

meant as a blow to a Canadian industry. It will probably wipe out millions of capital; throw hundreds out of employment; put not a cent in any farmer's pocket; but only help American manufacturers at our expense. The native factories being closed the exporters in the States will raise the price in Canada, where no competition can check them. This is the mistake of the Tariff. It is simply a sop thrown to the Free Trade Cerberus to keep him quiet. Farmers and millers will not appreciate wheat being brought in at a lower duty, and the duty on wheat flour being reduced from 75 to 60 cents a barrel. The effect will be adverse to millers, but to no serious extent.

CUSTOMS AND EXCISE TAXES ON ALCOHOL

Those familiar with the Tariff discussions in Germany, in Zollverein days, will be reminded of one question which was hotly debated in Prussia by the changes made by our new Tariff on the duties on alcohol. The difference between the Customs duty and the Excise tax is certainly anomalous as apparently the effect is to put a large sum into the purses of refiners without any adequate compensation to the public revenue. The defence of this is too complicated for treatment here, but, in general terms, it may be said to rest upon the plea that, the home distillers require

A COUNTERVAILING DUTY

to put them in the same position as foreign exporters with whose products they have to compete. The Excise duties are \$1.90, \$1.92, or \$1.93 per gallon, which are about 50 cents less than the Customs duties. The difference will bear explanation, and justification. A general advance of 15 cents a gallon on spirituous liquors, including decoctions into which spirit enters, such as scents, essences, ginger wines, commends itself as a fair means of raising revenue. The French Treaty stops advances on other classes of alcoholic beverages.

MISCELLANEOUS

The reduction of duty on hollow ware from 35 to 30 per cent. will only help retailers, as such small reductions of duties never reduce retail prices. It is small increases which touch consumers, so that the price of jewellery will be raised by the duty on these goods being increased from 25 to 30 per cent. There are a number of fancy goods which might well have been subjected to heavier duties, as being articles of luxury they should be especially taxed for revenue purposes, as should all imports which are not necessities, nor their use of a reproductive character. The increased duty on manufactured marble from 30 to 35 per cent. is either an extra tax of a luxury, or one of the numerous bits of further protection scattered through the Tariff. On the other hand slates are reduced from 30 to 25 per cent. Such luxuries as looking glass, ornamental glass, plate-glass, are more heavily taxed, but oddly enough, patent leather is reduced. The reduction of the

DUTY ON COAL OIL.

from 6 cents to 5 cents per gallon will give no satisfaction to farmers, as it will not bring down the cost

of their light, even to extent of reduced duty. The iron duty and bonus changes are very intricate. Opinions upon their effects on iron interests and manufacturing are wide apart amongst experts. There seems good reason to believe that the intention of the Government is to help forward the development of iron and steel industries in Canada by protection and encouragement. The feature in the Tariff which will ever distinguish it from all preceding ones is the provision for

PREFERENTIAL TREATMENT

of imports from Great Britain and from other countries at the discretion of the Governor in Council, by allowing on British and other imports so preferred a rebate of one-eighth of the established duty, and, after July 1st, 1898, a rebate of one-quarter of such duty, with the exception of spirits, ales, beers, tobacco and sugar. Whether this is practicable without Canada being compelled to give the same terms to Germany, Belgium, and some score of other States is being debated. The Government holds that the Treaty which forbids British Colonies giving preference to the motherland, without extending the same to a group of other countries, has reference only to "Crown Colonies" whose Tariffs are controlled by the Imperial Government, and does not apply to Colonies like Canada which make their own Tariffs. The question will have to be passed upon by

THE COLONIAL DEPARTMENT.

after conference with the governments of Germany and of Belgium, before the exact position of Canada in this matter can be definitely known. It is not in the power of our Parliament to carry out a preferential policy as proposed without the approval of Great Britain, Germany and Belgium. Other powers also may claim to have a voice in determining this knotty problem. Meanwhile we trust the preferential clause in the Tariff will be so confirmed as to give special privileges to Great Britain in her trade relations with Canada. There is, however, some reason to fear this being strongly resented by the United States, the result of which would be regrettable retaliation through the new Dingley Tariff, or by some amendments thereto made by the Washington authorities. There will be no small inconvenience created by suspense, until this highly complicated and most important question is decided. The effect, however, in Great Britain is of the happiest character. The people of the old land have received the preferential proposal with enthusiasm, and all

CANADIAN SECURITIES HAVE ADVANCED.

by the outbreak of good feeling in Great Britain towards this Dominion. Although we regard the new Tariff as open to serious objection in several particulars, notably in the fatal blow it will probably give to the binder twine industry, it is, on the whole, a highly agreeable surprise, as the absence in it of any general movement adverse to the industries of the country removes those apprehensions by which business has so long been disturbed.