

Farmers' prices have fallen while the cost of production has risen. In 1909, the farmers of Saskatchewan averaged 81½ cents a bushel for wheat as compared with 66½ cents per bushel reported as the current price by a Commission in Saskatchewan which has recently been investigating the question. According to this Commission's report, while prices have been thus reduced, the cost of production due to higher freight charges, terminal charges, increased cost of labour and other reasons has increased 12.01 cents per bushel.

### Other Factors Affecting Canadian Agriculture.

The rejection of Reciprocity deprived the farmers of Canada of favourable conditions in the nearest and best market for many of their commodities, and this at a time when the quantity available for export was becoming so great that the failure to obtain available markets of sufficient dimensions was certain to react upon the industry itself. This has told upon the implement manufacturers themselves. The purchasing power of the farmers not being what it otherwise might have been, implement manufacturers have found their sales considerably curtailed. The mortgages which Western farmers have found it necessary to place upon their farms, and the high rate of interest averaging from eight to fourteen per cent. payable on these mortgages has helped to limit the purchase of implements to the extent desired and has helped to depress the industry. Were the implements not so costly the number and the amount of the mortgages would be less.

Most serious of all, of late, is the relative disadvantage under which the Canadian farmer is placed with his American competitor due to the cheaper cost of many agricultural implements in the United States. The prices in Winnipeg during 1913 were, in some cases, 27.9 per cent. higher than the price paid by farmers in the vicinity of Minneapolis, and while Minneapolis prices in 1914 were the same as in 1913, Winnipeg prices advanced still higher in that time.

By the Wilson-Underwood Tariff of October 3rd, 1913, the United States' duty on agricultural implements was removed. The American farmer has been placed, therefore, in the position where he has the benefit of free competition among implement manufacturers at home and where he can obtain his implements free of duty in whatever market they may be purchased to best advantage. The retention by Canada of a high protection on agricultural implements deprives the Canadian farmer of this double advantage, though it does not relieve him of the competition of his American neighbor in the sale of his products in the markets of the world. Besides the United States' duty on grain and other agricultural products going into that country, leaves the Canadian farmers without free access to a market of nearly 100,000,000 which the American farmers have as their own. The American farmer, therefore, has a better market, gets a better price for his produce and is able to raise that produce at a less cost because of the lower price he pays for the tools of production.

### National Significance of existing Conditions.

All these circumstances make the question of the abolition of duties on agricultural implements a matter

of the greatest concern to Canada at the present time. In the older provinces, as for example, the Province of Ontario, the agricultural population has declined not merely relatively to the urban population, but absolutely. There are actually fewer persons engaged in agriculture in the Province of Ontario than there were ten or twenty years ago. On the other hand, the urban population, which is dependent upon the rural, has increased enormously. In the Canadian West there are already signs of a distinct contraction in agricultural development contrasted with the great expansion of recent years. In 1901 the area under cultivation in the Canadian West was 2,500,000 acres and the increase of the area under cultivation up to 1911, 17,000,000 acres. All this constitutes only 12½ per cent. of the area still available for cultivation. From 1911 to the present time the area of production has been decreasing. The demand for land has fallen off, homestead entries are fewer. There were 10,000 fewer entries in the year ending March 31st, 1913 than in the year ending March 31st, 1911. (c)

How doubly significant from a national point of view is this falling off in the agricultural development of the Canadian West will be apparent when it is known that it is due not merely to a falling off in immigration and a decline in settlement, but in some slight degree is also due to a return flow of the tide of immigration back into the United States. The wider markets, the absence of duties on agricultural implements, the cheaper cost of production, the higher prices obtainable in the United States are beginning to tell against the advantages in the way of availability and fertility of soils which the Canadian West earlier presented. The question which now needs consideration is whether from the national standpoint it is not better to so shape policies as to export commodities rather than men.

### Protection Apparently No Longer Needed.

Protection, as a national policy, was intended to enable industries likely to grow to make a beginning against adverse competition from countries in which similar industries were established. It was not to shield them forever, but only so long as this was necessary to enable them to mature. By its strongest advocates, it was admitted that anything beyond this, save as an indirect means of raising revenue, was an abuse, not a use, of protection. The agricultural implement business in Canada has grown to proportions where it not only controls the home market, but rivals all competitors in foreign markets as well. It is the business of government to aid in the production of wealth and its fair distribution. No longer required as an aid to infant industry, or a means of revenue, protection becomes robbery. In the case of agricultural implements it amounts to taking money out of the pockets of farmers and transferring it through the instrumentality of the State to men who do not need it. Having reached this stage the time for a change has come.

(a) See speech by Thomas McNutt, M.P. (Saltcoats) March 11th, 1914, Hansard, p. 1639

(b) See speech by Hugh Guthrie, M.P., (S. Wellington) March 11th, 1914, Hansard, p. 1629.

(c) See speech by Hon. Frank Oliver, March 11th, 1914, Hansard, p. 1656.