

different atmosphere from that of this country, and many of whom live still under the preconceptions of a particular school of economic thought, it may be well to consider why it was that reciprocal trade in natural products was rejected by the overwhelming vote of the Canadian people. That the vote was largely due to what may be called national as opposed to commercial reasons, no one will attempt to deny. But the economic case against Reciprocity was enormously strong. To the universalist Free Trader, of course, the whole thing is amazingly simple. It can be settled in the form of a syllogism and written out in a few sentences. Free Trade is a good thing. Reciprocity is part of Free Trade. Therefore Reciprocity is a good thing. It is very likely that many people in Great Britain who entertained very positive convictions on the subject got no further than this. But the moment that one admits that Protection is sometimes a good thing, then the case is altered. Where protection is a good thing, as, for instance, the official Liberal creed has recognized it to be in Canada for fifteen years, then it does not follow that you make it a still better thing by punching a piece out of it. The Reciprocity Compact proposed to leave every producer in Canada protected, except the farmer. His products were to enter into free competition with those of the United States and, as an incident to the compact with those of all other British countries and with twelve favoured nations under special treaty arrangements. In return the farmer got access to the American market, though not, by the way, to the market of the favoured nations.

At the present time the Canadian farmer sells over 80 per cent. of his produce in his own protected market. The prices which he receives are on the whole better than the prices in the closed American market. Wheat and barley and hay are higher in price in the United States, but the prices of horses, cattle, hogs, and other livestock, and of dairy products—in other words, the prices of the finished product of agriculture as opposed to the cruder first products—are better in Canada. All of this was amply proved by Mr. Taft in the documents issued by his Government on behalf of the American farmer. But to the Canadian farmer—except to the grain-grower of the Western plains—the argument worked the wrong way. In other words, the enormous