

plained of the excessive prices they were compelled to pay ; now there are none so blind as not to recognise the shortsightedness of their former views.) With this cheapness of production, arising from causes mentioned, comes a disposition to export, and this last season, for the first time in many years, we found part of the Canadian market occupied by American goods, and the whole of the foundry operations of the year suffered a contraction in perfect correspondence. That we shall, during the ensuing season, feel this to a greater extent we have no doubt, and are preparing for it by ceasing partially to manufacture, and in pursuing this policy we are not alone, for every stove manufacturer entertaining the same views, has either closed for a few months or discharged a large number of workmen. No one would complain of this partial occupation of our market, if we were at liberty, under similar conditions, to enter that of the Americans ; but that is quite impossible, as we have demonstrated to our entire satisfaction by repeated trial ; for beside the specific duty of one and a half cents per pound, we have to meet at the border, bonding and other charges, which in themselves are quite respectable. The result of this state of things will be felt, we believe, very severely, for the enterprise (which, during the past twelve years, has been developed to that extent, that the manufactories are more than capable of supplying the country) will not submit to further contraction, and in a very short time after it is definitely settled that the present unfortunate policy is to be permanent, the same manufacturers will supply the Canadian market from foundries just across the border, where they can have all the advantages of a practically unlimited market. We know that there are many who at present regard the manufacturing industries of this country as of no advantage to it, and we are glad to believe that they constitute a small minority ; but should this belief prove to be incorrect, and the tariff be so fixed as to afford no protection to manufacturers, the result will be so pregnant with evil, that the free-trader of to-day will have reason to regret such unfortunate legislation. In conclusion, we beg to say that should the Government conclude to favor the pig-iron interest of Canada with the needed protection, it should be done in such a way as not to prejudice the interests of the worker in iron. This might be done either by an offer of bonuses, or by a well-defined assurance to capital that when launched in the enterprise, it would have the earnest consideration of the Government, and, if need be, its fostering care.

Yours faithfully,

EDWARD GURNEY.

MEMORANDUM ON THE DEVELOPMENT OF THE IRON DEPOSITS OF THE DOMINION.

In advocating protection as a means for the better development of our iron deposits, the wonderful success of the United States iron industries, under a protective tariff, is offered as a most striking example, and, being comparatively within our view, will be more readily appreciated.

That country, which in — had only some — furnaces, in 1873 had in operation furnaces with a producing capacity of over 4,000,000 tons per annum. The immense increase in their exports of domestic iron manufactures (the trade rising from \$4,563,201 in 1862, to \$9,950,650 in 1873, and the increase in machinery alone being 12,228 per cent.) is most surprising. When we compare this with the fact that the export trade of Great Britain to the United States and Canada is diminishing, and that the United States is supplanting the British manufactures in our market, the time appears to have arrived to utilize the advantages we possess within our own borders.

The total quantity of iron produced in the Dominion in 1873, was some 3,226 tons, an amount perfectly insignificant when compared with our requirements, while the quantity of iron ore exported for the same period was about 47,200 tons. Now it is never to the advantage of any country to export its products in their crudest state, and to import the higher forms of such products. In a crude state they represent but a small amount of labour ; in high grades of machinery, &c., the material is the smallest item of cost, but that of labour is very large.