made to industrial amalgamations in Canada in the following terms:—

"The number of industrial amalgamations consummated in Canada from January, 1909, to December, 1911, was 41.

"The aggregate authorized capitalization, including bonds, of 39 of these mergers was $334,938,266.

"The 41 amalgamations absorbed 196 individual companies.

"The aggregate capitalization of 190 of these individual companies was approximately $124,766,380, which amount, in various ways, was increased upon amalgamation.

"The 28 securities issued to the public, resulting from the amalgamation movement, totalled $44,071,666.

"With thirteen of these, amounting to $15,950,000, an aggregate bonus of $6,567,500 was given.

"The facts and figures above illustrate the growing extensiveness of the tendency to amalgamate. Operations have not been confined to one, or a few classes of commodities. Companies handling soap, cereals, asbestos, bread, flour, milk, cars, leather, lumber, cement, dried fish, carriages, bolts and nuts, steel, coal, ice, felts, shoes, furs, crockery, paint and jewellery have all seen apparent or real gain in a combination of interests. Arrangements have also been made between navigation, light and power, brewery, canning, retail box trade, and other companies. These instances are sufficient to exemplify the widespread nature of the new feature in our commercial and financial progress, which is slowly painting a new economic map of the Dominion."

The outstanding facts in connection with these consolidations is the very large increase in capital—mostly composed of watered stock. The experience of the Maple Leaf Milling Company illustrates how these combinations of capital work out. The capital of this company consists of $2,500,000 preferred stock and $2,500,000 common stock; a large percentage of the common stock was given the purchasers of the preferred as a bonus. The flour mills are protected in their raw material by what is equivalent to an export of ten cents per bushel duty on wheat going to the United States. They have the home market for flour to themselves by import duty of sixty cents per barrel on flour with the result that this common stock which represents nothing but the paper it is written on, was announced worth 90 per cent.

The only people in Canada who contribute to the revenue by customs duties are the purchasers of foreign goods, and the only way to increase the revenue from that source is to encourage importations of dutiable goods.

Boot and Shoe Industry.

As an illustration of how protection affects revenue and cost of goods, take the case of the boot and shoe industry of which the census bureau gives the following information for the census year 1910:—

Value of manufactured products	$33,987,248
Number of employees	17,227
Paid salaries and wages	7,698,333

Average wage per employee—$446 per annum, or $1.50 per day—not a very attractive wage, about one-half what an ordinary day laborer receives in Winnipeg.

For the year ending March 30th, 1911, Canada imported $2,045,835 of boots and shoes, on which was paid $585,996.71 duty. Of this importation $292,014 was from Britain, duty paid $59,999.52—the balance $1,742,699 from United States, duty $522,809.70—equal to 30%. Our imports from the States were six times as much as from Britain.

The value of home product is given at $33,987,248, of which $60,935 worth was exported (over half going to the United States)—presumably the balance was consumed in Canada.

Assuming that manufacturers add the full extent of their protection to the selling price of their product when sold in the home market, the people of Canada paid an account of 30% protection on boots and shoes last census year.

To the government customs duties	$ 585,996.71
To manufacturers (after deducting the exports)	10,177,893.90
Total	$10,763,890.61
The boot and shoe manufacturers paid in wages and salaries	$ 7,698,330.00
Leaving a balance of	$ 3,065,560.61

The people of Canada paid on account of protection to the boot and shoe industry more than the total wages and salaries paid to the employees of the boot and shoe manufacturers during the census year. If they added only two-thirds of their protection the people paid their wage bill.

Difference in Prices.

The wholesaler who imports goods adds to the invoice price the cost of his goods delivered in his warehouse, eliminating all cost but custom duties out of our calculation in the case of boots and shoes.

A wholesaler imports boots invoiced him at $2.

	Under Protection.	Under Free Trade.
Invoice price	$2.00	$2.00
Duty at 30%	.60	....
	$2.60	
Add 20% profit	.52	.40
Selling price to retailer	$3.12	$2.40
Retailer adds 25% profit	.78	.60
Sells to consumer	$3.90	$3.00

Consumer pays $3.90 for boots under protection that he could get for $3.00 under free trade—no one but the manufacturer gets the benefit of difference, $3.00 a day under free trade is as good as $3.90 under protection in the purchasing of boots for a wage earner.

A farmer selling wheat at 75 cents could secure a pair of boots under free trade for 4 bushels. He has to give 5 1-5 bushels under protection. In other words every fifth bushel goes to the manufacturer. The boot and shoe industry added a mere trifle to the export business of Canada. Added $585,000 to the revenue—taxed the people over ten million dollars for this in support of that industry.

Cotton goods manufactured	$24,584,931
Cotton goods entered for home consumption	21,118,954
Making	$45,703,885

consumed in Canada. Government collected $4,774,320.31 duty (a trifle over 22½%) which the people paid to the revenue and on top of that $5,400,000 to the manufacturers. This industry exported $217,594, which was their contribution to our volume of export that year.

As to Agricultural Implements.

Agricultural implements manufactured, $20,722,722, added to our volume of export $5,921,818. The farmers paid the government $901,135.70 in duty and the manufacturers a tax of $2,960,180.80. The ethics of modern business is to get all you can for what you have to sell, and I assume the manufacturers take advantage of the full extent of their protection. Western farmers import a considerable quantity of farm implements from the United States, which after paying duty can be delivered on the farm cheaper than Canadian goods. The following list is an example of the duty paid:—16-inch sulky plough, $7.28; 12-inch gang plough, $11; 14-inch walking plough, $2.48; 20-inch D.D. drill, $20.40; 16 x 16 disc harrow with tongue truck, $7.12; 3¼ x 10 wagon, $22.53; No. 106 top buggy, $21.25; mower, 5-ft., $3.90; rake, 10-ft., $4.56; 70-bushel manure spreader, $17.60.

Those conditions resulted in not only retarding progress in increased development, but are also driving people off the land. According to the Dominion census of 1911, the acreage under field crop in Manitoba, Saskatchewan and Alberta in 1900 was 3,600,119 acres. This crop area was increased in the decade ending 1911 to 17,677,091 acres. In the four years 1908-1911 when the growth of the prairie provinces was at its height, the acreage under crop increased 4,300,000, nearly 50%. The next three years showed an increase of less than 95,000 acres. It is estimated that upwards of 3,000,000 acres of land were brought under cultivation in 1910, and a like amount in 1911, since which very little land was broken until last summer. Further, this arrest of progress in develop-