

to inspection. One plate is filled with solid capital and the other contains credit ; the one positive, and the other negative property ; yet the good people, through their legislators, and with their eyes open, choose the worthless material by which to construct their whole commercial system ! But worse than that, an indulgent Providence does not ask them to choose the one, on the penalty of losing the other ; yet they contemptuously reject the treasure that was intended to make all wealthy !

Mine and thine, is a lesson in the ethics of trade that has yet to be learned. The distinction forms a new departure in political economy. Credit and capital must be placed side by side and a fair field given to work out their destiny. When it is shown that a first mortgage is not capital to the same extent that it is security ; when that self-evident axiom is disproved ; when landed property is no longer wanted ; when credit banks protect their debtors ; when the capitalist and the laborer work in harmony ; when the capitalist only, becomes the money-lender ; when the rate of interest is governed by a fair market ; when property is fairly distributed ; then, indeed, it will be no longer necessary to demand that capital be placed on a level with credit ; as the industrial machine will do its duty.

Extraordinary as it may appear, our legislation—our banking law—is made operative upon an *unknown quantity* ! Writers have imagined that the commercial system had a positive character, but credit is only negative property, as a lie is but negative truth. The former answers for capital just as the latter answers for truth, till the lie is found out. Hence ours is an inverted economy ; and industrial progress is by fits and starts,—hesitating, or, like the crab, backwards. That explains all the anomalies that have so long puzzled commercial writers, and, particularly, that standing dispute on tariff protection to industries. A high tariff places the burden of their establishment upon the consumer ; that is clearly unfair. Individual consumers can have no personal profit in emptying their pockets into the hopper of the monopolist ; not even to suit the hobby of a *soi-disant* protection government ; and the latter has no right to ask them to “cast their bread upon the waters” with the peradventure that they “shall find it after many days.” The good old proverb is safer—“a bird in the hand is worth two in the bush.” But in the case of Canada, having so large a foreign debt, and a liability to short exports, commercial crises are apt to level the industries periodically, because they are built upon foreign capital. On the other hand, the revenue tariff advocates can never hope to establish industries without a low rate of interest affording an equivalent for a high tariff. British industries are the best protected in the world ; the proof is the goods sell in every market, because a low rate of interest fully compensates for a nearly pure free trade.

The banking of the future will have a positive character ; dealing in capital, in mortgages, in gold. The turning point is, in the mortgage being regarded as capital, to the extent it is security, which is self-evident. That idea brings to bear a low rate of interest,—adds a *new factor* to the industrial forces ; hence, a new result—a positive in place of a negative economy. We have hitherto been building with unburnt bricks ; we will ere long make permanent work with