

The following Essay from the pen of Horace Greeley, Esq., expresses, as well as can be expressed, the principles advocated by the "Association for the promotion of Canadian Industry" lately established in this city. The design of this Association is to encourage the growth of manufacturing enterprises amongst us as the best means of securing permanent employment for all classes of our population, and thereby improving not only the general trade of the country, but creating for the farmer a steady home market not only for his wheat, but for those bulky and perishable articles which cannot be carried to a distant market, and for the want of which in the present depressed condition of the grain market, the farmers of Canada are now suffering so severely. The design of the Association is neither to increase taxation nor to foster by protection any branch of trade for which we have no natural facilities or advantages, but only by a discriminating tariff to place the manufacturers of Canada in as good a position as that of other countries with which we trade. In all articles of agriculture, for example, the Canadian farmer is placed on an equal footing with the United States farmer, but not so the Canadian mechanic. On all such manufactures as he could send to the United States, he is shut out by a duty of from 24 to 30 per cent., while we admit the manufactures of the United States to a considerable extent *free of duty*, some at 5 per cent., and the great bulk of their manufactures at 15 per cent.

The result of such a policy has been to drive the mechanics out of the country, and thus lose to Canada all the advantages arising from the expenditure of their earnings amongst us.

LABOUR'S POLITICAL ECONOMY.

THE TARIFF QUESTION.

BY HORACE GREELEY.

1. *Direct and Indirect Taxation.*

ALL Governments require Revenue—ours among the rest. Two modes of raising Revenue are available—1. That of Direct Taxation; 2. That of Indirect or Voluntary Taxation. The Federal Government has twice resorted to Direct Taxation; first under old John Adams in 1798-9, because of the inadequacy of our Revenue from Imports, owing to our portentous difficulties with France; and again under Madison, when our Revenue from Imports was ruined and our Expenditure quadrupled by the War of 1812. In either case, though the necessity was urgent and undeniable, the Direct Taxes were slowly and with difficulty collected at a heavy expense, and were exceedingly unpopular. They contributed signally to the discontent which effected the defeat of Adams and the overthrow of his party. They were repealed as speedily as possible by Jefferson and his supporters, and again under Madison at the first moment that they could be dispensed with. Since then (nearly forty years) no serious effort has been made to re-impose them. Now and then a theorist has dilated on the superior equity of Direct to Indirect Taxation; and once or twice a proposal to re-impose the former has been made in Congress; but the mover always took good care to do it when his party was a minority, and thus shielded from all responsibility. When-