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THE TARIFF DISCUSSION.

It is a relief to the commercial class to know that the date of the elections, which are to settle the tariff question, has been definitely fixed. On the 20th of September, it will be possible to form an opinion whether there is to be a change in the tariff or not. Should the government win, things will go on as they are; if the Opposition triumph, a readjustment of the tariff is promised. The present uncertainty is more or less disturbing, and the sooner it is over the better. But a change of government would not at once give any definite information regarding particular changes in the tariff; all that could be known would be that a readjustment would take place, and that duties would be lowered on articles which cannot be manufactured in the country, and perhaps in some case removed altogether, while they would be increased on such things as are now or can readily be manufactured here. It would be impossible to get any more definite information till the tariff resolutions came before Parliament. Some things are of a nature to carry certainty with them; and they would happen whatever government was in power. Mr. Bright may promise himself "a free breakfast," in England, that is, a breakfast composed of articles which pay no taxes; but in Canada it is certain that the sugar duties cannot be removed: they may be altered, but they are too productive of revenue to be abolished altogether. It might perhaps be possible to dispense with the duty on tea, but we are not very likely to see it disappear.

The change would necessarily take the shape of an increase in the duties on manufactured goods, notably, it may be presumed, woollens and cottons. Iron might possibly be included in the list of articles that would be subjected to higher duties, as a vigorous attempt is now being made to establish iron manufactures, in Nova Scotia. These are among the articles which the United States have always selected for protection; and they are all manufactured in Canada. Of course the list

would not stop here; but it would be useless to attempt, except in the most general way, any surmise as to particular changes that might be made. The principal advocates of protection themselves probably know very little of what they would be able to do, between the needs of revenue, on one hand, and the conflicting interests they would have to reconcile, on the other.

We regret we are unable to say that the discussion is carried on in a way that is best calculated to enlighten the public on the subject. The protectionists claim that they have found a remedy for the bad times; that it is only necessary to adopt their views to make trade good, work plentiful, wages high, in short, to set every one on the road to wealth. The Free Traders, on their part, predict that the success of the protectionists means ruined commerce, an empty treasury, a severance of the connection with England. Of the motives of each party, the public can judge. These professions are in part sincere, in part made with a view to political effect. That protectionists have the same faith in their views that the Free traders have in theirs does not reasonably admit of a doubt; the exaggerations of each are embellishments that might be dispensed with to great advantage. Indeed, the tone adopted by the partisan press in this discussion has a demoralizing effect upon the community. Facts and figures are distorted, to suit political ends, until sensible people lose confidence in statements made in their columns upon commercial affairs, whether true or otherwise.

There is no question that protection can aid in the establishment of manufactures. This is admitted by both Mill and Fawcett. The advisability of granting protection is another matter; that goes to the principle of the thing. If it is a question of putting a little more duty here and a little less there, it is one that ought to be decided in a rational way, and with reference to the circumstances and condition of the country; economic bigotry or superstition ought not to be allowed to interfere with the public welfare. There are, however, we think, one or two controlling principles which ought not to be lost sight of. Any readjustment of duties, without much increasing the aggregate amount, that may be undertaken for the avowed purpose of aiding particular industries, should be regarded as a temporary expedient; no one should be encouraged to look upon protection as a permanent thing; and for that purpose the higher duties should be limited to a definite term of years. In protectionist France, the shipping interest does not venture to ask more than this, and it is

more than it will get. Another rule which should be relaxed as seldom as possible, is, that raw materials should be free. Against this rule, the United States tariff is a great sinner. But there, the exception answers a purpose; it has the same effect as an excise duty put on to countervail, to some extent, the import duty. It enables the Government to get revenue at both ends, instead of running the risk of destroying the single source of revenue by duties approaching to prohibition.

Increased duties, as far as they would serve the object to be aimed at in this case, must necessarily diminish imports; and of course the rule must be that they would at first raise prices, by the whole amount of the duty. To that rule, there might be exceptions. A slight addition to the duties might make certain foreign manufacturers reduce their profits by the amount of the increase, rather than lose the market. But while the first effect of increased duties is to raise the price of the articles on which they are laid, there comes into operation, after a time, a principle which has the effect of lowering the price. When a manufacture is seen to be profitable, an increased number of persons desiring to share these profits, take their energies and their capital into the business; and the domestic competition brings down the price. This sometimes happens without extinguishing the foreign competition, and then certain goods become abnormally cheap. This state of things now actually exists in Canada, in respect to certain kinds of manufactures.

The one touch of nature to be found in all the heated discussion now going on in regard to the tariff, relates to coal. It is the only point on which it is possible to excite any feeling against the protectionist agitation. The spectacle of the poor man shivering over a fire diminished by a tax on coal, in such a climate as ours, is one to create a certain amount of horror. For the rest, the current of human sympathies runs rather in the other direction. The mechanic is represented as starving for want of protection; and those who believe this will commiserate his condition, and desire to aid him. It was possible to declaim with terrific effect on the cruelty of taxing the poor English artisan's loaf, in a time of scarcity, caused by a succession of bad harvests; but here the free traders have no such aids from feeling to back their arguments, and the discussion on both sides is barely relieved from dryness by the misplaced vehemence and exaggeration of the advocates.

If the protectionists intend to sanction a duty on such articles of prime necessity as