

OUR OTTAWA LETTER

THE NEW TARIFF A GOOD ONE FOR THE FARMER.

The Preferential Trade Scheme—Sir Richard Cartwright's Position—The Tory Quarrel—The Tupper Dynasty.

[From Our Own Correspondent.]

Ottawa, April 27.—The new tariff is on the whole satisfactory to Liberals. The ship's head is at any rate pointing the right direction. The farmer, to begin with, gets cheaper implements. The duty on reapers and binders remains at 20 per cent., but that on the smaller implements has been reduced from 35 to 25 per cent. The 20 on binders is practically a revenue duty. The tax on pig iron has been cut from \$4 to \$2.50 per short ton. The cost of a long ton of implement pig iron at Chicago or Pittsburg is \$11, so that the reduced duty is equivalent to over 20 per cent. ad val; in other words, the Canadian implement maker is still paying a higher duty on that part of his raw material than the duty on the finished machine. To put it different, there is still, so far as pig iron is concerned, legislation in favor of his American competitor. This is true also of the new duties on his steel and other articles. That being the case, there is no justice in the Patron resolution, to be moved in amendment to the tariff resolutions, that implements should be placed on the free list. The only fair and reasonable way of securing free implements would be to begin by making iron and steel free; that is to say, by abandoning the attempt to create an iron industry in Canada. A good many persons are persuaded that the experiment which has been going on since 1887 is not likely, do what we may, to succeed. Coal and iron are found together only at the extremities of the Dominion, 1,200 to 3,000 miles distant from the chief manufacturing province, and it stands to common sense that, so long as we protect the industry, a geographical distribution so arranged must always be a tremendous handicap on the Ontario manufacturer. But this is not an opportune time for dropping the smelting industry.

The farmer also gets the benefit of free barbed wire and free binding twine. The duty on coal oil is reduced from six to five cents, which, with the changes as regards tank oil, really amounts to cutting three cents, or 50 per cent., off the old protection. A large reduction is made in the woollen duties. In a great many cases the former specific duties have been abolished and ad valorem duties substituted. This of itself is an important gain, especially to the consumer of cheap goods on which specific duties fall heaviest. The cry that some of the cotton duties have been increased is true and yet not true. Where increases have been made it is merely to provide a fair margin of revenue duty after a reduction of 25 per cent. of the duty has been made in favor of the British manufacturer.

It is not a measure of heroic reform. No one expected such a measure under the circumstances now existing—the depression of trade, the critical condition of many industries, the ease with which they could have been closed by American "slaughtering" had the duties been reduced to a purely revenue basis. Now, the Tories cry "You have stolen our clothes." Then, they would have declared with a show of reason that the country's clothes had been stolen and it left naked to its enemies.

The Preferential Trade Scheme.

The proposition to give preferential treatment to Britain by taking 25 per cent. off the duties when her goods come in, and to grant the same treatment to other countries that admit our products at a reasonable rate, has taken the wind out of Tupper's sails. He cannot any longer claim to have a monopoly of all the loyalty in the country. At the same time it is somewhat doubtful at present writing if the scheme can be carried out. The Imperial Government has not been heard from up to this time, but is sure to have something to say on the matter and may perhaps decline to accept preferential treatment on the ground: first, that it would involve her and us in complications with Germany, Belgium and other countries over the favored-nation understanding; secondly, that it would look as if Canada were discriminating against the United States with her connivance. Her gross trade (imports and exports) with those countries in 1895 was as follows in pounds sterling:—

Table with 2 columns: Country, Value in pounds sterling. Rows: United States (£120,000,000), Germany (60,000,000), Belgium (30,000,000). Total: £210,000,000.

Her gross trade with Canada was £19,000,000. She could not afford to run the risk of injuring her commerce with them for the sake of accepting preferential treatment from us. I am told by an ex-Minister that the Governor-General has instructions not to sign a tariff bill favoring Britain over other countries. As Mr. Foster showed the other night, the Imperial Government held in 1894, when the matter was brought up in the British Parliament, that the British treaties with Germany and Belgium prevent us from imposing higher duties on their goods than we impose on British. Then we are bound by our arrangement with France to put her on a favored-nation footing too. In fact if all the favored-nation understandings are taken into account, we may have to give the goods of something like twenty-two countries the same treatment that we give to British, though getting nothing from them comparable with what we get from Britain; indeed, in most cases getting nothing but hard knocks from their onerous duties on our wares. The United States would be the only country of importance whose exports entering Canada would be subjected to maximum duties; and the Imperial Government may possibly ask us if it is expedient for her sake and for our own single out the United States for that sort of commercial warfare.

As will be seen by the Hansard report of his speech, Mr. Fitching is not certain that this feature of the new tariff is practicable. British goods are being admitted at this time of writing at preferential duties, but, as said, the British Government has not yet been heard from. Some day we shall claim the treaty-making power for ourselves. Then we can do as we please about taxing imports and give Britain minimum duties, if we like, without regard to her entanglement with other nations.

Sir Richard Cartwright's Position.

Sir Richard Cartwright will reply to Mr. Foster this afternoon. He was reported by the Tory papers early last week to be on the eve of resigning. There was no foundation whatever for the story. Sir Richard is as resolute a tariff reformer and as pronounced a free trader as ever, but he recognizes what Gladstone called the "circumscribing power of temporary or special conditions." There is a

time for making changes in the fiscal system and there is a time for paring it with a knife rather than hewing it with an axe. No one would have been more rejoiced than he had thorough-going reform been practicable just now. But he was face to face with such considerations as these:—

- (1) A depression of five years standing which has left most of the protected industries in a highly precarious state.
(2) The impossibility, for the present at least, of obtaining a liberal treaty of reciprocity in manufactures and natural products from the United States, the Republicans, who have just come in, being pledged to protect the farmers along the frontier and having no real control of the Senate, which is virtually the treaty-making power. Over and above this, there is an unfriendly feeling at Washington toward Canada, the outcome of the trick played by the Tory leaders on Mr. Blaine and Sir Julian Pauncefote in 1891 and of their dealing with American fishing vessels in the North Atlantic on the strength of their harsh interpretation of an old parchment, which interpretation England repudiated as inhumane and contrary to the spirit of modern civilization as long ago as 1871. It will take time for the Liberal Government to allay this feeling.

(3) The apparent unfairness and the certain death to some of them of exposing Canadian manufacturers to competition from the surplus products of American manufacturing industries while the American market was closed to Canadian wares, regard being had to the fact that coal, iron and other raw material is cheaper in the States than in Ontario and that in consequence of their immense home market American manufacturers have been able to carry the process of specializing labor and machinery to extraordinary lengths, so that their one-sided competition with our industries would be far more merciless now than in former times.

(4) The necessity, owing to the Tory policy of piling up the expenditure and committing the country to grandiose projects of raising a revenue of no less than \$40,000,000 a year without resorting to direct taxation.

Under these circumstances, the Government has gone as far as prudence would allow and contented itself with making a beginning of the work before it rather than of essaying to carry the work to completion all at once. But because conditions over which you have no control prevent you for the time being from doing all you would like to do, it does not follow, surely, that you have deserted your principles. Above all, it does not follow that you should abandon your post and let back the party that does not believe in reformation at all.

This, or something like this, is what Sir Richard says to his party friends and to the growing army of independents, especially among the farming class, who regard him as their friend and leader in tariff matters and in other matters as well. No man in public life exerts a wider influence or is more looked up to, and his speech to-day is eagerly awaited.

The Tory Quarrels.

It is obvious, to change the subject, that the Tories are not making progress in healing their internal dissensions. Sir Mackenzie Bowell and his friends are carrying on with unabated energy the effort to have Dr. Montague "read out." They are equally hostile to Mr. Foster, but he is indispensable to a debater and for that reason is not classed amongst those who "must go." Mr. Bowell's version of the "bolt" has been given in one of these letters. The version of the bolters is briefly as follows:—

When Sir John Thompson left for England he had made up his mind to shelve Mr. Bowell, to give him something on the outside but to put him out of the Cabinet. The reason for this was that Mr. Bowell's incapacity coupled with his bumptiousness had become intolerable. When Sir John died at Windsor, the Governor-General sent for Mr. Bowell as senior member of the Cabinet to have a talk about reconstruction. Mr. Bowell suggested that Sir Frank Smith should be consulted. Sir Frank was consulted accordingly and at his suggestion, but without the knowledge or consent of the other members of the Cabinet, Sir Mackenzie was offered the Premiership which he accepted, or, to speak more accurately, jumped at. Hence the Minister who was to have been retired because his usefulness was gone became the head of the Government by something like a trick on his colleagues.

His colleagues or some of them would have resigned there and then had it not been for his threat to recommend the Governor-General to send for Mr. Laurier. He was determined to rule or ruin. They agreed therefore to let him rule for a while. But they soon saw that this regime was destroying their chances of success at the approaching elections. Bowell had lost his hold of Quebec and Bowell was making it impossible for the party to keep the English-speaking provinces or indeed to face the country at all. He had no mind or initiative of his own. He was lost in the position to which he had been called, and, like most small men so circumstanced, fancied that everybody was his enemy, that if he was unable to satisfy his associates it was because they were all leagued against him, whereas in truth what allied him was his natural untitnes for so big a job. At last he perceived this and promised to resign and make way for Tupper or some one else. But his vanity was so overwhelming that he could never bring himself to retire, and things went on going from bad to worse until nothing remained for his colleagues but to force him out by resigning themselves and preventing him from forming another Cabinet. The whole trouble, they say, arose from the impossibility of making a silk purse out of a sow's ear—of transforming a man of small calibre, who made a passable subordinate till age and newspaper flattery turned his head, into the Prime Minister of a country so difficult to govern as this is.

The Tupper Dynasty.

The difficulty with the party at present, aside from these old sores, is that it is led by a man of 73 who is acting as warning pan for an unpopular son. It is no secret that Sir Charles Tupper is but waiting the hour when he can install Sir Hilbert Tupper. But Sir Hilbert, though not without ability of a certain kind, is no more fit for the leadership than Bowell was. He has not the same inflexibility exactly. He is young where Bowell was old. But he is tremendously "fresh" and bumptious and utterly lacking in judgment because without knowledge of human nature. If he were shoved on the party it would go to pieces in no time. Sir John Macdonald's son would make a better list of it if the hereditary principle is to prevail in the selection of a leader. Sir Hilbert as leader in petto went down to carry Nova Scotia. Nova Scotia was repudiated him and his father along with him. If Tupperism is dead there, how shall it be made alive in Ontario?

When Sir Charles steps down, Mr. Foster is more likely to succeed him. His judgment is not always good nor is he popular, but he is the best speaker on that side of the House and perhaps the best all-round man they have. Mr. Haggart will, I suppose, be his first lieutenant. Haggart has been in some bad scrapes, but without doubt is a man of very considerable ability. I have reason to believe that when he got into the scrapes he could have cleared his reputation had he felt disposed to lay the blame where it really belonged, but he is a