

The Future Commercial Policy of British North America.

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PROTECT INDUSTRY, AND IT WILL PROSPER.

(Continued from our last issue.)

It is the opinion of most persons who have given the subject any attention, that the policy which has been pursued in Canada for some time past, of affording incidental protection to native industry, is the one which ought to be followed under Confederation. This opinion I cheerfully endorse, for if the skilful artisan, the respectable mechanic, and the inventive genius of our race, whether emigrant or native born, are to be induced to settle permanently in British America we must point out the means by which the fruits of their skill and labour may be made profitable to them and the country. Let us take a glance then, at the fiscal policy and commercial state of Great Britain, previous and subsequent to 1842, the year in which Sir Robert Peel inaugurated his epoch of financial reform, and see how far it compares with the present condition and future prospects of the British North American Provinces.

The long and expensive wars in which England had been engaged during the latter part of the last and the beginning of the present centuries, and the gross mismanagement and wilful extravagance of the government, had plunged the country so deeply in debt (the American war alone costing one hundred and forty millions pounds sterling), led to the imposition of duties that weighed with destructive force upon all the branches of industry. The first necessities of life—indeed the very essentials—without which it cannot be maintained, are food and shelter; and these, as well as fuel and clothing, were so enhanced in price as to be placed beyond the reach of millions. The oppressive tax upon corn; the onerous burdens inflicted upon tea, sugar, cheese, butter and beer; the tax on timber and bricks; the prohibitive duties on foreign products; and the enormous excise imposed upon home industry, which some years exceeded in amount the revenue from customs, had so paralyzed every branch of trade, as to call forth manufacturing notes of discontent from one end of the kingdom to the other. An agitation for the repeal of the Corn laws, and the mitigation of all other burdens, awakened the attention of the government, and emboldened the Whig ministry of 1841 to attempt some fiscal reform. In 1837-38-39-40 there had been a growing deficiency in the exchequer, arising in part from increasing expenditure, partly from decay of trade under bad harvests, and partly (indeed chiefly) from the restrictions on trade and the heavy taxes. New debts were contracted, first by the issue of exchequer bills, then by these being funded and added to the national debt. In 1840 an Act was passed granting additional duties on customs, excise and assessed taxes; the additions being five per cent on customs, except on spirits, grain or flour, imported; on excise, five per cent; and ten per cent on assessed taxes. This scheme brought no additional revenue; but a profound truth was put to the proof, namely,—that taxation had a limit, beyond which it cannot be imposed, at which it will summarily arrest consumption. The Whigs, as a last resort, yielded to the demand for financial and commercial reform by proposing alterations in the duties on corn,

sugar and timber; but they were driven from office, and Sir Robert Peel and his party, as *Peel's second*, admitted instead. Then followed the scheme of that great man to relieve the people from the oppression under which they groaned, and which was followed by a marked improvement in trade and comfort. The income tax was imposed; and the extension of the four-shilling duty on the exportations of that article. This would give a revenue ample to supply the deficit, and leave a large surplus, which was to be applied in the largest reduction in commercial taxation ever contemplated by Cabinet or Parliament. Out of twelve hundred articles subject to duties, seven hundred and fifty had to be reduced. The first principle was, the Minister said, to remove prohibitions, and the next to reduce duties, on the raw materials of manufacture to five per cent, or less; on articles partially manufactured to twelve per cent, and on manufactures to twenty per cent. The beneficial effects of this policy were immediately felt, in the increase of every branch of trade, and a general improvement in the condition of the people. The change did not come too soon; for it was obvious that, with an increasing expenditure in taxes and food during the war period, from 1792 to 1815, if it had not been for counter-vailing circumstances of an extraordinary kind, the national industry could not have been sustained under the depression. The many mechanical inventions of the time had increased enormously the productive power of the nation, and by, relatively to food, cheapening and extending the supply of other necessaries of domestic comfort, rendered the payment of very heavy taxes possible, which otherwise would have been impossible.

Now, it is the prevailing opinion amongst the great majority of absolute free-traders in this country, that the real cause of the grievances under which the British public laboured, previous to the repeal of corn laws, was the high price of bread, and the taxes on imports. This is an error. While it must be admitted that the English people suffered considerably from the dearness of bread, caused by the prohibitive duties on wheat, still it cannot be denied that the primary evil which afflicted them was the intolerable burdens imposed on the national industry.

(To be continued.)

INTERCOLONIAL.

We are glad to see that over 200,000 acres of land since 1868 have been surveyed in the valley of the Matapedia, along the line of the Intercolonial Railway. The department is determined to spare no pains to have this land settled. Many of the working men on the line of railway have the intention of settling on those lands.

CITY ITEMS.

QUEBEC SEATING CLUB.—By the new rules and regulations of the Club, the annual subscription to the Club is as follows:—Family season ticket, \$10; single season ticket, \$6. To officers of the gain on and shareholders a reduction of \$2 will be made. Noel H. Bowen, Esq., is President, and J. S. Scott, Esq., Secretary-Treasurer, for the coming year. This Club deserves to be well patronized, and we have no doubt, under the present arrangement, it will.

The "Electric" was sold this morning, by public auction, to Julien Brothers for \$120. The sails and other material were sold in lots.

To-day's Telegraph News.

Friday, Nov. 25, noon.

(Report for the *Telegraph*.)

VIA MONTREAL LINE.

EVACUATION DAY IN NEW YORK

BONUS TO THE CANADA SOUTHERN RAILROAD.

FATHER POINT WEATHER REPORT.

TO-DAY'S NEW YORK STOCKS.

FATHER POINT, Nov. 25.—Blowing a gale from the west since midnight; weather cloudy and cold; a large full-rigged ship, apparently new, painted ports, passed outwards at 8 a.m.—with pilot on board.

RIVER DU LOUP, Nov. 25.—Weather clear and cold; blowing a gale from west; clear on river; no shipping.

NEW YORK, Nov. 25.—This is evacuation day, and will be celebrated by a limited military display.

The steamship *Britannia*, from Glasgow, has arrived.

Watson, at 11 p.m., had accomplished 274 miles, when, by the advice of Dr. Doremus, he desisted and had a sleep. His general impression is that he will not succeed. His complaining of dizziness in the head and tread indicate exhaustion.

WATERFORD, Ont., Nov. 25.—The Township of Townsend, in Norfolk County, has, by a large majority, voted a bonus of \$30,000 to the Canada Southern Railroad.

New York, Nov. 25, 10 a.m.

Gold 114; Pacific Mail 41; W. U. Telegraph 43; N. Y. Central 93; Erie 25; Reading 191; Rock Island 112.

LOCAL PARLIAMENT.

SUMMARY.

Friday, 25th Nov., 1870.

Since last week the Legislature has been occupied in considering the Municipal Code. Amending and revising it will still take some further time, and we would suggest that the English version, now being circulated, be withdrawn, and the revised edition circulated. Petitions from the New Brunswick Railway Company and the Quebec and New Brunswick Railway Company, praying aid for the construction of a road from River du Loup to Woodstock, were laid upon the table of the House. This petition was supported by one from the Council of the Board of Trade, asking that aid be accorded to the Railway Companies. Delegates from New Brunswick, representing the Companies, were introduced by the Hon. Mr. Ferrier to the Government, who seem to be very favorable to the project, and will consider it more fully when they have disposed of the North Shore question, which is now gradually assuming a decided form. There is a dis-