

60 K-33-6



ONTARIO
MANUFACTURERS' ASSOCIATION.

REPORT OF PROCEEDINGS
OF
ELEVENTH ANNUAL MEETING

HELD AT THEIR OFFICES,
6 WELLINGTON ST. WEST, TORONTO
ON
Wednesday, 27th January, 1886.

President:
THOMAS COWAN, GALT.

1st Vice-President:
JAMES GOLDIE, GUELPH.

2nd Vice-President:
SAMUEL MAY, TORONTO.

Treasurer:
JOHN COSGRAVE, TORONTO.

Hon. Secretary:
A. W. WRIGHT, TORONTO.

General Secretary:
FREDERIC NICHOLLS, TORONTO.

TORONTO

THE CANADIAN MANUFACTURER PUBLISHING CO. LIMITED.

1886

CONTENTS.

AFTERNOON SESSION.

	PAGE.
READING THE MINUTES.....	6
CORRESPONDENCE.....	7
PRESIDENT'S ADDRESS.....	8
GENERAL SECRETARY'S REPORT.....	10
TREASURER'S REPORT.....	14
REPORT OF EXECUTIVE COMMITTEE.....	16
" TARIFF.....	17
" PATENT.....	18
" FOREIGN TRADE.....	19
" RECIPROCITY.....	20
" INCORPORATION.....	21
RESOLUTIONS.....	22
PARTICIPATION TO HON. SECRETARY.....	23
ELECTION OF OFFICERS.....	24

EVENING SESSION.

READING PAPERS.....	24
The Canadian Tariff (R. W. Fernald).....	25
The Canadian Patent System (H. W. Fernald).....	26
The Canadian Foreign Trade (H. W. Fernald).....	27
The Canadian Reciprocity (H. W. Fernald).....	28
The Canadian Incorporation (H. W. Fernald).....	29
The Canadian Election of Officers (H. W. Fernald).....	30
The Canadian Participation to Hon. Secretary (H. W. Fernald).....	31
The Canadian Reading the Minutes (H. W. Fernald).....	32
The Canadian Correspondence (H. W. Fernald).....	33
The Canadian President's Address (H. W. Fernald).....	34
The Canadian General Secretary's Report (H. W. Fernald).....	35
The Canadian Treasurer's Report (H. W. Fernald).....	36
The Canadian Report of Executive Committee (H. W. Fernald).....	37
The Canadian Report of Tariff Committee (H. W. Fernald).....	38
The Canadian Report of Patent Committee (H. W. Fernald).....	39
The Canadian Report of Foreign Trade Committee (H. W. Fernald).....	40
The Canadian Report of Reciprocity Committee (H. W. Fernald).....	41
The Canadian Report of Incorporation Committee (H. W. Fernald).....	42
The Canadian Report of Election of Officers Committee (H. W. Fernald).....	43
The Canadian Report of Participation to Hon. Secretary Committee (H. W. Fernald).....	44
The Canadian Report of Reading the Minutes Committee (H. W. Fernald).....	45
The Canadian Report of Correspondence Committee (H. W. Fernald).....	46
The Canadian Report of President's Address Committee (H. W. Fernald).....	47
The Canadian Report of General Secretary's Report Committee (H. W. Fernald).....	48
The Canadian Report of Treasurer's Report Committee (H. W. Fernald).....	49
The Canadian Report of Report of Executive Committee Committee (H. W. Fernald).....	50
The Canadian Report of Report of Tariff Committee Committee (H. W. Fernald).....	51
The Canadian Report of Report of Patent Committee Committee (H. W. Fernald).....	52
The Canadian Report of Report of Foreign Trade Committee Committee (H. W. Fernald).....	53
The Canadian Report of Report of Reciprocity Committee Committee (H. W. Fernald).....	54
The Canadian Report of Report of Incorporation Committee Committee (H. W. Fernald).....	55
The Canadian Report of Report of Election of Officers Committee Committee (H. W. Fernald).....	56
The Canadian Report of Report of Participation to Hon. Secretary Committee Committee (H. W. Fernald).....	57
The Canadian Report of Report of Reading the Minutes Committee Committee (H. W. Fernald).....	58
The Canadian Report of Report of Correspondence Committee Committee (H. W. Fernald).....	59
The Canadian Report of Report of President's Address Committee Committee (H. W. Fernald).....	60
The Canadian Report of Report of General Secretary's Report Committee Committee (H. W. Fernald).....	61
The Canadian Report of Report of Treasurer's Report Committee Committee (H. W. Fernald).....	62
The Canadian Report of Report of Report of Executive Committee Committee Committee (H. W. Fernald).....	63
The Canadian Report of Report of Report of Tariff Committee Committee Committee (H. W. Fernald).....	64
The Canadian Report of Report of Report of Patent Committee Committee Committee (H. W. Fernald).....	65
The Canadian Report of Report of Report of Foreign Trade Committee Committee Committee (H. W. Fernald).....	66
The Canadian Report of Report of Report of Reciprocity Committee Committee Committee (H. W. Fernald).....	67
The Canadian Report of Report of Report of Incorporation Committee Committee Committee (H. W. Fernald).....	68
The Canadian Report of Report of Report of Election of Officers Committee Committee Committee (H. W. Fernald).....	69
The Canadian Report of Report of Report of Participation to Hon. Secretary Committee Committee Committee (H. W. Fernald).....	70
The Canadian Report of Report of Report of Reading the Minutes Committee Committee Committee (H. W. Fernald).....	71
The Canadian Report of Report of Report of Correspondence Committee Committee Committee (H. W. Fernald).....	72
The Canadian Report of Report of Report of President's Address Committee Committee Committee (H. W. Fernald).....	73
The Canadian Report of Report of Report of General Secretary's Report Committee Committee Committee (H. W. Fernald).....	74
The Canadian Report of Report of Report of Treasurer's Report Committee Committee Committee (H. W. Fernald).....	75
The Canadian Report of Report of Report of Report of Executive Committee Committee Committee Committee (H. W. Fernald).....	76
The Canadian Report of Report of Report of Report of Tariff Committee Committee Committee Committee (H. W. Fernald).....	77
The Canadian Report of Report of Report of Report of Patent Committee Committee Committee Committee (H. W. Fernald).....	78
The Canadian Report of Report of Report of Report of Foreign Trade Committee Committee Committee Committee (H. W. Fernald).....	79
The Canadian Report of Report of Report of Report of Reciprocity Committee Committee Committee Committee (H. W. Fernald).....	80
The Canadian Report of Report of Report of Report of Incorporation Committee Committee Committee Committee (H. W. Fernald).....	81
The Canadian Report of Report of Report of Report of Election of Officers Committee Committee Committee Committee (H. W. Fernald).....	82
The Canadian Report of Report of Report of Report of Participation to Hon. Secretary Committee Committee Committee Committee (H. W. Fernald).....	83
The Canadian Report of Report of Report of Report of Reading the Minutes Committee Committee Committee Committee (H. W. Fernald).....	84
The Canadian Report of Report of Report of Report of Correspondence Committee Committee Committee Committee (H. W. Fernald).....	85
The Canadian Report of Report of Report of Report of President's Address Committee Committee Committee Committee (H. W. Fernald).....	86
The Canadian Report of Report of Report of Report of General Secretary's Report Committee Committee Committee Committee (H. W. Fernald).....	87
The Canadian Report of Report of Report of Report of Treasurer's Report Committee Committee Committee Committee (H. W. Fernald).....	88
The Canadian Report of Report of Report of Report of Report of Executive Committee Committee Committee Committee Committee (H. W. Fernald).....	89
The Canadian Report of Report of Report of Report of Report of Tariff Committee Committee Committee Committee Committee (H. W. Fernald).....	90
The Canadian Report of Report of Report of Report of Report of Patent Committee Committee Committee Committee Committee (H. W. Fernald).....	91
The Canadian Report of Report of Report of Report of Report of Foreign Trade Committee Committee Committee Committee Committee (H. W. Fernald).....	92
The Canadian Report of Report of Report of Report of Report of Reciprocity Committee Committee Committee Committee Committee (H. W. Fernald).....	93
The Canadian Report of Report of Report of Report of Report of Incorporation Committee Committee Committee Committee Committee (H. W. Fernald).....	94
The Canadian Report of Report of Report of Report of Report of Election of Officers Committee Committee Committee Committee Committee (H. W. Fernald).....	95
The Canadian Report of Report of Report of Report of Report of Participation to Hon. Secretary Committee Committee Committee Committee Committee (H. W. Fernald).....	96
The Canadian Report of Report of Report of Report of Report of Reading the Minutes Committee Committee Committee Committee Committee (H. W. Fernald).....	97
The Canadian Report of Report of Report of Report of Report of Correspondence Committee Committee Committee Committee Committee (H. W. Fernald).....	98
The Canadian Report of Report of Report of Report of Report of President's Address Committee Committee Committee Committee Committee (H. W. Fernald).....	99
The Canadian Report of Report of Report of Report of Report of General Secretary's Report Committee Committee Committee Committee Committee (H. W. Fernald).....	100

A
T
is F
A
corp
E
Dom
Th
To
publi
ment
factu
To
unite
or of
To
statist
fulnes
trade
the pr
To
profita
Any

N. A. Nicholls

MEMORANDA.

All Canadian Manufacturers are eligible for membership.

The annual fee entitling to all the privileges of membership is Five Dollars.

Application is now being made for Letters Patent of Incorporation as the "CANADIAN MANUFACTURERS' ASSOCIATION."

Every manufacturer and miller in each Province of the Dominion is invited to become a member.

The principal objects of the Association are :

To secure by all legitimate means the powerful aid, both of public opinion and Governmental policy, in favor of the development of home industry and the promotion of Canadian manufactures generally.

To enable manufacturers in all branches to act together as a united body whenever action on behalf of a particular interest or of the whole body is necessary.

To procure and render available for general use, reliable statistics of manufactures, and of imports and exports in such fulness of detail as may be desirable to illustrate the course of trade and indicate any action which should be taken to further the promotion of native industry.

To promote direct trade with such countries as may offer profitable markets for Canadian manufactures and productions.

Any further information will be promptly furnished by

FREDERIC NICHOLLS,

General Secretary.

TORONTO, February 5th, 1886.

ELEVENTH ANNUAL MEETING.

REPORT OF PROCEEDINGS.

Afternoon Session.

The President, Mr. R. W. Elliot, took the chair at 2 p.m.

The roll call showed that besides officers of the Association and the delegates from the Provinces of Quebec and New Brunswick, there were eighty-five members present from all parts of Ontario. Amongst others who attended were:—J. B. Armstrong, Guelph; J. R. Annett, Toronto; R. J. Quigley, Toronto; J. S. Anthes, Berlin; W. Bell, Guelph; George Booth, Toronto; Charles Boeckh, Toronto; H. Hilborn, Preston; William Harty, Kingston; F. Crompton, Toronto; C. A. Birge, Dundas; H. E. Clarke, M.P.P., Toronto; F. E. Dixon, Toronto; William Birkett, Dundas; John Taylor, Toronto; John Fensom, Toronto; James Goldie, Guelph; P. Freyseng, Toronto; H. Heintzman, Toronto; R. S. Hamlin, Oshawa; W. F. Cowan, Oshawa; Gerhard Heintzman, Toronto; W. G. A. Hemming, Toronto; Samuel Lennard, Dundas; William Lukes, Toronto; R. McKechnie, Dundas; Samuel May, Toronto; W. Millichamp, Toronto; — Marlatt, Oakville; John Livingstone, Toronto; M. B. Perine, Doon; Frank J. Phillips, Toronto; Bennett Rosamond, Almonte; George Pattinson, Preston; D. C. Ridout, Toronto; W. Rosamond, Cobourg; George W. Sadler, Montreal; Joseph Simpson, Toronto; F. Strange, Toronto; J. E. Klotz, Preston; George P. Wagner,

Toronto ; F. Frost, Belleville ; C. Schack, Belleville ; Carl Zeidler, Toronto ;

The minutes of the last annual meeting were read and confirmed.

CORRESPONDENCE.

Letters from several members, expressing regret at their inability to be present, were read and filed.

The following letter, from Sir Leonard Tilley, Lieut.-Governor of New Brunswick, to the President, was read :—

My Dear Mr. Elliot,

I have received a very neatly printed programme of the proceedings to take place at the eleventh annual meeting of your Association.

I judge from the subjects you are then to consider, as well as from the papers that are to be read on so many important subjects, that your meeting will be a very interesting and profitable one.

Your Association has rendered good service in the past, and though compelled to retire from active public life, I feel a deep interest in all organizations that have for their object, the providing of remunerative employment for the workingmen of Canada. Any legislation that will assist you in securing so desirable an object, I consider wise legislation.

Wishing you a profitable session,

I remain,

Yours faithfully,

S. L. TILLEY.

R. W. ELLIOT, Esq.,

President O. M. Association,

Toronto.

A DELEGATE FROM NEW BRUNSWICK.

Mr. Ira Cornwall, jr., the Agent-General of the Province of New Brunswick, was present as a representative of the manufacturers of that Province, and after being introduced by the President made a brief but very able speech, which was enthusiastically received. Among other matters he referred to the opportunities which offered for securing an export market in Great Britain for certain lines of Canadian manufactures, and referred to several instances which had come under his personal observation as commercial representative of New Brunswick, in England. He also dwelt on the necessity of the appointment by the Dominion Government of "Commercial Agents" in foreign countries.

PRESIDENT'S ADDRESS.

The President, Mr. R. W. ELLIOT, on rising to deliver his annual address, was loudly applauded. He said :—

We meet under more favorable auspices than last year. We have our own quarters most centrally situated in Toronto, well supplied with statistics referring to the manufacturing industries of this Dominion, convenient as a meeting place for those from town or country, and with largely increased numbers.

At this our eleventh annual meeting, it dawns on our critics that we are not a political propaganda, but merely a voluntary association, employing laborers in great numbers and having an immense stake in the country in the shape of land, water powers, machinery, stock, plant, and debts for goods supplied to our customers.

Let me say I was (so to speak) born a *free trader*, but the following considerations have made me a protectionist. The theory of free trade rests on the ground that the consumers

being
the d
refere
Th
come
beaut
good
not st
A
be hig
in the
beauti
her pr
princip
equal
is to b
Hov
country
content
have to
to hou
police,
perishin
flood an
and the
crimina
board an
can get
What
the fair
ous, mo
the epit
This
should b

being the whole people of a nation, should be first considered in the distribution of taxes, and commodities should be taxed with reference simply to the total of population.

The theory of protection rests on the basis that all values come from labor. The mountain stream may have scenic beauty, but until labor changes it to motive power it does no good for man. Coal may exist, but till mined by labor it cannot start an engine.

A man may have physical strength, inherit great wealth or be highly connected, but if inactive, leave him out of account in the enumeration of civilizing forces. A woman may be beautiful (any woman can if she tries), but if she does not do her proper work in rearing and teaching her children religious principles the country will suffer. We do not overlook the equal share of work women have done, and must do, if Canada is to become a great nation.

How do we stand as manufacturers and producers in this country—men, women, children, working for the unity, peace, contentment, prosperity, and power of the Dominion? We have to bear the burden of taxation, we give value to land, rent to houses, dividends to banks and loan companies, pay the police, the fire brigade and fire losses, losses by waste and perishing, losses by speculation and mismanagement, losses by flood and storm. We support cheerfully the sick, the imbecile and the lunatic. We are obliged to support tramps and criminals in better quarters and in many cases with better board and clothing than honest, hard-working men and women can get by their labor.

What is our reward for all this work, this endeavor to make the fair land of our birth or adoption more rich, more prosperous, more great, year by year? We are assailed with the epithets of "Monopolists," "Jobbers" and "Schemers."

This opens the broad question constantly in debate—What should be the relation between capital and labor? They should

be forces working quietly and harmoniously, and they should understand each other! (Hear, hear.) What is capital? Simply the saving from labor; any man or woman may become a capitalist by work, saving and economy. Manufacturers and their work-people are bound together by insoluble ties; they should constantly urge on the governments of the day their absolute rights. Before foreign competing producers enter Canadian markets they should pay, or the importer should pay, an equivalent or more than an equivalent of the burden borne by the home producers.

I have made my address very short, but cannot close without alluding, in this my valedictory, to the very efficient service rendered by your officers, Messrs. A. W. Wright, John Cosgrave, Frederic Nicholls, and the Executive Committee generally. My heart has been in the work and will still be with you. May I say, elect Thomas Cowan President, and if necessary, have a special telephone line to Galt? (Prolonged applause.)

GENERAL SECRETARY'S REPORT.

The Secretary, Mr. FREDERIC NICHOLLS, prefaced his remarks by referring in grateful terms to the loyal manner in which he had been supported by members during the past year, and stated that the large attendance of gentlemen from all parts of this Province, as well as the presence of delegates from the Provinces of Quebec and New Brunswick, was sufficient to prove that the efforts of this Association to further the interests of Canadian manufacturers, were both recognized and appreciated. His address reads as follows:—

In the past it has been the custom of the Secretary to preface his address with a resumé of the business of the Association for the preceding twelve months, but as on this occasion the report of the Executive Committee will include this informa-

tion,
severa
in var
the fil
memb
comm
interes

Thos
since v
faction
and it
Canadi
in rece
which
interest
business
in this

My p
advisabl
on whic
time fix
experien
propose
Wednes
ing be h
afford an
matters
to those
as the A
of Canad
views can
allied or

A ques
programm

tion, I will only mention, that apart from the work of our several Committees, the Association has, in many cases and in various ways, proved its value, and the bulky proportions of the file of correspondence beside me, will show that many members have readily availed themselves of the facilities at our command for obtaining information of importance to industrial interests.

Those members who have had occasion to call at this office since we first occupied these premises, have all expressed satisfaction at being able to meet in our own comfortable quarters, and it may be stated, that we have on file all the leading Canadian, English and American trade journals; are regularly in receipt of the British and American Consular Reports, which contain much information that can be studied with both interest and profit, and that our Board room can be utilized for business appointments by those members who have not an office in this city.

My predecessor, in his last report, suggested that it would be advisable to change the date of the annual meeting from that on which it is now held to one some months prior to the usual time fixed for the opening of Parliament, and as my own experience has all been in favor of the suggestion, I would propose that the annual meeting take place on the second Wednesday in November, and that an interim general meeting be held on the second Wednesday in May. This would afford an opportunity for meeting and personally discussing matters pertaining to industrial interests, at least twice a year, to those members who are not on any of the Committees, and as the Association now includes representatives of every branch of Canadian manufacturing industry, a frequent interchange of views cannot but result in a more harmonious working of both allied or diverse interests.

A question of great importance, in this direction, is on the programme for discussion at this meeting. I allude to the

proposition to apply for letters patent of incorporation. As every phase of this question will doubtless be dealt with in the argument that will follow the presentation of the report of the Committee appointed to gather and compile information on the subject, suffice it for me to say that I believe it to be in the best interests of the Association that the report should be adopted. A number of leading manufacturers in the Province of Quebec have made application for membership, the membership from this Province has largely increased, and, therefore, the time seems propitious for giving the Association a legal *status*, and having its objects more clearly defined as provided for in the draft of constitution and by-laws, which are to be submitted for your approval.

Another question which merits your serious consideration is the necessity of such amendment to the Tariff as would substitute *specific* for *ad valorem* duties wherever practicable. While an increase of the Tariff is not desired, it is found by many manufacturers that the protection afforded by the present system of *ad valorem* duties, is to a large extent nullified by systematic and fraudulent undervaluation. The seizures that are constantly being made by the Customs officers prove this contention, and as it is extremely improbable that these officials are able to detect, no matter how efficient they may be, more than a percentage of the attempts made to defraud the revenue in this manner, the substitution of specific duties, while not increasing the rate, would be the means of placing the honest importer less at the mercy of unscrupulous competitors, and of affording the manufacturers the protection they are legally entitled to.

It will be remembered that at the last meeting of the Association my predecessor referred in his address to the condition of legislation regarding the employment of women and children in factories. Briefly stated, the position then was that two Bills, almost identical in their provisions had been framed, one

by the
Legisl
reading
force.
Counc
cate th
of the
body i
Local
involv
declari
to show
the Pr
is, I an
laws of
Canadia
Inas
relation
it is, I
vigilant
negotiat
the Gov
its know
belief th
interest
their imp
A que
and amon
the mone
ment on
is a matte
the early

by the Dominion Parliament and the other by the Ontario Legislature, but the former had not gone beyond its second reading, and the latter, though passed, had not been put in force. The decision of the Judicial Committee of the Privy Council in the case of the *Queen vs. Russel* had seemed to indicate that legislation of this nature came within the jurisdiction of the Dominion Parliament, but a second decision by the same body in the Hodge case having apparently indicated that the Local Legislatures had the jurisdiction, the whole matter was involved in doubt. The recent decision of the Privy Council declaring the McCarthy Act to be *ultra vires* would now seem to show that this class of legislation is within the purview of the Provincial Legislatures. Under these circumstances there is, I am afraid, reason to fear that want of uniformity in the laws of the various provinces may result, and that the effect on Canadian industry will not be such as its friends would desire.

Inasmuch as the question of the extension of our commercial relations with the United States will soon press for a decision, it is, I think, of vital importance that this Association should vigilantly watch the interests of Canadian industry in any negotiations which may take place. Although the intentions of the Government have not yet been made public, I think that its known and declared policy on the trade question justifies the belief that the rights of the vast manufacturing and producing interest of the Dominion will have the consideration which their importance deserves.

A question has arisen, and is now being discussed in the press and among business men, as to whether, in the present state of the money market, the rate of interest allowed by the Government on deposits in the savings banks is not too high. As this is a matter of considerable importance it ought, I think, to receive the early attention of the Executive Committee.

I cannot allow this occasion to pass without referring to the condition of the milling interest. Owing to the generally conceded anomaly which unfortunately exists in the tariff on wheat and flour—respectively the raw material and finished product—together with the unfair discrimination against it by the freight rates of our railways, this industry has not only ceased to be carried on with profit but many of our mills are being operated at a loss. The means whereby the burden under which this important industry labors may be removed should, and doubtless will, engage the attention of the Association.

As there is a large amount of business before the meeting, I have made this report as brief as possible, but before concluding, cannot neglect the opportunity which offers for congratulating the members on the magnificent industrial display which is being sent from this Province to the Colonial Exhibition, shortly to be held at London, England; a display which enables us, for the first time, to practically demonstrate to the world that vast strides have of late years been made in the advancement of Canadian manufactures, and it is worthy of record that no inconsiderable proportion of the principal exhibits have been made by members of this Association. (Applause.)

TREASURER'S REPORT.

The Treasurer, Mr. JOHN COSGRAVE, then presented his annual statement of the affairs of the Association, and made the following remarks :—

In presenting my financial statement for the past year I am pleased to be enabled to report a much more satisfactory condition of affairs than has existed for some time. We have an increased membership and a fair amount on hand to our credit. To this happy improvement in our condition I feel this Association is greatly indebted to our worthy President, Mr. Elliot, who

has b
energ
To M
occup
that v
creati
all po
has pr
of our
credit
manne
which
say tha
his abl
a credi
organ.
the har
and eve

Whil
the hist
be made
Provinc
an addi
capital
skilled
tical, wo

Furth
negotiati
States a
a most
turers; th
that a de
ship of ev

has been indefatigable in closely looking after its interests, and energetic in developing schemes for the promotion of its success. To Mr. A. W. Wright, our Honorary Secretary, who, whilst not occupying that active position he formerly held, has lent much of that valuable time and ability which was so instrumental in first creating this Association and bringing together gentlemen of all political shades, and establishing it as an organization which has promoted and been so beneficial to the manufacturing interests of our country. To our active Secretary, Mr. Nicholls, too much credit cannot be accorded, because, combined with his courteous manner and energy, very much of the advantages and comforts which we now enjoy we are indebted to him for. I may also say that to him we owe very much indeed in connection with his ably edited paper, the *CANADIAN MANUFACTURER*, which is a credit to him and likewise a credit to this Association as its organ. It should materially tend to augment and strengthen the hands of this Association, and I would strongly advise each and every one to endeavor to further its circulation.

Whilst the past year has been one of the most successful in the history of our Association, I feel that a strong effort should be made to secure the membership of every manufacturer in this Province who can be reached, as it would have the effect of giving an additional strength and influence. The very large amount of capital of the manufacturers working hand in hand with the skilled labor which they employ and whose interests are identical, would tend to develop and protect the interests of both.

Furthermore, combined with other matters which may arise, negotiations in favor of a Reciprocity Treaty with the United States are now pending, the result of which might have a most prejudicial effect upon the business of many manufacturers; this ought to be closely watched, and is a further reason that a determined effort should be made to secure the membership of every manufacturer it is possible to reach.

REPORTS OF COMMITTEES.

The following Reports of Committees were next presented, and in each case unanimously adopted :—

EXECUTIVE COMMITTEE—*Chairman*, MR. R. W. ELLIOT.

MR. PRESIDENT AND GENTLEMEN :

Your Executive Committee beg to report that during the past year they have held three meetings, at which all the business submitted to them was fully disposed of, no unfinished business being left over from their last session.

Memorials recommending certain changes in the law on the following subjects have been drafted and duly forwarded to the Dominion Government, after the facts in each case had received careful consideration :—

1st. In reference to allowing a rebate on certain imported articles which enter into the manufacture of goods for export only.

2nd. In reference to initiating a measure which would make provision for the equitable distribution of insolvent estates.

3rd. In reference to the appointment of a railway commission, which would, amongst other matters, take cognizance of the injurious effects of discriminating railway freight charges on individuals and localities.

Your Committee would also report that, during last session of the Ontario Legislature, a Bill was introduced by F. J. French, Esq., M.P.P., providing for the compulsory registration of hire receipts and levies in a similar manner to chattel mortgages. As this Bill, had it become law, would have seriously militated against the interests of a number of important industries, a delegation of members of your Committee waited on the promoter of the Bill and obtained his consent to allow the matter to lie over till this year, and they would now recommend that this year's Committee take an early opportunity of ascertaining whether any similar legislation is proposed during the forthcoming session of the Legislature.

Amongst other matters which have received attention, and which may be specifically mentioned, is that this Committee decided to offer a silver medal for best original industrial design by students of Ottawa School of Art and Science, the competing

design
worth
to offer
develop
many
were k
produc

T
MR.

You
would
of the
small
submit

The
good ef
adopted
notably
goods m

From
are of c
to some
mittee c

Your
each ca
Ministe
instance
of collec

In so
to recon
gestions
harmony
Associat
found th
industri

In co
mend th
specific f

designs sent for award being now on the table. It is a question worthy of consideration, as to whether it would not be advisable to offer awards to other schools of design in this Province. The development of native talent is a matter of much importance to many branches of Canadian industry, and, if the Association were known to be in favor of its encouragement, it might be productive of good results.

TARIFF COMMITTEE—*Chairman*, MR. THOMAS COWAN.

MR. PRESIDENT AND GENTLEMEN :

Your Tariff Committee, in presenting their annual report, would draw attention to the apparently satisfactory working of the Tariff as a whole, as evidenced by the comparatively small number of applications for recommendations of changes submitted to them in comparison with previous years.

The Committee has much pleasure in acknowledging the good effects which have resulted from the Government having adopted several of our recommendations made to them last year, notably that of the total prohibition of the importation of goods made wholly or partly in foreign prisons.

From statements made to them, however, your Committee are of opinion that there is reason to fear that the law is being, to some extent, evaded, and would recommend that the Committee on Undervaluations take steps to investigate this matter.

Your Committee, after careful consideration of the facts in each case, have submitted to the Honorable the Finance Minister several recommendations for tariff changes, in some instances, in the rates of duties, and in others, in the method of collecting them.

In some cases the Committee have found themselves unable to recommend to the Government the adoption of certain suggestions made by members, some because of their not being in harmony with the general trade policy which is favored by this Association, and others because, on due consideration, it was found that the changes suggested would injuriously effect other industries.

In concluding their report, your Committee would recommend that the Government be strongly urged to substitute *specific* for *ad valorem* duties, wherever practicable, for reasons

which have already been submitted, and which have repeatedly been endorsed by the Association.

PATENT COMMITTEE—*Chairman*, MR. DONALD C. RIDOUT.

MR. PRESIDENT AND GENTLEMEN:

Your Patent Committee have held two meetings during the past year. At their first session, it having been found that the Hon. J. H. Pope, then Minister of Agriculture, was considerably averse to making any changes in the Patent Law, your Committee decided to submit to the House of Commons a Bill embodying the changes recommended by the Association.

In accordance with this resolution, a Bill was therefore drafted by the Secretary, and in due course presented to Parliament by Robert Hay, Esq., M.P. for Centre Toronto, a member of this Association, and, in the usual course, was read a first and second time.

Before the second reading, however, the Hon. the Minister of Agriculture caused the Bill to be so amended that it failed to meet the objects which were sought, and, consequently, no further efforts to secure a third and final reading were made.

At a recent meeting your Committee again decided to memorialize the Hon. John Carling, the present Minister of Agriculture, in reference to the original draft of the Bill, with two unimportant amendments, and are now awaiting the Minister's decision.

FOREIGN TRADE COMMITTEE—*Chairman*, MR. WILLIAM BELL.

MR. PRESIDENT AND GENTLEMEN:

Your Committee beg to report that the representations made to the Dominion Government last year in reference to the appointment of Commercial Agents at foreign ports for the purpose of extending Canadian trade relations, met with the approval and endorsement of the late Finance Minister, the Hon. Sir Leonard Tilley, but that owing to his regrettable illness and subsequent retirement from the Cabinet, no definite action has yet been taken, although a sum of \$10,000 for this purpose was set apart in the Estimates which were passed at last session of Parliament.

Your Committee, under the circumstances, would recommend that a resolution be submitted to the meeting, setting forth the

neces
and
be fo
these
Yo
Onta
every
India
be ex
count
world
propo
appli
work
pariso
Th
our m
produ
those
grasp
and d
Bel
can be
devote
appoin
Provin
interes
indust
Section
COMM
MR.
You
Execut
place b
looking
betwee
That
any wa
your C

necessity of the Government taking early action in this matter, and that the Secretary be instructed to prepare a memorial to be forwarded to the Finance Minister, which would embody these views.

Your Committee record with much gratification the fact that Ontario manufacturers will make such a display of almost every product of our mills and factories at the Colonial and Indian Exhibition to be held this year, that it may reasonably be expected to astonish not only the people of the mother country but visitors who will be there from all parts of the world. The display from this Province will be great in its proportions, about 50,000 square feet having already been applied for, and, as you all know, the excellence of material and workmanship, and artistic and skilful design, will bear comparison with the output of any factories in any country.

The progress that has been made towards the perfection of our manufactures and the machinery of Canadian make for producing these manufactures, is but little known outside of those directly interested, and our manufacturers have wisely grasped the chance so opportunely offered for showing the extent and development of their several enterprises.

Believing that by means of this exhibition our foreign trade can be greatly extended, your Committee have this year mainly devoted their attention to co-operating with the Agents appointed by the Government to collect exhibits from this Province, and are pleased to be able to report that an active interest has been taken by members of this Association, whose industries will be creditably represented in the Canadian Section.

COMMITTEE ON RECIPROCITY NEGOTIATIONS—*Chairman*, MR. JOSEPH SIMPSON.

MR. PRESIDENT AND GENTLEMEN :

Your Committee, appointed at the last meeting of the Executive to watch over any negotiations which might take place between the Canadian and United States Governments, looking towards the adoption of reciprocal trade relations between the two countries, would report :—

That, inasmuch as the Dominion Government have not in any way indicated or outlined their policy on this question, your Committee have little to report.

However, as the general consensus of opinion in the United States, so far as can be judged from the tone of the press and by the expression of their views by members of the United States Senate, appears to be unfavorable to the negotiations of a treaty which it would be at all in the interests of Canada to accept, it does not seem at all probable that legislation, in the near future, need be anticipated.

COMMITTEE ON INCORPORATION—*Chairman, FREDERIC NICHOLLS.*

MR. PRESIDENT AND GENTLEMEN :

This Committee, which was appointed by the Executive for the purpose of drafting a code of by-laws to be submitted for your approval, and also to consider the advisability of incorporating this Association, beg to report :—

That, having come to the conclusion that our interests would be advanced, were the Association to become a duly chartered and legally constituted organization, to whose membership all Canadian manufacturers would be eligible, they have prepared the accompanying by-laws in accordance with these views. Should this meeting decide not to confirm this report, the by-laws are so drafted that by striking out certain clauses they will still answer the requirements of the Association, as at present constituted.

In the opinion of your Committee, however, the time has arrived when the benefits of membership should be extended to members in other Provinces, or, at all events, to those in the adjoining Province of Quebec.

It is in what was, prior to Confederation, known as Upper and Lower Canada that the great bulk of Canadian industrial establishments are located, and the manufacturing interests and requirements of Ontario are also those of Quebec, and to a certain extent those of the Maritime Provinces, and should the time come when just rights have to be maintained, necessary reforms secured or new departures taken, such as the extension of Canadian trade relations abroad, the encouragement of the arts and sciences as applied to industrial pursuits and other kindred matters, a common bond of union between the Provinces will render our efforts more effective and far-reaching in their results.

Believing, however, that this question affords room for debate, your Committee, without further comment, submit the appended by-laws for discussion.

RESOLUTIONS

The following resolutions were carried, after full discussion by the meeting :

INCORPORATION.

Moved by Mr. JAMES WATSON, Hamilton; seconded by Mr. R. S. HAMLIN, Oshawa,

"That the necessary steps be taken to secure letters patent of incorporation as "The Canadian Manufacturers' Association."

ART AND DESIGN.

Moved by Mr. J.B. ARMSTRONG, Guelph; seconded by Mr. R. RABJOHN, Toronto,

That for the purpose of encouraging the study of art and design as applied to manufactures, this Association shall offer for competition to the art schools of this Province, three silver medals, to be severally awarded for the best designs in three subjects to be decided by the Executive Committee.

COMMERCIAL AGENTS.

Moved by Mr. GEORGE PATTINSON, Preston; seconded by Mr. WM. BELL, Guelph,

That, *Whereas* Canadian manufacturers, when seeking foreign markets for their productions, are seriously handicapped in their efforts towards this end by the lack of facilities such as are at the command of their English, American and other foreign competitors, and,

Whereas, the great advancement and increase of our manufacturing industries during recent years has made it desirable to extend our commercial connections in other countries. Therefore,

Resolved, that this Association direct the attention of the Government to the necessity of our manufacturers and exporters, generally, being afforded facilities more nearly approaching those enjoyed by their competitors in neutral markets, and this

Association is of opinion that this end can best be attained by the appointment of "Commercial Agents" resident at foreign ports, with duties similar to those performed by the commercial agents of the United States.

RECIPROCITY.

Moved by Mr. R. McKECHNIE, Dundas; seconded by Mr. BENNETT ROSAMOND, Almonte.

That in the event of negotiations taking place between the Governments of the United States and Canada with reference to a reciprocity treaty between the two countries, this Association would strongly impress upon our own Government the necessity of guarding the manufacturing and industrial interests of Canada.

SIR LEONARD TILLEY'S RETIREMENT.

Moved by Mr. R. W. ELLIOT, Toronto; seconded by Mr. JOSEPH SIMPSON, Toronto,

That this Association has learned with regret of the retirement from active public life of the Honorable Sir Leonard Tilley, and desires to express its admiration of the able manner in which he for many years has performed his arduous duties as Finance Minister, and that Messrs. Cowan, Nicholls, Wright and the mover and seconder be a committee to prepare and have engrossed an illuminated address expressing our sense of his services to Canada.

A PRESENTATION.

A pleasant divergence from the general order of business now occurred. The President on rising said that he had now to perform one of the most agreeable duties which had devolved upon him since his election as presiding officer. On behalf of the members of this Association, who at a previous meeting had by a unanimous resolution expressed their desire to acknowledge the services of the present Hon-Secretary, Mr. A. W. Wright, on his retirement from the position of general secretary which he had so ably filled for the three years prior to his resignation, necessitated by his appointment as one of the Commissioners to collect exhibits for the Colonial Exhibition, Mr. Elliot presented Mr. Wright with a hand-

som
pres
nati
wer
for l

M
exce
inter
tion,
altho
tive
read

Th
PR
FI
SE
TR
Ho
GE
RE
—Me
Lamb

EXE
James
Guelph
Millic
Almon
Chas.
Water
Guelph
J. S. L
Toront
Shurley
Thos. M
ing, Ha

somely illuminated address, the text of which was expressive of their appreciation of his past efforts on behalf of native industry, regretting that his services as general secretary were about to terminate, and concluding with warmest wishes for his future welfare.

Mr. Wright on rising to reply was loudly applauded. In an exceptionally neat and appropriate manner he referred to the interest which he had always felt in the work of the Association, the principles which gave it birth were dear to him, and although no longer connected with the Association as an executive officer, he would in the future as in the past always be ready to promote the cause they all had at heart.

ELECTION OF OFFICERS.

The following officers for the ensuing year were then elected:

PRESIDENT.—Mr. Thomas Cowan, Galt.

FIRST VICE-PRESIDENT.—Mr. James Goldie, Guelph.

SECOND VICE-PRESIDENT.—Mr. Samuel May, Toronto.

TREASURER.—Mr. John Cosgrave, Toronto.

HON. SECRETARY.—Mr. A. W. Wright, Toronto.

GENERAL SECRETARY.—Mr. Frederic Nicholls, Toronto.

REPRESENTATIVES TO INDUSTRIAL EXHIBITION ASSOCIATION.—Messrs. R. W. Elliot, Geo. Booth, John Cosgrave, Daniel Lamb, Frederic Nicholls.

EXECUTIVE COMMITTEE.—Messrs. R. W. Elliot, Toronto; James Watson, Hamilton; E. Gurney, Toronto; Wm. Bell, Guelph; Jos. Simpson, Toronto; Adam Warnock, Galt; W. Millichamp, Toronto; R. McKechnie, Dundas; B. Rosamond, Almonte; Geo. Pattinson, Preston; Daniel Lamb, Toronto; Chas. Riordan, Merritton; George Booth, Toronto; Isaac Waterman, London; J. B. Armstrong, Guelph; C. Raymond, Guelph; M. A. Kerr, Hamilton; W. F. Cowan, Oshawa; J. S. Larke, Oshawa; Wm. Birkett, Dundas; H. Heintzman, Toronto; Geo. Lang, Berlin; W. H. Storey, Acton; C. Shurley, Galt; John Taylor, Toronto; M. B. Perine, Doon; Thos. McDonald, Toronto; R. S. Hamlin, Oshawa; B. Greening, Hamilton; Geo. W. Sadler, Montreal; John A. Pillow,

Montreal; J. F. Ellis, Toronto; J. R. Barber, Georgetown; John Fensom, Toronto; Robt. Mitchell, Montreal; D. R. Wilkie, Toronto; Louis Côté, St. Hyacinthe; H. N. Baird, Toronto; John Elliott, Almonte; Wm. Christie, Toronto; P. Freyseng, Toronto; Wm. Harty, Kingston; F. Strange, Toronto; F. Crompton, Toronto; John McClary, London; Carl Zeidler, Toronto; C. A. Birge, Dundas; W. G. A. Hemming, Toronto.

After an informal discussion by members on various topics pertaining to the manufacturing interests, the afternoon session was then adjourned.

Evening Session.

Mr. Thomas Cowan, of Galt, the newly elected President, took the chair at 7.30 p.m.

Mr. H. W. Darling, the President of the Toronto Board of Trade, who had been invited to be present, was introduced to the meeting.

READING PAPERS.

The reading of the several papers which had been prepared by members of the Association was then proceeded with:—

THE BUSINESS OUTLOOK.

(By R. W. Elliot, Toronto.)

It does not change from winter to summer in a day. The regular procession of the seasons goes on, and though some times "winter lingers in the lap of spring" the average temperature is maintained and isothermal lines can be drawn with tolerable accuracy.

We are now passing through a season of severe depression; there has been no panic, no stagnation, no general distrust, but merchants, manufacturers and producers in almost every branch have found the value of their goods shrink in their hands. Our outlook must commence from retrospection.

What then has happened to change quotable values, to glut markets and temporarily paralyze industries? Industry being the prime factor in material progress, have we really arrived at a stage when a halt should be called, or is somewhat of a relapse into barbarism in order?

An experienced London merchant told me years ago, that times have changed. That if at one time, say, the Canada market was bad, the India market was good, when "France" was bad "Australia" was good, and so on, but now, said he, "all are good or bad together, and there is no chance for a regular yearly profit." This brings us to the key note of the present situation, which may be expressed by the words *rapid transit*. Iron and steel ships with compound engines on seas, steel rails and improved rolling stock on land, labor saving mechanical inventions, telegraph wires and cables by sea and land, have complicated business matters amazingly.

Let us briefly consider the effects they have wrought in a few universally used commodities and which are transported in great bulk, weight or value, such as cotton, coal, chemicals, cattle, wool, wood, wheat, maize and money. This is not a statistical or political paper and deals only in general form with facts that have been presented day by day by the daily press, "the mirror of the times." It must be remembered that "history repeats itself," and not days or months, but series of years mark the change from low to high tide in manufacturing and mercantile affairs.

Cotton has been depressed by the change from the old mode of carting with mules from the plantation to the river where it was re-pressed with all the sand accumulated on the journey. Now it goes to a station a few miles off, and meets last year's crop in Lancashire, thus creating a surplus.

Coal in like manner was mined, toated and canal-boated about six months before it felt a grate. Now it is burned before a month after being mined.

Wood was cut as winter work by farmers and marketed after a year by next sleighing. Now the railways take it at statute rates nearly as soon as it can be brought to a station.

Wool is sheared but once a year, but the subdivision of labor is so closely watched that manufacturers know every district where wool suitable for their purpose may be obtained, and the fleece is marketed while still warm from the sheep's back.

Iron is a hard question, and one of the most vital to the general interests of trade. Every man and woman in the land knows of iron, just as they know that a poodle and mastiff are dogs. The question at once arises, which is the most fashionable or in most demand, where are the ores and fluxes to be found and where the cheapest transportation? England and Belgium are in serious debate on this question; our forces are in reserve. In Ontario, no doubt, we have some of the finest and richest ores in the world, and it devolves on this Association to assist in bringing this fact prominently forward. Considering that the railway, the highway of the age, by attrition and rolling wear uses up an immense quantity of even the hardest steel yearly, it is pleasing to know we have an offset to the lack of coal in Ontario.

Chemicals are not lacking here—salt, technically called "chloride of sodium" is abundant in some places. Considering that England exports about 400,000 tons yearly of the products of salt, may we not confidently look forward to salt as one of our undeveloped resources? Petroleum, another element of value not fully developed, is capable of great financial results.

Cattle, and with them cheese and butter, have been much depressed, but still bring over eight millions a year of returns against imports of other commodities.

Wheat, taking the Dominion round, is hardly an export, and it is questionable whether it pays the cost of production.

A London paper recently truly said, that taking the world round, a wheat crop was reaped for England eleven months out of the twelve in the year. Why should we enter into competition with the worst paid people on the earth? Why not on the other hand endeavor to find the most profitable fields of industry?

Maize is to us almost a foreign product, only three or four of our western counties growing it as a regular crop. The aggregate of its production on this continent is however so large that it cannot be overlooked in our outlook. Taken as a whole it has been a much better crop than wheat, and as an integer in the cost of animal food it is certainly a prime factor influencing its cost in every form. We must always reckon to produce better beef, mutton, cheese and butter than can be got in the Western and Southwestern States of the neighboring Republic.

Reverting to our first proposition and admitting the premises laid down, it is at once seen how the value of the use of money

is affected ; rapid transit requires much less time for minerals, cereals or raw materials of whatever kind to get to market, to prepare them for consumption, and to be in place for consumption.

Hence low interest for money, a temporary glut of commodities, and low prices for goods and wages. What forces work against these lately adverse influences? Briefly summed up they are in this Province—1. Great increase of population both native and by immigration, owing to peace, security and just laws, all tending to greater consumption of commodities, less hoarding and less waste. 2. The recognition of the right of workers to just wages, decent houses, good food and suitable clothing. 3. Better systems of agriculture, transport and manufacturing, by which our people are rapidly becoming able to compete with any foreign nation, not only at home but in distant markets wherever an opening may be found.

Everything points to an improving state of affairs when once the machinery of trade becomes adapted to the changed conditions.

Our outlook comes now to the present, and regards the veiled future with confidence.

We have a salubrious climate, a soil capable of producing men, cattle, corn and fruit of finest quality. We have a hardy, frugal and prolific population. We have a system of education, which, not pretending to create genius, gives to genius and invention weapons which will be wielded to great national advantage.

It is undoubted that immense mineral resources wait the energy and enterprise of the miner ; phosphates, iron, lead, silver and gold are plentifully in store.

This Association, though not specially charged with the duty, has earnestly endeavored to vary the fields of labor so that every native lad may find congenial and useful occupation at home and add to the national strength and wealth. Let us then take to heart the lesson of the present hard times—economy, frugality, industry and patience, and may we at our next annual meeting be able to say, "Lo! the winter is past, the rain is over and gone, the flowers appear on the earth, the time of the singing of bird is come."

THE QUESTION OF FOREIGN MARKETS.

(By Frederic Nicholls, Toronto.)

It is comparatively such a short time since Canada has occupied any prominence as a manufacturing country, that to talk of looking for foreign markets for a portion of the output of our mills and factories, where they would have to be sold in competition with goods of English, American and European make, may probably seem to those who have not given this question consideration, little short of folly, and by such it may be claimed that the assertion that such a proceeding is feasible or even possible is unwarranted by facts.

As this paper, however, is submitted to a thoroughly practical and well-informed audience, who know, many of them from personal experience, that in certain lines of manufactures Canadians are now and have for some years been doing a profitable export trade, I will not occupy your time with arguments *pro* and *con* or by referring to any special lines that are in my opinion suitable for distribution abroad, although in passing it may be remarked that many exhibitors at the forthcoming Colonial and Indian Exhibition will find, probably to their surprise, that the goods which their enterprise and patriotism have prompted them to send there, will be the means of opening up new avenues of trade that have hitherto never been contemplated, and this view, roseate though it may appear, is not without a previous parallel. Several Canadian exhibitors at the Philadelphia, Paris and Sydney Exhibitions, none of which compared with the Colonial for the inducements offered for a proper representation of our industrial advancement, state that as an outcome of their exhibits at these places, a permanent and unexpected trade, amounting in some instances to a very large amount annually, has been established.

It is impossible, however, within the scope of this paper to deal generally with the foreign trade question, so I will at once draw your attention to an issue which arises in the consideration of this subject and which is a most important factor, if adopted or otherwise, for or against the successful extension of the industrial enterprises of the Dominion. When carried into effect, as it surely will be sooner or later, the scheme suggested will be the means of placing Canadians more nearly on an equal footing with their competitors, in those countries which promise

to l
sity
for
fore
legi
duce
othe
whic
degr
Age
T
to in
appa
capp
conn
to as
Wha
obtai
and
at th
comm
natur
ment
On
Unit
has a
formi
encir
Gove
for ai
flag t
these
foreign
count
Bre
suppo
sent,
of son
of the
ing an
measu

to be the most difficult to contend with. I refer to the necessity of "Commercial Agents," appointed by the Government for the purpose of representing the trade interests of Canada at foreign ports, and whose duty it would be to foster by every legitimate means the export of our manufactures and the produce of the farm, the forest, the mine and the fisheries, besides other duties of a purely commercial and non-political character which will readily suggest themselves to all who are in any degree conversant with the admirable system of "Commercial Agencies" that has been established by the U. S. Government.

That such a system is necessary in this country, if we desire to increase the volume and value of our exports, will be clearly apparent, as without it the manufacturer here is seriously handicapped. For example:—In looking around for foreign business connections, the first questions a manufacturer would be likely to ask himself, are—What countries are my goods suitable for? What are the ruling prices abroad, and are the fashions which obtain here likely to meet with favor in other markets? These and other equally essential particulars are absolutely necessary at the very outset, and having no avenues of information at his command, he will probably dismiss the idea as chimerical, the nature of the difficulties presented almost forbidding the experiment.

On the other hand his competitor in Great Britain or the United States does not labor under these disadvantages. He has at his disposal, for the mere asking, the assistance of experts forming a cordon of efficiently officered commercial outposts, encircling the world, and who are maintained by a paternal Government for the express purpose of affording every facility for aiding and fostering the trade of the country under whose flag they serve, and it is beyond dispute that the services of these officials have been instrumental in greatly extending the foreign commerce and adding to the aggregate wealth of such countries.

Brevity being essential, these few particulars advanced in support of the policy suggested will have to suffice for the present, but probably enough has been said to show the necessity of some arrangements being made for the representation abroad of the important and ever growing interests of our manufacturing and farming industries, and I venture the opinion that any measure looking towards the attainment of this object, that may

be brought before Parliament, will be recognized by both political parties as for the common good.

Sir Leonard Tilley, the late Finance Minister, was evidently fully impressed with the value to Canadian commerce which would accrue from the services of judiciously appointed "Commercial Agents," and in the estimates which were passed during the last session of the House of Commons an item of \$10,000 was set apart for this very purpose, but, owing to the illness which ultimately caused his retirement from active public life, action in the matter was indefinitely postponed.

On the Reform side of the House the proposition to do, what I regret to say, owing to causes aforesaid, has not yet been done, met with a patriotic support, and Mr. Wm. Paterson, M. P. for South Brant, himself a prominent manufacturer, said in the course of his speech in the Budget debate :—

"I believe the remedy for our present depression is to enlarge our foreign markets, not only for our national products but for our manufactured goods, and thus to relieve ourselves of our surplus production. I see that the Government have placed an item of something like \$12,000 in the estimates for 'Commercial Agencies' in different countries. I will support them in that. I would desire to see our foreign relations extended, and new and important markets opened up to Canadian producers."

This candid endorsement of the action of the Government by one of the most strenuous opponents of their general policy is sufficient to show that any reasonable measure that may be introduced will be looked upon as in the best interests of every class of the community.

Having now submitted a few reasons why this Association should vigorously bestir themselves on this important question of extending our foreign trade relations, I must, although the prescribed limit has about been reached, endeavor to show how impracticable it would be for British Consuls to act for us in this connection, as has been suggested by some who have taken an interest in the matter, and in order to prove conclusively how futile such expectations would be, if indulged in, it is only necessary to quote a paragraph which appeared some months since in the *Liverpool Journal of Commerce*.

That leading English journal said :—"The time has now passed when Canada, as a Crown colony, can solely depend upon

the
ent
self
duct
too
artic
com
agric
men
mit
expe
they
that
Brita
dors
tives
ment
will
count
those
Can
Ge
impor
neces
some
favor
kindr
every
reside
prom
that
benefi
we ha
know

the aid of consuls and representatives of Great Britain in different countries. Indeed, to expect a British consul to keep himself thoroughly *au fait* as regards the annually increasing products of Canada and the articles which she exports is to expect too much. Again, in the case of Canada, there are many articles of export which come into actual and even successful competition with those of Great Britain. Take, for instance, agricultural implements, also organs and other musical instruments, and many other articles to which our space will not permit us to refer. It would be unfair to the British tax-payers to expect their consuls to pay attention to Canadian articles when they come into competition with the produce of England, seeing that Canada in no way contributes to the revenue of Great Britain or pays anything towards the support of her ambassadors or consuls. * * * But in this question of representatives abroad Canada ought to be far more liberal in her arrangements. As she becomes still more an exporting country this will become an absolute necessity. The United States and other countries have seen the advisability of dealing liberally with those who put forth their best energies in extending trade, and Canada must, for her own sake, follow their example."

Gentlemen, in conclusion, let me again impress upon you the importance of the admission by both political parties of the necessity of endeavoring to increase our foreign commerce by some such means as has been proposed. This much is all in the favor of any efforts which may be made by this Association or kindred bodies, and with energetic and united action there is every prospect that in the near future "Commercial Agents," resident at foreign ports, will be intelligently working for the promotion of the trade interests of the Dominion, and when that time comes, our industrial enterprises cannot fail to be beneficially affected, and the name of Canada, a country of which we have every reason to be proud, will become more widely known and looked upon with increased respect.

THE ORIGIN AND OBJECT OF A PATENT LAW.

(By Donald C. Ridout, Toronto.)

Patents for inventions are so generally looked upon as monopolies that it seems paradoxical to say that the origin of the Patent Law was an Act to suppress monopolies ; not to create them.

In England,*exclusive privileges and monopolies were granted in very early times. It was the custom of the monarch of the day to grant exclusive rights to court favorites, and to those willing to contribute handsomely to the court exchequer, and of course the privileges granted were greatly abused. In Queen Elizabeth's reign an immense uproar was raised against those monopolies, but the Queen, with her usual good sense, cancelled all the patents that excited the public clamors. The great historian, Macaulay, says, "Her people, delighted by this concession, and by the gracious manner in which it had been made, did not require from her an express renunciation of the disputed prerogative."

In James I.'s time the custom was revived, and was so grossly abused that the House of Commons finally passed an Act, which the King was forced to assent to, declaring monopolies established by royal authority to be null and void. This Act is the foundation of the English patent system, and England was the first country in the world to adopt the Patent Law. After stating the reasons for the proposed law, the preamble of the Act proceeds as follows: "May it please your excellent Majesty, at the humble suit of the Lords Spiritual and Temporal, and the Commons in this present Parliament assembled, that it may be declared and enacted, and be it declared and enacted by authority of this present Parliament, that all monopolies, and all commissions, grants, licenses, charters, and letters patents heretofore granted, or hereafter to be made or granted are altogether contrary to the laws of this realm, and so are and shall be utterly void and of none effect, and in no wise to be put in use or execution."

But recognizing even at that early date the advantages conferred upon the public by inventors, the lawmakers, by the 5th section of this Act, exempted patents which had been issued to the true and first inventor of a new manufacture within the realm ; the period of the right being, however, limited to twenty-one years.

T LAW.

n as mo-
n of the
to create

e granted
h of the
to those
r, and of
n Queen
ast those
cancelled
reat his-
s conces-
en made,
disputed

was so
assed an
monopo-
d. This
and Eng-
ent Law.
amble of
excellent
nd Tem-
sembled,
red and
that all
ers, and
made or
alm, and
nd in no

ges con-
the 5th
ssued to
ithin the
mitted to

The 6th section of the same Act reduced the term of the privilege to fourteen years, which term has been maintained ever since. There was no other Patent Law in England from the passage of the statute of monopolies passed in 1623 until 1835. This latter Act was amended in 1839 and 1844. In 1852 a new Patent Act was introduced, which, except for two slight amendments passed in 1855 and 1859, remained in force until 1883, when the present English Patent Act was passed. Each Act indicates that from the first a patent issued for an invention was looked upon as a contract between the inventor and the public, and that while the inventor was offered certain inducements to explain his invention, so that the public might benefit by it, the lawmakers were always careful to see that in the contract the interests of the public were protected and that the inventor should receive legitimately no greater reward than the public appreciation of his invention entitled him to.

Following the old English custom several of the States, previous to the passage of the first United States National Patent Act, issued Letters Patents conferring the exclusive right to manufacture certain articles, and it appears that as early as 1646 the then Colony of Massachusetts Bay granted to Joseph Jenks the exclusive right of making and selling his improved scythe for the term of fourteen years. The improvement referred to changed the short, thick scythe into the longer and thinner curved implement with stiffened back, now in use. This, I understand, was the first patent issued to an inventor on this side of the Atlantic.

As the early history of the American Patent Office is interestingly set out in an official gazette, I quote from it as follows: "By Act of April 10th, 1790, the first American patent system was founded. Thomas Jefferson inspired it, and may be said to have been the father of the American Patent Office. He took great pride in it, it is said, and gave personal consideration to every application that was made for a patent during the years between 1790 and 1793, while the power of division and rejection granted by that Act remained in force. It is related that the granting of a patent was held to be in these early times quite an event in the history of the State Department where the clerical part of the work was then performed. It is a matter of tradition, handed down to us from generation to generation by those who love to speak of Mr. Jefferson and his virtues

and eccentricities, that when an application for a patent was made under the first Act he would summon Mr. Henry Knox, of Massachusetts, who was Secretary of War, and Mr. Edmond Randolph, of Virginia, who was Attorney-General—these officials being designated by the Act with the Secretary of the State, a tribunal to examine and grant patents—and that these three distinguished officials would examine the application critically, scrutinizing each point of the specification and claims carefully and rigorously. The result of this examination was that, during the first year a majority of the applications failed to pass the ordeal, and only three patents were granted. In those days every step in the issuing of a patent was taken with great care and caution, Mr. Jefferson seeking always to impress upon the minds of his officers and the public that the granting of a patent was a matter of no ordinary importance."

The Patent Act of 1790 remained practically in force until 1836, when an Act was passed which is really the father of the present patent system of the United States. By this Act the system now in force was first introduced, but of course in a very imperfect form. From July 31st, 1790, to July 4th, 1836, there were about 10,000 patents issued, and from July 4th, 1836, to the end of last year, 333,493 patents were granted. These figures, I think, indicate that the present patent system of the United States has been appreciated by inventors, and any one who considers for a moment the immense strides which have been made in labor-saving machinery, and manufactures generally by American inventors, must be convinced that the public at large have been gainers by the inventions which have been fostered by a wise administration of a wise patent law.

In his report made to Congress in 1838, Mr. Henry Ellsworth, the then Commissioner of Patents, says: "The Patent Office has been greatly subservient to the promotion of the arts and science, and its late re-organizations will extend, in a much higher degree, its usefulness. Without the encouragement of the patent laws few inventions would become practically useful. By this encouragement a stimulus is given to talent and ingenuity, and the results of human effort seem almost incredible. The inventions of the day have proverbially overcome time and space. The numerous manufactories spread over all the country attest the patronage they have received from Government. . .

... Of late, however, inventors have directed their attention, with peculiar interest, to the improvement of the implements of agriculture, and many labor-saving machines have been patented which are of the highest utility to the husbandman. These are rapidly increasing, and it is scarcely possible to conjecture to what extent the labors of the agriculturist may be diminished and the products of the country increased by these improvements. Already the process of sowing, of mowing, and of reaping is successfully performed by horse-power, and inventors are sanguine with the belief, and probably not without reason, that the time is not far distant when ploughing-machines will be driven by steam, and steam-power applied to many other operations of the husbandman."

This was in 1838. You know, gentlemen, the immense progress that has been made since then. You know that it would be practically impossible to cultivate our country were it not for the recent improvements in agricultural implements. That without the telegraph, modern business would be at a stand still; that without the sewing and kindred machines many comforts which are now common would be beyond the means of the majority, and all these improvements, nearly all the extraordinary advances in the sciences, the fruits of which we of to-day enjoy, have been put into public use since 1838, and are directly attributable to the patent law.

It is, I know, contended by the opponents of the patent law that all the inventions and improvements which we enjoy would have been produced by inventors without the stimulant of a patent law.

Apart from the hope of making money through the privilege of a patent, which induces so many inventors to devote their time to improving machinery and manufactures, another important element must be considered, and that is the difficulty an inventor would have in inducing a manufacturer to adopt a new invention were it not for the protection offered by a patent, which element is probably the strongest argument in favor of a patent law.

Sir Henry Bessemer, in the following opinion reported on page 103 of a work called "Creators of the Age of Steel," expresses his views on this point: "I do not know a single instance of an invention having been published and given freely to the world and being taken up by any manufacturer at all.

I have myself proposed to manufacturers many things, which I was convinced were of use, but did not feel disposed to manufacture, or even to patent. I do not know of one instance in which my suggestions have been tried; but had I patented and spent a sum over a certain invention, and saw no means of recouping myself except by forcing, as it were, some manufacturer to take it up I should have gone from one to the other and represented its advantages, and I should have found some one who would have taken it up on the offer of some advantage from me, and who would have seen his capital recouped by the fact that no other manufacturer could have it quite on the same terms for the next year or two. Then the invention becomes at once introduced and the public admits its value, and other manufacturers, like a flock of sheep, come in. But the difficulty is to get the first man to move. The first man might say, "Oh, my machinery cost me a great deal of money. I have my regular trade, and this machine is sure to be more trouble to me, in the first instance, and when everybody asks for it, every other manufacturer will be in a condition to supply it, so it is not worth my while. I believe that inventions which are at first free gifts are too apt to come to nothing."

Such an opinion from such a man must command respect, and even if it stood alone ought to be a sufficient answer to those who cavil at patents and sneer at the efforts of the inventor.

In a very able speech delivered by the Honorable Orville H. Platt, of Connecticut, in the Senate of the United States, Bessemer's Patent for Improvements in the Manufacture of Steel is referred to. Mr. Platt said:—"In 1868 the average price of steel rails was \$165 per ton. The price since the commencement of 1884 is \$34 per ton. The production of steel rails in 1883 was 1,295,740 tons. The same quantity made in 1868 would have cost more than they cost in 1884 by \$168,446,200. That is the saving of a single year as the result of this invention." And in speaking of the advantages conferred upon the public by patented inventions generally, he says: "If we measure them by what they create, by what they save in cost, by what they add to production by their multiplication of values, then the sum total is simply incalculable."

The first Canadian Patent Act which I can find was passed in 1821, and embraced Upper Canada. In 1824 a Patent Act was passed for Lower Canada, and in 1849 a Patent Act em-

braci
Domi
Act
issued
Act v
1869
issued
years.
patent
years
The in
mous.
\$69,07
in our
were g
one, w
607 pa
United
607 pa
Ontario
divided
our Pat
from ci
rio cont
If we
appears
In 1869
here the
have ju
increase
issued b
never li
number
least, ec
necessar
a year, a
patents
sufficien
ration.
Patent
patentee

bracing the two provinces was introduced. In 1869 the first Dominion Act was issued, which was replaced in 1872 by the Act now in force. From 1824, when the first patent was issued in Lower Canada, up to 1869, when the first Dominion Act was introduced, there were 3,325 patents issued. From 1869 up to the passage of the 1872 Act there were 1,644 patents issued, making in all 4,969 during the period of forty-eight years. From 1872 to the first of this year there were 23,064 patents issued, or 18,095 more patents issued in the thirteen years since 1872 than there were in the forty-nine years previous. The increase in the fees paid into the Office has also been enormous. In 1869 the fees received amounted to \$14,214.14. In 1885 \$69,075.21 were paid by inventors. The number of employees in our Patent Office in 1869 were fifteen, and only 588 patents were granted. In 1885 the staff had only increased to thirty-one, while the number of patents issued were 2,232. In 1884, 607 patents were issued to Canadians, 1,714 to citizens of the United States, and 135 to citizens of other countries. Of the 607 patents issued to Canadians, 389 were issued to citizens of Ontario, 151 to citizens of the Province of Quebec, and 67 divided among the other provinces. It will thus be seen that our Patent Office derives over sixty-nine per cent. of its support from citizens of the United States, and that of the balance Ontario contributes 75 per cent.

If we are to be guided by the records of the Patent Office it appears that the inventive faculty has not increased in Canada. In 1869 when only residents of Canada could obtain patents here there were 588 patents issued. In 1884 there were, as I have just said, 607 patents issued to Canadians, indicating an increase of only nineteen; although the total number of patents issued by the Office, as I have said, numbered 2,456. Figures never lie, but I am quite satisfied in my own mind that a large number of the applicants for patents in 1869 were, to say the least, economical with the truth. In that year it was merely necessary to declare that you had been a resident of Canada for a year, and I have no doubt that a very large proportion of the patents issued then were issued to Americans with consciences sufficiently elastic to enable them to make the necessary declaration. I therefore do not think the published records of the Patent Office for 1869 show the true nationality of the patentees.

As most of you gentlemen know, comparatively few Canadian manufacturers took advantage of the Patent Law sixteen years ago, and you also know that since then, as competition has increased, manufacturers have found it necessary to introduce specialties, which, in order to retain, it is necessary to patent; and, consequently, the character of patents issued is steadily improving, and instead of being looked upon as a speculative document the public is gradually realizing the fact that a patent is a legitimate factor in our manufacturing interests, enabling the manufacturer to reap the benefits of his improvements from increased sales thereby produced.

As I explained at the commencement of this paper, the origin of a patent law was an Act to suppress monopolies, and it is universally allowed that the real object of a patent law is to benefit the public by offering an inducement to inventors to devote their time to the improvement of existing machines and manufactures for a reward which will not encroach upon the vested rights of the public. It follows, then, that every patent is a contract between the public and the inventor, the specification forming the basis of the contract; therefore the Patent Office, which acts on behalf of the public, should be careful to see that no specification passes with claims embracing devices already in the possession of the public. The Patent Office at Washington is organized for that purpose, and every specification is carefully criticised, the claims cut down where they embrace more than the inventor is entitled to, and where the same path has been followed by prior inventors the applicant is compelled to point out the differences between the prior inventions and the invention he seeks to cover.

Many of the examiners compel the applicant, and I think properly, to specifically recognize patents describing inventions which appear on their face to be something similar to his, and to point out the differences. Every paper signed by the inventor or his applicant is kept on file, and it is an easy matter to discover what the real invention covered by the patent amounts to, and what was originally sought to be covered by the applicant. Our Patent Office at Ottawa is organized for the same purpose as that at Washington, but as the examiners are unsupplied with records and other required conveniences, they are unable, through no fault of theirs, to properly criticise the applications submitted.

T
with
and
inve
refer
pate
whic
proc
whic
and
office
law.

N
law
only
factu
have
be is
while
ter h
order
to pr

Ra
effect
gress
stitut
done
say th
be don
of ban
upon
gain, a
It i
make
prise,

The system which permits papers filed by the applicant to be withdrawn and changed destroys the history of the application, and is bad both in the interests of the public and of the honest inventor. The rule by which interfering applications are referred to outside parties without the slightest knowledge of patent law, or of the law of evidence, is wrong. The law which requires an applicant to incur the useless expense of producing a model, which forms no part of his patent, is a law which bears harshly on the poor inventor, and should be changed; and in other respects changes should be made in our law and office practice in order to secure fully the object of a patent law.

No class in the community is more interested in a good patent law efficiently administered than manufacturers; for you not only appear as inventors and holders of patents, but, as manufacturers, are liable to use devices which others may claim to have invented. It is important to you that no patent should be issued embracing a device already the property of the public, while it is equally important that an honest invention, no matter how small it may be, should be adequately protected, in order that the man having sufficient pluck to invest his capital to produce it for the public should have the protection promised

THE RAILWAY QUESTION.

(By A. W. Wright, Toronto.)

Rapid, cheap, and easy means of inter-communication and of effecting the exchange of commodities is essential to the progress of a people, and, with the exception, perhaps, of the substitution of money for barter, no discovery or invention has done so much to promote this as the railway. Indeed, we may say that railways are a part of our civilization, which could not be done without, except at the cost of a relapse in the direction of barbarism. Into all economic questions which we are called upon to solve, two elements enter, namely, individual desire for gain, and the general interests of the community.

It is natural that the owners of a railway should seek to make the very most possible for themselves out of their enterprise, and if in pursuit of this object they are a little careless

of the general interests of the community, it must be admitted that they are actuated by a very common rule of conduct. Still, while it may be conceded that railway companies only act as those who control other enterprises do in this respect, there is a vast difference between a railway and, say, a cotton mill or an agricultural implement factory. In such enterprises as these last the owner invests his own capital, and neither seeks nor obtains any special franchise from the community.

Even in the rare instances where a railway company uses only its own resources to build, equip, and maintain the road, it yet necessarily obtains certain franchises, such as the right to expropriate property needed for its purposes, and, as this right can only properly belong to Government or society, it can only rightfully be delegated on the understanding that the party receiving it shall perform some public service commensurate with the privilege conceded. Society, then, has a right to insist that this service shall be duly rendered, and, if the railway companies fail to perform it, a right to adopt such measures as may be requisite to compel them to do so. It follows, therefore, that laws may justly be passed and regulations laid down for the control of railway companies, which, if applied to enterprises which had received no franchise at the expense of the public, might be open to being stigmatised as an undue interference with the rights of the individual.

In order that the public should receive, at the hands of the railway companies, that service to which it is entitled, Parliament has passed laws regulating railways. Thus, the Consolidated Railway Act provides that the various railways shall give each other facilities for the interchange of traffic; it requires them to deal fairly and equally with persons doing business with them, charging the same tolls at the same time and under the same circumstances, to the end that no person or class of persons may obtain any undue advantage, privilege or monopoly. Speaking to an audience of business men, some of whom have had disagreeable evidence of it, it is unnecessary that I should spend time in demonstrating that the railway companies pay just as much and no more respect to these provisions of the law as suits their own purposes. The manufacturers and millers of Ontario know only too well that, for all practical purposes, these provisions might as well be erased.

The President of the Board of Trade in the course of his very

able address at the annual meeting of the board last Wednesday, referring to the state of the milling interest, attributes the present unsatisfactory state of that important industry to the unfavorable provisions of the tariff, and to "discriminating rates of freight hostile to the millers in Ontario and the East." To the accuracy of Mr. Darling's statement of the case, every one who has looked into the subject will bear witness. But, anomalous as the tariff which places a higher duty on the raw material than on the manufactured article is, I can hardly go with Mr. Darling to his conclusion that a change in the tariff would be a sufficient remedy. For it is a fact, that even were the duty on flour advanced sufficiently to fairly counterbalance the duty on wheat, still the unfair anti-Canadian freight discrimination would be sufficient to seriously injure our second greatest industry.

I have referred to the milling interest because it is the one which suffers most from the contemptuous disregard, by the railway companies, of the law passed for their regulation. But other branches of industry suffer proportionately, and capital invested has, it is well known, been frequently deprived of its legitimate returns, and, in some instances, lost by reason of undue advantages given to rivals and at competing points. To remedy this evil, municipalities and business men have exerted themselves to secure railway competition, but the remedy has been found to be often illusory, and at the most but temporary. In spite of provisions and stipulations, which it was fondly believed would be effectual to prevent it, competing lines have amalgamated, and, instead of remedying the evil, the building and bonusing of competing lines has actually intensified it. For now should anyone seek to invoke the aid of the law to recover the excess of an overcharge or to enforce his rights, he finds one powerful company instead of two comparatively weak ones to contend with in the courts. It may be said, it has been urged, that under the law as it now stands, anyone has a right if he believes himself overcharged or unjustly dealt with, to carry the matter into the courts for redress, but practically this is illusory, for the companies can carry the litigant from court to court till they weary him out, if they do not ruin him.

That the evil exists; that the railway companies are practically above the law; that the public does not get the service which it is entitled to is patent to all, and the question "What

remedy can be found and how is it to be applied?" is one of vital importance to all classes, but especially to manufacturers and millers.

In the first place, it seems to me that if the general railway act does not fully, and with sufficient clearness, lay down and define the duties and responsibilities of railway companies, it should be amended, and then, in the second place, some court or commission which will be easily accessible, and where cases will not involve unreasonable costs, should be established for its enforcement. It will be seen that I am expressing no opinion on the remedy of absolute governmental ownership of railways, which is by some believed the only true and effectual one.

It has been advocated by some that it would be sufficient to enlarge the powers of the courts, but if the experience of England is to be relied on, this remedy would not answer, for there it was found that not only did the excessive expense deter litigation, but the judges were confessedly not sufficiently conversant with railway business to enable them to decide intelligently. Giving enlarged powers to a Railway Committee of the Privy Council, and creating a Special Committee of Parliament to deal with the matter have been advocated, but if the ordinary courts of law have not the requisite technical knowledge it is extremely doubtful if these committees would be any better qualified in this respect. Besides, in the nature of things, they could not have that permanence which would be essential to a satisfactory discharge of the duties. It should also be borne in mind that if it is the boast of our system of government by party that abuses are pretty sure to be exposed, it is equally certain that rectitude of conduct is no safeguard against hostile criticism. The court or commission should be so constituted that it will possess not only the requisite legal acumen, but a thorough knowledge of railway matters and of the practices and methods of business generally. It should be easily accessible, and the expense should be low enough to secure justice to all. Its members should be paid sufficient to make them independent, and they should hold office permanently.

I know that it is argued that railways in Canada have not paid, but I do not see that this, even if true, can give them a right to assume superiority to the laws of the country. Besides, it is by no means certain that though their earnings may be insufficient to pay interest on extravagantly built roads, and

divi
mig
divi

It
ente
ques
Rail
if th
mill
sider
then
that
then
the p

Th
and
Trad
task

Th
time
to ex
not p
the m
whic
reaso
foste
may
and
sent

D
write
jurio
Gern
injud
when

dividends, it may be, on watered stock, the same earnings might not be sufficient from which to declare a reasonable dividend on the fair value of the road.

It is not possible within the limits of a paper such as this to enter fully on the details involved in the consideration of a question so important as the constitution of a Government Railway Commission, or Court of Railway Commissioners, but if the members of this Association, the manufacturers and millers of Ontario, will give the subject that thoughtful consideration which its importance to the country generally and to themselves especially, deserves, I feel sure the result would be that ere long Parliament would be moved to take action, and then we might safely leave the working out of the details to the people's representatives.

PROSPECTS OF TRADE WITH GERMANY.

(By J. E. Klotz, Preston.)

The Association has expressed the desire of having prepared and read at its annual meeting a paper on the "Prospects of Trade with Germany," and your Secretary has assigned that task to the undersigned.

The question as to what are those prospects at the present time may be answered in two words, viz., not promising; but to explain the causes, why prospects of trade with Germany are not promising at the present time, and to make suggestions for the removal of such causes and for the introduction of measures which will make such prospects brighter, and which will give reasonable assurance that by such means that trade may be fostered and new profitable outlets for our various manufactures may be opened—these questions to be answered intelligently and at the same time practically, require more than one brief sentence, and an abler pen than the writer can command.

During a residence of a number of years in Germany the writer has observed several features which have operated injuriously to the opening of a direct trade between Canada and Germany, either in instances where Canadian goods have been injudiciously exhibited and offered for sale in Germany, in where articles have been fraudulently given out as of Canadian

manufacture, or where from want of proper persons to bring to the notice of the people of Germany the various manufactures of Canada, our country, as to its resources and products, has in a great measure remained an unknown country.

Of these observations the writer will endeavor to give a brief statement, though without pretending that they embrace all the causes above referred to.

While at Hamburg the writer saw a considerable number of Canadian agricultural implements exhibited among similar articles of United States manufacture, and noticed that several of the Canadian implements were spoken of as being superior articles; yet the farmers and others who examined the same did not suppose them to be Canadian manufacture, but looked upon the whole exhibit as coming from the United States, or as being American. Neither was there any person whose special duty it was to explain and point out which of the implements exhibited were of Canadian make; nor had the manufacturers deemed it necessary to designate themselves as such, all directions thereon—painted or otherwise—being the name of the manufacturer, the place where made, and three letters, "O-n-t." The word "Canada" was not to be found on any implement.

A number of other articles of Canadian manufacture were shown in a similar way, and though a favorable market might have been found for them, if properly brought before the public, no person appeared to be specially interested in the sale of them, and the public did not even learn where the articles had been manufactured.

Another instance was a large consignment of bad butter by a New York firm to a Hamburg house; that butter was offered as Canadian butter and sold at the price of wagon-grease. The writer made particular enquiry and was informed upon GOOD AUTHORITY that the said butter was not a Canadian product at all, but had been made in one of the Western States; that Canadian and Western States merchants were in the habit of sending their butter to New York, that it was there assorted, that all good butter was labelled with "United States," and all bad butter with "Canada."

Our neighbors, the United States, have in a large number of cities in Germany a consul or a consular agent who himself is directly interested in the trade between the United States and Germany and does all he possibly can to foster the same; a

large number of railway companies have their agents spread all over Germany for the purpose of promoting immigration to the United States; and besides all these factors there are thousands of German merchants and German manufacturers all over the United States who have had for a number of years direct trade with Germany.

We in Canada, on the other hand, have neither a consul nor a consular agent in all Germany, and the British officials in that country do not seem to interest themselves about Canada. The few agents that were occasionally sent to Germany, either by the Dominion or Local Government, for the purpose of promoting immigration to Canada, have been too much restricted in their operations and too few in number to compete successfully against the United States railway agents, while at present neither Government appears to have any agents employed in Germany; probably the Canadian Pacific Railway Company is the only party that has one or more agents on the continent employed for the promotion of immigration, and as to German merchants and German manufacturers in Canada who have direct trade with Germany, their number, as compared with those in the United States, is insignificantly small.

In view of these facts it cannot be surprising that at the present prospects of trade with Germany are not promising for Canada.

As an attempt to remove existing impediments, the writer would suggest the advisability of securing reliable men in several commercial cities in Germany, especially in Hamburg and Bremen, to take charge of the agency for the sale of Canadian goods, to advertise the goods freely and liberally, by circulars and newspapers, to abandon the contraction "Ont.," but write the name of the Province in full and never omit the word Canada, and to manufacture none but articles of good quality.

The recent Antwerp exhibition will no doubt tend to make Canada, its products and manufactures better known in Germany.

AGAINST COMMERCIAL UNION.

(By John MacLean, Toronto.)

Every now and then the proposal of commercial union with the neighboring Republic turns up to distract public attention. To some it recommends itself as a good plan for overthrowing Canada's National Policy, while others see its greatest merit in the certainty that it would speedily break up Confederation. It is difficult to believe in the sincerity of those who profess to think that these Provinces could be commercially united to the States, while still remaining politically independent, or united to Great Britain. It does seem as if the only way in which we can give them credit for sincerity is by impeaching their common sense. However, the present object is not to enquire into motives, but to state facts, and if possible to draw such inferences, of an industrial and commercial character, as the facts warrant. We find that the commercial union scheme is advocated by men of mark over the border, among whom are some prominent free traders. These latter may be supposed to favor it on principle; but it is also advocated by Mr. Wharton Barker, of Philadelphia, who is a pronounced protectionist. His plan is the simple one of abolishing all custom houses along the border, while keeping up those on both ocean coasts as before. He does not propose political union, but a division of custom receipts on some equitable basis. But the scheme has its most distinguished defender of all on our own side, in the person of Dr. Goldwin Smith. He goes further than commercial union merely; and holds that these Provinces will never be in their proper place until they have joined the political system of the North American continent. He urges that the change indicated would not be to England's injury, but the reverse, because it would consolidate perpetual peace between England and America.

In the *Toronto Globe* of the 6th November last, there was printed a paper on commercial union, by Mr. W. D. Gregory, which was read before the Toronto Young Men's Liberal Club on the 2nd. The plan therein laid down is substantially the same as Mr. Barker's—which is to pool all customs and excise receipts, and divide according to population. We know not whether this is adopted by the Club as a body, but it has been virtually adopted by the *Globe*. In the *Globe's* prospectus for 1886 we find this paragraph:—

"The *Globe* advocates *Unrestricted Commercial Reciprocity* "with the kindred people of the United States. Also wider "reciprocal relations in regard to wrecking laws, extradition," etc.

Against the latter sentence nothing can be said, for in the existing wrecking and extradition laws there is surely much room for improvement. But in the former sentence these three words, *unrestricted commercial reciprocity*, may well challenge our most serious consideration. If they mean anything at all they mean that all border custom houses are to be abolished, and that complete free trade between the two countries is to be established. Touching free trade with the world generally, or with the mother country in particular, nothing is said beyond this :—

"The *Globe*, believing Canadians quite competent to make "their own commercial treaties, advocates the obtaining of "complete self-government in that respect. The *Globe* advocates Canada's right to be allowed to alter its own constitution."

The two paragraphs must be read together ; they show that what the *Globe* contemplates is, first, complete commercial independence of the mother country ; and, second, commercial annexation to the United States. What it demands is *unrestricted commercial reciprocity*. Say the words over and over again, and think out their meaning, until you get it fixed in your mind what that meaning really is. There can be only one meaning to it in plain English, and that is that American goods, wares and merchandise are to be admitted free into Canada, while we are to seek necessary revenue from duties on imports from Great Britain and other countries beyond sea.

What the political consequences of commercial annexation would be it scarcely requires a prophet to foretell. Observe that commercial union with the United States necessarily implies *commercial separation* from Great Britain. Mr. Gregory argues "No," but evidently lacks confidence in his own argument on this important point. More consistent by far is Dr. Goldwin Smith, who shrinks not from consequences which the logic of history must compel us to admit, and boldly says that Canada should form part of the North American continental

system, politically as well as commercially. In other words, that these Provinces should become States of the American Union. But, leaving aside for the present, political consequences, Canadian national feeling, and the promptings of sentiment, let us consider this question: Would it pay? Would commercial union be a benefit to Canada in the shape of cash or its equivalent? Let us admit at once that it would give us an open American market for grain, lumber, fish, coal, and other natural products. It would also open our markets to our neighbors for the same articles, and with reciprocity to this extent only we could hold our own. But this falls far short of what the commercial union men are driving at. Mr. Gregory includes *everything*, and the *Globe* says, "*unrestricted* commercial reciprocity." "*Unrestricted*," be it observed; let us say that word over again.

With open ports American goods would sell largely in Canada; in fact this market would be a most valuable one for our neighbors. They say themselves that the only kind of reciprocity they care about is that which would give them a market here for manufactured articles; and this they would be sure to get under commercial union. This is so generally agreed upon as a sure thing, *for them*, that it is scarcely worth while to enter upon the proofs of it. It is one of those things that may safely be taken for granted. With open ports American manufactures would find a large and profitable market in Canada. Now, can it be maintained with any show of reason that Canadian goods would find a market over the border?

Candidly speaking, we think not. American manufacturers have mostly more experience than ours, being longer established in their respective branches. They have, as a rule, larger capital, and they manufacture on a larger scale, and carry the division of labor further than we do. Again, they are allowed to be the most inventive as well as the most enterprising people on the face of the earth. What man of business capacity and of common sense can persuade himself that we should be able to beat the irrepressible "Yankee" on his own ground? Shall we flatter ourselves that under commercial union we would be able to sell cotton goods in New York, woollens in Philadelphia, boots and shoes in Boston, reapers and mowers in Illinois, and stoves in Buffalo and Troy? No business man, in either of these branches of manufacture, can be found to risk

his
But
her
clos
cou
Aga
with
New
trut
peop
drea
B
dissi
pose
that
in al
of w
stand
Iron
and
"Tw
adde
thou
a der
ment
Ame
other
coun
prob
enter
is ab
in.
the e
in th
propo
wealt
is a m
busin
But
Ameri
condit

his reputation for common sense on the assertion that we would. But all these staple articles of merchandise would be sent over here to flood our markets, and our own factories would be closed, or a good many of them. But, it may be said, if we could not sell in the Eastern States we could sell in the Western. Again a great mistake, for when we got to Iowa, let us say, with our samples and price-lists, we would find Boston and New York there to meet us, just the same as in the East. The truth is that the alleged market of fifty or sixty millions of people, ready to buy our merchandise, is a mere unsubstantial dream—an utter delusion.

But there is still something else to be said, which ought to dissipate at once that "baseless fabric of a vision"—the supposed market of sixty millions for Canadian goods. Observe that in most branches of manufacture over the border, in fact in all important lines, producing capacity is now far in excess of what the market can be got to take. Take this for an instance: Two or three years ago Andrew Carnegie, the Pittsburg Iron King, was asked what the capacity was of the new steel and rail works just then erected by his company. He replied: "Two hundred and fifty thousand tons per annum. But," he added, "we do not expect to make more than seventy-five thousand tons per annum until times change very much. When a demand does spring up we are ready for it, to the extent mentioned." To-day the iron and steel producing capacity of American works is more than double what the railways and all other customers together can take. In textile fabrics the country's producing capacity is immensely in excess of all probable or even possible demand. To imagine that we can enter upon that overcrowded market, and sell our goods there, is about as wild a dream as ever commercial enthusiasts indulged in. Supposing an extra good demand for textiles to spring up, the existing American machinery would overtake it and pass it in three months; aye, in three weeks. And yet it is gravely proposed that Canada should enter the lists against a wealthier, a stronger and an older established competitor. This is a mere literary craze; it surely can get no countenance from business men.

But again, it will be said that with commercial union wealthy Americans would start factories in Canada, and so make the conditions *more equal* than in time past. Well, they might

start sawmills, were lumber made free. But do not expect them to start foundries, machine shops, or spinning and weaving mills, on this side. Observe that the main inducement for them to do so would be gone, for the reason that they would be able to send everything over here from the manufacturing States free of duty. Were all Canada annexed to the Republic it might be that fifty years afterwards something like an equality of conditions would have been established. But meantime there would be a terrible record of the wreck and ruin of our manufacturing and wholesale trades, which would not soon be forgotten. We had better keep away from all such dangerous experiments, and let well enough alone.

OUR PAST PROGRESS AND FUTURE PROSPECTS.

(By John Livingstone, Toronto.)

To take such a subject for a reading to the members of the Manufacturers' Association presumes not alone experience, but age, and I begin to think that time has given me both.

One hundred years ago an eminent citizen of France visited America. His graphic description of his travels have furnished me more material for reflection on things as they were compared with what they are than I am capable of expressing. In those days the practical value of steam was unknown, the wind as a motor, as a means of communication between nations, the only power, and two months the usual time in transit from Europe to America. The French citizen travelling at that time in the United States experienced a sensation of liberty unknown in his own country; he was eulogistic of the simplicity of the people, of their morality, of their spirit of emulation, and of their determination—"that having forced the English to give up their domination, they determined to rival them in everything useful; this spirit was a spirit of emulation that showed itself everywhere." That spirit opened to them many channels of commerce; it led the Bostonians to all parts of the globe, to the erection of extensive works, to the creation of societies for the encouragement of industrial trades.

In 1883 the total amount of the productions
of iron and steel in the United States had
amounted to in value..... \$400,000,000

In 1850 the total amount in value of the products of all the industries of the United States was	\$1,019,106,616
In 1883 the products of all the industries of the United States have increased to	5,369,579,191
In 1883 the total commerce of the United States amounted to the enormous figures of .	10,000,000,000

Gentlemen, do these figures startle you? Few take the trouble to read the statistics, but are these not eloquent with praise of a people who, after conquering for themselves a country, resolved to conquer for themselves the trade of the world? Have they done so? If we are to arrive at an answer to this by comparative figures with the trade of Great Britain, we must answer in the affirmative. The trade of Great Britain can show no such figures, the total value of the products of industry in Great Britain being less than the total products of the United States by \$650,000,000, and the entire trade of Great Britain will not amount to more than one-third of the commerce of the United States as shown by the—

Average annual value of exports in five years . .	\$1,474,842,395
“ “ imports “ “ ..	2,006,512,576

The immense figures of commerce that the United States now expose to the world are due to that spirit that conceived the nation to its unparalleled growth and its fiscal policy. The American people were ambitious, they courted foreign trade, no sea was impenetrable to their navigating genius, they studied the wants of all countries and all islands, then returned to their own country for supplies to sell. They were buyers of East India goods, and they sought to extend their trade with India; they had hopes of supplying at that early date South America, the Spanish and other Islands, and even the countries of Europe with the goods of the East. The spirit of progress with which they were imbued made them look forward as expressed in words almost prophetic of the present times—“to a time when it will be a fortunate epoch for the human race when there shall be a third great change in the routes of commerce. As the Mediterranean had lost it before, so will the Cape of Good Hope lose its afflux of maritime commerce. The passage which the free Americans are called upon to open, which is still un-

known, but easy to establish, and which will place the two oceans—the Atlantic and Pacific—in communication, is the passage of the Lake Nicaragua.”

The American tariff is not calculated to be revenue-producing, though it is. It is especially intended to be highly protective, as a reference to their tariff and fiscal returns will show the range to be from 37 to 90 per cent. Thus, instead of sending millions of dollars out of the country in payment of goods to supply the people, the dollars and with them the people are kept in the country manufacturing for the wants of the nation, and only about 12 per cent. of the wants of the country imported, say \$667,697,693, but the balance of trade remains in their favor, the exports being \$740,513,609. Can we be alongside that great nation and not enthuse with their enthusiasm, and chill with the influences that chill them, speaking one common language, enjoying almost similar climatic influences, with almost like freedom to make our own laws, with like machinery in our country and an intelligence and industry in no way second to that amongst their artisans? Why should Canada not advance in like strides in manufactures and in commerce? They are advantaged in population; we are their equals in enterprise and knowledge. They fulfilled the prophecy of the French traveller of 1788 by building (not a canal) a railway in 1870 to connect the two oceans; then they had a population of 38,555,983. We have just completed a greater Pacific Railway and our population is less than 5,000,000. Our merchants are not mere jobbers amongst themselves; they have always been large operators in the United States and elsewhere.

Our commercial interests and sympathies are so alike that with every financial pulsation of the nation we are in sympathy. They have had their financial panics and with them commercial disasters overtook Canadian trade. In 1837, after a time of wild speculation, expansion and depreciation of their currency, they were overtaken by a financial crisis of such severity that all the banks suspended payment, and we suffered with them. The same again in 1857, in 1873, and in the crisis that we are nearing to its end. Thus socially, in commercial interests, sympathies and aims, we are as one people, with only the sovereignty of government and written lines of boundaries to mark us as two nations; but these very interests and sympathies, in connection with their magnitude, compel us to require, that we have from our Government protection equal to that

they
valu
ders
Dom
work
cent.
Engl
the
about
A fe
whol
comp
their
the c
Amer
it wil
the t
neith
favor,
Canad
of the
The to
ture
The to
Don
The n
for t
We
tries of
Great
both ad
to supr
free tr
which
tion wa
natural
The pol
manufa
prairies
on the c

they give their people. Our tariff is not to be compared in value with theirs as a protective measure, yet it has done wonders in the upbuilding of the manufacturing trade of the Dominion, and we have had only six years' experience of its working. Up to 1864 and for some time after, about 80 per cent. of the hardware, exclusive of heavy goods, consisted of English manufactures and nearly 20 per cent. American. When the present tariff became law the Americans had increased to about 80 and the English had declined to about 20 per cent. A few days ago I was in conversation with a representative wholesale hardware merchant in this city. His firm had just completed the taking of their inventory of goods on hand; their inventory and their business fairly indexes the trade of the country; they had divided their business into English, American and Canadian goods. The result surprised me, and it will no doubt surprise you, to learn that the revolution in the trade had been so great within the past six years, that neither the English nor American goods had been the most in favor, the result of the year's business having disclosed sales of Canadian manufactured goods to the extent of over 75 per cent of their entire business for 1885.

The total value of the productions of manufactures in the Dominion for the year 1881 was..	\$309,667,068
The total capital invested in manufactories in the Dominion for the year 1881 was.....	165,302,623
The number of hands employed in the Dominion for the year 1881 was.....	254,935

We as a colony come between the old manufacturing countries of Europe and specially between the United States and Great Britain, the greatest manufacturing nations of the world, both active competitors for the world's trade; the one built into supremacy by the doctrine of protection, the other by that of free trade, each doctrine more applicable to the countries to which they belong than to the other. The doctrine of protection was a necessity to the United States with its unlimited natural resources, lacking only the means to develop them. The policy offered the requisite temptations to the erection of manufactories, and capital seduced to their towns, cities and prairies, the population that has made a great nation. England on the contrary was a developed manufacturing nation before

the United States was conceived, and England was surfeited with a needy population of operatives that clamored for cheap bread; the miseries of the potato famine in Ireland and England made potential the cry and the arguments of the Cobdenites for fiscal changes. Cheap bread to the cheap laboring classes of England was as necessary to the manufacturers of England as protection to the United States. England had no nation then to fear as a competitor in manufactures, and in declaring free trade in the passing of the Corn Laws it was a seeming concession to the starving artisans, with gain to their employers; in that, by keeping down the cost of the necessities of life, they were not obligated to advance on the purchasing value of the artisans' labor, or lessen their own profits, in their trades as manufacturers.

The same incentives to the protective theory that actuated the early American people apply in stronger force for Canada to-day. The development of manufactures in the mother country and in the neighboring republic compel it, if we are to preserve that which has been already so well begun, and continue in development as a progressive people. Already we are producing goods the equal of any in the world; we are said to have over-produced as a consequence of the tariff; well, so also has the United States because of the tariff in that country; so also has England because of, shall I say, want of a tariff in the mother country. And what are we to do with our over-productions?

The United States exported their over-productions

to the extent of.....\$ 740,513,609

And England to the extent of 1,474,842,395

May Canada not have some of that trade? And if not, why not? The dream of the French traveller of 1788 has not been realized by the making of a canal across Nicaragua, but it has been talked of. A ship canal has been projected across Lake Tehuantepec, and a dauntless Frenchman is cutting a canal across the Isthmus of Panama, which he boasts he will sail through before the end of 1888.

The completion of these undertakings would undoubtedly revolutionize the trade of the world, but while yet they are trying to cut through Panama, and while still considering the other schemes, Canada, at one gigantic leap, has put herself into a position whereby, if her merchants and manufacturers are

true t
ers an
consid
count
over
situat
nificer
ocean.

I ha
gress i
Canada
oceans
ality—
aims a
three
Canada
The ol
cultural
driving
sult acc
possess
finest
extende
The Gr
Allan I
Victoria
became
achieve
Railway

The
private
the spir
parable
neighbo

The
imports
United
goods of
we take
luxuriate
share?

true to themselves, they may take the lead as the manufacturers and carriers for the Pacific Ocean. Gentlemen, have you considered the extent of such a trade? From the principal countries of the Pacific there is trade with the world of over three thousand million dollars, and Canada, now mid-way situated, is the advantaged country of the world by its magnificent line of railway under one management from ocean to ocean.

I have said much of the United States. The history of progress in the United States has been the history of progress in Canada. Speaking the same language, washed by the same oceans, lakes and rivers, we are as one people in all but nationality—customers of our common productions with the same aims and intents, co-equally progressive. They first boasted three miles of railway in 1832, and almost immediately after Canada boasted a line of railway from La Prairie to St. John's. The oldest settled parts of the States first noted for their agricultural productions became great as manufacturing centres, driving the agricultural interests westward. The same result accrued to Canada, and to-day Canada in her North-West possessions, open to the people of all nations, can boast the finest wheat lands in the world. The telegraph system was extended almost simultaneously over the two countries in 1847. The Grand Trunk Railway was opened to traffic in 1852. The Allan Line of Steamships became regular traders in 1856, the Victoria Bridge was completed in 1859, the Atlantic Cable became an accomplished fact in 1867, and now last, greatest achievement of them all, the opening of the Canadian Pacific Railway from ocean to ocean in 1885.

The march of progress in other railways, public and in private enterprises, during all those years was in keeping with the spirit of the people that produced such grand results, comparable for a nation of few people with only the strides of the neighboring republic.

The returns of the previously indicated countries disclose imports of goods that we produce, and the exports of the United States are of like kind to our productions; in fact, goods of every variety of manufacture and production. Shall we take of that trade? or will we allow the Americans to luxuriate in the business without effort on our part to get a share? Will we be content with seeing our national highway,

the carrier of the products of the old world, past our doors and not make an effort to supply those markets from the productions of Canada? The soil and the sea afford room for a large export of the products of sustenance, the earth and the forest the material for the manufacturers' harvest. As we grasp after the distant and uncommon so do the people of the far off isles prefer the furniture of our native woods, even as we prefer the furniture of the woods of South America; so is it in other articles of commerce. England holds supremacy in the manufacture of iron; why should not Canada convert her ores to her own requirements and supply some of the requirements of the Australian trade? We are possessed of some of the richest ore beds in the world, and the quality of the iron produced in Canada is equal to anything to be found. Unfortunately, injudicious choice of places for works in Canada have not led to financial success; where success was more assured by the wants of consumers in proximity and shipping facilities good, no effort worthy of the name has been put forth for the development of the wealth of the mineral portion of our country. Within 120 miles of this city there is situated very rich ore land, accessible by our two great systems of railways. These mines have been developed and proved to be of a most valuable character, with an inexhaustible supply of timber for conversion into charcoal at a price so low as to allow of the production of charcoal pig iron at a price to compete with that for Scotch iron delivered in this Province. Nearly all the enterprises in Canada for the smelting of iron have been in the eastern Provinces; all planted with such bad judgment as to be disadvantaged, having no markets in their vicinity to take the products; hence they had to turn their attention to this Province, where consumption has always been greatest, and having no good shipping facilities at their chosen points of smelting or rolling, the freightage in every case has been too great to allow of successful competition with the cheaper, inferior foreign iron. The promoters generally of all these enterprises were English or Scotch, all practical men, attracted by the ores, lavish in the expenditure for plant, thoughtless as to every other consideration but the production of iron—in this they were successful, but they had no thought for a market in which they were to sell their products, and it was in this phase of their business that they were unsuccessful. We in the West have

been
of bu
have
had i
of mi
railwa
our fe
tant
domes
shippi
factur
transit
and th
are all
produc

We
speak
our ex
hazard
to the
influen
promot
world,
try and

We
larity o
of time
passing
had ma
an Inso
to disho
failures
would h
or misc
entitled
but the
ized ou
availed
distribut
debtor.

been traders more than manufacturers in the past. We think of business as traders and not as producers ; nevertheless we have sure in the iron mines of Canada greater wealth than to be had in an ordinary commercial business. We allow this wealth of minerals that lie within easy reach of Toronto, beside our railways, to remain an unvalued and unproducing wealth under our feet. This cannot be always ; the time cannot be far distant when some practical capitalists will take and work for domestic purposes and for export the iron in the vicinity of the shipping points of the country. The wants of our manufacturers are growing so large, the interest on foreign iron in transit so great, the duties, charges and freights so considerable, and the failure in remedies for breaches of contract so great, are all elements tending to make necessary more extensive iron-producing works in this country and in our midst.

We have had a vision of trade under difficulties, when to speak of a steamboat was to be ridiculed, when the ventures of our exporters were made without the aid of steam to lessen the hazards of futures, and without electricity to enlighten them as to the course of markets. We can look back to the ridicule of an influential press at the Atlantic cable and give a cheer for the promoters of that enterprise that has done so much for the world, giving us instant communication with the mother country and all parts of the globe.

We have had our financial reverses with remarkable regularity of periodicity, each varying interval in its seeming order of time, but the season of depression through which we are passing has been comparatively free from failures ; traders have had many anxieties and a good deal to endure ; the absence of an Insolvent Act with its levelling procedure as a convenience to dishonesty and aid to wrong has tended to immunity from failures ; men have struggled through who, under its procedure, would have succumbed. Honest men only fail from adversity, or miscalculation, or by the wrongs of others ; such men are entitled to the benefits of an Act granting them a discharge ; but the long continuance of Acts from 1864 to 1879 familiarized our traders with its provisions, and they were oftener availed of to procure an unjust settlement than to give a just distribution amongst creditors or relieve an honest unfortunate debtor. And now what of the future ?

The depression through which we are passing is said to be the result of over-production. This is undoubtedly true in part, but good is resulting from the economies we are obliged to practise. Production has been checked, while consumption overtakes the plethora of progress. Has that stage been reached? There is reason to think it is approaching to the goal of our hopes. Extremes meet, is an invariable truth. The staples of the world were never so low as at this time. The economical era may continue yet another year, but as true as the aphorism, that "extremes meet," will we have a vigorous re-action and boom of prosperity in the not very distant future.

THE RELATION OF CAPITAL TO LABOR.

(By Thomas Cowan, Galt.)

The very title of this paper suggests an extended field of enquiry and investigation, and the exhaustive discussion of the relationship subsisting between the two great factors in the production of wealth, either national or individual, would necessarily take in a wider range of observation than the limited time allotted for the reading of these papers would allow. I shall, therefore, not attempt to do anything further than indicate a line of enquiry and discussion, believing, as I do, that all the phases of this question are well worth the careful consideration, and come peculiarly within the sphere of the deliberations of a manufacturers' association such as ours is. There is no time for a critical or nice definition of the terms "labor" and "capital." Suffice it to say they are both factors, if not *the* factors in one shape or another, in the production of wealth.

Labor has been simply defined as "human exertion" of all kinds, skilled and unskilled; while capital is wealth used to produce more wealth, and the returns resulting from these forces may be called wages and interest, respectively, or, if you please, profits resulting from the exertion of these two forces. The laborer and the capitalist alike look for returns which are expected to be, in some measure at least, proportionate to the exertion put forth. Setting aside for the present all theories spun by political economists as to what should, or would (if certain premises were granted), or what may yet in the future be the relationship between these two forces, it is apparent to the

most
wor
imp
late
acte
mut
fair
paid
the
distr
anta
"stri
estra
and,
Th
Europ
free)
perse
state
tent a
fare, I
a care
outs f
a mini
culatio
strike,
allowan
1878, i
1879 i
38 wee
period
The cos
average
is no an
ertions
The s
which, t
in its c
capital e
read be
employe

most casual observer that, taking things as we find them in this world of force and resistance as it now is, it is of the utmost importance that the relation between what may be termed the latent and the active factor should be of the most cordial character. Where mutual assistance can do, and has done so much, mutual forbearance is most desirable in deciding upon the fair and equitable distribution of the profits of industry, to be paid in the shape of wages or of interest, to the laborer and to the capitalist respectively. I say out of arranging for a fair distribution of profits to the various factors arises too often the antagonism of capital and labor which manifests itself in "strikes" and "lockouts," followed by further and still further estrangement, and resulting in inevitable and irrecoverable loss, and, too often, untold misery.

The history of industry, especially in the older countries of Europe, owing to class prejudices (from which we are fortunately free) and to the operation of unwise laws, presents a record of perseverance, ingenuity, skill and energy, but too often also a state of war between capital and labor. In calculating the extent and importance of the material damage done by this warfare, I have before me, as an indication of the direct money loss, a carefully prepared estimate of the results of strikes and lockouts from an Old Country point of view. Take \$5 per week, a minimum rate, but price usually reckoned in statistical calculations, and taking average number of men engaged in the strike, and the average duration of each strike, after making full allowance for the very large strike of 300,000 cotton hands in 1878, it is calculated that over a period of ten years, from 1870 to 1879 inclusive, an average of 3,000 men struck for an average of 38 weeks; the average cost of each strike which occurred in that period was \$57,000. There were 2,352 strikes in the ten years. The cost to the workmen in the decade was \$134,064,000, or an average yearly loss of \$13,406,000. In attenuating this loss it is no argument to say that part of it is paid by other men's exertions out of accumulated funds for that purpose.

The same authority calculates the capitalists' account of loss, which, though not so formidable in amount, may be as ruinous in its consequences. Taking \$325 per head engaged as the capital employed in industry, the sum Dr. J. Watts, in a paper read before the Statistical Society in 1861, estimates to be so employed, and allowing 12½ per cent as a fair profit thereon, the

annual loss on this head for the decade under consideration would be as much as \$2,094,750. For the ten years, therefore, it would amount to \$20,947,500. The two sums to the debit of labor and capital consequently amount to the total of \$155,011,500 for the decade, or at the rate of \$15,501,150 per annum. This sum represents a fair profit on a trade of thirty millions sterling per annum (on Old Country calculations), which is wasted or thrown away. In this calculation there is no account taken of the serious and permanent loss to both employer in the transfer of business to the foreigner during these periodical disorganizations of the markets of supply. There is no record in all this of the extent and importance of the moral damage done by this industrial warfare. In order that such a costly and demoralizing conflict may cease, and that the interests of the employer and employed may be seen to be identical, many attempts have been made to harmonize the apparently conflicting interests, and many suggestions have been made as to the best possible form of an equitable division of the fruits of labor. To this end, co-operation has been suggested, combinations have been entered into, Acts of Parliament have been passed, notably the "Companies Act" with its "limited liability" clause, the whole aim, object and tendency of all of which has been towards co-operation in one form or another, in the hope of obtaining associated capital to supply the "sinews of war," and to modify, if not put an end to, a ruinous industrial warfare. Nearly all writers I have consulted on political economy classify co-operation under three heads:—Co-operation of capital; Co-operation for distribution; Co-operation for production.

Without attempting to argue the question I think this Association will agree with me in saying that legislation having for its object the "co-operation of capital" alone, while it may unite the capital of "large and small investors in the pursuit of common objects on equal terms," does nothing in the direction of bringing labor and capital into closer relationship, and leaves still unsettled the debatable question of the rate of wages and the equitable division of the profits of industry between capital and labor. The associated capital deals precisely with these questions in the way which capital in the hands of one individual deals with them, without taking into account its relationship with labour.

"Co-operation for distribution," where confined exclusively

to "Stor
to b
"mi
mode
of th
turno
tion c
ed ne
Co-
small
measu
ed to
for a
per ce
The p
try wo
subsist
their r
etc. T
sarily
the too
of prof
immedi
charact
the pro
special
of Capit
special
laudable
labor an
bonds of
and it is
an estat
that any
larly) di
smoothe
question.
should al
a new co
it goes wi

to "distribution," has been successful. The "Co-operative Store" is now a recognized institution, but all that is claimed to be made or saved by the Company is the profit of the "middleman," which is regarded by some as being very immoderate, but which does not very materially increase the cost of the necessities of life, where there is any kind of reasonable turnover by the intermediary agent, but this, like the co-operation of capital, does nothing to bring the employer and employed nearer one another in the great field of productive labor.

Co-operation for production, or association of workmen with small capital or without any capital has been tried with a fair measure of success. By this arrangement the laborer is supposed to "invest" the surplus earnings beyond what is required for a bare subsistence and the capitalist would receive a small per cent. irrespective of profit or loss as his subsistence wages. The profits arising from the successful prosecution of the industry would be divided as might be agreed upon, after paying subsistence wages to workmen and capitalist, keeping in view their relative positions as clerks, foremen and leading employees, etc. The working out of the details of this plan would necessarily be beset with many difficulties and perplexities, such as the too sanguine hopes of immediate results, the re-investment of profits in necessary business extensions and the absence of immediate and effective action, and other considerations of a like character. If there be any virtue or excellence in any or all of the propositions suggested by those who have given the subject special consideration, it lies in this, the idea of the association of Capital and Labor in a friendly union, accomplished either by special legislation or by some form of business partnership, the laudable aim and object in every case being that "the owner of labor and the owner of capital may be linked together in the bonds of union and fellowship." "A man's trade is his estate," and it is desirable that the intelligent workman who owns such an estate should be aware of the true "dignity of labor" and that any distinction which has (in the older countries particularly) divided him and the possessor of capital alone, should be smoothed away. In this lies the true solution of the whole question. Where there is such a community of interest there should also be that most desirable community of sentiment. In a new country such as ours where there is no entail, and where it goes without saying that wealth rarely reaches the third gene-

ration, and where the laborer of to-day may, and often does, become the capitalist of to-morrow, there is really not much danger of those disastrous conflicts which have consumed alike the product of capital and of labor. Here it is undoubtedly a question of "the survival of the fittest." It therefore becomes the capitalist to guard well the powers entrusted to him, to be careful, energetic, cautious and considerate to those associated with him and without whose energies success would be impossible; and it becomes the owner of the labor estate to do likewise. Sir Morton Peto, in his "Resources and Prospects of America," says: "The equal distribution of wealth in the United States is certainly a marked feature of the nation; whilst there may be said to be no poor, the number is also comparatively few of those whom we would class as very rich." A similar remark as applying to Canada has been made and reiterated by our present Governor-General.

The problem of the age, well worthy of the best thought of the best intellects, is the more equal distribution of wealth. The aim of our statesmen and thinkers should ever be to *level up* rather than to *level down* and to keep open to all our people every possible avenue of success. Without undue egotism we may claim that our own Dominion is at least fully abreast of all other countries in this respect, but much remains yet to be done even here in Canada. Our Association has done something to promote this in the past, and it is my proud hope that it will continue to lead the van in this direction. We should never forget that all true greatness depends on intelligent and well-directed labor, for

"Ill fares the land, to hastening ills a prey,
Where wealth accumulates and men decay."

Keep all the wheels of industry in motion if you would have a prosperous and contented people, for—

"Labor is life; 'tis the still water faileth;
Idleness ever despaireth, bewaileth;
Labor is glory—the flying cloud lightens;
Only the waving wind changes and brightens;
Idle hearts only the dark future frightens;
Play the sweet keys, would'st thou keep them in tune."

THE MILLING INDUSTRY.

(By William Lukes, Toronto.)

Among the various manufacturing industries of the Dominion, none are more valuable, interesting, or worthy of consideration and universal support than that of milling, whether it be of wheat, oats, rye, rice, or other grains from which are obtained the largest product and most essential elements necessary towards the sustenance of human life, in all civilized communities.

This statement will bear the closest scrutiny, whether viewed from ancient or modern times, and with relation either to its surroundings or operations.

That there is something fascinating in connection with the art or science of milling, history, poetry and song bear testimony of a pleasing, inspiring and joyous nature, and evidences such as "Two women shall be grinding at the mill," "The jolly miller," "The mill on the Floss," and "The mill on the Dee," may be quoted.

Whatever may be the practical position of the miller of to-day, in ancient times, the calling must have been considered as indispensable, if not of a holy or reverential nature, from the fact that the miller is exempted by the state, in many countries, from certain civil and military obligations and duties.

The purport of this paper, however, is not to consider the subject of milling from a sentimental or poetical basis, but rather to present some facts in connection with its practical operations which many manufacturers and the general public imperfectly understand, and which the government of the country are slow to acknowledge or appreciate when legislating on this and kindred subjects.

It may be said, without fear of contradiction or even question, that the milling industry is not only abreast with any other, but is far in advance of many in construction, appliances and equipment. In fact, there is not another industry of equal importance in the Dominion, or on the continent of America, which has undergone such revolution and reconstruction within the last few years as that of milling, and to such an extent, that in many instances nothing remains of what a decade since

was considered a first-class mill, other than the building and motive power, and even these, in some places containing valuable water privileges, have been abandoned in favor of steam power, located in positions more favorable towards efficient and economical freight and transportation services. In order to meet foreign competition and the public demand for superior grades of flour, it is estimated that within the last decade over three hundred Canadian mills have been equipped for the purpose, at an outlay of over three millions of dollars. So numerous are the mills of the Dominion that they are of sufficient capacity to manufacture the entire wheat crop of the country in less than sixty days, and estimating the proportion of the population of the Dominion at five millions, with a consumption of twenty-four million of bushels, the local or home market can be supplied within forty-five days.

The above statement may be surprising to many millers, and possibly questionable with others not acquainted with the subject, as to veracity or fact.

That the statement may be beyond controversy, I may say that according to the census of 1881, the number of mills in the Dominion were 2,407. Taking the minimum capacity of each mill at ten bushels per hour, with a continuous running of twenty-four hours per day, and estimating the crop of wheat at a little over thirty-two million bushels, it will be found to be a sufficient explanation of the above statement, which is ominous and suggestive of the present and prospective nature and condition of the milling trade of the Dominion.

To have an industry capable of manufacturing all the raw material which the country produces in $\frac{56}{365}$ days, required for its consumption, is suggestive of a very large amount of unproductive property, or an excessive employment of labor and capital necessary in producing required demands. There is a prevailing impression that the milling business is a very profitable one, from the fact that large amounts of cash are frequently turned over in the trade. In this error it may be safely said that there is not another manufacturing business in the country where a relative amount of capital is involved which does not show more satisfactory results. Millers rarely accumulate wealth, or retire from the business on a competency acquired from an exclusively milling trade.

Such being the case, taken in connection with the number of

com
guar
prof
Th
indu
(1)
mate
the c
mone
contin
with
(2)
ket, w
of the
when
portat
trade
at ever
(3)
commo
facture
product
by the
exceed
cover th
quently
often no
(4) T
way of
meet the
twenty
millers
proportio
Dominion
tinuous
which fin
an equiva
each barre
so exporte
of depress
operate.

competitors and the capacity to manufacture, is an absolute guarantee that no monopoly is possible whereby illegitimate profits, exorbitant demands, can be exacted from the consumer.

Tributary to the unsatisfactory condition of this indispensable industry, the following causes may be considered as prominent:

(1) Sudden and extensive fluctuations in the value of raw material, wheat being of such a nature as to be largely under the control of speculators, rings, and scalpers, assisted by the moneyed institutions of the country, and by carrying stocks continuously at low marginal values which interfere seriously with the legitimate price of flour.

(2) The importation of foreign flour on a limited home market, which not only deprives a miller of a trade to the extent of the importation, but also acts as a continual menace when making purchases of material or sales of products. Importations of flour in retail packages, bearing the brand and trade mark of the foreign manufacturer, meet the home products at every turn.

(3) Discriminating rates and preferential shipments by the common carriers of the country, in favor of the foreign manufactures, as compared with local rates on similar native products. Rates favorable to the importer of foreign products by the railways are frequently of proportions which not only exceed a fair manufacturing profit, but also more than cover the cost of labor employed, and profit combined; consequently, those millers who are liable to such contingencies have often no alternative but to cease operations.

(4) The Dominion millers have serious difficulties in the way of access to outside markets. The people of the South meet them at the threshold of their markets with the duty of twenty per cent., whether on flour or mill offal. Had the millers of Canada free access to the U. S. markets, or even proportionally so, as their millers have to those of the Dominion, it would certainly afford occasional if not a continuous relief of surplus products, especially that of offal, which finds its way there largely in spite of the duty which is an equivalent of loss, to the Canadian miller, of five cents on each barrel of flour manufactured, as represented by the offal so exported, an amount quite sufficient to determine in times of depression whether the miller will continue or cease to operate.

(5) The English market may be said to be free from duties on imports of flour, but there are many other obstructions forcibly confronting the Dominion millers for that market, which actually commence at his door on account of a preference by rail and ocean transportation companies for grain as freight rather than flour. To such an extent has this been the case where the nominal rates on flour from the seaboard to Liverpool have been fifty cents per barrel, wheat has been carried for nothing, while in some cases a premium has been offered for it, as the cheapest ballast obtainable.

American millers of the Western States have great advantages over Canadian millers in reaching the English markets, by commanding positively lower prices for wheat and relatively lower rates on flour, and also being assisted by Canadian railways, who refuse to give proportionally favorable rates to our own millers.

The writer, having spent some time lately in England, made it his business to give attention to this question. The aggregate charges on flour, after landing in England, before it reaches the consumer, or even the baker, are astounding to the Canadians, except those having an experience on the subject.

Among the charges which are inevitable are lighterage, quay dues, watching, weighing, insurance, cartage, shortage, commission, etc., and the excessive railway charges are much above those on this side of the water.

The English millers oppose and throw all possible obstacles in the way of flour imports, also removing all possible hindrances to the importation of wheat.

Another serious disadvantage is that mill offal cannot be shipped to advantage, or follow Canadian flour in the English market. The importer of flour in England, when endeavoring to make sales of flour to the trade there, is promptly met with the question, "How much offal per sack of flour can you supply." Having none, he cannot sell; as a consequence, in order to effect sales of flour, a less value has to be accepted than that obtained by the English miller for a corresponding grade, who is in a position to supply the proportion of feed demanded. The unlimited demand and high value of mill offal is likely to continue to the advantage of the English miller. By way of a bit of information to our millers I may state that, during the two winters which I spent in

Engl
sterli
dama
manu

It
Can
as th
Th
diffic
conter
explic
having
am sa
nature
pate a
the mi

The
Chairm
address

Mr.
tion.
read, a
might i
its sect
express
spot to
Mr. W
interest
interest
he asked
the com
anything
dwarf th
There
came to

England, the price of bran at the mills was from 5s. to 5s. 6d. sterling per 112 pounds, while in one instance, musty and damaged offal sold at over £2 per ton, to make artificial manure.

It is to be feared that the stock breeders and dairymen of Canada do not appreciate mill offal to a corresponding value, as those of the same class in the Eastern States or of England.


That this business is laboring under serious and illegitimate difficulties, such as no other manufacturing industry has to contend with, I trust the foregoing enumeration is sufficiently explicit to be convincing. Having a practical experience, and having given this matter more than ordinary consideration, I am sanguine that many of the difficulties are of a remedial nature. Without further expansion on the subject, I anticipate a fairly reasonable concurrence in the above diagnosis of the millers' complaint.

The programme prepared having now been completed, the Chairman called on the President of the Board of Trade for an address.

Mr. Darling, on rising to respond, met with a cordial reception. He expressed the pleasure it gave him to hear the papers read, and in a humorous way suggested that the Association might incorporate themselves into the Board of Trade as one of its sections. Alluding to the reference to the trade agents, he expressed the opinion that they wanted their own men on the spot to do their own business in their own way. Referring to Mr. Wright's reference to what he had said about the milling interest, he explained that he had not said that the milling interest difficulty could be remedied by legislation. Concluding, he asked them to place themselves in thorough sympathy with the commercial interests of the country at large, and to avoid anything in the shape of exclusiveness, which would warp or dwarf their Association. (Applause.)

There being no further business, the annual meeting then came to a close.


E. G.
JAMES
WM. I.
JOSEPH
J. A.
ADAM
W. M.
R. MC
B. ROS
GEO. P.
DANIEL
CHARLE
GEO. B.
ISAAC W.
W. H. S.
J. B. AR
C. RAYM
M. A. K
W. F. C
J. S. LA
H. HEIN
GEO. LA
F. STRAN
D. R. W



EXECUTIVE COMMITTEE.


CHAIRMAN:

R. W. ELLIOT, TORONTO.



E. GURNEY, Toronto.
JAMES WATSON, Hamilton.
WM. BELL, Guelph.
JOSEPH SIMPSON, Toronto.
J. A. PILLOW, Montreal.
ADAM WARNOCK, Galt.
W. MILLICHAMP, Toronto.
R. McKECHNIE, Dundas.
B. ROSAMOND, Almonte.
GEO. PATTINSON, Preston.
DANIEL LAMB, Toronto.
CHARLES RIORDAN, Merriton.
GEO. BOOTH, Toronto.
ISAAC WATERMAN, London.
W. H. STOREY, Acton.
J. B. ARMSTRONG, Guelph.
C. RAYMOND, Guelph.
M. A. KERR, Hamilton.
W. F. COWAN, Oshawa.
J. S. LARKE, Oshawa.
H. HEINTZMAN, Toronto.
GEO. LANG, Berlin.
F. STRANGE, Toronto.
D. R. WILKIE, Toronto.

WM. BIRKETT, Dundas.
C. SHURLEV, Galt.
JOHN TAYLOR, Toronto.
M. B. PERINE, Doon.
THOS. McDONALD, Toronto.
R. S. HAMLIN, Oshawa.
B. GREENING, Hamilton.
GEO. W. SADLER, Montreal.
J. F. ELLIS, Toronto.
J. R. BARBER, Georgetown.
JNO. FENSOM, Toronto.
ROBT. MITCHELL, Montreal.
L. CÔTE, St. Hyacinthe.
H. N. BAIRD, Toronto.
JNO. ELLIOTT, Almonte.
WM. CHRISTIE, Toronto.
P. FREYSENG, Toronto.
F. CROMPTON, Toronto.
JOHN McCLARY, London.
CARL ZEIDLER, Toronto.
C. A. BIRGE, Dundas.
WM. HARTY, Kingston.
W. G. A. HEMMING, Toronto.



THE
CANADIAN MANUFACTURER

PUBLISHED IN THE INTERESTS OF THE MANUFACTURING
INDUSTRIES OF THE DOMINION.

EDITOR, **FREDERIC NICHOLLS,**

Secretary Ontario Manufacturers' Association.

ANNUAL SUBSCRIPTION (IN ADVANCE), \$2.00

This Journal is recognized as the representative industrial paper of Canada, and is unequalled as a medium for advertisements of machinery, steam appliances, mill and factory supplies and announcements of any kind intended to reach Canadian manufacturers.

PUBLISHED TWICE EACH MONTH, BY

The Canadian Manufacturer Publishing Co., Limited,

6 WELLINGTON ST. WEST,

TORONTO, - CANADA.

 **SUBSCRIBE NOW.**