

FREE TRADE vs. PROTECTION.

No. 11.

THE protection which manufacturers demand must be partial and not general in its nature. The man who wants a duty imposed on the goods which would come into competition with his goods, does not want a duty on the raw or partly manufactured material which he has to use, although the home production of such material might be stimulated by a prohibitive tariff. Thus the manufacturer of woollen goods in the United States, himself very heavily protected, is opposed to the tariff on wool, which greatly enhances the cost of that article, although it has undoubtedly given an impetus to sheep farming. Another instance of this is given in a letter which recently appeared in a Western contemporary, strongly objecting to the duty on sulphuric acid, an article largely used by the oil refiners. The writer argues that refined oil is already burdened with a tax of 5c. per gallon, and complains of the unfairness of still further lessening his chances by the tax on sulphuric acid. He, however, not very honestly omits altogether to allude to the fact of the customs duty of 15c. per gallon on foreign oil. The manufacturer of sulphuric acid has just as good a right to protection as the distiller of oil, and every argument that can be brought forward in favour of the latter can also be used as a reason for securing a home market for acid. The injustice is not to the distiller, but to the consumer, on whom falls the weight of the double tax, and who is prevented from purchasing his oil, where he could otherwise do it often very much to his advantage.

It might of course be that by a skillful arrangement of the tariff, all manufacturers and producers would receive an equal share of the supposed benefits of protection. Under such circumstances we suppose, according to protectionists, the greatest possible impetus would be given to manufactures, the most profitable markets be furnished for all kinds of food, and the highest prices be paid for labour; and under such circumstances, our second reason for giving preference to free trade becomes of weight. Prices of all goods, except such as can naturally be manufactured with profit in the country, must advance in price, labour included; and hence the cost of production of all articles must be proportionately raised, neutralizing the temporary advantage obtained. Thus, if a duty of 15 per cent. be sufficient to secure a home market for any given article, say refined oil, while the raw or partly manufactured material which enters into its composition is free of duty, when a protective duty is placed on that material, its enhanced price raises the cost of the oil, and once more enables the foreigner to compete, until a further duty excludes him for a while longer; and so it must be with the whole circle of productions from the raw material, which is only produced at an increased cost, in consequence of dearer labour, to the completed form of manufacture in which it is ultimately used by the public. Protection as a policy to be followed impartially by any country must be a failure, so far as its object of excluding foreign manufactures are concerned. Protection as a policy to be pursued towards a few branches of manufactures may secure a home market for those particular branches, but it can do so only by cutting off the public revenue which would arise from a moderate duty, and at the expense of equal justice to all, in putting into the pockets of the manufacturer as profit to him, what otherwise would either be altogether saved to the consumer, or else go to increase the revenue, making possible the reduction of other taxation.

We will give one fact in proof of the failure of protection, when followed as a general policy, to accomplish its aims. The New York Times of the 4th inst., contains a statement of the Imports into the United States from Canada, for the fiscal year ended June 30, 1869. They amounted to no less than \$80,353,010, of which only \$1,886,689 were articles free of duty! In fact it would seem, as regards our trade generally, as if the protective policy of the United States stood to us in the place of a Reciprocity Treaty making any special commercial arrangement unnecessary to us, and leaving it optional with ourselves to give or withhold the fishery, navigation and other advantages which we now hold so cheap and grant so needlessly. The increased cost of living and labour throughout the United States has so raised the cost of production and manufacture in that country, that foreigners sell more and more goods to it every year, and every year in an increasing proportion as compared to the goods they take in return.

TORONTO PRODUCE AND MERCHANTS' EXCHANGE ASSOCIATION.

At a general meeting of this Association, held in the Rotunda of the Exchange, on Tuesday, the 30th of November, to take action in reference to certain statements published in the Toronto Daily Telegraph of the 27th inst., the following resolutions were adopted:—

Moved by James G. Worts, President of the Toronto Board of Trade: seconded by H. S. Howland, Esq., Vice-President of the Bank of Commerce, and Resolved—

"That an article which appeared in the Editorial columns of the Daily Telegraph newspaper, published in this city on the 27th inst. contained the most unfounded statements respecting the Corn Exchange Association, its management, and its affairs, and that the reflections cast on the President and the Assistant Secretary are entirely false, and could only have been dictated from personal and unworthy motives; and as the newspaper containing this attack has so far forgotten its duty to the public as to use its columns as a medium for circulating falsehoods concerning this Association and its officers."

It is Resolved—"That the representatives of the Daily Telegraph be excluded from the meetings of this Association, and that no commercial news or information provided by this board be given to said newspaper until an apology be made to this board."

And it is further Resolved—"That the members of the Board of Management as representatives of the whole Association do sign these resolutions, and cause copies of them to be sent to the principal newspapers of the Dominion for publication, as an effectual answer to the unfounded statements circulated by the Telegraph, and as a protest on the part of commercial men against the newspaper press being used as an engine of personal malice."

Signed in accordance with the above resolution.

Board of Management.

Robert Spratt, President; W. M. Galbraith, Vice-President; W. R. Wadsworth, W. H. Howland, Noah Barnhart, Wm. Gooderham junr., S. W. Farrell, W. D. Mathews, Jas. Brown, &c. and Treas.

Toronto, 30th Nov., 1869.

RAILWAY IN OPERATION.

It is somewhat difficult to give an accurate idea of the railway mileage of the world; but as the proportion constructed by British capital, skill and labor has been so enormous, it is interesting to endeavour to ascertain the progress that has been made in this respect. The capital and traffic estimates are of course speculative; but, reports the Money Market Review, as the three first countries on the list below furnish accurate, or nearly accurate, details, we have thus a fair guide to the remainder:—

Country.	Mileage.	Capital Expended.	Yearly Gross Traffic.
United States	43,000	350,000,000	65,000,000
Great Britain and Ireland	14,500	520,000,000	40,000,000
France, &c.	10,200	300,000,000	26,000,000
North Germany.....	9,000		
Austria, &c.	5,000		
Russia.....	4,800		
India.....	4,100		
Italy.....	4,000		
Spain and Portugal.....	3,900		
Canadian Dominion.....	2,200		
Belgium.....	1,750		
Sweden & Norway.....	1,200		
South America.....	1,100		
Switzerland.....	850		
Holland.....	850		
Australasia.....	750		
West Indies & Central America.....	700		
Egypt.....	500		
Turkey.....	400		
Denmark, Dutch India, Greece, Cape, Ceylon, &c.,	1,000		
Total	109,300	2,002,000,000	189,000,000

Thus, for an expenditure of £20, 2,000,000 there appear to be about 109,300 miles of railway in operation, the cost per mile averaging £18 820. The gross traffic—£189,000,000—is at the rate of £1,780 per mile per annum, or 94 per cent. on the capital expended. The net receipts would therefore be less than 5 per cent. per annum (exclusive of guarantees.) The United States railways are the cheapest in the world; but, owing to their imperfect construction, a very large portion of the traffic receipts is absorbed by renewals and repairs. British lines on the contrary, are the most costly; and yet they are, perhaps, the only railways constructed entirely without State guarantee or aid. When we consider the important part Great Britain has taken in this advance in civilization and prosperity—the vast mass of *maté* and of skilled labour provided by us, we may well be proud of our place amongst nations, of our men, and of our wealth. It is difficult to grasp the fact that nearly half the enormous capital expenditure shown above has been derived from British savings. Yet this is a reality; for besides the £520,000,000 expended on British lines, we have found about £150,000,000 for Indian, Canadian and other Colonial railways, and, in addition, are largely interested in United States, Russian, Austrian, Dutch, Belgian, Italian, Swedish, Turkish, Egyptian, South and Central American Danish, and other lines.

REPORT OF THE COMMISSIONER OF MINING STATISTICS.

M. R. W. RAYMOND, Commissioner of Mining Statistics, has prepared a summary of his annual report. His principal work during the past six months has been the collection of information regarding new enterprises and the condition and prospects of the industry in the different districts, and statistics of production. The principal mining and commercial centres of Colorado, Utah, Nevada, California, Oregon and Idaho have been visited, and operations thereon carefully noted.

The Commissioner reports that the product in California for the year will certainly fall below that of last year, on account of the extraordinary drought, which put an end to the placer and hydraulic mining of the northern counties very early in the season. Another temporary cause of decreased production was the stoppage of several important mines in the foremost quartz mining district of the State—Grass Valley—on account of a miners' strike. In Nevada the yield of the Comstock mines has been largely reduced this year by the exhaustion of various old workings upon which some of the companies have been relying, but especially by the disastrous fire in the Crown Point, Kentucky and Yellow Jacket, which has interfered with the production of those important mines. The prospects of this district for the future, are considerably brighter than they were a year ago.

This year's product of bullion from Nevada will probably not fall far behind that of 1868, the deficiency from Washoe being made up by the greater yield of white pine. On the whole, the prospects of the State have improved, especially in view of the late discoveries in depth on the Comstock lode, the completion of the Pacific Railroad, and the gradual introduction of cheaper labor, particularly of Chinese, into the mines.

In Oregon the product of gold during the past season has been unusually small, since very little quartz mining is now carried on in the State, and the placer and hydraulic mines have stood still nearly all summer for the lack of water.

In Idaho the same causes which have affected the placer mines of Oregon will render this year's product of gold comparatively small; but the result of quartz mining in the Owyhee and other districts will probably not fall short of last year. The drought has also extended into Montana, and a decrease in the yield from the hitherto so productive gulches is anticipated.

The Commissioner is of opinion that Colorado is destined to advance henceforth with great rapidity toward wealth and power. The yield of the mines for 1869 is highly encouraging in view of the fact that it is the product of steady industry, and not the first fruits of a speculative activity, which might be expected to die out at an early day.—Com. Bulletin.

PETROLEUM BY WEIGHT.

THE question of buying and selling petroleum by weight is once more under discussion, and thy favor with which the proposition is received by the trade generally, indicates a reasonable probability that the new system will soon be adopted. The leading exporters, dealers and receivers of this city and Philadelphia lately issued the following circular, which, we understand, has met with general approval from dealers and brokers of all classes:—

We, the undersigned shippers and exporters of petroleum, have become satisfied that the present system of gauging petroleum barrels with the straight rod has led our European correspondents to make frequent and serious complaints, on account of short rendiments, and these complaints have been caused:

1. By careless and inaccurate gauging.
2. By the peculiar construction of many barrels.
3. By the enlarged size of the barrels, and by other causes, well known to the trade.

We have, therefore, combined and pledged ourselves that, from the first day of January next, we shall buy only by actual weight and tare; and we especially ask the dealers and refiners of New York, Philadelphia, Pittsburg, Cleveland and other points to meet us in our demands, which are based upon justice and equity. And we furthermore ask them to inaugurate with us the new system from the first day of January next.

Though well aware that the contemplated change involves many difficulties, here as well as abroad, yet we, for our part, are willing to submit for the common good, trusting to meet the same spirit with refiners. We propose to compensate for the same by the better prices, which under the new system will be obtainable, and also by saving the refiners many expenses which are now unavoidable. Arrangements can be perfected by which the refiners will be materially benefitted. Under proper restrictions, the oil can be inspected at Cleveland or Pittsburg, and merely a small percentage of the barrels need be opened here to test the quality of the oil and the correctness of tares. This will save large amounts of money to the refiners, and prevent the barrels from being unnecessarily handled—a great advantage for the European purchaser.

A few weeks will regulate the new system, and causing a new era in transactions in this article, sellers, as well as buyers, will wonder that this necessary and desirable change had not been introduced long ago.

We certainly hope the reform proposed in this circular will be adopted at once. Owing to a certain inherent measure of a barrel by means of the straight gauging-rod is no longer a fair indication of its capacity, nor of the quantity it contains when full. It is believed that many of the petty frauds now practiced under the existing system of measurement, will be prevented by the purchase and sale of the oil by weight, and whatever in urea honesty in commercial transactions will prove of benefit to both buyers and sellers.—N. Y. Com. Bulletin.