

doubt on that point, and it is pretty certain that the deficiency will be made up by increased rates of duty on such classes of articles as are manufactured in this country. What is before us then is clearly the adoption of a more strongly protective tariff than the existing one.

A considerable advance in the duties on articles manufactured in this country has long been demanded, as everyone knows, by the manufacturers of Canada, as being necessary to their complete success; and the near prospect of such a change must be to them peculiarly gratifying, especially as it comes about in a manner so sudden and unlooked for. Those, on the other hand, who have stood opposed to such a policy will find it difficult to escape from the position in which our neighbors's legislation has placed us by any better method. We have always taken ground in favor of revenue duties so adjusted as to afford incidental protection to our rising manufactures, a principle well exemplified in our present tariff. The necessities of the revenue will now demand such an extension of that policy as will meet the demands of manufacturers. It is conceded by the best writers on political economy that there may be certain circumstances in the history of a country in which protective duties become not only justifiable but positively beneficial. Mr. John Stuart Mill in his "Political Economy," pages 556 and 557, says:—

"The only case in which, on mere principles of political economy, protecting duties can be defensible, is when they are imposed temporarily (especially in a young and rising nation) in hopes of naturalizing a foreign industry, in itself perfectly suitable to the circumstances of the country. The superiority of one country over another in a branch of production, often arises only from having begun it sooner. There may be no inherent advantage on one part, or disadvantage on the other, but only a present superiority of acquired skill and experience. A country which has this skill and experience yet to acquire, may in other respects be better adapted to the production than those which were earlier in the field; and besides, it is a just remark of Mr. Rae, that nothing has a greater tendency to promote improvements in any branch of production, than its trial under a new set of conditions. But it cannot be expected that individuals should, at their own risk, or rather to their certain loss, introduce a new manufacture, and bear the burden of carrying it on until the producers have been educated up to the level of those with whom the processes are traditional. A protecting duty continued for a reasonable time, will sometimes be the least inconvenient mode in which the nation can tax itself for the support of such an experiment. But the protection should be confined to cases in which there is good ground of assurance that the industry which it fosters will after a while be able to dispense with it; nor should the domestic producers ever be allowed to expect that it will be continued to them beyond the time necessary for a fair trial of what they are capable of accomplishing. \* \* \* I have therefore conceded that in a new country a temporary

protecting duty may sometimes be economically defensible; on condition, however, that it be strictly limited in point of time; and provision be made that during the latter part of its existence it be on a gradually decreasing scale. Such temporary protection is of the same nature as a patent, and should be governed by similar conditions."

It is satisfactory to know that while we are almost forced into the adoption of such a policy our circumstances are such as to expect results beneficial to our interests. It requires wise discrimination in adjusting the tariff to answer the ends of incidental protection, so that it shall only encourage the production of articles for which the climate, resources, and other conditions of this country are adapted. Any hot-bed system is to be deprecated and shunned as unwise and unjust, and is always to be distinguished from encouragement given to legitimate manufacturing enterprises.

WE HOPE those members of Parliament who voted for the repeal of the Insolvency Act will seriously reconsider their action before the third reading. The Commercial Community, whom the Act affects most directly, are almost a unit in favor of its continuance, and are willing that it should be amended wherever amendment is regarded by the Legislature as necessary. In mercantile circles there is a strong feeling on the subject, and a good deal of anxiety. It is feared that if the Act is repealed that it will be difficult in the face of such action to have a substitute for it placed on the statute book without years of delay; the wholesale trade view with anything but satisfaction the probability of a return to the old state of things. We do not think that the Government can afford to wink at proceedings involving so largely the commercial interests of the Dominion, without making its influence felt to prevent so unwise a proceeding as the sweeping away of a measure whose object is admittedly good. If the Government refuse to take a stand, we hope that the Senate will administer a much needed check to the action of the Commons, and at least delay action on a matter of such vital moment, until the new Parliament shall have an opportunity of expressing its will on the subject.

**DOMINION BANK.**—The management of this Bank have proven their ability to earn money for the shareholders by the report of operations presented elsewhere. Net profits to the amount of \$107,488 were earned in the period between the opening of the Bank and the 22nd of last month. Out of this sum two dividends were paid and a rest commenced by placing aside \$50,000 for that purpose. This auspicious

beginning is we hope but the augur of future success.

**UNWONTED LIBERALITY.**—The impression seems to have got abroad that the Dominion Government are just now in a liberal mood, that promises of favors to come, and actual favors, are being dispensed with no miserly hand. It appears, too, that there is no lack of disposition on the part of municipalities "to make hay while the sun shines;" and many private individuals display great enterprise in the endeavor to thrust their hands into the public money-bags while they are open. Toronto is represented at Ottawa in strong force with a very pitiful tale to tell in connection with her harbor; Montreal wants only a few hundreds of thousands to help her ditch out the St. Lawrence and improve her harbor; Quebec seems disgusted (as appears from the proceedings of her Board of Trade) that she has not participated sufficiently in the good things that have been thrown into the laps of Halifax and St. John; Collingwood, Meaford, &c. in Ontario, want their harbor and other things fixed up and must have it done or they will—well, the country ought to have a change of government once in a while any how. Will some one help us to an explanation of this phenomena? is it the "four million surplus" or the coming elections, or what?

—The gauge question has cropped up again at Ottawa in connection with the Intercolonial Line, and may possibly give the Government a good deal of trouble unless the concession demanded by public opinion is granted. The change to the narrow gauge will have to be made sooner or later, and we cannot see what is to be gained by incurring further expense on the present basis.

**THE PUBLIC DEBT.**—In the House of Commons Sir F. Hincks moved the following resolution:—"That it is expedient to consolidate the Acts respecting the Public Debt and the raising of loans so as to make one act applicable to all future loans, and amend the same by enabling the Governor in Council, in raising any loan hereinafter authorized, to establish a sinking fund not exceeding one and a-half per cent. per annum for paying off the same, and to change the form of any part of the funded debt by substituting one class of claims for another, provided the annual charge for interest be not increased, and to effect temporary loans for a limited time and at a limited rate of interest, in case of any deficiency in the Consolidated Revenue Fund to meet the charges on it." He explained that in the alterations which it was proposed to make in the existing law, the principal point was to allow the Government to establish a sinking fund, not exceeding one-and-a-half per cent. on the whole debt; the other point was that the law at present said that they might change the character of the debt, but they could not change the amount. Several people had wanted to convert six per cent. stock into five per cent. stock, but they had not been able to do so under the strict letter of the law. The object was to be able to do this. The resolution was carried.

—The small steamer St. Helen struck in Cedar Rapids on the St. Lawrence, and is likely to prove a total wreck,