

Canada, the total excess is about \$27,000,000 for the eight months. If the same rate should be maintained to the end of the financial year, we shall have parted with something like \$30 or \$40,000,000 worth of the industry of Canada for which there is no visible return. These exports are absorbed by our remittances abroad. There are three large items which absorb the returns of those industries which export, namely, the interest account of the Dominion debt, the net revenue of our two large railway corporations and the taxation on foreign products returned to pay for our exports. If British labour which admits our products free is taxed 30 per cent at our ocean ports for the commodities they desire to send back in payment, they can only return 70 per cent of the value exported to them; to that extent are the industries which produce those exports in Canada mulct of their profits, and by that 30 per cent of taxation are a portion of our exports also absorbed. We have, however, to look further than these three items to account for such a large excess of exports as \$27,000,000 in the past eight months ending February. It may be found in the speculative purchase of Canadian Pacific Railway stock, which rose from 50 last May to 89 in December, an appreciation of 39 per cent to the extent that this stock was purchased in Canada upon the deposit of a margin for a rise, the original price of 50 would have to be remitted by a loan from the banks to the seller of that stock abroad, or resold which would tend to make the stock fall again. To the extent that that remittance had to be made, to that extent our exports were absorbed. With these facts before us, it is evident that by the forced distribution of the profits of industry through its exporting power, legislation transfers those profits from localities which produce, to channels wholly apart from their point of origin. Did legislation permit the same freedom to British imports that are given to Canadian imports into the United Kingdom, the wealth that is now absorbed through the influence of monopoly, would be distributed through the natural channels uninfluenced by legislation. It should not be forgotten that commodities or products are wealth. Money or national currency is only useful for the purchase of these commodities whether they consist of iron, cotton, wool, a horse or a dog, or anything else. Now, the difference between our exports to

the United Kingdom and our imports from the same is equal to \$47,000,000, excess of exports. To appreciate the argument, it must be understood that exports is wealth going out of the country, and imports is wealth coming into a country. To the extent that our gross exports exceed our gross imports, some one else is getting the wealth contained in that excess other than those who produce it; and it should be understood that that excess is the profits of national industry. Now, if those who produce the wealth which is the support of the country are prevented by legislation from utilizing that wealth in the promotion of their own industrial life and the improvement of their own localities, the nation as a whole suffers. The fact that wealth is allowed to accumulate in a few hands by class legislation is no guarantee that the country is more prosperous than if the wealth were more equitably distributed, though it may be more in evidence. In fact, the country is likely to suffer by the desire of large capitalists to use their wealth in broader fields outside the country than can be found in a community of 5,000,000 people, with a restricted influence upon their individual enterprise through a non-expansive policy; and thus alienating the power of internal improvements by the absorption of our accumulated capital abroad. We cannot expand in the direction of our neighbours because they will not purchase the product of our labour untaxed; but we can expand it in the direction of British trade, because there is no restrictive influence, except our own taxation upon their return cargoes, which is under our control to remedy. All that we have to do is to remove that restrictive influence, and we at once attract British imports, which is returning wealth, and we secure a more extended investment of British capital, and a more extended interest on the part of our commercial friends in the development of our country. Ah, but some one will say, what about our manufactories? They will be ruined. Not at all; they will expand in their operations as well as every other industry. There is an economic force in the removal of taxation upon the product of industrial labour that will cause the nation that adopts it to forge ahead. It is irresistible. That is self-evident in the case of New South Wales which is concentrating under its free trade policy the trade of the Australian continent. It should first be realized that the manufac-