

—the producers of pig iron—amounted to only \$30,294. He thought that the country could well afford to make a material reduction in the duty upon iron, if the manufacturer in iron—the consumer of iron—would be enabled thereby to compete on better terms than at present with his foreign rivals for his own and for their market. On the other hand, Mr. Wilkie thought, the development of the iron industry in Canada is of even greater moment, and that any government that succeeds in developing that industry by bounty or otherwise, without undue pressure upon the revenue, would receive the thanks of the country, irrespective of party. He also declared that the establishment of iron furnaces in Toronto would add very largely to the wealth and importance of the city.

Not only Toronto but all Canada agrees most heartily with Mr. Wilkie as to the importance of what he calls the iron industry. But he knows that there are many branches of that industry, and what may be the raw material in one of those branches may be the finished product in another. Thus while pig iron may be the raw material of the foundryman who makes stoves, machinery, water and gas pipe, etc., it is the completely finished product of the furnaceman, who smelts it from the ore. It is impossible in the nature of things that all the various branches of the iron industry should view the tariff upon iron and manufactures of iron from the same standpoint; and it can only be by the exercise of the best judgment of the people that a happy and proper medium should obtain.

The first point, then, in the consideration of the question of whether Canada should establish and maintain an iron industry is to agree that if such industry must be of the widest scope, we must produce our own iron, smelted from the ores found in our own country. That is to say, if we are to have a Canadian iron industry we must, in the first instance, establish blast furnaces enough to supply the demands of other branches of the industry for pig iron. To all but the furnaceman pig iron is a raw material. Being agreed upon the importance of the blast furnace industry, our great anxiety should be to establish and build it up; and we know that under no fiscal system which has ever obtained in this country have we ever succeeded in establishing and operating blast furnaces enough to supply a tithe of the pig iron required. This has not been because we have not got the raw materials of pig iron—ore, fluxes and fuel—for we have them in abundance. Nor is it because we have not got the skilled labor and the necessary capital, for these are, and will always be, available whenever the other conditions are propitious. Free trade in iron, when we had it, was not propitious. A low revenue tariff was not propitious. A bounty of \$2 per ton—not \$4, as Mr. Wilkie is reported as saying, has not proved efficacious; nor has a bounty of \$2 per ton, and a tariff duty of \$4 per ton brought about the desired result. If yet greater inducements must be held out, it must be in excess of \$2 bounty, plus \$4 duty. What shall it be? We have knowledge that a company in embryo now exists in Toronto, where abundant capital is available to erect iron and steel works in this city, which would produce 300,000 tons of pig iron, and proportionately of steel, and would have entered upon the enterprise before this, if what the promoters thought proper encouragement had been extended. What do they think would be "proper encouragement?" Simply

that the existing duty of \$4 per ton should be continued for a term of, say, fifteen years; that the bounty of \$2 per ton now paid by the Dominion Government should be guaranteed for a like term, and that the Ontario Government should bestow a like bonus of \$2 per ton for a concurrent term of years. Some inducements to be offered by the city were also a part of the consideration. If this encouragement were offered and guaranteed, no doubt we would soon have the iron and steel industry here; and if the same encouragement were offered to all comers, no doubt Canada would soon be a producer of pig iron and steel to a large extent—large enough, perhaps, to supply a great portion of the demand. We do not think it possible that this situation could possibly be brought about under any less favorable terms than those indicated; and never, if the duty was materially lowered, as Mr. Wilkie suggests.

The question then is, Are we to have the industry established, as it is possible, through necessary encouragement; or must we forever forego the prospect of having it by following the suggestion of Mr. Wilkie?

The whole question hinges upon this point, and when it is decided, fixing the duties upon the other branches of the iron industry, will be comparatively easy. Thus, if it is decided to encourage the blast furnace industry, there would have to be an adjustment of the duty affecting wrought scrap iron, and perhaps rolled bars. The duty on wrought scrap could be very safely increased without the probability of increasing the price of bar iron; or if not that, then the duty on bar iron could be decreased with good results. And so on through all the forms of iron and steel. There may be quite a number of special forms and qualities of iron and steel which will not be made in Canada for a number of years, upon which comparatively high duties are imposed, and upon these it would be safe and quite proper to reduce the duties.

Mr. Wilkie's views, as reported in the newspapers, are somewhat vague but, perhaps the circumstances attending their utterance were against him. From his position in business circles in Toronto, and from his well known and enviable reputation throughout Canada, his suggestions will carry much weight; and from his open and outspoken advocacy of the National Policy for years past, we are assured that whatever influence he may see proper to exert in the direction indicated by his inaugural address, it will be as a friend of that policy, not as an enemy.

IMPOSE A DUTY ON STEEL RAILS.

SINCE the speech made by President Van Horne, of the Canadian Pacific Railway Company, at the recent Board of Trade banquet, in which he spoke favorably of the proposed fast trans-Atlantic ocean steamer service to and from Canadian ports, much interest has developed regarding the matter. It would, indeed, be a fine thing for Canada if we had such a service, and the cost was not greater than the worth of it. But there are other propositions which are being discussed which, in our opinion, would, if materialized, be of infinitely greater value to Canada. Among our most pressing and imperative needs we enumerate the establishment of steel works for the manufacture of steel rails and of other forms of