

they should be free from such an imposition. He criticised the action of the Local Government in this respect showing that as the Dominion Government only should have the right to legislate in commercial matters, the Local Legislature was assuming a power it should not possess. "When he represented these matters to the Government in Quebec they told him he did not know what he was talking about. If they were willing to pay this \$30,000 a year they need not blame him for running this Company into the ditch." The sense of the meeting coincided with the views of the General Manager. There was no intention of removing the head quarters of the Company, but if they could save so much a year by removing, it was clearly their duty to do so. The General Manager in conclusion returned thanks to the Directors for the valuable assistance rendered him in promoting the interests of the Company, more especially by their worthy Vice-President, to which was largely due the success which attended his efforts in bringing the Company to its present satisfactory condition.

The country at large has much reason to congratulate itself on the success which has been attained by this really first-class home institution, not only in its native sphere but in the United States, and that the slander of its enemies have been proved as utterly false as their machinations have been rendered futile.

CONCERNING THE UNWISDOM OF A CAST IRON TARIFF.

It will be admitted that a natural tariff must, as far as possible, fall on realised wealth above the ordinary cost of living, so that the producing classes of all kinds may best be able to contribute by their activity to the prosperity of the country rather than by the mulcting of the means required for their bare support. As a strong and exaggerated illustration of this we may contrast the Hindoo peasant, who pays tax on his rice, with the English artisan who pays tax only on his surplus earnings, whether it be in the shape of income tax or excise on luxuries. A national tariff therefore would be one which yielded to the people a supply whether from home or abroad of the absolute necessities, at the least possible rate of government excise (for the term excise, signifying a cutting off, aptly implies so much taken away for the purposes of the sovereign,) and under this construction freedom from taxation on raw material and products exotic to the climate and condition of the country would form an element of profit in the work-

man's earning and therefore on his question of the means of living.

It would be necessary therefore to leave these products full freedom to reach the consumers in the country, unless exceptional circumstances should arise.

But what is raw material in one case becomes the manufactured product of another; if we wish to make good stove castings we shall require two different kinds of iron, both of which may not be obtainable within the limits of one territory except at a cost of assembling equivalent to a sum as great as the duty which bars out the foreign article.

It may be necessary in making clothing to use a stuff which is profitably made in a drier or in a moister climate, and the enhanced cost of which from duties turns the scale of profit against the manufacture of the finished goods. Great discretion, therefore must be used in avoiding the raising a revenue for legitimate purposes of government in any way likely to hamper intelligent industry in the country.

But, on the other hand, an equal discretion is required to govern the taxation on importations which may militate against the established or to be established enterprises of those individuals who, with their employers, make an important part of the nation.

Let us illustrate this by the case of the sugar factories. A large amount of national labour has probably been put in a fixed and unconvertible shape for the purpose of making sugar; the normal price of the article produced by these appliances is not exceeded by the charges of the manufacturers;—a foreign nation enters into partnership with certain manufacturers of the same article on what appear at first sight a losing speculation; it pays *all loss of profit* on transactions outside its own territory.

At first blush it would appear that the importing nation gained an absolute advantage by this folly of the foreigner, and it would be so if the tacit bargain were continuous, but it must not be forgotten that the home investment being inconvertible and useless for other purposes suffers from the natural decay consequent on disuse and neglect; that the industrial skill, not easily diverted from a groove, seeks congenial employment in emigrating to the rival territory, and that in a certain term the foreign government is free to retire from its temporary partnership and leave the interested partner master of the situation. In a case the same as or parallel to this we think the common interest would dictate the imposition of a duty equal to the bounty paid by the foreign government for the advancement

of its industry and the destruction of our own. The absolute principle of free-trade, no more than that of protection, can apply to the commercial movement of a free people. The tendency of opinion is just now in favour of protection, and our policy should be to *select* industries applicable to the conditions of our climate and situation, and which, although destined ultimately to be vigorous and of full manhood, might now be starved by the contraction and jealousy of foreign states, anxious to retain the mastership in their own hands.

If we were alongside a nation liberal in its views and disposed to give and take, there is little doubt that Canada would be largely *free-trade* in its policy; our great water courses and inland seas mark us as a trading as well as a manufacturing nation. Already, in the face of great difficulties, we have attained a high rank among the nations claiming a large tonnage of shipping; but, while the present disproportion of population exists, we cannot afford to let the gigantic industries of the United States swamp every effort at raising our home manufactures above the mere beginning.

Mr Cartwright's free-trade policy has already well-nigh ruined our tea trade, and the same absolutism in the application of principles, whether of free trade or of protection, would be equally mischievous in its results.

We were glad to observe that the assembled commercial wisdom of the Dominion has, in its recent conference, been governed by this rule of discretion. The policy suggested to the Parliament is generally in accord with right views of commercial statesmanship.

Mr. Robertson is evidently unwilling to hamper the commerce of the country without advantage to the internal trade and manufactures, and if his estimate of imports from the States into Montreal were a basis on which to calculate the *slaughter* sales not merely of manufactures, but of other goods made in Canada, we would have but little reason to complain. He ought not to forget, however, that, on a boundary like ours, with so many points of importation, the foreigner who seeks to make ours a slaughter market would *avoid* Montreal, Toronto or Hamilton in the West, and St. John or Halifax in the East, and make the whole of Canada a slaughter market in every little port or outport, shutting out the manufacturer from his customary market by a *flank movement*. All this would be perfectly fair if we had a reciprocal right to enter the markets of our neighbors; but the consular system and every