

It is, however, in the dry goods trade, and its many branches that "Leading Lines" play the most prominent part, but this we must reserve for future treatment.

### THE TARIFF.

The new party, which was formed in England under the designation of *Free Trade* seems to have become extinct. Its professed object was to establish free trade between the Mother Country and its various dependencies, and to impose duties on all imports from foreign nations. It received some encouragement in Canada from the party which professes to afford undeviating support to the commercial policy of the Government, and that party has invariably professed that the protective policy which it has established was aimed much more against the United States than against Great Britain, and has repeatedly endeavored to prove that, owing to the effect of the tariff, the imports from Great Britain have increased, while those from the United States have diminished. In May, 1879, an article, entitled "Canadian Protection Vindicated," was contributed to the *Fortnightly Review* by Mr. D. McCulloch, which fully sustains our position, that the proposed object of the Canadian tariff was to discourage imports from the United States, and to encourage those from Great Britain. The concluding paragraph of the article referred to is as follows:—

"It does not appear to Canadian Protectionists that the people of England have the slightest reason to fear that their trade interests will suffer by Canada's adoption of a protective tariff. The country will not of course manufacture all that it consumes; it will still depend upon England for much of its supply, a much larger supply than it has drawn from the Old Country for several years past. If the new policy answers the expectation of its advocates, an increase, instead of a decrease, of British imports into the country will be one of its results."

The writer referred to, drawing his inferences from the abnormal state of trade, during the severe depression which commenced in 1873, argued that: "if Free Trade England can no longer compete with protected America in the Canadian markets, why should any body feel angry if Canadians take measures to do it themselves." The object of Canadian Protection was to defend our own manufactures from those of the United States. It is said, "For several years past the Americans have had two price lists, one for Canada and another for the United States. The price for Canada depends

"upon the necessity they are under to make sales, and it is often as much as 30 per cent. below their home price." Our readers will have no difficulty in comprehending from our brief extracts the object of the article in the *Fortnightly Review*.

We have more than once called attention to the gross injustice of the present tariff towards British manufactures, which is the more inexcusable, from the fact that Canadian exports are admitted free of duty into Great Britain. It is far from our intention to attack the tariff on the ground that it is protective. There are really no Free Traders in Canada as the term is understood in England. Both the political parties admit that incidental protection is indispensably necessary, and the leaders of the Liberal party have of late given it to be understood that they are not disposed to recommend any extensive changes. During last session Mr. Blake attacked some of the details of the tariff, but he failed to draw attention to its most objectionable features, which are simply indefensible, and which, though previously noticed in our columns, have never been even excused. The tariff has been deliberately framed so as to impose higher duties on British than on United States imports, and this has been accomplished by means of combined duties on the same article, the specific duties being of course more onerous on the lower priced British article. To this extra duty must be added the increased cost of carriage on the British manufactured article.

The principal articles imported into Canada are the manufactures of cotton, iron, and wool, and we shall illustrate our charge of unfairness to Great Britain by specific references to the imports during the year ending on 30th June, 1881. On grey and unbleached cottons the duties were about 5 per cent. higher on British than on United States goods, on gingham and plaids about 4 per cent., on denims, drillings, &c., about 4 per cent., on iron nails and spikes, wrought, over 10 per cent., on nails and spikes, cut, about 5 per cent., on nuts 12 per cent., on woollen cassimeres about 6 per cent., on yarn about 4 per cent., ready-made clothing 2 per cent., on upright pianos 12 per cent., and concert or grand pianos 8 per cent. These differential duties against Great Britain, and in favor of the United States must have been deliberately imposed, as it is well known that the price of the leading articles of manufacture is lower in Great Britain than in the United States, and that, consequently, the practical effect of supplementing the *ad valorem* rate by a specific duty by the yard or

pound weight must be to discriminate against Great Britain. Under the circumstances in which Canada stands to Great Britain, and the United States, we cannot but think that the adoption of this principle of combined duties was most unjustifiable. It may be argued that Canadian manufacturers require more protection against Great Britain than the United States, but, if so, the honest and straightforward way would be to impose the necessary protective duty on the various classes of goods, no matter whence imported. Under the combined system the duties in several instances amount to more than 30 per cent. on the value, a protection which even the most extravagant of the Protectionists, did not venture to propose during the discussions which preceded the adoption of the present tariff. We wish it clearly understood that our present remarks are not directed against the protective element in the present tariff, but against the discrimination in favor of the United States and against Great Britain which it has established. If the Government should determine to continue this discrimination, their supporters must at all events cease to pretend that the object of their commercial policy is to encourage trade with Great Britain in preference to the United States.

### THE QUEBEC TAX ACT.

The Insurance Companies have at last obtained the injunction for which they applied a few weeks ago, requiring the collector of taxes to suspend all proceedings for the recovery of the tax on commercial corporations which was imposed by the Act of last Session. There were about 40 actions pending, and the object was that a test case should be adjudicated on by the Courts of Justice, so as to avoid the enormous costs which would be incurred had separate actions been entered. The judgment of the Court was pronounced by Mr. Justice Jetté, who pointed out that all the suits rest on the same enactment, and if the law is unconstitutional, as affirmed, none of the actions can succeed. If, however, each pleads separately, an enormous amount of costs would be incurred to arrive at the decision of a single question, and as the Treasurer of the Revenue may or may not pay these costs in his discretion, should the decision be against the Government, the companies have a considerable interest in endeavoring to reduce the costs by asking for a single adjudication on the one question raised.