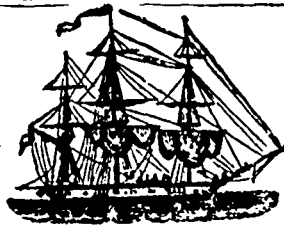


CANADIAN ECONOMIST.



FREE TRADE JOURNAL, AND WEEKLY COMMERCIAL NEWS.

Vol. I.]

MONTREAL, SATURDAY, 29TH AUGUST, 1846.

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THE CANADIAN ECONOMIST.

MONTREAL, SATURDAY, 29TH AUGUST, 1846.

"HAMILTON COMMERCIAL ADVERTIZER" AND AGRICULTURAL PROTECTION.

Our last number contained the Petition of the Toronto Board of Trade to Her Majesty on the subject of Free Trade. The opinions therein contained, being in accordance with those embodied in the Reports of the Free-Trade Association and the Montreal Board of Trade, have of course our warmest approbation. Such a document, emanating from so distant a part of the province—a part which might, on a superficial examination, be supposed to have interests dissimilar to those of the inhabitants of the city and district of Montreal—is calculated to give great weight to our representations, inasmuch as it distinctly proves that they are not made to subserve any sectional or local purpose, but are framed with a view to general utility.

We own that the support of our principles which we receive in Canada West exceeds our most sanguine expectations, and we trust that this almost entire unanimity of feeling may prove an earnest of success. On the subject of Differential Duties, and on the British Navigation Laws, we entirely coincide; and even on that *vezata questio*, the 3s. duty on American wheat, there is far less divergence than might have been anticipated.

The fact is that the agriculturists of Canada West are an intelligent race of men. Seeing the injustice of being taxed for the support of the British manufacturer or shipowner, they cannot wish a similar injustice to be perpetrated on the consumer of agricultural produce in Canada East, for the support of the farmers of Canada West. They cannot at the same time ask for Free Trade and Protection. Admitting, for the sake of argument, that the tendency of the 3s. duty is to raise the price of grain here to a certain degree—a position which we have repeatedly disproved, inasmuch as it is clear that Canada having a surplus production of wheat which she exports to other countries, it is the price which she obtains for such surplus that regulates the market value here—the agriculturist is bound to prove that he is subject to some burdens for the benefit of the community, which press on him more heavily than on other classes, or that the exercise of his calling is productive of such advantages as to entitle him to special protection. He can do neither: nay more, he can assign no reason why he cannot produce as cheap as his neighbours on the other side of the line—no circumstance which precludes his entering into a fair competition with them.

But by some pseudo advocates *par excellence* of the agricultural class the question is put in another form. The retention of the 3s. duty—a duty, be it remembered, which was imposed as a part of a compact between this country and Great Britain, which bound the latter in consideration of its imposition to receive our produce on certain favourable terms—is justified on the ground of

certain duties being levied on our agricultural produce in the United States. But this surely is no argument for their continuance, if, as has been repeatedly demonstrated in this journal, those duties cripple our foreign trade and operate unjustly on our consumers. We coincide to the full extent in our opponents' opinions of the blindness of our neighbours and their mistaken policy; but are we therefore to imitate it? If they, instead of opening wide the portals of commerce, choose to keep them closed, are we necessarily to follow their example? If they choose to act contrary to those sound principles of political economy, now so clearly demonstrated as to have become axioms, must we follow their pernicious example at the cost of national prosperity? We call for the removal of the 3s. duty, irrespective of the interests of other nations, and purely with a view to our own advantage! We shall rejoice to see our neighbours tread in our footsteps, because we believe it will be mutually beneficial that they should do so, but we see no reason why we should wander about in the mazes of error, until they shall become sufficiently enlightened to follow the forward path of truth!

In the *Hamilton Commercial Advertiser* of 21st inst., in the course of some remarks on the Report of the Montreal Board of Trade, the Editor assigns his reasons for a reciprocity in the duties on the respective frontiers of Canada and the United States. He says, after admitting the correctness of the argument that the prices obtained for the surplus produce regulates the price of the whole:

"Suppose then, that such a case as occurred about seven years ago, should again happen, and that the States have to import wheat, and import it from Canada, it is clear that the whole duty collected by them on Canadian wheat adds nothing to its price in their market, but it is just so much placed in their treasury, which ought in justice and under a system of perfect reciprocity, to have been put in the pocket of the Canadian farmer."

Such a string of fallacies was certainly never put together! Surely our *confrère* has never studied, or has forgotten, the very rudiments of Political Economy. Is he ignorant, or does he deny, that the burthen of a tax falls on the consumer? Why is it that Great Britain has for a series of years maintained a certain amount of duty on the importation of Foreign Corn, but to secure to the agriculturist a certain price in the home market? And does the Editor of the *Hamilton Advertiser* pretend to say that she has all this time been taxing the foreigner, and not her own subjects? If the people of England had been of a similar opinion, the Corn-Law League would never have been established, and the Corn Laws would never have been repealed! Does the worthy Editor then really believe that in the case put by him the Canadian farmer, and not the American consumer, was the party taxed? If so, let him turn his eyes to the markets of Great Britain at present, and see whether there be not there a fall in price consequent on the admission of foreign grain at a trilling duty.—Can it be denied that if Great Britain had increased instead of diminishing the duty on Grain and Flour, the price in the market would have advanced to the extent of that duty, in case she had required to import bread-stuffs for her consumption?

We need not pursue the subject further, since it is, we trust, sufficiently clear that the editor of the *Hamilton Commercial Advertiser* has reasoned from wrong premises, and the consequence is that his conclusions are erroneous.

The question as to whether the duties on the importation of Wheat and Flour into Canada for consumption are to be maintained, is one destined we believe, ere long, to occupy a considerable share of the public attention; and when the proper time arrives, we trust we shall not be found wanting in the promulgation of sound doctrine. We await with patience the arguments of such of the agriculturists as are in favour of their continuance. On their appearance we shall endeavour, to the best of our ability, to refute them, and we confidently trust to obtain the verdict of that enlightened jury, the public, in support of our principles.

In the meantime we would exhort our brethren in Canada West to AGITATE in favour of those views, which we, in common with them, entertain. A severe contest is at hand, and it is on their assistance we mainly rest our hopes of victory.