

our best fruit markets. Canadian farmers are benefited by slaughtered goods from the other side of the line. There is a great deal of false loyalty in our country. Duty to self is duty to the state and to all mankind. We do not, as is generally supposed, give England a slap in the face by proposing commercial union, for the British Parliament would have to ratify such a treaty, and in all probability the present American tariff would be lowered.

JOHN KENNEDY—I was in Cincinnati when the discussion took place on commercial union, and there was a strong sentiment in favor of such a treaty. I am a warm supporter of commercial union.

MR. LITTLE—Before the vote is taken on this question, I wish it to be distinctly understood that, although I am going to vote in favor of the scheme, I might modify or change my views when I see the details. I vote on the presumption that the details are satisfactory. If it will lead to direct taxation, I shall have nothing to do with it.

A VOICE—We all vote on the presumption that the details will be satisfactory.

PRESIDENT LEITCH—Free trade expands the trade between countries, and in this sense it is beneficial; but in adopting unrestricted trade between Canada and the United States, Ontario would not be so much benefited as the other Provinces of the Dominion. The Maritime Provinces would gain much, and Manitoba and British Columbia would also be greatly benefited. Ontario is independent, as we grow pretty much the same products as the adjoining States. With reference to our export of scrub steers to Buffalo, I see no advantage in commercial union, for our farmers grow such stuff at a heavy loss, and the trade should be abolished. Lumber would be raised \$2 per thousand. Fishermen's and lumbermen's supplies, which are now produced in Ontario, would come from the United States. It is quite an item to supply 4,000 men with the necessities of life. I am not, however, against commercial union provided fiscal matters could be satisfactorily adjusted. Our present tariff is burdensome enough, but it is much worse in the United States. I am not yet quite decided which way I should vote, but I am more favorable to the scheme now than I was when it was discussed at our June meeting.

W. A. MACDONALD—This question is one of the gravest character, grave for the future welfare of our country, and no citizen can give it independent thought who has adopted the party methods of thinking. There is now a grand opportunity for studying sound principles, but our passions and prejudices have been appealed to instead of our judgment. The direct taxation scare strikes terror into the minds of thousands of honest farmers who would otherwise be in favor of commercial union. There seems to be something sacred in their methods of taxation, it being a cardinal virtue to draw the taxes out of a farmer's trouser-pocket, while it is downright tyranny and robbery to abstract them from the pocket of his vest or coat. The sums of money squandered in collecting our taxes and adjusting our tariffs are appalling to contemplate. Our present system of taxation is the most iniquitous gambling den that has ever been exposed to the light of day, and has been the cause of more ignorance, poverty, crime, immorality and tyranny than all other social failures combined. I should despair of my country and of posterity

were there not sound remedial measures susceptible of grasp by all honest and progressive men. No system of taxation can be unjust which is uniform and constant; the injustice and robbery are attributable to the incessant changes brought about by ignorant and designing men. The unjust and oppressive portion of our taxes is paid by those who suffer from these changes. Justice to all simply demands that a tax should (1) be levied without liability to change, and (2) that it cannot be evaded by a portion of the community. On this principle, the tendency would be the taxation of land only, where there can be no evasion, and the land owners would then become our tax-collectors, instead of the merchants and manufacturers, as under our present system. Every consumer of farm produce would have to pay his just portion of the tax imposed upon the land, and farm products would be thus enhanced in price. When trade finds its natural level, the profits in all industries being about equal, no oppressive taxation can exist in any given industry. But there can be no hope for the desired change so long as our highest ideal of the politician is that he should be an expert tax-tinker. You also talk loudly about annexation. When the loyalty of the Canadian people demands that a political connection shall be formed with the United States, we shall have it, and not till then. Do you want to protect us against ourselves? The Imperial Federation League is gaining strength, but it has not the natural elements of success. It does not necessarily follow that intercolonial free trade will divert commerce into the channels cut out by nature, and, besides, the British land system appears destined to be the doom of the greatest nation that ever swayed a sceptre. It would cost more to maintain the barrier which arrests the northerly and southerly trade between the two great nations of this continent than it would to make a gift of many millions of happy homes. You might as well attempt to prevent the billows from tyrannically lashing our native shores. It is a question of fate, not of opinion. My loyalty is firm to any principles that will divert trade into its natural channels, and alleviate oppressive taxation, and to any sentiments that will tend to Canadianize our Dominion, and by exterminating the privileged class, weld mankind into a homogeneous mass. One of the most absurd utterances has often been expressed in this chamber and has gained currency throughout the country, viz., that the Canadian farmer, being better off than his American neighbor, could not be benefited by a commercial union. Why, if the natural opportunities are greater in Canada than in the States, this is one of the strongest arguments in favor of such a union. There can be no sound arguments in favor of restriction in any legitimate trade.

ANALYSIS OF THE VOTE.

Before the question came to a vote, quite a number of members and others left the meeting. The count gave a majority of two votes in favor of commercial union. The sentiment in favor of the scheme was much stronger than at the June meeting, many of the members having studied the question much more thoroughly. It will be interesting to analyze the vote of the officers, for, when the Council was organized, they were the choice of agricultural bodies as being the most intelligent, progressive and independent farmers in the county of Middlesex. The Council was organized on a strictly independent basis; but, naturally enough, although the officers are not politically hampered in any way, some of them lean slightly in favor of one party or the other. Two, although denouncing

partyism, are faintly Reform, one faintly Conservative, and the other is a Radical who has not fallen into the ways of any party. With these facts it is interesting to know that only one officer voted stoutly against commercial union. The President, who did not vote, is in favor of giving the scheme a trial, providing fiscal matters could be satisfactorily adjusted.

At the next meeting of the Council Vice-President Anderson will read a paper on "Fences or Herd Laws."

The Farm.

Farm Mortgages.

The deplorable condition of our farmers has been the hobby of some political papers for several months, and the extent of our mortgaged lands has been summoned as evidence. In the judgment of some writers, the number of acres mortgaged and the amounts embraced in the mortgages are a correct barometer of our agricultural condition.

From the standpoint of political economy, it is impossible to understand the subject in this light, the error arising from the conception, or rather misconception, that it is a bad thing to owe money and a good thing to owe other forms of property: if you owe money your affairs are in a deplorable state, but if you owe land or horses, your business is flourishing. If the question is to be superficially considered, why not say that the farmer has the money received for his mortgage and also the land covered by the mortgage, so that he is doubly well off by his transaction. It would be just as reasonable to say that the money lender is poverty-stricken because he owes so much land, as that the farmer is poor because he owes so much money. The fact is that the farmer cannot include in his resources both the money borrowed and the land mortgaged, neither can the lender (mortgagee) call both the money and the land his own. Practically, it makes little or no difference whether the farmer calls the borrowed money his own or the land covered by the mortgage; so it also is with the lender regarding the money lent. The farmer is none the worse off for the change if to-day he has \$5,000 in the bank and to-morrow he owes the same amount on a mortgage—or even on a note; he surely gets value for the money invested.

However, there may be—and there are—conditions in which the existence of farm mortgages is to be regretted. This is mainly due to the fact that there have been large profits in the investments or speculations which have given rise to the mortgages. For many years land has had speculative values, the prices being higher than the productiveness of the soil warranted, and so long as this state of affairs continued, so long as land maintained a steady increase in price, investments were profitable and secure, and whether farms were purchased for cash or by mortgage, had nothing to do with the adversity of the farming community; in fact, the greater the mortgage debt the greater the prosperity. But present prosperity may be the parent of future adversity. The spirit of speculation ran too high, the difference between natural and artificial prices became too great, and a reaction was inevitable. It is a fault in our system of land tenure that prices are usually in excess of intrinsic values—that is, profits based upon the fertility of the soil in relation to the market prices for farm produce, this excess being caused by the