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J. J. CASSIDEY, Editor and Manager

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THE NEED OF THE IRON INDUSTRY.

A few years ago both political parties of Canada came to the conclusion that the establishment of a great iron and steel industry would be so advantageous to the Canadian people that it would be worth while to pay liberally for it. Both parties were agreed that the encouragement given to the industry should be partly in the form of tariff protection, and partly in the form of bounties. There were some differences of opinion as to whether there should be a high tariff and small bounties, or a low tariff and large bounties. The view that prevailed was that bounties should be largely substituted for tariff protection, and when the liberal Minister of Finance reduced the tariff protection and proposed generous bounties, the conservative leaders, while not favoring the tariff reduction, fully endorsed the proposal for increased bounties. It thus became the settled policy irrespective of party to build up a great iron and steel industry. This decision was largely influenced by the following facts: (1) Iron and steel are used as materials in a great variety of industries, and it was realized that so long as our manufacturers were entirely dependent upon foreign sources for their supplies they must pay excessive prices at times, and run the risk of not securing sufficient supplies during any period of scarcity. The leading men of both political parties believed that the establishment of a home iron and steel industry would eventually have the effect of decreasing prices to Canadian consumers while ensuring a more certain supply of materials to manufacturers.

(2) It was recognized that the development of an iron and steel industry would, by creating a demand for iron ore, limestone, charcoal, coke, etc., give value to natural resources that must otherwise lie dormant.

(3) That it would give employment to a large number of men in taking the materials out of the ground as well as in turning them into finished products, and that these workmen and their families would all require to eat Canadian farm products.

(4) That it would keep in circulation within the Dominion a vast amount of money that would otherwise

Another Tariff Edition.

As soon as the proposed revision of the tariff has been made and adopted by the Dominion Parliament, thus becoming the law of the land, a full and absolutely correct reproduction of it copied from the official document, will be published in the **Canadian Manufacturer**. It is impossible at this time to say just when that event will occur, probably during the present year. In the same special edition will be published in full, as heretofore, the tariff of the United States, both under the one cover, a convenience which will be fully recognized by our readers.

go to foreign countries, thus benefitting every branch of Canadian trade.

(5) That the initial difficulties of starting an iron industry were so great, owing to the great cost of the plant and the necessity for prolonged experiments with raw materials, that the industry had never been established in any country without Government assistance.

The bounties offered attracted many millions of capital for investment in the industry, but it requires very much longer time to construct large iron and steel works than the Government calculated, and consequently, as the bounties decreased from year to year, by the time the new works were in operation the Government's share of the cost of manufacturing was greatly reduced, and the national outlay was thus considerably less than was anticipated when the policy was adopted. The Government immediately received great additions to its revenues as a result of the establishment of these new works. Long before the government was called upon to pay a cent in bounties it derived a very large revenue directly from imports of machinery and various materials required in the construction of the works. The large number of men employed in construction work were all consumers of imported products upon which customs duties were paid. It is no exaggeration to say that the new iron and steel works, during the course of construction, added to the government revenues far more than sufficient to pay the bounties due for the output of the works that were already in operation before the bounties were increased. Since the completion of the works the government have derived a very large annual revenue from the towns that have grown up around them. The government practically became partners in this industry, and if the increased national revenues be regarded as interest on the amount invested, it must be admitted that up to the present time the country has received a larger return for its investment than the capitalists who put their money into the works, for it is a well known fact that most of the investors in Canadian iron and steel works have received absolutely no profits as yet.