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THE NATIONAL POLICY.

In a recent editorial re "The National Policy," the *Shareholder* makes some grave mistakes in estimating the aims of the N P and of the manufacturers. It says —

The National Policy honestly carried out would benefit the country, but utilized as it is for personal ends it has become a scarecrow to those emigrating from other countries, and our census of 1891 shows the result, the increase of population in ten years is not what it ought to have been, and probably very different from what it would have been had living in Canada been cheaper than it is. With these facts staring us full in the face we have advocated that living should be made cheaper than it is, and that a protective tariff should only be applied to goods manufactured in the country, a tariff for revenue purposes only being imposed upon all goods not manufactured here.

It is a scarecrow to suggest that the National Policy has been used for personal ends, and that because it has been thus utilized it has prevented emigration—that more emigrants would have come to Canada if it had not been for the high cost of living, caused by the protective tariff. A wave of the hand should dispel this illusion. The American tariff is a hundred per cent higher than the Canadian tariff and yet an unceasing tide of emigration pours into that country, and the *Shareholder*

must look in another direction to discover the cause of our slow growth of population. We think we could locate the trouble but it is not our purpose to do so at this time. But we can confidently assure our contemporary that the general cost of living in Canada, under a lower tariff, is much cheaper than in the United States under a much higher tariff. Nor would we have it understood that the National Policy was introduced for the sole benefit of the manufacturers.

The National Policy, as the *Shareholder* suggests, was introduced for the purpose of encouraging the industries of the country. It was intended to extend and multiply the occupations of the people—of Canadians as well as of those from other countries who might emigrate hither. If these industries were engaged in manufacturing merchandise wherewith to supply the wants of the country, the operatives in them would be consumers of the products of the non-manufacturing industries. But the object was not so much to attract people to our shores as it was to furnish diversified employment for our own people. The *Shareholder* tells us that "it never was intended that the National Policy should be made the means of enriching the manufacturers by relieving them from contributing to the revenue of the country, and at the same time enabling them to put into their own pockets a sum equal to the duty on the imported article." We cannot say that we understand what is meant in the phrase "enriching the manufacturers by relieving them from contributing to the revenue of the country." It strikes us that as a class the manufacturers are quite as large contributors to the revenue as any other class, and much larger than some classes. It is certain that in many manufacturing industries, duties are paid upon the raw materials, but against this the manufacturers do not protest when it is seen that the duties are required for revenue.

It is intimated that the tariff enables the manufacturers to put into their own pockets a sum equal to the duty on the imported article. This we deny, and we call upon the *Shareholder* to mention one article where this is the fact. If it can do so, we will be quick to advocate a change in the tariff in that direction. If it cannot do so, it stultifies itself in making the charge. The object of the National Policy is to force the foreign manufacturers to pay as much for the privilege of the Canadian market as is the difference between the cost of the labor he employs in the production of his goods and the cost of the labor paid to Canadian workmen. We know that the remuneration paid to labor in foreign manufacturing countries is very much lower than that paid for similar service in Canada. This, then being the fact, it is evident that under free trade, or under a tariff for revenue only, the wants of the people would be supplied with the products of foreign labor, and that no occupation in that line would be afforded to Canadian labor, unless the remuneration were reduced and brought to a level with that of foreign labor. This difference in the labor cost, also making proper allowance for transportation charges on raw materials, should mark the amount of duty which should be imposed by the tariff. Therefore the manufacturer is not able to pocket the sum on the transaction which the *Shareholder* charges against him.

We are told that when the National Policy was under discussion the argument was advanced in answer to this last mentioned charge, that competition would keep down prices, but