

Example of the Effect of Competition with Australia.

On March 18th last, 750 carcasses of frozen lamb from Australia were landed at St. John, N.B. 250 carcasses were sent to the William Davies Co., Limited, Toronto. The greater part of the remainder were shipped to Montreal. This lamb was purchased at nine cents per pound delivered in bond at Toronto.

Under existing conditions the duty was three cents per pound. This made the lamb cost twelve cents per pound laid down in Toronto.

Fresh dressed lambs were selling in Toronto at that time at $12\frac{1}{2}$ c. to 13c. per pound.

So you see, after paying this duty there was not much difference between the prices of the Australian and Canadian lamb.

The duty protected the Canadian farmer against the Australian product.

But under reciprocity the duty on this frozen lamb will be only $1\frac{1}{4}$ c. per pound, so that similar shipments could be laid down in Toronto at $10\frac{1}{4}$ c. per pound, two or three cents per pound cheaper than the price for the home raised products.

Referring to the lambs which were sent to Montreal. When they reached Montreal Canadian lamb was selling at $10\frac{1}{2}$ c. The Australian lambs were sold at $9\frac{1}{2}$ c. delivered ex cars Montreal duty paid, the owners apparently being contented to undersell the Canadian market by one cent per pound.

Now, if you wish to see the effect upon the live stock market of the receipt of this Australian lamb in Montreal, turn up the Montreal papers of March 20th, in one of which, for example, the headline was "Sheep Sold Lower in Local Markets."

If, with the three cent duty on every pound, frozen lamb can be profitably imported from Australia, it seems almost conclusive that reducing the duty will also reduce the price of Canadian lamb accordingly.

And not only does Australia export frozen meat, but it exports butter as well. It exports annually between fifty and seventy-five million pounds of butter.

Australian butter can be laid down now in bond at Montreal at 23c. per pound. A duty of four cents per pound keeps it out of competition with the Eastern Townships butter now selling at 26c. per pound.