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**SIR A. T. GALT ON A TARIFF AND
FINANCIAL POLICY.**

The utterances of a veteran statesman whom the first turn in affairs may make Minister of Finance, deservedly attract public attention. Sir A. T. Galt, in a letter to the Hon. Jas. Ferrier, has expressed decided opinions on some vital questions of Dominion Finance and Tariff policy. He looks with great alarm upon the rapid increase in the liabilities of the country, which he regards as exceeding any possible growth of our population and resources; and he predicts that the increased burden of debt will ere long press grievously on our industry. The favorable contrast which Canada presents, on the score of debt, with the United States, is, in his estimation, the set-off we have to offer the immigrant against the milder climate of the States. If this reasoning be good, the loss of this advantage would dry up the stream of immigration—a conclusion which we are not prepared to adopt. A country that has a permanent advantage of climate must ultimately win in the race of competition for immigrants, while the disability of a heavy debt may be removed by reduction or extinction. But any superiority of climate to be real must finally prove itself by the test of longevity. By that test the assumed superiority of the climate of the United States cannot be made out. But it is not the less an object of the true statesman to prevent the debt of the country becoming disproportionate to its resources. A heavy debt means high customs duties, the effect

of which Sir A. T. Galt prophetically predicts would be to "exasperate our fellow-subjects in Great Britain, and thus by double action weaken the ties that bind us to the mother country, and also our own system of government as opposed to that of the United States." In theory Sir Alexander T. Galt is in favor of independence, but as a statesman he does not feel justified in taking a line of policy which would tend to bring about that result—a striking proof that speculative opinion cannot prematurely influence conduct, in a self-governed country. A high tariff would fetter trade, but its influence in weakening the inducements to maintain a national existence separate from that of the United States, would only act on material interests: it would not repress the inner springs of national life. Though Sir A. T. Galt would wisely avoid needlessly exasperating our fellow-subjects in England, he seems not indisposed to exasperate our nearest neighbors by the imposition of customs duties discriminating against their industry. He does not directly advocate differential duties, but contents himself with expressing a strong opinion that "we have a distinct and inalienable right to impose such duties, if we chose." This must be intended as the assertion of a moral right, for the general legal right we do not possess. Far from this, the Governor General's instructions oblige him not to assent to any bill imposing differential duties. The prohibition might be, and has been relaxed, but it exists nevertheless. Sir Alexander T. Galt thinks it "the duty of our Parliament broadly to lay down the rule that in the imposition of duties to be paid by our own people, the interests of Canada should be the ruling consideration." This is a sound rule to act upon, though an ostentatious parade of it by Parliament in an abstract form, is of very little importance. For our part, we do not believe that the imposition of discriminating duties against the United States would be for the interest of Canada, for it would lead to reprisals and produce irritation of a very injurious character. Apart from this, we fully accept the view that the States "ought to be dealt with in the same purely selfish spirit in which they deal with us."

As a remedy against the high taxation, the effects of which he prophetically depicts in such sombre hues Sir A. T. Galt proposes to postpone the construction of the Pacific railway indefinitely. Mr. Cartwright, in a speech delivered the other day, admits that the occurrence of a financial crisis, similar in pressure and duration to that of 1857, would necessitate the postponement of this work. Sir Francis Hincks, on the contrary, was of opinion that it could be

built without adding materially to the burdens of the country; but then the proposed mode of securing the construction, which finally failed, was much less burdensome than that finally adopted. A large and rapid outlay on the British Columbia section would involve sacrifices out of all proportion to the material advantages to be gained. If we frankly told British Columbia that we cannot fulfil the promise made to her, she might withdraw from the confederation; but Sir A. T. Galt assumes that she would still remain in the Empire, and subject to the Queen." This, however, is only speculation, and it is not pleasant to contemplate a severance that would deprive Canada of its seaboard on the Pacific ocean. The true policy is to do as little as possible west of the Rocky Mountains at present; and if we are to be held to the union contract, apart from the time given for building the road, we may fairly refuse to build a road in Vancouver Island, which formed no part of the bargain.

Sir A. T. Galt claims credit, and he is entitled to it, for inaugurating a new fiscal policy in 1849, known as "incidental protection;" but which he thinks would have been more appropriately termed modified free trade. We need not cavil at a name; but as the lowest customs duty is a departure from absolute free trade, "modified free trade" would not more accurately describe a 20 than a 10 per cent. duty. Under the operation of that tariff, afterwards modified in the same direction, Canadian industry received a great impetus, and no doubt that a fuller development of this policy is desirable. But, for the reasons stated, we object to the change taking the form of discriminating duties against the United States. In fact, to close one door while we left another open would not answer the purpose.

There is one branch of finance on which Sir A. T. Galt is silent; yet as the author of what we have always maintained was a piece of financial quackery, the Dominion note currency, he might have been expected to say whether he thought the extension of the system by one of his successors, Sir Francis Hincks, was wise, judicious, and would, under all possible emergencies, prove safe. But as Sir A. T. Galt takes no credit for the Provincial note currency, he would probably be willing to disown his child, if it were possible or respectable to do so. The views to which he has recently given expression may help us to form an opinion of the change of policy that may be expected when he is next called to the office of Minister of Finance; and in that light they are deserving of serious consideration.