



In answer to this Mr. Hobson, of the Hamilton Blast Furnace Company, writing to The Globe, says:—

A good grade of No. 2 foundry iron, suited to the needs of agricultural implement makers, sells in Chicago at \$11.50. This is an abnormally low price, and iron, in the United States, is even now rising in value. You say that this iron can be laid down in Canada at \$1.25 by water, and at \$2.40 by rail. Water freights are not to be relied upon for ordinary lots of iron, and in winter imports must be wholly by rail. Let us, for the sake of comparison, assume that, if there were no duty, the Chicago iron could be laid down in Toronto at \$13 a ton. Now, the Hamilton Blast Furnace Company is to-day selling a superior quality of No. 2 foundry iron at \$14.50. Let us thus assume that the Canadian manufacturer of agricultural implements pays \$1.50 more for his iron than he would if there were no duty. There is in a self-binding reaper cast-iron weighing about two hundred pounds. That represents an added burden upon the Canadian manufacturer of about twelve cents. The self-binder sells for \$115. How much cheaper do you think the machine would be if the manufacturer could save twelve cents in the price of his iron?

A strong weakness in The Globe's argument consists in attributing to the tariff the difference in cost of iron to the McCormick and the Deering concerns in Chicago, and to the Massey-Harris concern in Toronto, without reference to the duty. In the Chicago instance the consumer and the producer of pig-iron are next door neighbors, while in the Toronto instance they are several hundred miles apart. What, pray, has the tariff to do with this? No doubt the duty is a deterrent to the use of American iron in the Toronto works; but that it amounts to as much as the duty is incorrect, as Mr. Hobson shows, for he tells us that Hamilton iron sells at the furnace where it is made within \$1.50 per ton of what Chicago iron can be laid down for in Toronto duty free. It is dishonest to its readers and insulting to their common sense when The Globe attempts to create the impression that the difference in the value of iron that costs \$11 in Chicago and \$16.75 in Toronto, is attributable to the tariff.

Another remarkable position for The Globe to take, considering that it has always heretofore denounced the imposition of any duty whatever upon agricultural implements is in the following:

A ready way out of the difficulty, if a protectionist Government with the courage of its convictions were in power, would be to augment the twenty per cent. to thirty-five, the old figure, though even then there would be a precious small margin of protection as raw-material prices are in the United States. That is impracticable, however, and nothing remains, apparently but to reduce the raw material duties. We have been trying for ten years to build up the iron industry. So far the predictions made by Sir Charles Tupper have not been any thing like fulfilled. The necessity of having to import American and Newfoundland ore to make a good iron is not the only awkward fact of the situation. The American iron industry is now competing in the British market, American

billets, steel bars and pig-iron are going there in considerable quantities, owing perhaps to the depressed state of the market in the United States. Our protectionists maintain that protection has worked this miracle, that we ought to persevere with the Tupper policy of 1887 and wait till Canadian furnaces can do likewise. A more desirable conclusion is that the development in the States is due to the generosity of nature in placing deposits of iron ore within reach of coal. It is clear, however, that if we persist in the attempt to build up an iron industry in Canada by means of protective duties we must be prepared to make sacrifices, to pay more for an indefinitely long period for iron and steel and all articles manufactured from them than the price in the States, and to see such industries as the implement industry crippled or driven out of the country unless they too are protected to the mast-head.

It is refreshing to observe that The Globe should recommend that the thirty-five per cent. duty should be renewed; and if it were necessary to do so to perform an act of simple justice to the manufacturers of agricultural implements, it should most assuredly be done. But its object is not so much to do justice to a suffering industry as it is to inflict a deadly blow at another and equally important industry, for as we have elsewhere shown, the present duty of twenty per cent. is sufficiently high to keep out foreign implements, and it is certain that the manufacturers of implements could not, nor would they be justified in attempting to obtain another dollar for their machines than what they now get, even if the duty were increased to thirty-five per cent. or even a hundred per cent.

To our mind the secret of The Globe's position consists in a desire to help its friends, the Massey-Harris Company, who are quite willing to see our iron industry ruined for the sake of obtaining larger profits than they now receive for their reapers and mowers. Under the National Policy that concern has become immensely wealthy; and it is now in a condition where it could not suffer even if the barrier of protection now existing in favor of so many other industries were thrown down. Even under free trade they would be just about as secure in their hold upon the Canadian market as they now are, and this from the fact that they control a very large number of patents, which cover about all the many parts of their machines, and which it would be impossible to be embodied in any machine made by any other concern, in the United States or elsewhere to be imported into Canada. The generosity of this concern is simply "out of sight." It was only a short time ago when, under a previous government, they went to Ottawa with the modest request that pig iron, bar iron and steel be placed in the free list, these being raw materials in their industry. They were quite willing that the entire iron industry of Canada should be destroyed to afford them the opportunity to make more money on their products.

It is exceedingly misleading for The Globe to state that the Massey Harris Company, and the agricultural implement industry will be driven out of Canada under a policy that gives substantial encouragement to the iron industry.

A GOOD THING THAT WILL NOT BE ABANDONED.

In Mr. Hobson's letter to The Globe re the iron industry and the move being made by the manufacturers of agricultural implements, assisted by The Globe, to have the duties on iron lowered or removed the following statement is made.