

THE TRADE QUESTION.

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It is certain that during no period of the world's history has the trade question been the subject of so much discussion, or excited such keen interest as at present; it is also certain that the paramount importance of the press as a great educational factor has never been so clearly illustrated. The study and comparisons of discussions in the press, and of writings by prominent men of various countries on the same subject, grouped as Free Traders, Protectionists, and Fair Traders, may be of some interest and value.

The principles of the Free Traders are voiced in the following quotation from Sir Robert Peel:—"The capital of the country is the fund from which the industry of the country is maintained. The industry of the country is promoted in proportion as the capital employed in its maintenance is increased. The augmentation of capital depends upon the saving from annual income. If you give for certain articles produced at home a greater price than that for which you can purchase them from other countries, there is a proportionate diminution in the saving from annual income. The more extensive the system of protection, the greater will be the aggregate loss of national income; the greater will be the check to the augmentation of capital; the greater will be the check to the promotion of industry. Protection itself, the free trader defines as a promise given to dear production to shield it against cheap production, or to dearer production to hold it harmless against cheaper production; to procure for it a market it could not otherwise hold, and to enable it to extort a price from the consumer he would not otherwise pay."

From this definition he draws the conclusions that protection encourages waste by giving the manufacturer a larger margin to work upon than he would otherwise have; that instead of increasing national

wealth, it decreases it, because more capital is required and tied up in production where the prime costs are greater, in the work of distribution, where wholesalers and retailers have to pay the higher price resulting from dearer production; and finally the consumer in his turn has to pay an enhanced price.

Protection is an unjust and criminal form of legislation discriminating in favour of manufacturers; it is not equally distributed all round and cannot be in any country, until a country is discovered that does not find its interest exporting some commodity or other. For the price of that commodity is determined by its price in the foreign or export markets, thus rendering the protective duties useless so far as that particular article is concerned. The grower of cotton, wheat, maize etc., cannot get a cent more than is allowed him in the export markets; if under these circumstances he has to pay the iron master, and manufacturer a price enhanced by protection for machinery and clothing, and is unable to obtain compensation, such extra price is much like robbery perpetrated by law.

Protection engenders labour troubles by disturbing the relations of capital, profits and wages, placing them upon an artificial not a natural basis, and interferes with the law of supply and demand, which is the natural basis of adjustments between the factors above mentioned.

If protection is necessary to capital at home, how is it that the vast amount of capital invested in the production of commodities for the export or free trade markets, does not leave the country?

If protection causes higher wages how is it that wages are better in Great Britain under free trade than they were under protection. Mr. Giffen states that since protective duties were repealed in Britain, the wages of miners in Staffordshire, which is the county of lowest increment, have increased by 50 per cent. In the