

INDUSTRIAL WORLD

AND NATIONAL ECONOMIST.

DEVOTED TO HOME INDUSTRIES, SCIENCE, COMMERCE, FINANCE, INSURANCE, RAILROADS AND MINING.

Vol. III—No. 56.

THURSDAY, AUGUST 4, 1881.

\$3 PER ANNUM.

THE INDUSTRIAL WORLD

AND NATIONAL ECONOMIST.

PUBLISHED ONCE A WEEK.

FREDERIC NICHOLLS, GENERAL MANAGER, TORONTO.

SUBSCRIBERS

Published in the United States, in advance, per year, Three Dollars. Remittances should be made by registered money order payable to F. Nicholls, Industrial World.

TO ADVERTISERS

The Industrial World, on account of its general circulation, commends itself as an advertising medium for all who seek to do business with manufacturers and the wholesale trade. Advertising rates are low when compared with those of other leading scientific and industrial publications. Care of rates on application.

Advertisements should be ordered through the office by Toronto morning papers, so as to give parts of the paper to press.

TO CORRESPONDENTS

The department "National Industries" is open for the unrestricted use of those who wish to place their views on interesting questions before their brethren in the trade. Nothing in the nature of an advertisement will be printed in this department.

The publisher will be obliged to all who will send in news of recent occurrences, such as will be printed in their appropriate places.

Editorial communications to be addressed to

INDUSTRIAL WORLD OFFICE,

Drawer 1010, Ottawa, Ont.

All business letters, inquiries and advertisements, to be addressed to

FREDERIC NICHOLLS,

INDUSTRIAL WORLD OFFICE,

TORONTO, Ont.

Minister of Finance at St. John.

THE NATIONAL POLICY VINDICATED.

BENEFICIAL RESULTS OF ENCOURAGING HOME INDUSTRIES.

This week we devote our editorial space to the publication of extracts from the speech of Sir LEONARD TILLEY, Minister of Finance, delivered at St. John, N.B., on Monday evening the 25th of July, in reply to the Hon. Edward B. Cox, in vindication of the National Policy.

THE SUGAR QUESTION.

Mr. Blake, who is without exception one of the ablest men in Canada, the ablest man in the ranks of the opposition—Mr. Blake put the case against the National Policy as strongly and effectively as any man living could put it. That being the case, let us consider the grounds he gave for the fears he endeavored to create in your minds. Mr. Blake says you may "look at your factories, with their chimneys rising towards the sky, and say 'See what the National Policy is accomplishing!' but if the masses have to pay dearer for the articles manufactured in them, what advantage is gained?" Let us consider whether this is a correct statement of facts or not. Mr. Blake said that sugar is a monopoly. He chose this point and develops it more fully than any other. He could not have taken a better illustration of the effects of the National Policy. Mr. Blake says it costs the country over a million a year in loss of revenue and increase of cost of sugar. He stated at Fredericton that Mr. Tilley acknowledged in Parliament that sugar costs more than it did before. I am prepared to state from experience, from evidence that cannot be refuted, and from public documents, which will be laid before Parliament, that sugar does not cost one cent more than before, and that not one cent of loss of revenue is entailed by the change of tariff. Mr. Blake said that the revenue collected—or he referred to it—the year was, in 1879, \$2,028,000, whereas in the fiscal year previous it was \$2,531,000, and this he said showed a loss in the revenue of \$475,000 by the operation of the tariff. But what was the

fact? The tariff was changed in March, 1879, and during January, February and March previous people in business in Canada, knowing that the duty would be raised in order to afford the necessary protection, imported in those months one million dollars worth more than in the same months of the previous year. This swelled the revenue from sugar in 1878-79 and diminished it in 1879-80, because as much less sugar was imported in the latter year. The duty was not collected the second year because it had been collected the first. This fact I explained in Parliament, stating that \$225,000 of the duty collected in 1878-79 was on sugar not consumed until 1879-80, the average for the two years being \$2,249,000. I am now prepared to say, as Minister of Finance of the Dominion of Canada, that in the year which closed July 31—the only one which affords a fair test of the effect of the sugar tariff on the revenue—instead of the average of the two years previous, in the first eleven months of the present fiscal year the duty collected on this article will reach \$2,200,000—and with the other months will reach \$2,400,000—greatly in excess of the revenue collected in the previous year. (Cheers.) Let us go a little further, and I am prepared and ready to call on every man in the business, every dealer in groceries throughout the length and breadth of this Dominion, and appeal to them if the price of sugar has been increased, but rather if it has not been greatly decreased. I am prepared to show, by indisputable evidence, that neither granulated, yellow nor common grocery grade sugars cost the Canadian consumer any more than if the old tariff was in force. I say that as a result of the numerous factories springing up throughout the land there has been great competition, and competition always ends in cheaper prices. (Cheers.) In last year, Mr. Blake said I had admitted that the price of granulated sugar had increased 25c per hundred weight, but he neglected to state that at the same time the price of refined yellow had decreased 10c to 14c. (Cheers.) He did not say a word about the yellow being less. But this year what do we find? The prices of both grades are less, and the purchasers get them at lower rates than if under the old tariff they came from the United States and Glasgow. If we get as much, and a little more, revenue, and the people get their sugar as low or less than before, then our position today is impregnable. (Cheers.) Owing to the raw sugar imported last year, one million dollars less were paid out than in the previous year. Instead of \$3,000,000 for sugar being sent out only \$4,000,000 was sent out of the country. And where is the other million? About one-quarter of a million went to the vessels bringing in the raw sugar. It restored a lost trade between Canada and the West Indies. Only 8 per cent of the raw sugar was brought in direct under the old tariff. And the refining of this sugar affords employment to 800 men—say 400 with families—representing at least 3,000 persons. And these 800 men are paid \$300,000 or \$400,000 for their labour, formerly paid to the people of Glasgow and the United States. And then there are required 450,000 casks for containing sugar, and our workmen received \$130,000 which would have been paid to the couppers and lumbermen in other parts of the world. Then 40,000 tons of Nova Scotia coal was consumed, being largely employed in the refining of this sugar. This coal cost \$100,000—this coal alone used in refining, which was not used before. Then the carting and hauling of the sugar gave to our people large sums, which were paid to those who had not employment before. We find that there is \$1,000,000 capital invested in these refineries, and consider the profit they make—and I trust they have a profit from their industry affording so much employment—and take this one industry alone and see its ramifications, the number of persons employed, and let these facts be fairly put before the people—and I think that it will be some time before the representatives of the people wipe out this great employment-giving industry and go back to the old condition of affairs. (Cheers.) During the past few years the return cargoes to the West Indies have been almost nil, only 6 per cent of all the sugar consumed, as I said before, coming direct. Let us see the indirect—say, the direct—benefits from it. When there were no return cargoes available—except molasses—how was it? When we wished to send out our fish and other exports, the ship owners said, "No, there is no return cargo, and so I must have a larger freight!" And who but the shipper paid that difference in freight? Therefore, we have this advantage. Forty thousand tons of shipping a year is what this trade brings to the ports of New Brunswick, Nova Scotia and to Montreal, and is not that something, the business giving employment to many who were not employed before? (Cheers.) I will make my statements as brief as possible, so as to give all the time possible to my colleague in the Government, who is a stranger here, but I feel I cannot do justice to myself without going into this question of sugar. We have heard our opponents say that the poor man's cotton and woollen goods were taxed higher.

Gentlemen, I know how that comparison can be drawn and the effect that can be produced by it. I want to answer that question, and I say that in some cases the price of the article has been reduced instead of increased. You talk about the coarser description of woollen goods that are consumed by operatives everywhere, and here they say there is sometimes 40 per cent imposed, while 20 per cent is imposed upon the finer goods that the rich man wears. I know under the old tariff they had the same duty upon the poor man's tea at 40 cents as they had on the rich man's at 20 cents. In the case of tea, which is not produced in the country, you had to pay that duty, but in the present case of woollen goods the returns show that at no time were Canadian woollen goods sold as low as they are to-day. (Cheers.) I will venture to assert that that description of woollen goods made from our own wool is now manufactured in the Dominion of Canada, and articles of woollen goods are sold in the Dominion cheaper than they could be imported under the old tariff. The factories in the Dominion have been increasing their capacity, and the result is these articles are being sold as low as before. Now, with reference to cotton goods. The cotton goods have a specific and a uniform duty. The result is that cotton is being sold to-day cheaper than under the old tariff. Factories are rising everywhere, and I might repeat a statement made by a manufacturer whom you know and whom I will name (I mean Mr. Parks), that he is selling cotton thread at the same price as they are selling it in New Hampshire, and the people are consuming it at a price less the 15 per cent that was paid under the old tariff. (Cheers.) I know that Rome was not built in a day, and the merchants have now to order goods which are not manufactured here from the United States, but the day is coming when many, say, when most of these articles which they now have to order from abroad will be produced here. I am prepared to assert this, that there is not an agricultural implement that is not sold here as cheap, and 10 and 20 per cent lower, than under the old tariff. (Cheers.) Mr. Blake says your tea is taxed. The duty on tea is diminished, and he did not tell you that the reduction of the duty upon tea and molasses (an article he did not mention at all) would nearly pay for the duty collected on the cornmeal that is imported and consumed in the Dominion. And this duty on corn was imposed to protect our farmers who raised principally oats. Let me say the whole duty paid upon breadstuffs in New Brunswick, was \$75,000. Our soft coal cost us not a cent more than it did under the old tariff. I know it costs our friends in the west a little more. Some may ask why is it necessary to impose that duty? Let me say that the protection of this industry is enabling the Nova Scotia miners to produce and sell a thousand tons of coal a day more than they did in 1878. And so you may go on from one item to another. I don't hesitate to say that this policy has given additional employment to 14,000 people in the Dominion, or taking their families into account, to 30,000 people that would not have had employment. This has been scattered among the grocery, dry goods merchants and every interest and every industry, including an improved home market for the farmer; it has increased the life and industry of the country, and it has enabled the people of the Dominion in two years to increase their deposits in the savings and other banks 181 millions. (Cheers.) It is a policy that has brought back many of our people and provided those now here with employment; a policy that has placed our country in a vastly better position than it was three years ago. Go where you will you will find money plenty; business men say more plentiful than ever, with the cash accompanying nearly every country order, in place of the old time long credit; and the farmers say that by reason of the increased population of the towns and work in the factories and foundries and shops that they sell more produce than ever and at better prices while they pay no more for what they consume. (Cheers.) My friends, our opponents have charged us with increasing the duty on the poor man's clothing, but I ask each and all of you to consider carefully if you have paid more for woollen or cotton goods? I see Mr. Blake says the poor man's wife pays 40 per cent on her print dress. To this I can reply that while we increased the duty, as a matter of protection, on all cottons made in Canada or that could be made, we only imposed 20 per cent on prints, or 21 per cent above our predecessors, which would be a tax of not more than one or two cents on each print dress. (Great cheers.) But Mr. Blake forgot to tell you that while he charged 17 per cent on the print dress of the poor man's wife, he only imposed the same duty on the silks and satins of the rich. (Cheers.) We changed that and charged 20 per cent on the richer goods. It was changed in Parliament that our tariff must fall, either as a revenue or protective tariff. Well, gentlemen, we have received more revenue than we require, yet it has proved to be a thoroughly

protective tariff. (Cheers.) Mr. Blake said that we have taken two and a-half millions more than was necessary out of the people, and that we would use this surplus as a justification for increased expenditure but I am happy to be in a position to tell you that on the contrary, the expenditure will fall something like half a million dollars below the estimated expenditure, and the revenue will be a million in excess of the estimate, increasing our surplus to \$3,500,000. It could not be charged against the late Government that they had taken so much out of the pockets of the people as to leave a surplus. Mr. Cartwright, in 1874, asked for an increased tariff that would give three millions more than the old, and he then told Parliament and the country that it was necessary to have a surplus, as a series of deficits would destroy the credit of the country. Yet, now, because we have a surplus, we are charged with taking it needlessly out of the pockets of the people! Mr. Blake for 's sake to tell his audience that in my briefest speech I told Parliament and I told the country why we did not at the last session ask for a reduction of the tariff, and I will tell you why, gentlemen. From 1854 to 1864 we had a reciprocity treaty with the United States, a treaty which we considered highly advantageous to both countries. We waited thirteen years in the hope that it would be renewed. Yet the moment it was repealed the Americans put a duty of 20 per cent on our potatoes and all our natural products. But we stayed our hand, we saw that it was a good treaty, and we acted liberally so as to set the Americans a good example. We waited, I say, for thirteen years, and we went further. We made advances for a new treaty, but they refused our overtures. Then we at last saw it was time to try the opposite course, but we said and provided in our tariff that whenever the Americans took off the duties on our natural products we would do the same with theirs. (Great cheers.) We did this, yet our opponents always forget to give us credit for it. What has been done during the thirteen years I have referred to? Was there any motion made in Congress to bring about the reciprocity that we desired? Not one. But what is the state of affairs now? Last year petitions were prepared in Massachusetts, signed by all the leading business houses, and sent to Washington, asking for relief from the effects of the adverse tariff in the Dominion of Canada. The business men of New York have done the same. Well, we did not go to Parliament and offer to take the duty off tea and coffee, pending the movement in the States. I said, the matter is now before Congress and may be in a position to enter into a treaty with them under the terms of 1854 if such should be the case, we would be in a position to ask them to grant us free entry into their markets, and we would do the same with them for certain products, which would involve a loss of revenue. If so, we would reduce certain duties, thereby reducing the revenue one-and-a-half or two million dollars. You may suppose from what Mr. Blake says that the surplus money was lost to the people and to the country. But such is not the case. It was taken to supply the deficits left by the late Government. (Cheers.) You need not be alarmed unless the money was required we would not use it. While Mr. Blake condemned the policy of the Dominion he seemed to consider that a surplus of three or four millions in Canada is not so much a larger surplus to the United States as great merit. But I assure you that the policy of protection is marching on with rapid strides. I must say that it was only after the more careful consideration of the interests of the whole Dominion that the tariff was framed. I know that you have suffered from the disastrous effects of the great fire, but I feel that the day is coming when there will be such a development of the manufacturing and industrial interests in these provinces that we shall be able to show, and that will be the greatest and crowning victory of my life, that in framing this policy we have acted in the best interests of the country; and what is more, that gentlemen who to-day believe that policy to be wrong, will then come to us and say, we opposed your policy because we thought it was wrong, but now from the evidence we have had we will sustain you in it. (Great cheering, lasting several minutes.)

EDITORIAL COMMENTS.

The reduction of the public debt of the United States last month amounted to \$10,000,000, against \$5,600,000 in July, 1880.

In another column we publish a statement of the population of Canada, as furnished by the census returns. The increase is 664,377.

It is estimated that no less a sum than \$17,025,000 of British capital is invested in home and foreign securities, the average rate of interest being 4 1/2 per cent. per annum.

During the month of June \$128,612 were deposited in the Post Office Savings Banks of the Dominion. The amount to the credit of depositors at the end of the month was \$9,208,226.77.

The United States Government is about to appoint a commission to visit the large Post Offices for the purpose of investigating the salaries, allowances and general administration of the offices.

The following is a summary of the condition of furnaces built and in blast on June 30, 1881: Total number of furnaces built in the United Kingdom, June 30, 1881, 951; total number of furnaces in blast in the United Kingdom, June 30, 1881, 562. Decrease in the number in blast since March 31, 1881, 33. Furnaces blown out since March 31, 1881, 44; Furnaces blown in since March 31, 1881, 11; new furnace completed since March 31, 1881, 1, new furnaces being built, 8; Furnaces pulled down, 5.

The Railway Age says:—The Chicago city officials have undertaken the Herculean task of diminishing smoke in the city by means of an ordinance. Factories, tug boats, locomotives and all other producers of the clouds of black smoke which hover over that as all other great cities are notified that they will be arrested and fined if they do not suppress the nuisance. The ordinance has called out a number of inventors of patented contrivances for preventing smoke, but the authorities do not prohibit any device for the purpose.

The New York Herald, referring to the development of the industries of the United States, says:—"The cotton industry has been steadily advancing with rapid strides in mill capacity, consumption of raw material, and value of products. The amount taken from the crop by American mills has nearly doubled in the country at large and more than doubled in the south. The silk industry has tripled in ten years. The capital invested in the business has increased from six to nineteen million dollars, and the value of the products from twelve to forty millions. In the manufacture of iron and steel there has been a striking growth. The increase of twenty-five per cent in the number of establishments does not represent the entire expansion of productive capacity that has taken place. In the weight of products there has been the remarkable advance of ninety-nine per cent, while the value has been increased from two to three hundred million dollars." And this state of affairs is the direct result of the policy of Protection.

New York Daily Vindicator: "The future commercial policy of Great Britain is one of the uppermost questions of the day, and it is being vigorously discussed in the newspapers throughout England and her dependencies. The Leeds Intelligencer alludes to the growing determination on the part of the artisan and the operative classes to assert their opinion