with a duty of £2 Hoops theretofore charged £11 8s. 4d. a ton, were now charged £23 15s! By 1825 what had this determined, patient, ever augmenting protection accomplished? It accomplished its work It enabled England to develop her manufactre of iron to the degree that she could undersell the world, and begin to preach the gospel of Free Trade among nations. In this year the price of iron per ton in various countries was as follows France, £25 10s; Sweden, £13 13s, Belgium, 16 14s, Russia, £13. 13s, Germany, £ 6 14s, England, 10 In 1826 the duty on bar iron was reduced to £1 10s, on hammered rods from £20 to £6. Hoops remained at £23 10s., and pig iron at 1s The British Government thus advanced the duties on imported iron fifteen times in a space of 117 years, from £2 5s a ton to £35 a ton, and made every one of those duties specific. More than this, during all that time her manufacturers had the advantage of high prices of iron in all the other countries of the world England did not begin to reduce her duties on foreign iron until she had so established her manufacture that she exported nine times as much as she imported, and of course no longer required protection. Moreover, she waited ten years after it was demonstrated that she could manufacture iron from 33 to 50 per cent. cheaper than any country in the world before she reduced her tariff, and took the first step toward free trade. That persevering protective legislation, that piling of duty on top of duty, that construction block upon block of a wall to shut out competition and retain the home-market, we look upon as one of the proudest monuments of British administration, always in respect to its own interests vigorous and far-sighted We honor the sagacious and resolute men who for a century and a half shut the doors of the British Custom House in the face of the world, and held them tight, while within the kingdom capitalists and workingmen, undisturbed not only but encouraged, built up, by England's supremacy in iron making, England's supremacy in commerce, machinery, and wealth The grandeur and fidelity of this protective policy is equaled only by the selfishness and dishonesty of the free-trade policy which succeeded it—the endeavour to persuade the nations of the earth to adopt the theory that tariffs and custom houses hinder the development of industry and the growth of wealth And the capsheaf of this selfishness and dishonesty is the volunteer or the purchased assistance given by an American to propagate the paradox and the untruth "

THE BRITISH TEA TRADE.

The following on the British tea trade is from the last annual report of Messrs William, James, and Henry Thompson, the well known London Tea Brokers :—

"To importers and holders of tea generally the past year has been one of heavy loss.

"The unusual profits during the latter part of 1865, on the first purchases of the season 1865-66, had early begun to disappear under the influence of a receding market at home, consequent upon an augmented stock and the increasing cost of shipment. but the lowest point of depression was not reached till the autumn, and after the severity of the 'money panic' had passed, when those who had held through it in the hope of improvement were at last determined or compelled to realize An amount of tea beyond the immediate requirements of the trade was thus put on the market; and as sale after sale 'without reserve' was pressed forward – the only mode at one time of realizing at all—each week showed lower prices. The knowledge of the excess in the supplies on the water, added to the action of the merchants and of some of the banks, only increased the fears of the dealers who in self-defence restricted purchases to their actual wants, the fall in some classes during the currency of the year has been no less than 6d to 8d. per lb.

"To the commercial panic of 1866 much of the depreciation in price is of course attributable; but perhaps quite as large a portion of the losses made is owing to the extreme prices paid in China (especially for contract teas), notwithstanding a general inferiority in quality, regardless of the large surplus export which was hurried forward in the early part of the season, although there was the certainty of its causing at some period a glut of arrivals at home, a consummation which was realized at a moment when the market was utterly unable to bear up against it

"A complete revolution has taken place, both with the wholesale and retail dealers, in the management of their business as regards 'stock;' and having found the advantage, they are no longer likely to be 'holders of stock' as heretofore, unless induced to speculate from lowness of price. While this will have the tendency to create a more equable demand, it must, however, throw greater weight upon importers; and if a four months' advance is to prevail (practically tending to enforce a cash trade), there is still stronger reason to abstain from every course that would at any one time bring an excessive quantity on the market; for, until the stock is reduced to an amount that can be easily held, although a reduction of shipments later on in the season may afterwards cause reaction, an influx of arrivals must always for the time more or less adversely affect home rates

"Upon the presumption that from China and India (the latter now 5,000,000lb) there will always be a supply equal to the demand, the past seems to indicate the necessity for the future of a lower range of cost prices, greater care in the selection of quality, and less forced and hurried shipments than of late years, if the import of tea is ever to be free from heavy risk and loss; and we can only trust that the present severe disasters will work such a change in the course of business in China as will lead to the possibility of investments with a prospect of profitable issue, and thus foster the growing trade at home, as evidenced by the large export and the increasing home consumption.

"The quality of the new crop has been unsatisfactory throughout, especially as regards the black leaf sorts. This has been one great cause of the low rates, the more so as holding had been rendered most uncertain and unsafe

"INDIAN TEAS.—The imports during the past twelvemonth amount to 5,153,000lb, against 2,685,000lb in 1865, and 3,400,000lb. in 1864 Prices have receded considerably, the common and medium grades showing the heaviest fall The imports into the United Kingdom have been 139,000,000 lb, against 118,000,000lb, in 1865; the deliveries for home consumption were 102,000,000lb, against 98,000,000lb, in 1865; ditto for exportation, 31,000,000lb., against 33,000,000lb in 1865. the stock remaining on the 31st of December was 89,000,000lb, against 8 ,000 0 0lb. in 1865

"The imports, it will thus be seen, were 23 000,000lb. more than last year, and 6,000,000lb. more than our deliveries.

"The deliveries, duty paid, show an increase of 4,000,000lb over that of last year, but the export exhibits a falling off from last year of 2,000,000lb, direct supplies to America having increased. The demand for Russia has, however, slightly improved.

"The stock was 9,000,000lb more than the previous year, or equal to eight months' deliveries"

THE TARIFF QUESTION—THE HIGH PROTECTIONISTS MODIFYING THEIR VIEWS.

(From the New York Times)

THE elaborate report of Commissioner Wells on the Revenue, of which we give an abstract in other columns, may, we think, be regarded as anticipatory of an important modification in the views of the Protectionist party in Congress. To the report itself we shall, anon, be able to refer at length Meanwhile, it suggests the reflection that a most decided change of sentiment has taken place within the past two or three years in New England, and especially in Massachusetts, on the subject of the tariff The principle of protection is widely regarded as having been carried to excess and a large class of manufacturers are feeling in their own experience the evils which result therefrom. One of the strongest arguments of those who favor revenue tariffs is that by excessive duties capital is turned away from branches where it would be remunerative, and applied to unprofitable branches where it may produce a temporary and apparent prosperity, which is, however, a real loss to the country Thus there may be for a short time a number of branches of production which are giving a few manufacturers a high rate of profit, and which appear very prosperous, though in reality the whole nation is poorer for it. After a time these branches become glutted with goods, owing to over-production: other and more important branches suffer, from which capital has been diverted; the nation generally is impoverished, trade is dull, and these manufacturers themselves at length begin to feel the destructive effects of the hot-bed system they have caused to be applied. The shrewd and intelligent manufacturers of Massachusetts begin to see themselves the operation of these principles. The large mills find themselves in competition with small ones, started everywhere, and the market is so overcrowded with goods that the immense profits of the last four years are brought down now almost to nothing, while food and raw materials remain high because labor is diverted from their production to this unprofitable employment The coarse cottons discover that woollens have been so stimulated by protection as to interfere with them, and the woollen manufacturers themselves are in a most precarious condition. They are at this moment crying lustily for more protection—when, as every New England business man knows, what they really need is less protection: that is, a diminution of production They and the country would be better off if half their mills were shut. If any one asks what is the peculiar difficulty with the woollen manufacturers, he has only to glance at every New England village to receive his answer. When the high duties were laid, immediately in every village a woollen factory was set up, and the production stimulated to the most unnatural degree. The woollen machinery in the last three years has doubled itself. An immense quantity of goods were made. The market was overstocked. Then to the manufacturers especially of worsteds, came the unkindest cut of all. They had called for high protection for the goods. Now appeared another claimant for high protection for the wool – the Western farmers There seemed no reason, in the nature of things, why the West should not be "protected" as well as the East. Accordingly the Reciprocity Treaty with Canada was abolished and the long wool, which is indispensible for worsteds, was practically excluded; so that now it is said it would be cheaper for our worsted-makers to remove all their works and machinery to Canada, and then import their goods here. It is possible that, as with the match manufacturers, they may be eventually forced to cross the frontier for this purpose. The branch in part has been over-stimulated, and so its goods brought down below profit, and in part killed by duties on the raw material and by over-taxation. Shipbuilding has been destroyed in Massachusetts, as it has been here, by a similar course of high protection on raw materials. The great demand of Massachusetts now is for a steady, low tariff, and very many would be satisfied with a revenue tariff, only equalizing excise and import duties. It will be remembered that this was all which Senator Wilson demanded in the last session of Congress. The Boston *Advertiser*, which represents the greatest manufacturing interest of Boston, takes substantially this position The great support of a high protective tariff is now in Pennsylvania, New Jersey, and among individuals who beset Congress with strong lobby interests. Mr McCulloch seems to us to occupy the true position on the question which will more and more commend itself to the appreciation of the country—that is, to free raw materials from taxation and to equalize duties and excise. The more Congress, in its scale of duties, shall consider revenue, and the less it attempts to "protect" this or that interest, at the expense of the nation, the more healthy will our industry become, and the better able will each interest be to protect itself. It is a dangerous and most intricate matter for the Government to interfere with, and had better be left to natural laws What the country wants is the utmost profitable use of capital and labor in general, and not an unnaturally high rate of profit in one branch by Government encouragement and then depression with loss and stagnation, in other branches. It may be that some of our great interests, like iron and coal mining, must be left to themselves in a great measure, and these industries enable raw materials for every kind of business, be obtained in the cheapest market, till food is so cheapened that we can work them profitably again

THE TRADE OF PRINCE EDWARD ISLAND.

A LATE number of the *Patriot* gives a valuable résumé of the trade of the Island for 1866, derived from official sources Returns from all the Collectors in the Island, with the exception of those of Souris and Summerside, were received by the compiler. The following figures will interest our mercantile readers generally, and will be useful for reference They relate to exports: –

	Potatoes.	Oats	Barley
Georgetown.	61,701	115 0 0	3 941
Crapaud	28,828	15 896	1,120
St Peters	9,123	27,306	60
Malpeque..	357	56 884	1,810
Pinette ...	3 200	37 7 4	
Cascumpec .	7 585	26 687	1,409
Grand River	3 240	23,438	
Mur Harbor.	9 132	25 234	3.673
New London .	8 416	84 11	7,998
Orwell	33 818	58 792	
Charlottetown	217 888	571 114	4 038
Total ..	3-3,267	1 0 4,124	24.087

Of turnips the quantity exported from the foregoing ports was 32 0 0 bushels being 22 693 bushels from Charlottetown 2 5 7 bushels from Georgetown, 3 743 bushels from Orwell and the remaining 3 264 bushels from Crapaud St Peter's Bay, Grand River, Cascumpec and Murray Harbor. Assuming that the quantity of oats, potatoes, barley and turnips exported from Souris and Summerside is equal to that of Georgetown and Crapaud it will give us for 1866 a total export of —potatoes, 473,695; oats, 1,275,620; barley, 29,148; and turnips, 31,027 bushels. Reckoning oats at 2 , 3d, potatoes at 1s 3d, barley at 3s and turnips at 1s, currency, per bushel, the value of these four articles of export is £195,086 or $624 276.

The produce shipped from Charlottetown was distributed as follows:—

	Potatoes.	Oats.	Barley.
Magdalen Islands	1 500	200	
St Pierre	5.294	25	
West Indies. . .	4,8 0	11 524	
New Brunswick.		3,126	1,0 5
United States			
Newfoundland ...	50,674	25,115	590
Nova Scotia....	155,670	403,559	2,344
Great Britain		427,685	100

Of the 32 0 0 bushels of turnips 9 014 went to Nova Scotia, 8 345 to Newfoundland, 2 79 to the United States 2 451 to St Pierre, and 21 to Magdalen Islands. It will be seen from the foregoing statement how completely the repeal of the Reciprocity Treaty, and the adoption in the United States of high import duties on Colonial produce, have excluded the farmers of this Island from the American market There were also exported from the port of Charlottetown during the past year:

12 893 bbls. mackerel 1,005 bbls alewives 1,038 bbls. oatmeal, 8 8 bbls oysters, 124 740 dozen eggs, 412 firkins butter, 246 do lard, 1,253 boxes preserved salmon, 522 sheep 48 horses, and 1 422 bbls pork, besides a large quantity of ham and bacon The value of these articles (the mackerel alone excepted it being mainly caught by American fishermen, and by them shipped to the United States) is not less than £25,0 0 or $80 000. Of this sum, the eggs at 6d currency, per doz, represent £3 118, or $9 977, and the salmon £3 433, or $1 ,-985 Our trade in eggs has increased five fold since 1863.

The following figures exhibit the progress made in the last twenty years, and will enable the general reader to form a correct estimate of the past and present condition of Prince Edward Island. Our exports were in—

	Potatoes.	Oats.	Barley.
1846....	7 3 4	209,323	16,583
1851 . ..	158 569	365,6 5	3 581
1858 . ..	172 11	64 33	42,76
1859........	485 360	1,111,78(?)	97,937(?)
1866	473 695	1,275,620	29,148

Breadstuffs and fuel are an important item in our trade Into the port of Charlottetown alone there were imported last year 34 732 barrels flour and 13,530 tons coal —To the former item must be added 3 768 brls. of flour imported into Cascumpec, Crapaud, New London, St Peter's Bay and Georgetown; and for Souris and Summerside—say 1 0 0 barrels, making the total flour imported into the Colony last year equal to 48,400 barrels, besides 4 861 barrels of cornmeal, and a considerable quantity of bread. Into Charlottetown, in the same period, were also imported 661 barrels of apples and 824 barrels of herrings Of the flour about 3,41 barrels were exported to Nova Scotia and New Brunswick. Allowing $4 a barrel for the one and $5 for the other, the cost of the flour and cornmeal actually consumed in the Island in 1866 is £105,-749, or $338 396 Allowing 15s currency per ton as the average price of coal, the amount paid for this article amounts to £10 147 or $32 470 From these calculations it appears that one-half the oats, potatoes, barley, turnips, oatmeal, eggs, pork, butter, lard, oysters and salmon we export goes to pay for our flour and coal. This is a subject worthy the consideration of every friend of Prince Edward Island.