

operation for many years, and it is to be supposed that as far as their management, their machinery and their appliances go, they can be operated quite as economically as American refineries. Why then should they be protected by the tariff to the extent of six dollars per ton more on their products than American refineries? This is not according to the ethics of protection.

We illustrate our contention by the presentation of a few facts. Mr. Foster stated in his budget speech that in 1889 the consumption of sugar in Canada reached the enormous amount of 223,841,171 pounds, or, in round numbers, about 112,000 tons. If this quantity of sugar were refined in the United States the protection upon it there would be, at \$10 per ton, \$1,120,000, representing what the refiners would obtain for their services. But being refined in Canada, the protection now offered by Mr. Foster would be, at \$16 per ton, \$1,792,000, or \$672,000 more than the American refiners under the McKinley tariff would receive for the same service. Why should Canadian refiners receive 60 per cent, or \$6 per ton more for their services than what the McKinley tariff gives American refiners? On June 19, 1889, the *London Times* published a letter from Mr. James Duncan, chairman of the British Sugar Refiner's Association, in which he stated that in the previous year 740,000 tons of sugar were refined in the United Kingdom in twenty-six refineries, employing 4260 men. An average distribution of production and labor in this British industry would give 28,450 tons to each refinery working with 164 hands. There are said to be four refineries in Canada, and it is supposed that they have capacity to manufacture all the refined sugar required in the country. This being the case an average distribution of production of 112,000 tons of sugar among them would be 28,000 tons each, a little less than the average to British refineries. On the same basis only 164 hands would be required to each refinery and the whole number of hands required to operate these four Canadian refineries, manipulating 112,000 tons of sugar per year, would be only about 650 men. Allowing that, as in the case of the American refineries, a duty of \$10 per ton is sufficient to maintain the industry, afford fair remuneration for capital invested, and guarantee employment to labor, we find that the higher Canadian duty of \$16 per ton represents an opportunity to the Canadian refiners to further benefit themselves to the extent of \$720,000 per year. This is not according to the ethics of protection.

Surely Mr. Foster must have viewed this question in this light when considering the duty he proposed levying upon importations of refined sugar. The high duty of \$16 per ton will effectually shut out all importations of refined sugar, and therefore the revenues cannot possibly be benefited by it; and he may be sure that the refiners—after the adjournment of Parliament—will govern their business according to the unique advantage he has placed within their reach.

TAX EXEMPTIONS.

ALLUDING to some recent propositions to exempt certain manufacturing concerns in Toronto from municipal taxation, the *Toronto Telegram* says:

While the taxes are bearing so heavily, especially on the

smaller property owners, it is hardly a favorable time to make large exemptions in favor of a particular class; and although the city is benefited by the success of her manufacturers, the extra burden that would be thrown on the remainder of the citizens by exempting business buildings and plant from taxation should be taken into serious consideration.

It would be a difficult matter, indeed, to estimate the number of persons who could claim exemption under such a broad heading as "manufacturer" on the amount of their assessment, which would foot up to a surprisingly large sum. While it is not denied that some firms are establishing themselves in the outskirts, at Toronto Junction and Mimico, and purposely without the liberties of Toronto, they are just as truly helping to build up the city of the future as though they were within city proper limits. It is only a question of time when Toronto will stretch out her arms and gather them all into one community. Great cities are not made in a day, and there is no great cause for alarm that manufacturers should seek relief from temporary high taxes by locating out of their reach. The neighborhood of a large city is necessary to them in many ways and eventually, when ripe for annexation, these places now struggling to obtain a foothold will come in as strong and flourishing towns.

The *Telegram* speaks in what it considers the best interests of Toronto when it deprecates showing any special municipal favor to manufacturing industries, and in the main we do not disagree with it, for as a class, all that our manufacturers ask is that they may have a fair show. But this is just what they do not have in Toronto, and because they do not have it we see quite a large number of very important manufacturing industries being moved away from the city, while at the same time we also observe that neighboring towns and villages are being chosen as sites for such industries, which would, without doubt, have been domiciled in Toronto if a fair showing could have been assured them. Important manufacturing industries naturally gravitate towards large centres of population, for it is there that the best facilities of transportation are enjoyed at the minimum of freight rates; and it is there that the supply of labor is largest and most steady. Of course the presence of large manufacturing establishments means large population, and it is this that makes a city prosperous. Whatever, then, that tends to drive manufacturing concerns away from the city, or prevent them locating there, is most assuredly a drawback to that city, and if the authorities thereof are wise and have the best interests of their city at heart they will remove whatever obstacles there may be to the existence of manufacturing industries there. It is the removal of obstacles rather than the bestowment of municipal favors that can make a city like Toronto rich in manufacturing industries.

The *Telegram* does not display any amazing amount of sturdy even-handed British justice, which it frequently professes to admire so much, when it intimates that although some Toronto manufacturers, driven away because of the unfair municipal treatment they experience, are establishing themselves in the outskirts of the city, and beyond the bounds of the present corporate limits, will soon be embraced in the arms of the municipal octopus. It tells these fleeing manufacturers that although they have purposely removed beyond the liberties of the city, it is only a question of time when the city will stretch out her arms and gather them all into one community. Why should it be so? Are these manufacturers never to be safe from the clutches of the city within the limits of which there is no industrial prosperity for them? In the