

doing so is by admitting all kinds of raw material, including human food and coal, duty free, so as to enable manufactures to be produced in the country at the smallest possible cost. They believe that free competition within our own boundaries will keep the price of such manufactures as low as they can be sold at, yielding a reasonable profit to the capitalist and employer of labor. They maintain that it is inconsistent with genuine free trade that foreigners should be admitted to our markets on different terms from what they impose on us. They cite numberless instances in which, both in the United States and in the British Colonies, manufactures have sprung up under a restrictive system, and have, after a short interval, competed in the markets of the world with those which would in their own infancy have crushed them. The essayist in the "Fortnightly" gives several illustrations, one or two of which we shall cite.

"The colony of Victoria exported in 1870, according to the statement of the registrar-general for that year, tallow to the extent of £358,863, and she imported the same year candles and soap (the principal material of which was tallow) to the extent of £132,129. A glance at these figures would lead a stranger to suppose that the Victorian colonists were the reverse of enterprising, or they would have retained at least a portion of that tallow to convert it into candles and soap for their own use. This conclusion, however, would be entirely erroneous. Year after year the most systematic and energetic attempts have been made in the colony to manufacture both candles and soap for domestic use, but without success, for as soon as the local manufacturers had supplied a suitable article, and reduced the price in order to effect a sale, large shipments came pouring in from abroad, and swamped the market. The attempt was repeated time after time, and no sooner had one manufacturer failed, and high prices again become the rule, than another competitor was ready to enter the field, and so one followed the other in rapid succession, but always with the same result—utter ruin to all connected with the undertaking. Under the tariff of 1871, however, candles and soap pay an import duty of twopence per pound, and there is now a prospect of the manufacture of these commodities becoming an established industry in the colony.

One more illustration. The colony of Victoria is a great wool-producing country. The exports of wool from this colony in 1870, according to the aforementioned authority, amounted to £3,205,106, and the imports of woollens and woollen piece goods in that year to £817,087. A cloth factory was established in the town of Geelong several years prior to this date, and was a fair success, the company which owned it paying a dividend of ten per cent. on the capital invested. A kind of tweed was made at this factory, which enjoyed a high reputation in the colony, owing to its good wearing qualities; but

an enterprising importing firm in Melbourne forwarded a sample of this cloth to Yorkshire with instructions to make a quantity equal in appearance, at a price mentioned. The consequence was that large shipments of shoddy imitations of this article were imported into Victoria, and sold at a price lower than the home-made cloth could be produced for, and the company's cloth—which was really the cheaper article of the two, taking the superiority of the quality into consideration—became a drug in the market. To save the local industry from utter annihilation, the legislature imposed a duty of ten per cent. on all cloth imported into the colony, and since then the manufacture of cloth has assumed larger proportions, and new factories have already started, or are about to start, in various parts of the colony."

We are much mistaken if Canadian woollen manufacturers have not suffered from shoddy imitations quite as much as those in Victoria. We may remark that, when distance from the competing market is taken into account, the ten per cent. duty in Victoria is even a greater protection than 17½ per cent. in Canada. We shall conclude these remarks with a few more extracts from Mr. Syme's essay, which is well deserving of perusal.

"In all discussions of this nature we must not fail to distinguish between the science and art of political economy. Science has to do with laws; art with the application of those laws. The science of political economy teaches us that labor is the source of all wealth; art how to apply that labor to the best advantage. So far, therefore, from the State exceeding its functions in looking after the material interests of the nation, it may rather be considered one of the chief objects of its existence. The prosperity of a country depends upon the industry of its inhabitants. With nations, as with individuals, poverty follows idleness, and wealth industry. The true test of good statesmanship is the prosperity of the country; and the art of statesmanship consists in applying the laws of political economy to the development of the resources of the country so as to provide for the full and profitable employment of the whole population. But no country exclusively engaged in raising raw produce, or, in other words, no country without manufactures, can fully employ the whole of its available labor. There will always be some portion of it wasted, no matter how industrious the people. Raw material is procured almost exclusively by out-door labor, and such labor is always intermittent in its nature, as it depends on the vicissitudes of the seasons. In the sugar and coffee plantations of the West Indies no continuous work is done for many months in the year. In colder climates the severity of the winter puts a stop to all out-door occupations. In the Orkney Islands, Norway, Sweden, Russia, and North Germany, all out-door labor entirely ceases for seven or eight months out of the twelve. It follows, therefore, that if the inhabitants of those countries confined themselves to agricultural pursuits,

they would be unemployed more than half their time. To prevent this enormous waste of productive power, it becomes necessary to provide them with in-door employment, in other words, to encourage the growth of manufactures."

"Australia is but a young country yet, with plenty of available land for settlement, with exuberance of resources, mineral and agricultural, and hitherto not greatly overburdened with population, and that, too, of a class consisting, probably, of a smaller proportion of the physically incapable than any other country in the world. Yet for years past the great difficulty has been to provide employment for the rising generation. The question of tariffs there has been eminently a social one. In Victoria three successive general elections have taken place, a majority of the Assembly being returned pledged, on each successive occasion, to a higher and higher tariff, and all because the question of manufactures came home to every elector."

"Unless the difference in the conditions between old and new countries be constantly kept in view, the whole object of colonial legislation is apt to be misunderstood. It stands to reason that what may be good for a country with old-established industries may be very bad for a country which has none. Old countries suffer from a plethora of population; new countries from a scarcity. Old countries would prefer employing their surplus labor in manufacturing commodities for new countries; new countries, on the other hand, would rather import the labor that should produce the commodities, than the commodities themselves. Strange as it may appear, it is nevertheless true, that it is just because the party of progress in the colonies are opposed to monopoly in every shape, that they are the advocates of restriction in regard to commerce. Instead of that policy savoring of monopoly, they maintain that it has the very opposite tendency, and their chief object in imposing import duties is to put down monopoly by extending the sphere of competition. In this respect they are more for free trade than the free traders themselves. But, then, they have no wish to perpetuate a sham, or to practise a make-believe system of free trade. English statesmen and journalists are never tired of expatiating on the blessings of free trade, while they know all the time that free trade means monopoly for English manufacturers.

A REVENUE TARIFF.

It cannot be denied that there is much force in the objection taken by the *Montreal Herald* to the protectionist theory, that duties should be levied on the articles which we produce, and not on those, such as tea and coffee, which we consume but do not produce. The real object of protectionists is to supply domestic manufactures to our own consumers, and they believe that with free competition among ourselves, and the supply of raw materials either free of duty or with very low duties, such manufactures can be supplied as cheaply as they can be imported,