

has been applied for the most part in the payment of labour in one or other of the many forms which it assumes between the raw material and the finished commercial products of our mills and forges. Obviously, therefore, if our Canadian trade were to be lost to us, the loss would at once affect the working classes, who are already so greatly reduced by the depression of the iron and steel industries.

7. There are high economic and State reasons why the Government should endeavour to interfere, if possible, in order to avert this.

The number of workmen employed in our iron and steel works has been largely reduced within recent years. It is calculated that in our finished iron trade alone, the number of operatives at the present time is about 40,000 less than it was a few years ago. Much of our most skilled labour has consequently migrated to the United States and other countries where their knowledge and skill were employed against home industry, instead of on its behalf. The unemployed labour that remains with us is either largely drawn into other industries, or is thrown upon the community, causing both those who support and those who are supported, to desire and to agitate that the existing and economic conditions may be altered. The probability is that if the present unsatisfactory state of things is much longer continued, a large part of our best skilled labour will be permanently lost to us, and what has heretofore been our chief indigenous industry will dwindle and decay.

8. There would appear to be other high reasons of State why the Imperial Government should make a great effort to arrest this movement. Canada has been, like many other colonies of the British Crown, a costly possession for England. We have maintained a navy which has cost us, during the last 15 years, for ships alone, upwards of 57,000,000 sterling. We have incurred enormous responsibilities for the same end, and the recent fishery dispute with the United States showed how great and imminent was the chance that we might at any time be called upon to meet them. British capital has, moreover, done a great deal to help Canada to construct her railway system, without, as yet, having received any equivalent. To now shut out English manufactures, as it is proposed to do, would be to take the surest possible means of alienating both the affections and the interests of the two countries, and would probably bring about, as an ultimate result, a complete political severance which could be good for neither.

9. The Canadian iron industry is not as yet developed to any material extent. There are scarcely any indigenous resources provided for meeting the most pressing wants of the country in iron and steel. The effect of imposing the proposed new duties would certainly be to induce an unnatural, and therefore unhealthy, development of new enterprises on Canadian soil, probably in localities quite unsuited for the iron manufacture, and if the supply of the requirements of the Dominion were limited to such works, the probable effect would be, not only an enormous increase of price to the consumer, but the production of very inferior and inadequate materials; while the only parties to be benefited would be a few capitalist adventurers, whose fortunes and whose prospects would be improved at the expense of the great mass of the populations, alike of the mother country and the Dominion.

10. The future, as well as the past, of the Dominion must be mainly dependent on agriculture. The agricultural community is not only interested in getting implements, railways, and other things into which iron and steel enter largely at the lowest possible rate, but they are also immensely interested in securing an outlet for their surplus produce. As it is at present, that produce is being imported into Great Britain in increasing quantities. The progress is, however, but slow, and the statistics which illustrate it clearly prove that Canadian wheat and flour do not easily compete with that which we import from the United States, India, and other countries. Canadian competition has hitherto been greatly aided by the fact that vessels which enter the Dominion ports with remunerative freights of iron and steel wares, can afford to bring back grain cargoes at low rates. But if, by the imposition of a prohibitory tariff, the exports of iron and steel to Canada should be seriously reduced, such a result must re-act most unfavourably upon Canadian agriculture, by compelling the payment of much higher freights for grain cargoes, and to that extent disabling Canadian wheat growers from successfully engaging in the race for supremacy in the markets of Great Britain.

11. To illustrate this latter argument, it may be sufficient to observe that our exports of iron and steel to Canada in 1886, and our imports of wheat and flour therefrom, almost balanced each other in weight. Presumably, therefore, there were pretty fully and fairly remunerative freights both ways. But if there were to be freights one way only, the trade in the importation of Canadian breadstuffs would almost certainly cease,