

deduction from the advantages she enjoys, for the purpose of fostering those arts and manufactures in which she is deficient; even if she does so at the expense of diminishing profits from trade which go to swell the gains of the distributing rather than the producing classes of the community."

We must give one extract more:

"We delude ourselves, therefore, when we suppose that protection does not maintain, in countries like the United States, 'a single industry which would not exist equally under free trade;' and that 'the effect of free trade would not be to extinguish any of those branches of production in either country, but merely to alter the proportions in which they are carried on.' Great Britain, in fact, does not produce corn so far as it is profitable to do so, and then satisfy her remaining wants by importation, as laid down by Mr. Cairnes. Her course is very different. She first buys as cheaply as she possibly can from foreigners who undersell her own producers, and when she can get no more so cheap, she buys from her own producers at as low a rate as the temporary supply and demand and the 'higgling of the market' will get it for her. This is the avowed object and essence of free trade; and it is only throwing dust in our own eyes to pretend the contrary.

"And so it would be with the United States in the case of iron and coal only that the process would more rapidly extinguish these industries in America than wheat-growing in England, unless the money cost of labor should fall. Mr. Cairnes further cites the case of such products as lumber and leather, in which he thinks that Canada has greater resources than the United States, and that 'it is probable that the abolition of the high import duties now imposed by the latter country would lead to some re-adjustment of the proportions in which the industries they occasion are carried on.' What does Mr. Cairnes mean by resources? Does he mean to say that it takes less labor to cut down a tree or to tan a hide in one place than in the other, or that Canada has more trees and more hides than the United States? In this, as in other cases, the fact is, that any real advantage can only consist in the possibility, through water carriage, cheaper labor, or some other circumstance, that the lumber or the hides can be procured for less money in one place than in the other.

"When writers on economical subjects make admissions like that of Mr. Cairnes, where he grants the fact as undeniable that over a considerable area of manufac-

turing industry, European manufacturers are capable, under free trade, of underselling Americans in their own home market, it is strange that it should not occur to them that those American manufacturers well understand the circumstances of their own business; and that it is no consolation to the cotton-spinner for a failure to be told that he may grow the raw material instead of weaving it."

Our object has been to place before our readers, in his own language, the views of a very intelligent and, so far as we can judge, disinterested observer; and, if we should succeed in inducing our readers to obtain and peruse the entire article, our object will have been attained.

#### TRADE WITH THE WEST INDIES.

At the request of Mr. W. J. Patterson we give insertion to his letter on the subject of the West India trade. We are sorry to find that Mr. Patterson is still laboring under a complete misapprehension as to the question in controversy. Notwithstanding repeated declarations that our object, and that of our correspondent, Sir Francis Hincks, was to point out difficulties in the way of obtaining the concurrence of the West India Colonies to the reciprocal policy advocated by Mr. Patterson, that gentleman persists in assuming that Sir Francis Hincks is himself favorable to the policy on the part of Canada, which he has merely affirmed, is desired by the West India planters. The utter disingenuousness of Mr. Patterson in imputing to Sir Francis Hincks that he holds such views will be apparent from the following short quotation from that gentleman's letter in our last number: "I desire to state that I have written 'nothing from which Mr. Patterson has 'any right to infer what my views would 'be as to duties levied in the interest of 'Canada.' The letter proceeded to state that the writer merely undertook to explain 'the views of the principal planters in the West Indies.' We shall not waste space on any lengthened reference to Mr. Patterson's speech at the Board of Trade meeting. If he did not intend it as a reply, it would perhaps have been more judicious for him not to have referred to the subject at all. Mr. Patterson declares that the adoption of the principle of imposing a duty on packages 'added a heavy blow to sugar refining in Canada.' It is, we believe, the first time that this change has been made. It might have been supposed that some representation would have been made to the government against this *very heavy blow!* We own that we are obtuse enough not to be able to discover this pet grievance of Mr. Patterson.

He refers to a tax "on the packages enclosing certain refining grades of sugar," but surely the tax was *on all packages* and, consequently, did not operate injuriously as a discrimination against the refiners. 10 to 12 cents per 100 lbs. means a valuation on sugar hds. of \$8 each, a valuation which will be generally admitted as excessive. Mr. Patterson seems to be still of opinion that only "a few West India planters" entertain the views that we have attributed to them, and he declares that the sugar produced by them is "a very small proportion of what is exported by sugar-producing countries." We must remind Mr. Patterson, in the first place, that in our remarks on this subject we have had reference to the British West India Colonies alone. Of these British Guiana alone produces about one-third of the entire exports, and it is admitted in a sugar refiner's report furnished by Mr. Dustan that "the bulk of the 'British Guiana crop now comes in the 'form of crystallized centrifugal sugar and 'goes to the consumer.' We fail to see the point of the reference to the 'artificially darkened kinds' of sugar sent to America. We are quite ready to concede that the bounty system leads to all kinds of frauds, and we defy Mr. Patterson to point to one line written in this journal hostile to a policy of counteracting the bounty system by a surtax. Mr. Patterson has taken some trouble to prove that English statesmen were opposed to uniform duties on sugar as bearing upon revenue. The report of Mr. Cardwell's committee has no bearing whatever on the present controversy. It did not satisfy the West Indians when made, and the conclusion was entirely against Mr. Patterson and his friends, inasmuch as it went to recommend "such an alteration as shall 'admit, at lower relative rates of duty, the 'inferior portion of the sugars which are 'now liable to pay 12s. 8d. and 16s. respectively." If, as Mr. Patterson says, that report "was founded on the best of evidence" we should like to know whether the discrimination established in England before the abolition of the sugar duties would satisfy Canadian refiners. We know that it would not, and that the tariff of 1868, so much complained of by Mr. Dustan, and, if we are not mistaken, by Mr. Patterson also, was much more favorable to the refiner than the English tariff. We must complain of Mr. Patterson's utter want of candor in his reference to our remarks in our article in November:—"There is really no obstacle to trade with the British West Indies at the present time." This remark was applied solely, as Mr. Patterson must know, to the export trade of Canada, and had