

drawn to the fact that the Order-in-Council passed at Ottawa, Nov. 2nd, 1894, entitled, "Re drawbacks on imported goods used in Canadian manufactured articles, and exported," still remains, despite the protests and explanations of numerous Canadian manufacturers, who are debarred from doing business with the western agricultural implement makers on account of this order. The order in question, as is well known, was passed with a view of encouraging the exportation of agricultural implements to foreign markets, and provided for a rebate of duty on the material used in machines so exported. It was so framed, however, that the effect has been to compel the Canadian agricultural implement makers to purchase foreign material before they can avail themselves of the drawback. The result has been considerable loss of trade to manufacturers of Canadian pig iron. To be consistent with their policy of encouraging the native industry, the Government at Ottawa, whether it be Liberal or Conservative, must so frame the order in question as to leave the agricultural implement maker free, if he so chooses, to use Canadian material. So much for the present Government's consistency.

On the other hand, the leaders of the Liberal party evidently do not appreciate the iron trade as they should, and do not understand it in a broad sense, and have shown this by the repeated attacks that the leaders, notably the Hon. Wilfrid Laurier, have made upon the pig iron industry of Canada. In several of his speeches, Mr. Laurier has stated that the Canadian iron furnacemen enjoy a protection, aside from the bounty (which all admit was granted for the special purpose of defraying the work of development in mines, forests and at the furnaces), equivalent to an ad valorem duty of from 40 to 60 per cent. To prove his argument, he takes the selling price of southern American coke iron (the very lowest and poorest quality made in the United States) at \$6 per ton at the furnaces, and to this he adds a freight of \$4 per ton, so as to arrive at what he terms the tax on the Toronto buyer. This is wholly incorrect, inasmuch as the lowest price at which southern iron can be bought to-day is, say, \$10.25 per gross ton, and the freight to Toronto from Tennessee or Alabama is \$4.60, making the cost, in bond, at Toronto, \$14.85, upon which a specific duty of \$4 per net ton would be equivalent to an ad valorem duty of less than 30 per cent.; but Mr Laurier entirely overlooks the fact that there is iron and iron, and that to arrive at a fair average of the duty he will have to take into account the fact that Canadian founders use not only northern coke iron, but also higher priced southern coke iron, as well as Scotch coke and American charcoal pig iron. If our politicians, before making such statements, would simply refer to the official statistics on record at Ottawa, say for the fiscal year ending 30th June, 1895, they would find that the importations of pig iron for the last fiscal year were 33,944 net tons, of which the invoice value was \$370,574. Figured out at a price per standard ton of 2,240 lbs., this means a value at the furnace of \$12.13, to which add an average freight rate of \$4 per ton to any point in Canada, *i. e.*, from the furnace in Scotland or the United States to point of destination, and it brings the average cost per ton to \$16.13. The specific duty on this at \$4 per net ton is equivalent to an ad val. protection of just about 27½ per cent. As a matter of fact, the present figures, taking into account the high class charcoal iron used in this country, as well

as the lower grades of southern coke, will aggregate fully \$18 per ton, which would mean a protection equivalent to 25 per cent. ad valorem on the average freight, etc., for delivery at any point in Canada.

SPECIFIC AS AGAINST AD VALOREM DUTY.

As far as pig iron is concerned, a specific duty is the only fair and sensible basis. In the first place, it is the simplest to apply, and does away with possibility of fraud. It would simply be impossible for an appraiser, expert or not, to determine whether a pig iron was worth \$12 per ton or \$25, so that there would, as far as high-grade iron is concerned, be a wide opening for entering at fraudulent figures, if an ad valorem duty was applied. Then, again, an ad valorem duty would mean a tendency to lower the grade of iron imported, and therefore the class of work produced in this country.

In the case of food, clothes, etc., the argument against specific duties, that the poor man suffers, as he pays an equal tax on his necessity to that paid by the millionaire on his luxury, may hold, but this does not apply to iron, where the quality of pig iron to be used is determined not by the class of people the finished article is to be sold to, but by the purposes to which it is intended to apply it, and a costlier iron, for example, goes into the poor man's stove than into the rich man's furnace. The highest and most expensive grades of iron are used for the production of articles on which human life depends, such, for example, as railway-car wheels, structural work for bridges, buildings, etc. Any one will recognize that it is in the interest of all that the best metal should be used, and nothing done to operate towards bringing into use poor material.

ENCOURAGEMENT OF QUEBEC LEGISLATURE.

It is worthy of special note that the Legislature of the Province of Quebec evidenced, during the last session, a desire to encourage the iron industry in this province by passing the Hon. E. J. Flynn's Assembly bill, No. 21, entitled, "An Act respecting colonization of certain parts of this province, and for promoting the mining industry therein." By this Act the Canada Iron Furnace Co., Ltd., are created a colonization society, and 30,000 acres of woodlands are set aside or reserved for the purposes of colonization by the employés of the company. The industry is thus protected against speculators in wood lands, and assured of a constant supply of fuel. The Act is an eminently wise one, and great credit is due to the Hon. Mr. Flynn, Commissioner of Crown Lands, for this fresh evidence of good-will towards the mining industry of the province. It will be well for the Provincial Government to grant similar privileges to any furnace company starting work in the Province of Quebec, for while the Act does not go as far in encouragement as that of the Ontario Legislature, it shows good will on the part of our local legislators. It will be well for the people of Canada generally to give this whole question of the development of the iron industry more careful thought, consideration and sympathy.

We have wars and rumors of wars these days. Is it not well to feel that we are self-sustaining in this much-abused iron trade?

JOSEPH DOUGLAS, late of Douglas Bros., Toronto, is about to begin business on his own account at 211 Wellington street, Ottawa. He will undertake all kinds of roofing—slate, metal, felt or gravel—manufacture galvanized iron cornices, sky lights, metallic ceilings, ornamental metal work and the like, in all of which he has had much practical experience.