

ESTABLISHED 1866

THE MONETARY TIMES, TRADE REVIEW

And Insurance Chronicle,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal (in 1869), 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 "	11s. 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, 1392
PRINTING DEPARTMENT, 1485

TORONTO, FRIDAY, JUNE 11, 1897.

THE SITUATION.

As the session of Parliament draws towards the close, it becomes apparent that the tariff bill will almost stand alone among the important Government measures that will become law. The absence of the Premier at the Diamond Jubilee celebration in England, is given as the reason for dropping the Franchise and the Prohibition Plebiscite Bills. As there is no prospect of an early appeal to the electorate, the postponement of the Franchise Bill will have no sensible effect. To a plebiscite on Prohibition the Government is committed by its ante-election pledges, and the Prohibitionists may show some impatience at the delay. Prohibition, if carried, would raise an important question of how to fill the void in the revenue which it would occasion. The feat would not be impossible of accomplishment; but if the amount of revenue to be replaced could be raised in no other way, and resort to direct taxation, for the whole or some part of the deficiency, become necessary, ought not the plebiscite to ascertain the wishes of the electors in regard to this, as well as to Prohibition? The question has been raised, some say in the Government itself, and upon it there is a division of opinion; some holding that both questions ought to be decided, and others objecting to have the revenue question complicate that of Prohibition. Sir Richard Cartwright, expressing his own opinion to a deputation, said he did not think that the vote should be weighted down with the question of revenue which Prohibition would raise.

On the iron duties the clash between the demands of protection and those of free trade was felt, when it occurred in the House of Commons, was something of a shock. Mr. Fielding, put on the defensive, breathed an audible sigh for the return of "the good old days of a low tariff," in the belief that when these days come "we may hope for a measure of prosperity such as we have never had since the introduction of protection." He pointed out that "with iron and coal protected, in the Maritime Provinces, for many years, the country and its industries had retrograded and the population decreased," mentioning especially the constituency represented by Sir Chas. Hibbert Tupper. The latter backed a demand, said to have been made by others, that the protection should be in proportion to the capital and labor expended in the production of iron; that

to this end the duties on the finished product ought to be high. He professed not to fear British competition, but said our iron masters "do not want to be exposed to competition with those of the United States, under conditions that are unfavorable in the extreme." But he missed the real ground of objection, to which there is no reply, that preferential discrimination may deprive the country of the cheapest iron which it would be possible to import, on the supposition that the Americans can produce iron cheaper than the English. This is the one sound objection to discrimination, which no one who took part in the debate has noted. But it does not necessarily overbalance, and there is little reason to believe that it does overbalance, the general advantages of preferential reciprocity.

In discussions like that on the iron duties there should be ever present the one question to which the answer ought to be clear and unmistakable. All consumers are concerned to know whether it is possible to foresee a time when the sacrifices which the public has made, and is still making, in the form of protective duties, will cease to be necessary; in other words, when, if ever, the aided industries will be able to stand alone. Let us make the form of this sacrifice plain. Suppose the country to consume 1,000,000 tons of iron per annum, and that by means of a duty of \$10 a ton 100,000 tons of this amount were, after a few years, made in the country, the consumer would then have to pay two duties: one on the 900,000 tons imported, which would go into the public treasury, and another on the 100,000 (\$1,000,000) made in the country, which would go not into the public treasury, but to aid the manufacturers. If ever the time came when these figures were reversed, and instead of importing, we made in the country 900,000, and only imported 100,000, the two duties would still be paid; that on the 100,000 tons, \$1,000,000, would go into the public treasury, and \$9,000,000 to the home manufacturers. There might come a time when the extra price, equal to the duty on the home-made iron, would cease to be paid; in the United States this time has come at last, but not till after the lapse of nearly a century. Whatever extra cost of making the home product, it would be absolute waste, unless we succeeded in establishing the manufacture of iron so that it could go alone; and then the question would remain whether the success was an equivalent for the sacrifice borne. We do not here affirm or deny, but simply put the problem in a shape for easy comprehension.

With the passing of the preferential reciprocity clause, the backbone of the new tariff is strengthened. There has been a debate on the possible admission of New South Wales to the benefits of the reduced rates. The opinion that that colony would be entitled to the benefit of those rates was expressed by a member of the Government, but no steps had been taken to give formal effect to what appears to be the just claim of that colony. Particular interests may lose by a preference being given; but it is only given to countries whose general tariff is specially favorable to our trade, as a whole; what the few lose it is hoped the many may gain, with a good margin to spare. If preference, in any instance, by its discrimination, causes dearer goods to be bought in the place of cheaper, this country will lose on the particular transaction. But on the whole, it ought to gain in its purchases as a result of preference; get a larger share of the products of the labor of the favored country for the same amount of the produce of the labor of Canada than it otherwise would.

From time to time, within the last year or two, rumors have started that serious difficulties in the adjustment