



THE LARGEST FLOUR MILL IN THE EMPIRE.

The Port Colborne Mill of the Maple Leaf Milling Company has a daily capacity of 10,000 barrels. Canada has, in all, 543 flour mills with a daily capacity of 111,865 bushels.

abolished between Canada and the Islands, and a tariff on a basis to be mutually agreed on, applied to all imports from outside countries, with of course full Imperial preferences as already allowed. Would not that give every commercial advantage which would arise from confederation? Would it not avoid the political difficulties of confederating peoples whose interests are not identical? Would it not be simpler, arouse less opposition, and be easier of accomplishment than actual confederation?

It is true that under such a customs union the problem would arise of raising sufficient revenue to provide for the local requirements of the Island legislatures, but this problem is by no means insoluble. It had to be faced when Canada became a Dominion, for by confederating, the various provinces relinquished their power to impose import duties. The solution adopted was that the Dominion should take over all expenditures connected with Defence, Navigation, Collection of Customs Revenues, the Post Office, and certain other departments thus greatly reducing the amounts for which the provinces were formerly responsible, and that in addition the Dominion should pay to each province, from the customs duties collected, an annual subsidy, the amount thereof being definitely settled as part of the basis of confederation. With a mere customs union, different arrangements would be necessary. There would be no central or federal government to assume any part of the present expenses of the Islands. The problem would be that of readjusting taxes, or finding some new source of revenue, to offset the reduction in income which would result from the agreement to admit, free of duty, goods from Canada which at present are subject to duty. This is clearly a mere matter of negotiation. I would suggest for consideration, however, whether the sim-

plest plan would not be to allow the Islands (unlike the Canadian provinces) to continue to collect for their own use the customs dues (according to the tariff agreed on) on imports from the United States and other outside countries, and if further adjustments were needed, they could take the form of reimbursements for loss of revenue by the Canadian Government. The Islands would of course retain their revenues from excise, post office and all other forms of taxation except customs.

The commercial benefits would be shared by both countries, but the loss of revenue to the Dominion from admitting West Indian products free would probably not be as serious as the corresponding loss to the Islands from admitting Canadian goods free. If this be so, it would be but reasonable for the Canadian Government to make such financial adjustments as might be agreed on as fair, and it could certainly afford to do this in order to make these valuable Island markets part of the Dominion commercially, though not politically. Not merely must the probable losses of revenue be considered and equalized, but the benefits to be derived must in fairness also be made as nearly proportionate as possible. Subsidies for the necessary steamship service should naturally be borne chiefly by the party which would share most largely in the advantages. Other points should also in equity be taken into account. I am far from dogmatizing on the details of such a scheme. The idea, however, appeals to me very strongly, for I feel certain that it can be worked out in such a way as to bring enormous advantages and corresponding prosperity to both Canada and the West Indies.

I earnestly hope that our friends in the West Indies will consider the suggestion very carefully.