

INDUSTRIAL WORLD

AND NATIONAL ECONOMIST.

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A WORD TO THOSE INTERESTED.

The present is the first number of the INDUSTRIAL WORLD AND NATIONAL ECONOMIST, a journal the object of which is indicated by its title, and by this motto: "Home Manufactures and a National Policy for Canada." Its great aim will be the development of all the country's resources and the material advancement of the Dominion as a whole. With party politics it will have nothing to do; it will not be an organ either of the Government or of the Opposition, but will be thoroughly independent. Leaving purely political questions to other hands, it will address itself to the far more pressing issues connected with the country's progress, commercial and industrial. The endeavor will be made to fill a void now unoccupied, and to direct public attention to the country's national interests, regarding which there should be patriotic unity. It is believed that the question as to the best system for Canada, in the matters of public works and commercial policy, ought to be capable of settlement on a common sense basis, and in such a way as to command general assent. The possibility, nay, the perfect feasibility of bringing the whole people of Canada to agreement on questions of production, transportation and exchange, will be kept in view, and the ground taken that such questions should be as readily settled as the four simple rules of arithmetic. It is not to our credit that we are still disputing whether it would not be a wise plan to withdraw our custom from our own producers and to give it to foreigners. A quarter or half a century hence those who come after us will perhaps wonder how it happened that rational men could ever have thought to make this a great country by sending its wealth abroad to enrich foreign producers, its own producers being meanwhile left without a market. How there could ever have been two opinions on this point will be a standing marvel to the people of the twentieth century; it will be difficult for them to believe that men could be found in Canada the friends of every country but their own. It is not a mark of advancing civilization, but of still remaining barbarism amongst us, for instance, that Canadian iron ore in immense quantities is shipped off to feed American furnaces, we being unable ourselves to utilize the mineral treasures which Providence has bestowed upon us. We are unworthy of the gift if we are incapable of using it, and our incapacity is the more remarkable from the fact that our neighbors can and do use what was given, not to them, but to us. With those who are to succeed to our heritage, the wonder will be how such dense stupidity as that of sending millions of money abroad every year for foreign iron, while having mountains of iron ore at home, could ever have prevailed with practical men. The time is coming when such questions will not be matter of debate, any more than the rules of addition and subtraction, but meanwhile they are in debate amongst us, and the mission of this journal will be to hasten the country towards an agreement on this vital point that production at home is what makes wealth and employment for a people. On religion and politics men will continue to differ, but there should really be no room for them to differ at all as to the duty of a Government to protect the interests of its own people. It should not require proving that by protecting home industry we give employment to both capital and labor at home, whereas by buying abroad and letting home industry go to wreck we give both work and wages away to foreigners. The time is drawing near when this reckless surrendering of work and wages to foreigners, instead of keeping them to ourselves, will be looked upon by all sensible men as what it really is—national suicide—and when people will marvel that any community laying claim to civilization

could ever have been deluded with the *ignis fatuus* of Free Trade, falsely so called. The new journal will muster facts to expose the delusion so carefully propagated by Free Traders that their system is gaining in the world. It will be shown, on the contrary, that, outside of the British Isles, the advance made by Free Trade has been but trifling, that it was the accident of a day, so to speak, while the causes that are compelling civilized nations to adopt Protection are of extensive range, deep seated and permanent in their operation. The ground will be taken that as a country advances in material civilization, it necessarily becomes more Protectionist. It will be maintained not only that as a matter of fact Protection is now every year gaining a firmer hold upon all progressive nations outside of England, but also that this must be so—that no other result is possible. It will be insisted upon that Free Trade is, to young countries especially, an arre-tor of progress, while through Protection their resources are developed and their progress hastened.

The production of Canada is from the farm, the forest, the sea and the mine, with further employment for many of her people in the business of shipping and transportation. All these different producing interests require protection, and to secure it for them is the first duty of the Government. The new journal takes its stand on this principle that Ministers are not placed in their high positions to be mere figureheads, but should do everything that can fairly be done to protect home interests. Foreigners may be left to take care of themselves, we may safely trust them to do that. The mischievous doctrine that Government can and should do nothing for trade will be opposed from the start as a delusion and a snare. The due protection of all home interests is National Policy; any policy which neglects one or more of them is not national, but sectional only. Bearing this in mind, the INDUSTRIAL WORLD will strive to be really and truly an exponent of Dominion interests—the advocate of every interest which can possibly be developed in any corner of Canada, from Cape Breton to Vancouver Island. National Policy is for the good of the whole Dominion. For trade with the States we want to substitute trade between the Provinces. It is not a reality, but an illusion, to say, for instance, that the Maritime Provinces can buy American flour cheaper than Canadian. American flour stored in Portland, Boston or New York, is at the time nearer hand to Halifax or St. John than Canadian flour at Toronto or Montreal. But look at the real truth. The American flour, or say nine barrels out of ten of it has actually been carried all the way from Wisconsin, Iowa, Minnesota or Illinois—five hundred or a thousand miles farther off than the Ontario grain fields. If the flour offered in Portland and Boston were the produce of Maine and Massachusetts the argument of nearness might have some force. But as it is the produce of States from five hundred to a thousand miles farther off than Ontario, the argument of nearness is gone. The Halifax buyer of American flour is not really trading with Boston, but with Minneapolis—far, very far, to the west. It will be somewhat more of an even case when Manitoba and the Northwest send flour to compete with Minnesota. But, as both Canada and the States have flour to export, and as prices are mainly determined across the Atlantic, the idea that American dealers can give Eastern Provinces people cheaper flour than Western Canadian dealers can, is utter nonsense. Coming to another branch of trade, we may ask, for instance, whether boots and shoes are actually retailed any cheaper in Boston than in Montreal. The real truth of the matter is that, except in European goods, prices on both sides of the border, to retail buyers, are very much the same. And the idea of any of our people buying anything cheaper from the States than from Canada is an utter delusion, except when it may be a reality for a very brief time through the efforts of our neighbors to kill off our trade by selling at or under cost.

The new journal will take this ground—that the Provinces should trade with each other, rather than with the States. Admitting that there are or ought to be profits in both buying and selling, the policy advocated will be that of both buying and selling to the greatest extent possible in our own country. The coal of Nova Scotia seems placed there by Providence for a return freight westward, to balance in some degree the heavy amount of produce going east. Taking it to Toronto, it would not really be carried much further than coal is carried from Maryland or southern Pennsylvania, up the Hudson and thence to Oswego.

Coal at Oswego looks near, but, like Minnesota flour at Boston, it has really been carried a long distance. The INDUSTRIAL WORLD will endeavor to expose the false idea that we can deal with foreigners more profitably than with one another.

A large foreign trade is desirable, and will be advocated by the INDUSTRIAL WORLD. But this will be maintained throughout, that home production well established is the best basis for foreign trade. It will further be maintained that our largest trade should be with southern countries, with those that differ most from our own. The most profitable trade is that with countries whose productions are most unlike those of our own. The natural course of things is not for the Maritime Provinces to trade with Maine and Massachusetts, but with Cuba and Jamaica. Ontario's trade should not be with the States of Michigan and New York, but with Brazil and Demarara. To the extent that another country's productions resemble those of our own, the profit of trade with that country disappears. Canada being a northern country, trade with the tropics is what she should strive for. We want the raw cotton of Georgia and Alabama, but we do not want the cotton cloths of Massachusetts; we can make just as good and as cheap as these latter for ourselves. We want the cheapest and crudest form of raw sugar that Havana can send us, but we do not want refined sugar from either New York or Greenock. In a word, it is "trade with the tropics that we want, and everything that will fairly promote such trade the WORLD will advocate. First and foremost comes our own local trade, amongst ourselves, and next comes trade with countries and climates the most different from our own.

The need of a special journal to advocate the cause of home production will scarcely be denied by anyone. In the United States almost every important trade has its own special journal, and it is largely through the able and continuous service rendered by these journals that American manufacturing interests have grown strong and able to resist attack. The duties of a special advocate cannot well be performed by the regular political press, for such duties a paper of another class is required. All new and important inventions bearing on the progress of manufacturing will be duly chronicled in the columns of the WORLD, and care will be taken to present accurate reports of tariff and custom house changes in commercial countries; more especially in the British Colonies and the United States of America. For such information, frequently of great value to individuals and firms, the WORLD will be a mine of ready reference. The most accurate information available will be given respecting new and desirable foreign markets and, generally speaking, it will be the aim of the conductors to supply in its columns everything that manufacturers may wish to know, or might reasonably expect to find there. The WORLD will, in brief, be a Canadian manufacturers' paper, wholly devoted to home interests, while seeking also to promote the kind of foreign trade which is profitable, or may be made so. The distinction will be carefully maintained between the two kinds of foreign trade—one being that kind which keeps us poor and in debt, while the other is that by which we make and save money. It is believed that such a journal, to fulfil the duties above indicated, is really a pressing want of the time in Canada, and that the undertaking will truly deserve a large, liberal and earnest support.

THE PRESENT ASPECT OF THE TRADE QUESTION.

While the question of Protection or Free Trade is still debated in our own country, it may be interesting to take a glance at what foreign countries are doing with regard to it. At this very time there comes fortunately to hand an authoritative statement on the subject, in the form of an Imperial House of Commons return, bearing the recent date of March last, and giving the rates of import duty levied in European countries and the United States, upon the produce and manufactures of the United Kingdom. The last return of the kind was made in October, 1876, and therefore the changes of a little more than three years come under review. Considerable alterations are noted, and it is stated in the introduction that "the general tendency has been to increase the rates of duty," a notable admission, coming from investigators who must have been anxious to find all the indications that could be found of any progress made by Free Trade in foreign countries. The one exception remarked upon is Holland, which has abolished all duties on yarns of cotton, linen, and silk, on leather, and on copper, lead, and common copper and lead wares. The Dutch are still, however, thrifty enough to retain the small duty of 5 per cent on cloths, while admitting the yarns mentioned free; also on manufactures of

leather, and all but the cheapest and best-finished manufactures of lead and copper. In Russia the duties are now levied in gold instead of paper, an alteration which at the present rates of exchange, would give an increase of about 30 per cent. in the rates. There has been an increase of the duties on locomotives, pianos, spirits and leaf tobacco. Other-wise the Russian tariff has been but little disturbed during the period under review, but the ominous fact is noted that a proposal for increasing the duties on certain iron manufactures is under consideration. Sweden has raised the duties on sugar, spirits and unmanufactured tobacco; while Norway has, along with other minor alterations, increased the duties on spirits by about 35 per cent., and on tobacco about 50 per cent., and has put a duty on plate glass formerly admitted free.

The changes in Germany are the most important of all, for they amount to nothing less than the deliberate adoption, by that great Empire, of a thorough system of Protection, instead of the old system of modified Free Trade, which has until lately prevailed. The import duties have been very largely increased, and in the case of yarns a more complicated system of adjusting the rates has also been adopted. On the finer descriptions of cotton yarn the increase has been as much as 100 to 200 per cent., according to kind; on linen yarns, from 50 to 300 per cent. On cotton manufactures the increase in the rate of duties varies from about 25 to 50 per cent.; on linen piece goods of the finer qualities, from about 50 to 100 per cent., while on lace and on pure silk goods the increase is as much as 150 per cent., and on mixed silk goods about 70 per cent. (In all these examples, and others taken from the Return, the increase mentioned relates to the amount of the duty, and does not mean per centage of the value of the goods. When a 10 per cent duty is raised to 20, or a 20 per cent. duty to 40, it is said to have been raised by 100 per cent., having been exactly doubled.) Raw iron and steel, common iron and steel wares, and machinery, which were formerly admitted free, are now subjected to more or less onerous duties. Fresh duties have been imposed on certain lead and tin wares, and the duties on the finer manufactures of copper have been considerably increased. Coarse shoemakers' wares are now charged twice as much as formerly, while the rates on articles of fine leather have been increased about 60 per cent. The import duties on earthenware and porcelain have only been slightly augmented, but those on glass wares have been raised about 50 to 60 per cent. Duties on oils, candles, cheese, spirits, and tobacco have been increased in about the same proportion. In brief, Germany has decisively rejected even modified Free Trade, and has deliberately adopted a Protectionist system throughout. The important example of Germany cannot fail to tell with other countries.

Italy is the European country that has made the next most decided advance towards Protection as a system. The new tariff establishes considerably augmented rates on a large number of articles. The duty on cotton yarn has been raised about 20 per cent. on the coarser kinds, and over 100 per cent. on the finer. On the heavier manufactures of linen and cotton the increase is slight, but it is about 50 per cent. on the finer qualities of cotton, and on linen thread lace about 220 per cent. About 160 per cent. has been added to the duties on iron and steel rails, and about 50 per cent. to the rates on all but the commonest description of cutlery. In other respects the duties on iron and steel have been not been materially altered. Other augmentations of duty are:—On rolled lead, 100 per cent.; lead wares, 60 per cent.; sheet tin, 150 per cent.; tin wares, 15 per cent.; fine earthenware, 60 per cent.; colored or gilt porcelain, 40 per cent., and glass and glasswares about 50 per cent. There is also an increase of duties on many other articles, among them fine soap, stearine candles, petroleum, butter, cheese, cocoa, chocolate, sugar and spirits. Manufactured tobacco, formerly prohibited, is now admitted but only at a very high rate of duty—£40 12s. 10d. sterling, per cwt., which is equivalent to 7s. 5d., or \$1 7s. per pound, while in cigars the duty is half as much more. Unmanufactured tobacco is prohibited altogether. Evidently, Italy is not taking her steps in the direction of Free-Trade, and her example, together with that of Germany, will strongly influence the rest of Europe.

Austria has reduced the duties on coarse cotton yarns, but has increased them 30 to 50 per cent on the finer numbers. Bleached and dyed silk yarns are raised 80 per cent., pure silk goods 25 to 90 per cent., and mixed silks from 25 to 60 per cent. With many other instances of increase in the list, only a very few reductions are to be observed.

In Portugal the only increase has been on tobacco but a recent despatch says that the commercial treaty with England, which has been for a year awaiting