

the commerce of the country, that it can be objected to on Free Trade principles.

The *Hamilton Commercial Advertiser* accuses us of "eulogizing the doctrines recently promulgated by American statesmen, while these all sanction the imposition of duties on manufactured English goods. Surely the editor could not have read our observations. We lauded American statesmen for the relaxation of the tariff, which they have effected, and for the further relaxation which their arguments so ably and convincingly urge; and it is scarcely consistent with candour to accuse us of advocating the continuance of the system which those arguments are intended to subvert.

He further observes:

"If it be fit and advantageous for Americans to tax English manufactures, why should it not be so for Canadians? How, as things now are, is it possible to assign a reason why this should not be? Highly manufactured goods of all kinds are generally luxuries: a tax on these is in itself the lightest that can be imposed,—that is, the most easily borne: why then should it not be imposed on some of the many British goods imported into Canada?"

On this we need merely remark, that, with the reservation of the principle that all taxation should be levied with a view to revenue solely, and not to the protection of any class interest, we fully coincide in the above opinion. But here we suspect is the point of departure between us and the *Hamilton Commercial Advertiser*; and in order that our readers may judge fairly between us, we give his argument entire:

"Thus, suppose one were to enquire the price of the material of which the dresses consist, of two ladies in some of the cities of the States, both similarly attired, but the one wearing an article of British, the other of American manufacture, and that he were told that they each cost ten dollars. Suppose him on farther enquiry to learn that the British article might have been bought for six dollars but for the duty. If he happen to be a free-trader, he will immediately adopt this instance as illustrative of the evils of protective duties, and affirm that both individuals are losers by the duty: the one, the four dollars paid to the revenue; the other, the four paid the American manufacturer. And, at first sight, this really seems the case. But yet in reality it is not so. The additional four dollars is an element essential to adapt the dress to the use of these individuals. Do away with the duty and you will annihilate the American manufacture. Ladies of that particular class will discard such dresses, and substitute more expensive articles. Their husbands' or fathers' pockets will not be saved a dollar. The only difference will be that they will be attired in fabrics of somewhat greater beauty. The amount of enjoyment this may give is something no doubt, but not, we suspect, a thing of much amount. On the other hand, retain the duty, you have a source of revenue which really no one feels as a burden; and in a few years the American manufacturer, becoming skilled in his trade, he sells that particular commodity as cheap as it could be imported were the duty withdrawn. The consumption then passes to lower grades of society, and some other fabric is adopted by the higher."

Now here the case is very fairly stated, and we at once join issue upon it. No one can deny that the duty in the case supposed benefits the manufacturer to that extent, but the question is, does it benefit the community at large? If the Legislature interfere to grant a degree of protection to one particular tradesman over others, he will doubtless reap the advantage to a certain extent: but at whose expense is that advantage given? Why, at that of the purchasers of the article. As between individuals then, it is obvious that the amount of extra price obtained by the seller, is so much taken from the pocket of the buyer.

But it is agreed, that although this may be the case with goods produced at home, it is altogether different when the restricted article is foreign. It is said that the exclusion of the foreign article increases the demand for that produced at home, and that thus the loss sustained by the restriction is more than compensated by the advantages resulting from it. But the fact is, that the same principles apply in the one case as the other. All foreign commerce, like internal, is a system of exchange; and you cannot diminish the import of an article without in a corresponding degree diminishing the export of some other article. The object of foreign commerce, like that of internal, is profit: now, supposing that a merchant can import a quantity of goods for £1,000,000, which could not be manufactured in his country under £1,200,000, suppose further that the Government imposes a prohibition on the importation of such goods, is not the consumer taxed to the extent of £200,000? and is not the export trade proportionally diminished at the same time?

We have admitted that the manufacturer may benefit to the extent of the restriction imposed in his favor. But all experience shews that that benefit is but temporary. The artificial encouragement given to one branch of industry at the expense of others, tends to direct the employment of capital to it: the consequence is, a glut of that particular article. Foreign trade being discouraged by this policy—and indeed the cost of production being higher than in foreign markets, there is no vent except in the home trade—listless and ruin to the manufacturers are the almost unavoidable consequences.

This is no imaginary picture—the history both of our own and of other countries abundantly proves that those branches of industry that have been the most protected have been subject to the most serious vicissitudes—and in particular in Britain, it has been

just in proportion as she has relaxed her commercial system, that she has advanced in commercial greatness.

We may on a future occasion advert to the peculiar advantages which this colony enjoys for the introduction and working out of the principles of Free Trade; but our article has extended itself to a sufficient length for this occasion. We do not pretend to have thrown any new light on the subject. Our object has merely been to apply those arguments, which have been so ably and clearly propounded by the writers who have treated of the science of Political Economy, and who have established as axioms the great truths which they have brought to light. We rejoice that the articles in the *Hamilton Commercial Advertiser* have afforded us the opportunity—they are written in a candid style, and it affords us pleasure to cope with such an antagonist on the friendly arena of Free Trade.

THE PROVINCIAL TARIFF.

Our last article abounded in examples showing the advantage of reducing duties, and we trust our readers have read, marked, learned, and inwardly digested them.

We now take up the consideration of articles admitted under *ad valorem* duties.

Previously to 1842, British manufactured goods of nearly all kinds, whether of cotton, woollen, silk, or iron ware, were admitted into the Province under a duty of two and a half per cent. *ad valorem*; indeed we believe with the exception of playing cards there was hardly an exception to this general rule, and on foreign manufactures there were differential duties ranging from 7½ to 30 per cent. *ad valorem*, additional. For instance, on foreign iron, currants, raisins, tar, turpentine, and a hundred other things, speaking generally, there was a differential duty of 7½, in addition to the Provincial duty of 2½ per cent.; on foreign books and paper, watches, linen, leather and silk manufactures, and wares of all sorts, there was a differential duty of 30 per cent. *ad valorem*, in addition to the Provincial duty of 2½ per cent.; on cotton, glass, and soap manufactures, there was a differential duty of 20 per cent., in addition to the Provincial duty of 2½ per cent.; and on all other goods, wares and merchandize, "being foreign and not otherwise charged with duty, nor included among the free goods," there was a differential duty of 15 per cent., in addition to the Provincial duty of 2½ per cent.; not a bad protection by any means, our readers will allow, in favor of British manufactures, and fully equivalent, we should say, to any protection our agricultural produce and other exports ever received in the markets of the mother country.

In 1842, the Provincial duty was altered from 2½ to 5 per cent. *ad valorem*, and in 1843 the imperial differential duties also were considerably modified.

For instance, the differential duty on iron, currants, &c., was reduced from 7½ to 4 per cent.; on linen, leather, and paper manufactures, from 30 per cent. to 7 per cent.; on cotton manufactures from 20 per cent. to 7 per cent.; on silk and glass manufactures, from 30 and 20 per cent. respectively to 15 per cent.; and on most other articles, from 15 per cent. to 4 per cent. *ad valorem*; by which our readers will notice that in all cases the differential duties were much reduced—and from which no doubt the Colony has derived material benefit. Since then no change has taken place in the Imperial duties, but in 1845 the Provincial tariff was revised, though not in our opinion improved. For instance, although the duty of 5 per cent. *ad valorem* was persevered in upon most kinds of cotton and woollen manufactures, an infinite variety of specific duties was at the same time imposed on leather, leather manufactures, and a host of other things apparently for no other purpose than to give a great deal of trouble to merchants and their custom house clerks. If the gentleman under whose auspices the tariff in question was ushered into life, succeeds as well in carving out useless work in the Board of Works where he now presides, we can only say that we pity the understrappers, and would perhaps feel inclined, in consequence, to vote them a little additional pay,—to be taken out of the emoluments of the Honorable Gentleman himself.

We confess we can see no good reason for giving a preference to specific over *ad valorem* duties. The object in either case we presume is to get revenue, nor can we see that the state is more likely to be successfully defrauded in one case than in the other. We are aware that those who advocate the former, object to *ad valorem* duties on the ground that they afford merchants a facility for entering goods at fictitious prices. Well, we grant that it is so, but is it not easily guarded against? Certainly—by simply giving Government the right of taking a merchant's importations off his hands at an advance of 6 to 10 per cent. on the invoice price; or secondly, by having them appraised and charging duty accordingly, as they do in the United States, where the *ad valorem* principle has always prevailed to a great extent, and now pervades nearly their whole tariff.