

FREE TRADE vs. PROTECTION.

ARTICLE NO. 1.

MANY reasons have conspired to force the question of Free Trade upon the attention of the people of Canada. The question is one of vast importance, and demands serious investigation at the hands of the press and the people. As a principle of political economy, Free Trade is unexceptionably sound. Few of its opponents deny this, but while admitting its correctness in theory, dispute its practicability, especially in a young and rising country. In view of the important bearing which a Free Trade policy would have upon the interests of Canada, we propose to discuss the subject briefly, urge some of the arguments brought forward in its favour, and reply to some of the objections raised against it.

Free Trade is beneficial, because its tendency is to increase commerce, and because it enables us to buy in the cheapest, and sell in the dearest market. Experience proves this to be the readiest way of acquiring wealth on the part of individuals, and as it is with individuals, so it is with nations. One country produces what another requires, and vice versa, and these are exchanged upon a just and equitable principle. If we export to Great Britain a certain amount of grain, we receive in exchange a corresponding amount of clothes, hardware, and other articles. If we restrict, by heavy tariffs or otherwise, the importation of articles from Great Britain, we will soon decrease the amount of grain we export. In looking at the subject from a wide point of view like this, it is evident that Free Trade increases commerce, and commerce increases the demand for our surplus products. In buying in the cheapest markets, we may not encourage particular branches of industry in Canada; but if these cannot compete with those of Foreign countries, it would be better to divert the capital of labour into other and more profitable channels. About eighty per cent. of our population would be benefitted by shaping our commercial policy towards unshackled trade, and it is by no means fair that they should be burdened for the benefit of the remaining portion.

It is undeniable that a restriction upon, or the prohibition of the importation of, any Foreign article, may have the effect, for a time at least, of benefitting those engaged in that business at home. But as this benefit is generally derived from an increase in the price of the article protected, it is quite clear that what the protected class gains, comes directly out of the pockets of those who consume the article. In nine cases out of ten, it is the consumer, and not the producer, of an article who pays the duties imposed upon it, and, therefore, the imposition of restrictions upon any article of commerce generally injures those who impose them. To illustrate our position, let us take an example. Suppose we could only obtain from our manufacturers 1,000 yards of cloth for \$1000, while for the same sum of money in Foreign markets we could obtain 1250 yards. Now, is it not plain that if we imposed duties which would raise the Foreign goods to the same price as the home-made, we would be selling our produce (with which we would pay it) twenty five per cent. below its value, occasioning a loss of one-fourth of the quantity of produce annually bartered for such goods? In other words, those who consumed those cloths would have to pay for them twenty five per cent. more than their real value. Thus, for the sake of fostering one branch of industry, we would not only be forced to sell our produce in the cheapest, but buy in the dearest market, to the obvious disadvantage of the great majority of the people.

If a principle of political economy be a sound one, the more fully it is carried out, the more distinctly will its soundness appear. When this course is pursued with Protection—that is, when a tariff is imposed purely for protective purposes,—its fallacy readily becomes apparent. In countries heavily protected, all branches of trade and commerce between nations would almost cease, and if there was not full freedom of trade between individuals, we would have the farmer making his own boots, shoes and clothes, the printer growing his own wheat, and making his own presses and types, and each person trying to live independently of his neighbor. It may be asserted that although it is impossible for inhabitants of the same country to live independently of each other, it is quite possible for nations to do so. We admit that it may be possible, but it is a policy quite as shortsighted as that of the individual who won't try to supply all his own wants. As individuals have to rely upon one another, there is a natural dependence between one nation and another, and could it be that the wants of

any country could be wholly supplied by home productions, and manufactures and commerce with other countries cut off, that country would only have "the independence of the solitary and unsocial savage, which is productive, not of strength, but of weakness."

Even to the favoured branches of trade, protection is not an unmixt benefit. It generally acts as the hot-house to the flower; it produces an unnatural and unhealthy growth, liable to suffer from the first adverse storm. If we prohibited the importation of any kind of manufactures into Canada, it would undoubtedly increase the profits of manufacturing largely, and we would certainly see an increased demand for skilled labour. But the result would be that everybody would rush into business promising such large profits, the market would speedily become glutted, and, having no outlet but the home demand, there would be a stagnation, prices would fall, and the most disastrous results follow. Let any person calmly investigate this point, and he will find that wherever a high tariff increases the profits of any branch of trade above the common level, that very circumstance has a tendency to induce competition, which may, in the end, bring disaster upon those engaged in it.

There is a difference between absolute Protection and incidental. By the former we mean duties imposed simply to force into existence manufactures which we can buy cheaper from other nations; by the latter, a revenue tariff adjusted so as to encourage manufacturing. Professedly, our present Canadian Tariff has been arranged on the incidental basis, and we frankly admit that this is not so objectionable as the other. In fact, while it is wrong and foolish to enact high tariffs simply for protective purposes, when a nation is compelled to raise a large amount of revenue, it may be wisdom to adjust the duties so as to encourage home industry. But it may properly be questioned, whether Canada requires to continue her tariff any longer as high as during the past few years, and whether a nearer approach to the principles of Free Trade would not promote the best interests of the country. Many of the leading commercial men of the Province contend that it would, and the Hon. Mr. Galt should not delay in reducing our taxation a day longer than the necessities of the public exchequer require.

We shall resume our remarks upon this subject in our next.

Opening of Navigation.

On Wednesday last, the 2nd inst., water was admitted into the St. Lawrence Canals, and steamers commenced making their regular trips between this city and the western lakes. Navigation, therefore, is now fairly open, and we are once more brought into direct communication with other countries. We have already to report several arrivals from sea, the ships "Shandon," "Gleniffer," "Columbian," and the steamship "Hibernian," being the first in order. All these are now in port, and bring a large assortment of dry goods, hardware, &c., for Montreal account.

The spring fleet, destined for these Provinces, is a very large one—nearly three hundred vessels having, at last advices, already sailed from various parts of the United Kingdom and elsewhere. We shall soon see our wharves lined with ships loading and unloading cargoes, giving gratifying evidence of the growth of Canadian commerce, and stimulating still further the energy and enterprise of our citizens.

Fire at Port au Prince.

A great fire occurred at Port au Prince, the capital of Hayti, on the morning of Monday the 19th March. It destroyed about 1,000 houses, rendered homeless 6 or 8,000 persons, and caused a loss which fifteen millions in gold would scarcely cover. During the progress of the fire the greatest confusion and terror prevailed. Women ran screaming through the streets, and the men were incapable of doing anything to arrest the flames, for there were but two broken down engines to be found, and no water to feed even these, save the contents of gutters. Narrow escapes were the rule rather than the exceptions, several persons lost their lives, merchants ran about with their money on their backs, in coffee bags, for lack of safer repositories, and the fire degraded and wrecked in a few hours property to the extent of an unlimited extent. The fire has, it is thought, given a fatal blow to the place.

Fire at Thorold, C. W.

A very disastrous fire broke out in Thorold, on Sunday last, consuming the buildings over six acres of ground, and destroying property to the estimated amount of \$250,000, with only partial insurance. About forty-five families are thus rendered homeless.

s of Discount.

The following were the rates of discount in the principal European cities, according to latest advices:—

	Bank rate. Per cent.	Open market. Per cent.
London.....	6	6
Paris.....	3½	3½
Vienna.....	6	6
Berlin.....	6	6½
Frankfort.....	6	6
Amsterdam.....	5½	5½
Brussels.....	4	4½
Hamburg.....	6	6½
St. Petersburg.....	6½	6½

Consols closed firm at 87½, the advance being due to the amount taken for investment, induced by the unusually low quotations. Stocks generally were firmer. U. S. 6-20s closed at 70 to 70½, a gain of nearly 3 per cent.

Tables for the use of Importers.

We have received from Messrs. Dawson Bros. a work entitled "A Table of Advances in Currency on Costs Sterling," published in pocket form by Messrs. Wm. Brown & Co., of Hamilton. It shows at a glance what an article costs in dollars and cents, costing from one penny to two hundred shillings sterling, with 65, 60, 65, 70, 75, 80, 85, 90 and 95 per cent. added, and will, no doubt, serve an admirable purpose in saving time and trouble in making long and difficult calculations.

Marino Miaing for Money.

Upwards of 80 years ago, in the winter of 1784, a vessel bound from Spain was totally lost, with her entire crew, by being driven in a stormy night on the rocks at Gunwalloo, in Mount's Bay. The vessel was known to have had an immense quantity of specie on board in Spanish dollars, and ever since, after violent gales, dollars have been picked up in the neighbourhood of the wreck. Two or three companies have been formed for recovering the bulk of the silver, which is known to be deposited within a very circumscribed area; but the undertakings were not vigorously pursued, and after a time were abandoned. One of these parties, many years since, attempted to recover the treasure by means of sinking a shaft in the rock inshore, and driving an adit from its bottom seaward, to get under the spot where it was supposed the hull of the vessel lay imbedded in sand, shingle, &c., but this was abandoned without result. Late a company has been formed, and they have decided on making another attempt. They have communicated with the Admiralty, and received formal permission to prosecute the work, and this summer they hope to secure the long-coveted silver. Mr. John Toy went last week with two men to the place, which ever since the wreck has borne the name of Dollar Cove, and the tide being low they proceeded to clear up the mouth of the old shaft. It was filled into a depth of about six feet with large boulders and shingle, and they had not worked long before they picked up eight dollars. Two or three were brightly scoured by the sand, while others have sand so firmly attached to them that it will be difficult to separate the coins from it. Some bear the dates of 1782 and 1783, and others are older, while the dates on some are quite illegible. The presumption is that this winter these have all been thrown up, with probably thousands of others which did not find their way into the little opening of the shaft. While Mr. Toy was engaged in his clearing operation, a boy, who has picked up some dollars since Christmas last, was on the rocks, and saw a dollar thrown up by a wave, but before he could reach the rocks a receding wave washed it out again. After heavy weather from the south and west dollars are often found on the beach and rocks; very likely a box or package which contained a portion is disturbed and knocked to pieces, and its contents scattered about. The shaft is about 500 yards west of Gunwalloo Church, from which it is separated by a towan and ledge of rocks. Apart from the financial success of the speculation the progress of the new company will be watched with interest.—*Western Morning News.*

Estimated Stock of Tea in the United Kingdom

	April 1, 1854.	April 1, 1855.	April 1, 1856.
London ... lbs.	95,010,000	108,223,000	97,865,000
Liverpool	2,218,000	2,729,000	1,651,000
All other ports			
estimated at....	9,000,000	6,148,000	6,000,000
	106,228,000	117,100,000	105,516,000