



And this applies not only in the case of the wheat the farmer sells for export to England but to every bushel he sells in Canada. You see the English market will take all the wheat Canada offers at the prevailing British price. Now, if anyone in Canada wants to buy wheat for use in mills or otherwise he has to pay the price fixed by the British quotations, because if he refuses he cannot get the wheat; it will be sold for export instead.

Now, how does this affect the individual? Suppose the Western farmer has a family of the average number, five, and that he grows 5,000 bushels of wheat.

As already shown the annual interest cost of the subsidy is \$90,000, which is equivalent to 1½ cents per head of population. So the cost of the subsidy to the farmer with an average family is five times 1½ cents, or 7½ cents per year. Now, if this farmer produces 5,000 bushels of wheat in a year he will make at three cents per 100 pounds—the increased value caused by the subsidy—\$90. So he gets \$90 in return for an expenditure of 7½ cents. And the larger his wheat crop the larger will be his return on this 7½-cent investment.

Just look at the wheat productions of the years since the reduced rates came into effect and see the amount of money annually put into the pockets of the farmers of the West thereby.

1898—Wheat crop, 31,000,000 bushels, saving at 3c. per 100 pounds..	\$ 558,000
1899—Wheat crop, 35,000,000 bushels, saving at 3c. per 100 pounds..	630,000
1900—Wheat crop, 17,000,000 bushels, saving at 3c. per 100 pounds..	306,000
1901—Wheat crop, 64,000,000 bushels, saving at 3c. per 100 pounds..	1,152,000
1902—Wheat crop, 68,000,000 bushels, saving at 3c. per 100 pounds..	1,224,000

Total saved in five years.....\$3,870,000

Why the money put into the pockets of the farmers by the reduction in the wheat rate has more than equalled the total amount of the subsidy, \$3,630,000. So the people of Canada have got as a result of the reduction more than enough to pay off the principal.

#### OTHER REDUCTIONS.

But the reduction in the rate on wheat is not the only reduction effected by the subsidy. Thousands of dollars have been saved already and more will be saved in the future to the people of both the East and West by reductions on other articles. The subsidy agreement required that the following reductions should be made from the then lowest freight tariff:

Green and fresh fruit.....	33 per cent.
Coal oil .....	20 per cent.
Cordage and binder twine.....	10 per cent.
Agricultural implements .....	10 per cent.
Iron, bar, band, Canada plates, galvanized sheet, pipe, nails, spikes, horseshoe nails.....	10 per cent.
Wire of all kinds.....	10 per cent.
Paper for building and roofing.....	10 per cent.
Roofing felt .....	10 per cent.
Paints and oils.....	10 per cent.
Live stock .....	10 per cent.
Woodenware .....	10 per cent.
Household furniture .....	10 per cent.
Grain, per 100 pounds.....	3c.
Flour, per 100 pounds.....	3c.

But it may be asked why the Government did not force the reductions without giving anything in return. The answer is that the Government had no power to do so. By the charter under which the C. P. R. was built it was provided that there should be no Government control of rates until the