

SECTION 3.

SECTION 3 of the McKinley tariff reads as follows :

That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the first day of January, 1892, whenever and so often as the President shall be satisfied that the Government of any country producing and exporting sugars, molasses, coffee, tea and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power, and it shall be his duty to suspend, by proclamation to that effect, the provisions of this Act relating to the free introduction of such sugar, molasses, coffee, tea and hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension duties shall be levied and paid upon sugar, molasses, coffee, tea and hides, the product of or exported from such designated country as follows, namely: (Here follows the schedule of duties upon the articles named.)

This is the lever which is being used so effectively in forcing the West India Islands and the South and Central American States into reciprocal relations with the United States. It will be observed that agricultural products are the chief things which the United States have to trade off in return for sugar, molasses, coffee, tea and hides; and it will be further observed that the United States is the largest and best customer the producers of these commodities have. No regard is paid to the financial necessities of these producing nations, nor are they to be allowed to levy import duties upon American agricultural products under pain of having their products excluded from the American market. We do not challenge the right of the United States to make and enforce such a law; but it is in line with other provisions of their tariff which imposes prohibitive duties upon such Canadian agricultural products as eggs and barley. In fact it seems to be the policy of that Government to shut out of its market, as far as it has the ability to do so, all such things coming from abroad which can be produced at home; and to force other countries to accept free of duty all American agricultural products in exchange for the privileges of the American market of such merchandise as is named in Section 3, which the American market cannot possibly do without.

And it is the terrors of this Section 3 with which the Canadian advocates of unrestricted reciprocity are holding up before Canada in the hope that she will be driven to enter into an agreement with a selfish neighbor by which our manufacturing interests would be destroyed. It is true that if Canada were inclined to do so she does not have the market that the United States has for the absorption of the products of these Southern islands and States, and therefore we have no inducements to offer, no great lever to use to force them to accept Canadian products in any better terms than they are inclined to accord. But the advocates of unrestricted reciprocity do not point out to us wherein we would better our condition if their fad were adopted, nor how Canadian produce could find entrance into these southern markets on equal terms with American products, even if we had unrestricted reciprocity. Section 3 does not stipulate that in the event of unrestricted reciprocity between Canada and the United States, Canadian

agricultural products should be received on the same terms as American products, then what benefit would Section 3 be to us?

It was in the same spirit, as developed in Section 3, that the United States forced Canada to remove the export duty upon saw logs. If Canada desired to supply American mills with saw logs well and good, but if Canada desired to restrict the export of logs, Canadian lumber was to be discriminated against. We have heretofore shown that the American pine forests contiguous to the Canadian line are fast being depleted, and that their productive capacity will be entirely exhausted in a very few years. Yet in the face of this fact, and of the other fact that when that time arrives the entire dependence must be upon Canadian forests, the Canadian Government very unwisely allowed themselves to be bulldozed by the McKinley tariff into removing the export duty upon logs. Instead of doing this the other course should have been adopted and a higher export duty imposed.

So, too, as regards nickel. The spirit of Section 3 prevailed when the previous duty upon all forms of nickel except refined was removed, and a duty of \$200 per ton retained upon this latter article. The production of nickel in the United States is only about one hundred tons per year, while the demand for the manufacture of armor plates alone amounts to ten times that quantity. But the spirit of Section 3 was manifested in the determination that Canada should not manufacture refined nickel for the American market, no matter how strong the requirement for it might be, although this great requirement could not be met except with the produce of Canadian mines. Why should Canada not exercise some of this Section 3 spirit and impose an export duty upon nickel contained in ore and matte measured by the McKinley import duty upon the refined article? It would be sensible and dignified to do so. If the spirit of Section 3 is so important for the prosperity of the United States, why would it not work equal good for Canada?

PROFIT SHARING IN CANADA.

THE division of the profits accruing in industrial establishments is a new departure in Canada, although it has been in operation in other countries, particularly in France, where the system was ventured upon a number of years ago. The introduction of this system into this country was made a few days ago by Messrs. T. S. Simms & Co., manufacturers of brushes, etc., at St. John, N.B. On the last day of the old year Mr. T. S. Simms, the head of the concern, gave a dinner to which all of his employees were invited, about eighty in number, including quite a number of young girls; and after the repast he read to his company the following proposition, which had been printed for the occasion:

It is fitting that we, who spend so much of our time under one roof, in earnest business occupation, should occasionally meet in this social manner, if there be no other object in view than for social intercourse; but to-night I have invited you here for the purpose of unfolding a plan which I trust will meet with your approval, and in which I hope for your hearty co-operation.

Some nineteen years ago I came into this business, and at that time, one at least, of our number was employed in it, and others have been for many years. You have seen it grow