

The British Preferential Tariff brought about a general reduction, until the present rates were fixed in 1907. It was definitely understood that on the withdrawal of the bounties, these lowered duties would be readjusted, but nothing whatever was done, and when the bounties ceased in December, 1910, the industry was left with the following inadequate duties on its basic products:

On Pig Iron,	Preferential \$1.50 per ton,	General \$2.50 per ton.
On Steel Billets,	" \$1.50 "	\$2.50 "

The average value of these commodities, under ordinary trade conditions, may be taken as \$15.00 for Pig Iron and \$22.00 for Billets, so that the Preferential Tariff, which largely governs prices, gives a protection of 10% on Pig Iron and 7% on Steel Billets.

The effective protection given in 1897 and later years, has thus been reduced on these articles to about one-third or less. That the earlier protection was effective is shown by the increase in production.

In 1900 the total amount of Pig Iron produced in Canada was 96,575 tons, and of steel 26,456 tons.

In 1910 the totals were: Pig Iron 740,244 tons, Steel 740,290 tons.

The present position of the iron and steel trade may be thus summarized:

1. Prior to 1910 the combined protection afforded by the duties and bounties enabled manufacturers to retain a sufficient hold on Canadian business, notwithstanding the competition from abroad.
2. In 1910 the protection was so far reduced by the decrease in bounties, as to make it more difficult to retain the trade, while their cessation on December 31st of that year, which left the manufacturers to the protection afforded by the present inadequate tariff only, has rendered this difficulty more acute.
3. The depressed state of the iron and steel trade abroad, coupled with our inadequate tariff, affect the Canadian trade by making it difficult, in some cases impossible, to hold the business it has hitherto had. Some manufacturers have expended a large amount of capital, and come under serious financial commitments in connection with extensions of their plants, in order to increase their output, and the possible future effect of the conditions above named is to them a cause of great anxiety.

It is not desirable that we should now enter on the question of duties on more finished articles; any representations on these matters are reserved for the