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THE CHANGE OF TARIFF POLICY.

The announcement that Canada had concluded to make a change in its tariff policy, in the direction of moderate protection, was not likely to prove satisfactory to the countries from which she derives her chief supplies of manufactured goods; for in proportion as we manufacture at home we diminish the volume of our imports. But while English free traders lament the uprise of a protectionist policy in any of the outlying sections of the empire, they do not challenge our right to adopt a policy which, rightly or wrongly, the great majority of Canadians believe to be in the interest of the country. Assuredly the Americans have no right to complain of the decision which the Canadian electorate have arrived at. Canada will at worst but follow, at a respectable distance, we trust, the example set by the United States in their tariff legislation. The new Parliament is not likely to pass a tariff nearly so high as that of the United States; and while their tariff remains much more restrictive than ours, they can have no possible ground of complaint or remonstrance against us.

During several years past the States have been gaining on Great Britain as competitors for the supply of the Canadian market. This is owing to two causes. First, as the *New York Post* admits, American manufacturers have not unfrequently sold goods in Canada at less than cost; and, secondly, some of them have passed that stage when they were unable to meet foreign competition in foreign markets. It is a free trade axiom that manufactures which can command the home market only by the shield of a protective duty cannot successfully compete in foreign markets. And though this is true of new and struggling manufactures, it ceases to be true when they have grown vigorous and taken deep root. Taken as a whole, American manufactures can scarcely be said to have become formidable competitors against English; but they are rapidly displacing many kinds of English goods in the Canadian market. Proximity to this market, by reducing the cost

of carriage on American goods, gives the American manufacturer a natural advantage, and one which he will continue to have whether our general tariff be $17\frac{1}{2}$ or 20 per cent., or indeed any other figure.

In spite of the great difference between them, both the English and the American tariffs are framed with special reference to the condition of the countries to which they are respectively applied. Neither of them is suitable to Canada. The American tariff may not be the best that could be framed for that country; but it is so in the opinion of the legislative authority by which it is passed. Each of these countries makes a tariff for itself, according to the best lights it possesses. Canada has asserted her right to do the same thing; and in doing so she, a self-governed country, has not infringed any right of theirs. Of course English and American writers are quite at liberty to remonstrate, and point out how, in their opinion, we have missed the path of true prosperity. They are entitled to their opinions as Canadians are to theirs.

Protection will certainly now get a trial. We only hope it will not be carried to an unreasonable extreme; but that it will chiefly be applied, under the conditions and in the manner which so eminent a free trader as John Stuart Mill was able to justify. Some vagueness necessarily attaches to the assertion of the general principle; but taking the declarations of the responsible advocates of protection to Canadian industry in the bulk, we see no justification for concluding that extravagantly high tariff will be enacted. Legislative reciprocity is a term that has sometimes been used as indicative of what should be aimed at, so far as regards the United States. The term is capable of more than one meaning. Hitherto it has generally implied an agreement between two nations to assimilate their tariffs. It is now coming more frequently to mean the levelling up of the tariff of one nation to the height of another. The first of these forms of legislative reciprocity requires all the negotiations and agreements which precede the formation of a treaty, some of the binding obligations of which it still wants. It has sometimes been, and may again sometimes be, possible to get this form of legislative reciprocity, when it is not possible to agree upon a treaty. But the chances of such an agreement with the States are apparently remote. The other form of reciprocity is not distinguishable from retaliation; only it need not be vindictive but merely defensive. Canada is not likely to reciprocate the full measure of the American tariff; and whatever she does will be purely in the spirit of self-defence.

It is no doubt felt by the advocates of

protection, who have won so signal a victory, that that this shield needs most to be employed against the industrial war made upon our infant manufactures by the United States. The goods sold below cost in this market chiefly come thence. This sacrifice is too often the price paid by the holders of American stocks to realize cash; but whatever the cause, the effect on our manufactures of an abnormal competition, and one which we could not count on continuing, is not the less destructive. We should deceive ourselves if we fancied that the same sacrifices would continue to be made after the destruction of the home competition. It is possible, if more failures in the cotton districts of Lancashire are to take place, that England will, for a while, also seek in Canada a sacrifice market. We should make a great mistake if we supposed that a temporary supply of cheap goods, poured into the country to the detriment of our own manufactures, could be a permanent advantage, or that the boon conferred could overbalance the evil inflicted.

So far the way is clear. Beyond this, we traverse a region of darkness. The protectionists, if wise, will listen to moderate and reasonable counsels, and not make demands which the country is not prepared to yield, or which, if granted, would in the effect be the reverse of a public benefit.

BRITISH COLUMBIA'S MENACING ATTITUDE.

British Columbia makes a stand and deliver demand to have the terms of the Carnarvon award carried out at once, with the alternative of separation from the Dominion. In the settlement proposed by Earl Carnarvon the construction of a railway from Esquimalt to Nanaimo was intended. The Senate refused to accept the Carnarvon terms, and since then everything has been at sea. But, until last Spring, the preparations for constructing the railway on the mainland of British Columbia underwent no relaxation. Since then a halt has undoubtedly been made. Neither of the termini on the Pacific to which surveys have been made have been selected, nor has the survey of a third line, as recommended by the Engineer-in-chief, been commenced. We are not prepared to say that British Columbia has not ground of complaint in this inaction; but threats of separation are a form of remonstrance expressive of nothing but impotent anger. They are utterly unmeaning. But such was the temper of the House of Assembly, when it adopted the separation memorial, that all moderate counsels were rejected. An amendment, appealing to the British Gov.