

I should be in possession of for my guidance in conserving the interests represented by the Association. Sometimes the information called for has been of a private nature, by which I mean that an answer to my queries necessitated the exposure of private business details, and I take it as a compliment that in no such case has the information requested been withheld and the confidence reposed in me has enabled me to conduct my duties with intelligence born of a knowledge of the facts of each case with which I have had to deal.

The importance of the interests which are largely represented by this Association may best be arrived at by a reference to official figures, which, imperfect though they be, give an idea of the magnitude of the industrial development of Canada during past years. According to the census of 1881, the output of the manufacturing industries at that date amounted to \$309,000,000; the hands employed in industrial pursuits numbered 254,935, and the annual amount paid in wages, \$60,000,000. In order to form an approximate estimate of the increase since the census year, I have taken a private census by means of circulars addressed to manufacturers throughout the Dominion, and, from information received, consider I am justified in stating that the above figures may with safety and correctness be increased at least ninety per cent.

As during the past year the manufacturing industries of Canada have, in certain quarters, been systematically belittled and attacked, I have thought it advisable to place on record in this, my official report, some reliable information as to the extent and value to the commonwealth of an interest which, although employing an army of Canadian artisans, and distributing nearly, if not quite \$100,000,000 annually in wages, has been sneeringly referred to by advocates of Commercial Union as a "flourishing little interest."

COMMERCIAL UNION.

At the date of our last annual meeting the question of Commercial Union had hardly been discussed, in fact, as far as my own knowledge carries me, I believe that really the first gun was fired in this brief and bloodless campaign by the delivery of a speech in its favor by Mr. Erastus Wiman at a dinner tendered by the Toronto Board of Trade to its retiring president. Since that event the advocates of this policy of national self-effacement have prosecuted their campaign with such energy and vigor as to inspire admiration of their tenacity of purpose, and regret that these efforts were not directed toward a furtherance of patriotic home development and self-reliance. So far as this Province is concerned, the test of public opinion has been applied. At a called meeting of the Toronto Board of Trade, an organization which numbers amongst its members representatives of every class of industrial, commercial and financial interests, the challenge was thrown down by the introduction of a resolution in favor of Commercial Union by Mr. Henry W. Darling, seconded by Prof. Goldwin Smith. This challenge was accepted on behalf of Canadian interests by a substitute motion directly opposed to Commercial Union, which was introduced by Hon. John Macdonald, seconded by Mr. D. R. Wilkie, and the result of the discussion, which excited great interest at the time, and extended over several evening sessions, was an overwhelming majority in favor of Mr. Macdonald's resolution. At present the agitation has lost much of its initial force, and notwithstanding signs of inter-

mittent activity, it is evidently becoming simply a matter of historical interest. In December last, at Ottawa, in company with several other newspaper men, I was afforded an opportunity of interviewing Mr. Chamberlain as to his views on Commercial Union, and his summing up of the whole question is concise and accurate. He said:—"You have to take three rather important steps before you could carry this matter through (*i.e.*, Commercial Union). First of all, you must have your plan and let other people know what it is; second, you must prove that a majority of the people of Canada want it, and third, you must prove that a majority of the people of the United States want it!"

THE TARIFF.

It is now generally admitted that the last general election was fought on tariff lines, and in response to the thrice expressed wish of the people the present Government during last session emphasized their tariff policy by the adoption of what I may term the Tupper Iron Tariff. Although at the time this step was considered as somewhat premature even by some protectionists, the dire results predicted by free traders have not been realized. It is as true as it was natural that such a progressive programme should in time develop some few anomalies, but I am pleased to note that comparatively little inconvenience has resulted, and that errors of tariff interpretation at the various ports have been corrected and made uniform by the careful rulings of the Board of Appraisers at Ottawa.

FOREIGN TRADE.

The history of other manufacturing countries teaches us that there are three well-defined stages of industrial growth. Firstly, the infantile period, when tariff protection is as necessary to healthy development as the fostering care of a mother for her offspring. Secondly, that period when manufacturers, protected from the slaughtering competition of foreign countries, have so far perfected their methods and increased their facilities as to be able to supply the home market; and thirdly, the period of maturity, when the freest competition with the world is invited. It is now many years since England decided she was of mature age, and signalized the event by a return to a policy of free trade. The United States, France, Germany and other industrial countries have not yet emerged from the second stage, the one upon which our own country is now entering. Such progress have we made, however, that in many lines which are peculiarly indigenous to this country we have overtaken the domestic consumption and are casting around us for natural markets wherein we may dispose of such a surplus as we are in a position to produce. When I refer to natural markets, I cannot agree with those who claim that the United States, because contiguous to our boundaries, are our natural markets. I venture the opinion that our best natural markets are such countries as produce dissimilar products to our own, and which, therefore, can consume many articles which we can manufacture, and which we can exchange for such commodities as are neither grown nor manufactured here. This being the case, the prime essentials for promoting trade with such markets is, firstly, a knowledge of their requirements, and secondly, rapid and economical transportation facilities.

Towards placing the first within reach of our manufacturers