

lated to that on sugar imported from the French colonies. This was followed by the downfall of more establishments, chiefly those that were badly managed; but again the home production increased till 1850 (that is, two years after the duties had become assimilated), when the quantity manufactured reached 65 million kil., and from that time till the present the production has steadily increased year by year.* That is not all; the most remarkable fact has yet to be stated. In 1864 an Act was passed imposing a differential duty *against* the home-made sugar, and in favor of sugar imported from the French colonies. By that Act the home product was made to pay an excise duty of, according to quality, from 42 to 44 francs per 100 kil., whereas the sugar imported from the French colonies paid, from the 15th of June, 1867, 5 francs, and subsequently 3 francs 60 centimes, less per 100 kil.† The beet-sugar industry has been able to stand this strain upon it, and is now actually repaying the State on the one hand, and the consumer on the other, for the assistance rendered to it in the earlier stages of its existence. But that, we may observe by the way, is a very small portion of the benefits that have accrued to the country from the establishment of this industry. France not only produces enough sugar for her own consumption, but is also an extensive exporter. Large quantities of French-made sugar are annually exported to England, Belgium, Holland, Germany, Sweden, Russia, Italy, the Barbary States, Egypt, La Plata, and numerous other countries.‡ The manufacture of beet sugar has, indeed, become one of the most important industries in that country, employing an enormous amount of both labor and capital; while the State now derives, directly and indirectly, a vast revenue from this one industry, sufficient in time to repay even the large preliminary expenditure (in the shape of differential duties) invested in its establishment.

An import duty in such cases as we have referred to has the effect of enabling local manufactures to develop themselves. It renders local competition possible, and permits a new class of producers to enter the field. And this, too, it does without showing any favoritism towards the local producers. The principle of imposing import duties on foreign commodities is a perfectly fair one. An import duty may be regarded simply as a set-off against the taxes local producers pay towards the local revenue; and if it acts, at the same time, as a stimulus to local production, it need not on that account be considered objectionable. If foreign commodities were admitted duty free while the home products were subjected to heavy revenue taxes, it is evident the home producers would be driven out of the field. An import duty is imposed on foreign goods on the principle that those who benefit by the government should contribute towards its support; and as the foreign producer benefits by the sale of his goods, it is but right that his goods should bear a proportionate share of the expenses of government. As the home producer contributes to the revenue, it is but fair that the foreign producer should contribute also, and, as near as possible, in the same proportion. If this be not ~~done~~, the local producer will suffer manifest injustice. Suppose two countries similarly situated in every respect,

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* Trebowski: "The Productive Forces of Russia," vol. i. p. 470.

† *The Economist*, Feb. 15th, 1868.

‡ *Ibid.*, Feb. 1st, 1868.