

clusion, however, would be entirely erroneous. Year after year the most systematic and energetic attempts have been made in the colony to manufacture both candles and soap for domestic use, but without success, for as soon as the local manufacturers had supplied a suitable article, and reduced the price in order to effect a sale, large shipments came pouring in from abroad, and swamped the market. The attempt was repeated time after time, and no sooner had one manufacturer failed, and high prices again become the rule, than another competitor was ready to enter the field, and so one followed the other in rapid succession, but always with the same result—utter ruin to all connected with the undertaking. Under the tariff of 1871, however, candles and soap pay an import duty of twopence per pound, and there is now a prospect of the manufacture of these commodities becoming an established industry in the colony.

One more illustration. The colony of Victoria is a great wool-producing country. The exports of wool from this colony in 1870, according to the aforementioned authority, amounted to £3,205,106, and the imports of woollens and woollen piece goods in that year to £817,087. A cloth factory was established in the town of Geelong several years prior to this date, and was a fair success, the company which owned it paying a dividend of ten per cent. on the capital invested. A kind of tweed was made at this factory, which enjoyed a high reputation in the colony, owing to its good wearing qualities; but an enterprising importing firm in Melbourne forwarded a sample of this cloth to Yorkshire with instructions to make a quantity equal in appearance, at a price mentioned. The consequence was that large shipments of shoddy imitations of this article were imported into Victoria, and sold at a price lower than the home-made cloth could be produced for, and the company's cloth—which was really the cheaper article of the two, taking the superiority of the quality into consideration—became a drug in the market. To save the local industry from utter annihilation, the legislature imposed a duty of ten per cent. on all cloth imported into the colony, and since then the manufacture of cloth has assumed larger proportions, and new factories have already started, or are about to start, in various parts of the colony.

It might naturally be supposed that a country situated at a great distance from its source of supply would be protected from a periodical glut of imports. But such is not the case. It is only a question of a delay of months, instead of weeks or days, in the forwarding of the goods to their destination. In fact, the very distance from the source of supply inflicts another evil on consumers. The long voyage offers ample facilities for forestalling the market. Nowhere do goods so fluctuate in price as in those countries which are situated at a great distance from their source of supply. Australia and California for instance, which draw their chief supply of manufactured goods, the one from England, *via* the Cape of Good Hope, and the other from the Atlantic States, *via* Cape Horn, are constantly subjected to this system of forestalling. There is ~~scarcely~~ a commodity imported into Australia but has, at one time or another, been manipulated in this fashion. The practice is there carried on in the most systematic manner. There are individuals there who make it their special study to create an artificial scarcity. The *modus operandi* is very simple. No sooner is there the

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