

to the foreign trade, not the interprovincial trade merely, but the internal trade. If we keep a record of the trade between Nova Scotia and New Brunswick, why not keep a record of the trade between the old Ontario and the new Ontario that lies a thousand miles away? We must take account, not only of the merchandise that passes from Province to Province, but of the merchandise that passes from county to county and from the grocery to the pantry. There would be no sense in limiting the inquiry to the goods that happen to cross the Provincial lines, which have nothing to do with trade. Of course a record of the internal trade of the country is utterly out of the question; one might as well ask for the moon. The foreign trade of a country is the only trade of which an accurate account can be kept, and it is regarded by all writers upon economics as a fair test of the prosperity of a country.—*Toronto Globe*.

Let us examine the position of the *Globe*. It is this:—If the whole trade of the country is to be shown the internal trade must be added to the foreign trade. If we keep a record of the internal trade that record must include not only that which is interprovincial, but also that which passes from the corner grocery to the pantry of the consumer. It is as unreasonable to attempt to keep a record of the internal trade of the country as to ask for the moon. The foreign trade of a country is the only trade of which an accurate account can be kept: and that foreign trade is the only fair test of the prosperity of that country.

It is thus with a wave of the hand the *Globe* disposes of the internal trade of a country, measuring the prosperity of the country only by the volume of its foreign trade. Why does the *Globe* thus unceremoniously ignore internal trade? The point it wants to make is this—In a strictly agricultural country—a country that is a large producer of exportable products and not a large consumer of domestic products: and a large consumer of importable products and not a producer of such products:—in other words a non-manufacturing country—the foreign trade would be at its maximum, and, according to this standard established by the *Globe*, that country would be in its best possible financial condition. The industry of the country—exclusively agricultural—would provide for large exports of produce, and, of course, everything that the country required except these agricultural products would of necessity have to be imported. This would produce a condition of exceedingly lively foreign trade—everything that the country produced going out, and everything the country required coming in. This condition could only obtain in a Free Trade country, such as the *Globe* desires to make Canada.

It is quite clear that this acme of commercial prosperity could not be attained if any system existed in the country to interrupt that course of trade. If a class of consumers of agricultural products other than the farmers themselves should appear, the export of farm products would be curtailed to the extent of the consumption by this class: and if a class of producers of such things as were being imported should appear, the imports of such articles would be curtailed to the extent of the production by this class. But it does not follow that because of this curtailment of exports of agricultural products, and of imports of manufactures, the country is less prosperous than before: while on the other hand it may be infinitely more prosperous.

To illustrate we will suppose a purely agricultural country that exports say \$50,000,000 worth of wheat a year, and

imports of foreign manufactures to the same extent. This would represent a foreign trade of \$100,000,000 a year. But manufacturing industries are established there which produce say \$20,000,000 worth of goods a year; and those employed in these industries consume of the agricultural products of the country say \$20,000,000 a year; now there would be a reduction of agricultural exports to the value of \$20,000,000, and a reduction of imports of foreign manufactures of a like amount, leaving a foreign trade reduced forty per cent. to only \$60,000,000. Under this new condition there has been no slack-up or diminution in any industry or employment except in the foreign carrying trade. Every acre of the farmer's field has been cultivated and producing as before; every work animal kept constantly employed and every hoe and plow kept bright by intelligent contact with the soil. The farmer has made just as big a crop, and he has received just as much money for it, the only difference being one in his favor wherein he sold his produce in his home market instead of sending it to Liverpool. But the country has been benefited in that its population has been increased, and many who would have otherwise been in idleness were provided with remunerative employment. Under these new conditions of prosperity would the *Globe* pretend to say that "the foreign trade of the country is the only fair test of its prosperity?"

We think we forcibly demonstrate the ridiculousness of the *Globe's* contention in the following facts:—

During the fiscal year ending June 30, 1890, the exports from the United States aggregated \$857,856,159, and the imports \$789,335,855, a total foreign trade valued at \$1,647,192,014. The merchandise represented in this vast sum was an important factor in the internal trade of the country—in fact every ton of it before reaching destination, in being hauled by transportation lines within the United States, constituted just that much of the internal trade of that country. Was there any other internal trade in the United States except this which also constituted the foreign trade? It is folly to claim that this was all the internal trade worth speaking of, or that it was more than an almost inconsiderable portion of that trade. According to *Poor's Manual* the freight train mileage on the railroads in the United States last year aggregated 430,719,737 miles, which means that 619,137,237 tons of freight were hauled an average distance of 110 miles—only about two-thirds the distance between New York and Albany. This means that this railroad freight movement was the equivalent of hauling 68,604,012,396 tons of freight one mile. Can the *Globe* comprehend these figures?

"The foreign trade of a country is the only trade regarded by all writers as a fair test of the prosperity of a country." This is the opinion of the *Toronto Globe*. In previous issues of this journal we have shown the volume of internal trade of the United States as carried on in steam and sailing vessels of that country. It is wonderfully large, and, like the business done by the railroads, does not include that so facetiously alluded to by the *Globe* as passing from the corner grocery to the kitchen cupboard. In this article we refer to the internal trade of the United States as carried on over the railroads. The total number of miles of railroad in the United States at the close of 1889 was 161,397. The share capital corresponding to the mileage at that time equalled \$4,495,099,318, and