

munication with the remotest districts; within a fortnight's sail of England, with its vast market for our surplus products, who will say that this condition is not more than complied with? And as for the third, the records of the race from which the bulk of the population has sprung might be a sufficient answer; but let us look at actual results. In Western Canada we find a large and energetic agricultural population, producing over and above their own wants, a large and yearly increasing supply of food, while in Lower Canada and the Maritime Provinces the energy and success with which the manufacture of Lumber, and the building of ships has been prosecuted, testify to the habits and industry of the people. Nowhere shall we find more enterprising merchants, more skilful artisans, better seamen, or a more energetic industrious or orderly population than is to be found in British America. With all these advantages and many more, and with all the conditions named, abundantly fulfilled, what have we to fear from Free Trade? Have we not rather everything to gain? But some advocates of protection may say: What, would you adopt a system of Free Trade, and so consign all our rising manufactures to ruin? Nothing at all of the kind; on the contrary, we believe it would tend to establish all those manufactures for which nature and circumstances have fitted us, on a firmer and more enduring basis. Before proceeding any further with this branch of our subject, we would remark that our lumber trade, agriculture, ship building, mining and fisheries, constituting the bulk of our exchangeable products, are all carried on under a perfect system of Free Trade, and in their growth and manufacture, so to speak, employ by far the largest part of our population. According to Mr. Whitney, the value of exports, the products of the mine, the forest, the sea, and of agriculture, for the year 1866, was for Canada alone \$44,588,570. If to this we add the productions of the Maritime Provinces, the total will not be less than \$70,000,000. Now this must exceed by many times told, the whole value of other manufactures, and must it not strike every one as being absurd and unjust to require these great productive interests we have spoken of (comprising among them probably five-sixths of our population) to pay an enhanced price for almost everything they require to purchase, in order that certain manufactures may be carried on, which it is supposed, could not otherwise be rendered profitable. But to return from this digression. The first effect of a Free Trade Tariff would be to diminish the cost of production, by cheapening the raw material; its next would be to lead to the introduction of improved methods of manufacture under the stimulus of competition, and the cheapening of price consequent on this, would widen the area, and increase the amount of consumption. We do not mean to say, or seek to affirm that all the interests which have been forced into existence by protection would come out unscathed, but that a very large number of them would, is we think beyond doubt. There is quite a large number of manufactures now protected, the raw material for which we possess in great abundance. Among these may be classed the manufactures of wood. By far the greater part of the lumber of British America is exported in only a partially manufactured state, and this will probably be the case for years to come; but there exists in Great Britain, in the Australian Colonies, the West Indies and South America, an immense outlet for the profitable sale of the cheaper kinds of furniture, and the numerous articles of wooden ware, which enter into the daily use of those vast populations, and which no country in the world possesses better or even equal facilities for supplying. Manufactures of leather and wool, for which we possess abundant facilities, might also be included in this category. As regards manufactures of which iron or metal forms the principal part, indications are not wanting that we can more than stand alone even in this class of manufactures. Already in St. John, N. B., a sewing machine manufactory is in successful operation, turning out at the present time from three to four hundred machines per month, and employing about 70 hands. Now where do these machines find a market? Of 1,890 machines sold in 1866 1,000 were sent to Great Britain, 400 to Germany, 250 to South America, while in Canada, Nova Scotia, New Brunswick, and Prince Edward Island, only 240 were sold altogether. Now this manufacture cannot possibly derive any benefit from protection; on the contrary it cannot be anything but a positive injury to it, and plenty of proofs might be adduced to show that this is not at all an isolated case. The finer and more expensive kinds of cutlery and hardware, we should

probably import under any circumstances, but there is no reason for supposing that even under a system of perfect Free Trade, we should not continue to manufacture on the whole as much as ever, while in some articles our power of commanding more extended markets by the cheapening of the cost of production, would lead to a very large increase. The truth is that whatever real or fancied advantages protection may seem to possess up to a certain point, at that point (which is where production begins to exceed domestic consumption,) it becomes a positive injury to the protected classes themselves. Buckle says: "Legislators, in every attempt they have made to protect some particular interests, and uphold some particular principles, have not only failed, but have brought about results diametrically opposite to those which they proposed." And the testimony of Mr. Commissioner Wells of the United States Revenue Department is equally outspoken and emphatic. Mr. Wells says: "The renewing of high or prohibitory rates of duty on the pork, beef, lumber, wool, and vegetables of the British Provinces, consequent on the termination of the Reciprocity Treaty have injured and not benefited the American agriculturist." This is pretty conclusive evidence. What was the Reciprocity Treaty? A very partial and imperfect measure of Free Trade; yet still we find that partial and imperfect as it undoubtedly was, its very opponents are forced to admit the benefit which it was the means of conferring. And if further proof is required, that protection does not necessarily benefit the protected class, though always injurious to the general community, and that its removal does not necessarily ruin the interests from which it is withdrawn, we have only to turn to the experience furnished by the repeal of the Corn Laws in England. That measure was only carried after a long course of agitation and political excitement almost amounting to revolution; and the most disastrous results were predicted by the Protectionists, from the adoption of Free Trade principles. It was said that the land would be thrown out of cultivation, and the farmers ruined; that rents would be lowered, that it was utterly impossible for the highly taxed English producer to compete with the lightly taxed foreigner, and in fact it was asserted and believed by a large class, that the utter and complete ruin of English agriculture would be the inevitable result. But after twenty years experience it is found that all these fears and predictions were groundless, and (without entering into particulars) exactly opposite results have been produced, while the benefits to the nation have been enormous, and so complete has been the change wrought in public opinion that an advocate of protection in any shape, is now in England one of the rarest of individuals. It may be said, all this has little or nothing to do with the fitness of Free Trade for British America; but we contend that it has a great deal to do with it, and that no country can afford to ignore the knowledge gained by actual experience, and to set at naught the lessons of the past. However, to recapitulate, it has been shewn that, as the "consumer pays the duty," protection can mean nothing else than taxing the many for the benefit of the few; that protection, however successful it may appear to have been up to a certain point, yet always fails there, and always results in injury even to the protected classes themselves; and that in virtue of her great natural resources, her geographical position, and the natural genius of her people, British America is eminently qualified to hold her own in free competition with the rest of the world. There are, however, some other reasons which seem to point out the present time as being peculiarly favorable for entering on a Free Trade course. One great competitor (the United States) has voluntarily withdrawn from the field, and left open to us a path to commercial and even manufacturing greatness, which it will be our own fault should it not be rendered available. Another reason is, that by adopting a Free Trade policy, our country would gradually, but surely, become a depot for the distribution of goods to the adjoining and other countries. The approaching Union of British America also offers a peculiarly favorable opportunity for determining on the commercial policy necessary for the welfare of the whole. The conviction is growing and gaining strength that our true policy is a Free Trade one, and that Protection to such a country as ours is a baneful thing, which, if persevered in, will be found to be fraught with mischief, setting class against class, and ultimately inflicting irreparable injury on the whole community.

Let us, then, when we make our new start as one people, take care that at all events we do not retro-

grade. If Customs' duties must be retained, let them be strictly for Revenue purposes, and let even them be fixed as low as possible, remembering that it is not always high duties that produce large results. All Mr. Gladstone's splendid reputation as a financier rests on his having been able to discern and follow up the simple maxim of political economy,—that, by lowering duties on articles of general consumption, the revenue does not necessarily suffer, because exactly as the cost to the consumer is reduced, so does the range of consumption increase. Let us first of all commence by abolishing all duties on raw material necessary to manufactures of any and every kind. That will be the first great step, and will at once enable us to make an alteration in those protective duties which press most heavily on the consumer, and ultimately to abolish them altogether.

N. B.

It is of course impossible in a newspaper article to cover anything like all the ground which this important subject suggests, but the writer trusts that what has been advanced may promote its discussion, and help to elucidate the truth.

LETTERS FROM A PROTECTIONIST.

[No. 8.]

[To the Editor of the Trade Review.]

A NATION or country which exports its surplus in the shape of raw produce, is continually being impoverished. An agricultural country is neither more nor less than a farm on a greatly enlarged scale; and, it is a fact beyond dispute, that a farmer who continues, year after year, to sell his hay, oats, corn, potatoes, &c., instead of feeding and having them consumed on the premises and thus cause a portion to be returned to the soil, his farm deteriorates, his crops diminish year after year until his land and premises become almost, or quite worthless. Large quantities of land in Virginia, the cultivation of which brought no return to the soil, have thus become impoverished, although naturally among the most fertile in the Union, and formerly of great value, are now almost worthless. In New England we find naturally a thin, rocky, sterile soil, originally almost valueless, and furnishing to the husbandman a meagre return for his labor, but these lands have steadily increased in value and productiveness, until, now, the cash value of their products to the acre is equal to, if not more than of any other lands in the Union. The houses and other buildings necessary to the successful and profitable cultivation of their lands, are spacious, comfortable, tidy, and many of them, really elegant structures. A small, scant, rickety structure, with the stove-pipe piercing the roof, is seldom seen. Why this thrift and prosperity, from the sandy shores of Cape Cod westward, and from Long Island Sound to Canada line? The answer is simple the solution easy,—the plough and the scythe have been at work by the side of the loom and the anvil. The farmer has sold his beef, wool, butter, beets, cabbages, turnips, apples, strawberries, &c., &c., in the manufacturing villages near at hand, (and not in a market thousands of miles away,) and received in return the woollen and cotton goods, farming implements, and other manufactured articles needed for family use, almost directly from the makers.

The manufacture has prospered also, for the exchange has been made with the intervention of but few, if any, middle men, traders, ships, insurance, interest, and the thousand things that intervene to consume a large share of the value of both products when they can keep the two parties thousands of miles asunder. The great saving thus effected is, at least, an hundred fold more than what (if anything) may have been paid in the way of protection to stimulate and encourage the growth of the manufacturing industry; and that was by no means a loss to the country, as it paid a large share of the expenses of the general government previous to the war.

Two hundred years ago the Turkish Empire was one of the important countries of Europe and Asia; its trade with Western Europe was of great consequence; the Turkish merchants were among the wealthiest that visited France and Germany; its climate and soil are favourable to, and produced large quantities of cereals, cotton, oil, wool, silk, tobacco, fruits, &c., &c.; its manufactures, produced mostly in a domestic manner, of silk, cotton, carpets, fine worsted goods, &c., were extensive, and the export of them large. In an unfortunate moment a treaty was made by Turkey with France and England, by which the first-named country was not to charge on the manufactured goods of the two latter more than three