

is an excellent argument why they should pay us rather more for all the supplies which they want, and which we can furnish if we are protected, than they could get them for in the open markets of the world. We can then obtain the capital necessary to prosecute the industry under disadvantageous circumstances, if we know that sufficiently high prices will be ensured to enable us to recover the capital expended, and give us a profit to live upon, and then remember that the capital will not be destroyed, nor sent out of the country, but remain within our borders and circulate among ourselves. If you spend a little more money upon us than you otherwise would, we also shall spend more upon those whom we employ.'

"This is the answer to the wine growers and silk weavers of France, the western farmers, and southern cotton-planters of the United States, and I may add the wool-growers and gold-diggers of Australia. It is exactly because the favored industry in any nation requires no assistance, that it can assist the industries not so fortunate. And it is forgotten that nothing is otherwise saved except labor, which is wasted in idleness; no other wealth can be accumulated. If those crowds of agricultural laborers who have recently emigrated from England had remained, they must either eventually have submitted to the old rate of wages, or have starved; it certainly would not be found that there was room for them in the occupations still enjoying advantages in England, which do not remain with agriculture. Suppose that the high price secured by protection is rendered necessary by the onerous conditions under which native industry is tempted to work; suppose that Frenchmen, as Mr. Cairnes says, are encouraged to produce iron from ores of inferior quality by the high price secured to them—what has happened? Useful iron has been extracted from ores which would otherwise have been wasted; employment has been afforded to many who might otherwise have been idle for want of occupation; people have been fed who would otherwise have starved; and, as a set-off to this, some others have been obliged to smoke fewer cigars and drink less wine than they would have had money to purchase if they had not been compelled to spend it on iron. In the absence of protection, 'they,' we are told, 'would obtain their iron on more favorable terms at a smaller sacrifice of labor and abstinence by exchanging for it their wines and silks with England.' The sooner we send, 'labor and abstinence,' after 'medium of exchange,' the better for economical science. Whose labor? and abstinence from what? Unfortunately the persons who have the wine and silks are not those who want the iron. The truth is, we do not want to save labor, we want to find wholesome and remunerative employment for paupers. And if the sacrifice of 'abstinence' only means, as I believe it does, that riches will not accumulate so fast in the hands of capitalists, that the employers of labor will have to forego some luxuries that they may give higher wages to the laborers, and that the comforts of life may be thus more equally distributed,—I cannot see much objection to this, though, personally, as a consumer, I suffer from such a state of things in the place of my residence, where my income certainly does not purchase for me half the amount of luxuries that it could procure in many other countries, but where, I rejoice to say, there are no paupers, properly so called, and no poor, except the aged and infirm, the widow and the orphan."

"Leaving the French case as stated by Mr. Alby, Mr. Cairnes proceeds to deal with the position taken in the United States, that protection is only asked for where American industry is placed at a disadvantage. He quotes Mr. Wells to the effect that the criterion by which the disadvantage is to be established is the cost of production, and that cost estimated by the money price of labor. Mr. Cairnes thinks that to argue that, because the rates of wages measured in money are higher in the United States than in England, therefore the cost of producing commodities is higher, is to prove too much. And he goes on to say that the high rates of wages are not peculiar to any branch of industry, but are universal; therefore, if high wages mean high cost of production, and this high cost proves a need for protection, it follows that the farmers of Illinois and cotton-planters of the Southern States stand as much in need of fostering legislation as the cotton-spinners of New England or the iron-masters of Pennsylvania. He exclaims at this that a criterion which leads to such results must be regarded as sufficiently condemned. He does not see that the whole basis of his conclusion is a fallacy—that rates of wages alone do not determine the cost of production, which not only must be measured by, but absolutely consists of, money. The cotton-grower, the cotton-spinner, the wheat-grower, the iron-master, each has to pay in the article money for the labor and materials necessary to produce the other articles which he does not want himself, but is to sell for money; and his profit can only consist of the difference in quantity between what he has given and receives of this commodity, as Mr.

Bonamy Price has shown money to be. In the case of the cotton-grower, he possesses certain advantages of climate and cost of land which, although he may have to pay higher rates of wages, diminish the expense in money of producing the cotton as compared with that in other places. The farmer in Illinois has his land rent-free. He does not pay per annum so much in money for the annual produce of his farm as he would have to give if he were the tenant of a landlord, and he is able to spend more in the wages of labor than he otherwise could, and yet make a handsome profit in the commodity, money, which he can again exchange for what he wants. The cotton-spinner and iron-master have not these advantages: for all their machinery and for all the labor they employ, they have to pay greatly more of the article money than their competitors find sufficient, and they cannot prosecute their industry unless they obtain a larger return of the same commodity than their rivals."

We proceed to notice the peculiar position of Great Britain with regard to the question:

"No doubt such a remedy as we are supposing protection to be is not easily applied in the case of old and thickly-populated communities, where many and complicated industries are closely interwoven in their relations, and success in many of them almost wholly depends upon materials or appliances being obtained where they can be bought most cheaply for money. In the case of a nation like Great Britain, her exported products may be so entirely or almost entirely the products of skill and scientifically developed manufacture, that it may be considered beneficial to the whole to disregard the interests of a minority engaged in the production only of food and raw material, of an unimportant kind, procurable elsewhere. To get the food and raw material as cheap as possible is the interest of the majority, for this alone will enable them to meet competitors in the great foreign markets; and they do not fear any rivalry from foreigners on their own ground in their own country. It is difficult in cases like this, in an exclusively manufacturing nation, to say what industries should be called upon to compensate others for their less favored position. But the collocation of circumstances is different in a new country with boundless extents of fertile land like the United States. Her exported products are almost entirely raw material or food, and it is in these that she need fear no rivalry either abroad or at home; and her pre-eminence in this department of industry is such that she can well afford to submit to some