

the wheat itself can be introduced into consumption in the country DUTY FREE, on the exportation of an equal quantity of Canadian flour.

Such being the case, we ask, What occasion is there for the duty to be retained?

The *Cobourg Star* supposes a case of a distiller requiring a quantity of grain; and argues that "if it were admitted free, our farmers would lose exactly 3s. per quarter, because it could be got for so much less in the United States; and the revenue would lose in proportion." Now both these so-called losses could not coexist: since either the distiller purchases in the United States, in which case the Canadian farmer derives no benefit from the 3s. duty, but loses the sale of so much of his produce; or, on the other hand, the grain is purchased in Canada, in which case the revenue derives no profit.

Now, we have already shown that under the present law, foreign grain can be introduced for consumption free of duty, and it is thus manifest that there can be no such difference in prices as 3s. per quarter, as the *Cobourg Star* supposes. But, granting even that it were possible that the price could be artificially raised to the distiller 3s. per quarter, and that either the producing farmer or the revenue would derive the benefit to that extent, the question arises, why the consumer of the article distilled is to be the special subject of taxation for this object. Why is he alone to prop up the agricultural interest, or to maintain the revenue? Again, Who are the consumers of the spirit distilled? We presume the farmers themselves! Thus they are to be taxed to support themselves, and money is to be extracted from one of their pockets to be put into another!

Again, is there no probability that by imposing a tax on the raw material, and thereby increasing to a still greater extent the cost of the manufactured article, that the manufacturer's power of competition with the foreigner will be materially reduced,—in other words, that the distiller from taxed grain will succumb to the distiller from untaxed? How can the *Cobourg Star* overlook such a natural result; and how can he reconcile his argument in favour of the agriculturist against the manufacturer in the case of grain, with his reasoning in favour of protection to our woollen manufactures? The fact is, that the editor of the *Cobourg Star* shares the common error of all other advocates of class interests, of never looking beneath the surface of things. Their object is solely to raise prices to the consumer, never dreaming that the true policy is to diminish the cost of production, which, whilst it enables the producers to sell at an equal profit at a lower price, increases consumption, extends commerce with foreign nations, and adds to the sum of national and individual wealth and prosperity.

The *Cobourg Star* institutes a comparison "between the District of Newcastle, than which," he says, "a better tilled is not to be found in Canada West," and Genesee County; and comes to the conclusion, that "the advantage preponderates immensely in favour of the latter," asserting that "we are totally incapable of competing on Free-Trade principles with the population and wealth of the neighbouring States." We should be glad to know the reason of our incapacity. Is the soil on the Canadian side less fertile? Is our taxation more heavy? Are our facilities for bringing our produce to market less? Are our farmers less skilful, or less industrious? We doubt whether any of these suppositions be well founded; but supposing them all to be so, what in the opinion of the *Cobourg Star*, is legislation to do for us? If the quantity of grain produced in the country be, as it manifestly will, greater than that required for the food of its inhabitants, it will infallibly be exported: the foreign purchaser will not pay us higher than he can buy for elsewhere, and it will be the price paid for that surplus which will regulate the value of the whole produce; so that to the agriculturist it will not signify the least, whether the duty on foreign wheat be 3s. or 30s. per quarter. It will not however be the same to the other great interests of the country: with obstructions and impediments, our commerce and manufactures can never flourish; immigration will be discouraged; and the agriculturist will participate in the general languor.

The *Cobourg Star* asserts the same incapacity on the part of our manufacturers and mechanics to compete with the United States. But we really cannot see how this alleged incapacity is to be remedied on his principles. He seems to have some vague idea of fostering and rearing up these classes by some protective duties; but how and from whom they are to be levied, we cannot exactly comprehend. He warns us against dealing "directly with merchants of the United States;" and he adds—

"The mania that moves all purchasers to procure supplies from the fountain head, would take millions of pounds from this country, and eventually prove the Free Trade axiom\* to be true—that a rich country trading with a poor one, will take from it all its industry, and all its wealth. We should, in fact, become hewers of wood and drawers of water to the American Union."

We presume, upon the same principle, that we are to have no dealings with the British nation, since if the Americans would take

our property, the latter would take our substance—"marrow, bones and all."

Thus shut out from intercourse with all foreign nations, we are, we suppose, according to the plan of the *Cobourg Star*, to revert to that state of existence described by the poet, in that blissful age,

"When wild in woods the noble savage ran."

## THE PROVINCIAL TARIFF.

In our last article on this subject we exhibited in a startling light the effects of prohibitions. Comparing the importations of Teas into the colony under two systems, the restrictive and the comparatively free, we showed by authentic data, that under the former nearly a million pounds of tea per annum were introduced by the smuggler, or, in other words, that one-half of the whole trade in teas was carried on by illicit means, to the great injury of the commerce and revenue of the state, as well as with the most pernicious effects upon the morals of the community. Yet the principles of such a system are what our opponents, the protectionists, are so infatuated as to support!

The next article on our list which claims attention for comparison is Tobacco, than which there is not one perhaps in the whole tariff, except Teas, so well adapted as an example to show the effects of high duties upon our commerce and revenue. We must remark, however, that our Custom House returns for this article are unfortunately incomplete from 1839 to 1841, which will prevent our making the comparison between that period and the subsequent one, from 1842 to 1845, as we have hitherto done.

Our data are correct, however, for the latter period of comparatively low duty, and the progressive increase of importations shown in it by our tables will be gratifying to every lover of Free Trade; but, unfortunately, from being unable to give the importations for the three previous years also, the point aimed at in the comparison is entirely lost, that is, we are prevented from demonstrating to our readers the following fact which was notorious to every one in business in the years referred to, viz., that while the high duty of that period lasted, which was 3d. currency per pound on "manufactured" and 2d. currency per pound on "leaf," a large share, perhaps a full half, of the whole trade of the Province, in this article, as in Teas, was in the hands of the smuggler. In these papers we have avoided dealing in vague assertions, even where we could support them, as we think we can in this instance, by appealing to the knowledge of every one in the Province as corroborative of the facts asserted—having preferred, when it was practicable, giving data which could not be questioned; but in this instance we are sorry to say we have no alternative, as the public departments, so far as we can learn, can give no authentic account of the importations into the Upper Province previously to 1842, owing to the wretched system, or rather want of system, which prevailed (in the Upper Province) before the Union.

Asserting nothing definite then with respect to the importations of Tobacco (manufactured and leaf) previously to 1842, excepting that, owing to the high duty which then prevailed a very large share of the trade (perhaps a third or a half) was in the hands of the smuggler, we pass on to review the subsequent importations up to 1845 inclusive.

It is necessary to note, in the first place, the change which took place in the rate of duty. From being 3d. per pound on manufactured, and 2d. per pound on leaf, or fully 100 per cent. on the original cost, it was reduced, in 1842, to 2d. sterling per lb on "manufactured" and 1d. sterling per pound on "unmanufactured," with a differential duty of seven per centum upon the value of the former and four per centum upon that of the latter, which differential duty it was expressly provided was in all cases to be charged on foreign tobacco in addition to the Provincial duty. We are the more particular in drawing attention to this express provision, because previously to 1842 there was also a differential duty and a much higher one, viz., 20 per cent. *ad val.* on foreign manufactured and 15 per cent. *ad val.* on foreign leaf, but it was rendered completely inoperative by a provincial enactment, which provided by a sort of juggo that the differential duty should only be charged when its amount exceeded the provincial duty, and that, in that case, the excess only should be collected. This contrivance virtually did away with the differential duty altogether, as there could rarely, if ever, be any "excess" of duty upon so low priced an article. This happy mode of getting rid of differential duties, however, was summarily put an end to by the Imperial Act of 1842, "for the regulation of the trade of the British possessions abroad," in which it is expressly provided that the differential duties shall in all cases be levied irrespective of provincial regulations!

\* We wonder where our contemporary picked up this so-called "axiom." Our impression, and that we believe of all other Free Traders, has hitherto been, that the advantages of commerce between nations, as in that between individuals, is reciprocal.