

HOW PROTECTION PROTECTS.

How any country can continue, and even in some lines increase, its importation of foreign goods, while protecting its own manufactures, is a standing puzzle to Free Traders. That this thing has actually occurred is matter of history, and not to be denied, we have seen it in the importation of British merchandise into the United States under the Morrill tariff, and we are seeing it in Canada to-day under the National Policy. The fact is beyond all question, but the Free Trade theory wholly fails to account for it; a good reason for at least doubting the truth of the theory. But does the theory of Protection explain what the other theory fails to do? Does the former any more than the latter help us to see through the puzzle? We hold that it does, and propose to give reasons. On the Free Trade side the difficulty is generally stated in this way: If Protection excludes foreign goods, then foreign trade is destroyed, and the country so situated drops out of the list of commercial countries. If on the other hand foreign trade continues, then the coming in of goods from abroad shows that the object aimed at has not been achieved, that in fact Protection has failed to protect. One source of the error here involved lies in the old logical fallacy of confounding together statements in general and statements in particular, and drawing conclusions which may be sustained by the one but not by the other. When we are told that Protection has failed to protect, because foreign goods still continue to be imported, we must come down to particulars, and demand, "what foreign goods precisely—the kind of goods we make at home, or the kind we do not make?" As soon as this particular inquiry is pressed, the weakness of the Free Traders' general conclusion begins to appear. Instances are at hand, and can be given. The French tariff, unfavourable as it has been to England, even with the Cobden Treaty in force, still allowed a considerable importation of English goods. It is true that during a series of years the amount of French merchandise brought into England has vastly exceeded the amount of English merchandise brought into France; but still English goods did to a considerable extent find a market in France, after all. When, however, we inquire what kind of goods, the operation of French Protection is seen. In metal goods, but especially in heavy iron for railway and other purposes, England has exported largely to France, England's enormous production in this line giving her an advantage that the French tariff could only partially overcome. But far different has been the experience in the various lines of textile fabrics. During years past the importation of French textiles into England has greatly increased, while the importation of English textiles into France has conspicuously fallen off. For iron production, in proportion to population, France is not so well situated as some other countries. But in the production of textile fabrics—silk, woollen and cotton—France has "gone in to win," with Protection to help; and that she has won immensely in the race with England in those lines the trade returns of recent years uncontestedly prove. Again, there is a large importation of English cotton goods into the United States, in spite of duties on cotton goods averaging about forty-five or fifty per cent. But when we ascertain what kinds of cotton goods exactly, the seeming mystery is explained. Fine cotton goods—muslins, net, and fancy fabrics—are imported from England, just because in the United States the manufacture of such goods has scarcely yet been attempted. But heavy wearing cottons, such as are turned out in immense quantities at Lowell, Fall River, and other centres of the cotton manufacture, are emphatically not imported from England, or any other country; Protection having so perfected and expanded this particular class of manufactures as to render the country wholly independent of supplies from any foreign quarter whatever. Turning to the iron trades we find that while importations of cheap, heavy iron still continue, with a ship's cargo of rails now used then, the importation of English tools and general hardware has been rapidly declining, that it appears on the way to total extinction, in fact. In Canada, again, certain lines of home manufacture, in iron, cotton and woollen

goods, are under the new tariff rapidly supplanting imported goods of the same classes respectively. The imported goods thus being superseded are far more American than English, as it observed, for the simple and eminent reason that Canadian manufactures are in a general way like those of the United States, but unlike those of England. Protection does protect, to a certainty, in all those lines of manufacture which are really suitable to the country, and upon which we have entered in earnest. But other classes of goods—those upon the manufacture of which we have scarcely entered at all, or even contemplated as a present possibility—we continue to import as before. Nay, we may be importing such goods even more largely than in the years immediately preceding 1870, simply because of the larger demand which increased prosperity brings. Further, the increased lum of the workshops may have caused, and doubtless has caused, a larger importation of such machinery as we do not make at home, also of many articles, partly manufactured, which are the raw materials of various Canadian industries. Take the case of a manufacturer whose business is all at once greatly increased by the National Policy. The very first effect of the change may be to compel him to import more machinery and raw material, and even more American coal, in order to meet as quickly as possible the new demand and the pouring in of orders. But it would be a very lame conclusion to argue from this that the National Policy had failed of its object with the plain result of an actual large increase of home manufacture staring us in the face. We have seen even an increased importation of coal with a duty on the article, but why? Simply because of the suddenly increased demand, which Nova Scotia could not possibly on the instant supply, due to the increased consumption of coal in many and various home manufactures. A fundamental error on the Free Trade side lies in looking upon Protection as intended to have, and actually having, the effect of substituting industries unsuitable to a country for those that are suitable to it. In Canada, so it is said, its effect is to draw labour and capital away from the soil and into manufactures. This is an utterly wrong and mistaken view, far, very far away from the facts. What Protection does—what it is now doing for Canada—is not to substitute manufactures for agriculture, pulling down the latter to set up the former, but the addition of manufactures to agriculture. To our former production from the farm we are now adding a new production from the factory; the production from the farm still going on as before, nay, even increasing. Let the Free Traders show a single instance where the increase of manufactures, through Protection, has caused or even seemed to cause a decrease of production from the soil. Under Protection we add the new to our resources, while holding the old all the same; and this is the secret of our better ability to pay for such foreign goods as we want, while still our home manufactures are expanding.

TELEGRAPHS AND RAILWAYS.

Within the past few weeks a plan, which had been maturing for a year or so, for securing the control of the Canadian telegraph system by Americans has been carried into successful operation. The question which naturally arises is, What will be the consequence? True, we are on the most friendly relations with our neighbours. No trouble is on the tapis, and there is no immediate prospect of such, as far as the people of Canada are concerned. Should any unforeseen circumstances arise requiring the control of the telegraphic system, in what position would we be placed? As we remarked some time ago, when the scheme for the leasing of the Montreal line was about consummated, it is desirable, for many reasons, that Canada should control a telegraphic system of her own. Of course the right of the stockholders of the Montreal line to vote for amalgamation was a question which they had an exclusive right to decide for themselves, and we have already published an elaborate statement containing a defence from the standpoint of their interests. Still, it is a fact which many persons do not care to contemplate that the control of the telegraphic system of this country is now in the hands of Americans. Not alone in telegraphic

matters is the desire of our neighbours to secure a footing in Canada noticeable. A new railway move has taken place, while Mr. Hickson, General Manager of the Grand Trunk Railway in England for the purpose of negotiating a loan for a double track for the through trade of the Grand Trunk. At a meeting called a few days ago by the stockholders of the Toronto, Grey and Bruce Railway the information was suddenly sprung that certain Americans had secured sufficient stock of the Toronto, Grey and Bruce Railway to control it, thus preventing the possibility of its being acquired by the Grand Trunk. Some will see in this move the quiet but determined operation of the railway king Vauxhall. He controls the Canada Southern, which has amalgamated with the Great Western, and is at present playing his cards to secure the Credit Valley Railway. From these facts it is quite evident that if we wish, in the development of our country, to hold the power in our hands we will require to be very active and energetic. The railway chess-board of the Dominion is now closely watched at every move by great capitalists. It is a well-known fact that we possess the great wheat producing centre of the world in the North-West, and the grain transit of the future will be of vast importance. Hence the chief reason for our neighbours watching with intense interest the question as to who are to be the carriers of that trade. With our railways and our telegraphs thus subject to monetary manipulation, our Dominion certainly has cause for great watchfulness.

INFORMATION ABOUT CANADA.

The Rev. Dr. McCulloch, who is one of the travelling companions of the Governor-General in the North-West, is contributing a series of interesting letters to the Edinburgh Courier descriptive of his journeyings. The letter which appears in the Courier of September 2nd reports the progress of the party as far as Rapid City. We notice that the correspondence of the Times and Daily Telegraph is copied into provincial journals. The dissemination of information respecting the North-West in this way will be highly beneficial to our country, and there is every reason to believe it will be productive of emigration of fairly well off persons belonging to the industrial classes in the United Kingdom. What Canada is chiefly in need of is population, and we know of no better means of encouraging emigration to those portions of the country at present unoccupied than the circulation of authentic information that can be relied upon by those desirous of seeking a home in a distant land. While any action taken in that direction by the Government cannot fail to be productive of some desirable results, the representations of disinterested persons having no object to serve but the circulation of knowledge on the subject will be received with more confidence. And such being the fact we hail with pleasure any effort made by those whom we may designate outsiders to throw light upon the extent and resources of Canada's great territory in the North-West and its adaptability for the settlement of the British farmer, no matter what part of the United Kingdom he may come from. When reference is made to the subject of emigration to Canada and the United States respectively, many absurd statements are often made in this country by those who seldom lose the opportunity of advertising our neighbour's territory at the expense of our own. Because the number of persons who annually leave Europe for Canada is many times smaller than the number who leave for the United States, the fact is taken advantage of to cry down Canada, and to point out what are represented as the superior inducements offered across the water. Those who pursue this impudently ignore the fact that the United States has had a long start ahead of Canada; that for many years that country has had millions of acres of fertile territory ready for the occupancy of the agricultural immigrant from Europe, that the agents of her railway companies have acted in conjunction with the Government in circulating pamphlets containing glowing accounts of the fertility of the soil of the great regions of the west; while, on the other hand, Canada's acquisition of a vast territory of infinite resources was of comparatively recent date, a territory

only beginning to be known to the outside world. For years the great west of the United States has been prominently before the old world. A vast railway system unites the entire country, so that one can travel continuously from the Atlantic to the Pacific seaboard. Immigrants have followed the tracks of the "iron-horse," and along the route from the western boundaries of Michigan to the extremities of California they are to be found in thousands comfortably settled in their new homes, and adding by their industry to the material wealth of the nation whose subjects they have become. The case of Canada has been different. But a change has set in and now that our rulers are in a position to fix the settlement of immigrants upon the soil at their disposal in the North-West our recently acquired territory bids fair to be a formidable rival to the much talked-of Western States. Already considerable progress has been made. Where a few years ago there was no population save the officials of the Hudson Bay Company and a small number of aborigines, there exists the flourishing capital of a new province, new towns are springing up in every direction, railway construction is making satisfactory progress, and immigrants are arriving from the older provinces and from across the Atlantic. We have great faith in the future of the North-West, regarding which at the present time comparatively little is known outside our own country, and even here few people have any conception of its great value as a portion of the Dominion. The publication of such letters as those of Dr. McCulloch and the impressions formed by other old world visitors will do much towards giving light in quarters where there now exists darkness, and will result in drawing attention to Canada as a desirable home for those not satisfied with their present condition.

THE UNITED STATES TARIFF.

Two tariff agitation are going on in the United States—one in favour of the abolition of Protection, the other in favour of such a revision of the tariff as will strip it of some of its incongruities while preserving its protective features. The opponents of Protection are greatly in the minority, and although they like our own Free Traders in Canada, talk of making Free Trade a party cry during the next election contest, their prospects are not particularly bright. The policy at present in operation in the United States has been of incalculable benefit to the country at large, and under present circumstances it is not likely to be abandoned for many years to come. While Protection is gaining ground in Europe, our shrewd and far-seeing neighbours will not adopt Free Trade. They are altogether too keen observers of the signs of the times to commit such a national blunder. The tariff revision movement, however, commands itself to the advocates of the United States "National Policy," and it is steadily gaining strength. Commenting upon this movement the New York Daily Indicator says:— "A tariff for revenue and the gradual reduction of the national debt must at least be maintained. Absolute Free Trade is utterly out of the question, even admitting that such a policy would be beneficial to the country at large. If the present tariff is faulty, as no doubt it is, its proper revision can only be effected through patient investigation and discussion by those having the special knowledge and experience requisite for the proper and intelligent performance of such a task, and this will necessarily take time. The crudities and inconsistencies of the present tariff are admitted to have been the result in a great measure of enforced haste as well as a want of knowledge by those who constructed it; therefore, to proceed in the same manner with its revision would be only to repeat the errors which have given us the present faulty instrument. But this appears to be the very thing the Free Traders are determined to have done, judging from the unanimity with which the journals in their interest oppose and cry down the proposed commission on revision, yet it must be admitted that though a properly qualified commission is the only way in which the work of intelligent revision can be approached with any hope of improvement. The Philadelphia Record says: 'The popular demand outside the special benefits of the high tariff system is for a lessening of the burdens which that system has upon the general mass of citizens. A mere paring down of exorbitances, and an adjustment of certain contradictions and inconsistencies, so as to make the existing plan less crude and more symmetrical, will do it.' "We see no evidence of any such popular demand as is here spoken of. It is true that certain journals advocate Free Trade through a re-bash of arguments, many of them fairly applicable to the case of England fifty years ago, but there are no evidences whatever of any popular de-

mand in that direction—no such evidence, for instance, as are afforded in England, the present time of a popular desire to turn to a protective policy—for, despite all they say, "fair trade" means either more or less than Protection to home industries. A popular desire for Free Trade would find expression in mass meetings, elections, or as a party cry prior to these ways. The conclusion is warranted that the demand for Free Trade has no greater claims to being considered "popular" than the demands of the bourgeoisie or the greenbackers, or of any other small but noisy clique who agitate so peculiarly wild and heretical notions in economic and political.

BRITISH BOARD OF TRADE RETURNS.

London papers received by the mail contain elaborate statements of the British Board of Trade returns for the last month. From a return before we learn that they show that the total declared value of the imports during the month was 35,091,098, which is an increase of 1,072,011 compared with the imports of the corresponding month last year. When compared with the imports of August, 1870, there appears an increase of 4,350,087. The imports for the last eight months amounted to 267,530,018, which shows a decrease compared with the imports during the first eight months of last year of 11,774,417, but an increase of 32,033,214 if the comparison be extended to 1870. The exports amounted in value during the month to 31,180,605, an increase of 2,000,280 compared with August 1880 and of 3,844,387 compared with August 1870. A comparison of the last eight months—during which the exports amounted to 150,919,095—with the corresponding period of 1880 shows an increase in the value of exports of 3,900,402, and compared with 1870 of 28,245,180. The returns respecting the export of iron and steel show a total value for the eight months ending with August of 17,600,247, which is a decrease compared with the same period of last year of 2,440,385, but an increase compared with the eight months of 1870 of 5,736,107. The returns for the month of August, in which month the exports amounted to 2,485,000, show an increase of 276,342 compared with August 1880 but an increase of 783,000 compared with August, 1870. The total value of the cotton manufactures exported in August this year was declared at 6,073,617, which shows a decrease upon last year of 108,017, but an increase of 1,020,135 compared with 1870. A comparison of the eight months (with exports during that period of this year 43,605,183) shows an increase of 1,100,000 upon last year, and of 10,413,310 upon the year before. In what now we would manufacture there is a total value shown for last month of 1,942,240—a decrease of 129,245 upon the exports of August 1880, but an increase of 370,331 compared with the exports of August 1870. In the last eight months the exports amounted to 12,015,000—an increase of 50,300 compared with the eight months of last year, and an increase of 1,570,000 compared with the corresponding period of 1870.

A correspondent of the Standard writes: "As a sort of experiment I gave you a curious experiment tried on an on-line water supply pipe that had become choked up with incrustation. After hammering it for an hour or two and kindling a fire all round it, without any result, one end was dug up, and about a pint of refined oil was poured in the other end—all would hold—leaving it stand all night. The next morning the water was about a solid line core. Before trying this we thought of throwing the pipe away as useless, and getting a new one."