

THE RESULTS OF THE NATIONAL POLICY.

THE Finance Minister has put forth a Report, drawn up by Commissioners of his own selection, and very manifestly of his own way of thinking, on the industrial condition of the country. It exceeds in jubilant optimism anything that has appeared since the Budget speeches of "Prosperity" Robinson. What, the reader must ask, is this voluminous collection of statistics adduced to prove? Is it adduced to prove that by assuring to a particular trade legislative protection you can produce an abnormal inflow of capital and an artificial development of the trade? Who ever denied or doubted that you could? The only question is as to the ultimate effect of such a policy. Sir Leonard Tilley does not suppose that by laying on new taxes, or by any other fiscal expedient he can increase the amount of capital in the country. He must know that all he can do is to give the existing capital a different direction. Which direction then is likely to be the most profitable, the natural or the artificial? that which the owners of the capital, using their best judgment with regard to their own interests, select, or that which is selected for them by a paternal government? There can surely be little doubt as to the answer even on the assumption that the Government is really paternal, that it takes a perfectly impartial view of the commercial situation, and is entirely free from the political pressure of special interests. If it is demagogic and yields to political pressure the danger of misdirection is greatly increased. The probability is in that case that a few strong interests will control protective legislation, while weak interests which in the aggregate are of not less importance will go to the wall. The wails of the weak are in fact heard even in this Report. We see of course only what capital has produced in the channels into which protective legislation has forced it; we do not see what it would have produced had it been left to flow in the channels from which it has been withdrawn.

Artificial stimulus, especially if applied to a very narrow field, leads to inflation and over-production upon which follows collapse. This is a familiar truth, often illustrated by experience; nevertheless it seems to present itself to the framers of the Report with all the freshness of novelty. "It is true" they say, "that in some instances the privilege of supplying the Canadian market with manufactured goods, the produce of our own mills, has been too largely taken advantage of by capitalists anxious to put their money to a profitable use, and in this way the market (which though a growing one has its limits) was for a time unduly stocked with this class of goods." In explanation they plead that Canadian manufacturers could know little of the wants of the Canadian market which had been largely supplied by foreigners, and that they were "groping in the dark" to ascertain the amount of any particular article which would be needed. But how is this groping in the dark performed? Not merely by tentative calculations, but by setting up a number of superfluous mills and enlisting a multitude of hands that are not required. Then comes the collapse: but the weak members of the protected interest are not disposed meekly to resign their lives as necessary sacrifices to the success of a grand experiment, or to regard themselves and their ruined factories as shavings from the creative lathe of the great financial artificer. They demand an increase of Protection; and thus the system, being intensified so as to meet the needs of the weakest, affords an extravagant degree of Protection to the strongest. As some of the manufacturers declined to give information, it may be suspected that the full results of the "groping" have not been yet disclosed. Had the Finance Minister, with his superior knowledge, raised a voice of timely warning, instead of careering joyously over the country and cheering on sanguine investment, possibly some of these disasters might have been averted. But the consequence of artificial stimulus acting on a small area will always be violent fluctuations, and we must look for a recurrence of these industrial convulsions, not without their social accompaniments, in the future.

The framers of the Report deplore the fact that in the North-West, with regard to the trade in agricultural implements, there is still, in spite of the increase of duty, some United States competition. This is ascribed to "the prejudice in favour of the United States made implements as better adapted to prairie farming which still lingers in some minds, but is being gradually rooted out by reason of the exceedingly fine machines now being produced by Canadian makers." This is an admission as frank as can be expected from an advocate that Canadian mechanics were at first not well adapted to prairie farming, and that North-Western agriculture was cruelly handicapped at its birth by being compelled to use unsuitable implements, or pay an excessive price for those which were suitable, in order that the manufacture of a special class of implements might be forced into existence in Eastern Canada. Was agriculture made for the implement or the implement for agriculture? Some indulgence is surely due in

this matter to the prejudice of the ignorant Manitoban, especially as he was at the time paying, in a winter of extreme severity, a tax upon his coal, the object of which was to force Ontario and Quebec to draw their coal from the mines of Nova Scotia. The Report, by the way, omits to trace the beneficial results of the coal-tax, and to demonstrate the wisdom of forcing manufactories into existence in Provinces which have no coal and preventing the importation of coal at the same time.

The complaisant framers of the Report point to the operation of a protective duty on musical instruments as sufficient in itself by its beneficence to justify the policy of the Government. This seems to imply rather a high estimate on their part of the importance of musical instruments; yet in that respect we cordially agree with them. Music is destined to play a momentous part in softening and refining national character, in the promotion of sociability, in the substitution of pure for vicious pleasures. And for that reason any impediment to the free importation of good instruments must be specially noxious in the case of this country, where our power of producing them is, and must long remain, extremely limited. A natural advantage belongs, irrespectively of any protective duty, to the builder of an organ on the spot; and Canada may produce pianos of a certain class. To suppose that she can be made by the stimulus of protective duties to produce first-class pianos, or first-class instruments of other kinds, wind instruments for example, or violins, is to imagine that she can be transmuted by a wave of the fiscal wand into a land of rare mechanical skill, trained taste and consummate science. Wonderful as our agricultural or lumbering resources may be, our Stradivarius is still in the distant future. There are articles the construction of which is so expensive and requires so much science that they can be produced only in countries furnished with specialists and affording a very large market. A first-class printing-press is one of these; and to prevent us from importing first-class printing-presses is simply to retard our civilization. Another instance is mining machinery, from want of liberty to purchase which, as well as from the general effects of exclusion from natural markets, mining enterprise expires on the northern shore of Lake Superior while it flourishes on the southern shore.

We come back to the old point. Sir Leonard Tilley framed on his first assumption of his office a tariff which amply justified his wisdom by filling the deficit and producing a surplus. Had he adhered to the principle of a tariff for revenue only, and let it be understood that when taxation was no longer needed for revenue it would be reduced, all would have gone well with him, and we should now be singing pæans in his honour. But at the critical moment the Evil One tempted him with the Protectionist Vote, and the fiend is now coming to claim his bond. Canada is not like the United States, a self-sufficing continent: it is a comparatively small country with a narrow range of production, and the effect of a false commercial policy is soon seen. If we allow, as it is always safe to allow, half a million for what may be politely called the favourable presentation of the accounts, the Financial Minister's surplus is now merely nominal. His mind will soon be recalled from lofty schemes of commercial development to the humble necessity of making the two ends meet. From the language of his Commissioners it would seem that he has now embraced Protectionism in its extreme form, and meditates nothing less than the absolute exclusion of all foreign goods. But he cannot fail to be aware that with importation the revenue from import duties will cease.

YORK.

ICE FORMATIONS AT QUEBEC.

So long as the City of Quebec remained the distributing point for westward freight, and that for all practical purposes it was the head of deep water navigation, the ice formations at "the Ancient Capital" possessed but little interest for the general public, except perhaps during the early spring, when the interruption of traffic between Quebec and Levis became a source of public inconvenience. But the building of the North Shore Railway and an efficient ferry service have combined to minimize a state of things to which in former years the travelling and business public had to submit. Still matters are not by any means satisfactory, and the commercial interests west of Quebec complain that in the beginning of spring the free navigation of the St. Lawrence is impeded for a period of from ten to twenty days in consequence of certain ice formations which are permitted to take place at or in the immediate neighbourhood of Quebec. What is known as the ice-bridge at Quebec has now become a factor in the commercial problem of the Dominion, and if it constitutes an obstruction at a period of the year when obstructions are least desirable, it is the imperative duty of somebody to protect the interests of the general public against the imbecility and corruption which appear to dominate all muni-