value of the home market, especially to farmers. It is stated that Canadian farmers sell their produce in an open market, where the prices are fixed by international competition, and that they buy what they need in Canada, which is described as a closed market. For 1919 the gross value of the agricultural production of Canada has been officially estimated at $1,975,841,000. Exports of unmanufactured farm produce were valued at approximately $315,000,000, or, if butter and cheese be included, at a little over $361,000,000. In other words only between 16 and 18.5 per cent. of all the produce of Canadian farms was exported in the unmanufactured state, while between 81.5 and 84 per cent. was marketed in Canada.

The home market under normal conditions is a constant market. In a country where the population is steadily increasing it is a growing market. The foreign market or open market is an uncertain market. It may be lost entirely through war. It may be restricted through unfriendly legislation or economic causes.

During the present war, thanks to British supremacy on the seas, the foreign market was greatly enlarged for Canadian agriculture. Europe wanted everything Canada could grow, but if the supremacy of the seas had been in the hands of the enemy, the market for Canadian farm produce in Europe would have disappeared. As a matter of fact, the market for Australian and New Zealand farm produce was greatly diminished, owing to the scarcity of ships to carry produce from New Zealand and Australia to Europe. When shipping was scarce, Canada got the preference because ships could be sent more quickly and safely to Canada than to New Zealand and Australia.

Another example of the destruction of markets by war conditions is afforded by Russia. When the Germans and Turks closed the Dardanelles, Russian wheat stopped coming to the Allies.

An example of the home market being lost by legislation occurred in Canada when the United States advanced the duty on Canadian barley, with the result that the price of barley in Canada dropped over night 20 cents to 30 cents per bushel.

Another example of tariff legislation was shown by Germany when she put an extra tax on Canadian wheat. Foreign nations have absolute control of their own tariffs; they can exclude Canadian produce at any time; and examples are numerous of such action having been taken unexpectedly and arbitrarily.

Foreign markets may be lost or restricted through gradual economic changes. Before the war occurred, Great Britain depended largely on outside countries for their food stuffs. The submarine menace, however, taught them a stern lesson. Never again will they depend to so great a degree on other countries for their food. They have determined to increase their agricultural production, and most effective steps are now being taken to attain this object. It follows, therefore, that if Great Britain grows more at home, she will import less from Canada. The same lesson has been learned, although the necessity has not been so great, by other European countries, who had relied on North and South America for the greater supply of their food. It is natural that the argument about selling in foreign markets and buying in protected markets should be most strongly urged in Western Canada, where grain is grown for export. But the conditions of agriculture are changing very rapidly in Canada. Not so many years ago wheat was the principal source of farm revenue in Ontario. What is the case now?

The following figures from the Canada Year Book, 1919, show how the farmers of Ontario made their money for that year:—

Field crops	$373,507,000
Farm live stock	384,266,000
Tobacco	5,561,730
Creamery butter (1918)	13,136,470
Cheese (1918)	23,213,520
	$799,684,720

The value of all kinds of wheat grown in Ontario in 1919 was $40,701,000. Consequently wheat only represented about 5 per cent. of the total value of Ontario farm produce.

Roughly speaking, a new country starts growing wheat and gradually develops into mixed farming, and the progress of the Prairie Provinces away from the wheat-growing stage to the mixed farming stage has already reached extensive proportions.

The increase in farm live stock in the Prairie Provinces is set forth in Table 18, page 195 of the Canada Year Book, 1918.

Prairie Provinces:	1911.	1916.	Increase.	Increase Per Cent.
Horses	1,194,995	1,848,812	653,817	54
Milch cows	484,145	820,583	336,438	69
Other cattle	1,324,786	1,956,286	631,500	47
Total cattle	1,808,931	2,776,869	967,938	53
Sheep	285,130	495,689	210,559	73
Swine	712,222	1,362,046	649,824	91
Poultry	8,432,423	10,395,705	1,963,282	23

The growth of industry in Manitoba, Saskatchewan, and Alberta is also extraordinary. In 1900 the value of goods manufactured in these three provinces was a negligible quantity. For the present year a very conservative estimate would place the value of the goods manufactured in the three Prairie Provinces at $300,000,000. In 1900 there was not a single member of the Canadian Manufacturers' Association located west of the Great Lakes. At the present time there are seven hundred—five hundred of these in the Provinces of Manitoba, Saskatchewan and Alberta. In fact, Western Canada is becoming rapidly industrialized—the industries which have made the greatest strides being milling, packing, steel and iron, clothing, textiles, building and paper.

The Canadian home market that absorbs 80 per cent. of farm produce is the population of the cities, towns and villages. Analyze city, town and village, and it will be found that a considerable part of the activities of their inhabitants has its origin and existence in the factories. Manufacturing is the life blood of wholesale and retail trade, transportation, professional practice, and commer-