David Scott Mitchell.

AUSTRALIA'S PROTECTION

BY

F. H. BYRNE

ONE SHILLING

NATIONAL POLICY.

1888

SYDNEY: J. C. O'CONNOR

Motto—"Alliance, not Dependence."

Australian National Association.

NEW SOUTH WALES SECTION.

PLATFORM.

1. The cultivation of an Australian National Spirit with respect to all matters affecting Education, Labour, Trade, and Laws.
2. The federation of the Australian Colonies into a United Dominion, with provision for a system of Australian National Defence.
3. The energetic vindication and protection of the civil and political liberties, rights, and obligations of the people, and the adoption of the principle that laws passed by the Australian Legislatures shall not require Imperial sanction to render them operative.
4. The fostering and protection of Australian industries.
5. The exclusion from Australia of Chinese and other servile races, and the preservation of the entire Continent as a home for white men.
6. The exclusion from the islands and waters of Australasia and the Western Pacific of all foreign convicts.
7. The active promotion of all Legislative measures calculated—
   - (A.) To check the wasteful expenditure of public money, prevent the levying of oppressive taxation, and guard against the abuse of political patronage.
   - (B.) To repress injurious monopolies, allay sectional jealousies, and prevent the creation of privileged classes.
   - (C.) To stimulate settlement upon the land, and develope its mineral and other resources.
   - (D.) To carry on reproductive public works; to conserve the rainfall, improve the natural watercourses, and tap the subterranean waters of the country.
   - (E.) To remedy all abuses in the Law; to repeal all barbarous and obsolete Acts; and to reduce the cost of Law proceedings.
8. The return of Members to the Legislative Assemblies pledged to carry out the foregoing principles and objects.

Sir Thomas M'Ilwraith has been elected President of the Queensland Section of the Party, which already numbers 5000 members. When Sections have been established in each of the Australian colonies a Grand National Convention will be held at which delegates from each division will be present for the purpose of passing laws for the government of the whole Party.

The New South Wales Section of the Party will give active support to all National Candidates, especially at the next General Election

Sub-Sections of the Party will be formed in any of the inland cities, towns, and country districts of New South Wales, on representations being made to the Hon. Secretaries.

Membership Fee—One shilling per annum. On receipt of this amount, with postage added, a Member's card will be at once forwarded.

J. H. BYRNE, A. S. FLETCHER, } Hon. Secs.

Committee Rooms—313 PITT STREET, SYDNEY.

Yours faithfully
F. H. Taylor

PROTECTION:

THE

AUSTRALIAN NATIONAL POLICY.

BY THE LATE

F. H. BYRNE.

EDITED BY HIS SON, J. H. BYRNE.

PRICE - - - - - ONE SHILLING.

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1888.

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TO THE MEMORY OF

MY FATHER, F. H. BYRNE;

AND TO THE

CAUSE OF PROTECTION

IN

AUSTRALIA,

THIS BOOK* IS DEDICATED BY

J. H. BYRNE.

[*A selection from the writings on Protection by F. H. Byrne; edited by J. H. Byrne.]

PREFACE.

This little work is simply a selection from the writings of the late F. H. Byrne, admittedly one of the most earnest Australian workers in the cause of Intelligent Protection. For many of the quotations used as sub-headings, as well as for most of the notes, the Editor is solely responsible.

J. H. B.

Sydney, October, 1888.

FRANCIS HAMILTON BYRNE.

Some fifteen years ago a few earnest patriotic men seeing that New South Wales by adhering to a suicidal system of Freetrade was slowly, but surely drifting on to the breakers, came nobly to the front, and despite the fact that the subject of Protection was then viewed with disfavour generally by the people, they bravely and ably propounded its great principles. Success has crowned their efforts, for, at the present time, it is estimated that two-thirds of the people of this colony are firm believers in the economic principle that has built up all the nations of the world in the earlier stages of their development. Prominent among that band of patriots was F. H. Byrne, who chose for the scene of his labours that important agricultural and mining centre, the pretty town of Orange. For years he ably dealt with the question, and at length succeeded in winning over a number of deep-thinking, earnest men throughout the district who, up to this period, have unflinchingly stood beneath the banner of Protection, and by dint of hard work and unflagging energy, have succeeded in making Orange one of the Protectionist strongholds in New South Wales. Mr. Byrne's sound advocacy of the cause has been endorsed by many minds of the highest type of thought. He was not a man of leisure. A hard-working mechanical and mining engineer, he fought the battle of Protection under considerable difficulties.

The following notices from the Press, written since his death, on December 7th, 1887, are selected to show the estimation in which his writings were held by competent critics:—

"A well-known soldier in the cause of Protection has passed away in the person of Mr. F. H. Byrne, of Orange. He was an able, logical, and persistent advocate of the cause, and his many articles and pamphlets on the question of Freetrade v. Protection have been an important factor in the conversion of thousands of people to the views he held. Mr. Byrne was well posted in the historical aspect of the question, and he was especially successful when dealing with

the subject of Protection from a farmer's standpoint. Though he never stood for Parliament, Mr. Byrne was a very active politician. His facile pen and hearty co-operation will be much missed in the Protectionist ranks."—*Australian Star.*

"During Mr. F. H. Byrne's long career in this district he took an active part in all political questions, and in him the Protectionist party have lost a faithful and intelligent member. With voice and pen he was ever ready to assist the cause, and purely out of patriotic motives. The columns of the local press, as well as those of other journals in this colony, were frequently graced with trenchantly written articles on the fiscal question, and certainly no man in this district possessed so great a grasp of that complex and delicate question."—*Orange Liberal.*

"Mr. Francis Hamilton Byrne was possessed of superior intelligence; clear-headed, and plain matter-of-fact in his speech and writings. Ten years ago he stood up at a meeting in the old Court-house to advocate the principles of Protection, but the people then regarded such proposals as revolutionary and incendiary, and an attempt was made to stop his speech, but Mr. Byrne was not to be cried down and commanded a hearing. He came from Victoria to this colony in 1872 (being connected with mining and mechanical engineering in the sister colony for upwards of twenty years), and was an Associate of the School of Mines, Ballarat. He followed up the mechanical engineering line at the principal establishments in Sydney for a few years after coming to this colony, and in 1874 came to Orange, where he has resided ever since, and has erected chiefly all the improved mining machinery about Orange, Blayney, Wellington, Lucknow, and Gulgong. Mr. Byrne has been an able and consistent advocate of the cause of Protection, both in Victoria, when the struggle for industrial progression was stubbornly fought for several years and proved victorious, and in this colony, where he has done a great deal to promote the great cause now forcing itself upon our people, by able and vigorous articles which have for years appeared in various journals throughout the colony, causing Free-traders to get thoroughly on their metal by giving them awkward, sound, logical facts to refute. Mr. Byrne had few opponents capable of competing with him in any discussion on the subject. He was 45 years of age at the time of his demise, having been born at Guildford, Swan River, Western Australia."—*Western Advocate.*

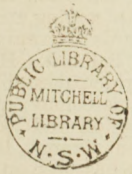
In a letter of condolence addressed to the family of Mr. Byrne, on the occasion of his decease, by the Protection and Political Reform League of New South Wales, the following paragraph occurs:—

"This political organisation regarded Mr. F. H. Byrne as one of those sterling associates admired by all men for their unswerving adhesion to principle. We acknowledge the intellectual *calibre* of Mr. Byrne as superior, and all regret that he was not spared to share those honours which we feel sure will be won by the early triumph of our political party."

The Editor has also much pleasure in stating that many of the leading New South Wales Free-trade journals (in their obituary notices of his father's life and labours) evidently recognising in him a foeman worthy of their steel, referred in the most generous spirit to the high ability and thorough consistency with which he waged the battle of Protection.

"These to his Memory."

J. H. B.



PROTECTION:

THE AUSTRALIAN NATIONAL POLICY.

"POLITICAL ECONOMY is a science of which the principal object is to secure a certain fund of subsistence for all the inhabitants, to obviate any circumstance that may render it precarious, and to provide everything necessary for supplying the wants of society."—SIR J. STEWART.

THE ETHICS AND ECONOMY OF PROTECTION.

"To secure an extensive domestic market there is no other expedient than to promote manufacturing establishments. Manufacturers who constitute the most numerous class after the cultivators of the land, are for that reason the principal consumers of the surplus of their labour. The idea of an extensive domestic market for the surplus product of the soil is of the first consequence. It is, of all things, that which most effectually conduces to a flourishing state of agriculture."—ALEXANDER HAMILTON.

INTRODUCTORY.

PROTECTION to home industries is a practical fact; it is the policy of almost every civilised nation, and is as firmly established among the most civilised nations to-day as ever. It is not, as is glibly asserted by Free-traders, a relic of barbarism, but, on the contrary, an inspiring and guiding element in the highest industrial development of modern civilisation.

The central principle of Protection is that each Government of the world should encourage the industry of its own people and the development of the resources of its

territory, and, to this end, customs duties on foreign imports should be so levied as to prevent the free importations of such articles as can be made or produced at home, and also to furnish in the manner most equitable the needed government revenue. Duties thus levied, it is claimed, so encourage and protect home manufactures, and home labor and skill, that these manufactures grow solid, the workman obtains varied employment, and the common good is advanced. It is indeed difficult to trace out in any country great industries which have had that inception, or have grown up under any other system than a Protective one.

The policy of Protection regards it as the duty of nations to maintain each its autonomy, and to add to their wealth and power by engaging the faculties and aptitudes of its people in the development and conversion of their raw materials into articles of use and consumption. It regards each nation as a family, and inculcates the teaching that when each member of it can supply its wants and gratify its productive desires, the greatest degree of happiness would prevail and prosperity be best assured. It does not countenance the doctrine that mankind is blessed by suppressing the resources of any country, or dooming its people to idleness, or the unrequited toil of mere unskilled laborers, in order that some nation on the opposite side of the globe should become the workshop of the world.

Protection insists that every country owes to itself to seek the establishment of diversification in the pursuits of its people, and that it is not an abuse of power, but the doing of a positive duty by governments so to act at each period in the progress of the people as to favor the taking possession of all the branches of industry which is authorised in the nature of things.

Protectionists regard every nation as having three great affairs or matters of public concern which should be the objects of ardent and constant solicitude, viz., liberty first, its greatness next, and finally, its material prosperity. Liberty, as we find it in Australia, should not merely consist in the right of the people to constitute and criticise their own government, but in the right of governing

industrially by their own hands and rendering production conformable to their own ideas. Greatness, which does not consist in subjecting the people to the caprices of the outside world, but exercising so much influence that no question shall be resolved against their interest, and producing security and prosperity which finally consists in drawing from the soil of their own country and from the genius of its inhabitants the greatest possible amount of well-being. It is not sufficient for a people to possess liberty without its twin sister, happiness; and happiness, in a practical sense, cannot be secured without industrial activity, alone to be stimulated by Protection.

The true gain of every country is ample wages to the laborer. The laboring classes are "The Nation." They are the producers, and they are, moreover, the greatest consumers. Their expenditure makes the great home market. The laborer's skill and time are his estate. They are the means whereby he and his family live, and should be defended against every unequal assault. Every hour the willing laborer spends in enforced idleness is the destruction of so much of his estate, and the destruction is so absolute that that which is lost is gone beyond recovery. The measure and test of prosperity in any community or country is found in the proportion of its labor power which is not wasted (more being wasted generally in Free-trade countries than is utilised). For these reasons, as well may be seen, comes in the imperative necessity for diversified industries, without which no country is now, nor has it ever been, rich, because otherwise of its great waste of labor power; and in exact proportion to this diversification of industries* is a country rich, powerful, and independent. We should not be diverted from the contemplation of this great fact by the mere discussion of prices which only befogs the case—an

* "They might rest assured that no person who was forced to follow some pursuit for which he had no taste or talent would ever succeed satisfactorily with such a pursuit. It was absolutely necessary for the employment of the human mind, and all the faculties belonging to our nature, that the modes of employment should be as varied within the colony as possible."—HENRY PARKES (1860—When in his prime).

article bought abroad being dear at any price, when the labor is being wasted at home which could and would have produced it had it not thus have been bought in a foreign country.

Judicious Protection enables a country at the same time to cultivate the land and work up the produce, and thus creates wealth at both ends of the exchange. Its manufactures exchange with its agricultural products, and then native industry can, and does, supply it with all the necessaries and comforts of life. A numerous population is employed, fed, and clothed, whilst industry and plenty reign. All this may be, and is, done, in many countries under great natural disadvantages both of soil, position, and climate, by the aid of Protection, for with it art and human industry triumph over every obstacle, as exampled in the case of Holland—a great and powerful state created out of a muddy morass. Where human energy locally succeeds under artificial aid, foreign trade in the end is introduced, supplying luxuries and carrying away superfluities of mis-termed over-productions.

With a generally diffused system of judicious and discriminating Protection many countries possessing moderate facilities for the production of everything necessary for the continuance of a population, concentrate industry on their own soil, and by the use of native materials, make industry flourish, wealth increase, commerce follow, and population multiply within their own limits. But without the artificial regulation of Protection this uniform experience of the world has invariably gone to prove that population, industry, and wealth have a tendency to concentrate and confine themselves to certain favored spots, where they flourish. By such means a vast area of the world at large has a tendency to dwindle and decay. Protection, when wisely regulated prevents this, is a system of universal irrigation, diffusing industry where industry would otherwise never have flowed, and making even the desert rejoice.

METHOD OF ARGUMENT AND INVESTIGATION.

In Political Economy not even the definition of a single important term—"political economy" itself, for instance, —is settled.

The political economy of Munn and Gee in 1750 was very different from that of McCulloch and Mill in 1850, and the mercantile system of Adam Smith differed from both, whilst the new doctrines of Henry George are at variance with all three. In 1844, De Quincy a believer in Ricardo's "Theory of Rent," said of political economy:—"Nothing in it can be postulated, nothing can be demonstrated, for anarchy even to the earliest principles is predominant."

Seeing therefore that nothing is to be taken for granted, the fact cannot be too distinctly impressed upon our minds that the professors are not even agreed as to whether it is a Science or an Art or a combination of both, or upon the proper and legitimate range of the subject. If they elect to call it a science, and thereby mean a collection of truths ascertained by experiment and on which all well-informed men are agreed, then Political Economy is manifestly not yet a science. On this point a very eminent writer, Sir John Byles, very logically says:—"If political economy be a science at all it must abate much of its pretensions, much of its dogmatism, and adopt a much more modest and enquiring tone, it must learn to tolerate doubt—to endure contradiction. If she aspire to learn in the book of experience, she must expect as she turns over the leaves to meet with problems wholly unexpected, and ultimate solutions at variance with all preconceived notions; she must make up her mind to see theory after theory which have been supported by great names, and by them confidently propounded, rebuked, and exposed by experiment. She must remember that there are twenty wrong courses of public policy to one right one, and that all the erroneous ones are often tried before the right one can be demonstrated by experience to be right."

The great authority with Free-traders, John Stuart Mill, claims that Political Economy is a system of

assumptions, saying of it, "that it necessarily reasons from assumptions, and not from facts." Here is just the difficulty of Free-traders which renders it always the most convenient with them to propound theories, without any accumulation or examination of facts, many of which are inaccessible or inexplicable to their doctrine. Mill certainly attempts to defend such a course when he gives as a reason for it that "it is vain to hope that truth can be arrived at whilst we look at the facts in the concrete, clothed in all the complexity with which nature has surrounded them, and endeavor to elicit a general law by a process of induction from a comparison of details. Consequently there remains no other than the *a priori* method." What the *a priori* method consists of we shall presently see.

Taking all these facts into consideration, Free-traders, when they claim Political Economy to be the foundation of their system, are at the very beginning, morally debarred from the practice of dogmatism, and yet, with all the causes impelling towards modesty, the average Free-trader is seemingly more confident in his opinions, and certainly more overbearing and arrogant in the expression of them, than any other manner of man to be found in any community. Among the believers in Sydney in that which arrogates to itself the name of Free-trade—merely free Foreign Trade—disbelief in their *fetish* is regarded as an evidence of such ignorance in the disbeliever, that it is considered as useless, as it is hopeless, to argue the question with him, and he is there and then put down with the expression of opinion that the argument is complete. These people begin to read everything on the subject with a secret but irresistible wish before hand that their particular doctrine should prove true, and if it is so, the writer is at once recognised as an eminent authority, if otherwise, only a subject for derision. Under the pretence of themselves being the only people enlightened, they imperiously subject others to their magisterial decision, and would fain palm upon us for the true causes of things the unintelligible system they have erected around their own direct interests.

Now, in contradistinction to all this, the spirit in which such an all-important question, which is, indeed,

the paramount one of the day, should be entered upon, is very different. Every person engaged in the controversy should be prepared to accept the truth and strengthen himself with something of an effort and resolve for the unprejudiced admission of any conclusion which shall appear to be supported by careful observation and logical argument, even should it prove of an adverse nature to notions he may have previously, entertained or taken without examination on the credit of others. Such an effort is, in fact, the first step for anyone entering into controversy if he honestly wishes to gain conviction for himself. It is the first movement of approach towards that state of mental purity which can alone fit him for a full and steady perception of the subject by which we must all purge our sight before we can contemplate and receive as they are, the lineaments of truth and nature—"That truth, a knowledge of which shall indeed make us and all men free."

These plain criticisms aim only at exposing the methods and aims of leading Free-trade advocates, and do not for a moment impugn the honesty of well-meaning and sincere Free-traders. And here for a while it may be proper to examine the reasons which induce many to adopt the policy of Free-trade as the correct one. In the first place the majority of the members of most of our educated classes, as well as their text books, favor Free-trade. Such persons as a rule lack practical knowledge of the world and find it less laborious to rehash the formulas promulgated by their school than to investigate the merits of rival systems. On this point, Byles, in his admirable "Sophisms of Free-trade," says: "It is much easier to comprehend and apply a few general rules than to understand the complicated structure and regulations of human society. Any man may make a parade of knowledge by dogmatising about imaginary general principles, but to master facts, details, and the results of experience is a long, toilsome, and humbling occupation. . . . . Men are not often undeceived who worship a few general principles however erroneous. When a man has grown grey in the honest assertion of doctrines which he believed to be right; has spent, in endeavoring to disseminate them,

his best years; depends on them for his reputation and approval, what a cruel fate to be undeceived—to discover that they are not only erroneous, but mischievous! Besides, there is no longer vigor of mind left to straighten the erroneous bend of early life. Accordingly, we find that erroneous principles last for a generation. That to expect an inveterate theorist to abandon his theories is as reasonable as to expect him to slay his children. The seed of truth must be sown in the fresh and grateful soil of a new generation."

For many years England has been fascinated with the specious theory of Free-trade. The agricultural interests of her own landholders, the interests of her colonies, the interests of Ireland were dust in the balance. The manufacturing towns who were the most clamorous for the change from Protection little dreamt that they would be the first and greatest sufferers in the terrible reactions now involving them in the vortex of destruction. The enthusiasm is beginning to evaporate, and men are beginning to marvel how they ever came to be under its influence.

Many believers in Free-trade are captivated with the fine English rhetoric gilding the theory, and the plausible sophisms attached to it which are easy to accept, and save the trouble of study or investigation; but how do they find themselves when they go forth to engage in practical business? Experience, there, soon controverts the theories they took upon credit from others. They find themselves involved in the management of affairs, and compelled to deal with results which demonstrate the absurdity from which the Free-trade League's "absolute truths" were deduced. Frederick List, the inspirer, if not the actual founder of the German Zollverein, derived the light he shed so brilliantly on Germany from personal observations in America. In the preface of his great book, "The National System of Political Economy," he says:—"My destiny conducted me to the United States. I left behind all my books, they would but lead me astray there. The best book on political economy in a new country is the volume of life. There only have I obtained a clear idea of the gradual development of the Economy of a People, a progress

which in Europe required the lapse of centuries is accomplished under the eye of a single observer there. Society is seen passing from the savage to pastoral life, and from agriculture to manufactures and commerce. There, one may easily observe how the rent of land rises gradually from nothing to its highest range. There, the plainest farmers know better than the most sagacious of the learned men of the Old World the means of making agriculture prosperous and of attracting manufactures to his neighborhood."

Let us examine the fundamental law on which Protection rests. Its methods are purely inductive, analytical, and based on the study of facts, after the system pursued by Bacon, Newton, Locke, Priestly, Franklin, List, Collwell, and Carey, the perfection of which is attested by the marvellous progress the world has made by the application to the arts of life of nature's subtle and potent forces disclosed by this system of investigation. Alchemy and astrology were the legitimate result of the *a priori* system, but the inductive system has given us chemistry and astronomy demonstrated to ocular exactitude.

Natural economy, of which Protection is a vital part, rests on other foundations than assumptions. Its method, the inductive, requires the most careful study of statistics and the facts of history. Its adherents have great respect for authority, but challenge the right of any man to be recognised as an authority until "experience" has demonstrated the wisdom of his teachings. Beholding what Colbert did for France, they consult him; stripping the writings of Adam Smith (as we presently shall) of the voluminous notes of explanation and illustration under which his text has been obscured, and in many instances perverted, they appeal reverently to his original writings. They read with instruction the homely words of Franklin, who, as soon as war had emancipated the American people from British control which prohibited them from advancing any of their native materials to the condition of finished products, told them that the way to improve their social condition, and increase the value of farm land, was to establish mills, ironworks, and other shops at as many points as possible, thereby creating local markets for the

Of the four different sorts of cheapness we have been defining, the first in itself, though but a thing indifferent, is injurious to *us*; the second, impossible; the third, destructive; the fourth, but a means to an end.

What we really want to get at, for the benefit of the people generally, is this: It is not enough to make things cheap, even in the best sense of the word; what is wanted is, to make them *accessible* and *attainable* by the multitude. By making things very cheap we do not necessarily make them obtainable. On the contrary, as we have just shown, there are some ways of making things cheap which make them less obtainable by the poorer classes than they were before.

What the industrial classes want is the *means of purchase*. If the means of purchase be absent in the shape of money or employment it is a matter of supreme indifference to them whether things are dear or cheap. The only means of purchase working men have or possess are the wages of their labour. In a word, *employment* is their *means of purchase*.

We may have cheapness without full and various employment for the people—that is *cheapness* without *plenty*. The aim of all good legislation should be to unite the two great requirements—cheapness and plenty. It often, however, happens in the imperfection of human affairs that we have not only to choose between two evils, but sometimes between two good things, inconsistent with each other, which perplex our choice. In such instances, however, the question to be decided simply amounts to this: Which of the two are to be chosen—*cheapness* for the benefit of a few, or *plenty* for the benefit of ALL? We say undoubtedly, "plenty." The study of our legislators then should be, in order to produce plenty, permanent, widely diffused, and extending to the bulk of the community, to find full and varied employment for the people; and the test of every measure ought to be this: "Will it promote the productive employment of the people?" Many laws which aim at cheapness, destroy the means of purchase, and introduce real and spreading want.

There are two sorts of plenty: one is merely relative

where there is more for sale than individuals can find the money to *buy* and *pay for*. Such plenty may be viewed in the windows of shops by the starving unemployed; or, the poor, pinched, honest, and partially employed artizan, who looks wistfully, but in vain, at the stocks of imported articles of necessity that he and his family would be in enjoyment of provided he had employment. This relative and spurious plenty, so far as he is concerned, has been caused by one-sided Free-trade, which has diminished his means of purchase.

The sort of plenty which a Protective policy aims at, is the only one the people can profit by. It is the plenty of abundance, at once both absolute and accessible, where there is as much as the people want, and where they can *get at it* and enjoy it, through having produced it by there own labour, which has furnished them the means to purchase their share of it.

DIFFUSION OF INDUSTRY KEEPS MONEY IN THE COUNTRY.

We now come to the investigation of the point, which may be said to be the key-stone of the whole matter, and invite the closest attention of our readers to it. The expression, a very common one, "keeping the money in the country," although sneered at and derided by Cobdenites, has, in reality, the firmest economic basis to support it, and should form the first lesson in every public school of this colony.

To commence with, the Free-trade doctrine lays down the law:—"That foreign commodities are always paid for by colonial products, *therefore* the purchase of foreign goods encourages colonial industry, as much as the purchase of colonial made articles would do."—(McCulloch's Principles of Political Economy, p. 152.)

In answer to this text we quote the Apostle of Free-trade himself, Adam Smith ("Wealth of Nations"—book 5, chapter 2). He says:—"The capital which is employed in purchasing in one part of the country, in order to sell in another, the produce of the industry of that country generally replaces by such operation *two* distinct capitals that had both been employed in the agriculture and manufactures of that country, and thereby enables them to continue that employment. . . . When *both* are the produce of domestic industry, it necessarily replaces by every such operation two distinct capitals, which had both been employed in supporting productive labour, and thereby enabling them to continue that support. The capital which sends Scotch manufactures to London, and brings back English manufactures to Edinburgh, necessarily replaces by every such operation two British capitals, which had both been employed in the agriculture and manufactures of Great Britain. The capital employed in purchasing foreign goods for home consumption, when this purchase is made with the produce of domestic (or colonial) industry, replaces, too, by every such operation, two distinct capitals, but one of them only is employed in supporting domestic industry. The capital which sends British goods to Portugal, and brings back Portuguese goods to Great Britain, replaces by every such operation only one British capital. The other is a Portuguese one. Though the returns, therefore, of the foreign trade of consumption should be as quick as the home trade, the capital employed in it will give but one-half the encouragement to the industry or productive labour of the country. A capital, therefore, employed in the home trade will sometimes make twelve operations, or be sent out and returned twelve times, before a capital employed in the foreign trade has made one. If the capitals are equal, therefore, the one will give four and twenty times more encouragement to the industry of the country than the other."

The expression of Adam Smith, "replace capital," is a most important one, and we again draw upon Sir John Byles for a clear explanation of it; more particularly as it is one not to be passed over in haste, but well deserving to be carefully analysed, and attentively considered;

besides, the whole of the observations of Adam Smith, above quoted, although demonstrably true, derive additional weight from the quarter whence they come. They are the propositions of the founder of the existing school of political economists, on a point of vital importance, so vital, indeed, that it effects the entire theory of Free-trade.

Byles says:—"He (Adam Smith) means that the whole value of a commodity is spent in its production, and yet re-appears in the shape of the new product made in the country. That in its production there is an expenditure not of the profit merely, but of the entire value, and that the whole of that expenditure not only maintains landlords, tenants, tradesmen and work people, but furnishes an effective demand and market for other productions. He means that the clear gain, the splendid revenue, the net income of the producing people, is increased by the amount of the entire value of the domestic (or colonial) product, and that the community is so much the richer, for while producing it spends the entire gross value, and nevertheless, after it has produced it, yet has the entire gross value left in another shape. Capital employed in production is spent, yet reproduces itself. It feeds, lodges and clothes the industrious workman and his family, and pays the employer and the landlord. It constitutes the spendable income of the community. Yet, after having done all this—after being entirely consumed like the Phœnix—it again rises immediately from its ashes, in the shape of a new-finished product. We behold in the place of the spent capital a new and reproduced but equal capital. This is the true explanation of the phenomenon that meets one constantly wherever a new and successful industry is established. We see that wealth springs up suddenly, as if by magic, not from paltry savings but in huge masses. The effect being that a new income is at once created for everbody concerned in it, which income they freely spend and create markets for other people. Yet the community is no poorer for this expenditure, for against it there remains the manufactures made on the spot, which are an exact equivalent for what has been spent—the price of it

remains if it has been sold, or the value of it, if it has not; and, where markets are close at hand, the capital may be turned over several times in a year, and this spendable revenue increased over and over again, the markets being supplied afresh each successive time."

Wherever, therefore, a commodity is produced by the aid of capital, two capitals or values are to be regarded. There is, first, the capital or value spent and consumed in its production, and there is, secondly, the capital or value reproduced.

As we have stated, it is the capital spent that remunerates the labourer, the landlord, and the storekeeper, that pays wages, rent, and profits. It is, moreover, this spent capital that creates markets. For it confers on the labourer, the landlord, and the dealer the revenue they severally have to spend in other directions, and so creates a series of markets.

The expression, "series of markets," invites reflection, for the acquisition or loss of a market or means of sale is a benefit or injury, not stopping with itself but extending to an indefinite and incalculable extent. For instance, a local manufacture creates a demand for labour and furnishes wages. A portion of the wages so received buys, we will suppose, a suit of clothes. The very same value or means which has just found a market for the labourer now finds a market for the tailor. The tailor spends part of the self-same sum with the carriage-maker, and so finds him with a market. The carriage-maker does the same for the baker, the baker for the butcher, and the butcher for the blacksmith, and so on without ending. Create one first means of employment and others are created from it and flourish. On the other hand, where a policy of wholesale importation tends to destroy the first means of creating employment, the loss is felt and multiplied downwards. Market after market fails, production after production ceases. The whole structure of the township becomes a house of cards—the main one was touched and the whole fell.

In many of our towns to-day men find that, for some mysterious or unaccountable reason, they cannot get a living, and remove to some other place with an equal re-

sult. If they only knew it, the solution of the problem is very simple. The difficulty is caused through the neglected means of producing within the colony all the articles of consumption which are imported, the raw materials for which can be procured at a moderate rate, superabundant and all-sufficient, not only for the present population, but for an infinitely larger one, and means not only ample to fill every mouth, but to employ every idle pair of hands in the most natural, healthy, virtuous, and contenting occupations; means not only of procuring plenty of cheap food, but, what is of much more importance, of putting into every man's hands the wherewithal to buy it.*

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* George B. Dixwell, the American economist, referring to Bastiat's sophism about cheapness, says :—"Bastiat, like all men of his kidney, desires the consumer to have everything offered to him at a cheap rate; he is entirely indifferent about his having or not having the means of buying. In fact, the consumer of the Free-trader was described by Homer, under the name of Tantalus :—

'Then Tantalus along the Stygian bounds;
Pours out deep groans; with groans all hell resounds.
From circling floods in vain refreshment craves,
And pines with thirst amidst a sea of waves;
When to the water he his lip applies,
Back from his lip the treacherous water flies.
Above, beneath, around his hapless head,
Trees of all kinds delicious fruitage spread
There figs sky-dyed, a purple hue disclose;
Green looks the olive, the pomegranate glows;
There dangl'ng pears exalted scents unfold,
And yellow apples ripen into gold.
The fruit he tries to seize; blasts arise,
Toss it on high and, whirl it to the skies.'

For nineteen twentieths, nay the whole of the commmunity, production is the condition precedent of consumption."

VARIED INDUSTRIES.

THE old way of winning wealth was by warlike jobbery; the new way should be by peaceful supremacy.

An individual will aim to acquire personal independence; equally so does a nation or people—a great family of individuals—want national independence. The individual, if wise, seeks such occupation as will give scope to his genius and enoble his character, while he wins daily bread and lays by some savings. The Government of this colony should so shape its policy as to give scope to the varied genius of its people and help them to a higher life, whilst they win its wealth by their toil and skill. Governments represent nations, and should use their power and influence for the best good of all; especially is this the mission and duty of a free government whose officials are but the chosen servants of the people.

The industry of the savage is simple, that of the civilised man is complex. The lesson of all history is that varied industry is a product and result of civilisation, and that those Governments that have done most to encourage it have, in that way, helped to lift the life of the people to a higher level. When Government encourages the genius of the people it has the strength of the Eternal Laws on its side. Such encouragement is the aim and idea of Protection to Home Industry.

All the most advanced nations have a protective policy.

No country can profit so much by diversified industry as New South Wales, for no others have such varied advantages, and natural resources, with such freedom as quickens the ready and fluent genius of the people.

Looking to other lands, the protective policy of Russia has helped that Empire greatly. Her manufactures increased in value 170 per cent. from 1867 to 1879, reaching near £100,000,000, and employing 750,000 work-

men; a magnificent result were it not that the shadow of Czarism—personal and irresponsible despotism—chills or corrupts all. Germany has made great progress since the adoption of her Zollverein or Customs protection, but an Imperial Government with an immense standing army holds a toiling and crowded multitude in subjection. France has gained better results for her people. The Revolution of 1789 took the lands held under the old *regime* by Church and State from the monk and nobleman for her farmers to hold and till, and this gave a new impetus to the skill of her artizans, which the Government has wisely encouraged and protected in the most rigid manner. But France has only just entered into an effort for popular government, and has emerged but yesterday from Napoleonic and Bourbon rule, and from the waste of war. All these are protective nations, and such are their drawbacks, none the more for which they are industrially progressive.

England had been trying a new experiment—a professed Free-trade policy. Already her manufacturing supremacy is slowly waning. But she has heavy foreign investments, a trade over every sea built up under her protective navigation laws of former times, and by mail contracts, and greater than that of any other nation, immense profits from funds loaned abroad, and from foreign freights and exchanges of money estimated at £150,000,000 annually, and manages all with a persistent vigor worthy of admiring respect, differ as Protectionists may from the leading feature of her policy. Her trouble and weakness is an island territory too narrow to give scope for the best diversified industry. Her population must be too largely manufacturing alone, and that dwarfs and cramps, under such special circumstances as hers, the life of the workman. Her farms cannot feed her factories, she cannot be self-dependent, but must reach out with unrelenting grasp for the world's trade, and its raw materials to manufacture. Our wool she is compelled to have, for if supplies fail calamity smites her; but we are under no such dire necessity of selling it, for we can work it up. Yet we send almost the whole of it to England as a matter of choice and profit.

The constant reference by colonial Free-traders to England's greatness, in terms of flowery rhetoric, is quite beside the question of Australian Protection, and always affords a specious pretext for vainglorious effusions of patriotism in season and out of season. Without doubt with us the bonds of a common race and language are to be borne in mind, and none regard and cherish more than Protectionists the warm sympathy between us and the people of Great Britain on all important subjects—so necessary to be kept alive—or of the great services done us by England and Englishmen, some of them leading Free-traders; but in matters of internal industry it is incumbent to be just to ourselves and to make strong protests against the selfish policy of British Free-trade. In New South Wales we wish Great Britain such success as the skill and presistent vigor of her people are entitled to—such share of the world's work and trade as she can fairly win; but when her policy seeks to paralyse our enterprise and degrade our industrial advancement it becomes altogether another matter of consideration. Whilst in some respects, and for the reason just shown, it may be important—even necessary—for England to adopt Free-trade, we must bear in mind that even if Free-trade works well there, it is no reason why it should do so with us under a totally different and opposite set of circumstances. The policy of every country must be shaped by its own condition, and if in a country like England, the best prepared for Free-trade of any in the world, the policy is working so badly its poor results surely ought to add weight against its adoption in a country like Australia.

The manifest destiny of New South Wales is not to be simply a great pastoral colony, but to yet build up the richest and most beneficial varied industry in the Southern World. Still we cannot have, for instance, the best farming until we have the best manufacturing in varied forms and materials near the farm, each an indespensable help to the growth and perfectness of the other.

Give us both, and the blending of these varied experiences and vocations, the meeting and mingling of these many life currents, tinged and shaped by such wide mas-

tery of man over nature's forces and materials is full of benefit. It is civilisation, wealth of soul as well as of purse. To the farmer it is the increase of his acres, economy of exchange, work of hand or brain for whatever gift of power or character his children may possess, instant and constant call for a variety of labour, and all the while the thrill of inventive genius pulsing through the serene quiet of his life in the fields, saving it from all narrowness or stagnation, that he may the more enjoy nature's beauty, and the better make her forces serve him.

In this colony we have exhaustless coal beds convertible into exhaustless power; and iron, copper and precious metals exhaustless also. We have a broad land of varied wealth in the shape of material and food. With these gifts of a beneficent Creator, we can, and must build up a diversity of occupations, giving complete scope to all the powers of the body and brain of our people, opening employment to all, and thereby helping ourselves to a higher civilisation.

We can thus make our labour more productive, elevate its character, and make the workman's life larger and richer, save the waste that always follows crude and unskilled processes, and gain that mastery over nature's finer forces and elements, which is symmetry, beauty, permanence, strength, and delicacy in every product of the skilled artizan with his genius awakened by the multiform products and processes growing up around him.

We must train our native skill, and develop its artistic taste, or else fall behind in the great and peaceful strife of national industries. To be dull laggards in this noble emulation will be sore disaster, keeping us down to poverty of life, few employments, insolvency, and dependence. Let once the settled policy of our Government be to protect our industries, and thus develop our great resources, and the genius of our people, and we shall show such results in character, wealth, and skill as the world has never seen. Without such a policy we shall grope on in darkness and confusion, the giants trampling the pigmies under foot, and all striking at random to each others harm.

Let the reader, whilst studying these conclusions,

find "between the lines" that a protective policy fosters a diversified industry, *and thus helps to enlarge and lift up the life of the people.*

THE ECONOMY OF PROTECTION.

THE WRITINGS OF BAIRD AND CAREY.

Amongst the many writers on the subject of Political Economy in the present day, the name of an eminent American, Henry Carey Baird, stands the most prominent. In Europe and Germany especially, as well as throughout economic circles everywhere, Mr. Baird is esteemed a high authority on questions of tariff and finance. His high standing as a political economist is evidenced by the fact of his having been selected to write all the economic articles in "Appleton's Cyclopædia," including those on Bank Money, Mint, and Political Economy. His definitions of Political Economy indicate his fidelity to the principles of Matthew and Henry C. Carey (of whom we shall presently speak), and his success is very marked in still perfecting their developments and applications to the problems of the present day. From several of his admirable addresses, we extract the following series of excellent fundamental definitions of the Political Economy of Protection.

Political Economy—Properly an exposition of the measures necessary for directing the movement of society so that man may act in harmony with those natural laws which control his efforts to improve his condition.

Wealth consists in man's power to command the always gratuitous services of Nature.

Production consists in directing the forces of Nature to the service of man. Every act of consumption is also an act of production—water being consumed in the pro-

duction of air; air being consumed in the production of water—both being consumed in the production of plants, which, in their turn, are consumed in the production of men and animals, all of which finally are again resolved into the elements of which they are composed, to go their round again in their reproduction of plants, animals, and men.

Capital is the instrument by the aid of which work is done, whether existing in the form of land and its improvements, ships, mental development, books, corn, roads, steam engines, money, and also that confidence between man and man which is known as credit. The latter has been characterised by a very able and a cute Scotch economist R. H. Patterson, as our "invisible capital."

Trade is the performance of exchanges for other persons, and is the instrument used by Commerce, which consists in the exchange of services, products or ideas by men with their fellow men. As men are more and more enabled to associate, commerce increases, but the power of trade declines—the growth of the one being here as in the case of utility and value in the inverse ratio of the other.

Money is regarded as the great instrument of association power, growing everywhere with increase in the ability to command the service of the precious metals.

Price is the value of a commodity as measured by money. Prices of land, labor, and all raw materials tend to rise with every increase in the powers of association, that increase being attended by decline in price of furnished commodities. They tend, therefore, to approximate, and it is in the closeness of that approximation that Baird finds the highest evidence of advancing civilization. In his opinion, trade appears first to be followed by manufactures, and it is not that until the latter have been developed, and a market has been made in the neighborhood of the farm, that any real agriculture makes its appearance. The more complete the development of diversified industries, including agriculture, the greater is the tendency towards an influx of the precious metals, which, like other raw materials, always tend towards those places where finished commodities are cheapest.

Henry C. Carey, who is best known by his "Principles of Social Science," "The Unity of Law," "The Past, Present, and Future," and the "Harmony of Intertests," wrote an excellent "Manual of Social Science" (edited by McKean), from which we will make one or two extracts. He says:—"Of all the departments of knowledge, social science is the most concrete and special, the most dependent on the earlier and more abstract departments of science, the one in which the facts are most difficult of collection and analysis, and, therefore, the last to obtain development. Of all, too, it is the only one that affects the interests of men, their feelings, passions, prejudices, and, therefore, the one in which it is most difficult to find men collating facts, with the sole view to deduce from them the knowledge they are calculated to afford. Treating, as it does, of the relations between man and man, it has everywhere to meet the objection of those who seek the enjoyment of the power and privilege at the cost of their fellow-men. The Sovereign holds in small respect the science which would doubt the propriety of asserting his exercise of power by the Grace of God. The soldier cannot believe in those who look to the annihilation of his trade, nor can the monopolist readily be made to believe in the advantages of competition; the politician lives by managing the affairs of others, and he has small desire to see the people taught the proper management of their own concerns. All these men profit by teaching falsehood, and, therefore, frown upon those who desire to teach the truth. The landlord believes in one doctrine, his tenant in another, while the payer of wages looks at all questions from a point of sight directly the opposite of the one occupied by him to whom the wages are paid. Social science, as taught in Free-trade Colleges, is now on a level with the chemical science of a century since, and there it will remain so long as its teachers shall continue to look inwards to the great laboratory of the world for the collection of facts with a view to the discovery of laws. In default of such laws they are constantly repeating phrases that have no real meaning, and that tend, as Goethe most truly says, 'to ossify the organs of intelligence of both the teacher and his pupil.'"

Carey further continues:—"The laws of physical science are equally those of social science, and in every effort to discover the former we are but paving the way for the discovery of the latter. 'The entire succession of men,' says Pascal, 'through the whole course of ages, must be regarded as one man, always living and incessantly learning,' and among the men who have most largely contributed towards the foundations of a true social science are to be ranked the eminent teachers to whose labours we have been so much indebted for the wonderful developments of physical, chemical, and physiological science in the last and present centuries. Social science, treating of man in his efforts for the maintenance and improvement of his condition, may now be defined as being the science of the laws which govern man in his efforts to secure for himself the highest individuality, and the greatest power of association with his fellow-men."

Passing from the definitions, Carey's manual treats of the increase of mankind, the occupation of the earth, and of the standards of human life. Of the great question, Value, which he treats in an exhaustive manner, the following extract is singularly striking:—"With the growth of numbers, and the powers of association, man is everywhere to be seen more and more the master of nature, and possessed of numerous objects to which he attaches the idea of 'value.' Why he does so, and how he measures value, we must now examine. Crusoe, on his island, was surrounded by fruits and flowers, birds and beasts, nearly all of which were beyond the reach of his unassisted forces. . . . . Working at first with his hands alone, he is forced to depend on the fruits spontaneously yielded by the soil. Later, having formed a bow or fashioned a canoe, he obtained a little animal food, to which, because of the difficulties of obtaining it, he attaches high importance, and here it is we find the origin of the idea of *value*. . . . . At first, vegetable food could be obtained by Crusoe with less exertion than animal food, but now possessed of a bow he obtained meat more readily than fruit. Relative values change at once—birds and rabbits falling as compared with fruits. Fish are still unattainable by him, and he would give, perhaps, half a

accordance with this it is, therefore, that a full appreciation of the advantages of harmony, peace, and respect for our neighbour's rights, and of the necessity for a proper exercise of the power of co-ordination on one side, accompanied by subordination on the other, comes to man only with the growth of that real civilization which is, or should be, attendant upon the increase of number of persons occupying a given space—that increase of numbers being required for facilitating combination and thus developing the various human powers."

In his closing chapter this great master of American practical philosophy summarises the lessons that men of different pursuits and beliefs should learn from his teaching. Of these the following are probably the most deserving of consideration by the people of New South Wales, at the present time :—

CAPITALISTS.—That between themselves and those they employ there is a perfect harmony of real and permanent interests.

FARMERS.—That the road to prosperity for themselves and their children is to be found in the adoption of Protective measures, looking to their emancipation from the oppressive tax of carriage to distant markets by creating manufactures around them, enabling them thereby to develop the powers of their land.

WORKING-MEN.—That the more perfect their respect for the rights of property and the greater tendency towards harmony and peace the more rapid must be the growth of the productive power, with correspondent increase in their own proportion of the larger quantity of commodities produced.

FREE-TRADE ADVOCATES.—That the more varied the productions of a community the greater must be the commerce in the bosom of the nation, and the greater their power to maintain commerce with the world.

A NATION THAT MANUFACTURES FOR ITSELF PROSPERS.—The proposition last given has been lucidly explained by Byles in the following manner :—" A nation that manufactures for itself, as well as grows food for itself, produces two values, and creates two markets instead of one. A manufacturing nation grows rich much faster than a mere

agricultural one, for an obvious reason. An agricultural people turn over the greater part of their capital but once a year. The manufacturers sometimes turn it over three, four, or a dozen times a year—that is to say, they may *create* the total amount of their circulating capital many times in a year. By Protection neither manufacturing nor agricultural industry is any longer limited by the accidental capacity of foreign markets. Manufactures create a market for food; food for manufactures. Both may increase by each other's help and manufacture to an unlimited extent."

These extracts exhibit the outlines of the Protectionist school of economic doctrine, imbued with a spirit of liberty, Christianity and sound conservatism—a preservative and regenerative philosophy, the opposite and refutation of these destructive and debasing doctrines of the *a priori* system, that teach, with Turkish fatalism, things must be left to their course without attempt to remedy, and that to save the more privileged of mankind other men must be cut down like stubble, or uprooted like weeds, and that increase of labour is but an increase of misery, since its rewards all go to capital and mercantile monopoly that enslaves it. Carey's benign philosophy inculcates what the history of our neighbour, Victoria, illustrates: That intelligent free labour finds its self-reward under Protection in greater opportunities and better compensation; that the colony we live in is sufficient for the support of all that live in it, if unwise legislation did not hinder them from following the Divine command to subdue and enjoy it; that virtue and happiness increase as productiveness increases, and that not mere trade in raw products and barter in goods for them, as Free-traders think, but production, human creation by breathing the human soul into inanimate matter, in imitation and completion of the Divine act, is the true occupation of men, and the true field of enquiry of the political economist.

Viewed in these lights there is nothing complicated or involved in asserting that the prosperity of New South Wales in all its departments of industry—agriculture, trade, and commerce, as well as manufacture—depends upon the policy of Protection on the scientific basis herein

delineated, and that, therefore, it is not a sectional or special, but a *great national question ;* or that it is superior in importance to any question agitated in New South Wales. Even further, that the value of our futurity depends mainly on the proper settlement of this question, because in the result of it the happiness and prosperity, not only of contemporaries, but of generations yet unborn, are involved. These facts in favour of Protection are so strong, and the arguments so plain and clear, that to any ordinary mind it seems rational that nothing remains necessary to give them effect other than full and general circulation, after which there is no possibility of resisting the principles and arguments they contain. To accomplish this in a patriotic spirit, it becomes the public duty of those actively devoted to promoting the welfare of this colony, and, believing in the efficacy and advantages of the Protective system, to stimulate its success by such means and sacrifices as their circumstances and situations will justify. The cause is one in which but little personal distinction or pecuniary reward is to be looked for, hence in the final triumph the greater glory of its unselfish champions. Arrayed against it is the dominant plutocracy of the country, aided by mercenary politicians and sectarian strife ; but as the dark mists evaporate before the strong rays of the sun, so will the clouds of industrial adversity now hanging over us be rolled away before the advancing tide of democracy, eventuating in a Federated Australia with intercolonial Protection.

II.

FREE-TRADE A DELUSION.

"A CAVALRY officer of the period before the Crimean war, when that branch of the army was distinguished by the glory of a moustache, used to say that no man could conceive the pitch to which human conceit could soar, unless he had served in a light dragoon regiment. He was, however, mistaken. There was a being yet more elate with a sense of superiority over his fellow-creatures in the economist who had Bastiat at his fingers' ends, and who looked on Political Economy as a weapon by which he could discomfit political adversaries, and on Free-trade as a personal triumph; though he had as much claim to renown for it as a passenger in a Cunard steamer to the fame of Columbus."—CLIFFE LESLIE.

THE NECESSITY OF THE REGULATION OF TRADE.

THE primary assumption of Free-traders is that the laws of trade are as fixed and persistent all the world over as those which regulate the ebb and flow of the tides, or the movement of the heavenly bodies, and they insist that Free-trade is as true and unvarying in its application to all countries alike as that of gravitation or any other of nature's positive laws.* To this end

* The late Mr. Bagehot, probably the most distinguished literary economist of recent times, felt so strongly, it is said, the utter inapplicability of the assumptions of the Free-trade system to the greater part of the world, that "he actually limited political economy to England at its present state of commercial development, and to the male sex in England." Cliffe Leslie, an acknowledged authority on fiscal questions, from whom the above quotation is made, adds, "such a limitation involves a complete surrender of the position that the Free-trade system is based on universal laws of principles of human nature—it involves also an admission that it is only by inductive investigation that we can determine what the actual economy of any society is. . . . . The system or the orthodox economist has done much to defeat itself, and to aggravate the obscurity, disorder, and inequality. By assuming that the laws determining profits, prices, and the division of employment are fully understood, and pur-

statistics of all kinds are marshalled in such order, or disorder, as are best calculated to prove this without any intelligent effort to apply them to New South Wales. The disciples of the system insist that the relative wealth and prosperity of every country must be measured solely by the amount of exports and imports. To assist, or endeavour to assist, the development of colonial industries by the direction or amount of import duties is Protection, and, as Protection is at variance with the practices of Free-trade, for that reason alone it must be wrong. They further assert that the production and export of pastoral and raw products are, and should remain, the chief industries of the Australian colonies, and should not be charged with any portion of the cost incurred in the permanent settlement of the country, added to which, all countries not carrying out Free-trade are blindly following a Protective policy through gross ignorance of economic laws, and of their own interests. These are a few examples of the many absurd allegations put forward by the advocates of the Manchester School of Free-trade.

Practical men demonstrate these theories to consist of utter delusions, placing beyond doubt the fact that national or individual life is *not* governed by a system of equations, but, on the contrary, is largely influenced by cupidity, ambition, avarice, tyranny, besides all other human passions and desires. These practical and discerning men find that the sophisms of Free-trade furnish no solutions of the grave questions which business men and industrial brokers find themselves daily confronted with, and that trade and industry must be governed by the same artificial means as the other concerns of human existence. In recognising this primary and concrete fact,

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suing the method of deduction from arbitrary assumptions to the neglect of the investigation of facts, he has left us in darkness."

In the same connection may be quoted the following remark of John Morley's :—"At certain periods in the history of of any nation it becomes necessary to review its principles of domestic policy. . . . . It must be equally the part of a wise community to alter the maxims by which its foreign relations have in times past been regulated, in conformity with the changes that have taken place over the entire globe."

they hold it to be the special duty of the Government of every nation or people to defend its producing classes, in the enjoyment of their home demand for their skill, by a system of duties sufficiently Protective to secure them against the brutally selfish course pursued against the weaker industrial occupations by Free-trade capitalists in constantly conspiring, through the dominations of wealth, to crush out and stifle every local manufacture or pursuit.

For upwards of two thousand years, established by the acquired wisdom of the ages, it has been held as a sound principle that where, in the imperfection of human affairs, parties in dealings do not stand on an equal footing, but that one has an undue power to oppress or mislead the other, the law should step in to succour the weaker party. As with individuals, so in communities, evil tendencies are constantly springing up, by reason of which all Governments find it to the advantage of the community to interpose. Free-traders, of course, object to this and assert that the interests of individuals and the interests of the public (which is but an aggregation of individuals) necessarily, and as a matter of course, coincide, and are harmonious, and that mankind must learn by experience.

The Protectionist advances a much better proposition when he invokes the interposition of legislation in the matter, which, after all, is but the concentrated wisdom and power of the whole community on a given point—a mutual agreement by all that certain things shall be done, or not done, for the general benefit, and an enforcement of that agreement.

The Free-traders object, as a fundamental article of their creed, to the imposition of duties on foreign goods, because they allege it introduces an artificial element into society, and interferes with their unalterable right to buy where they can cheapest and sell where they can dearest. Now, the real fact is, this contention is *prima facie* evidence in favour of the system he condemns, because as men themselves they largely form part of an artificial society—one, indeed, in which their very clothes, abodes, manners, customs, and methods of living and being are artificial. Indeed, if any man of them be of any culture,

his own countenance is artificial, being made up by his surroundings and the knowledge which they have given him. The more cultivated and civilised this society, the more fully have the members of it departed from nature. The natural man is found in New Guinea, Patagonia, Africa, and in the most perfect manner amongst the aboriginals of Australia. The Free-trader will find his fittest abiding place and natural rights amongst such people as these, provided he has the strength and cunning necessary to maintain them against savages, bears, wolves, and tigers. There he will find no custom houses, no police, or municipal councils which will oblige him to make roads for other men or their horses and vehicles to pass over ; nor will he be obliged to pay taxation for the schooling of other peoples children, or be subject to the other restraints of civilised society.

It is Great Britains boast—a false boast—that she has banished the Protective principle from her tariff, and levies duties with the sole object of procuring revenue. The slightest enquiry reveals the fact that her present Custom House system embodies the very soul of restriction, when compared with the scant and feeble barriers, moderate Protection desires to set up for the encouragement of native industry.* On reference to a pamphlet of the Cobden Club, circulated here by the Free-trade league, the " History of the Free-trade movement," by Mongredien,† it will be found that the amount of Customs duties levied in Great Britain for the financial year of 1879 exceeded £20,000,000. These facts prove beyond doubt that English Free-trade is a perfect delusion. The

* In this connection the following remark of De Tocqueville's appears *apropos* :—" In the eyes of the English, that which is most useful to England is always the cause of justice. The man or the Government which serves the interest of England has all sorts of good qualities ; he who hurts those interests, all sorts of defects ; so that it would seem that the *criterion* of what is right, or noble, or just, is to be found in the degree of favour or opposition to English interests."

† Mr. Augustus Mongredien, an ingenious economic sophist, wrote several little works on Free-trade, which received the *imprimatur* of the Cobden Club simply because they advocated the interests of English manufacturers as against all comers. Particular

pretence of Free-trade appears all the more absurd when we see that the British Government levies duties on the principal products of other countries when brought into English ports, but asks that those countries shall levy no duties on her goods. Is this the boasted freedom of commercial intercourse?

If, as Free-traders assert, trade will regulate itself, Protectionists enquire; Why do the wisest and most prosperous Governments constantly make laws in support and favour of their trade? Or, why does the British Parliament employ so much time and pains in regulating their trade so as to render its advantages particularly useful to their own nations? The truth is, trade regulates itself, just as every thing left to itself does, and that so far from regulating itself it constantly needs the help of the Legislature of every country. If a people do not chose to regulate their trade, it will soon regulate them in such a manner as finally to leave them no trade of any description whatever of the least advantage to themselves.

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national resources were quite ignored by Mr. Mongredien. He would have the farmer who can grow turnips and potatoes grow only turnips; while a neighbouring farmer who can also grow turnips and potatoes shall grow only potatoes. The one shall exchange with the other, and this barter, or trade, or commerce, it was Mr. Mongredien's misdirected life-work to essay to prove was beneficial. Mr. Mongredien joined the great majority a few weeks back.

III.

THE EXAMPLE OF VICTORIA.

"YOU tell me I am quoted by those who wish to secure our dependence on England for manufactures. There was a time when I might have been so quoted. We have since experienced what we then did not believe—that there exists both profligacy and will enough to exclude us from the use of our own industrial power, and that to be independent for the comforts of life we must manufacture them for ourselves. We must now place the manufacturer alongside the agriculturist. He, therefore, who is now against home manufactures must be an enemy of the country. I am proud to say I am not one of these. Experience has taugnt me that manufactures are now as necessary to our independence as to our comfort, and if those who quote me as of a different opinion will keep pace with me in purchasing nothing foreign when an equivalent of home manufactures can be obtained, it will not be our fault if we have not a supply without any regard to the difference of price, produced at home equal to our demands, and wrest that weapon of distress from the hand of England, which so long has violated it.'—THOMAS JEFFERSON. [It is on the golden rule formulated in the above extract that Victoria has made such social and industrial progress.—ED.]

"FRANCE, always intelligently Protective, is to-day commercially more independent than any other country in the world."—HENRY C. CAREY.

IT is very remarkable that, notwithstanding its great relative importance in manufacturing industry as compared with all the other colonies, Victoria, occupies but a small area of the whole Australian Continent, being a little more than a third of the size of New South Wales, an eighth of that of Queensland, about a tenth of South Australia, and less than an eleventh of Western Australia, yet supporting a larger population than any of the colonies just mentioned.

At the present time, when a general contraction of the public revenue of all the other colonies is experienced, the finances of Victoria are in an unprecedentedly prosperous condition, the Treasurer being enabled to announce a

surplus of over £350,000 in his financial statement to Parliament in June, 1886, besides which every department of the public service was in a flourishing state. From a careful comparison of the social condition of the other colonies, as well as from a study of the results of their fiscal policies of Free-trade, upon the industrial pursuits of their people, no other conclusion can be arrived at than that the Protective system of Victoria has been the chief active principle which has conduced to the marvellous development of manufacturing industry in that colony.

The clear and deep insight into the vital connection between duties and imports, and the growth of prosperous manufactures, in which the sagacity of Victoria preceded all her sister colonies, is sufficient of itself to account for the steadfast fidelity of her people, no matter what their partisan convictions, to the system of Protection to Home Industry, and also to account for the fact that she is always found at the front in repelling assaults on that system. The first Democratic members of her Parliament, after the epoch of the convention, were assiduous in cultivating ideas of the importance of industrious habits and pursuits amongst the then small population of less than half a million of people, and their successors in public esteem and influence were equally zealous in disseminating the same views, until idleness, or whatever led to it, became, in a peculiar degree, an object of aversion to the community. This training, at the outset of the life of the colony, in its youthful years, no doubt gave that bent to the minds of its people in framing the first Protection tariff, which has been maintained ever since, and keeping them in the van of industrial progress in Australasia. Immediately after the inauguration of the new Constitution and the introduction of Responsible Government, industrial independence, the necessary support of political independence, and national unity was seen to be only attainable by regulating commerce with other nations and communities by the observance of a rigid fiscal policy of Protection. This desire was the most determinate, impelling, and decisive of all motives which endowed the Parliament with ample capacity to encourage and protect home manufactures. All the prominent and

influential events, as well as those of a subordinate or auxiliary character, which have followed, furnish proofs, and leave no room for honest doubt that the people of Victoria have been unerring in their wisdom in shielding home industry from the prostrating assaults of foreign competition, and checking, or prohibiting, the importation of commodities, interfering with the growth and prosperity of domestic manufactures, and in giving to native production an impetus which has developed all the resources inherent within the boundaries of the colony, essential for the supply and consumption of the population.

When the manufacturing industries of the colony were in the first stages of development, the Protective duties were moderate and raised by degrees in proportion as the intellectual and material condition of the people, their capital, skill in the arts, and spirit of enterprise, increased in the country. It was manifest that until manufactures were sufficiently developed to supply internal wants and to diminish the price of foreign commodities by domestic competition, high duties in the first instance would have been oppressive to the people, as all Customs duties in the earliest stages of an industry are taxes upon consumers. The result of these low duties even, was happy, though their effect was more to encourage than protect. Approaching the termination of 1876, under a ten per cent. duty, manufactures began to languish and imports to largely increase. A twenty-five per cent. duty was then imposed which, with the method of charging it, increased to twenty-seven and a half per cent., had the effect of turning importers into manufacturers, and almost immediately reducing the Customs Revenue to the extent of £200,000 per annum. The more beneficial effect this change had in stimulating native industries was evidenced in the fact, that in three years afterwards the total number of hands employed in manufactures rose from 27,959 to 32,278, and the value of buildings and plant employed from £5,313,000 to £6,798,636, showing nearly six thousand more people employed, and almost a million and a half more capital invested in factories.

THE VICTORIAN MANUFACTURING INDUSTRY.—The

following figures * by Mr. Hayter, the Victorian Government Statist, clearly indicate the increased growth of the Victorian manufacturing industries. They show the total number of manufactories, exclusive of flour mills and breweries, number of manufactories using steam, horse power of engines, number of hands employed, and the approximate value of machinery, plant, lands, and buildings in each of the years ending March 31, 1873, 1878, and 1883, respectively :—

Year ending March 31.	No. of Establishments.	No. of Establishments using steam.	Horse Power of Engines.	No. of Hands Employed.	Approximate value of machinery, plant, land, and buildings.
1873	1490	509	7088	19,826	£3,026,764
1878	2111	788	9827	31,028	£5,711,218
1883	2391	1045	13,412	43,933	£7,698,374

Thus in one decade the figures show, on comparison, that the industries of the country were doubled, and the hands employed and capital invested more than doubled. In 1881, the only year in which the particulars are given by Mr. Hayter, the value of manufactured articles produced was £13,384,836 ; the value of raw materials used, £8,012,745 ; leaving as the value of the year's work, £5,372,091, or about sixty-seven per cent. On this point a few lines from the Report of the Victorian Tariff Commission may be quoted—a Commission which was composed of Free-traders and Protectionists. Under the head of Employés evidence the Report stated :—" The employés considered the existing tariff to be highly advantageous to themselves, inasmuch as a steady demand was maintained for the various articles produced by them in the colony, so leading to constant employment and regular wages. Much of the raw material was produced in Victoria, and thus local manufactories were provided with a better market for the producer than they could have obtained

* This was written early in 1887. As later figures do not invalidate the author's argument the editor does not deem it needful to furnish them.

without Protection. In fact, in many cases, the raw material would probably have never been produced at all in the colony if not required by a manufacturer on the spot." Next came a most important admission, in the Report, that "it was not shown in the course of your Commissioners' investigation that the *cost of articles was necessarily enhanced by the imposition of Protective duties*," for persons were encouraged to embark into new industries, and success brought competition. In order to bring the official statement of Mr. Hayter down to the latest date, the following is a comparative statement of the progress made in these manufactories from 1876-7 to 1884-5:

Year ending March 31.	No. of Establishments.	No. of Establishments using steam.	Horse Power of Engines.	No. of Hands.	Approximate value of lands, buildings and plant.
1877	2,302	918	12,771	31,478	£6,025,745
1885	2,856	1,340	18,949	49,393	£10,199,918
Increase.	554	422	6,178	17,915	£4,174,173

The population of Victoria in 1875 stood at 800,000, in 1885 it had increased to over 1,000,000, or an advance of one fifth; consequently, on an examination of the number of

In this connection, compare the following extract from an interesting document published a year or two ago by Mr. Swank, one of the specialists of the Washington Census Bureau:—"The history of the Bessemer steel works of the Colorado Coal and Iron Company, which are the latest of their kind in this country, affords a clear illustration of the necessity of embarking a large capital in enterprises contributory to Bessemer steel works, as well as in the works themselves. Before a pound of Bessemer steel could be made at these works the company found it necessary to buy and develop iron-ore lands, coal lands, and limestone deposits; to build coke-ovens, blast-furnaces, a foundry, and a machine-shop; and to make many other investments. The company was compelled to provide its own iron-ore, its own coal, its own limestone, its own pig iron, and to construct much of its own machinery. Its Bessemer works do not appear in the census statistics, but if they did the capital invested in them would, by the usages of the Census Office, be separated from the capital invested in the contributory enterprises. We have ascertained that these contributory enterprises have absorbed more than five times as much capital as the Bessemer steel works."—Ed.

hands employed in manufactures at the commencement of the decade it will be found that only one in twenty-nine of the population were employed in manufacturing industries, whilst at the present time one in nineteen are supported in that manner.

THE VICTORIAN AGRICULTURAL INDUSTRY.

Simultaneous with the rise of manufactures the agricultural industry of Victoria has progressed in a most unexampled manner, marking, in an especial degree, the interdependence of one class of industry upon another. Manufactures have created a local market for food, and food productions for manufactures. Both have increased by each others help, but manufactures especially to an unlimited extent over agriculture, because an agricultural people turn over the greater part of their capital but once a year, and, in case of failures in crops, not even then; whilst manufacturers turn their capital over three, four, or even six times, increasing or *creating* the total amount of circulating capital many times in the year. In 1878 Victoria imported for home consumption 8526 tons of flour, but under the full benefit of a Protective policy in 1884, 235,760 tons were exported, besides providing for the whole wants of the population. The land in cultivation in 1876 amounted to 1,231,105 acres, in 1884 it had increased to 2,231,493 acres. During the same period the number of horses had multiplied to the extent of 100,000, cattle to the extent of 160,000, and pigs to 58,000. In order to institute a comparison for the purpose of showing that the Protective system of Victoria has not turned men's attention to manufactures at the expense of neglecting pastoral and agricultural pursuits, on referring to the statistics of Free-trade New South Wales, a colony three

times the extent of Victoria, it will be found that the latter has a proportionate number of sheep (10,355,000 to 32,400,000) and half the number of cattle (1,285,000 to 2,580,000), so that she has even a larger pastoral industry in proportion to her area, and this after applying two and a half millions of acres to agriculture, as against 700,000 in New South Wales, and further we find that under Protection the farmers have thriven in Victoria until two acres and a half under crop have been reached for every head of the population, whilst New South Wales has not attained to one acre. The values of the agricultural, pastoral and mining produce of Victoria, in the year 1874 and 1884, may be thus returned in round numbers:—

	Agricultural.	Pastoral.	Mining.
1874	£4,500,000	£10,000,000	£4,750,000
1884	£6,500,000	£10,000,000	£3,250,000

These figures show that, while the pastoral produce has remained about the same, during the decennial period in question, the agricultural has increased sufficiently to more than compensate for the falling off in the mining produce, leaving manufactures a clear gain over all, and here the connection of the stimulation of the mining industry by the policy of Protection is to be noted. The yield of gold in 1884 was less by a million and a half pounds sterling than in 1874, and has further decreased in 1885, but, owing to the large surplus of revenue in 1886, the Government were enabled to appropriate the sum of £105,000 towards assisting in prospecting and prosecuting mining discovery. No evidence or argument is more conclusive than these facts, which undeniably prove that if Victoria, with her limited area and large population (primarily attracted by the richness of her gold-fields), had not adopted a Protective policy and thereby created thriving and prosperous manufacturing and agricultural industries, her position would have been one of extreme destitution and decay at the present time.

HEALTHY DECENTRALISATION IN VICTORIA.

INTERNALLY Victoria has benefitted by the creation of a number of large towns in the interior, consequent upon the existence of local manufactures induced by Protection, such as are not to be found in Free-trade colonies, except as sea ports. Amongst these centres of population may be mentioned Ballarat, with a population of 42,000, where the extensive locomotive foundries are situated, employing constantly upwards of 500 men and over 100 apprentices. These works have turned out 200 locomotives for the railways of the colony, and have succeeded in securing the large amount of expenditure for these engines exclusively in the colony. The large population in the country towns of Victoria at once tends to show that Protection causes Decentralisation, and that Free-trade in New South Wales causes centralisation, by the focussing of population and wealth in undue proportions around the port of Sydney. Just glance at Sandhurst, with its large mining foundries, exporting machinery to all the colonies and also extensive earthenware factories and potteries, with a population of 39,000; at Castlemaine, an active centre of rolling stock manufacture for the railways; Geelong, the seat of woollen manufactures; Kyneton, eminent for agricultural machinery; and many other important provincial centres dependent upon local manufacturing industries of various descriptions. Many of these towns would have had no existence, otherwise than that of deserted gold-fields or pastoral solitudes, except for Protection, which has called into existence permanent sources of employment. By this means the tendency to concentrate the population around the Metropolis, which is so marked a feature in New South Wales, has been overcome. The general effect in neighbourhoods where these industries are established, employing such numbers of hands, has been to raise the value of lands in the vicinity to such a degree as to make it the

deep interest and concern of the owners to encourage the Protection of young industries to a lasting degree. With them it has become a recognised principle of political economy that the manufactures and agriculture of the country should be developed in healthy equilibrium to each other, so that mutual wants may be supplied and the colony rendered self-dependent. The effect of this policy * to the farmer has been the increase of the product of his acres, economy of exchange, and work of hand or brain for whatever gift of power or character his children may possess, thus enabling him to assist in building up a diversity of occupations, giving a complete scope to all powers of body and mind, opening avenues of employment to all, and helping to a higher civilization. The value of Victorian rural property in ten years has risen to the extent of 50 per cent., as shown by the returns of the shires and road districts; the increase in the value of rateable property therein was from forty-six to sixty-two millions sterling, and the total value of rateable property in cities, towns, and boroughs throughout the colony increased from £29,638,515 in 1876 to £41,261,664 in 1884, or an increase of £11,623,149.

[*Creating a home market! Adam Smith accurately gauged the value of the home market when he wrote:—"Whatever tends to diminish in any country the number of artificers and manufacturers tends to diminish the home market—the most important of all markets for the rude produce of the land."—ED.]

HOW PROTECTION BENEFITS VICTORIAN COMMERCE.

As an evidence that the industries of Victoria have not been built up at the expense of her commerce, a glance at the imports and exports for the last decade will show the reverse. During the last ten years the imports have risen from £15,000,000 to £19,000,000 sterling, and the exports from £14,000,000 to £16,000,000, annually. Here a remarkable development of Protection has manifested itself, for notwithstanding, that so large a measure of home manufacture has been stimulated, the imports per head of the population have been quite equal to those of New South Wales. From this fact it is evident that a progressive, industrial development has had not only the effect of cheapening the original necessaries of consumption but enlarging the range of necessity. As the people have become enriched by the full occupation of their industries, the standard of comfort has risen, commodities (formerly the luxuries of the few) are now in general demand and have become the necessaries of the many. By an economical evolution the standard of necessities has been constantly increased, and articles which formerly were available only to the wealthier classes have now become those of universal use, and have taken their places among the necessaries of life, consequently the restriction of luxurious commerce in Victoria has been attended with the most beneficial results. Another indication of commercial energy is marked in the shipping returns, the figures of which ran up from 810,000 tons in 1876 to 1,569,000 tons *inwards* in 1884; and from 847,000 tons to 1,582,000 tons *outwards* during the same period. Consequent upon the extension of industrial enterprise the construction of railways has rapidly developed, the mileage having increased from 719 to 1663, during the period under notice, and the traffic receipts have run up from £1,730,034 to £2,196,149, just having arrived at paying both working expenses and the interest on the cost of construction.

HOW PROTECTION IMPROVES THE SOCIAL CONDITION.

THE social condition of the industrial classes under Protection has been a distinguishing feature of the policy, for whilst the largest amount of wealth has been secured for the country generally, the standard of comfort and prosperity amongst the labouring classes has been kept up. It has been well understood that the great secret of national wealth in the country consists in finding profitable employment for all its citizens and people who are willing to labour, and that this could not be done without directing that labour to the great objects of agriculture and manufactures. By this means such wages have been secured as give possibility for comfort and taste for accumulation, education, and the hope of a larger life, tending to good feeling, harmony, and equality of rights and condition. The fairly paid artisan and labourer under the system feels less a slave and more a co-operative helper of the employer, with common hopes and interests, and has thereby become an important factor in the onward progress of the community. The Protective policy of the Colony has been so shaped as to give scope to the varied genius of the people helping them to a higher life, while they win its wealth by their toil and skill. By its influences the labourer, who has no capital save his hands, has secured to himself all the inestimable blessings which can be attained through industry, economy, and intelligence. In the large circle of employments which gives to more than 54,000 operatives (representing at least a quarter of a million souls) the means of a comfortable and respectable life, the Government of the Colony have a deep concern. These diversified, yet sensitive, industries, which send their roots and branches everywhere in the national existence of the people, are too considerable to be disregarded, consequently the Protection of Victorian enterprise against the injurious competition of foreign labour, so far as respects general handicraft productions,

appears to be a fundamental principle of the Legislative action of the people, apparently never to be surrendered or compromised in any degree. Savings Banks afford almost the surest index of the general prosperity of the people. In 1876 there were 170 Savings Banks in Victoria, in 1884 there were 243. They had in the two years respectively :—

	Depositors.	Balances.
1876	£69,027	£1,507,235
1884	£152,344	£2,981,083
Increases	£83,317	£1,473,848

Whilst on the subject of money it may here be remarked, as an instance of prosperity, that the assets in the banks rose from nearly £24,000,000 to a little over £36,000,000 of money, and the liabilities from £16,000,000 to £30,000,000, during the period above referred to.

Under the Protective policy of Victoria a large amount of the capital embodied in metallic currency has remained at home, sufficient to establish domestic manufactures on a firm footing, supplying earnings and purchasing power to the people who would have been kept idle under a Free-trade policy. The wild mania for speculation in doubtful enterprises which characterised the early days of Free-trade has given place to remunerative investments in reproductive industry. The history of the adjacent Free-trade colonies amply testifies that a craze for rashly adventurous speculation is a salient feature of each of them, and that its extent is greatest where the amount of Protection is least.

Under the Protective System of Victoria diversity of occupations have been built up, which, besides making labour more productive and the workman's life larger and richer, has saved the waste that always follows crude and unskilled processes ; moreover, a mastery has been gained in the manufactures of the country, which combines permanent strength, symmetry, beauty, and delicacy in every product of the skilled artisan, whilst his genius has been awakened by the multiform products and processes growing up around him. The Victorian Court at the Indian and Colonial Exhibition at Kensington was a testimony to

the marvels of industry—created and nurtured by Protection—which were conspicuous everywhere, and in remarkable contrast to what the unprotected industries of the sister colonies had to show. The latter through having no trained skill, or development in artistic taste, were significantly behind in the great and peaceful strife of National Industries. Adaptation to colonial wants has made all classes of mining machinery manufactured in Victoria so much superior to similar articles obtainable from elsewhere that they are in general demand throughout Australia. The superior engineering manufactures of Melbourne are also attracting attention in the Chinese Seas, many of the doicks situated there being supplied with pumping appliances from the foundries of this Australian city. Victorian-made machinery powerfully assisted the progress of agriculture; and, despite of the fact of its being prodnced under a 20 per. cent tariff, is largely in use even in "Free-trade" New South Wales! Restrictions upon imports compelled Victorians to adapt many kinds of foreign machinery to their own needs, which, by the originality and excellence employed in such adaption, have become thoroughly national in their characteristics, besides securing the recognition of their superiority at all the Intercolonial Exhibitions, and the compulsory adoption of the locally-designed improvements by European competitors. There is not an advanced branch of Victorian manufacture which does not reflect the intimate relations between consumers and producers, and exhibit the fitness of products to the public wants resulting from this close connection.*

[* Wherever the relations of consumers and producers are intimate (as they are in Victoria) their social progress rapidly developes. Carey brings out this idea well where he says :—"Exporters of raw produce pay all the taxes incident to a separation of consumers from producers, the manufacturing nations profiting by their collection; hence it is that while the former tend from year to year to become more dependent, the latter tend equally to become more independent, thus furnishing conclusive evidence of growing Civilisation."—ED.]

WHY PROTECTION IS STILL NEEDED.

An objection may arise that this rapid development of manufacturing power shows Protective duties have performed their work in Victoria and may be safely dispensed with. But an answer to this objection is that experience has proved these Protective duties are not in themselves objectionable when they have ceased to be ourdensome on the consumers as in the cases where the protected domestic article, notwithstanding the duty, and really in consequence of it, is obtained as cheaply at home as it might be from abroad. This applies more particularly to the commodities of general consumption and use. The duties still, however, perform a most important service. They may have ceased to stimulate, but not to defend ; they are like an embankment against an encroaching wave, high enough to resist the highest tides and the occasional inundations of gluts, which other countries in times of over-production and commercial stress would, in order to relieve themselves, pour upon the shores, thereby destroying the balance of internal manufactures. Recent legislative action, however, on this point indicates that in the permanent interest of the Protective policy it is inexpedient (except for the establishment of entirely new industries) to impose duties at rates higher than is necessary to equalise the conditions of Capital and Labour in the Colony with those under which the foreign competition is conducted. That Protective duties in Victoria have accomplished their mission is the vague and indefinite notion commonly held by Free-traders in relation to manufactures and industries. They contemplate them as a whole without discriminating the vast variety of conditions, of circumstances, and of wants in manufacturing industry. They assert that the industries of the colony as a totality—once in their infancy—have *now* passed into the stage of robust manhood, and may safely be left to themselves ; whereas,

what may be termed the buds and seedlings of manufactures are, in new branches, ever increasing, so that portions of industries are always in their infancy, constantly dividing and sub-dividing themselves into new departments from the old ones which have passed from the need of Protection. Young industries are ever the chief victims of foreign competition, hence there can be no desire for the cessation of the policy of Protection in Victoria, which to its people "is a mother endowed with perpetual youth whose infants are always at her breast."

The statesmen of Victoria do not misunderstand the elements of their national prosperity, chief amongst which is the Protective policy. Protection has done a great work for the people of the colony during the last 10 years, and it is a satisfaction for them to say that this fact is now generally recognised, even by their industrial rivals in other countries. It is admitted by all, except mere theorists, that Protection has aided in the development of the colony—has stimulated the investment of capital—and given steady employment to the people; that it has cheapened the cost of manufactured products, whilst enhancing the wages of labour; that it has cheapened the cost of transportation through a stimulus to railway construction, besides furnishing a home and sure market for the much larger part of the agricultural products raised in the country districts; and, finally, that it has kept at home, and in circulation, large sums of money that otherwise would have been sent abroad. These results are what Protection has *directly* done for Victoria. *Incidentally*, it has furnished revenue to the Government through the duties collected on foreign commodities, owing to the increased purchasing powers of the community, consequent on the full development of labour. In a purely political point of view the policy always dominant in Victoria is that the Government owes to the nation the duty of seeking the establishment of diversification in the pursuits of its people, and that it is not an abuse of power to do so, but, on the contrary, a positive obligation, so as to act in each epoch of progress in such a manner as to favour the taking possession of all the branches of industry whose acquisition is authorised in the nature of

things. It has become an article of political faith that the people of the colony, who toil and care for each other, shall not admit others who do not share the burdens of Government into all their privileges and immunities, and none can complain if it be their primary and nearest aim that the people of Victoria shall be the first to be kept well employed and maintained under a system that makes for Independence. A colony whose people have cultivated its lands, built its shops and factories, and are paying its debts and taxes, cannot be expected to admit foreigners, who have no share in these tasks or burthens, to its markets on equal terms with its own citizens. The tariff is, therefore, the means of asking them to pay reasonably for the privilege of bringing in their products, and, at the same time, of relieving established industries from the whole responsibilities of taxation necessary for the affairs of the State.

The beneficial influence of Protection in Victoria is marked by an era of NATIONALISM, by the development of her grand internal life, which has given her the proud pre-eminence of being the greatest manufacturing colony in Australasia; as for the future no prescience can formulate the future magnitude of the Manufacturing Power which advancing industry will locally develop. The aspiration of the founders of Protection—that producers and consumers should be placed side by side throughout the land—has been realised by the springing up of the Forge, the Mill, and the Workshop near the Farm.

Victoria's progress in her career of greatness has been constant and majestic, proved not only by the vast extension of industries and the rapid increase of population, but by the development of all the factors of *true* wealth, and the happy condition of her people. In a word, her progress is without an example in British colonisation. Time will only harden the growing sinews of her national life—on the one condition, that it be fostered by those safeguards and encouragements that have proved so effectual in placing her in the van of industrial progress and justifying her claim to be in truth AUSTRALIA FELIX.

IV.

THE OVER-PRODUCTION "FAD."

"WHILE the great mass of men want more wealth than they can get, and while they are willing to give for it that which is the basis and raw material of wealth—their labour—how can there be over-production? And while machinery of production wastes and producers are condemned to unwilling idleness how can there be over-consumption?"—"PROGRESS AND POVERTY."

IN order to secure a certain trade which, if everything stood on its own bottom, would naturally gravitate towards Victoria and South Australia, the Sydney merchant is subsidised in his private business by the exact amount of difference allowed to him by way of reduction, as compared with the average mileage rate the larger proportion of people pay for their goods. Of course this assistance to compete with others at the public expense is called Fair-trade, by the importer of Sydney Free-trade; but when something of the same sort is requested by the industrial classes to assist them against outside competition, it is not for a moment to be thought of, and is at once characterised as, well let us say, "foul-trade." If such a system prevailed for the exclusive benefit of farmers or manufacturers of the colony, just fancy what an outcry would be raised by the Free-traders of Sydney. Yet, when they get a dose of it from the wrong end, by Protectionist France granting a subsidy to a line of steamers which enables freights to be carried at a rate whereby the merchants of Havre, Bordeaux, and Marseilles are assisted to enter upon Free-trade preserves in Sydney and foreign competition allowed scope, the Sydney merchant at once finds out where the shoe pinches, denounces the proceeding and frantically cries out for *Fair-trade.*

Now, what is Fair-trade, and how does it logically differ from Protection? It is simply a matter of nomen-

clature, a distinction without a difference, and logically means in reality a symptom of the growing disbelief in the modern English gossip of Free-trade. Quite recently an English advocate of Fair-trade wrote as follows:—

"For almost forty years this favoured land has been blessed by the practical acceptance of Cobden's great doctrine of international Free-trade, but have any of the blessings which he, his co-workers and disciples, predicted as sure to follow the abolition of the Corn Laws fallen upon us? These economic prophets told their admiring hearers that they would inaugurate a universal Free-trade era, when all alike would be prosperous, and when 'their swords would be beaten into ploughshares.' Instead of this we find that every civilised nation, except England, has been becoming more and more Protectionist, while many of her own colonies have followed in the same hetrodox] and unfilial path, hence has arisen this cry against one-sided Free-trade, for England freely accepting the products of every other nation is practically shut out by their hostile tariffs, and is suffering all the dread evils of *Over-Production* in its widest sense."

Let us examine what *Over-Production* may chance to mean. At a time when the old supports are falling away from Free-trade, the new idea of Over-Production comes to the rescue, and parries the demand for Protection. It is eminently soothing and reassuring to the classes who wield the power of wealth. This new cry shelters selfishness from question by the interposition of an inevitable consequence of Over-Production. There was never such a thing in the history of the world as real Over-Production, except, possibly, a steady and constant Over-Production of gullible persons who take in this capitalistic nonsense! There has never been recorded, not even in the fabled golden age, a period when society had more of the good things of life than it would consume. Free-traders now have but one answer against Protection. It is said that Protection in the end will defeat itself, by causing an Over-Production of all kinds of manufacture and produce, by offering too great inducements for people to put their money into manufactures, or the extensive tillage of the soil. If this be the case it furnishes a

sufficient and complete answer to what is considered the strongest argument against Protection. It is usually charged that Protection tends to make things scarce and dear; but now it is said it tends to make them too plentiful, and, therefore, too cheap. The one charge knocks its head against the other, perfectly capsizing the Free-trader. That some times the production or manufacture of the necessaries of life is carried to an extreme may be the case under Protection, but it is not ever so under Free-trade? A tariff was never meant to make people prudent or keep them from making blunders. Free-trade does not make fools in Lancashire wise, who go on increasing their power to produce, when already the demand for the particular article has been more than met. Nor would Protection do so in Australia.

Free-trade speakers are lamentably deficient in augument and logic when they have recourse to such a fallacy as Over-Production. According to these shining lights, if we are industrious to the extent of our capabilities we shall be overloaded with too many good things, and shall have to quit work till a kind dispensation of Providence ceases to be so generous with us! Our barns and storehouses are to creak and groan under the weight of food that nobody wants! It would indeed be a sad state of things to witness, and, in the very anticipation of it, the piteous wail of the Free-trader is heard! He never considers that as the tide of Over-Production closes in around us, the numbers and necessities of population increase day by day. So also the Over-Production of food developes as the number of hungry stomachs increase with it. When a man argues that in five years we would produce more than we could dispose of, he must surely labor under the delusion that things around are to remain stationary during the time; no progress is to be made, no fresh wants created, nor population augmented. Increased production means increased employment, and that increased employmont means increased immigration. Every new comer is a customer for those who are here already as soon as he can get employment. He comes to use what they make and produce, and, in order to make it possible to carry on the line of production in which they are engaged, on a larger scale.

The Over-Production which we locally experience at the present time is caused by undue competition in the natural markets of the Colony. The larger amount of population is aggregated in and around Sydney, and the coast districts. As a matter of necessity all the supplies and mercantile wants of the interior are drawn from thence. In return, however, those places draw their supplies, which ought to be taken from the country, from outside (foreign) sources, simply because, in the first instance, they are cheaper, and, in the next, a larger profit is made through it to the port of Sydney out of freights and various other business ramifications, and therein lies the whole root of the evil. It may be objected by the Free-trader that the people of Sydney are justly entitled to purchase in the cheapest way they can; but, until Sydney sets up as a separate Colony on the territorial revenue provided, no such right exists, and the privileges so gained are at the expense of the rest of the Colony. In the first place, the whole cost of the general government is defrayed by the public at large, the far greater proportion of which benefits the metropolis alone. In the next place, the benefit of the circulation caused by public expenditure is almost entirely gained there, in fact, it may be said in that respect Sydney is the whole colony. For all this advantage the Sydney people pay no more than their proportion of general taxation, and, perhaps, not as much, and in return for it draw round themselves a wall of unpatriotic selfishness by refusing to take any supplies from the country districts, of which the "coign of vantage" that they occupy renders them independent. To illustrate and apply a moral, let us suppose the case of a local firm, who derived their whole profits from the surrounding neighbourhood, but would not purchase from or employ anyone in the district. In such a case the inhabitants would not be disposed to extend much assistance in enabling this firm to continue in such a course, and would naturally take every opportunity to force them into a reciprocal or Fair-trade, or else have as little to do with them as possible. Reduced to a plain analysis this is the whole case in a nutshell. Then why do farmers and the industrial classes support Free-trade, which enriches the few of

Sydney and impoverishes the many of the country? Perhaps someone will answer the question. This is one of the mysteries that can only be accounted for by taking into consideration the fact that there is an Over-Production of rich importers, who find a corresponding amount of deluded people who give credence to their specious and plausible sophisms. These Sybarites, sitting in Sydney surrounded by wealth and luxury, loudly proclaim, on every occasion when it suits their purpose to do so, the boundless fertility and resources of the country, yet, in the same breath, trumpet their adhesion to Free-trade, a policy which most effectually prevents these very resources from being developed, unless it is carried on under circumstances of ruin and beggary. How much would one give to see some of those persons sent on to a farm for a year, as a preparation for their next Free-trade oration, or to see them handling a plough for reflection and recreation? There is no question about it that when they found out the philosophy of the business they would soon get off the farm, and apply some powerful corrective to their own policy, that is, if they were compelled to keep at it.

Farmers are always asked to vote for the Free-trader as the best man to stand at the head of affairs. Maintain Free-trade and they will never suffer Over-Production. Certainly not, nor production of any kind. The Free-trader, on his own ground, is a fellow who seems to thrive under all administrations and circumstances short of those productive to the general welfare of the country.

The real question that alone interests farmers and the industrial classes is to summon wit and wisdom enough to find representatives who will get rid of Under-Consumption, and bring back the internal trade of the country to where it belongs, and thus dispose of Over-Production. If a member's politics and principles are of this order he is the right man. If they are of the contrary order, of what interest to any farmer or honest working man is the perpetuity of the particular machine on which he happens to ride, let it be one-wheeled Free-trade or two-wheeled Fair-trade, since neither of them have any interest to farmers toiling to grow wheat at half-a-crown a bushel?

Politics are only a means to an end. The great end that the bulk of men have in view and hold dear is to secure what they produce, and not be robbed out of it by class-legislation. Only as politics help to secure this end have they any especial value to anybody except self-interested men. The people of this country are too intelligent to longer support politics as a mere stepping stone to personal greed and advancement. They are beginning to want to know what a man's politics proposes to do for their bread and butter, their homes and their families? The representative (let him be who he will) who can do nothing in this line, but seeks only to surround the situation with bewildering intricacies and dismal forebodings must sooner or later get out of the way and make room for some one else more disposed to grapple with the question in a vigorous and determined manner.

PROTECTION: THE FARMERS' POLICY.

"It is to be feared that unless legislation prevents it, the conquerors of New South Wales will be Wool and Wharves—the Shepherd Kings and the Sea Kings—who, if not prevented, will in time assuredly establish here as fatal a system of Feudalism as had ever prevailed in the older countries of Europe. Those two interests are allied. It is the merchant's interest to stop, if possible, having manufactures in the country; whilst the squatter does not promote any teeming population, but is content with just enough men to mind his sheep, and facilities to take away his wool."—MR. LOUIS F. HEYDON (in his lecture "Our Masters; Wool and Wharves.")—July 1885.

It is undeniable that at this moment a widespread depression exists in farming pursuits, threatening that interest with extinction; therefore the question of the expediency of a resort to a system of limited Protection

is undoubtedly forcing itself upon the consideration of many thoughtful minds, notwithstanding the denials of the advocates of things as they are. Even amongst these an uncomfortable feeling of doubt appears to exist, and the vehemence of their protestations in favour of absolute Free-trade raises an unmistakable distrust in the soundness of their own views, and leads us into the inquiry whether a policy which requires so much excuse to be made for it is after all the one best fitted to our peculiar interests, or one which the country should continue to support. I have used the words "limited Protection" advisedly, in order to guard against any supposition that either myself, or those who think with me, are of opinion that it would be either politic or possible to impose any tariffs or restrictions inimical to the commerce and well-being of the country. In any such matter due attention should be always given to the consideration of what the country is capable of producing abundantly, on the one hand, and of what it is not on the other—in other words to use a policy of discrimination. I will freely admit that there are some phases of Free-trade which it would be both unwise and detrimental to interfere with; yet there are others for which some change is imperative. We have to deal with our own natural and sufficient food products, with what ought to be our own home manufactures, and with our own skilled and daily more perplexing labour question. All these are quite as important as the mercantile interests, which seems to be regarded as the one solely for which we should exist. The interests just mentioned are, however, quite as important to the well-being of the community, and require to be as judiciously fostered, guarded, and protected as any other, exercising, as they undoubtedly do, an equally preponderating influence on the prosperity, or otherwise, of all classes in this colony. It behoves us, therefore, to secure to our farmers the best available home markets, and, at the same time, to be cautious how we allow local production to deteriorate, or permit rival colonies or countries to unduly compete with our own native producers, to their loss and detriment. We cannot shut our eyes to the universal stagnation existing in every town of the colony dependent upon agriculture, and of

every other pursuit, be it mining, manufacturing, or otherwise. Throughout the colony universally the cry of dullness and despondency is the same, and what is the reason of it—surely there must be some? We have to compete on unequal terms with outsiders, who are robbing us of our profits, paying nothing to our revenue, and under-selling us at the same time, with no earthly benefit, in an industrial point of view, to ourselves. When the employer finds his occupation diminishing or leaving him, and his income reduced to a minimum, the workman depending upon him must suffer in proportion. Wages must come down, or employment cease, and undeserved privation be the result.

Granted that the theory of free and unrestricted commerce with all quarters of the universe is magnificent; granted that the idea is both grand and glorious in conception, and to give effect to it has been the constant endeavour of all our past and present Governments, it cannot be denied that the sting of "want of reciprocity" has from the first checkmated all industrial progress, and obliges us now to confess that, after upwards of 25 years' trial, that in practice our Free-trade at the best is but "one-sided," and that while we are opening our ports to the commerce and manufactures of the world free and unrestricted, other colonies and countries, without conferring on us any reciprocal benefit, are taking advantage, without scruple, of our magnanimous but disastrous (because one-sided) liberality. It is no use to blink the question; facts will speak for themselves. In defiance of all arguments and all persuasion, not to say entreaty, we are told this state of things must continue, and, notwithstanding that our farming pursuits are being stifled out, and internal trade sinking to a lamentable condition, we are not to have any safeguard, in the shape of duties, to protect our own native agriculturalists. Further than all this, inevitable taxation, and that heavily too, in the shape of provision for local government, is staring us in the face; by what means are we, then, to meet it? Now, in view of these undeniable facts and of the quasi admitted failure of the policy which has so long been in operation—a policy which, perhaps, when it was initiated

suited the circumstances of the colony, but is now no longer applicable or suited to altered requirements—I ask whether that grave moment of reflection and self-examination has not arrived when it behoves all classes who feel themselves sensibly afflicted to pause and seriously review the present position, and if a false step has been made, as many think, to have the courage and energy to retrace it without delay. This is neither more nor less than a prudent man in private, or a prudent trader in commercial life, would find it his imperative interest to do. How much more imperative, therefore, is it when national and patriotic interests are so heavily involved?

LOCAL MARKETS REQUIRED.

THE need of the farmers of New South Wales is *home* markets. To the presence of the mechanic, the miner, and the operative, is he indebted for those conditions which make good and remunerative markets, and if he allows them to go down he inevitably pays the penalty. That the shoemaker, the tailor, and the blacksmith, find, respectively a market for their respective wares amongst those persons not engaged in the same pursuits with themselves is a truth which probably few will be found to deny or question. With the farmer it is much the same. He has little or no occasion to sell to, or buy from, his fellow farmer, and must, therefore, look for a market to those persons who, not being producers of agricultural products, have need to purchase them. This being the case, it may be asserted as a fact, so clear and unquestionable as to need no proof, that the interest of the farmers is to be promoted by increasing the proportion of the people engaged in other than agricultural pursuits. Every influence exerted to draw men from agriculture into other

pursuits not only tends to increase the market for farm produce, but also becomes an advantage to the farmer by reducing the number of those competing for the existing market for that produce. As the people of a country should live substantially off the products of that country, it is to the interest of the farmer that as large a portion as possible of those not engaged in agriculture should be occupied in productive pursuits, the entire body of non-producers drawing their substance from the producers. It is, in view of these things, then a matter of deep concern to the farmer that there should be a diversity of profitable pursuits existing around him, because with a large and increasing number of miners, operatives, artizans, mechanics and engineers, there would be a large and evergrowing market for the products of agriculture.

The farmer who has a market close at hand carries the produce there at a trifling expense, and in selling directly to the consumer, he receives from him the full amount paid by that consumer. The farmer who is dependent upon a distant market (Sydney alone, for instance) is, and always will be, obliged to pay directly the cost of railway or other carriage to that market, or else sell his produce to some middle man or local trader, and receive for it the amount paid by the consumer in Sydney, less the amount of "freight, storage, commission and profits of all the parties who stand between the farmer and the consumer," who at last purchases. It is manifest that it is to the interest of farmers to have consumers brought to the side of their farms. When they see the iron mines and rolling mills of Lithgow in full swing, a foundry, or even a shop for the prosecution of the most trifling mechanical trade started in their neighbourhood, it should be to them a cause of congratulation.

All this is, however, but the beginning of what can be said on this great and important subject. With a near market, created by the presence of manufactories, the farmer would find a demand for every product he was capable of raising. When once these facts are clearly pointed out, a proper judgment as to the policy to be pursued by farmers would seem to require but little more

than the "instinct" which directs the horse when thirsty to drink of the water in the stream which he is passing, or, when hungry, to eat of the hay in the rack at which he is standing. The provident industry of the ant, the bee, and the instinct of the lower animals seems, however, to be of a much higher order, and of a more far-seeing nature, than the mental effort necessary for Free-traders to perceive the mode by which the country can be made truly great. Argument and illustration are alike thrown away upon such people, for when done they wish for the definition and demonstration of something more circular than a circle or squarer than a square. When, however, the surroundings of our condition are critically examined, the suicidal character of our present policy is made so apparent that it seems wonderful the boasted "Lords of the Creation" could ever have fastened it upon an intelligent people.

That a country possessing so much inherent vigour as ours, should need Protection from the competition of other people is denied by a great many. That such necessity exists is, however, proved by the depressed condition of our farmers, and a reference to every country where Free-trade at some time existed, which will show that the only way they recovered from misfortune was by the adoption of a Protective policy. That our farming industry is not able to sustain itself against the peculiar Free-trade warfare waged against it is a fact patent to every man who will see the truth. The question of increased prices for all his requirements, is always advanced for the farmer as an argument for him against Protection, but with steadiness in manufacturing and the mechanical arts, new applications of steam and machinery are made which decreases the actual cost in the production of the farmer's requirements, thus bringing the price of the articles step by step to a level with that of the imported, or, perhaps, under it. With this steadiness, and an increasing home consumption, comes a regular and growing home competition amongst manufactures which restrains profits within reasonable bounds—acting like a balance wheel, or the governor of a steam engine. This steadiness, however, is the primary condition upon which manufacture, farming

and colonial competition, can attain to a healthy and permanent growth. Protection is the balance wheel against outsiders, and these are the reasons for its requirement—in a nutshell.

The selector or farmer in the bush who is isolated from his fellow-men is no better than a slave. Dependent upon his own unaided productive power, the quantity of things he can consume or requires as actual necessities, not to speak of even trifling luxuries, is much greater than his means and ability to purchase, and in most cases with them there is an entire absence of the comforts and conveniences of life, he being obliged to content himself with a very primitive hut instead of a decent house, and the coarsest food and most scanty clothing is the lot of himself and family. Having no consumers near his home he is subjected to the cost of carriage to a distant market, reducing his returns to one-half, or even, in some cases, to one-third the amount paid by the final consumer, though the quantity he may have for sale is small in the extreme. Further than this he is dependent on a distant or foreign market for the few things he has the ability to purchase he is again taxed by the importer, whilst the farmer who has a near market amongst manufactures receives the full price paid by the consumer for his produce and buys his manufactured goods for perhaps twenty to fifty per cent. less than his poor contemporary that I have first named.

By diversifying the pursuits of the people of this country, production would be greatly increased, and the remuneration to agriculture would rapidly augment.

I am convinced that when the farmers of this colony once have their eyes open to the fact of the entire harmony of all the real interests of the colony with Protection they will disregard the specious but false cry of "Free-trade," which has fastened, with octypus-like grip, upon the people of the country a policy the consequences of which are:—

(*a*) That through the decline and absence of the manufacturer, the artizan and the mechanic, the market for the produce of the farm declines whilst the number of farmers increase.

(*b*) That by the separation of the consumer from the farmer the latter is limited to the small profits paid by produce which will bear the cost of carriage to a distance, and is subjected to the grinding reductions for railway or other transit.

(*c*) That except to a very limited extent in favoured localities, land is going out of tillage, and will remain uncultivated and converted into sheep walks.

(*d*) That a development of a diversity of industry is prevented, and the demand for skilled labour and intellectual effort is steadily becoming less in proportion to the increase of population.

So soon then as farmers recognise these important truths, and act upon them, they can assist to permanently change the policy of the country, and, in so doing, will take the first grand step towards freeing agriculture from its greatest drawbacks, and making it a more profitable occupation. Let them then resolve once and for all that they will no longer allow themselves to be influenced by those miserable appeals to their selfishness which in the past has led them to sustain a policy, the result of which has been to crush out and destroy all manufacturing industry of the country, without which there can be no genuine or permanent prosperity to local agriculture. This accomplished, our several country districts must advance in power and greatness, and their people in wealth, happiness and culture.

PROTECTION, THE AUSTRALIAN NATIONAL POLICY: INDUSTRIAL ALLIANCE, THE MEANS TO SECURE IT.

"THE best Political Economy is the care and culture of man."—EMERSON.

"It may be admitted that the great principles of commerce require the interchange of commodities to be free; but commerce, which is barter, has no proper range beyond luxuries or conveniences—it is properly the complement to the full existence and development of the State. . . . . No State can be such properly which is not self-subsistent at least; for no State that is not so is essentially independent. The nation that cannot even exist without the commodity of another nation is, in effect, the slave of that other nation."—S. T. COLERIDGE'S TABLE TALK.

"You talk about making this article cheaper by reducing its price in the market from 8d. to 6d. But suppose, in so doing, you have rendered your country weaker against a foreign foe; suppose you have demoralised thousands of your fellow-countrymen, and have sown discontent between one class of society and another, your article is tolerably dear, I take it, after all. Is not its real price enhanced to every Christian and patriot a hundred-fold?"—S. T. COLERIDGE'S TABLE TALK.

"I do not deny that Free-trade can develop some industry favoured by a natural privileged situation; but foreign competition would stifle in their bud all those things which a young country requires in order to prosper—capital, skilful workmen, experienced overseers, and a good market. To preach Free-trade to a country which does not enjoy all these advantages is nearly as equitable as to propose to a child to contend with a man."—DE MORNY.

Comrades be stirring,
'Tis futile deferring,
The struggle that must be had best be to-day;
Too long we have yielded
But ne'er before wielded
A weapon so keen as we handle to-day.
Shoulder to shoulder,
Each man be a soldier,
And forward and forward advance the campaign!
No false alarms, men,
Stand to your arms, men,
Strike into the battle! and *win* the Campaign!

An indisputable evidence of the decadence of the farming interest is strikingly apparent from the fact of so many relinquishing the tillage of the soil, and entering into the already overdone business pursuits of all country towns. Viewed as a class the life of a farmer, under the best of circumstances, has been an onerous one, resolving itself into a continuous conflict with adverse circumstances and even nature itself for a very existence. Without dwelling at any further length upon the actual state of affairs as they stand facing us, the problem to be solved (in order to foster and promote the agricultural prosperity of the colony) is simply what encouragement can the State give it? It is in this proposition alone that the remedy can be found.

It requires no argument to show that the present system of Free-trade is decidedly inimical to the permanent settlement of the agricultural classes who desire comfortable bush homes. A class of population born and reared in a district which finds full employment for it and ample scope for its ambition, is always likely to be more industrious, more frugal, and more comfortable than a shifting, restless and periodically insolvent one, such as, unfortunately, too largely exists amongst us.

A state of affairs that forces a farmer to insolvency and starvation, amidst his crops, must be a serious one indeed, particularly as it is no fault of his own that he does not prosper, and certainly ought to be traced to some direct cause; and, further than that, be capable of some practical amelioration. Only quacks deal in cure-alls. What I claim is that Protection is a means of bringing about a more equitable distribution of the wealth of the colony, whereby the farmers at least should participate in a moderate share of it, and this leads up to a very important aspect of the question.

As I have said before farm life is a hard and unprofitable one. But why is it so? Because the farmer does not get a fair share of the distributive wealth of the country. Who then has taken it? Look around and see. We have very rich men amongst us, where did they get their wealth? Was it by farming or any industrial occupation? Certainly not; they have all flourished, more or less, on importation and Free-trade.

Again, let me ask where, in such a short space of time, have these people gained their wealth? They have not inherited it, but for some reason or another they have, nevertheless, got extremely rich, rightly or wrongly, we will not say which—but, at the same time, where is all that the farmer and the mechanic has been toiling for gone? The farmer has not got it. He has got his land a little better or a little worse that is all, but the outcome of all his years of production has gone somewhere. It has neither been eaten up, burned, or taken wings and flown away. It is to be seen in those immense fortunes of importers who have taken all the ready money from the producers and given them no opportunity of earning any of it back again. I do not say one word against the men who have made their fortunes out of Free-trade. It is the laws of the country which should be arraigned which allow them so to accumulate the wages of hard labour and honest production, making the rich richer, and the poor poorer. Now, how should farmers remedy this matter? They have been trying the system and supporting it ever since the introduction of Responsible Government and thereby voting to augment the fortunes of mechanics, Free-traders and bankers. They should now vote for themselves awhile. They have got the power, and at least one-fourth of the votes of the country, and need not to be reminded of their strength and the direction in which it should be used. The difficulty with farmers in the past has been that they were kept from voting for their own interests by voting for dominant interests and parties. These parties were all well enough in their way when they were started, but the demands of the times have overstepped them, and we have got to start a new party—a People's Party. Therefore, in an "Industrial Alliance," the people, farmers, mechanics, all true labourers of all descriptions, must come up and stand together, and renovate the old parties. It can be done if men will stand together. After the dire experience of the past, those farmers who foolishly allow themselves to be gulled into supporting (as electors) a system that means the destruction of the Agricultural Cause deserve—what do they not deserve? They have

no right to murmur against political wrong, if having the power to right it they neglect to use or mis-use that power. The moment, however, that farmers and mechanics combined start to vote for a new party pledged to the principles of Protection, it will, of course, be charged against them by the "Calico Jemmies" that they are throwing their votes away. They will be doing nothing of the kind.

THE DUTY OF GOVERNMENT RE PROTECTION.

THE business of all Government is not to relieve depression in any industrial calling, but to prevent it. It is not dealing in a statesmanlike manner with such emergencies to temporise, and artificially place them below the surface of social life, or to hide them for a time, and it is a sufficient comment on our Political Economy, that in New South Wales it stands powerless to-day in the presence of the problem—of what is to be done to save our farming interest from impending destruction. Because England, America, and other nations, have got the start of us in manufacturing, that is not a reason why we should do without industries which our country, our people, and our facilities, call upon us to establish for ourselves. We should have higher aspirations than carrying out Sir John Robertson's dream of throwing open our ports "to the goods of the grand old mother country." In answer to such spurious sentiments let us boldly say—charity begins at home, we have too long been subject to the policy of British merchants. It is time we should become a little more "Australianized," and, instead of feeding the paupers and labourers of England, feed our own, or else, in a short time, by continuing our present Free-trade policy we shall be rendered paupers ourselves.

The object of a Protective tariff is neither to make things cheap or dear. It is to give the home producer that amount of security, which will induce him to undertake the supply of some article the production of which is of importance to the country. It would be in fact the act of government saying to manufacturers: "*Build your factories and put in your machinery, and we will stand by you in making the country independent of the foreigner, so far as your commodity is concerned.*" Instead of this, in the past all attempts at manufactures in this colony have been crushed out, by importers, temporarily. Sacrificing their profits in order to keep prices below what the Colonial maker could afford to compete against, and keeping them so until the latter had closed his factory and gone through the insolvent court. Of course in the end the public derived no benefit from this stifling our progress, for as soon as competition was disposed of prices again rose to whatever importers choose to fix them at.

It is true that in this game this or that article might have been a little cheaper, but the country was woefully poorer by having the workshops which supplied its wants transferred to foreign soil. To-day you may buy the manufactures of every country in the world in the Sydney shops, but hardly a colonial article unless it be of some coarse make or insignificant character.

MANHOOD SUFFRAGE NEEDS REALISING.

A VERY able observer, Mr. E. W. O'Sullivan, in whom the agricultural class have an earnest advocate, put the case for Industrial Alliance to me very clearly the other day, whilst discussing the subject of farming and industrial depression, and, as his words were so *apropos*, I cannot do better than to repeat them. He said:—"The agricul-

tural, mining and industrial classes of New South Wales, are undoubtedly numerous and intelligent enough to make their views respected. Yet we find them defeated upon almost every occasion when their interests runs counter to those of capital and land monopoly. Why is this so, with manhood suffrage at the command of the defeated classes?"

I fear it arises from the fault of the people themselves. They have the power to make the necessary change in their representatives, but do not use it wisely and well, in giving their votes at elections, they have been more swayed by personal or sectarian feeling than by the principles at issues, and the result has been successive crops of legislators who have not been in sympathy with them, and have served only their selfish ends with the power entrusted to them. This state of affairs will continue just as long as the People of New South Wales will quietly suffer it. As long as they are at variance over such paltry matters as have hitherto divided them, so long will they be misrepresented in the Legislature; but let them once unite in political organisation—banishing all sectarians of whatever creed or color—and propose certain first principles for their legislators, and a marked change will be observable in the demeanour of Parliament. Those who now roar loudly as lions at the so-called selfish views of Protectionists, will then be glad to take up those very ideas, and engraft them upon the Statute Book of the country, and where this self-same People have had arrogant misrepresentatives, they will then have watchful friends, if not obsequious servants. If a number of reasonable and intelligent men were to get together they would have no difficulty in establishing such an organisation as the one I indicate. The materials are at hand, and it only requires a few courageous men in combination to set the ball rolling. To be successful, however, such an organisation, above all things, should not be a mere class one, but should be open to all who take an interest in their native or adopted land.

NECESSITY FOR PRACTICAL POLITICS.

To my mind it seems a thousand pities that in this young country, at the present time, men's minds should be occupied so much with the distantly theoretical, and so little with the immediately practical. Our leaders of public opinion, or those who think themselves such, are too much taken up with Imperial Federation, with Annexations in the Pacific, and with similar matters of *la haute politique*, to bestow even a passing thought upon those more immediately pressing questions which come within the range of practical politics, wherein the essentials of a people's existence are at stake.

The usual outcome of all discussions upon the farming question is simply some elaborate advice to farmers how to more scientifically carry out their vocations, or that schools of agriculture should be established—and a great deal more of like character to that of the Arab in the desert to his dying steed—*Live horse and you will get grass.*

A great deal has also been said about a liberal settlement of the Land Question and what benefit it would be to farmers and the working classes generally. It is too often talked of as though the whole of the people of this colony are expected to live on the land and its tillage alone. That is not possible in any country and no adjustment of the Land Laws will ever reach the requirements of the great multitudes living in the centres of population, who have no steady employment and never will have until the growth of Australian manufactures corresponds with the wants of the people. Nor will farmers under any like condition find their occupation a paying one, so long as there is no artizan class to keep money in the country, to develope a local circulation and interchange of services, and to create a home market for farm produce. Free-trade with the farmer at present may be described as paying cash till your money is all gone, for what should be had in exchange for your labour—*then* burst up, turn insolvent, starve or go to New Guinea—for all the merchants and importers care! Every shilling that

is paid away for imported manufactures is as hopelessly lost to the country as is the money all complain about with which the Chinaman clears out to Canton.

APATHY ON THIS POINT MEANS RUIN TO LABOUR.

FREE-TRADE means, to-day, our roads and bye-ways swarming with swagmen, and will eventually mean hunger, starvation and want to the working classes. It will soon mean here that hungry, all-absorbing competition which—as in England—lowers wages and gives the continued skilled labour of the workman for famishing prices. Why, then, will workmen still hug the fatal lie, the false policy, the beggary-producing practice of Free-trade by continually voting for its upholders? At this time, when the working men of the colony experience such difficulty in obtaining employment, remunerative or unremunerative, it is important that the question of Free-trade *versus* Protection should be earnestly considered by them, in their relative characters and true colors, and that they should recognise the facts as they painfully exist, and not as they are portrayed by the plausible Free-trade propagandists. Let them seriously look at what Free-trade has done for the working classes in England. There it has brought them want, misery, and idleness, culminating in labour riots, because of the no longer sufferable gnawings of hunger. Men are all calling out for work, but there is no work forthcoming. Men, women, aye, and even tiny helpless children, are crying out for food, but there is none for them, or it is at best the slops of pauper relief, or the boiled cabbage water of charity. Is it because there is no work in England that this state of things exists? No; but because the Free-trade policy of England supports the German, Belgian, Spanish, and French working man rather than its own.

There are not wanting in this colony members of that hateful class who have, by tortuous processes, grasped within their hands, the manipulation of the scant em-

ployment existent, and are fast inaugurating a system of dependence, debasing and demoralising to the independence of labour, because by narrowing down the possible means of industrial occupation, they can dictate their own terms and conditions. This they are surely accomplishing by their superhuman efforts to maintain the ascendancy of Free-trade principles, aided willingly, singular to say, by their deluded victims—who, like the gladiators passing before the Roman tyrant, on their way to execution, shouted, "Hail to thee, Emperor, those about to die salute thee"—are as dumb cattle driven to the ballot box.

Let the working men of this colony think of these matters, for as sure as darkness follows light, will our blind Free-trade policy plunge them into poverty and despair.

'TIS TIME TO BE UP AND DOING!

It is, indeed, high time the people of New South Wales were waking up to a conception of the real state of affairs existing around them. Free-trade is a system entirely unadapted to the circumstances of this colony. It is, therefore, to be hoped the present depression will cause farmers, mechanics, and all interested in the pursuits of Labour, to come together and stand up as an exceeding great army, united and powerful enough to vanquish that baneful system of importation, by which they have been so thoroughly plundered in the past, by which the very life's blood of their existence has been drained out, and they themselves sacrificed on the altar of robbery and political incapacity. It only requires a revival of that vigorous and intelligent public life which characterised our sturdy politicians in the days gone past, and the infusion of some of their spirit into our degenerate time to bring about a much more healthy state of things, and regenerate the public life of the colony.

There is, without doubt, a remedy for our grievances, and when the state of agricultural affairs comes to be dis-

cussed, there should be no such words as "impracticable" or "impossible" in the vocabulary of legislators. If the people will but decide upon the policy, there will be but very little difficulty about the details of carrying it out. Converted Free-traders make the best of Protectionists, as the case of Victoria has amply proved. We are all aware of the terrible crisis that colony went through, which brought it to the verge of revolution before it first got rid of the domination of the importing and moneyed interests. These interests are very powerful and die hard, and their power has been consolidated and rivetted on this colony by the gross ignorance and criminal neglect of its politicians. We are but just entering upon the earlier phases of the inevitable severe crisis that the wrong legislation of the past has created for us, and the best way to meet it is to be prepared for it. Popular agitation is, as it always has been, the surest remedy for popular grievances. A Liberal public opinion must be first created, and the tactics which have resulted in the Liberal triumph of Victoria imitated on this side of the Murray. Nothing but firm, consistent, INDUSTRIAL ALLIANCE, will be able to cope with the Free-traders and Monopolists, and the powerful body of capitalists and employers of labour in foreign countries that are joined in a conspiracy of self-interest to defeat every plan for the true Liberalisation of New South Wales, and for the satisfactory settlement of her Domestic Economy on a basis calculated to promote the greatest abiding good of the greatest number of her sons and daughters.

ENGLAND AND AMERICA.

THE cost of living in Protectionist America per head is 1s. 3½d. per day, against 1s. 8½d. in Free-trade Britain; and wages are 17s. per week higher on an average in America than Great Britain.—MULHALL, FREE-TRADE STATISTICIAN.

The population of Great Britain is 37,000,000 and that of America 60,000,000, yet there are six paupers in the Free-trade country to every one in the Protectionist.—ANDREW CARNEGIE IN TRIUMPHANT DEMOCRACY.

APPENDIX.

PROTECTION CREATES POPULATION IN COUNTRY TOWNS.

HOW THE FARMER IS BENEFITTED.

To illustrate how industries being established benefit the farmer, take that of the silk industry alone in the State of New Jersey last year (1886). There were 14,122 persons employed at this business. Many, indeed most, of these people have others dependent upon them. Men have families, and boys have parents who live from the wages earned in the mills. If you assume that each of those persons has two others dependent on them, and who thus live from the wages gained, it will make 42,366 people who are living in New Jersey from this one industry alone.

Now, suppose all these people should be gathered together in one town; they would make a large city of themselves. But when you put them together in a town, you create the necessity for other people living with them. They would want churches for religious worship, and clergymen to preach; school houses and teachers to instruct their children; carpenters, masons, plasterers and painters, to build and keep their houses in repair; cabinetmakers, to manufacture furniture; shoemakers, tailors and hatters, to make clothing; wheelwrights, blacksmiths and carriage and harness makers; storekeepers, butchers and bakers, to feed the people and supply them with the necessaries of life; doctors and lawyers, hackmen and labourers. You must have banks and insurance offices. Nor is this all. There must be some kind of government, and men to carry it on. Your police, fire, light, water and tax departments would require many men. With all these, and those dependent on them, you swell your town to not less than 65,000 people alone from one industry—all of whom, every man, woman, and child, whether working in the mill, attending school, engaged in building houses, making clothing, baking bread, attending stores, ministering to the sick, or performing police duty, would be fed by the farmer. Thus Protection benefits all round, first the artisan and mechanic, he, in turn, the farmer, and so on, until there is internal wealth among the whole community This has a good social effect on the State, and is far beyond dealing with other parts of the globe, for everything we require as a nation. —Extract from speech delivered to farmers of New Jersey State by HON. THOS. H. DUDLEY recently.

Table Showing in Millions the Populations of the Leading Protection and Free-trade Nations.

[THE Protection total might easily be augmented by hundreds of millions by the addition thereto of such figures as China Proper 320,000,000, Japan 38,000,000, Asiatic Russia 20,000,000, etc., but it was thought best to institute the comparison between nations that were admittedly in the van of civilisation. The Free-trade total might also be added to by including India, which has been omitted on the same grounds. Concerning the latter country, readers are referred to some remarks on Indian industries which appear on a subsequent page.]

PROTECTION.

European Russia	...	90,000,000
United States	...	60,000,000
Germany	...	48,000,000
Austro-Hungary	...	42,000,000
France	...	39,000,000
Italy	...	30,000,000
Spain	...	18,000,000
Belgium	...	6,000,000
Portugal	...	5,000,000
Canada	...	5,000,000
Victoria	...	1,000,000
New Zealand	...	600,000
Queensland	...	350,000
South Australia	...	320,000
Tasmania	...	150,000
Total	...	345,000,000

FREE-TRADE.

Great Britain	...	37,000,000
Sweden and Norway	...	5,000,000
Switzerland	...	3,000,000
New South Wales	...	1,000,000
Total	...	46,000,000

*** Or, if the comparison be instituted between *English-speaking populations* the result will be as under :—

PROTECTION.			FREE-TRADE.		
United States	...	60,000,000	Great Britain	...	37,000,000
Canada	...	5,000,000	New South Wales	...	1,000,000
Victoria	...	1,000,000			
Queensland	...	350,000			
South Australia	...	320,000			
New Zealand	...	600,000			
Tasmania	...	150,000			
Total	...	67,420,000	Total	...	38,000,000

INDIAN INDUSTRIES RUINED BY FREE-TRADE.

[By the late Henry C. Carey—written in 1876.]

"In the time of its native princes," says Mr. Campbell in his "Modern India," India was a "paying country," and that such was the fact is absolutely certain. Their number was great and their mode of living luxurious beyond anything then known in Europe; but their people, profitably employed, were probably in the enjoyment of an amount of comfort fully equal to what could have been then exhibited by any of the communities of the West. Now, however, when that great country has for more than a century been subjected to an exclusive British control, we find a picture widely different; the princes and their magnificence having disappeared, and their palaces being occupied by mere clerks chiefly employed in gathering up the proceeds of a most oppressive taxation to be thence transmitted to that "city of palaces," Calcutta, where sits enthroned a representative of Her Majesty the Queen and Empress, seriously engaged in contemplation of the unpleasant fact, that if he would avoid public bankruptcy he must still further misuse the power to poison and demoralise the hundreds of millions of Chinese people to whom he stands even now indebted for almost a fourth of the revenue he controls, the actual amount derived from opium being in the close neighbourhood of £12,000,000. The change thus exhibited is the saddest that history anywhere records. To what has it been due? Let us see!

Local action, local combination, local expenditure or the proceeds of taxation, *domestic commerce*, exhibit themselves conspicuously throughout Indian history down to the commencement of the present century. If the cultivator contributed too large a portion of his grain, it was at least consumed in a neighbouring market, and nothing went from off the land. Manufactures, too, were

widely spread, and thus was made demand for the labour not required in agriculture. "On the coast of Coromandel," said Orme (in 1805), "and in the province of Bengal, when at some distance from a high road or principal town, it is difficult to find a village in which every man, woman, and child is not employed in making a piece of cloth. At present," he continues, "much the greatest part of whole provinces are employed in this single manufacture." Its progress, as he said, included "no less than a description of the lives of half the inhabitants of Hindostan."

While employment was thus locally subdivided and neighbour was thus enabled to exchange with neighbour, exchanges between the producers of food, or of salt, in one part of the country, and the producers of cotton and manufacturers of cloth in others, tended to the production of commerce with more distant men—whether within or without the limits of India itself. Bengal was celebrated for the finest muslins, the consumption of which at Delhi, and in Northern India generally, was large; the Coromandel coast being equally celebrated for the best chintzes and calicoes—leaving to Western India the manufacture of strong and inferior goods of every kind. Under these circumstances, it is no matter of surprise that the country was rich, and that its people, though often overtaxed, and sometimes plundered by invading armies, were prosperous in a high degree.

The foundation having thus been laid in a great *domestic commerce*, that with the world at large was great; so great that exchange was then in favour of India with all the nations of the earth. Watt and Arkwright had then, however, given to Britain those means of underworking the world which have been since so unscrupulously used; and the monopoly thereof had been established by means of prohibition of the export not only of machinery itself, but of all the artizans by whom machines might possibly be made. To this was now, 1813, added the imposition of heavy duties, on the import of India cottons, coupled with a prohibition of duties of any kind on English cottons imported into India. We have thus presented to us a course of proceeding, the "folly and iniquity" of which are without precedent in the world's

history; yet was it carried into so full effect that when Bishop Heber, a dozen or more years later, had occasion to visit the site of that great city of Dacca, which had been accustomed to supply the courts of Asia and of Europe with tissues so delicate as to be likened to "woven air," he found it a mass of jungle given up to the tiger and the elephant; as in fact was more or less the case with all other of the manufacturing cities of what had till recently been regarded as greatest of the empires of the world.

The demand for labour now so far disappeared that Mr. Chapman in his "Commerce and Cotton in India," an ardent admirer of the system to which that effect had been due, was led, some five and twenty years since, to speak to his British fellow-citizens in the words that follow:—

"A great part of the time of the labouring population in India is spent in idleness. I don't say this to blame them in the smallest degree. Without the means of exporting heavy and crude surplus agricultural produce, and with scanty means, whether of capital, science, or manual skill, for elaborating on the spot articles fitted to induce a higher state of enjoyment and of industry in the mass of the people, they have really no inducement to exertion beyond that which is necessary to gratify their present and very limited wishes: those wishes are unnaturally low, inasmuch as they do not afford the needful stimulus to the exercise requisite to intellectual and moral improvement; and it is obvious that there is no remedy for this but extended intercourse. Meanwhile, probably the half of the human time and energy of India runs to mere waste. Surely, we need not wonder at the poverty of the country."

With the decline thus exhibited in the *domestic commerce* there came, of course, increase of difficulty in obtaining the means required for carrying on the government; and, as a necessary consequence, a taxation so searching as to embrace not only all the instruments required for household uses, but also those, however small and insignificant, required for any purpose of manufacture; the land tax, meanwhile, being so increased as to take from the wretched labourer from 70 to 80 per cent. of the yield of land subjected to a cultivation of the most exhaustive kind.

With the close of the Sepoy rebellion we reach the termination of the existence of the East India Company

as a territorial power, and the commencement of that British Indian empire of which her Majesty the Queen is styled the Empress. From that time forward the people of India were, as might have been supposed, to be regarded as fellow-subjects with the men of Britain, liable to performance of the same duties, and equally entitled to claim respect for rights. Eighteen years having now already passed since such change in their political condition had been made, we may here inquire into the changes in their material and moral condition that have been brought about, as follows :—

The territory of the empire equals that of all Europe, Russia excepted ; and its population now numbers two hundred and forty millions, being more than that of all Europe, like exception being made. Of this vast area a large proportion, probably half, belongs to the State as land proprietor, the revenue thence resulting being the rent that throughout Europe accrues to the proprietor subject to claims of the State in the form of tax. That rent now but little exceeds £20,000,000, giving an average of tenpence per acre from 500,000,000 acres ; and yet the charge, as has been shown, frequently much exceeds fifty per cent of the gross produce, and rarely falls below it. What, under such circumstances, is the condition of the poor agriculturists ?

Unable to obtain further contributions from the land, the Government finds itself perpetually in need, and hence it has been obliged to increase the salt tax.

In the last ten years the salt tax, already most oppressive, has been five times increased ; a heavy income tax has been imposed ; two and a quarter millions of people have died of famine ; the debt, including guarantees of badly-constructed and expensive railroads has grown to nearly £100,000,000, the sole reliance for payment of interest thereon being now found in the continued maintenance of the power to poison the Chinese people with the produce of Indian opium fields.

To a great extent the manufacture of salt is a monopoly in the hands of Government, requiring for its maintenance, as we are told, an army of thirteen thousand men. What additional supplies are required might readily be obtained from the provinces on the coast, and mainly from Orissa ; but, as if to prevent development of

such industry, the salt there produced is, on Free-trade principles, equally taxed with that brought from England as ballast for ships coming to load with rice, jute, cotton, and other rude products, and paying, probably, as freight, less than would be required for carriage of the home product to the markets of the provinces north and east of the Hoogly. As a consequence, these latter are so well supplied with foreign salt that, at times, the *domestic manufacture* is entirely suspended; poor people who see it then wasting almost at their doors being required to pay for what they need at so high a price that the fish in which their rivers so much abound is merely dried in the sun to be thereafter eaten in a half putrid state. The cost of manufacture is 8d. per cwt. The tax is 4s. 4d., and it is said, therefore, to be not unusual to give for a pound of salt no less than nine pounds of rice; thus reversing the order of things here [United States] observed, where the *protected* salt manufacturer is accustomed to give several pounds of salt for a pound of flour.

The combined revenue derived from salt, one of the most pressing needs of India, and from opium, the great enemy of China, varies little from £16,000,000; or three-fourths as much as the rents derivable from a territory more extensive than France, Belgium, Germany, Spain, and Italy combined, occupied by a people who would gladly work were they allowed so to do. Why is this? For the reason that every step taken by the Government has tended to the suppression of that *domestic commerce* in whose absence there can arrive no such thing as a real agriculture. It may be said, however, that railroads have been constructed, and that public aid had been given in that direction. These, however, are merely intended as aids to the foreign trade, enabling cotton to reach the ports on the way to Manchester, and British goods to make their way more readily to the interior, to the further destruction of the little *domestic commerce* that yet remains.

What now, under this admirable "Free-trade" system, has become of the contribution of this vast country and its amiable and well disposed people to the great commerce of the world? Of cotton received last year [1875]

in Britain, to be there spun and woven and then to be returned to India, the quantity was 251,000,000 pounds, the equivalent of little more than half a million of American bales. Outside of cotton and of the opium forced upon China, the total annual export, consisting of rice, jute, tea, coffee, and other rude products of the soil, scarcely exceeds £24,000,000, or 2s. 1d. per head of the total population. Such is the grand result at which we have arrived at the close of a period of nearly twenty years, throughout the whole of which the road to a great international commerce for a grand Indian empire was, as the world has been assured, to be found in the direction indicated by the British Free-trade system.

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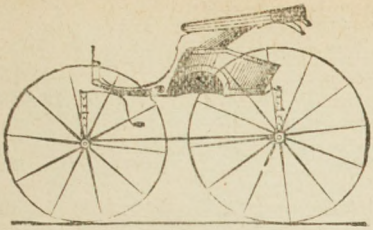

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ERRATA.

PAGE 12—In line 10 *for* "which have had" *read* "which have not had."

Page 57—The £ before figures under the heading "Depositors" inserted in error.

Page 79—In line 16 *for* "this" *read* "thus."

Page VIII.—In line 35 *for* "metal" *read* "mettle."

Page 64—In line 9 an important error occurs, the words "but it is not ever so under Free-trade" should read "but is it not ever so, etc."

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