

shoes here in consequence. But it must be at once evident that these advantages would certainly disappear under a commercial union. For wages and material would almost immediately come to the same level in the two countries. In furniture and other wood work the same would be true. In woollens our advantage in cost of material is even greater, being at least thirty per cent., while labour here is \$206 per annum compared with \$350 in Massachusetts, a difference of sixty per cent. It requires a very high duty therefore to exclude us now from the American market. In cotton, it is unnecessary to add, we could not begin to compete, as we have to import the material from the United States, and the double freight would kill our chance of success in that branch of manufactures. But all these advantages would be neutralized by any measure that would raise the level of wages and material to that of the United States.

It is urged, however, that the loss of these advantages would be more than counterbalanced by our gaining a vastly extended market, and that it is that alone that can make it worth while to invest the capital necessary to develop these industries so peculiarly appropriate to the country. This is perfectly true, and if we could get the United States market at a fair price we certainly ought to take it. Before setting forth the reasons for believing that entering into a commercial union would be too high a price to pay for this market, I wish to advance a few considerations upon a subject, at least closely associated with the matter in hand. I have admitted that the American market would enable us to receive a larger return on capital invested on manufactures than we can hope for at present. The question then arises: Is this the most profitable investment we can find? The amount of capital Canada can command is limited. The lack of it is felt to be the great want of the country. The amount would probably be somewhat increased

under a commercial union by an influx of American capital; but all we can get must still remain small in comparison with the amount required fully to develop our natural resources. What then, either now, or under a commercial union, would be the most remunerative enterprise in which to invest our limited capital. The answer is, whether a commercial union were to take place or not it would best repay us to invest most of it: 1. In developing our agricultural and forest wealth; and 2. In providing every facility for transport. These two branches of investment ought for the next fifty years to absorb far more than all the capital we can command, and yield a vastly larger return than any other on the investment. And if it be pretended that a purely agricultural community cannot be a great nation, we reply that this would not make us a purely agricultural community, but one, in many respects, similar to France. France is a country that is essentially agricultural, and it is the praise of such a country that not only is there much wealth, but that the wealth is better, more fairly and evenly distributed, than anywhere else in the world, except, perhaps, in our own Province of Ontario. But France is not, and Canada will not be, an exclusively agricultural community. Even previous to 1871, there were in Canada over 200,000 people actually engaged in industrial or manufacturing pursuits. There were 37 industries, each of which had more than 100 separate establishments, 12 having more than 1,000 establishments. There were 17 industries in each of which over a million dollars capital was invested; there were 21 industries each of which employed over 2,500 hands. The principal of these were saw mills, boot and shoe, and clothing establishments, blacksmithing, carriage making, foundries, ship yards, flour and grist mills, wool-cloth making, &c., &c. It cannot, therefore, be maintained that Canada has been reduced to tilling the soil