

WHO PAYS THE DUTY ?

Another point upon which there is much misapprehension, and upon which a great deal of learned discussion has taken place is the question "Who pays the duty?" The free traders, especially purely theoretical free traders, contend that the duty is paid by the consumers; that it matters not to the producer what duty is imposed by the consumer, because he must pay it himself. There is a very simple rule by which every man can ascertain for himself who pays the duty on almost every article. If we produce that which our neighbors have not, and which they must buy from us, we can put our own price upon it and leave them to pay the duty imposed by their Government. In that case the consumer unquestionably pays the duty. But our neighbors and ourselves produce similar commodities and our producers have to compete with their producers. On their way to the American market our producers have to pass through the American custom house and pay the American duty, and when they reach the market they can obtain no more for their commodities than the American producer who pays no duty. (Applause.) In that case the Canadian producer pays the duty upon what he takes into United States markets.

A FAMILIAR ILLUSTRATION.

Let me illustrate this in a manner that will make it plain to every one. Suppose a farmer in this county takes five horses, valued at \$100 each, to Detroit to sell. The duty on horses in the United States is twenty per cent., which the Canadian farmer must pay before he can enter the Detroit market. That is, he must pay \$20 a horse, and on his five horses \$100, or the value of one horse, at the United States custom house before he can take them to market. There he will get no more for them than a Michigan farmer will get for five equally good horses. Suppose that he and a Michigan farmer each sell five horses at \$100 a horse, each gets \$500 for his five horses. The American farmer takes his \$500 home in his pocket, while the Canadian farmer takes home only \$400. He had to pay \$100 for duty. I do not think the Canadian farmer would be in any doubt as to who paid the duty on his horses. So it is with barley, wool, and in all cases where the Canadian producer comes into competition with the American producer in the markets of the United States—he receives the same price as the American producer, and has to pay the duty, whatever that may be.

A POLICY ANNOUNCED.

In adopting a national policy it would require to be what the words imply. All interests would have to be justly considered—Agricultural, Manufacturing, Mining, Lumbering, &c.

I may say that my own policy would be this: I would adopt the tariff which I believed to be for the interest of Canada, making it generally reciprocal with the tariff of the United States. We cannot compel them to adopt our policy,