cient progress has been made to have both agriculture and manufactures represented. *Agriculture alone, then, will not make a country prosper*, and how are we to invoke the aid of manufactures?

We must consider then to what extent Canada is in a position to build large cities, which would fill these conditions, and bear us on to a ultimate prosperity. Canada has, within herself, the crude material for every description of work in iron and steel, her ore beds of St. Paul, the St. Maurice, the Rideau, and Marmora, yield in abundance and great variety. Her soil and climate have been found favourable to the produce of flax; sheep husbandry is carried on successfully—her water power is abundant and running to waste—there is a prospect of cheap fuel through recent discoveries,—and, in the matter of labour, the wages, though remunerative to the working man, are not excessive to the employer. With unrivalled facilities for transport, these are at her command, and I am convinced that were a great sacrifice demanded —were the country required to "do some great thing" —in order to reap the benefit arising from their use, there would have been money voted, and bureaus formed, that we, by well-timed exertions, might secure these latent advantages. It is to me almost incredible, that two opinions could exist, as to the advisability of making full use of our own internal riches—for we had but to retain the law which worked so well for all, to have within our easy reach, and without cost, the enjoyment of all these magnificent resources; for under the protection afforded by the late tariff,—a tariff that drew no more money from our people than the Government required,—their early development, through the medium of private enterprise, was already rendered certain; and, I may add, that without such sufficient protection, and without some guarantee of permanency attached to it, this most desirable position cannot be secured. These, however, once obtained, we at once regard them as a means to an end, and perceive that the balance of production will soon be in our favour. This, Adam Smith declares, "is entirely different from what is called the balance of trade. It is the balance of annual produce and consumption. It is when the exchangeable value of the annual produce exceeds that of the annual consumption, the capital of the Society must annually increase in proportion to this excess, * * * if the exchangeable value of the annual produce of the country fall short of the annual consumption, the capital of the Society must then decay in proportion to this deficiency. The expense of the Society in this case exceeds its revenue, and necessarily encroaches upon its capital."

A writer on political economy who is frequently quoted, in treating of the circumstances where protection may be fairly accorded, says:—" * * * * * especially in a young and rising nation, in hopes of neutralising a foreign industry in itself perfectly suited to the circumstances of the country * * * it cannot be expected that individuals should, at their own risk, or rather, in their own certain loss, introduce a certain manufacture, and bear the burthen of carrying it on, until the producers have been educated up to the level of those with whom the processes are habitual." We would have protection extended to those manufactures which are suitable to the circumstances of the country, and without the incidental protection that our tariff can afford to give, we may be assured that Canada cannot make the move by which she will ultimately become, what she ought to be, a manufacturing country. We are England's best customers (per head) as I will show below; it is, therefore, so strongly her interest that we should adopt free trade doctrines, that we must regard with distrust the incessant appeals from that quarter.

Washington said:—"There can be no greater error than to expect, or calculate upon, real favours from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard."

It seems that in the distribution of British goods, each inhabitant of Prussia uses seven cents worth, each Russian fifteen, Dane seventeen, Frenchman twenty, citizen of the United States $4.02, and the average to each inhabitant of Canada in 1865-'66 was $8.00.

It is clearly then the *interest* of Great Britain that we should furnish to her the raw material from which she may make the finished goods for us. But it is clearly the *duty* of Canadians to develope the resources of their own country; for a non-manufacturing nation can not be a highly and permanently prosperous nation,—the country who employs a team of horses and a man, at a dollar a day, to plough an acre of ground, or who sets the man to tend sheep and oxen, can only get one day's work from one man; but the country which can take the raw wool, hemp or flax, thus raised, and cause one man at a spinning frame with three pence worth of coal, to perform the work of three hundred men, will occupy a commanding position, will monopolize the lion's share of all profits, and will for ever keep the balance of produce and consumption against that people who send her the raw material direct from the farmstead, the forest, or the mine instead of giving it to their own cities to work up into more valuable products.

I wish to show that we should begin with making successful the manufactures of our raw material, for from that source will flow to us a greatly increased development of agriculture and commerce.

I wish to show that this can be done at little cost, and by the sacrifice of no principle of statesmanship; and that the longer a permanent, moderately protective system is deferred, the longer will the country remain without those benefits, that are undeniably the fruit of successful manufacture.

I hold that without protection we cannot attain to these, but that with it, our manufactures will at no distant period, compete successfully with those of other countries; and that we shall instead of exporting one dollar's worth of wheat or of wool, export in their place three dollars worth of manufactured goods.

Your correspondent has something to say concerning the iniquity of taxing food; let him begin his reformations in this direction, and he will have every protectionist with him. It remained for Mr. Galt in his first step towards free trade here, to levy fifty cents per barrel on flour, and ten cents per bushel on all coarse grain. Free trade—England is not ashamed to take from the hard earnings of our millers, a sum that would be to them a handsome income for each; for if a miller who makes his 25,000 barrels of flour per annum, sends his very perishable and bulky manufacture 3,000 miles away to Liverpool market, he is called upon, after paying heavy expenses and running all risks to relinquish over £1000 of our money to the Custom house. Or should a commission house ship 100,000 bushels of peas, the British government will demand, before the grain can be sold in its dominions, the sum of $3200 of the money earned by the sweat of our farmers' brows.

Your correspondent asks me a very absurd question, but in so pointed a manner that I suppose it should be answered. "Do the manufactures of Canada cost her nothing?" They cost the country the value of the material, and the price of labour expended on them; if the sum of these fall below the entire value of the imported article, the country gains the difference, irrespective of what the selling price of the domestic manufacture may be.

I would, in conclusion, point out that the exporting trade we are now doing, and what free trade policy would confine us to, is not necessarily profitable. The first item on the list of exports for 1866, is "produce of the mine $422,570" It would be interesting to know whether the minerals we have hitherto dug up and exported in the raw state, have paid their cost. I think they have not. The item of $990,000 in favour of fisheries, is undoubtedly a gain. With regard to the very large sum of $18,847,000 for timber, we can not expect long to enjoy this trade in such proportions, as the forest must soon give signs of exhaustion. Animals and their products give us no less than $12,683,000,—and agricultural productions $16,651,000. Now of this latter item, but few perhaps, take into consideration the real cost at which it stands the country. The writer has known even wheat sold for 5 cts here, under what it could be raised for, allowing the farmer but common wages for his share. When this happens it is clearly traceable to the want of that counterbalancing element, manufactures, which keeps up a healthy relation between town and country, and form that regulating link between country and country, which prevents one nation being systematically starved for the benefit of its neighbour.

T. A. WHITNEY,
Sec. Association for Promotion Canadian Industry.

Toronto, Jan. 5, 1867.

FOREIGN COMPETITION WITH ENGLISH MANUFACTURERS.

THE following is the second letter of Messrs. Creed and Williams, jr., which will be found of much interest:—

SIR,—In addressing ourselves to the question propounded in our first letter with regard to the relative position and the rates of progress of the coal and iron industries of Belgium and of England we deemed it advisable in the first instance to determine for ourselves the points upon which it would be essential to institute comparisons between the two countries. It appeared to us that unless we did this our investigations would run a great risk of becoming desultory, and our reports confused. We therefore decided, in examining the circumstances of Belgian industry, to carry in our view with us the following points as points of comparison:—On the one hand, the advantages bestowed and the obstacles presented by nature; on the other, the facilities or obstructions created by man which may be divided into—

These originating with Government:

Those arising from the policy or the administration of capitalists;

Those interposed by the working classes; and

Those resulting from organization or conduct of public works and undertakings in incidental or occasional cooperation with the industry. To that system of investigation and comparison we have, as far as we could, adhered.

The first day after our arrival here we devoted entirely to obtaining by personal communication with the Government Departments, statistical and general information as to the condition of the coal and iron districts, the past rate of progress in production, in processes of production, the modes of applying capital, the position of the population, and the control claimed and exercised by the State. Reports, documents, and statistical tables of all descriptions, were freely furnished to us, and, what was still more valuable, assistance was personally given in the kindest and most intelligent manner to carry us to a just and clear apprehension of the circumstances which they represented, and the principles of their construction. Before proceeding to the description of what we saw in the visits which we have made to the provinces within which the great coal basin of Belgium is embraced, and to the establishments which are developing its capacities, we think it desirable to place before the public some of the results at which we thus arrived as in our tours of actual inspection we had them in our possession and we desire to take our readers with us, and to let them acquire knowledge as nearly as possible in the order in which we ourselves obtained it. The following tables, which may be entirely depended upon, will give a sufficient idea of the rate at which the industry of Belgium has been advancing from the year 185 to the year 1863, both inclusive. These tables include coal mines, iron ore and other metalliferous mines, pig iron establishments, foundries, and forges and mills.

TABLE 1.—COAL.

	1850.	1863
Acres worked	323,000	341,500
Nominal horse-power in use	28,000	50,82
Hands employed	45,000	79,157
Tons (Belgian) raised	5,82 ,000	10,245,35
Undertakings	310	289
Value raised in round numbers	47,000,000f	1 5,000,000f

TABLE 2.—IRON ORE AND OTHER METALLIFEROUS MINES.

	1850	1863
Establishments	84	68*
Acres opened	118,000	125,000
Workmen employed	5,695	13,122
Tons of minerals produced	472,883	856,190

*Of which 124 were open works.

TABLE 3.—PIG IRON ESTABLISHMENT.

	1850.	1863.
Establishments	347	318
Coal and coke furnaces	25	48
Charcoal	16	6
Nominal horse-power	not given	18,300
Workmen employed	12,932	27,659
Produce of furnaces, in tons	not given	392,178

TABLE 4

Foundries	78	142
Produce of Foundries (tons)	17,410	61,505
Produce of forges & mills (tons)	61,950	275,83
Produce converted (tons)	10,788	21,562
Workmen employed in reworking iron into manufactured articles and machinery	516	1,454

We may here properly state that of every 1,000 hands employed below the surface 723 are men, 83 women, 135 boys and 49 girls under 16 years of age; and of every 1,000 above the surface 673 are men, 149 women, 88 boys and 85 girls under 16.

It our readers will follow us through these figures they will find that there may be educed from them the following results. They will find that where the extent of acreage under operation has remained nearly stationary, the produce realized and the hands employed have increased in the following ratio:—

	Per Cent.
The product of coal has increased	100
Ditto, of minerals	100
Ditto, of forges and mills	300
Ditto, of foundries	250
The amount converted	100
The number of hands employed in coal mines has increased	55
Ditto, in raising minerals	130
Ditto, in blast furnaces	110
Ditto, in forges and mills	220
Ditto, in foundries, and in re-working iron into manufactured iron and machinery	130

Can anything show more conclusively the enormous augmentation of power in the labour of men and the work of machinery, but especially in the labour of men, which Belgium is daily, with untiring industry and earnestness, bringing to bear upon this great branch of her resources?

We hope our own workmen will look at and think over these facts. They ought to find in them a valuable lesson.

They can scarcely avoid seeing that it is mainly the application of rude labour, abundantly and persever-