

reference to her own position and wants. Every nation constructs its tariff with reference to these considerations. England certainly has adopted a thoroughly Free Trade tariff. When she lays an import duty on any article, she lays on excise duty of the same amount on the same article, when it is manufactured at home. Nevertheless, her tariff is made for England; and if the English people were to change places with those of France, no doubt they would change their tariff to suit their new position, though it might have a Free Trade basis. As we do not follow the example of England in always laying an excise duty equal in amount to the custom's duty, our tariff has a protecting effect, though revenue be its only aim.

Professor Fawcett admits that economic doctrines are sometimes liable to be modified by political and other non-economic considerations; though he is inclined to give a preponderance to those which have an economic complexion. He shows that the French make at home, under great difficulties, salt which they could obtain cheaper in England; and argues that the interest of the French people, properly understood, is that they should cease to manufacture salt. He notices the political objection that, if France were to do so, she might some day find, when she was at war, that she would be cut off from her supply of salt. His answer is that France might lay in a stock of salt before the breaking out of the war, or she might depend upon neutrals for a supply. A sudden breaking out of the war might cut her off from the first resource; but she would be peculiarly unfortunate if the latter failed her. It is notorious that the non-intercourse Acts, in force during the war of 1812, had the effect of causing the States to get supplies of English goods by way of Nova Scotia and Canada. In the same way, during other wars, England got raw cotton from the most improbable places. But what we wish to call attention to, in this connection, is the admission of Professor Fawcett that political considerations may in practice modify economic doctrines.

But while Professor Fawcett thinks France would find her interest in buying her salt from England, which enjoys greater facilities for manufacturing it, he is firmly of opinion that England gains largely by using French sugar. There is a dispute about the precise amounts which the French government loses on the refined sugar which she sends to England, but there is no dispute that there is a loss; and this loss, Professor Fawcett contends, is England's gain. Mr. Gladstone, not being bound to take an exclusively economic view

of the question, seems to think that in this sugar question England has a grievance to be redressed. One difference between the two is that the latter accepts the figures of the English refiners; but the fact of these being larger than the French government admits would only make the gain to England the greater, from Professor Fawcett's point of view. Mr. Gladstone certainly admits that considerations not purely economic may be reasonably entertained in this case. A more rigid economist would almost certainly be a worse statesman, and give proof of the possession of narrower views. A statesman should be more flexible in the application of theories than an economist is in propounding them; because he has to deal with counter currents in the shape of political, national and other non-economic considerations. In England, we find this to be the case; in Canada it is not: the difference is due to the riper experience of the older country. The broader view does not imply infidelity to principle; it merely embraces all the elements which the question, in its various aspects, contains.

Canada has her sugar refining question too. But it rests on a different footing from that of England. The French Government grants a bounty, which is admitted to amount of about \$1,800,000 a year; the United States grants a drawback on sugar exported, and the Government does not admit that this drawback involves any loss of revenue. The drawback is required by law to be the exact equivalent of the duty paid on the raw material. Canadians interested in refining allege that it is much more, and amounts in fact to a bounty on exportation. Mr. Mills, like Professor Fawcett, and unlike Mr. Gladstone in the case of France, sees only good in the operation of this so-called bounty. The question is a most difficult one, and the advocates of what we must call the Canadian refining interest, necessarily lie under the suspicion of being wholly devoted to that interest. The great consuming public has no interest in seeing a few refiners make large fortunes at its expense, but quite the contrary. The question, however, should be fairly met, and if the policy of this country can be changed, in the general interest, a change ought to be made. With Mr. Gladstone we may say we "do not regard with favor any cheapness which is produced by means of the concealed subsidies of a foreign State to a particular industry, and with the effect of crippling and distressing capitalists and workmen engaged in a lawful branch of [Canadian] trade."

The admission of Mill that protecting duties may be allowable if temporarily imposed in a young country, with a view of

naturalizing a new industry well suited to the circumstances of the country, finds a strong opponent in Professor Fawcett. He would admit all Mill says, if there were any certain means of bringing the protection so granted to an end in a reasonable time; but he points to the history of the United States tariff to show that protecting duties once obtained, are never voluntarily relinquished. That is, of course, the danger. Such duties, when it is deemed judicious to levy them, should be strictly limited in point of time; and when they have afforded the means of a fair trial, they ought not, as a rule, to be renewed. But to refuse is always difficult, often impossible. The plea of vested interest is set up; and the legislature is told that it cannot, without the greatest injustice, destroy capital which it had enticed into a particular channel. Perpetual protection could never be contemplated in advance, by a prudent legislature, and it could never be justifiable except on national, political, or other economic grounds; and then the necessity would require to be clear and absolute.

TAXATION IN TORONTO.

A week ago, the impression was that the taxes of the city of Toronto for the current year would be 24 or 25 mills in the dollar. Since then the estimates have come down, and the required rate was stated to be 26 mills. Last year, the rate was 19½ mills, and it appears that very little of the expenditure was controllable by the council. Alderman Turner made a clear and masterly exposition of the financial situation, such as is not often heard in a municipal council; showing to a fraction how the increased rate of taxation had been occasioned. This year's council fell heir to a deficit of \$89,367, of the year 1876, besides a balance from last year of \$14,916. The St. John's fire added an item of \$20,000. Here was, in these three items, an aggregate of \$124,283 over which this council had no control. This is also true of \$70,000 more than was payable last year, in connection with the city debt. Then there is \$100,000 for the exhibition buildings, which belongs to capital and ought to have been provided for by the issue of debentures, but which a fraction of the property-holders insisted on casting on the shoulders of the rate-payers this year; \$46,720 debentures, issued five years ago, on account of the Water Works, fall due and have to be met; and there is a deficit in the revenue of these works of \$148,000. It is obvious the present council is not responsible for these items; and that the only one about which there can be any question is that for the exhibi-