

tion of the aggregate wealth of Canada and of employment for its labour—a wrong not only to the Canadian consumer, who has to pay more than he would have to pay if he bought in the open market, but a still greater wrong to the Canadian labourer and emigrant, who is prevented from producing what would give him the largest result and employ the largest quantity of labour at the highest wages." That anybody should fail to see that labour and capital when transferred to the artificial line of production must be diverted from the natural line, and that the wealth which they would have produced and the wages which they would have drawn in the natural line must be lost, seems almost incredible. But are there not people who still believe in sinking funds, and people who are thoroughly convinced that the wealth of the world at once would be enormously increased if all the Governments would only issue an unlimited number of bad promissory notes? Besides, in the case of Protection, "secret history" comes in, and the vision of the economist is clouded by sinister interests and their heavy votes.

THERE is a partial depression of trade in England at the present time, it is true; but where are the proofs that this is the consequence of the repeal of the Corn Laws? In a country with such a multiplicity of great trades some are sure at any given time to be less prosperous than others, and the local suffering attracts attention while the general absence of suffering does not. Depression exists to at least as great an extent in France, where recent legislation has been Protectionist, as in England; it exists in the United States, the model country of Protectionists; it exists in Canada, the National Policy notwithstanding. Where everything commercial is on so large a scale and so sensitive as it is in England, the ordinary fluctuations of commerce are enough to produce partial and occasional distress. The ship-building trade must be affected by nautical improvements which enable the same amount of freight to be carried in fewer bottoms. Whenever a trade is prosperous capital rushes into it, over-production ensues, and depression follows. Does anybody believe that the people of England would now be better off if there was still a heavy tax upon their food? That is the practical question to be answered. Mr. Colquhoun, whose letters to the *London Times* have been cited as testimonies to the failure of Free Trade, has not said anything which can bear that construction. On the contrary, the safeguard which he proposes against any dangers which threaten English trade is the opening of new markets. Open new markets obviously you cannot if you persist in keeping your own closed; for if you will not trade with the rest of the world the rest of the world will not, and cannot, trade with you: this again is a fact which seems not to present itself to the mind of the Protectionist, who never renounces export trade. As to manifestations of industrial discontent, if any one fancies that they are less common in the land of Protection than in that of Free Trade it must be because he never looks into the American papers; for there he would see continually announcements of strikes and quarrels with employers, actual or impending, a dozen in a row. Not for half a century has there been in England anything like the Pittsburgh riots or the Molly Maguire outrages and riots in Pennsylvania. The last Unionist outrages of a serious kind were those at Sheffield, which were on a comparatively small scale and took place twenty-five years ago. Protectionism, by the unnatural stimulus which it imparts, leads to over-production and to crises which are attended by sudden reductions of wages and consequent disputes. It also intensifies the spirit of Unionism, which is simply Protection extended to the workman, though the Protectionist master does not see it in that light.

It is never to be forgotten, however, when the issue between Free Trade and Protection is raised, and reference is made to American experience, that the United States is not an ordinary country, but a continent stretching from arctic to almost tropical regions, and capable of producing everything of importance except, perhaps, tea, for itself. The commercial prosperity of the countries included in Napoleon's Continental system has been cited in the same manner, but as an example it is equally fallacious. As against England Napoleon's system was Protectionist and exclusive, or rather such it was intended to be; for all the time smuggling was active, and the French armies were clothed with British goods; but for all the countries included in the Napoleonic Empire—that is, nearly half Europe—it was a system of international Free Trade. For Canada, with her uniformly severe climate, her limited range of production, and her lack, in the principal Provinces, of coal, Protection must be commercial ruin; and the time cannot be far off when the effects of artificially fostering certain favoured manufactures by misdirection of capital and industry will be generally as well as severely felt. When

that time arrives the only door of escape from ruin for our protected manufacturers will be Commercial Union with the United States, which would bring them under the American tariff. Tariff reduction in the United States will come. So intelligent a people cannot forever suffer themselves to be duped into bearing a heavy taxation for the personal benefit of a few hundreds of their number. But any abrupt change is likely to be prevented both by the fear of an industrial collapse, which is strongly present to the minds of many Free Traders, and by the political influence which the manufacturers with their compact vote will be able to exert so long as parties are evenly balanced. Thus the Canadian manufacturer might obtain a long respite: unless Canada has fallen into her dotage he can hardly hope for more.

THE Free Traders have been too theoretical, and have thereby exposed their flank to the attack of their opponents. They have fancied themselves in a world of abstract principles, whereas they are in a world of concrete necessities, to which principle, however sound in the abstract, must sometimes bow. Every nation, as things are, must have its tariff; every tariff must be an interference with freedom of trade; and the commercial circumstances of different countries being different, each country must be allowed to do what suits its own commercial circumstances best. This the purists of Free Trade have failed to recognize. They have also unreasonably repudiated the aid of retaliation, which, as its object is to force open markets, is virtually a policy of Free Trade. Here Lord Salisbury has them at an advantage, and is enabled to appear in contrast with their scientific pedantry as the advocate of practical justice to his nation. But the man who, not being a member of the Manufacturers' Association, can deny that, as a general rule, Free Trade is good, must have a curiously constructed mind. We should like to see our Protectionist friends present the opposite principle in a clear and definite form. Now is an opportune moment, when the state of the revenue seems to call for something to confirm their faith. Does their theory embrace all products, actual or possible, of native industry? If not, upon what grounds is the distinction made? Upon what economical grounds, we mean, for the political ground upon which large industries are favoured is obvious enough. If it is desirable to force manufactures into existence in a country which has no coal, why is it not also desirable to force the production of kinds of grain or fruits for which the soil and climate are comparatively unsuited? In each case, there being only a certain amount of capital and labour disposable, there is the same transfer from the easy and remunerative production to the less easy and less remunerative. Again, what constitutes the proper circumscription of a territory for the application of the Protective principle? Commerce being a different thing from politics, why should the political area exactly coincide for this purpose with the commercial? If Free Trade with Minnesota would be a commercial curse to Manitoba, why is Free Trade with New Brunswick a commercial blessing to her? We might ask also why Customs duties should be the only mode of guarding ourselves against the baneful irruption of imported plenty? Why do the same people who try to prevent importation by their tariffs proceed to facilitate it by promoting the construction of canals and railways? Will not diminution of freight operate just as fatally as reduction of duties? Mr. Henry Carey, of Philadelphia, bellowed nonsense in bad English; but his nonsense was at least consistent with itself. He avowedly hated international trade altogether; he hated international goodwill as well, and he would, if he could, have dissolved the commercial and the moral union of mankind.

To Mr. Martin Griffin and the other believers in Imperial Federation it must be conceded that more has been said about the Colonies in connection with the present elections in England than ever was said before. Time was when you might read through all the election addresses and speeches without finding the faintest allusion to the topic. But the reason why the subject has acquired a special interest for the British masses just at present is plain: they think that Imperial Federation would bring the Colonies back into the commercial unity of the Empire and secure to the British producer the Colonial markets. Now this is precisely what Mr. Griffin himself would probably allow to be most hopeless. The head of his own party in Canada has framed a Protective tariff against British as well as other goods, and has declared in almost defiant terms that he claims commercial Home Rule for Canada, let Englishmen, Scotchmen or Irishmen protest as they may. Imperial Federation "moves," if Mr. Griffin likes, but its motion is backwards, and backwards it is likely to be unless some strong arm is soon put forth to impel it in the other direction. It will hardly be the arm of Lord Salisbury, who can say nothing more comfortable of the scheme than that it is "formless and shapeless." Mr. Griffin boasts