

of complaint, such as in that of France, which has refused to renew a treaty of commerce that, when framed, was deemed much more advantageous to her than to Great Britain. One of the results, and it is an inevitable one, of a strict free trade policy, is that it places the nation which adopts it at a disadvantage in regard to other nations, inasmuch as retaliation is impossible. It is most improbable that in the case of France the opposition to the renewal of the treaty came from the exporters of wines, who were specially benefited by it. The French manufacturers, like those in the United States and Canada, feel unable to compete with Great Britain in their own markets without protection, and they have succeeded in carrying out their policy. If Great Britain could see her way to place duties on the French manufactures of silk and wool to the same extent as those imposed on her own in France, it is highly probable that there would be no difficulty about the treaty. The exports from France to Great Britain during the ten years ending in 1880 averaged annually a little over £42,000,000 sterling, while those of Great Britain to France during the same period averaged only about £16,000,000. The chief item of French export to Great Britain is silk manufactures, but in woollen manufactures the imports into Great Britain from France are £4,322,545, and those into France from Great Britain £3,395,447. This is the great cause of complaint, as the British imports are free, while their exports are charged with a heavy duty in France.

It is desirable that parties interested should clearly comprehend the British policy. An export trade is indispensable to her manufacturers, and as they have to compete in the markets of the world with the manufacturers of other nations, it is not their interest that the price of goods should be increased, and the tendency of duties is to raise prices. In spite of all the protective duties imposed by other nations, the commerce of Great Britain has increased progressively under her free trade system, and there is no probability whatever that she will abandon it. It by no means follows that countries differently situated should follow the example of Great Britain. We doubt if there is much difference of opinion on this subject in Canada, at all events there is much less than is imagined in Great Britain. From the tone of the press there can be no doubt that an impression prevails very generally that the recent contest has been between protection and free trade, as that term is understood in Great Britain. This is a complete mistake. As we re-

cently pointed out, the self-styled free-traders in Canada avow themselves favorable to incidental protection, and they further maintain that our cotton and woollen industries were established and prospered under a tariff adequate to the purpose, and that the stimulus given to our various industries by the late tariff will in all probability lead to calamitous results. There is no doubt of the fact that our chief industries were established under a 15 per cent. tariff, and moreover that the demand of the manufacturers for protection was confined at that time to 20 per cent., which they admitted would be amply sufficient. Now we have little doubt that a duty of 20 per cent., which the so called free traders would doubtless readily accept as a compromise, would be deemed by English manufacturers a most oppressive tariff. It will be recollected that when the Government of Mr. Mackenzie increased the *ad valorem* rate on unenumerated articles from 15 to 17½ per cent., many of its supporters were anxious that it should have been made 20, and that this might properly have been done with a view to increased revenue, which was much required at a time when the imports were annually falling off. The goods entered for consumption fell off from 127 millions in 1874 to 91 millions in 1878 and to 80 millions in 1879. In accordance with its own avowed policy, the Government of the day would have been justified in raising the duty to 20 per cent.

The real cause for uneasiness at the present time is the obstinate refusal of the protectionist party to admit that there is any other cause for the prevailing prosperity than the increase of custom's duties. They profess at all events to believe that the decrease in the imports from the United States is to be attributed to the new tariff, which has deprived our neighbors of what is termed their "sacrifice market." They refuse to acknowledge that the five years from the fall of 1874 to 1879 were years of extreme depression throughout the world, that there was a gradual fall of prices of commodities generally, resulting in an immense depreciation in the value of stocks in trade, and in consequent extensive bankruptcy. They wholly ignore the opinions of our most experienced bankers, one of whom, Mr. Hague, General Manager of the Merchants' Bank, referred but a few days ago to the unexampled number of insolvencies in the years 1877, 1878 and 1879 amounting to 85 millions of dollars, and added that he would not tell how many millions of the liabilities of insolvent estates his bank had had to deal with. These facts are systematically concealed

by party politicians, and the losses are ascribed solely to the want of adequate protection, while the present prosperity is attributed to the national policy. It is a favorite theory of the Ministerial journals, that the effect of the tariff has been to increase imports from Great Britain, and to diminish those from the United States. It is a trite saying that nothing is more deceptive than figures, and when used, as they frequently are, for the purpose of deceiving, they produce a great deal of mischief. We feel assured that it cannot be satisfactorily proved that the effect of the present tariff has been to divert imports from the United States to Great Britain. On the contrary, the tendency of the tariff is to produce an opposite result. We have more than once given specific cases in which the duties on certain articles on which combined specific and *ad valorem* duties are imposed, were considerably higher from Great Britain than from the United States. This is owing to the specific duty amounting to a larger per centage on the lower than on the higher priced article, and, as a rule, the British price is lower than that from the United States. There is, however, a case even more obvious. It is well known that the British coal imported into Canada is almost exclusively bituminous, while the American coal is chiefly anthracite. Canada, a British colony, imposes a discriminating duty against bituminous, so as to encourage the consumption of United States anthracite. This is said to be done in the interest of Nova Scotia collieries, but it is indefensible on that ground, as it discriminates against them.

It is difficult to meet those who in general terms refer to the decrease of imports from the United States without citing specific cases. It cannot be denied that the imports of sugar and tea from the United States have been considerably reduced by the new tariff, but Great Britain has not derived much benefit therefrom. In 1876 the imports of sugar above 13 Dutch standard were: from Great Britain, 30,442,099 lbs, value \$1,393,290; and from the United States, 33,340,919 lbs., value \$1,745,869. In 1881 the imports of sugar above 14 D. S. were: from Great Britain, 9,965,369 lbs, value \$480,312; and from the United States 1,362,925 lbs., value \$93,871. In both cases the falling off is immense, but Great Britain still commands the market for the better quality, which is valued much lower than the American. In this case it will be found that the aggregate duty on the British sugar is over 55 per cent. on its value, while the duty on the United States article is under 50 per cent. In cotton goods, which is the most