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FREDERICK NICHOLS, GENERAL MANAGER,
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INDUSTRIAL WORLD OFFICE,
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THE NEW FRENCH TARIFF AND BRITISH INDUS- TRIES.

The *Journal Officiel*, of Paris, of the
instant, contained the promulgation
of the new French General Tariff, to
which we have frequently referred. The
British Ambassador at London duly
notified the British Government. Com-
menting on the announcement the *Pall
Mall Gazette* says: "Under the pro-
visions of the declaration between the
British and French Government signed
on the 10th of October, 1879, the dura-
tion of the under-mentioned commer-
cial treaties and conventions between
Great Britain and France will cease and
determine six months after the said date
of the 8th of May, 1881, namely:—1.
The treaty of commerce of the 23rd of
January, 1860. 2. Additional articles of
the 25th of February, 1860. 3. Second
additional article of the 27th of June,
1860. 4. First supplementary conven-
tion of the 12th of October, 1860. 5.
Second supplementary convention of
the 16th of November, 1860. 6. Treaty
of commerce and navigation of the 23rd
of July, 1873. 7. Supplementary con-
vention of the 21st of January, 1874. 8.
Declaration of the 24th of January,
1874. The new tariff, as we have
already pointed out, has created conster-
nation in parts of England, and no won-
der, for English Free Traders find
themselves confronted with the rapid
development of Protectionist principles
over the world. In an arti-
cle on the approaching termina-
tion of the Anglo-French Commercial
Treaty, the *London Daily Telegraph*
says: "In six months the Rouher-
Cobden treaty, which had controlled the
commercial relations of France and
England for over twenty years will come
to an end, the formal 'denunciation'
having been given by the French Gov-
ernment simultaneously with the pro-
mulgation of the tariff. The negotia-
tions for a new treaty between the
two countries will now begin at once,
and it is hoped, be continued ener-

getically, if there is an equal desire on
both sides to arrive at an agreement.
Appearance, at present, is far from
promising. It is nearly certain, how-
ever, that the French Government will
make no such concessions as those
asked for in the north of England. They
plead—with, there is no doubt, perfect
truth—that the present tempo of the
French people is protectionist, and that
it grows more so every day. In that
case what is to be done? The Man-
chester and Bradford Chambers of Com-
merce say that it would be better to
have no treaty at all than one which ex-
tinguished their trade, and many manu-
facturers demand 'retaliation.' This is
the alternative of reciprocity. 'If
France,' it is argued, 'is so liberal as to
insist upon free admission to all our
markets, while excluding us from hers,
let us retaliate by doubling the duty on
French wine, and reimposing duties
upon French silks, woollens,
velvets, gloves, and ribbons—
that is, taxes upon articles of luxury
only, which could not in any sense
hamper our own power of production.'
It is a remarkable fact that in the north
of England the cry for retaliation in
this sense is gathering force and vol-
ume every day, and gaining popularity,
not only among the manufacturers, but
among the working class. And judg-
ing from the present appearance of
things, the "retaliation" cry is likely to
increase in volume. There is all very
well in their way; but they have
not much chance when confronted with
the stubborn logic of facts.

THE AMERICAN TARIFF— TWO RECENT TREASURY DECISIONS.

During some years past strong com-
plaints have been made by American
manufacturers, to the effect that the
spirit and intent of the law was in many
important respects defeated by Treasury
decisions against themselves, and in
favour of the importing interests. Rightly
or wrongly, they have all along
believed that the party chiefly to blame
for these alleged anti-American inter-
pretations of the law was none other than
Mr. Fawcett, the Assistant-Secretary of the
Treasury, who, under successive chiefs,
has for several years remained in his
present office. It has been charged
against him that his sympathies are
more with foreigners and their American
agents than with home industry, and
that he has systematically sought to de-
feat the plain intent and purpose of the
law which it was his duty to administer.
So strong did the feeling against him
become, that last year a memorial bear-
ing many and influential signatures was
presented to President Hayes, asking
that he be dismissed, and that some one
in sympathy with American interests be
appointed in his place. However,
whether because it was the last year of
his own term, or for other reasons,
President Hayes did not disturb the ex-
isting situation, and when Mr. Secretary
Windom became head of the Treasury
Department, he found Mr. Fawcett at
his old post. It was not long ere the
manufacturers in two certain branches
brought to a test the question of what
the new Secretary of the Treasury could
or would do for them. On April 30th
a large delegation, representing the
makers of knitted goods, had a hearing
at the Treasury, and stated their case.
Their industry, they said, employed
100,000 operatives, and there was in-
vested in it capital to the amount of
\$30,000,000. During ten years, in ac-
cordance with what was on all hands
taken to be the meaning of the law,
such goods (of wool) when imported had
been made to pay a duty of 50c. per
pound and thirty-five per cent. *ad valorem*. Recently, however, this reading
of the law had been challenged, and a

decision of the United States Supreme
Court (March 29th) had announced that
only the 25 per cent. *ad valorem*, and no
more, could legally be collected. This
was followed by a Treasury circular
to the same effect, and the dele-
gation asked that the ques-
tion be reconsidered. On May
20th the court granted a stay of manda-
ment and leave to file a petition for re-
hearing, and on May 21st the obnoxious
order was revoked by the Treasury.
And the duty of 50c. per lb. and 35 per
cent. besides is now collected as heretofore;
though the last circular re-
storing the old rates intimates that this
is only "until otherwise instructed,"
and that a final decision by the United
States Supreme Court is yet pending.
The manufacturers in another branch
have not been so fortunate. Under the
tariff the article of hoop iron is charged
with a duty of 15c. per lb. Hoop iron
is a material used for binding up cot-
ton bales, and for the five million bales
or thereabouts of each year's production
a large quantity of this material is re-
quired. The English manufacturers
have been in the habit of making up
"cotton ties" in lengths ready for use,
with holes punched in them and one or
more rivets attached, and it has been
contended that the articles so made up
should not be classed as "hoop iron,"
but among manufactures of iron not
otherwise provided for, which pays 35
per cent. During the war the price of
iron was so high that the 15c. per lb.
and the 35 per cent. *ad valorem* came to
much the same thing. Since then,
however, through the fall in iron, the
15c. per lb. has ranged in the neighbour-
hood of 50 per cent. on the value, and it
has become an object to get the prepared
cotton ties in under the 35 per cent.
clause as goods "not otherwise pro-
vided for." In July 1880 the verdict of
a jury and the judgment of a United
States Court declared that this was law,
and that cotton ties should pay 35 per
cent. The present Secretary of the
Treasury re-affirms this decision in a
communication to the Chairman of the
Hoop Iron Manufacturers' Committee at
Youngstown, Ohio. He says that the
judgment of the court in 1878 has stood
through three Administrations, through
the terms of six Secretaries of the
Treasury, and through seventeen ses-
sions of Congress without change. He
cannot take it upon himself to undo a
precedent so well established, and must
therefore continue to administer the
law on the point in question just as his
predecessors did before. On this de-
cision the *Philadelphia American*, a high-
class weekly journal of strong Protec-
tionist views, has these remarks:—
"Secretary Windom has decided against
the claim of the manufacturers of cotton ties,
on grounds which seem to us highly unsat-
isfactory. But the decision does not surprise
us. So long as Judge French retains his
present position in the Treasury, the tariff
will be interpreted to the disadvantage of the
industries for whose protection it was de-
signed. Mr. Windom, or rather Mr. French,
bases his decision on the fact that, although
the manufacture of such ties from iron was
already established in 1864, when our present
tariff on iron was drawn up, no specification
of this class of manufactures was made, and
for years they were allowed to rank as 'un-
classified' under an *ad valorem* duty of 35
per cent., and that it is only since the fall
in prices of iron goods has made that duty
one-half as heavy as it was, that the demand
has been raised that it should be taxed at
the specific rate laid down for hoop-iron. We
fail to see how the remissness of the manu-
facturers in not demanding their proper
classification in 1864 bars their demand for
such a classification in 1881. The tariff taxes
hoop iron at a certain specific rate, and these
ties are hoop iron and nothing else. And
even though the Treasury may have been
careless enough to ignore this fact heretofore,
this is no reason why it should persist
in such carelessness. The whole muddle
shows the necessity for an early and thorough
revision of the tariff."

The "muddle" into which our neigh-
bours have got on the hoop-iron question
recalls what happened soon after the

making of the Cobden commercial
treaty between England and France.
Certain kinds of goods having been
specified as paying certain duties on the
French side, English manufacturers set
their wits to work to invent new fabrics
or variations of the old ones, and new
names besides for the express purpose of
evading the letter of the treaty. As a
matter of fact many *bona fide* new fab-
rics were being brought out anyway by
designers and inventors on both sides of
the Channel, a circumstance which
greatly assisted English manufacturers
in carrying out their plans. Very soon
the market was profusely supplied with
new fabrics in large and perplexing
variety, for which names and descrip-
tions to correspond could not be found
in the treaty at all. Under such cir-
cumstances the war of definition and
description might have been an exciting
one in either England, Canada or the
United States. But they manage these
things differently in France, whether
better or worse we need not here stop
to inquire. The French Executive
took the simple course of deciding
nearly all doubtful points in favour of
France, and the stern officialism of the
douaniers made attempted evasions of
the law particularly hazardous. Further,
under the French law the officers have
the power, if under-valuation be proved
to their satisfaction, of seizing the
goods, paying for them at an advance of
five per cent. on the alleged invoice
value, and then selling them for what
they bring. Suppose, for instance, an
article really worth \$1.50 to be entered
at \$1.00, no uncommon occurrence in
Canada, we believe. It would be seized,
\$1.05 would be paid for it, and it
would be strange if the Government did
not make 20 or 25 per cent. at least on
the transaction. Under the French
system, therefore, attempts to evade the
law by new names and new fabrics have
not been generally successful; but still
there is reason to believe that the ex-
perience referred to has powerfully in-
fluenced the shaping of the new tariff.
In the new French tariff the *ad valorem*
principle is wholly discarded and all
duties, without exception, are made
specific. It is these specific duties, so
difficult of evasion, and considerably
higher than the old duties, besides,
which are now raising such a storm in
England. We may freely enough con-
cede that to frame a tariff that cannot be
evaded is a difficult task, but it is not,
therefore, an impossible one—to states-

A CHANGE DEMANDED.

Of late we have frequently referred to
the growth of Protectionist principles in
the old world, and to the position of
isolation into which England is being
unwillingly forced. Having adopted
the Free Trade principle many years
ago, she is unwilling to take what her
statesmen and political economists look
upon as a retrograde step. When she
adopted Free Trade as her policy, the
hope was entertained that her example
would be followed by the leading na-
tions of the world; but that hope has
not been realized, and present pros-
pects do not encourage the belief that
at an early day her policy will be gen-
erally adopted. On the contrary, Protec-
tion, as we have had occasion to point
out, is the policy of the time; and such
being the fact, the practical question
which is beginning to occupy attention
in England is, how long can the coun-
try afford to follow up a generous trade
policy which nowhere is reciprocated?
In manufacturing districts the prevail-
ing feeling of dissatisfaction is finding
expression in protests and remon-
strances. Leading newspapers are begin-
ning to see the necessity of a change of
policy; public men are discovering
that there is something substantial in
the representations of those who are

suffering from a one-sided course, and
those in authority are earnestly urged to
give the "situation" their earnest at-
tention. The question is not a party
one, Conservatives and Liberals being
alike wedded to the Free Trade ideal.
Therefore, whether the Government in
office be Conservative or Liberal, the
same hostility to Protection will be
manifested until the "stern logic of
facts" necessitates the serious consid-
eration of the nation's ability to be over-
generous at her own expense. One of
the most recent expressions of opinion
on the subject appeared about two
weeks ago in the editorial columns of
the oldest and most influential of Irish
newspapers, the *Belfast News-Letter*, a
journal from which we have previously
made extracts on the same subject. The
article in question was suggested by the
provisions of the new French tariff
and the question of a new trade treaty
between that country and England.
We publish the article in its entirety:—

"Great doubts exist as to whether the
treaty of commerce between England and
France may take, or whether there shall be
a treaty at all. The French general tariff
will be published this week, and the present
treaty will expire six months hence. In the
meantime a new treaty might be concluded;
but it should be done before the 11th or 16th
of July, when the Chamber of Deputies will
dissolve. The new Chamber will not begin
work till November; so that, unless the
treaty arrangements be soon completed, Eng-
land will be soon confronted with the French
General Tariff, which is almost prohibitive. It
is said that there is much difference of
opinion between the two nations on the *ad
valorem* principle, the English being quite
willing to adopt it, while the French are de-
terminedly opposed. They say that they do
not doubt the declarations of Englishmen; but if
they conceded the *ad valorem* principle to
England they would have to concede it to all
other nations, and they have not the same
faith in the declaration of other nations. It
has been suggested that an escape from the
difficulty would be the transformation of the
ad valorem duties into *bona fide* specific
duties; but certain manufacturers, such
as those of Bradford, would complain
of specific duties. At a meeting of the Paris
British Chamber of Commerce, the new tariff
was discussed, and it was shown that on
several articles now charged with specific
duties the new rates are above the acknowl-
edged increase of 24 per cent., and serious
complaint was made respecting the new
duties on cottons and woollens; but what
may be the result of all the discussions and
all the complaints is not known. It would
not surprise anyone if France would almost
prohibit our national products; and perhaps
it would be as well if she were to do so, as in
that case England would be bound to retaliate
on French brandy, wine, silk, and ornamental
articles, which the public could well do
without, and which are certainly not an
equivalent for the duties levied on the
national industries. We cannot continue
the battle of the tariffs, and hold our own
against foreigners. This feeling is spreading
in England, and will spread daily, because
Englishmen are only beginning to know
something of the extent to which their pro-
ducts have been supplanted by foreign-made
goods, even in the United Kingdom. As a
writer in the *Birmingham Gazette* observed
a few days ago, the circumstances under
which the trade of the country is carried on
have entirely changed during recent years.
Formerly the foreigners could not do with-
out British assistance. They were com-
pelled to buy largely of British manufac-
turers, and, comparatively speaking, their
tariffs were harmless; but now they can dis-
pense with the bulk of British manufactured
goods, and there are many branches of indus-
try in which they can compete with British
manufacturers in their own markets. For-
merly it was thought—the Free Traders pre-
dicted it—that England was destined to be
the workshop of the world; but the foreign-
ers can now work for themselves with Brit-
ish machinery and British workmen, and
with the advantages of low wages and long
hours, which are unknown in the United
Kingdom. The workshop of the world pro-
duction turned out misleading; and if mat-
ters go on as they have been going, England
will not be a workshop for herself, much less
for the world. The sooner the Free Traders
confess that they have made a mistake the
better. Foreign countries will never meet
England on fair terms if they can help it;
and England is bound to do something to
take care of her industries. That something
is merely to tell Frenchmen and every other
man that they are so fond of protection at
their side they cannot be offended if they
have to meet it on our side. If England
would only try this system for a time—if she
would only seriously threaten to try it—the