

# The Manufacturers' Reply

**NOTE**—The official reply to the Farmers' Tariff Demands at Ottawa was made before the Toronto Canadian Club on December 29th, by T. A. Russell, Chairman of the Tariff Committee of the Canadian Manufacturers' Association. Mr. Russell is general manager of the Canadian Cycle & Motor Co. Ltd., and was formerly secretary of the Manufacturers' Association. Some years ago he was a lecturer on Political Economy in Toronto University, and is considered to be the strongest man the manufacturers could put forward to defend the Protective Tariff.

**T**HE address of Mr. Russell is reproduced as it appeared on the following day in the Toronto Globe.—Among those present were Mr. J. F. MacKay, president of the club; Col. Fred. Stone, president of the Canadian club, Chatham; Senator Melvin Jones, Senator Robert Jeffray, Bishop Sweeney, Messrs. A. E. Kemp, ex-M.P., W. K. George, Gordon Waldron; C. C. James, deputy minister of agriculture; J. M. F. Stewart, W. L. Smith, F. J. White, S. Casey Wood, jun., Leslie Wilson, Hon. secretary, and H. D. Scully, secretary of the club.

Sketching the gradual growth of Canada's present fiscal policy from Confederation days, Mr. Russell pointed out the new element that has come to the front in the demand made by Western grain growers for a complete reversal of public policy, a large measure of free trade, and reciprocity with the United States.

## Western Exaggeration

"They are in earnest," said the speaker, and added: "They have made their demands with western vigor, and I think you will agree, painted their wrongs with Western exaggeration." He proceeded to tell of the comfortable condition of the "poor farmer," whose Grain Growers' Grain Company has assets of \$840,000, and investments in bank stock and other securities of \$199,000; has purchased real estate for an office in Winnipeg at a price said to be \$155,000; paid a cash dividend of fifteen per cent. on its paid-up stock, and carried forward \$36,000.

## Are Farmers Reasonable?

"These great organizations," said the speaker, "are through their organizing meetings, their press and their public speakers spreading sentiment tending to inflame the farmer against the manufacturer. Think what this means—a great many of these men are comparatively new Canadians, some from Great Britain, some from the United States, others from the overcrowded countries of Central Europe. Think what it means to have a body of men, a great many of whom have not been in the country for twenty years, and unacquainted with our national history or development and all of whom are engaged in a single industry, demanding with all the confidence, all the assurance of prosperous youth, that the whole policy of the country, developed through generations and affecting every class and industry in the country, shall at one fell swoop be changed at their bidding. Is it reasonable? Is it sensible? Now, what of these men individually? Are they the farmers we know or think of? Our mind turns to our fathers or grandfathers who cleared the land of the virgin forest, who toiled with their hands to win a farm as the reward of a lifetime's toil, who carried on the back of their horse or perhaps on their own back the sack of grain for their bread through the forest where they followed the path by the blaze on the trees.

"But for these men a different day has dawned. Their land is ready for the plough, a beneficent government spreads the payment for it over years enough for the crops that grow on it to meet. A nation has toiled to build railroads to their doors, agricultural implements with spring seats have been devised for every form of work, and the maker spreads the payment over one, two or three years.

## Not Down-trodden Class

"Like all other classes, there are all kinds of Western farmers. But they are no down-trodden class. The heel of the manufacturer has not been on their neck; it has been at the foot of the ladder steadying it, so that they might mount. Many of them are landlords, who measure their possessions in the denominations by which countries and continents are measured—that is, square miles. Many live in towns and farms by proxy, simply letting contracts for sowing and reaping. I met more than one man in the West threshing 100,000 bushels of grain. Many

I say, are landlords, not farmers. Others, of course, are not.

"We as manufacturers grudge them not this—rather we are glad. We rejoice in their prosperity, but surely we have a right to ask that they drop the fervid-oratory talk about paying tribute to anyone, when it is the common knowledge in Canada to-day that there is no class in Canada making so great a return on his cash investment as the farmer in northwestern Canada. Can this delegation speak for the farmers of Canada?"

## Many Farmers Oppose Change

Mr. Russell quoted the utterances of John Hawke of Regina, of the Westworn farmers as reported in The Globe of the 14th inst., of David Jackson of Grimsby, of French-Canadian farmers, of the Ontario Fruit Growers' Association, and of the Winnipeg Vegetable Growers, in opposition to any great change in the present tariff, expressing their sense of the importance of the home market and their readiness to fight for its development and maintenance.

"These are only a few indications," he said, "not by any agitation or advertising, but they serve to show that the farmers of Canada are not only not a unit, but that great and important sections feel the importance of the home market, and are prepared to fight for its development and maintenance.

"In fact, I am sure that only the slightest opportunity to organize would

transportation of grain and other commodities. The invitation was declined.

"That was not the right spirit. If the cause were right, it would best be advanced by meeting and discussing with all classes. No one section, either east or west, has all the wisdom or statesmanship, and we have much to gain in this vast land by trying to forget that there is any east or any west, but by coming together and in the light of common knowledge seeking to get a common ground from which to work, more will be gained than by inflaming the farmer against the merchant or manufacturer.

## Lost Sense of Perspective

"The trouble is, the West seems to have lost all sense of perspective. Living in an air of continual self-advertisement, it is in danger of absorbing the idea that all that is of value is west of the Great Lakes. The West is grand, but it can still be reminded of some facts about the older east."

"(1) The dairy produce of Ontario approaches the value of the Western wheat crop.

"(2) The hay crop of Ontario alone last year was equal in value to the whole wheat crop of the three Prairie Provinces.

"(3) The value of live stock slaughtered in Ontario last year was greater in value than the wheat crop of the West.

"I mention these points, not to lessen the importance of the West, but to show how great is our country, how complicated

of the tariff requests made by the Western Grain Growers, Mr. Russell said:—

"Now, let us look at the tariff requests:

"(1) That we strongly favor reciprocal free trade between Canada and the United States in all horticultural, agricultural and animal products, spraying materials, fertilizers, illuminating, fuel and lubricating oils, cement, fish and lumber.

"(2) Reciprocal free trade between the two countries in all agricultural implements, machinery, vehicles and parts of each of these; and in the event of a favorable arrangement being reached, it be carried into effect through the independent action of the respective governments rather than by the hard and fast requirements of a treaty.

"(3) We also favor the principle of the British preferential tariff, and urge an immediate lowering of the duties on all British goods to one-half the rates charged under the general tariff schedule, whatever that may be; and that any trade advantages given to the United States in reciprocal trade relations be extended to Great Britain.

"(4) For such further gradual reduction of the remaining preferential tariff as will insure the establishment of complete free trade between Canada and the motherland within ten years.

"(5) That the farmers of this country are willing to face direct taxation in such form as may be advisable to make up the revenue required under new tariff conditions.

## Would Reciprocity be Profitable?

"The first call, for reciprocity in natural products—would this be profitable under for Canada? This is hard to answer—too hard for me. But I will offer a few suggestions.

"Doubtless larger markets always benefit the producer, if not accompanied by some other disadvantage. But is it for us to talk of tariff reduction to the United States?"

"For the past ten years our purchases from the United States were \$1,600,000,000, their purchases from us \$800,000,000. They are twelve times greater in population. In other words, our purchases from the United States were \$30 per head, theirs from us \$1.10 per head. The United States average tariff on all goods, dutiable and free, is 24 per cent., ours 16 per cent. Theirs on dutiable goods 42 per cent., ours 27 per cent.

"That is, their tariff barrier was over 50 per cent. higher than ours. If reciprocity negotiations will remove this inequality we will all rejoice.

"Sir George Ross points out that Canada has much to lose if the identity of her wheat and flour is lost through mixture with inferior United States grades. During the last three years the export of flour from the United States to Britain has fallen off, while from Canada it increased 100 per cent. He points out that Canadian cheese has now driven United States cheese out of the English market. Are we to sacrifice that position so dearly bought?"

"At a time when greater attention than ever before is being paid to the conservation of great natural resources, are we to throw down the barriers to our great forests and have their products exported in a crude state to build up United States industry?"

"Are we to sacrifice our seaports to those of New York, Boston and Portland?—for this is what the United States advocates of reciprocity claim will result.

## Content to Bide our Time

"We hope the present negotiations will produce some results of value, but what we in Canada should say to our government is this: We have the greatest confidence in the statesmanship that has guided our nation since confederation. We want to meet our United States neighbors on a friendly basis, but we want you to feel that you are under no mandate to carry out any treaty or agreement unless you can see well and clearly to the

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Breaking Scrub Land on farm of Ernest W. Brown, Rokeby, Sask. Showing scrub plow and trucks

be seized by thousands of farmers to say 'No' to the demands of the Grain Growers."

## Invited to Confer

Continuing, Mr. Russell said: "Mr. Drury, master of the Dominion grange, spoke for Ontario farmers. How many of them is he authorized through the grange to speak for? Mr. James, deputy minister of agriculture, says there are 175,000 farmers in Ontario. Does Mr. Drury represent half or ten per cent. No; I venture to say it is nearer one per cent. But whether rich or poor, representative of all the farmers or not, they had a right to a fair hearing and fair consideration for their requests. Our thought as manufacturers was that there was room for exchange of ideas between farmer and manufacturer; we sent a cordial invitation to them to visit some of our great industries, accept our hospitality, and together talk over the problems of our common country. So that our position might not be misunderstood, we sent our assistant secretary to Winnipeg to personally convey the invitation. Then representative members of our council also waited at Ottawa. But the invitation was declined.

"One of the members of the Montreal harbor commission went to Ottawa to invite the delegation to view the great national work being done at the port of Montreal, with a view to cheapening the

its problems, and, therefore, how carefully, how broadly and generously we should approach the solution of our national problems.

"Frankly, I was disappointed to find references to the development of the Hudson Bay route as our national salvation in transportation. The Hudson Bay project may be alright. We in the east feel we know little about it. We are, I think, skeptical about its practical advantages, but, generally, I believe, we are prepared to accept the judgment of the westerner, who should know more about it than we do, and contribute our share to it if it is believed to be a national asset.

"But would it not have been fair of this great deputation to refer to our past efforts to provide transportation to the West; to have expressed some appreciation of the government's great work in building the National Transcontinental Railway; to have approved of the grain shipping facilities being provided at the nation's cost in Montreal and other points; to have encouraged the building up of our waterways system by deepening our canals, or even by building the Georgian Bay Canal?"

"Would it not have been more Canadian than building all our hopes on a Hudson Bay railway or shipment of grain via Panama and Tehuantepec?"

## What the Farmers Ask

Coming to a more particular discussion