

SPIRIT OF THE COMMERCIAL AND INDUSTRIAL PRESS.

A TARIFF FOR REVENUE ONLY

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When the Union entered upon its career, the first Congress at its first session, in its first act of general legislation, proceeded to execute the trust in the Constitution which required the encouragement and protection of home industry. The American people had then very recently been ushered into the society of nations—the youngest that it was as if a feeble youth had been thrown out upon its own resources among a crowd of bearded men, who, hostile to its safety or careless of its fate, would have either trampled it under foot or kept it of stunted growth, ready to minister to their appetites and obey their caprices. The governments, the laws, the usages of other nations were such as time and chance had made them—eminently selfish, and exclusive in most of their characteristics. These nations stood ready, according to their views, however false, of their own interests, to avail themselves fully of their several positions. Distance gave us some aid at first and the rivalry of those among them who were neighbours to one another secured to us some advantages. These circumstances were not sufficient, however, to establish either our commercial or our industrial independence. Notably, it is true, we were no longer British colonies and we were physically free to carry on with Great Britain neither trade nor intercourse. Our memorable Declaration had settled these points in 1783, at the end of a bloody revolution entirely successful, yet what was our substantial position? We did not possess, except in the single article of food, any of those things which, in the great economy of civilized man, are rated as of prime importance. We possessed neither capital nor labour to produce them unaided; the foreign markets were an absolute necessity to us; our market to them was only a convenience. In peace or in war, we were at the mercy of their whims, their self-aggrandizing or capricious legislation or combinations. Had we been sure that they would always have taken enlightened views of their own interests, in trade and enactments, the evil might have been borne. But recent and melancholy experience had shown us that British laws, at least, could be grounded on principles the most narrow and anti-social and continued with the most persevering and fatal obstinacy; as, as Thomas Jefferson has expressed the situation, "We have experienced what we did not then believe, that there exist both prodigality and power enough to exclude us from the field of exchanges with other nations; that to be independent for the comforts of life we must fabricate them ourselves." Under all the circumstances, our fathers felt impelled to commence a system of protection, and it has produced some splendid results. It has established a distribution of labour and capital through the four great departments of industry—agriculture, manufactures, commerce, and transportation. It finds us at this moment a nation widely developed, eminently great, and remarkably prosperous. Does any one regret that we have proceeded thus far on the great highway of national independence? Does any one believe that we should now have possessed at all, secure against war, and accident, the comforts and conveniences of peace, besides the manliness and equipments and harness of battle, with out this system of protection?—a system which, although sometimes prostituted to selfish purposes, as every good illustration has been in its results, has been great and glorious in its results, and will be, if duly continued and prudently managed, one of the best safeguards of the Union. Taxation by duties on imports was adopted at the inception of the present government as the mode of raising revenue, and has never since been in any degree departed from, except in periods of war, when it has been supplemented by internal taxes. In the adoption of this mode of raising revenue certain consequences were foreseen, and so far from being deprecated, it was not only expected, but desired, that they should follow. These collateral consequences, in all their extent, were perhaps but dimly present to the view of the fathers of our institutions, yet we have no reason to suppose that they would have been greatly startled by a full exposition of them in all their bearings. By the first act for raising revenue under the new government just going into operation, as appears by its title, there was expectation and desire that encouragement and protection should be given to domestic manufactures. This was considered right, prudent and wise in the eyes of all the great men of those days, in and out of Congress, no matter what their political differences on other questions of public policy. Nobody can be found, even now, with all his bitterness against direct protection, hardy enough to wish this country only at the starting point in the process of home manufactures. Modified wish on this subject may exist, but there is no warrant to a sane anybody so derelict to every feeling of patriotism and national pride as to conceive the wish, not for the destruction of this fairfield of native industry, but that it had never been. Nevertheless, it is daily becoming manifest that there is on foot in this country a widespread purpose to substitute, either by a slow and gradual process resting on an educational basis among the voting

masses, or directly and hastily with the strong arm, "a tariff for revenue only" in place of our present tariff for protection, and thus to bring our manufacturing development under the influence of wasting aggression from abroad. What would be the effect of the proposed reduction of duties upon domestic industry? It is admitted that the immediate effect of the change would be to precipitate a greatly increased importation of foreign goods. Now, such importation will not take place unless it be to fill a demand for them on the part of the country, but that demand cannot exist for articles manufactured by us, to any large extent unless it be by displacing the domestic articles. Could the home manufacturer stand the shock? Would it not be to the interest of the European producer, even at the hazard of some temporary loss to flood this country with his wares, with a view to overwhelm our domestic labour and capital, and thereby in the end to secure the exclusive possession of our trade? Would not the opening of our ports to itself have this tendency, without any design or conclusion on the part of Europeans, ready to burst with manufactured products, and knocking at the doors of all nations for a market? The free traders say that they make no war upon manufacturers, and do not desire to see them destroyed, it is tariff protection which is the object of attack. Then they must believe the market of the United States sufficient for both the foreign and the domestic products, and that the American manufacturer can sell as cheaply with profit, or without loss, as his foreign competitor. Now, the bare statement of this proposition, as men to us, should be sufficient with men of intelligence for its refutation. But, in these days, everything must be reasoned out. Time was, that when the brains were out of the man would die, and so it used to be with arguments; but it is not so now. Let us look, then, at the state of the case, and see whether the proposition just mentioned can be true. From 1824, when the first bill of a strongly protective tariff was passed, till the series of crises begun in 1851, we have had a constant scene of agitation on this subject, sometimes going backward and sometimes forward, in the large capitalist or the adventurous projector dared to enter the lists, not knowing what the Government might withdraw its support, and leave them to be engulfed in sudden and overwhelming ruin. Few of the great articles of trade had acquired a deep and firm foothold. Trial had been made of the principles of the Compromise Act of 1833, and they had been found wanting. Revenue failed under it, and manufacturing industry languished; then it was thought proper to return once more to the protective principle. British gold helped to repel the measure of protection granted in 1842, under which the country had become exceedingly prosperous. This grand legacy was wasted and squandered under the low duties tariff of 1846, which forced many of our industries into ruin and bankruptcy within three years. We barely escaped a financial revolution in 1854. A large dose of "a tariff for revenue only" was administered to American capital and labour in 1857, and protecting parties followed in a few months. An embarrassed Treasury, an excess export of specie, and the great rebellion of history, were inherited by the Protective system newly begun in 1861, and ever since continued. Under this system, manufactures have everywhere sprung up; they are taking hold in the new States as well as in the old; and they are in all conditions—from the infant project to the full grown factory—some dependent on borrowed capital for a bare existence, and others at least, after long deferral, just beginning to enjoy the fruits of their enterprise and perseverance. Upon this state of affairs, as is proposed and advocated, is to come a new tariff "for revenue only." Now, he that believes the domestic manufacturer can keep his market, and successfully persist in its supply, under such a measure, has faith against all the teachings of a long experience. He must believe that what has always happened under given circumstances will not happen again under the same given circumstances. It is manifest that the great bulk of those engaged in protected employments must give way or be broken down, and with the ruined factories, mills and shops, must go the labourer employed in them; and with the labourer and the establishments, the home market for agricultural produce must be lost. And what are we to do by way of compensation for all this disaster? An unfavourable balance of foreign trade; a foreign debt, without money or export to discharge it, consequent pecuniary embarrassment; revolutions; an impatience, dissatisfied, insubordinate people. The voting masses will be sure to charge the evils up to their true authors, and will bring about, as they have invariably done in the long past, a return to the protective policy. If we are to come back to the policy we now have—if we are to be driven back to it by intolerable burdens and disaster inflicted by "a tariff for revenue only," to be put in operation soon—what is the use or the sense of employing an illumination of suffering to show us the advantage of retaining what we are asked to surrender? If we cannot be prosperous without a protective tariff (and that is what history asks) why not hold on with the grip of fate to our protective tariff; and why the thing of changing it for "a tariff for revenue only"—for the ruin of disaster and ruin? The great capitalists, the special object of envy and attack, would

probably weather the storm while all these, his competitors, who are now asking to reduce the price of manufactures—the young beginner, the man of moderate means—with the operative, and all those within their influence, would go down in one common crash, confusion and disturbing the relations of a society who really wants to see such a catastrophe as that.

DIRECTORS IN PUBLIC COMPANIES

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The multiplication of directors in public companies deserves more attention than it probably gets. A man's name becomes associated with success in some line, and he is sought after as a means of giving confidence to some new company, and when the wheel has once been set in motion the tendency is rather to increase its speed than to come to a stand. Every new company desires to get names that will carry weight and confidence as directors. Some few men are, on this account, in constant demand; and it does so as if the more they undertake the more they are sought after. Others, again, reject these importunities when they become too pressing, and make it a rule to confine themselves to a limited number of directorships. From a list of Boards of Directors in this city, not of banks alone but of loan societies, railway and other corporations, we obtain a tolerable idea of the repetition of directorships in various companies in the same person. One gentleman, a merchant, is a director in seven different corporations, another one, also a merchant, in five, and there are probably five more boards who would be glad to get him if they could. Four different public companies have for president the same gentleman, who holds bank and other directorships besides. Another well known and experienced gentleman fills two presidencies, one vice-presidency, and three directorships. Still another is president of one company, vice-president of two, and is on the board of a fourth. Several other gentlemen sit on from two to four boards of management. Men's capacity for business varies with their talents and their experience; and an intimate acquaintance with the mode in which business is done at boards of directors, increases the facility for doing this kind of work. How far a director should make himself familiar with details is a question on which opinions may differ. The moral responsibility extends to whatever a director is required to undertake to do. But, there are very indistinct notions as to where the line should be drawn. In practice each man often draws it for himself. Can it be wondered at that it is not always drawn in the right place? It is a safe rule that no man should assume a trust which he cannot discharge. Within this limit—ability to discharge the trust—the multiplication of directorships need not be checked. Men whose names are in vogue will be tempted to overstep this limit; and the way they act under this temptation is a good test of their moral qualities. The companies which get good men as directors are fortunate though these men should hold several similar positions. Monied corporations sometimes do go down from sheer want of management; want of the knowledge needed to conduct the business to success. And this occurs in cases where the exterior circumstances are all different; where the directors are nearly all new men, and where they are of the "stock" and "figure head" kinds. The same man is very different in capacity at different periods of his life; for reputation sometimes survives aptitude and the advent of second childhood is not always a bar to re-election. Instinctively, at eighty years of age commonly attaches to the organization which at fifty gave the sum of the most business qualities. If under such circumstances, we expect at eighty the service which at the age of fifty so admirably discharged a special duty, we do ourselves and take a painful with failure. Figure heads are of various kinds; but they have always a certain amount of capital and strength. To capture a live lion—a figure head for a doubtful concern used to be considered, by promoters of a certain class, a lucky stroke of policy. If a really good business man cannot give the presidency of a company due attention, he becomes a mere figure head; and whenever a name is put forward, we may be sure that the head will not be worth the money. A figure head may be competent or incompetent; the question is, whether the functions it discharges? The responsibility of companies is probably divided to become obsolete. A working manager is generally better, though not as a president who does not take his duties as any one could. But few are not mere figure heads; and they rather form the exception than the rule. We come back to the same point—men should not undertake trusts which from any cause they are unable to administer. The eligibility of directors rests on wholly different grounds in different countries. In this country, the possession of a large amount of stock is considered a ground of eligibility. A bank of England director meets a restriction in the opposite direction. He is not allowed by law to hold more than £4,000 of the bank's stock, and the Government is limited to half that amount. There is some talk to be said for both systems. The bank of England limitation proves to the director's own satisfaction in the stock and all the information in his possession to his own advantage.

This is probably its intention. The different practice which prevails here ensures the services of directors who have a personal interest in the success of their trust. But personal interest has no claim to employ men with the requisite qualifications and aptitudes; and the bank of England director, if we can conceive such a thing, may go behind the law to do in the name of another what he cannot do in his own.

RAILWAY MATTERS.

The surveys for the new bridge over the St. Lawrence at Montreal for the Atlantic & North-West railway are progressing a large staff of engineers being engaged.

It is reported in a Montreal paper that the St. Lawrence and Ottawa Railway will be turned over to the Syndicate as soon as Mr. Shanty, the manager of the road, is able to come to Ottawa.

The rate of 30 cents per 100 pounds on lumber shipments from Chicago to New York expires October 31, and according to usual winter custom the rate on same from November 1 to March 31 will be 35 cents.

Hon. C. A. Brown, Minister of Public Works for Manitoba, and Mr. Gilbert McMeekin, have been some days in Ottawa and Montreal, and are now gone to New York on business in connection with the Westbourne and North-Western Railway.

The report that the Canadian Pacific Syndicate has purchased a controlling interest in the St. Lawrence and Ottawa Railway is not yet confirmed. It is well known, however, that the heirs of the late Mr. Thomas Reynolds have for some time past been willing to sell his interest therein, amounting to about \$175,000.

The traffic returns of the Great Western Railway of Canada for the week ending October 28th, 1881, are as follows:—

Table with 2 columns: Item and Amount. Includes Freight and Passengers, Mail and sundries, Total, Corresponding week last year, and Decrease.

Business on the Intercolonial Railway continues to be active. The earnings for the month of September were: For passengers, \$77,242; freight, \$104,162; total, \$181,404, an increase over the same period last year of \$11,770, or more than 20 per cent. The increase of the first three months of the railway year has been \$39,389; or at the rate of about \$250,000 a year.

Mr. Duncan McIntyre, Vice-President of the Canadian Pacific R. Co., is the authority for the statement that the company's car shops will be located at Perth, Ont. The town council has granted very strong inducements to the company to locate there, among others giving twenty acres of land adjoining the present station, which, besides being utilized for the car shops, will also be the terminus of the Ontario and Quebec R. R. The erection of the shops will be proceeded with immediately and they will be adapted to the building of passenger as well as freight cars.

Indications warrant the belief that in a few days some important changes will be made in the present management of the St. L. and O. Railway by the new proprietors, the Syndicate. The latter have decided to remove their head offices from Brockville to Ottawa on the latter part of this month, which would indicate the intention of placing the management of both roads under one person. Already one or two unimportant dismissals have been made of officials on the St. Lawrence and Ottawa railway, and it is understood other and more important ones will shortly follow.

A large business, both in the freight and passenger lines, is now being done on the Canadian Pacific Railway between here and Brockville and other points. For the week ending 31st October last the receipts aggregated about \$20,000, or \$5,611 more than in the corresponding week of 1880. Rapid additions to the rolling stock of the company are being made in order to meet the demands of increasing business. Some new passenger cars have just been received and more have been ordered. Mr. J. A. Houston, general freight and passenger agent of the road, is now at this post of duty, having become casual-voat.

Various rumours have been rife of late with regard to the sale of the Quebec, Montreal & Occidental Railway, by the Quebec Provincial Government. The latest story, heard, it is said, on good authority, is that a good offer has been made by the new French Credit Mobilier, the president of which company is now on his way out. Another to the effect that the Dominion Government has been using its influence with the Pacific R. Co. Syndicate to induce the latter to buy the road and make it their eastern outlet. In this connection it may not be amiss to note that the traffic receipts of the road continue to increase, the receipts for the three months ending Oct. 31st exceeded those of the corresponding period last year by some \$30,000.

The London Times has the following regarding the intention of American dining and sleeping cars on English railways: "Encouraged by the success which has attended the introduction of dining room cars on the Great Northern railway, the Midland railway company have decided to follow in the same direction. They intend to place a dining

car on all their express trains running between London, Manchester and Liverpool. These cars are to be made by the Pullman Palace Car company. The same company are making several new palace cars for the London Brighton & South Coast railway, and the Brighton tragedy the demand upon the Pullman car a considerable have been so great as to be in excess what is at present at the disposal of the company. The directors have consequently decided to run a train every day to be composed entirely of Pullman cars.

An engineering work which, in a time would have seemed a miracle of audacity and skill was brought to a successful termination on Tuesday last. For a long while past the directors of the Great Western railway company have been carrying forward a tunnel under the Severn, with a view to connecting their lines on the Somersetshire & Moimtunthelme sides of that river. The point at which the labour was commenced necessitated two miles of terraced digging, and, as usual in such undertakings, the headlogs were driven simultaneously from each side. The utmost accuracy of level and measurement is of course demanded to insure that the two excavations shall precisely meet, and engineering science is able to accomplish this with far more precision than a rifle can be laid upon a target. On Tuesday the calculations, as well as the sounds underground, announced that each shaft had gone far enough for communication, and a blow with a pick opened one tunnel into the other. Success had been the line taken that the centre of the western passage was more than three inches out of focus with that of the eastern. There is today, accordingly, a dry, though dark, road underneath the Severn, and soon may be expected that passenger trains will rattle beneath the bed of the famous river usually connecting the English with Welsh traffic.—London Telegraph

The impetus now being given to the development of the fertile regions in the north-west of Canada has recently received additional force through the formation of the Nelson Valley Railway, and Transportation Company. Having obtained the necessary charter, this company, whose head offices are at Montreal, contemplates constructing a line of railway from the harbour of Churchill on Hudson Bay, along the valley of the River Nelson to Lake Winnipeg, and the preliminary survey has amply proved the practicability of the scheme. There is thus every prospect that in the course of time an entirely new route will be established between Europe and the interior of North America. The advantages to be derived from the undertaking are well deserving of attention. Churchill Harbour is available to vessels drawing thirty feet of water, and no outlay is required towards its utilization except for the construction of wharves. It is within 400 miles of the great wheat and cotton raising territories under the British flag, and is open for navigation, on an average, for six months in the course of the year. Time in all modern enterprises being a matter of the first consideration, it is worthy of note that the distance from Liverpool to Churchill is 160 miles shorter than to Montreal, and 140 miles shorter than to New York. That the scheme will be pushed with the utmost vigour may be inferred from the highly influential character of the directors, and amongst the number we observe the name of Alexander Murray-Kay, president of the Canada Shipping Company, Montreal.—Liverpool Journal of Commerce.

Mr. E. J. Whittle, of Winnipeg, heretofore a successful dry goods merchant of Arnprior, Ont., and who moved to his present location several years ago, has sold out his retail dry goods business in Winnipeg and is now going into the wholesale business there exclusively. Immigrants arriving in Canada during September numbered 2,303, as against 6,907 in the same month last year. The number remaining in Ontario was 1,679. Quebec, 14; Manitoba, 61; while 6,290 went to the States. The nationality of those who remained was as follows:—English, 743; Irish, 493; Scotch, 188; German, 130; Scandinavian, 31; American, 180.

The Beaver Line of steamers, comprising the steamers Lake Nipigon, Lake Huron, Lake Manitowish, Lake Winnipeg, and Lake Champlain, which were chartered during the summer months in the trade between Liverpool and Montreal, will during the forthcoming winter months be run regularly in the Liverpool and New York trade, to be managed in New York by Messrs. Seager Brothers.

The Imperial Oil Company is making great efforts to secure the North-West trade. In order to push it more vigorously the Company has placed its business in Manitoba in the hands of Mr. E. Sharpe, who retires from the management of the Huron and Middlesex Mutual Fire Insurance Co. to go out West. For the present, the business of the Imperial Oil Company will be managed by the Treasurer.

The affairs of the unfortunate Mechanics' Bank are shortly to be finally closed, and a last dividend declared. It is believed there is quite a number of the Bank's bills still held, principally in the country parts, and holders should understand that unless they speedily file their claims with Mr. James Court, the assignee to the Bank, they will be altogether worthless, as they can have no recourse after the final dividend is declared.