

articles, the principal materials used being steel, pig iron, bar iron and nails. McCormick of Chicago, and the Deering Company also, can get a ton of pig iron for \$9, while it costs us \$16.50 a ton—and this though we buy from the same company. This is because of the Canadian high tariff. Similarly with steel, bar iron, nails, etc. The difference between the Canadian duty and the new American duty is very great, being at least 50 per cent. higher in Canada. Just as \$9 is to \$16.50 so is our ability to compete with American manufacturers in foreign markets so long as we remain in Canada. We have, I repeat, either to withdraw from the foreign markets or go to the United States—and we intend to go to the United States. That new Democratic tariff of yours will benefit your country immensely. By freeing raw materials it will cheapen the cost of manufactured articles both to manufacturer and consumer. It will draw to your side manufacturing concerns from Canada who want a wider market and an opportunity to manufacture goods cheaper and more profitably. It is that new tariff which has attracted us to your shores.

Of course this matter excited a great deal of interest in both countries. The substance of what Mr. Massey said was sent out as a press telegram in all directions and called forth many expressions of opinion both favorable and unfavorable as regards the fiscal policies of the two countries. In fact soon after his deliverance to the New York newspaper man Mr. Massey woke up to find himself famous or the contrary according to circumstances. In Canada the enemies of protection are making use of the incident to injure the cause of protection, and unfortunately the friends of protection have thus far failed to show the real weaknesses of Mr. Massey's contention. One thing is certain, however, and that is that Mr. Massey and his company are not enraptured at the expressions of opinion being so freely spoken regarding them by newspapers and individuals on the Canadian side of the line. They have discovered that they have blundered very badly in a matter where blundering assumes a character almost akin to crime. With the ingratitude of the viper that stung the bosom that had warmed it into life and energy, they have denounced the policy that made them what they are. Let sink who may, their efforts are to float on a sea of prosperity regardless of the necessities of the weaker ones who also desire to live. That Mr. Massey is conscious of the fact of his having blundered is shown in a letter written by him only a few days ago to the editor of *The Cataract* in which he protests that he had been misrepresented, his desire evidently being to retrace his erroneous steps if possible. Fortunately in the interest of truth and of all concerned the editor disavows the possibility of any misunderstanding in his interview with Mr. Massey, and insists upon the correctness of the original report.

A noticeable feature in this matter is that the Finance Minister, Mr. Foster, deemed it of sufficient importance to correct some of the wild statements made by Mr. Massey. Mr. Foster shows that while the duty on agricultural implements had been reduced from 35 to 20 per cent., it is not true that the duty upon the raw materials used in that industry have not been reduced. It is true that the duty upon pig iron was not changed—that it is the same now that it has been ever since the Tupper tariff came into force—but the duty upon puddled bars has been reduced from \$9 per ton to \$5; that the duty upon bar iron and

steel has been reduced from \$13 per ton to \$10; that sheet iron and steel of No. 17 gauge and under has been reduced from 30 per cent. advalorem to 5 per cent.; that all forgings of iron and steel formerly dutiable at 12 cents per pound were reduced to 35 per cent., but not less than \$15 per ton; that malleable castings were reduced from \$25 per ton to 25 per cent. advalorem, and that considerable reductions had also been made upon nails, screws and all kinds of hardware. Mr. Massey was well aware of these important tariff reductions at the time he was being interviewed by the American newspaper reporter, and it was because his wild and unreliable statements regarding the tariff were doing much mischief the Finance Minister saw proper to correct them.

If the contention of the enemies of protection is true that the duty upon an article enhances its cost to the extent of the duty, then it is clear that if the Massey-Harris Company should remove one of their factories to the United States, they would not be in as good position to manufacture for export as if they had continued in Canada, for not one of the raw materials to which Mr. Massey alludes but what is protected in the United States even under his beloved Democratic tariff, quite as high or higher than similar articles are protected in Canada; and this fact any reader can verify by reference to the tariffs of the two countries, as recently reproduced in these pages.

If the Massey-Harris Company really intend to remove one of their factories from Canada to the United States, it is because of inducements other than those mentioned by the senior member of that concern. If they intend making the removal, or even if they do not, their actions indicate that they are to some degree actuated by a spirit of spite against the Government because they failed in bulldozing the Government to either restore the duty upon agricultural implements to 35 per cent., or to give them free pig iron, bar iron and steel, as they demanded during the late session of Parliament, as alluded to in these pages at the time.

THE NATIONAL POLICY AND EXPORT TRADE.

The chief reason assigned by Mr. H. A. Massey for the desire of the Massey-Harris Company to transfer one of their Canadian factories to the United States was that they desired to increase and extend their export business in agricultural implements, and that in that country they could obtain their raw materials cheaper than in Canada. If the statement had rested there no one would have been justified in objecting to such a change being made; but when in support of the contemplated move Mr. Massey saw proper to make assertions concerning our tariff that were misleading, and which could not be verified by the facts, his proposed action became fully open for criticism.

In this article we do not propose to criticise Mr. Massey and his company, but rather to show that there is much truth in the statement that the United States tariff deals much more favorably with manufacturers of articles for export than the Canadian tariff. Under the Canadian tariff, where foreign materials are used in manufacturing for export, a reimbursement of 90 per cent. is made of the duties paid upon such materials, always provided that such materials are not of a kind produced in Canada; while in