

Intimately associated with the higher or more luxurious standards of living are the changed habits of the people resulting from and in marketing and distribution. To refer to only one we should denote the falling into disuse in all our large cities and towns, of the old, central markets and the necessarily increased cost of retail food distribution. Where purchases are made direct from the purchaser the additional middleman profit does not play so important a part, but where goods are delivered not only at one's door, but in preserved or canned form, some increase in price to meet the extra cost of service alone is inevitable. The fact that all retail trade is based on direct purchase from the producer must, unless the purchaser in the first instance is demanding too excessive a profit, entail some enhancement of prices. There are but few commodities to-day as compared with fifteen or twenty years ago, which householders purchase in any other way than through the retail dealer.

Particularly important in this country, however, is the other cause which has already been mentioned, namely, increased population, including immigration, and in this connection the increased demand for goods in remote, and inaccessible parts. Increased population means an increased number of mouths to fill; settlement in remote districts means increased difficulties in satisfying existing needs. Products have to be brought long distances, involving additional elements in handling, transporting, packing and commissions to middlemen.

These causes are self-evident, but arising out of them are causes of even greater potency, though not as apparent at first blush. The estimated population of Canada according to the census of 1901 was 5,371,315. The estimated population at the beginning of the present year was over 7,000,000, an increase of approximately 33.75 per cent in less than ten years.

But what is even more important as accounting for the increased demand which has effected prices, is the enormous expenditure in connection with industrial expansion which has been going on, expenditures made very largely out of borrowed capital on railways, towns, public works, and other large undertakings. Corporations and governments, national, provincial and municipal have been particularly borrowing for investment or at least for expenditure in the country. According to Mr. B. E. Walker, of the Canadian Bank of Commerce, the amount of foreign capital invested in this country in the year 1909, amounted to \$200,000,000. Many of these enterprises have not yet become productive, hence they affect almost exclusively for the present, the demand side of the equation. The demand has been in the first instance for the materials consumed in the actual undertaking,

then for the labour, and the commodities necessary to supply the labourers engaged upon the work, but the circle of industrial and trade activity once set in motion has gone on widening until it has reached all but the outermost edge of the community.

Reference has been made to farm labour. In that connection, one might quote many statistics to show just how considerable has been the increase in the cost of farm labour. But the increase in the cost of farm labour is only part of the general increase in wages throughout the Dominion.

I have here a statement prepared in the Department of Labour, showing the rates of wages prevailing in the building trades in different cities of Canada from 1900 to 1910. In the city of Halifax, taking only the building trades, it would appear that the wages have risen for the different classes of labour in the building trades for those 10 years from 7 per cent to 42½ per cent, depending on the particular class affected. In St. John, the increase has been from 10 per cent to 42.6 per cent. In Montreal, it has been from 24 per cent to 83½ per cent for one class, the average being about 66 per cent for some of the higher classes. In Toronto, the increase has been from 6 per cent to 45 per cent, in Winnipeg, from 11 per cent to 64 per cent, in Regina from 25 per cent to 50 per cent, in Calgary, from 25 per cent to 68 per cent, in Vancouver, from 25 per cent to 66 per cent. These figures, taking all the classes in the building trades for these different cities, considering percentage of increase in wages, go to show an average increase of from 28.6 per cent to 55.9 per cent in the several localities or an average of 39.4 per cent, taking the whole. And with this increase in wages has gone a shortening of the hours of labour. Of course, the wage question and the price question are very closely associated. The increase in prices has made the working classes feel the necessity of getting an increase in their wages. They have the smallest income, and with the increase in prices brought about in this way they have had to supplement their earning capacity in some way, and so there has been this increase in wages throughout the building and all trades in Canada. On the other hand, the increase of wages has operated to increase prices. The employers, having to pay more for labour, have found it necessary to tack on something to the prices at which they were selling the goods, and so the two things, wages and prices, have followed each other in what has been described as an upward spiral relationship in 10 years. This increase in wages in towns and industries has operated again on the wages on the farms. Wages being on such a high level in the

cities men have left the farms to go into the cities, and in doing so they have not only diminished the supply of labour on the farms, but have created an extra demand in the cities for the produce which the farmer turns out, and in that way the farmer has been handicapped in part from two sides. It is really startling when we consider all these things to see how, while we have had all this great increase, this rise of prices in the city, this increased prosperity for different classes, the movement in some parts of the Dominion has been away from the farms into the cities. We have been getting more men on the land in the west. But let us take Ontario. Mr. James, the Deputy Minister of Agriculture in Ontario, recently prepared an estimate of the population of the cities and towns of the province, and he estimated that while the population of the cities and towns had increased during the past decade by 294,400, there had been an actual decrease of 61,858 in the rural population. The rural population of Ontario decreased from 1,108,874 in 1899 to 1,047,016 in 1909, while during the same period the population of the cities increased from 901,874 to 1,197,274. Those figures of themselves would help to explain part of the difference of one of the causes of the rise in prices, and help to answer the question as to whether the farmer has or has not really gained all the advantage which has come from increased prices.

Mr. BLAIN. That is not a new condition of things as I understand it. The former census showed exactly the same thing for Ontario for the last 35 years.

Mr. KING. That would only go to emphasize the significance of that fact. If the farm labour had become relatively less in the previous years, it would, of course, intensify any effect which a reduction in farm labour at the present time would have.

There are other causes which might be mentioned also. There are causes which in the long run are going to be of great service to the mass of the people. For example, the widening of markets in different parts of the world. European countries were formerly receiving much of their grain from other countries than Canada; to-day they find the supply in these countries diminishing, while the demand is increasing at home, and they are looking to this country to supply them with the necessities of life in a larger measure than ever before, and with improved transportation and cold storage facilities, with commercial agencies scattered about in the world, the general policy of trade development which the government has taken up, there is bound to be a greater demand

for the goods of this country, and as the demand becomes greater, naturally the prices, for the time being at least, will soar a little higher. But I think so far as the increases may be due to causes of that kind, it is an increase which is shared in by the community generally, and it is a price which I believe every citizen of the Dominion is prepared to pay as long as he can be assured it has been brought about through such legitimate causes.

There are other causes which might be mentioned, exceptional in their nature, such as the large expenditures in the last few years in connection with war and the preparation for war in different countries. We have had in the last decade three important wars, the Russo-Japanese war, the Spanish-American war, and the South African war. All of these wars have caused a large amount of capital, which might otherwise have gone into productive industry, to be diverted from it. And the expenditures and preparations which different nations have been making in the last few years in the way of preparations for war have also helped to remove from productive uses a certain amount of capital which might otherwise have been productively employed. Of course, one nation doing one thing necessitates a like action on the part of another, and in that way one nation cannot hope to escape part of the general toll which all nations are helping to exact.

That brings me to one other class of causes. The causes which I have mentioned are largely natural causes operating in accordance with the general run of things throughout the world. There are two classes of causes, closely associated, though somewhat different in kind, which I shall describe as artificial, because they are not absolutely necessary from one point of view although they may be of very great service from another. These causes are the tariff and the combines. The tariff undoubtedly contains the possibility of increasing prices, in this way, that it limits the field of competition over which the sale of goods may take place. If by a tariff wall you exclude commodities up to a certain point, naturally the possibility will arise of an increase in the price of some commodities produced in the country within the tariff wall. It does not follow that this will necessarily in the long run be injurious or harmful to any one; the effect of a moderate tariff may be to so stimulate industry generally that in the long run the people will be better off, having regard to their condition, than they would be without it. I do not want to argue at the moment the advantages of tariff pro and con, but only to point out that we have on this side of the Atlantic, so far as the United States and Canada are concerned, prices