

PROTECTION AND THE PEOPLE

In connection with the "Fair Trade" agitation now going on in England, a certain particular question which has been much debated is likely to be brought to the test of events ere long. Is Protection a popular system, does it commend itself to the masses of the people as something which is for their interest? Or is it, as some contend, a system calculated to promote the interests of a few monopolists, chiefly, to the detriment of the people generally? Is it for the good of the many, or is it, on the contrary, a system by which the many are impoverished to enrich a few? Upon the answer to be given to the main question thus indicated the future both of Protection and of Free Trade depends. For it will be conceded that, over the civilized world generally, the political power of the people—the Democracy—is increasing, while that of Kings and Aristocracies is diminishing. The political changes of the last half century in England have had the net result of increasing enormously both the liberties and the power of the people; while those by which the principal British Colonies have become almost independent are of the same general character. The overthrow of slavery in the United States by war was a great victory for popular liberty generally, not the blacks only have been freed, but white freemen are more free than before since the slaveholder has been extinguished, and the Great Republic is now a Republic in fact as well as in name. France, after having tried Legitimist, Orientalist, and Bonapartist Governments fully and fairly, and found them all wanting, reverts to the Republic, and finds in it that Government which divides Frenchmen the least, as the recent elections pretty clearly show. This time, however, it is the Conservative Republic, and not the lited Republic of Rossa and Marx, or of the Commune. Parliamentary government is steadily being built up and made workable in Italy, and is progressing, though under the shadow of the sword, in Germany and Austria. He would be a bold man who would venture to foretell precisely what the outcome of the nihilist agitation in Russia is to be; but we must throw history to the winds if we would avoid believing that the final result must be in some way or other to transfer to the people much of the power that is now in the hands of the Czar alone, or in those of himself and the aristocracy and the bureaucracy together. All over the civilized world Democracy is "marching on;" the fact is too plainly before our eyes to be disputed. But if Democracy—or government by the people—be thus growing and spreading, then it is destined most unquestionably to be the power that will in time to come decide between the conflicting claims of Protection and Free Trade respectively. For, be it remembered, the growth and spread of popular government is not among movements that are likely in future time to be stopped or reversed; it is on the contrary far more likely to keep gaining with every decade of years. Whether Protection or Free Trade is destined to be the system of the future, is a question which is answered as soon as we know which of the two systems is best approved of by the masses of the people in free countries, or in countries enjoying a passable degree of popular political freedom.

In England, during the contest which ended with the great change of thirty years or more ago, the cause of Free Trade was championed by Liberal and Radical statesmen, and was opposed by the Tories and Conservatives of that day. Each having been the way that parties then divided on this question, the conclusion has been too hastily seized upon that the division indicated is the natural and permanent one for all countries and for all future time—that Free Trade and political freedom for the people must continue to be on one side, with Protection and the repression of popular liberties on the other. Were this indeed true, then the question would be already practically settled, for we all concede that the popular side must win in the end, and hold its winnings, too. But it is not true, there's the rub; in fact the very reverse is true in any country having free institutions and an educated people the natural division is—the masses of the people for Protection, with only the few on the side of Free Trade. Shall we appeal to

history, and give instances? In the United States Protection would have definitely triumphed half a century before the date of the Morrill tariff, but for the unbending opposition of the Southern slaveholders. That opposition, if not removed, the popular protection asserted itself immediately, and Protection was established. The Southern slaveholders were not Free Trade philosophers, but a sure instinct guided them to the conclusion that the growth of home manufactures meant the growth of a large voting population of working men, whose votes would most certainly be cast against the peculiar institution. While Louis Napoleon ruled France he was able to put in force that were semblance of Free Trade—the Cobden commercial treaty, but once the repressive power of Emperor and army was removed, France quickly declared for Protection. The fact that Republican France and Republican America are both intensely Protectionist speaks volumes, there is no Free Trader in the world who can satisfactorily account for it and still profess to be a "Liberal," and in favour of popular government. Sir Charles Dilke, now a very active member of the Gladstone Government, visited Australia a number of years ago, and what report did he bring home from "Greater Britain," on the other side of the globe? This, in substance, that the Australian Democracies were inevitably drifting towards Protection, and that the more Democratic they became the more Protectionist they would be. The London Times was outspoken enough to say that he had rightly judged; and that, however unwelcome the truth might be, it was the truth that he told nevertheless. The Times said even more, for it added that British Colonial Democracies appeared to have an inevitable and irrepresible tendency towards Protection, and would have to be allowed to go their own road. It could only be hoped that at some future time, after they had sufficiently tried Protection and had seen the folly of it, they would come to their senses and adopt the orthodox Free Trade system of the Mother Country. As almost every young man of education is sure to fancy himself a "Liberal" in politics at some period of his early life, no matter how Conservative his surroundings may be, so British Colonial Democracies appear destined to pass through their wild, hot fit of Protectionism, after which they will settle down and become sober, sensible Free Traders. But this view, the only consolatory view of probabilities which the leading journal has been able to entertain, is certainly not supported by the experience of the United States, the only Democracy of British origin which has tried Protection for time long enough to afford a passable test. There, through the immense spread of manufactures over the North and West, and even in the South to no inconsiderable degree, Protection has created and drawn together, at the various industrial centres, an exceeding great army in the aggregate of working men, bound by circumstances to vote for the continuance of the system by which they have their living. It is futile to argue that they would be better employed on the land than at the furnaces and factories, for the rush to take up land continues all the same and would continue were such places at Pittsburg, and Lowell, and Fall River to increase tenfold. The nation is not substituting manufactures for agriculture; it is not engaged in any delusive process of throwing away the latter for the sake of building up the former. But what is going on is the very simple and healthy process of adding to the old production in one line a new production in the other, the old all the time not merely holding its own but actually advancing, the plain result being an enormous increase of the country's aggregate production all round. But increased production means increased employment for working men, and here comes in the inevitable connection between Protection and popular interests—the interests of the masses of the people. If Free Traders would but consider a while what all this means, they might see strong reason to doubt whether their favourite system has really a future before it in the civilized world. For, great that in countries adopting Protection manufactures must increase, even by a forcing process if you will have it so, this means an increasing number of working people interested in perpetu-

ating the system, and in further promoting its growth and extension. It is beyond all doubt that outside the British Islands Protection is the popular system—the system which the working classes of each country wish to see established, because it secures them in work and wages which would otherwise go to foreigners, we have to ask whether the British workman is to be the only exception to a general rule which holds good the rest of the world over. But we must take another instance, to show how this particular question is likely to be answered.

FAILURE OF FREE TRADE PRINCIPLES.

The *Norddeutsche Zeitung*, a leading German newspaper, commenting on Sir Charles Dilke's announcement that the negotiations for the renewal of the commercial treaty between England and France had broken off, says—

"Accurately speaking, however, free trade has never existed anywhere in the world, except among the South Sea Islanders and other wild tribes. The commercial treaties of the last twenty years have been merely attempts to pave the way for a future adoption of Free Trade, the hope of anti-protectionists believing that nations would soon become convinced of the blessings resulting from reduced Customs, and so be induced into abolishing them altogether. The attempt, however, failed at the outset. Continental nations soon perceived that the promised golden era did not dawn, but that the reduction of Customs merely inaugurated the rule of their own industries, and provided a market for English manufactures. The Journal claims for Prince Bismarck the glory of having once more restored the right instinct of commercial policy, and upset the self-seeking theories of English traders."

Free Trade prospects are exceedingly blue at present; and there exists about as much probability of Free Trade becoming the policy of all the leading commercial nations of the world within the next fifty years as there is of the United States of America becoming a portion of the British Empire. When England, after a severe struggle, but not until after her industries had been placed in a position to warrant her in doing so, adopted the principle it was fondly hoped that her example would be followed by other nations, and it was believed that within half a century Protection would be unknown and Free Trade would have world-wide sway. Indeed Mr. Cobden felt so sanguine of the early triumph of unrestricted commercial intercourse, that he predicted that within a single decade from the time England set the world a practical example, Protection would be regarded as a principle of a by-gone age, utterly unsuited to the spirit of the advanced latter portion of the nineteenth century. But what are the facts? Instead of Free Trade making progress it is steadily losing ground, and to-day England remains the only Free Trade country in the world worthy the name. Even there an agitation in favour of a change of policy in the interests of manufactures is making progress—an agitation which gives promise of increasing in importance and influence between the present time and the next general election. No matter in what direction we look we find that Free Trade is losing ground.

DOES PROTECTION PROTECT?

The opponents of a National Policy for Canada are certainly not consistent in their objections to it. They are continually advancing two conflicting sets of arguments, both of which cannot be sound, and the effect of which is that each kills the other. Sometimes it is affirmed that through high Protection Canadian manufacturers have obtained a monopoly of the home market, to the serious detriment of the consumer—poor fellow—who is made to pay an enormous price for goods which, but for this oppressive tariff, he would be able to obtain at reasonable figures. In pressing this argument, it is of course assumed throughout that the aggregate, both quantity and value of goods manufactured at home which might be imported cheaply from abroad are actually something considerable, for if they were small and insignificant it would not be worth while to raise a fuss over them. Therefore, the complaint amounts to this—that the public are paying exorbitant prices, not, be it remarked, on a trifling quantity and value of home-made goods, but on a large quantity and value, the extra charge on which large aggregate comes to a vast sum, drawn from the pockets of the people and given to the manufacturers. If this is a true

representation of the case, then it is certainly true that Protection protects with a vengeance—that, in fact, it protects altogether too much for the good of the country. But as Sir Robert Cairnes was never well impressed upon the fact that we have two sides to the shield, and the other side is what some Free Trade journals have just been holding up to view. It publishes an elaborate table of imports for the two fiscal years 1879-80 and 1880-81 respectively, showing a large increase of importations from other countries, and from this fact the inference is drawn that the tariff has failed of its object. The tariff has failed to exclude foreign goods, so it is alleged, but foreign goods are coming in to greater amount than before, therefore the tariff is a failure. Of course if this view of the matter is to be maintained, then the contention that Canadian manufacturers are drawing millions from the people by exorbitant prices charged upon large quantities of their goods, must be abandoned, the two cannot possibly be made to "hitch" together. Either Protection protects, or it does not. If it does, then the tariff has certainly not failed of its object, though whether that object be a good one is another question. You may argue that to develop and to expand home manufactures by Protection is bad policy, but if you allege that under it home manufactures are developed so much as to impose a tax of several millions laid upon the community, you admit that the object of the tariff has been attained, a bad object though it be. If, on the other hand, you say that Protection has failed to protect, because large quantities of foreign goods are still coming in, showing even a large present increase over recent years, you admit that we are still good customers to the Mother Country and foreign nations—too good for our own interests, as is clearly implied in the argument. But if this line of argument is to be maintained, then the contention that the tariff is a Chinese wall, shutting us out from the benefits of foreign trade, falls to the ground. We submit that opponents of the National Policy must select which of these grounds they will stand upon. They cannot stand upon both; that is impossible until we have a revolution in logic.

NEW TELEGRAPHIC COMBINATION.

The *New York Daily Indicator* announces the formation of a new telegraphic combination. It appears, according to our contemporary's statement that on Saturday last a combination was resolved upon by the companies not controlled by the Western Union. They are the Canada Mutual, the Eastern Telegraph Company of Maine, the Baltimore and Ohio system, the Mutual Union and the Rapid Telegraph Company, and it is said that the new Postal Telegraph Company is a party to the arrangement. Referring to the importance of the combination the *Indicator* says, it "will be realized when it is considered that in the aggregate the wires of these several disconnected companies extend about fifty thousand miles, and that the money necessary to join them into a single system has already been secured by the chief promoters of the enterprise. One or other of these companies already connects many of the most important business centres of the country. Thus the Baltimore and Ohio lines embrace Baltimore, Chicago, Cincinnati, Washington, Philadelphia and the principal intervening points between these cities. Its lines extend as far West as Vandalia, in Illinois, and in ten days time will reach St. Louis. The Mutual Union, during the month of September, will comprise within its circuit Chicago, St. Louis, St. Paul and Minneapolis. The Canada Mutual already reaches many important points in the Dominion, while the Eastern Telegraph Company, of Maine, and the Rapid Telegraph Company, of New York, will form the nuclei for the extension of the system through New York and the Eastern States. The companies have simply combined to advance their mutual interests, and the increase of stock will not exceed \$5,000,000, of which the first call is only for \$1,000,000, the entire proceeds of which will be devoted to making the necessary connections and extensions to bring the whole into practical and harmonious connection. When these connections are made the following important trade centres will be embraced within the sphere of the company's operations:—

New York, Boston, Philadelphia, Newburg, Albany, Rochester, Buffalo, Portland, Columbus, Toledo, Detroit, Cincinnati, Louisville, St. Louis, Milwaukee, Indianapolis, St. Paul, Minneapolis, Baltimore, Washington, Montreal, Ottawa and Toronto. In view, of course, all international connections involving the operation at the reception of the enterprise of a vast staff, about 50,000 men and women, first-class working condition. As we understand the purpose of the project they do not propose to attack the Western Union. They will wait until that corporation to commence hostilities in which event the new combination will not evade the contest. We are credibly informed that the telegraphic connections will be made within a few weeks, and that in a month the combination will reach four-fifths of the paying centres of the Western Union business." So far as Canada is concerned, it is impossible to say at present to what extent the new combination will affect her telegraphic interests. The Montreal and Dominion Lines are now under the control of a company towards which, when it has gained sufficient strength, a new combination may assume an attitude of a rival, but we are inclined to think it will be in a position to do so before it will be in a position to do so. The feeling which developed in Canada a few weeks ago connected with the handing over of the Montreal Company to the control of a great American company has subsided, and the time which prevailed for a time that the intention of certain capitalists to organize a new Canadian company has died out. If a strong company were organized in Canada we might expect to hear of its making connections with the new American combination in opposition to the Western Union and its connections; but at present there does not seem to be an immediate probability of any such company being formed. Meantime the public will be well served by the existing telegraphic arrangements; for whether the people be upon the late amalgamation favourable or unfavourably, it cannot be denied that the facilities offered in Canada for the transmission of private messages and general news are not behind those of any other country in the world.

FRENCH CAPITAL IN CANADA.

We are glad to notice a tendency in the direction of foreign capital towards a field for investment in Canada. The inauguration of the National Policy gave encouragement to the movement, the prospects of which are, to say the least, encouraging. In this connection we find the following announcement from the *Quebec Chronicle* of Monday— "Mr. Senecal, who arrived here on a steamer yesterday, is quite enthusiastic over the large amount of capital which is ready in Paris to be placed at the disposal of all kinds of reliable and profitable enterprises in Canada. Besides the money necessary for the purchase of the Q. M. O. and O. Railway, it is General Senecal's intention to inform his friends and the newspaper reporters who saw him yesterday, that French capitalists were quite ready and willing to advance the requirements for constructing the South Shore Railway at Montreal, for working the new Kew-Forest Light Company, and if they satisfy themselves as to the prospects, for working the deposits of iron and creating a factory in the Ottawa Valley for the manufacture of sulphuric acid and superphosphate for the phosphate mined in that section of the country. That all this should be realized seems almost too good to be true. Delegates are to be sent here, however, in the course of a few weeks, to report on the prospects of the phosphate and iron works and the country's capability to them. It must also be borne in mind that only reliable companies are referred to. Mr. Senecal is likely to secure a share of this French capital. We suppose that the only way in which the investors will be able to judge as to the reliability of the companies will be by a strict enquiry into the antecedents of the prime movers in them. There are European capitalists who could give valuable hints in this direction. We shall be delighted to see all the foreign capital that can be most wisely and profitably utilized here, created in the development of our industries, but we have no desire to see our capitalists suffer by careless and unwise investments amongst us. What Canada wants is population—the development of her vast and available resources. The prospects in these particulars are brighter now than they were at any previous period in her history.

We expect to hear of Mr. Senecal's retirement from the field of world prophecy after he reads the *Philadelphia North American's* allusion to him as "that Canadian person" What a crusher!