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THE TRADE QUESTION IN AUSTRALIA.

The proximity of Canada to a great nation of fifty millions, with a thoroughgoing Protectionist policy, has created circumstances which are unique and exceptional, and really unlike those of any other British colony whatsoever. In our case there are exceptional circumstances of such importance that even staunch advocates of Free Trade, on general principles, may fairly admit the force of those practical reasons which have drawn us in the opposition direction. The problem may be put thus:—Given a nation of fifty millions, active, energetic, and enterprising, with another of only four or five millions touching it along a frontier of three thousand miles, is it possible for the latter to carry out a policy of even comparative Free Trade, while the former holds determinedly to a policy of high Protection? To this question the common sense of the country answers "no," though we still hear "yes" from some who feel themselves obliged to defend at all costs and on any basis a theory to which they have already committed themselves. But, however this particular question, relating to Canada only, may be answered, it has no application to the case of the Australian colonies. They have no Protectionist United States lying along their border, and they can consider the trade question apart from those peculiar complications which we have to deal with. Further, these colonies have been less open than Canada to Protectionist influences, and have been more exclusively influenced by the Free Trade concept and example of the Mother Country. And yet there, as well as here, Protection is making headway, though not to the same extent. On this subject we get some information of recent date from the correspondence of the London Times. The letter referred to is dated the first of January last, and it is worth noting that it comes from Sydney, the capital of New South Wales, which is the most pronounced of all the Australian colonies in favour of Free Trade.

At that date an Intercolonial Conference, assembled at Sydney, had just concluded its labours. This was in continuation of a Conference held towards the close of last year at Melbourne, at which only three colonies were represented, and the primary object of which was to come to some arrangement as to border Customs between the Governments of New South Wales, Victoria, and South Australia. The practical meaning of the term "border Customs" in Australia may require a word of explanation. New South Wales allows comparative Free Trade, while Victoria, the neighbouring colony, has imposed protective duties, for the avowed purpose of developing home manufactures. In Sydney and Melbourne, or anywhere along the coast, the two systems respectively can be administered without conflict with each other. In the interior, however, long-extended boundary lines running through sparsely settled districts complicate matters very much, and the revenue laws of one colony are easily defeated by adventurers having the near territory of another for their base of operations. Some idea of the situation may be had by imagining the Province of Quebec, for instance, to have adopted a policy of Protection, with Free Trade as the law of the land in Ontario and New Brunswick. Other important topics were, however, introduced at the Melbourne Conference, and it was resolved to adjourn and invite colonies not there represented to take part. At the Sydney Conference all the Australian colonies were represented, and many and various subjects were discussed. An agreement was arrived at as to an Australian Court of Appeal, the execution of warrants for the arrest of offenders, for the apprehension in any colony of men deserting their wives and children in another, and for anticipating by telegram the effect of such warrants. On other subjects unanimity was not obtained, and the Times' correspondent says that at the head of all disputable points was that of the future Australian tariff. It is seen plainly enough, he continues, that there can be no Federation without a Customs Union; and the different colonies have such different financial needs, and are so variously circumstanced, and have developed such different lines of fiscal policy, that it does not seem possible at present to agree upon any common tariff. The chief difficulty, however, it is said, lies with the Protectionist policy of Victoria, a statement which, coming from a Free Trade source, at once disposes of recent rumours to the effect that the people of that colony are "going back" on Protection. Had Protection proved a failure with them, as some assert, there would have been no great difficulty in persuading this colony to join the rest of the group in framing a comparative Free Trade tariff. But the fact that there is a great difficulty, and the statement as to where it lies, speaks volumes, and gives us to understand that at least one Australian colony, that one being the most progressive of them all, has adopted Protection as its permanent policy. The conference was asked to go to work with the tariff of New South Wales as a basis, but to this the Victorians objected, asking that their tariff be taken for a basis instead. Ultimately, a resolution was carried in favour of a Joint Commission of all the colonies, except West Australia, to consider and construct a common tariff. The Commission, it is said, will probably be formed, but whether Victoria will be a party to it is uncertain. The idea of this Commission is due to an impression that it may be possible for the other colonies to unite, even if Victoria does not, and that at any rate a partial Customs union might be adopted, even if a complete tariff cannot be agreed upon. The fol-

lowing paragraph we give in the correspondent's own words:—

"All colonial politicians perfectly understand that the British Government wished to see the Australian colonies federated, and at the same time wishes to see them adopt a Free Trade policy. Unfortunately, we cannot have the two things together. We could probably get federation pretty quickly if we could surrender Free Trade; but New South Wales is quite unwilling to adopt that course, and in taking that stand sets a varying degree of sympathy from the other colonies. Mr. Berry (Chief Secretary of Victoria) ridicules the pretended enthusiasm about Free Trade in Sydney. He argues that there is not such a thing as an absolutely Free Trade tariff among any of us, that consequently Protection is not a question of principle, but only a matter of more or less. To this it has been replied that the whole of the New South Wales tariff has been constructed with a view to revenue, and that any protection it may involve is incidental and undesigned, while that of Victoria is deliberately framed on the principle of protection to native industries. Under those circumstances, a complete Customs union must for the present be deferred."

These few lines of information, coming from a Free Trade source, and through Free Trade channels entirely, may convey to us, even at this distance, a fair idea of how the trade question stands with our antipodes kindred. It is something to know that Victoria resolutely "holds the fort" for Protection, while New South Wales, taking a stand for Free Trade, gets what is called "a varying degree of sympathy from the other colonies." The two principal colonies of the group appear as champions of the two systems respectively; and much interest attaches to the result of the struggle. Let it be remembered, meanwhile, that the Free Trade party have on their side all the weight of influence—governmental, financial, commercial, literary and social—that can be brought to bear from the Mother Country. The Protectionist appeal to the popular ear will have to be strong and effective indeed to prevail against such odds. We firmly believe that it will prevail, however; and, further, that the example of Canada will not be wholly without influence, even on the other side of the globe.

THE CANAL QUESTION.

Our neighbours across the line are considerably exercised over the canal question. The important enlargement of the Welland and the improvements on other canals have caused no small commotion in the State of New York. About a year ago the New York Herald sent a special commissioner—commissioner is the word now—a days—to Canada to report upon what was being done. He did his work well. His letters attracted considerable attention, and upon them were based many newspaper articles, urging the necessity of enlarging the State canals, if they were to enter into competition with those of Canada, as routes for the conveying of grain to the seaboard. In the American Protectionist of the present week there appears an article on the subject, from which we call some extracts. "The New York State Legislature," says the Protectionist, "has at last inaugurated a movement for free canals, and we may expect that the people will soon be permitted by their political attorneys to vote upon the necessary amendment to the Constitution. It was high time. The Canadians are determined to give us no rest, and to bid any amount for the grain trade of our great North West. Last week a deputation from the Montreal Board of Trade called upon the Ministers of Finance and Agriculture to suggest the removal of all tolls on through freight passing through the St. Lawrence and Welland canals. This suggestion, it is said, was received with much favour, and we may well believe it. Should the Dominion succeed in securing any large portion of the commerce to which our exports of grain give

occasion, the loss of canal tolls to her Government would be trifling compared with the gains of her merchants. We must express some surprise, however, at the attitude of the New York Commercial Bulletin on this question. Our cotemporary, though it boasts of representing the commercial interests of this great port, is opposed to free canals. The argument deserves a passing notice and may be summed up as follows:—'The Canadians should be allowed to monopolize our grain trade if they can afford to be so liberal as to provide a free water way for the export of our products, for if on our side we should make our canals free, and it were found that the Canadian route was still offering superior advantages, we could not preserve our trade in any other way than by paying a bounty to the shippers on all freight passing on our own water lines of communication. Therefore it were better to lose our trade at once.' This suggestion the Commercial Bulletin respectfully recommends to the consideration of the large majority in the New York Produce Exchange, who have voted for the abolition of the canal tolls.' The majority so respectfully addressed is likely to laugh very disrespectfully at this unexpected modification of Greeley's advice: 'Go to Canada!' Evidently our neighbours are beginning to realize the fact that Canada as a rival, in some respects at any rate, is not "to be sneered at." When they abrogated the Reciprocity Treaty, they fondly hoped that they would coerce us into political annexation, but they found out that Canadians have no desire to consummate such a union; and when we adopted a policy of protecting our own industries, they came to the conclusion that it is not the intention of this country any longer to be a hewer of wood and driver of water to the United States.

THE SUGAR QUESTION IN NOVA SCOTIA.

We transfer in its entirety to our columns the following article from the Halifax Free Era, entitled "Our Sugar Refinery": There is, probably, no object of greater interest, at the present moment, to the people of Halifax, than the successful working of our new and magnificent Sugar Refinery. Magnificent is a term, perhaps, that may be thought too grandiloquent to apply to a sugar factory, but we humbly think it may be well allowable in this particular, when not only the whole population of our city, but also of our whole Province, has been for a long period hopefully looking forward to its completion and successful working. As it now stands, perfected, and in actual working order, it may be well said to be truly magnificent in its proportions and machinery. Magnificent, also, in its admirable situation, commanding a water front and dockage that may well claim no superior in the world, and where the imported raw sugar of East and West Indies, Brazil, Cuba and British Isles can be landed, at all seasons, and in all tides, in a safe dock-ago for the vessels bringing and landing it, almost into the very melting pans of the factory, and thus command the very lowest possible freight terms, and, more especially so, when the ships bringing such cargo can be offered a fair chance of outward freight, as several of the sugar ships are now availing of, in deal freights to England, and other increasing railway products, brought close to the factory, and lastly, we trust it will be magnificent in its perfected product of the various grades of refined sugars, and above all, by-and-bye, magnificent in its dividend to its enterprising shareholders. In so large an adventure in a new business, there will be, doubtless, among many people, a serious question of its success,

on so large a scale, for this factory is, if we are rightly informed, perfected in every particular, in full staff and machinery for the output of 5,000 barrels of refined sugar per diem, and it is, we believe, a recognized fact in such cases, that, for profitable working, the largest product attainable should be manufactured. It therefore, becomes an important consideration—in fact, one on which the profitable working of the factory, in a great measure, depends, where can a favourable market be found for its large product, when working to its greatest extent? As far as Nova Scotia is concerned, we know that a very small proportion of refined sugar, has heretofore been used, in comparison with the annual import of Muscovado sugars and molasses; but as in Europe, and now in the United States, doubtless this will all be changed in a very short time. Our people will, from moderate prices, especially in the lower grades of refined sugar, soon be educated up to use refined sugar altogether, and thus the consumpt will be largely increased from month to month—in fact soon take the place of raw or Muscovado sugars altogether. We must, however, bear in mind that the whole estimated consumpt of sugars, of all kinds, including maple, is estimated at 28 to 30 lbs. per head, for 4,000,000 people, the whole estimated Dominion population. As we before remarked, our refinery must be kept in full operation, its best results are to be looked for. An opening must, therefore, be found for a considerable excess of production, beyond our local requirements, or even our Dominion consumption, until, as we before remarked, our people are larger consumers. We might, therefore, feel some doubt as to the future of this industry, had we not the experience of other countries, largely engaged in the same industry, for our encouragement and guidance. Let us, for instance, look to that bee hive of industrial production—Belgium; this thriving kingdom is but a little in advance, in population, of the Dominion of Canada, as it is stated at 5,113,680 against our rising 4,000,000. Yet here, in Belgium, the sugar refining industry is proportionately, the largest in Europe, and we may well be amazed when we find Belgium manufactures and sells the product of 41 cane sugar refineries, and 170 manufactory of beet root sugar besides—all productive of large profits and immense advantages to her people. The consumpt of sugar and treacle in Belgium is small yet she finds profitable sale for her enormous product of refined sugar. It would be interesting, indeed, had we the means of tracing out her large export sale, and would doubtless, be of great advantage to those more immediately interested in the direction of our large establishment to make themselves practically acquainted with her efforts in so successfully disposing of so large a product of her refined sugar. What makes the action of this little kingdom in this sugar industry the more remarkable is that she is surrounded by the extensive sugar refineries of France, Holland, Germany and England. To whom, therefore, does she export her sugar? Where does she find profitable sale for her large product of refined cane sugar? To say nothing of her beet root production? That she does so, and that in increasing proportion, is as evident as that the sun shines. On this point we are not informed particularly, but are inclined to think Belgium largely supplies the Spanish, Italian and Sicilian markets of the Mediterranean, and perhaps the larger markets of Portugal, all large consumers of refined sugar. Thus, Belgium, with like population as to numbers as the Dominion of Canada, has 41 refineries of cane sugar, besides her large number of beet root factories. Let us, therefore, say Canada is