

would have to meet and overthrow the army sent forward from that camp to dispute every foot of the way from Kabul to Jalalabad and from there to the Indus, there can be little doubt that until the Russians succeed in first annexing Afghan-Turkestan, and establishing their depots and fortified camps similar to the system they have already so successfully applied when gradually absorbing the country from the Caspian Sea to Bokhara, and between Bokhara and the Oxus, an invasion of India appears to be beyond their utmost power.

In this statement no account has been taken of the Afghan forces, but the tribal system prevents them from being of very great importance in calculations upon this scale, as their warfare is a guerilla war and can best be met upon the Russian side by Cossack and Turkomans, and upon the British by irregular Indian forces. Their bravery is indisputable, but the picture of them as "blood-thirsty, ferocious wonders" appears by trustworthy accounts to be a mistake. Travellers concur in saying that in peace they are a most generous, hospitable race, and in war, like all Moslems, they are indifferent to death, and insensible to the sufferings of their enemies. In 1880 General Roberts marched from Kabul to Candahar and conquered them with 10,000 men. True, he had 40,000 men on his lines of communication guarding the great passes, but General Macnaghten took Kabul in 1839 with an army of 14,000 men, whilst in 1842 the second invasion of their country was made with an army of 12,000; there can be, therefore, small doubt that an army in the field of 10,000 men with their lines of communication guarded could completely demolish any Afghan assistance, except of a most desultory kind.

The question only remains, would the Afghans be faithful to their British allies, or would they join Russia?

There can be no doubt that they will be faithful so long as they believe the British Government to be the most powerful. Once show them a weak-kneed policy, such as probably Russia counts upon the Gladstone Government exhibiting, and all hold over them will be gone. It is the same with all Eastern races. It is the same with the most loyal natives in India, and here lies Great Britain's real cause of anxiety. Up to the present the natives of India have seen in the British the dominant power. Once let the Russians within sight of the borders of India, and it would become an almost unbearable hot-bed for the British, and it would make the defence of India almost impossible.

To begin with, the cost of maintaining the extravagant state of military frontier defences such as exist to-day between France and Germany, would be enormously costly and unbearable, and the confidence of the natives once shaken could never be regained in the face of a crafty foe, and with their eastern character, plots and secret attacks would soon completely undermine the British hold upon the country. England had to strain every nerve to find men sufficient to put down the great mutiny in 1858. How could she hope to succeed if such a mutiny was backed up by thousands of Muscovite soldiers and millions of roubles?

In plain words, Great Britain's successful and peaceful possession of India depends upon her using such firmness and diplomacy as shall insist upon keeping the Russians to their own side of the Oxus and by making careful preparations, such as obtaining the Afghan's good-will towards the pushing of the Peshawar railroad to Kabul and of that from Quetta to Kandahar and Herat. When these two great strategical roads are finished, and a sufficient force distributed between Sukkur, Quetta and Peshawar, then only may Great Britain say to Russia, "Check-mate."

C. GREVILLE HARSTONE.

CORRESPONDENCE.

FREE TRADE AND MR. LAWDER'S ARGUMENT.

To the Editor of THE WEEK:

SIR,—Mr. Robert H. Lawder's criticizing in THE WEEK Mr. Wiman's article which appeared in the *Contemporary Review*, gives utterance to the following sentiments: "The wretched cant about cheap living, tribute to bloated manufacturers and monopolists, large national debt and heavy taxation serves no good purpose. If the whole of the taxes levied upon imported goods were removed, the cost of the necessities of life would not be reduced to any appreciable extent." As such a statement strikes at the root of the principle of free trade it cannot go unchallenged. In 1891, the year for which the latest returns are published, and before the sugar duties were removed, the imports were \$113,345,124, of which \$74,536,036 were subject to duty and yielded \$23,416,266, being a tax of about thirty-two per cent. The free goods amounted to \$38,809,088; about thirteen million dollars of this amount is for raw material admitted free for manufacture, such as raw cotton, hemp, hides, tobacco, tin, etc.; twenty-five millions is chiefly for anthracite coal, steel rails, tea, settlers' effects, coin and bullion, etc. Dividing the revenue derived from taxation into the value of the whole of our imports, and they bear twenty-one per cent., deduct the thirteen million imports to be converted into manufactures, and the average is about twenty-four per cent., taking the seventy-four million of dutiable goods alone, and the average taxation is thirty-two per cent. This thirty-two per cent. is levied for the purpose of protecting our manufactures, not for the purpose of

revenue; for instance, 8-10 of a cent imposed on refined sugar produces no revenue now that raw sugar is admitted free: but it protects the refiner, and costs the people who consume two hundred million pounds of sugar annually \$1,600,000. It is therefore reasonable to assume, in fact it is capable of proof, that this thirty-two per cent. protection adds to the cost of all articles that are thus protected over and above what they would cost if thrown open to the competition of the world. For the basis of argument we will assume that the increase of the cost of articles of consumption manufactured in the country is twenty-four per cent. To show my meaning more clearly: In 1872 we imported ten million dollars' worth of manufactured cotton goods, and two million pounds of raw cotton. In 1891 we imported four million dollars' worth of manufactured cotton and thirty-nine million pounds of raw cotton. On the manufactured we collected in 1891 a revenue of \$1,100,000.00, and the 39,000,000 pounds of raw, though admitted free, is protected in its manufacture by a duty on the manufactured article of fifteen per cent. ad valorem, and in addition a specific duty of one and two cents per square yard, according to quality, to save it from the competition of the imported article. The imports under this tariff represent a class of goods which is not manufactured in this country. The balance like the sugar while it yields no revenue is in many instances prohibitory, and costs the people twenty-four per cent. in the increased prices. In this respect we have a double tax: First, a tax payable to the Government of twenty-four million, and a second tax payable to the manufacturers, of twenty-four million dollars, which has to be borne by the people and covers articles which jointly represent about sixty per cent. of their necessities of living. This tax is not a tax on the wealth of the country but on the industry of the country; remove that tax and every industry in the country is bonussed to the extent that it is removed. The census returns show that the wages of the manufacturing class, men, women and children, average \$272.00 per head per annum. It may be assumed that \$200.00 of this amount is expended in articles which are subject to this tax of thirty-four per cent., consequently the value of the \$272.00 is reduced by \$50.00 per annum, or they could work for \$222.00 a year and still be as well off. The true policy to pursue to insure stability in employment, to increase the industry of the population, and its power to produce is not to impose the burden of taxation on labour but on the surplus wealth of the people. It is well understood that under a protective tariff the burden of taxation is borne by those whose income is below \$500.00 a year; therefore, to secure national development and increase national wealth, the burden should be borne by those whose incomes exceed \$500.00 per annum, and under free trade this would not increase the burden of the latter class, for instead of paying a double tax as they are at present doing, they would only be paying a single tax which would go directly to the revenue.

If we reduce the burden on labour and on industry, we increase the power of the nation to compete in the world's markets and draw wealth from the outside world to add to the prosperity of the nation by increased production and increased profits. Let us take as an example the cost of manufacturing a binder, and say that under existing circumstances its cost is \$80; everything that enters into the cost of that binder is subject to a tax of twenty-four per cent.; remove that tax and the binder can be made for \$60; by reducing the cost of that binder to \$60, cannot our manufacturers increase their business very largely by exporting to England, Russia, Australia and other markets from which they are now excluded, because they cannot make that binder for less than \$80. The Canadian farmers would then get their binders for \$20 less, and the manufacturing population would be increased by the amount of labour employed in manufacturing for outside markets. The same argument can be applied to cotton, woollen, leather, or any of our manufactures. If the manufacturing population of the country is to be limited to the wants of the people in the country, and the cost of maintaining is borne by our own producers, our national development might be compared to the progress of the crab, one step forward and two back. The late census returns show that that mode of progress is likely to become the prevalent one under present circumstances. Our export of manufactures is about five million dollars, but fifty per cent. of that amount is the manufacture of raw material which we produce in the country and which requires no protection except the protection that free trade would afford. This is an evidence that the cost of restricting competition in manufactured articles is borne by our own people. The chief item in the export of manufactures is leather; it is nearly a million dollars because we have got the material for tanning; place our tanneries under the free trade policy and cannot we increase the export to \$10,000,000? We only export cotton to the value of \$159,000, woollens \$38,000, carriages \$26,000, bread and biscuit \$13,000, boots and shoes \$53,000, starch \$29,000, ships \$280,000. Under a free-trade policy could we not increase the export of all these industries very largely? In the year book of 1891, for the first time lumber to the value of \$20,000,000 has been included in our export of manufactures, swelling the total to \$25,000,000; but reducing the value of the production of our forests to \$6,000,000, instead of \$26,000,000 as heretofore, the change is misleading so far as statistics are concerned and is done presumably to increase the importance of

manufactures in the eyes of the country. Lumber cannot be classed as a Canadian industry in the same category with cottons, woollens, boots and shoes, etc. The same policy has been pursued in classifying our labouring population; fifty-three thousand men who work in our saw mills are classified with our manufacturing population; twenty-nine thousand men who work in the fish curing districts, the same. Our census returns show that 270,000 men and 100,000 women, girls and boys, are employed in manufacturing, but an examination of the returns show that 235,000 of that number are men who are employed in the manufacture of our own raw material, such as lumber, gristing, etc., or men who work in our blacksmith and tinsmith shops, gas works, etc., who require no protection except the protection free trade would give; 135,000 only are engaged in works which protection is supposed to foster, and many of these are women and children, and of that 135,000 their numbers are much more likely to increase than to decrease under free trade.

We will take for an example an American firm which under our present tariff opens a branch of its whip factory in Canada, to enable it to supply the Canadian people. As our tariff is founded on the same principle as theirs, this firm cannot export from Canada; they can only fill the wants of the Canadian people and divide with the five or six whip factories the profits that can be made, but give that firm the protection afforded by free trade, and which country are they likely to do their export trade from, the United States, where the cost of manufacture is increased by protection, or Canada, where all barriers, under free trade, would be removed from the cost of manufacturing? I venture to say the employment in that whip factory would soon be quadrupled, while the whips would be cheapened to Canadians under the world's competition. So it would be by every branch factory that is likely to be opened in Canada by our enterprising neighbours. Mr. Lawder's own words bear out this view. He says: "The universal testimony of the United States is to the effect that nearly every branch of manufacturing there is in a congested state of over-production, and foreign markets have become for them a necessity." Let us offer them Canadian markets under a free-trade policy from which to manufacture for their export trade, and then manufacturers will take advantage of them on our soil. In other words, is not the value of the large market the world offers of greater value to the people of Canada as a whole than the home market, and have we not the self-reliance to feel that we can hold our own in our home market under a more enlightened policy? Many people dread the competition free trade would subject our manufacturers to, and say that they would be swamped by American competition, while our neighbours maintain their protective tariff they could not compete with us under free trade. If the free trade was only continental free trade, all working under the same conditions of protection, then it might be admitted that there would be no particular inducement to the American firms to move their establishments on to Canadian soil. The wealthy firms would restrict our production by combination or kill out the weaker establishments; but under free trade in Canada they could not operate in the same way. They might invade some lines by competition, but they could not interfere with our export trade, and they could not combine to keep up prices at home, for the competition of other countries would interfere with that. Mr. Lawder tells us we buy annually from the American people twenty millions more than we sell to them. If we were working under a free-trade policy that anomaly would be removed, for free trade would enable us to force more exports into their country through their barriers. For instance, if we can grow our barley cheaper by twenty-four per cent., does not that offset their duty? If we can manufacture our woollens twenty-four per cent. cheaper, can we not sell more of them to our neighbours? The most profitable trade we have to-day is our cattle trade. Does protection foster that? No! the purchasing power of free-trade England gives us such good prices for our cattle that while in 1872 we had not yet developed the trade, in 1891 nearly nine million dollars was realized. Protection has not assisted that trade. Rather the reverse. It has reduced the value of the proceeds of the sale of our animals. We do not receive money for our cattle. We receive goods, and at the port of Montreal the British purchaser returns us \$100 value in goods for every \$100 worth of cattle which leave that port, but under our protective policy those goods are subject to a tax of twenty-four per cent., and the farmer when he lays out his \$100 has to pay twenty-four per cent. additional on his purchases, and to that extent the value of his cattle trade is reduced. The same condition applies to our nine millions export of cheese. To create national development, to increase the prosperity of the country, to lessen the cost of transportation, and to increase the wealth of the people, labour is necessary. Apply free trade to our condition in Canada, and we should not require an emigration bureau. Emigration, which means the importation of labour, would come in freely, not to displace our own labour, but to develop our producing and manufacturing power, and to export the product of their labour to the world's markets. If our census returns for 1891 show anything they show clearly after fourteen years' working under a protective policy that protection protects capital only. It does not protect labour or our population would be larger. It does not diffuse wealth. The wealth that has been cre-