

knows, to a dead certainty, that he has to take a lesser price on account of the duty imposed in the country to which he exports. Well does he know, and feel, too, that the consumer of what he exports does *not* pay all the duty, but that some of it—more or less according to circumstances—has to be paid by himself, and so has to be taken account of in all his steps previous, and leading to the act of exportation. But take the question out of the circle of concrete private transactions, and put it in print, let us say, giving to it the abstraction and the dignity of a question in the mysterious science of political economy, and straightway the sharp, knowing business man yields himself to the popular, literary weight of delusions which, if presented to him in the shape of actual business, he would instantly repudiate. One of these delusions is of the mathematical, symmetrical sort already alluded to. It is based on the supposition, quite a false and misleading one, that the theory of supply and demand in the market, that prices always find their level, and so on, is perfectly realised in practice. Coleridge, who passed for a metaphysical dreamer, has a remark that our “hard-headed” political economists—as they rather like now to be called—might ponder over with advantage. Objecting to the expression that “things always find their level,” or something conveying the same idea, he says that the idea conveyed is wrong, the true expression being that things are always *finding* their level, like water in a storm. The book-worm theory of supply and demand, however, as impressed upon the popular mind, pre-supposes the existence of something like an electrical circuit, an instant’s close of which makes an equilibrium throughout. What the doctors aforesaid forget is, that they are not dealing with problems of physical matter and motion merely, of pure mathematics or mechanics, but with problems which are complicated by the subtle, baffling element of human agency and action. This is the unknown, variable quantity, which can never be properly expressed in their formulas, and which sets at fault their nicely-exhibited and symmetrical results. It seems no doubt ridiculous, in theory, to say that a Canadian producer, who needs Protection at home, against his English or American competitor, may nevertheless be able to meet the latter abroad on equal terms. The reader is referred to an article from the *New York Tribune*, quoted in the appen-