

HOW WILL THE TARIFF BE SHAPED?

If the result of the tariff debate at Ottawa had been to place a distinct issue between the two political parties, a clear gain would have been made. If Sir Richard Cartwright's resolution had stood alone, and unrestricted reciprocity had not blocked the way, the issue on tariff reduction could have been made clear. But unrestricted reciprocity could not be carried out without the loss of a large part of the Customs revenue; a loss so great that any considerable reduction of the tariff in other directions would be impossible. The two policies are mutually destructive of one another, and until a choice between them is made by the Opposition, its own real position will remain uncertain. The vote was on strict party lines, with one exception. But the Ministerial victory does not imply that tariff reduction is not fast becoming a popular demand. The decision of the House has given the Government the year which it asked in which to consider what reductions can, in its opinion, reasonably be made, but has not given it the right to refuse to perform the promise to overhaul the tariff.

Uncertainty about impending changes in the tariff always creates uneasiness among manufacturers and traders, and an unnecessary prolongation of the agony is never desirable. A year of uncertainty as to what is going to happen, in this particular, will clog the wheels of commerce; there will be a reluctance to buy towards the end of the waiting term what may be cheaper when the suspense is over; and the output of manufacture can scarcely be unaffected by the doubt.

Within existing limits, a degree of certainty can, however, be found. A large revenue will have to be raised by Customs duties; nobody, certainly no political party, contemplates a change to absolute free trade, and the substitution of direct taxation for our present mode of raising the revenue. When Sir Richard Cartwright declares his preference for *ad valorem* over specific duties, he thereby admits that we must continue to raise revenue by Customs duties, in one form or another. Mr. Blake put on record his views on this subject long ago. The advocacy of the repeal of a particular duty, even by a whole political party, is only an exception to the general rule, which has some special ground to rest upon. Coal oil and binder twine form such exceptions; but the policy which would exempt them is quite exceptional, and does not make against the general rule that a large amount of revenue must be raised from Customs duties.

The Government declares a policy which goes beyond the revenue necessity, and makes extraordinary declarations in favor of protection for its own sake. The difference between the two political parties is, that one nominally favors a revenue, and the other a protective tariff. "Reasonable and sufficient protection," which is inscribed on the Government programme, is a phrase of uncertain meaning, and is capable of almost any interpretation. It forms but a blind guide to the reductions that

will be made in the tariff; but it means that a revenue tariff and something more will be retained.

Whatever may be done in the near future, there are certain broad lines on which legislation must proceed, in countries in which combinations of certain producers are resorted to as a means of extortion. Manufactures are carried on to the best advantage on a large scale; and it is very difficult to draw the line beyond which the aggregation of capital for this purpose should cease. So long as the general interest is not injuriously affected, there is no ground for complaint or legislative interference. It is only when a combination makes practical monopoly possible that the right and the duty of interference becomes plain. Anything which puts an end to competition is in the nature of a conspiracy against the public; and when this happens the duty of parliament is to provide a remedy. Combinations as a means of extortion are the offspring of a high tariff; they can effect their purpose only by preventing foreign competition bringing down the prices of the protected commodity below the figure that gives the combination a practical monopoly. Whenever a wrong of this kind exists a remedy ought to be applied. Sir John Thompson declares that the Government is opposed to combinations, and has refused charters where the object appeared to be combination or inserted special provisions with a view to counteract the apparent tendency. The lowering of the duty on the protected commodity is the only certain way of doing it. Even the theory of "sufficient protection" might perhaps not stand in the way. A "sufficient protection" implies that there may be an excess of protection. But the policy which gave vitality to the cotton combination must be reversed, if a remedy is to be applied to proceedings of this kind. If the promised overhauling of the tariff does not put an effectual stop to combinations which produce practical monopolies, it will fall short of public expectation.

The production of coal oil, as at present carried on, seems to be devoid of promise. There has been a natural desire on the part of the public that it should succeed, and with that view it has been accorded the most generous treatment. And what is the result? The business is far from flourishing; and there does not appear to be any hope that, in the oil region now worked, there would have been any marked improvement, even if the high duties had been continued. This is a matter of deep regret; but the facts must be looked in the face. Canada possesses, perhaps, the richest oil fields in the world in another quarter; but they are at present unworkable on account of the distance from settlements. For some time there may be a practical cessation of oil production in Canada.

From the present outlook, it is impossible to descry, in the near future, any great change in the tariff, or to expect it at all, at the hands of the present Government. Sir R. Cartwright, in his amendment, indicated the true line on which public opinion now begins to move. But tariff reform and unlimited reciprocity are

antagonistic; and until the latter is discarded, little progress can be made in the direction of tariff revision. There has been a disposition, in the budget discussion, to ease off a little on the policy of unlimited reciprocity, or to explain it away as a thin misunderstanding or never intended. For instance, Mr. Davies said: "There never was a sentiment uttered by a responsible leader on the Liberal side, which indicated that they were prepared to accept a treaty which would sacrifice the commercial or political independence of this country." "The Liberals," he added, "desired to go into a negotiation untrammelled, and they used the term unrestricted reciprocity." To be untrammelled by a specific programme is the new reading, and its value consists in showing which way the wind blows. It has heretofore been taken to mean an agreement which would embrace the whole tariff of each country; and if it only means that the best obtainable terms will be got, in return for concessions that will preserve the commercial and political independence of the country, it would cease to repel and alarm; but then it would have to share with all other schemes of reciprocity, looking to the best attainable results, the character of indefiniteness which is necessarily inherent in all such plans before negotiation has brought out exactly how far each country is willing to go, and beyond which it will not advance. The nomenclature is objectionable; if it does not mean what Mr. Davies says it does not, it should be changed for something less liable to be misunderstood and better expressive of what is really intended.

DRY GOODS AND MILLINERY.

It is to be remarked that the continuance this winter of cold weather through a longer period than usual, has retarded the purchases of spring goods by retailers, a matter which need cause regret to no one, but rather rejoicing, if it tend to cure the evil of dating ahead. We note also a better feeling arising out of improved conditions which indicate greater soundness throughout the trade. In many descriptions of goods there is an upward tendency. Silks are from fifteen to twenty per cent. higher in price than last year; embroideries bought after this date will also be higher by fifteen to twenty-five per cent., while woollen manufacturers are refusing orders at prices which they themselves quoted but ten days ago.

The wholesale dry goods houses in the West have had many visitors during this week, mainly from among those who have come to the city to attend the millinery opening. No one appears to have bought heavily of staple goods, but rather of special lines which were late coming into warehouse, such as embroideries, trimmings, parasols and the lighter dress fabrics. Millinery goods are again beautifully bewildering in colors and styles. Laces are in profusion, muslins in colors as well as in white. In silks, surah, gros grain, merveilleux and luxor are prominent, while there are new and decorative art silks. The tints most in favor are fawns, greys and