

and diminishing sales. A short cut of timber, falling below requirements, would injuriously affect building by forcing up prices. The return on the capital actually invested in this industry would bring an increased percentage, but much of the capital that would otherwise have gone into this channel would find no employment there. There will be less capital than ordinarily to be returned from the forest, in the shape of lumber. But the winter is not yet over, and we cannot tell what may be in store for us before the return of spring.

The Canada Land and Emigration Company, which was formed about a quarter century ago, and purchased ten townships in Upper Canada, with conditions of colonization, has gone into liquidation, before it has fulfilled its obligations. One township, called after the chief promoter of the company, the late Judge Haliburton—Sam Slick—sent a deputation to interview Mr. Mowat, the other day, on the subject of the transfer of the obligation of the old to a new company now understood to be in course of formation, by Mr. Lockhart Gordon, of Toronto, and Mr. J. M. Irwin, of Peterboro'. The deputation pointed out that conditions of settlement, in the township of Haliburton, had not been complied with, and that the new company should be required to make good the default, or that the Government should resume the lands. It is an anomalous fact that while there were 200 settlers in the township, ten years ago, there are only 206 now. Are the lands which have not been taken up capable of settlement? It appears that the company has paid \$4,600 taxes on their unproductive lands, while the settlers paid \$4,300 on their productive farms. The deputation thought the company ought to pay more. The new company must in justice be held to the obligations of the one now in liquidation, unless the alternative of resumption for default be accepted, which is, we should think, not probable.

SHALL PROTECTIONISM FURTHER ADVANCE?

Last session of the Canadian Parliament, no marked advance was made by the protectionists. They were told, in reply to their applications for a further advance of Customs duties, that a rest for the present must be taken. Now they are preparing to make an advance movement. In the van are to be found the woollen manufacturers, who have all at once become stricken with grief at the alleged injury consumers are suffering from the importation of British shoddy. They say that this shoddy is made much lighter than formerly, and they are afraid purchasers will not find out the fact. They therefore propose that the *ad valorem* duty be raised from 20 to 25 per cent. and the specific duty of 7½ cents a lb. be doubled. The Canadian woollen manufacturers further aver that it would be in the interest of the consumer to keep out the shoddy now imported; in all of which they assume that the consumer does not know where his own interest lies. If he did, of course he would not pay for

this stuff more than it is worth. The consumer is not quite so foolish as these gentlemen represent; he is, if left alone, quite able to take care of himself. If he needed advice for his guidance, he would be likely to seek it from persons who have no interest in misleading him, who have not something of their own to sell him in place of that which he now purchases. The pretence of speaking in favor of the consumer in this case is the flimsiest veil ever woven to conceal the real purpose, and in point of fact it conceals nothing. The imported woollens, damned under the name of shoddy, come into competition with the domestic manufacture: this, and this alone, is the motive of action. The present duties—for there are two duties, one specific and the other *ad valorem*—are not high enough to bar out the British goods; the British manufacturer can compete with the Canadian, and the latter tells us that a prohibitory duty would subserve the interests of the consumer. For "consumer" read "Canadian manufacturer," and the truth will be expressed.

Mr. Bowell was told by the deputation that the United States is increasing the duty on this and similar kinds of cloth. The statement has not even the merit of veracity; the two Houses of Congress cannot agree upon any tariff bill, each having one of its own, and the difference between them is so great as to prevent a compromise. And even if the averment had been true, the United States, in the matter of tariff legislation, is about as unsafe a guide as it would be possible to find anywhere. Mr. Bowell, of course promised to lay the representations of the delegations before his colleagues.

The millers are going to petition Parliament for protection. In their case, there is room for enquiry, but with a strong presumption against the position they have taken. They tell us that in the years 1883-4 to 1886-7 both inclusive, it was necessary for the Dominion to import wheat or flour from the United States for home consumption. If by this is meant that, in these years Canada did not grow enough wheat for her own consumption, the statement is misleading and untrue. In these years, Canada raised a surplus of wheat. But for reasons of local convenience, or for some other good reason, both flour and wheat were imported in these years. Stress is laid by the petitioners on the fact that while there were 1,434,903 barrels of flour, there were only 760,300 bushels wheat imported, and the facts are pointed out to in support of the allegation that the duties discriminate against wheat, and consequently against the Canadian miller, and in favour of his American rival. If this can be shown to be so, a case for re-adjustment will be made out. But we cannot admit that the miller's petition resolves the question when it assumes rather than affirms that 4½ bushels of wheat are no more than an equivalent for a barrel of flour. This is the pivot on which the whole case of the Canadian millers turns, and it is the point which requires investigation. It is obvious that the Government and the Legislature, both of which are strongly protectionist, have

not been convinced that any injustice has been done to the millers in the adjustment of the duties on wheat and flour, or this interest would not have been the only one to suffer neglect and injury. No account is taken by the petitioners of the shorts and the bran.

It is quite possible that Minneapolis millers, with their improved machinery, which should be the best in the world, get more flour out of a bushel of wheat than the average Canadian miller; and that to make the duty conspicuously in favor of the Canadian miller would be to a certain extent a premium on inferior machinery. Many protective duties operate in this way, and retard the progress of the industry which they are intended to advance. As a matter of fact, does the Minneapolis miller consume 4½ bushels of wheat in making a barrel of flour? This, too, is a point for enquiry. Does the Canadian miller actually, on the average, get no more than a barrel of flour out of 4½ bush. of wheat? Do some get more and others only that much? And if there be a difference, is it due to the difference in the kinds and qualities of machinery used? If the best machinery were uniformly used, would no better result than that assumed in the millers' petition be attained? These are all matters for enquiry, and must be settled by independent evidence, the millers themselves being heard in their own interest.

The millers' petition does not stop short of the broadest statement on the point in dispute. It alleges "that under the present disproportion between the duty on flour as compared with the duty on wheat, it is impossible for the Canadian miller to import wheat from the United States for grinding, so as to be able to compete on anything like equal terms with the American miller in the sale of flour for consumption in the Dominion; that the United States miller who enters 1,000 barrels of flour into Canada for consumption has to pay only \$500 Customs duty, while the Canadian miller who imports 4,500 bushels of wheat required for 1,000 bbls. of flour has to pay thereon \$675 duty." The alleged inability to compete rests on the assumption that no less than 4½ bushels of wheat will make a bbl. of flour.

The millers have industriously asserted that the harvest of last year will show a deficiency of wheat, which will necessitate importation. Is there any connection between this representation and the movement signalized by the petition? The necessity of large importations of wheat as a reason for lowering the duty on wheat is alleged in the petition; but if there be such a necessity to supply consumption, the proper course for the Legislature to take would be to repeal the duties altogether, both on wheat and flour. The farmer could not be injured by the repeal, and the consumer would benefit.

The petition winds up with a trinitarian and elective prayer, Parliament being asked to select for the basis of action one of three propositions:

1. To reduce the rate of duty on wheat from 15c. per bushel to 12c.; and to increasing the rate of duty on flour from 50c. per bbl. to 60c.