

ly urged this course. Now that it has come into operation we expect to witness many and immediate evidences of its practical value and importance. And, first of all, it may be hoped that the Massey-Harris Company will see their way to retain all their works in Canada. Now that their raw material is placed upon the same level as that of United States' concerns, the only reason that we know of for removal is gone, while the future holds out advantages in the way of steamship and cable facilities—to say nothing of a preferential tariff in Australia—which the Republic cannot possibly offer.

We trust also that the *Globe* may see in a mental looking glass the absurdity of its recent comments upon the policy of drawbacks. As an organ of somewhat muddled free trade theory it will probably accept the rebuke of Adam Smith, already quoted, with some respect. Perhaps, also, it will accept a correction of certain equally absurd collateral arguments. For instance: "to check importation by high duties is to check exportation." Facts directly contradict this statement. During the Anti-Corn Law agitation in England one of the great cries was the allegation that protection promoted the export of corn abroad at a time when multitudes at home were starving for the want of it. Russia, which boasts perhaps the most stringent protective tariff in Europe, imported in 1891, \$180,000,000 worth of products and exported \$351,000,000. The United States which has carried protection to the verge of prohibition imported in 1892 over \$800,000,000 and exported more than \$1,000,000,000. On the other hand, England which claims to be an evidence and living picture of all that is great and good in free trade practice and experience, exported in 1892 more than six hundred millions less than she imported. So much for one argument adduced by the *Globe*.

The notion that we can do a large selling trade without buying in proportion is repudiated by the same paper in unmeasured terms, but is proved by the experience of the United States in its commerce with England, and will be still further verified by our own experience when the principle of rebate is fully and freely utilized. The American Republic in 1890 exported to the United Kingdom \$444,000,000 worth of products and only imported \$186,000,000 worth of British goods. Not only is this a commentary upon the principles of free trade versus protection, but it affords a more than sufficient answer to the *Globe's* roundabout attack upon drawbacks. It is also contended that the new arrangement tacitly admits that prices to the consumer are higher in Canada than they are or will be to external purchasers of the products which may be exported as a result of the rebate. Of course, this is not a fact, but it will be made, nevertheless, to do good work in the future against the supporters of protection.

In competing for the trade of outside countries our manufacturers—as they well know themselves—have to make allowances for freight and handling, the expenses of middlemen or agents, the loss of time and the investment of money for periods more or less prolonged. They have then to meet on equal or even lower priced terms with the home manufacturers of the country with which trade is being attempted, or else with the manufacturers of England or Germany or the United States and all their wide

connections, experience and concentrated capital. This is what the rebate is required for, and not for the purpose of giving the farmer of Australia or of South America a cheaper machine or article than that sold to the Canadian consumer at home.

For these and many other reasons: in the interest of genuine protection: on behalf of our commercial and trade development: because of the impetus it should give to trade with Australia and other sister colonies: on account of the equality it offers our industries with those of the United States: we once more and with all sincerity congratulate the Government upon the important step it has taken.

#### AS TO STEEL RAILS.

A few days ago it was announced that the Department of Railways and Canals had closed a contract with a steel rail making concern in Belgium for the delivery of several thousand tons of steel rails in Canada at a price not exceeding \$20 per ton delivered.

Never in the history of this country has a steel rail been manufactured in Canada.

We have probably about 20,000 miles of railway track in Canada, but not a pound of the rails contained in them was produced here.

No pound of Canadian ore, no pound of Canadian coal, no pound of Canadian limestone has ever been used in the manufacture of steel rails either in this or in any other country; and not as much as one day's labor has ever been bestowed by any Canadian in the mining of ore or coal, or the quarrying of limestone; or in work about a blast furnace or steel mill engaged in the production of steel rails.

Think of the many, many millions of dollars that have been paid for the rails that have gone into the construction of railroads in Canada, in the manufacture of which not one dollar—not one cent has ever been paid to a Canadian workman. It has always been and continues to be drain, drain, drain upon the resources of the country to pay for rails made in Britain and Belgium. Canadian mines lie undeveloped, and Canadian workmen go without employment to the end that strangers may fatten upon what we send to them to pay for what we might just as well produce at home.

And yet we are told that Canada has what is said to be an iron policy, by which is meant that the fiscal laws of the country are framed with a special view to the building up of a Canadian iron industry. Can we ever have a true and successful iron industry that does not include the production of railway bars? We think not. If we did not have all the facilities wherewith the industry might be most successfully conducted there might be some reason for the murderous neglect of it. But there is nothing lacking, absolutely nothing. In the first place there is a large and rapidly increasing demand for rails. In the second place our country teems with all the requisites for the manufacture of rails. In the third place we have the technical skill and ability to conduct the enterprise; and we have the whole world upon which to draw for whatever we may lack. In the fourth place, under the stimulus of Government encouragement, we could easily and quickly obtain all the capital necessary. Then why not have a steel rail