

soon resulted in glutting these markets with goods of all kinds, and in bringing about a reaction, which has of late been telling so fearfully upon all English industries. In fact, at the present time, they can find neither a home nor a foreign market for their goods. The producing powers are overdone and have overreached the consumption of their customers. Therefore, unless a change takes place, and I do not see how such a change can be brought about at the present time, they are ruining themselves and others by continuing to force goods when there is no market for them. Such is the state of the English market at the present time. Now, let us consider for a moment what effect the American war had upon this continent. It had in effect at once to make the United States lose the carrying trade which has since been done by England, as in consequence of the imposition of heavy taxes which had to be imposed to cover the expense of the war it was impossible for that country to compete successfully with other nations. This war was an expensive one, and it told heavily upon that country, for it produced a complete change in the fiscal policy which had been in force up to that date. A tariff which was equal to a prohibition had to be imposed, and all sorts of taxes had to be applied. This prohibition tariff resulted in giving activity to all branches of manufactures, and in fostering all kinds of industries protected, as they were, from foreign competition by a duty averaging fully 60 per cent, being, as it were, equivalent to a prohibition. With a population of 40,000,000, composed of individuals who were comparatively well off, we can easily fancy what an impetus it gave to business, and what fields there were for manufacturing industries. At first enough goods could not be produced to supply the demand, and manufacturing was a successful operation, as there was such a large margin of profit. It is not surprising if it at once drew a large part of the capital of that country in that channel, for capital is a very sensitive article, and easily