

RESTRICTIONS ON TRADE, FROM A COLONIAL POINT OF VIEW.

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PREFACE BY THE AMERICAN EDITOR.

THE following essay, republished from a late number of the London *Fortnightly Review*, is much larger than the limitations of its title, while we would amend, by renaming it *Restrictions upon Trade, from a National Point of View*. The author makes the striking and truthful observation, that in Austria, France, the United States, and the British Colonies, "the party of progress is identified with a restrictive commercial policy," i. e. is Protectionist, "while the Conservatives are the most uncompromising of Free Traders." Ecclesiastical and political monopoly, imperialism, and Bourbonism, fraternize with Free Trade, while the advocates of free speech, and a free press, and the opponents of slavery, are Protectionists.

In discussing the question *Who pays the duty?* the author concludes, that often the consumer does not pay it, and that, under certain circumstances, it has the effect of cheapening commodities, rather than enhancing their cost. He concludes further, that even when the local producer can increase his prices to the full amount of the duty, the consumer and the State may alike gain by the substitution of a native for a foreign industry. Vindicating thoroughly, by abundant argument and example, the policy of imposing restrictions upon trade as a means of stimulating production, utilizing labor, and ensuring plenty, the author seems disposed to limit it in practice to a set-off against the taxes which local producers pay toward the local revenue. He argues, that the foreign producer should contribute to the same extent as the home producer, or otherwise the latter suffers injustice. He does not consider that this may not be enough to put them upon a footing of equality, and that if the foreigner possesses cheaper capital or cheaper labor, there must be, as against these advantages, countervailing duties. This is all that we claim, and our English Author in effect underrates the policy of restrictions on trade, not only from a Colonial, but also from an American point of view, and his argument allows no limitation of duties which prevents them from being protective. This paper is a terse and conclusive answer to the Cobden Club Speech of D. A. Wells.

AN observant journalist* has remarked that it is a singular fact that in Austria "those who have vigorously struck down every ecclesiastical and political monopoly throughout the Empire are the most vehement advocates of a restrictive commercial policy, while, on the other hand, those who are in favor of free trade are the most ardent supporters of ecclesiastical privilege." Austria is not singular in this respect. In France the advocates of free speech and a free press are restrictionists, while imperialists, as a rule, are free traders. In the United States the abolitionists, or republicans, are avowed restrictionists, while the democrats are as decidedly in favor of free trade. Precisely the same phenomenon may be observed in the British colonies. In Canada, Australia, and New Zealand, the party of progress has always been identified with a restrictive commercial policy, while the conservatives are the most uncompromising of free traders. Indeed it may be said that one-half of the entire English-speaking race are, in one shape or another, in favor of a restrictionist policy, and of this half the great majority are advanced liberals. It is the national creed in the United States, Canada, and the leading Australian and New Zealand colonies. That it should be so appears to the typical Englishman a very remarkable instance of perversity; and he can only account for the phenomenon by

* *The Economist*.