

ESTABLISHED 1866

# THE MONETARY TIMES, TRADE REVIEW

## And Insurance Chronicle,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal (in 1894), the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

Issued every Friday morning.

SUBSCRIPTION—POST PAID:

CANADIAN SUBSCRIBERS -	\$2.00 Per Year.
BRITISH " -	10s. 6d. Sterling Per Year.
AMERICAN " -	\$2.00 United States Currency
SINGLE COPIES -	10 Cents.

## Book and Job Printing a Specialty.

PUBLISHED BY THE

**MONETARY TIMES PRINTING COMPANY OF CANADA, Limited.**

EDW. TROUT, President.

ALFRED W. LAW, Sec'y-Treas.

Office: 62 Church St., cor. Court

TELEPHONES { BUSINESS AND EDITORIAL OFFICES, 1892  
PRINTING DEPARTMENT, 1485

TORONTO, FRIDAY, JANUARY 15, 1897.

## THE SITUATION.

An arrangement has been made between our Government and that of the United States, for the mutual abolition of cattle quarantine. The agreement has a value beyond that which belongs to its immediate object in the test it affords of the reasonable spirit of accommodation in the two governments. But whatever may be the view of the Government of the United States, there are forces at work which will probably render it impossible to conclude any arrangement for commercial reciprocity between the two countries.

Alleged differences of wages are brought forward, at Washington, as a basis for a tariff on lumber. Judge Page Morris told the committee that the average wages in American lumber mills was \$1.80, and Canadian, \$1.20. No guarantee for the accuracy of these figures was presented. It would be very difficult to secure accuracy, even if an impartial attempt were made to do so, and no interested purpose were to be served. If any figures which interested persons choose to put forward be accepted without question, any sort of a case can be made out. Judge Daniels stated before the committee that Canadians sell their produce from one-fourth to one-half lower than Americans get. The falsity of this statement would be shown by reference to the market prices in the two countries.

As a means of getting at the truth, tariff enquiries such as that now in progress at Washington, are about as far from being effective as anything conceivable. Practically all the evidence, as it is called, comes from one side, and that the side which has a direct personal interest in obtaining the acceptance of the views which it presents. There is no effective cross-examination, scarcely the pretence of a cross-examination, often none at all. To make the case complete, the other side, that of the consumer, should be quite as fully presented. But this would not be possible. One side is organized, is in possession of the technical knowledge; the other consists of individuals, without technical knowledge; it has, besides, no special interest in attending, and does not, as a rule, offer such evidence as it might. How is it possible to use the statements made before the committee as a basis of tariff legislation? Some one has been telling how McKinley did it, when the tariff

which bears his name was under consideration. Some witness interested in the wool trade wrote on a slip of paper what he wanted and handed the slip to McKinley. "All right," the latter replied, "I will present this." This was not enough, and McKinley was asked to promise to see that what was asked would be granted. Then came a point blank refusal, followed, backed by the statement that the demand was unreasonably high. We know what the McKinley tariff was: we should be astonished if we knew what interested parties asked him to make it. And this is what the commission who hears the evidence or the government it represents has to do: it has to undertake the ungracious task of picking holes in evidence which points almost entirely in one direction. The difficulty is increased when the weight of the evidence, as it is called, runs counter to public opinion or sound economic principle.

In recasting their tariffs, both Canada and the United States have need to take care that nothing be said or done that can be construed into an engagement to make particular rates of duty permanent. Hints have been thrown out that a vested interest in the tariff had been or ought to be conceded. The demand for a permanent tariff may have the same design. Tariff changes are not *per se* desirable, quite the contrary; a fixed tariff would have some advantage. But mobility of tariff is necessary to respond to varying conditions of revenue needs and manufacturing advancement. All legislative aids to manufacturing seek their justification in the infant condition of the industry, and are intended to enable it to gather strength to go alone. This marks the first stage; the latter stage is reached when a guarantee for permanency is asked or suggested. But at Washington they think nothing of making both demands in the same breath. When the sugar question was under discussion, one witness asked protection on the ground that the farmers of other countries had for years been trained in the production of beets. At the same sitting, another witness wanted the Bounty Act made permanent.

As time goes on, there is a distinct tendency in protectionist countries to develop new outworks of the system. In the enquiries now going on in Canada and the United States, besides the desire to resort to specific duties, other devices for making duties uniform and high on the classes of goods most in demand are invented; notably among them is an arbitrary fixed value on the goods. If they can get this, persons interested sometimes magnanimously declare that they will be satisfied without an increase of duties. But duties may be increased in this way as well as by an increase in the ad valorem form, and in the form suggested they will in fact be most effectually increased.

The ground on which increased duties are asked, at Washington, is that higher wages are paid in the Republic than in other countries. The competing countries quoted for comparison are generally those in which wages are lowest, and when it is otherwise, there is nothing to show the relative effectiveness of the labor in the two countries compared. American labor is often more effective than much competing foreign labor. When wages are said to be fifty per cent. higher than in some other country, fifty per cent. duty is claimed, not on the wages part merely of the cost, but on the whole cost. This is very much like certain Indian traders of a past generation, whose hand stood for the weight of a pound in purchasing furs from the children of the forest. One witness, the other day, took a new line on the wages question. In certain grades of glass-blowing, he said, Americans could not compete with outsiders if they paid no wages at all. To level up, in such a case, would be to undertake to fill a bottomless pit. If