

MISAPPREHENSION REGARDING THE TARIFF.

THERE are a good many good honest souls who entertain the idea that the investigation now being made by Ministers Foster and Howell, are with a view to changing the fiscal policy of the Government, abandoning protection to our manufacturing industries, and adopting a tariff for revenue only. The prevalence of this idea is due chiefly to the persistent misrepresentations of a good many very dishonest newspapers and journals, and to the teachings of demagogues and politicians who are the persistent enemies of the National Policy.

We do not understand that the Government propose doing any such thing as here intimated. The object is not to change the fiscal policy that has heretofore given so much satisfaction, and as advocates and upholders of which they attained to power; but to change and alter and amend so as to make it more fully conform to the circumstances of the times and the requirements of the country. If the tariff needs amendment let it be amended. If it is unnecessarily high in any respect, lower it. If there are depressions, fill them up. If there are rough places, let them be made smooth. If there are incongruities, let them be corrected. There is a demand for such action, and it is in obedience to this demand that the Ministers are now making their investigations. This demand comes from the friends of the Government—from those who put the Conservative party in power—from those who believe that protection will be of more benefit to the country at large than free trade, or any near approach to it could possibly be. On the other hand the clamor that is now being raised for an entire change of policy by the substitution of a tariff for revenue only, are the old-time enemies of protection who suffered an ignominious defeat at the hands of the protectionists under the leadership of Sir John Macdonald, and who have been defeated ever since at every Dominion election that has been held.

Why then, should the Ministers entertain any idea of abandoning the policy that has for so long a time prevailed? Why should they ignore the wishes of their political friends? Why should they accept the views of their political enemies? Why should they not act upon the suggestions of their friends, find out where the tariff is incongruous, and correct the incongruities? This, we take it, is their programme. Their motto undoubtedly is "The greatest good to the greatest number." They face an oft decided verdict of the people that the policy of the Government must include tariff protection, and they would be recalcitrant to their trust if they should sacrifice this policy. They will not do it.

Protectionists are not Bourbons who never learn and who never forget. They are progressive. They know the changing conditions of the times require changes and modifications in any policy, including that of protection. But change of conditions does not mean abandonment. When Sir Charles Tupper was formulating the present tariff, he supposed that a duty of \$4 per ton on pig iron, and a bonus of \$2 upon the home production, would have given us a blast furnace industry; and his idea was that while that industry was materializing—while our iron mines were being developed and blast furnaces were being erected, the requirements of the people for bar iron could be met by domestic rolling mills, and that to encourage these, foreign wrought scrap iron should be admitted on the payment of the nominal duty of \$2 per ton.

We know now that all this was a mistake. We know that the iron mines have not been developed, and that we have no huge blast furnace industry; and knowing this, protectionists would be Bourbons indeed, if they contented themselves with the situation and decline to correct this incongruity in the tariff. We know now that if we are to have a pig iron industry we must amend the tariff with that end in view. We know further that any amendments to the tariff must produce a situation which will guarantee that all of the pig iron which might thus be produced, will be consumed at home. And this means that we must manufacture at home all our requirements for bar iron, not merely rework in our rolling mills the wrought iron manufactured abroad, and imported into Canada in the form of scrap. We know that if our own iron mines were fully developed—that if we had blast furnaces ready for operation, with capacity to meet all possible demand, the mines would be as useless as they are now, and the furnaces would not be in active operation, unless there was a demand for the pig iron which they might produce. But there would not be any such demand as long as the manufactured products of pig iron, in the form of wrought scrap, made in other countries, is admitted at the nominal duty of only \$2 per ton. We point out these as some of the anomalies of the tariff, which it is to be hoped the Ministers will consider and rectify. Sir Charles Tupper blundered badly in placing the duty on pig iron at only \$4 per ton, when it should not have been less than \$6 or \$7, and in imposing only \$2 upon wrought scrap, when the duty upon it should have been virtually prohibitory. With this foreign article shut out of the market, there would have been a very large demand for pig iron for puddling and manufacturing into bar iron; and this demand would have stimulated the development of our iron mines and the establishment of a blast furnace industry, of sufficient capacity to meet all demands; and we point to these facts as constituting an anomaly in the tariff which it is to be sincerely hoped the Ministers will consider and rectify.

Sir Charles also perpetuated the distressing mistake that was made at the initiation of the National Policy when steel rails were placed in the free list. At this time some 2,000,000 tons of steel rails are in use in the railroad system of the country, to say nothing of the quantity that has been worn out and gone out of use since that time. It was thought that because there were no rail mills in Canada; that because the production of them required a very large investment of capital, and that because it was important that the construction of the trans-continental railway should not be delayed, every facility should be afforded in the prosecution of that work, it would be better to admit steel rails free of duty. This was done, and to this day no steel rail has ever been made in Canada. Of course the very same power and authority that called the Canadian Pacific railroad into existence, could at the same time have caused the materialization of a steel rail industry, that would have been able to have supplied perhaps all of the rails necessary in the construction of that road, if not from the beginning, certainly within one or two or three years after the construction of the road was determined upon. If the establishment of a steel rail industry had been decided upon at the same time, there would have been no necessity for the importation of steel rails from abroad. This would have meant that all the steel and iron required in the construction of the Canadian Pacific railway would have been made