

questioned whether it would not be wise to treat it as a part of Canada for trade purposes. The Government could not go that far, but there was another point to remember, which was that the importation of ore had led to a great development of the use of the nation's fuel, coal, and so did a great deal for the creation of a new home industry. He considered that the results had justified the Government's policy. The development of the iron and steel industry had played an important part in the development of trade, and he thought he should be able to prove that every dollar which had been paid out of the treasury in the way of bounty, had come back through increased general trade of the country. The customs collections at Hamilton, Deseronto, Midland, North Sydney, Sydney and Londonderry, where there had been great development of the iron industry generally for nine years past had reached \$11,785,036. For the previous nine years the similar duties amounted to \$7,101,850, showing an increase in revenue of \$4,683,186. The bounties during the nine years amounted to \$7,948,118, so that from the increased customs revenue they had coming back directly into the treasury a large proportion of the bounties. They must also take into consideration, although it was impossible to give the precise figures, the effect the development of the industry had had in increasing the revenue at other ports of entry, and the further fact that not only had it attracted a certain class of immigration, but prevented a number of their own people leaving Canada, as they were formerly in the habit of doing, for the United States.

Dealing with the bounty proposals, Mr. Fielding said it was proposed to continue them for 3½ years beyond the first of July, at which date they should have expired, and as a basis of the new bounties they would have 55 per cent. of the original bounties, which were \$3 per ton on pig iron from the native ore, \$2 per ton on pig iron from foreign ore, and \$3 on steel. Practically the new bounties would date from the first of June and run for four years. This for 1907-8 would give a bounty of \$1.10 on pig iron made from foreign ore, and a reduction to seventy cents and forty, respectively, in 1909-10. In regard to pig iron manufactured from native ore, in order to give such manufacturers encouragement, an advantage of \$1 would be given in bounty for three years and fifty cents in the fourth year.

Dealing with the provisions for encouragement of electric smelting, Mr. Fielding alluded to the successful experiments carried on at Sault Ste. Marie, and pointed out that by this system it was hoped that it would be possible to treat ores which were not commercially valuable, especially Ontario ores, when submitted to the older methods of smelting. The amount of bounties was exactly the same, but the period over which they were extended had been put forward two years. The reason for that was because it had been represented that it would take at least two years to bring these electric plants into operation. The value of electric smelting had been pointed out by a well-known Swedish authority, who had stated that by its aid it was possible that Canada would drive Swedish iron out of the markets of the United

States, Great Britain and Japan. In conclusion, Mr. Fielding said that the estimated cost of the bounties had been generally exaggerated. Taking last year's production as a basis, and adding 10 per cent. increase each year, the statement that the bounties would amount to varying sums ranging from \$18,000,000 to \$25,000,000, were greatly exaggerated. He considered a more correct estimate would be \$7,500,000, and a further sum of \$500,000 in respect of electric smelting.

In reply to Mr. Borden, the Minister of Finance stated that a high grade of iron was produced by electric smelting. Bounties in respect to certain rolled iron and steel had been abolished, those items being dealt with in the tariff. The bounty on wire rods was fixed at \$6 a ton, while, as it was considered desirable to encourage the wire industry in Canada, wire rods were allowed to remain on the free list. The Government considered after the liberal aid which had been granted, that at the expiration of the extended period these industries should become self-sustaining. At all events there should not be any claim for further bounties, and that they should, so far as it was possible to judge at present, then cease.

FREE TRADE AND POVERTY.

The free trade movement is making significant strides throughout the Dominion, as has been acknowledged by THE CANADIAN MANUFACTURER, a protectionist organ, which says that there is apparently a free trade feeling everywhere, while any general and active approval of protection is now 'conspicuous by its absence.' A cheering sign of the times is the free trade activity in Montreal, where we may soon see the headquarters of a Dominion free trade organization and a number of local clubs. Later on a weekly or monthly periodical may be launched. Mr. Archibald McGoun, K.C., the chief leader of the movement, thinks a membership of forty thousand should be obtained throughout the Dominion, and that the association would then be consulted in the choice of some of the members of parliament, and might even put up some of the candidates itself. What Mr. McGoun means by free trade, however, is not what was meant by Mr. Cobden, and what has been put into practice for over sixty years in Great Britain—free trade with all countries. Mr. McGoun's free trade applies to the empire only and does not include the United States or other foreign countries, although it is proposed to remove certain classes of duties on foreign imports. Still it is a great step in advance, and there is certainly logic in Mr. McGoun's contention that if, as has been our profession all along, we put up the National Policy wall against the United States because she put up a high wall against us, we ought, by like reasoning, to deal on free trade terms with Great Britain, because she admits us to her markets without restriction.—The Montreal Witness.

We are greatly inclined to boast of universal prosperity in Canada, and to make comparisons unfavorable to the old country. Yet the report of the medical inspectors of Montreal schools should give us some pause. According to them, nearly a thousand of the twenty thousand children attending our schools are underfed, and "the assumption is that their parents are too poor to provide them with proper food." If that is true, there must be slum conditions in this city which are a menace, and it is time that the facts were known. That there is a good deal of poverty among us seems to find confirmation in the fact, too, that nearly a thousand pupils are too poor to buy many necessary articles, and that poverty is ac-