Treaty as it now stands is far from unsatisfactory. The French Government sees that it will not be dictated to, they see us falling back on the great and cardinal principle of Free Trade, namely, to have no treaty at all. To make any commercial treaty with France or any other country is a mere concession to their protectionist notions. At no time has public opinion in England been more unanimous upon any subject. The country with one voice says— Either a better treaty than that of 1860, or no treaty at all. The French Government are this and are alarmed, and our Government, if they act resolutely, may obtain for us a bargain that may be valuable to both countries in a degree far surpassing that of 1860. We maintain now, as we maintained before, that commercial treaties when made must be regarded in the light of making a bargain, and we can only bargain satisfactorily with France when we will her plainly that, if she does not care to trade with us upon terms such as will allow us to sell to her as well as to buy from her, we will not hesitate to increase our duties upon her wine and to impose a duty upon her silk. We admit the advantage of the Treaty of 1860 to both countries, and it was made for the very purpose of showing this; but, having shown it, we are now entitled to ask for a bargain of a better kind."

The Wool and Textile Fabrics is a Free Trade journal, as nearly every leading journal in the United Kingdom is, but it evidently believes that the principle is not applicable to all circumstances. The French Government has manifested a disposition to agree upon a new treaty between the two countries, but the representations of English Free Traders have failed to impress the members of the French Cabinet that the recent step taken by them in adopting a strongly protective tariff was a blunder which they will be only too glad to undo at the earliest possible moment. In reply to criticisms of the English Free Trade readers, the position taken by the Government press of France has been firm, but respectful. While due deference is paid to the views of those who contend that although every nation in the world should erect what the political economists call artificial barriers to free commercial intercourse English policy is to adhere at all hazards to Free Trade, it is contended that France knows how to manage her own affairs without any dictation from England or lectures on the folly of her course from English statesmen. If France has blundered, so much the worse for France. If the policy inaugurated on the 8th of May last prove to be as disastrous as the English Free Traders predict, then it will be for the interest of France to reverse that policy. Meantime, however, they are determined to legislate commercially in what they regard the interests of France. If they discover the existence of the possibility of England meeting "fire with fire," to use a celebrated expression of a deceased Canadian statesman, they may be induced to give England "better terms," but so long as they are convinced that the English policy will continue to be Free Trade, regardless of the injurious effects that the tariffs of foreign nations may have upon her export trade, France will not, so far as she is concerned, alter her policy to suit English exigencies. That England will abandon her Free Trade principles we do not believe, but that circumstances may arise to necessitate her taking action in self-defence is within the range of future possibilities, and not a few Englishmen who are firm believers in Free Trade—that is, Free Trade all round, not Protection for the rest of the world and Free Trade for

England—are expressing the opinion that the time is rapidly approaching when such a war will be forced upon the statesmen in whose hands it is placed to take the ship of State.

THE ANGLO-FRENCH COMMERCIAL TREATY QUESTION

The going into operation of the new French General Tariff on the 8th of May has created considerable excitement in commercial and manufacturing circles in England. It is strongly protective in character, and that fact was sufficient to cause consternation in the latter country. The treaty at present existing between England and France will terminate in November, and after that time each country will be at liberty to pursue its own course, as the negotiations for a new treaty have fallen through. In the House of Commons, on the 18th of August, Mr. CAIRNE interrogated Sir CHARLES DILLK, Under Secretary of State for Foreign Affairs, on the subject. In reply, Sir CHARLES said that the French Government proposed some time ago to Her Majesty's Government that the commercial negotiations which had been begun in London should be resumed in Paris on the 12nd of last month. After considering certain new French proposals as to duties on iron, cotton, woollen yarns and goods, Her Majesty's Government considered that although still unsatisfactory they afforded a basis for further discussion, and they consented to the reassembling of the commission on the condition that the existing treaty should be prolonged for three months, to give time for the examination of the new proposals. After a long correspondence the French Government declined to accede to a prolongation of the treaty, and under the circumstances Her Majesty's Government did not think themselves justified in accepting the invitation to proceed to Paris. The announcement was received with cheers. In English papers just to hand we find numerous comments on the breaking down of the negotiations. The Economist, a leading financial journal, expresses the opinion that the announcement that the Government had found it impossible to renew their negotiations must cause regret but cannot excite surprise. It says: "The French Ministry are agreed that there should be no enhancement of rates it is difficult to see why they should refuse the extension of the existing treaty. It is not the principle upon which they desired to act further negotiations are useless, because agreement is impossible. It must be our business to do all we can to open up new outlets for such of our products as may soon be shut out of the French markets. And, fortunately, we have ready to our hands an instrument which may be used for the purpose with considerable effect. The expiry of the French Treaty will leave us free to deal with our wine duties in whatever way may seem to us best. An agreement similar to that from which Franco appears desirous of withdrawing both Italy and Spain are now disposed to enter into. It may be possible, by a readjustment of our wine duties, to ensure a development of the commerce with those States which may fully compensate us for any loss of French custom." The St. James Gazette considers Sir CHARLES DILLK'S announcement a very grave one. "We must now therefore consider," says the Gazette, "the whole business of negotiation at an end, and English manufacturers must look forward to being remitted to the conditions of the French tariff which will come into force on the expiration of the old and in the absence of a new commercial treaty." And in the same issue it exclaims in reply to some of its contemporaries: "The Treaty's dropped! 'Rejoice ye wine! It frees our hands,' the 'chant cries—' flood pedant, take we heed! Let from closed mill, and furnace cold, And idle loom we soon behold. Our 'hands' set free indeed!" Of course public opinion, as expressed in the newspapers, is divided in regard to what should be done after the termination of the treaty in November. Some favour a policy of retaliation, which, under the circumstances, they would not consider inconsistent with the Free Trade principle, while others are very pronounced in their hostility to anything savouring of retaliation for the purpose of bringing the French Government to time, or Protection in the interests of the British manufacturer. Meantime the Fair Trade movement,

EDITORIAL COMMENTS.

On Wednesday evening of last week Sir A. T. Galt was entertained at a banquet in Winnipeg. He explained the cause of his visit to Manitoba as follows— "Situated in England, as I have been for nearly twenty years, as the representative of Canada, I have been approached by many of all classes from the highest to the lowest, who were desirous of information in reference to the North-West. This country I found myself obliged to attempt to convey correct impressions of a country of which I had no personal knowledge. At last the disadvantage became so evident that, having represented matters to the Government and received their hearty concurrence, I have been permitted to visit the North-West on the occasion." Sir Alexander then proceeded to give his honest and unprejudiced views on what he had seen. In an article entitled "The Two Protection and Prosperity, the Canadian Journal of Commerce, one of the leading industrial newspapers of the United States, thus refers to the case of Canada: "If we turn to Canada, we see another flat contradiction of the theory. Under non-protective tariffs there previous to March 18th, 1870, industry was depressed languishing, and despondent. The protective policy has been in operation scarcely two and a half years, yet the improvement is strikingly increasing, and entirely satisfactory. Never before did the Canadian enjoy so much of solid prosperity. Never before was there so much of hope and surprise among the people. Never before was there so much confidence in the future. These are facts beyond dispute, and they give the lie direct to the Free Trade theorists. In all the view there is some coming disaster to industry and business in Canada, every indication is of a contrary kind. The Industrial League of the United States has determined to call a convention of representative men who are strenuous of having the protective policy at present in operation continued and defended against the attacks of those opposed to it. The circular of the League contains the following statement— "England's position has become so that an expansion of her foreign markets is indispensable to her welfare. To have such markets open to her merchandise her people are now engaged in maturing a scheme of retaliatory duties, which are to be bartered away in exchange for concessions. This method, however, is not applicable to the American market—the most upland and the most desirable market in the world—and the plan of attack here is one of bribery, subsidized propaganda, local agents and all the means of Free Trade propaganda to the control of our elections and the relaxation of our tariff laws. England is extremely well leaved no stone unturned to accomplish the conquest of our market and she must be resisted on principles of self-preservation. The time has come when American manufacturers, including every branch, from flax growers to builders, should assert the dignity of their position as developers of native resources, as the captains of industry, and as the creators of national wealth, straight prosperity and safety. For many years they have been maligned as monopolists, introduced as bountied and privileged agents of the Government, and stigmatised as greedy enemies of the public welfare. At this untimely and denunciation has been borne in silence, but should be no longer. Manufacturers should now assert their right to Protection, should hold out threatened tariff agitation with both hands, and demand the full and uninterrupted guarantee of the laws."

NEW TELEGRAPH COMPANY

The next number of the Canada Gazette will announce the granting of a charter to the "Canada Mutual Telegraph Company," an organization which promises to enter the field as a vigorous rival to the recently amalgamated Montreal-Rimouski companies. The capital of the new company is one million dollars, and it is stated that can be raised if the intention proceeds forward the construction of the line as far as possible this fall, and complete the system—which will extend to every part of the Dominion—as soon as the first part of the ground next spring. It is understood the capital of the new enterprise is all subscribed and the first instalment paid in, and that arrangements have been made with the new Mutual Union Telegraph Company of New York for an interchange of business. The Mutual Union system is being extended pretty generally throughout the United States and will be in operation as a competitor of the amalgamated lines about the 15th of October. The permanent officers of the Canada Mutual Company have not yet been announced, but it is probable that Mr. Charles R. Hooper, the present superintendent of the eastern section of the Dominion Telegraph Company will be the general manager or president. The provisional directors are General Geo. B. Williams, J. F. Olmstead, of Washington, D.C.; D. S. Holton and Mr. Murray "Peterloo," and T. T. Turnbull, of Montreal.