

duty, and a heavy tax paid to the smuggler for the risk, expense and trouble he incurs in eluding the custom house authorities. Notwithstanding the efficiency of the English customs' department, and the limited extent of the territory under its supervision, means are found to neutralize its regulations, and to import in defiance of its utmost vigilance, whatever commodities of high value in proportion to their bulk are placed under the imaginary arrest of prohibitive duties.

The laws which regulate trade are not different on this side of the Atlantic. The unfair, demoralizing and wasteful system of smuggling, is sure to spring up wherever there are duties heavy enough, and a trade sufficient to make it profitable. We have found this out in Canada, and have been compelled to reduce our duties on certain articles, capable of being profitably smuggled from the States, for the sole purpose of preventing their contraband introduction. The article of tea is an instance in point. But we have not yet succeeded in bringing our tariff, in this particular respect, down to the proper revenue standard. The extent of our seizures is a proof of this, and we are aware that last fall the article of refined sugar was supplied to a great extent along the St. Lawrence, without payment of duty, and frequently (in packages differing from the ordinary kind) was actually entered at the custom house, and openly imported under a different denomination. The facilities for smuggling are such that it is impossible for us to exact exorbitant duties, and we shall act wisely in giving proper weight to this consideration in the future adjustment of our tariff.

The system pursued by our neighbours on the other side of the lines is not equally wise, and we foresee that their policy must ultimately lead to serious difficulties. The extent and contiguity of our frontier line renders the smuggling trade an easy and a safe one. Along the borders of the Eastern townships, on the St. Lawrence from St. Regis westward to Kingston, throughout the extent of Lakes Champlain, Ontario and Erie, on the Niagara and St. Clair Rivers, the means of entering the United States with contraband goods are infinitely easier than those that the smuggler possesses of entering England from the North of France or Belgium. We are assured that an extensive and regular smuggling trade is constantly carried on between the latter countries, and if equal inducements exist here, it is natural to expect that a similar traffic will arise. Equal or at least adequate inducements do exist. The United States duties on many of the most portable commodities imported from abroad are equally onerous with those levied in Great Britain, and as the line of their frontier is widely extended, more proximate, and less closely watched than the coast of England in relation to that of France, we find that a very considerable smuggling trade from Canada into the Northern States of the Union does exist. These States are wealthy and populous, and as many of the commodities they require are imported into Canada at duties of 5 per cent. and 8 per cent., on which their own duties amount to 30 and even 75 per cent., and as the morality and patriotism of all the citizens is not sufficiently great to induce them to forego so much certain profit as the difference between the rates of duties affords, they supply themselves both by retail and wholesale from the border towns of Canada, at Canadian prices and duties.

We adduce these facts in proof of the justice and policy of adopting a simple revenue standard, in the adjustment of tariffs. The injustice of the high tariff system is obvious. The taxes levied under their operation press most unequally on different parts of the Union. On the borders of Canada the inhabitants of the neighbouring States are furnished with many of those articles which supply a great part of the public revenue, without the payment of a farthing of duty to their own government, while other districts less favourably situated are made to contribute the full amount of such duties, and it only requires a persistence in such a policy to give much greater development to the evil in question. The demand for luxuries is increasing rapidly in these States as the population becomes more settled, wealthy, and refined in matters of taste. If the supply of such articles can be obtained from the borders of Canada 20 or 30 per cent. cheaper than by any other means of importation, the smuggling trade will increase with the increase of the demand. Let our rates of transportation be materially reduced (as they certainly will be on the completion of the new canals), let the Americans have the free navigation of the St. Lawrence above Montreal, let our own import duties be reduced still further in accordance with the policy and suggestions of the home government, and we venture to predict that, so far as the Northern States are concerned, the 40 per cent. tariff will be a nullity in reference to British and French manufactured goods.

The Bonding Bill now passed will only increase the facilities for smuggling, and foreign goods imported in the most advantageous manner in bond, by the United States houses, will be entered in Canada at our low duties, and immediately returned into the States by the smuggler. The only cure for such an evil is the adoption of a revenue standard instead of a protective one, a standard that will distribute the taxation justly and equally, instead of levying it only on those who have not the opportunity of obtaining a smuggled supply. We contend that a moral obligation rests on governments to counteract the evils of a contraband trade, by every means in their power, and that they are responsible for the effects of raising such a conflict between trading interests and social duties as the temptations to smuggling, into which it has hitherto been the common practice of nations to lead their subjects, must necessarily create.

In the general adoption in practice of the enlightened doctrines of political economy, it is gratifying to know that the extinction of so great a social evil as that of smuggling is certainly involved, and on this ground alone they present a strong claim on our support.

DIPLOMACY AND COMMERCE.

(From the Manchester Guardian.)

There has been no source so fruitful of interruption to commerce, as diplomatic negotiations. Treaties and rumours of treaties have done more to harass the operations of commercial men than any other single cause. There has scarcely been a year, for the last quarter of a century, in which some great branch of business has not been placed in suspense from this cause; and the trade with France itself is a striking example. For the last fifteen years, negotiations with the object of securing a French commercial treaty, have scarcely ever ceased. The ordinary diplomatic corps in Paris, though our most important embassy, has even not been thought sufficient for the task. The first talent for commercial negotiation, and men of the greatest acquirements in respect to those subjects, have been selected for special commissions, to bring about this much-desired object. Lord Clarendon, Mr. Porter, Mr. McGregor, and Dr. Bowring, have all, during that period, tried what they could do. And what has it all amounted to? Why, not only have no concessions been obtained from the French Government, but we have been wholly unable to prevent the imposition of higher and higher duties. All efforts have utterly failed. Again, how much more successful have we been with Portugal? For nearly two whole years, the export trade to that country, and the wine trade to this, suffered the utmost depression; and, after all, we did not obtain what we demanded. Our constant negotiations with Spain, Prussia, Russia, and other countries, exhibit nearly the same result,—until, at length, in the language of Sir Robert Peel, "Wearied with our long and unavailing efforts to enter into satisfactory commercial treaties with other nations, we have resolved to consult our own interests."

Diplomacy has signally failed. The grand practical question, then is—"Can we fight hostile tariffs with free imports?" Fortunately, we are not without striking examples of what we can thus effect. Mr. D'Israeli assures us that we can only succeed with France by diplomacy. We have already tried it in vain. But we have also tried to fight their hostile tariffs by a reduction of duties on their imports to this country. Has this effort also failed? Without any concession whatever from France, we admitted their silk goods and gloves. Again, without any reciprocal concession, we equalized the duty upon their wine, to the lower rates charged on those of Portugal and Spain. Their hostile and illiberal policy has been answered, on our part, by reductions of our duties. Their repeated additions to the duties on our flax, yarns, and linens, have not prevented the modification of our protective duties towards them. But what has been the result? With lower duties, we have imported much more largely of French silks, and French gloves, and French wines. Have our exports, then, taken care of themselves, or not? Has the increased demand for French produce here compelled France to take more of our goods, in spite of its tariff? This is a question of fact, not of opinion. The statistics of our trade must be conclusive on this point.

By reference to official accounts, we find the progress of our exports to France, since 1830, to have been as under. And, as the chief effort of France has been directed against our yarns and linens, it may be useful to distinguish the amount of these articles from the rest of our exports.—

Declared value of the Exports of British Manufactures to France, in each year since 1830.

	Entire exports.	Linens.	Linen Yarn.
	£	£	£
1870 .....	475,884	.....	.....
1871 .....	602,688	8,285	.....
1872 .....	671,791	16,915	6,516
1873 .....	818,331	13,045	68,289
1874 .....	1,116,885	21,518	120,561
1875 .....	1,433,636	61,612	198,823
1876 .....	1,591,381	118,966	256,942
1877 .....	1,643,204	142,812	401,007
1878 .....	2,314,141	273,851	640,806
1879 .....	2,228,407	246,929	614,144
1880 .....	3,377,149	525,505	629,533
1881 .....	2,902,002	241,982	896,326
1882 .....	3,193,939	270,019	749,625
1883 .....	2,534,298	137,995	482,337
1884 .....	2,656,259	173,455	501,241

These figures are surely conclusive of themselves in favour of "the doctrine of the school of Manchester." Negotiations, assiduously and expensively conducted, have all failed in every one of their objects. Relaxing our own tariff, and more freely importing the produce of our rivals, have accomplished all that we in vain sought for through diplomacy. And the great advantage of the system founded upon free trade is, that we have always our own policy, and our own interests, in our own keeping. Interested parties may oppose it, and struggle against it for a time. Uncertainty may exist for a few weeks; but that is the utmost, when the government and the nation have once declared for any line of policy. But with diplomacy we have, not weeks, not months, but years, of uncertain results. If our experience, with respect to our trade with other parts of the Continent, where hostile tariffs have been imposed against us, but whose produce has been admitted on more favourable terms here, has not been equally striking with that of France; yet, in no one case in which we have relaxed our duties, have we failed to find a large increase of exports, in spite of tariffs however hostile. Mr. D'Israeli refers expressly to France; with that country he boasts of an especial acquaintance. There he must know, that every attempt at negotiation has failed—and he should know, that, by a reduction of our duties on their goods, without any reciprocal concessions whatever, our exports have risen in *fourteen years*, from £475,884 to £2,656,259!! We have fought hostile tariffs by free imports—an attention to our imports has secured all the advantages we could have desired. So much for the "doctrines of the school of Manchester!" So much for Mr. D'Israeli's dogmas in opposition to it!