

Civil and Social Department.

MANUFACTURES AND MANUFACTURING CORPORATIONS.

In a country's march of advancement in population, wealth, and intelligence, there is a point at which manufactures can be established with individual profit and national advantage. One element of civilization, in a progressive state of society, rapidly follows another; each affording the means of augmenting human happiness, by placing within our reach new objects of desire and enjoyment. First, the solitary emigrant enters the primeval forest, which is unbroken save by the tracks of its wild denizens. He feels the majesty of self-dependence, and suffers the evil of non-interchange. He converts a portion of the forest into fair fields, in which wave luxuriantly full crops of smiling grain. He finds himself surrounded by neighbors, and he tastes the pleasures of social intercourse. He grows more wheat, more barley, more oats than he can consume; while he wants something which he cannot make. To satisfy this want, he exchanges a portion of his own productions for the productions of other people who live by producing the articles he desires. The merchant is merely the agent who effects the exchange. Years roll on; a generation passes away, and the productions of the new country increase. Two hundred persons, whose fathers were situated as we have supposed our successful emigrants to be, find that each of them has a surplus capital, a portion of which they can withdraw from their farming operation without injury to their farms. The individual sums are comparatively small, but the aggregate is considerable. This surplus can be profitably employed in manufactures, if it be found that some of the articles till now imported, can be produced cheaper at home. Canada has now reached that point of advancement when some descriptions of manufactures can be profitably engaged in. We have a natural protection for domestic manufactures in the charges for freights, commissions, insurance and wharfage, which have to be paid on all imported goods, and which amount to at least 30 per cent. As a set off to this, the Canada manufacturer will have to pay somewhat higher wages than the English manufacturer, say 5 per cent., which gives the former an advantage of 23 per cent over the latter. This, however, will only apply to certain articles; there are others, the manufacture of which requires materials, machinery, skill, and capital, which, in the present state of the country, we cannot command.

As manufacturing companies are springing up in every part of the country, it becomes a matter of expediency as it is one of justice, that all associations of individuals who may hereafter apply to the Legislature for Acts of Incorporation, should be placed with respect to their operations under certain principles embodied in a general law on the subject of manufacturing corporations. This would save an immense deal of special legislation, and if the general law were based on principles of justice, no individual in the community would enjoy a privilege of which all others would not be free to avail themselves; there would be no just ground of complaint; none would be specially privileged, none oppressed. A corporation should have no special privileges; they should simply be protected in doing, as an association, what each individual comprising it has a right, as an individual to do. On the other hand, they should be deprived of no advantage as members of a corporation, which they would enjoy as individuals. The motive which impels individuals to form themselves into companies for manufacturing and other purposes, is the same which acts as a spur to individual industry, namely, the hope of private gain. Those who engage in new enterprises of a bold and speculative character, often get credit for displaying an unusual degree of patriotism; and on this pretence is based the claim of some special privilege. It is quite time that such fond delusions were dispelled. Men will not,

as they ought not, to pursue vocations which do not hold out the promise of reward; they will not sacrifice individual interest for the purpose of benefitting the public. The claim of any special privilege which is based on the contrary assumption is, therefore, invalid.

Our present purpose is to point out the necessity for a general law on the subject of manufacturing corporations, rather than to enunciate the principles on which that law should be founded. The circumstances of this colony have, within the last few years, changed with an almost lightning rapidity. Every step in our progress increases our ability to establish domestic manufactures; and the altered circumstances of our relations with the mother country, furnish arguments in favour of creating, as soon as possible, a home market for our surplus grain. This, however, we are aware, will be a work of time. A home market for what is now our surplus produce, will grow up, side by side, with domestic manufactures; and the progress of the latter will greatly depend upon the amount of floating capital in the colony, and the facility with which it can be employed in manufactures and the prospect of profit which such investment affords. It is the duty of the Legislature, then, in our altered circumstances, not only to throw no obstacles in the way but to afford every possible facility to our advancement in all the arts of peace. We possess all the elements necessary to enable us to become a great and powerful people. Our vast extent of rich soil marks the Canada of the future as a first class agricultural country; the extent of our inland water communications afford unlimited facilities for commerce, and the hydraulic force of our rivers—a power that will be of equal value with the steam engine to the manufacturer. We wish to see the benefit of these natural advantages fully secured to the country. In future numbers of our Journal, we shall make reference to the principles on which manufacturing corporations ought to be established. We shall glance at the progress and present greatness of Lowell, Massachusetts, and enquire what proportion the domestic manufactures of the United States bear to those that are imported, and we shall endeavour to point out some of the articles which Canada is capable of manufacturing to advantage, as well as those which it will be our interest to continue to import.

COLONIZATION—LECTURE OF THE HON. R. B. SULLIVAN, AT THE HALL OF THE MECHANICS' INSTITUTE.

We had the pleasure, on the evening of Friday last, of hearing Mr. Sullivan propound his views on this important subject. Mr. Sullivan's scheme may be shortly stated as follows. He proposes that the immense tracts of waste land to the north, between us and the Ottawa, and to the north-west, extending to Lake Winnipeg, and even beyond it, along the banks of the Saskatchewan river to the Rocky Mountains, should be regarded by the British Government as the proper inheritance of their surplus and starving millions. That the Government should immediately enter upon the business of transporting them here by thousands, and that they should give, or borrow the money necessary for that purpose, and also to support them for a year or more after they get here. That they should give to each man a Lot, say fifty acres of land, on his arrival, free of tax or charge, except the cost of his passage and the first year's maintenance, upon the repayment of which to government at the end of four or five years, with the interest, a deed, in fee simple should be given him.

Mr. Sullivan thinks there is enough waste land, of the very best quality, between this and Lake Huron, with a climate better than that of Montreal, to locate 40,000 families, or 200,000 souls. Between the Georgian Bay and the Ottawa river, there is land enough for the whole population of Ireland. And on the shores of Lake Superior, and between that Lake and the Rocky Mountains, a country of rolling prairie and woodland of the finest qual-

ity, through which runs the Saskatchewan river, 1,500 miles in length, and navigable for boats of ten tons nearly to its source, there is room for the teeming millions of the British Isles for centuries to come. And yet they will remain pent up in their sea-girt islands, starving for bread and almost suffocating for room!

The practicability of the learned Lecturer's scheme, so far as it relates to the improvement of the condition of the poor emigrant by his removal here, and giving him land of his own to cultivate, will not be questioned by those who know any thing of the matter. And if Government would set about the work and advance the money, and if the nefarious jobbing of speculators, and the mal-practices of unscrupulous agents could be prevented, and if the suffering wretches can be induced to accept the offer, we have little doubt of the success of the scheme. But Mr. Sullivan said himself that "Government would not do it" and we fear he said the truth.

We shall give the learned gentleman's scheme in his own language in our next number, with some remarks on a few collateral points, in which we think he is slightly astray.

THE TOLL-GATES.

A response has been yielded by the Government to the public complaints so generally made with regard to the tolls in the Home District. A notification appears in the official Gazette, to the effect, that where the gates are less than five miles apart payment at every alternate gate only will be required. A uniform rate of tolls will be collected on the following roads:—West York, including the Lake Shore Gate; East York; Hamilton and Brantford; Brantford and London; London and Port Stanley; Hamilton and Port Dover; North Toronto, to Holland Landing; Windsor to Scuzog; Port Hope and Rice Lake; and Cascades to Coteau du Lac. The rate of tolls for farmers' waggons remains unaltered. A four-wheeled stage-coach or wagon for passengers, drawn by four horses, which now pays 1s. 8d., will, when the new regulations come into operation, pay only 10d.; a wagon or carriage of the same description, and used for the same purpose, drawn by two horses, which now pays 7d., will pay 6d.; a four-wheeled coach, which pays 8d., will pay 6d.; and a private carriage, drawn by one horse, which pays 6d., will pay 4d. The alteration in the rates does not take place until the 1st of June.

USURY LAWS.

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There appears to exist a generally prevalent idea, yet shadowy and undefined, that the usury laws derive no inconsiderable sanction from the Bible; and this consideration—as indeed it ought, if there were any foundation for it—induces many good people to hesitate before they condemn them, or endeavour to obtain their repeal. The idea is an absurd one, for two or three reasons. In the first place, the Mosiacal prohibition was clearly, as Blackstone remarks, a political and not a moral precept. "Thou shalt not lend upon usury to thy brother, usury of money, usury of victuals, usury of any thing that is lent upon usury: unto a stranger thou mayest lend upon usury;"—which proves, says the same writer, "that the taking of moderate usury, or a reward for the use, for so the word signifies, is not *malum in se*, since it was allowed where any but an Israelite was concerned." It must be remembered that the taking of any money for the use of money, whether six per cent. or one per cent., is usury in the sense here forbidden. Those, therefore, who draw any conclusions from the above, or any other passages of Scripture where usury is mentioned, as to its unlawfulness *in foro conscientie*, must, to be consistent, refrain from taking any interest at all, and not for money only, but for the use of anything else. House-rent is usury, horse-hire is usury, and, from the above, it would seem that taking pay for the use of victuals must be placed in the same category. This will certainly be a puzzler for the eating-house keepers. It follows, then, that either we must regard the law which allows interest or usury to be taken, though

to a limited extent, as a permission to do what a higher authority interdicts, and that a great variety of the ways and means by which a numerous class of persons (mostly, as they suppose) procure a livelihood, are, for the same reason, wrong; or we must believe that these prohibitions relate to a people, and to times and circumstances altogether different from ours, and being merely of a social or political character, have no force in respect to us.

In feudal times, the word usury was understood in the same sense, and the civil and canon laws enacted severe penalties against it. The Barons, who were the principal borrowers, scrupled not to violate the law in borrowing, and still less to make it a shield to avoid re-payment. The lenders, exposed to hardships and ill treatment of all kinds, were obliged to exact enormous interest. This excited the hatred of the public. The slave of its prejudice—the multitude—heaped upon the lenders of money that blame of which the conduct of the borrowers was the true cause. In addition to this, the money lenders during the middle ages were Jews, and to the reprobation of the name of usurer, was united the hatred of their race and religion. The Barons and gentry of those times having no interest in commerce, producing nothing for which they could obtain money in exchange, were obliged to contract debts upon the security of their estates, and were glad to perpetuate a law by which they could so frequently rid themselves of these incumbrances. Their readiness to do this by any means may be seen by the following passage from Hume. A general massacre of the Jews took place in the reign of Richard I. 500 of them shut themselves up in the castle of York, and being unable to defend the place, they murdered their wives and children, threw the dead bodies over the walls upon the populace, set fire to the buildings, and perished in the flames. Upon which the historian remarks:—

"The gentry of the neighbourhood, who were all indebted to the Jews, ran to the cathedral where their bonds were kept, and made a solemn bonfire of the papers before the altar."

We may quote the concluding observation, as a proof of the barbarous spirit of the times:—

"The compiler of the Annals of Waverley, in relating these events, blesses the Almighty for thus delivering over the impious race to destruction!"—[Hist. Eng., chap. x.]

The utter absurdity and powerlessness of the law prohibiting any usury at all, may be still further proved from the same historian. Speaking of another massacre of the Jews in the reign of Edward the 1, nearly 200 years afterwards, he says:—

"Nearly 15,000 Jews were at this time robbed of their effects and banished the kingdom, very few of that nation have since lived in England.—And as it is impossible for a nation to subsist without lenders of money, and none will lend without a compensation, the practice of usury as it was then called, was thenceforth exercised by the English themselves. It is very much to be questioned whether the dealings of these new usurers were equally open and unexceptionable with those of the old."

But it was not until the reign of Elizabeth that the loan of money upon interest was finally made legal:—

"By a lucky accident in language [says Hume] which has a great effect on men's ideas, the invidious word usury, which formerly meant the taking of any interest for money, came now to express only the taking of exorbitant and illegal interest. An Act, passed in 1571, violently condemned all usury; but permits ten per cent. interest to be paid."

Thus times changed with the progress of commerce. Credit is the life of commerce, and commercial credit has this peculiarity, that it enriches the borrower as much as the lender—and often in even a still greater proportion. Merchants were therefore interested in obtaining a revocation of the laws which prohibited loans. From the moment that commercial interests assumed an importance in the state, one of the necessary effects of such a revolution of society, was the authorizing stipulations for interest. The legality of lending money upon interest, is not now a disputed question: thus far the legislature has abandoned the cause of civilians, theologians, and juriconsults. But in removing the interdiction, governments in their wisdom, thought proper to fix a limit; they imagined that they might determine at their will the rate of interest; and that to accomplish this, it was only necessary to promulgate a simple Statute or decree in the form willed by them.

Then, believing a low rate of interest to be in itself a good thing, they endeavoured, with the intention of favouring the accumulation of public riches, to fix that rate below the current interest established by the free exercise of commerce. This political conception, recommended in England, towards the end of the 17th century by as-