

remunerative to our people because the products of the farm, mine, and forest naturally yield a higher degree of profit to the individual producer when marketed in close proximity to the place of production.

To establish native industries that will create and maintain a prosperous people, and that will thus provide a home market, should be the object and aim of our statesmen and of our farmers and manufacturers alike.

The successful establishment of an important industry in any Canadian centre, for instance, secures to the farmer, miner, and other producers—when their interests and those of the industries are properly safeguarded by an efficient Customs tariff—not only the home market created by the needs of the work people directly employed but the market afforded for the sale of raw material to the factory, and in addition the ranks of the work people consumers are augmented by the doctors, notaries, clergymen, teachers, shoemakers, tailors, carpenters, masons, plasterers, painters, cabinet makers, wheelwrights, carriage and harness makers, store keepers, butchers, bakers, policemen, firemen, and the hundred and one other workers who go to make up the necessary and useful members of any community.

All over the country, in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, the North-West Territories, and British Columbia, we have just such communities, whose very existence depends upon the safety and success of the industrial enterprises established in their midst. Allow these Canadian industries and communities to be crushed out by foreign and antagonistic competitors, and you destroy, for instance, the farmers' immediate and most profitable market. You leave on his hands a surplus of farm products, often of a perishable nature, for which, shut out from the American and other markets, he cannot find sale. In addition to this you injuriously affect the transportation, financial, and every other interest in this country.

Mr. Drummond dealt with Canada's importations. He said :

The trade and navigation returns for the year 1904, are ample proof of the need of radical changes in the present Canadian Customs tariff. On the basis of goods entered for consumption and exports of domestic produce, the increase in Canadian trade for the past year was \$2,788,611 which is a small increase compared with those of the years immediately preceding. A further analysis brings to light the fact that the domestic exports show a shrinkage of \$15,987,235. This decrease is accompanied, first, by an increase of \$1,813,152 in the export of foreign produce; and secondly by an increase of \$18,775,896 in the importation of goods for consumption; in other words, while our total trade statistics have not altered materially, the balance of trade has turned against us in one year to the extent of \$34,763,131. That fact explains the liquidation of woollen mills, the four thousand silent cotton looms, the transformation of shirt manufacturers into shirt importers, and it is a striking statistical accompaniment to your need of business during the first six months of the present year. What further do we find? In 1903 our importations from the United States amounted in value to about \$129,000,000. This year they have increased to \$143,010,578, excluding bullion, an increase of more than \$14,000,000, or about 10 per cent. Of this increase over \$8,850,000 was dutiable goods, so that the main feature of our trade during this past year has been the growth of importations from the United States, and the main feature of these imports is that they are to a large extent in goods that could be made in Canada. The amount of dutiable goods imported under the general tariff from the United States in the year ending June, 1904, was \$77,360,807. That, in short, represents the value of the Canadian harvest reaped last year by the United States—a country that will not

admit our goods on anything like reasonable terms. Nevertheless, we must admire the strong, consistent national policy pursued by the United States in conserving her own interests.

In 1903 over 38 per cent. of that country's imports consisted of crude products, which are raw material for their industries. In Canada only some 20 per cent. of the imports is in the form of raw material, and that in spite of the fact that we must import our cotton, anthracite coal, and so forth, which the United States produces at home. The United States importation of articles wholly or partially manufactured, and articles of voluntary use, which are largely manufactured goods, comprises 40 per cent. of their importations, whilst similar goods in Canada made up 66½ per cent. of our importations.

Can we not produce more in Canada, and what would that production mean to this country?

Our importations of dutiable goods this year have been to a value of about \$149,000,000. Statistical returns are not yet to hand to enable us to fully analyze the goods actually covered by this amount, but as a guide we know that our importations of wholly or partially manufactured goods last year were \$149,600,000. With these figures before you I believe you will agree with me that with a properly constructed tariff, admitting raw material at a low rate of duty, and with proper protection upon the finished article, we could easily increase our output of manufactures by \$60,000,000.

According to the census returns, 344,095 operatives produce \$481,053,375 worth of goods, and the manufacture of \$60,000,000 of goods will employ 42,900 work people—yes, even more, for we shall be making the more highly finished class of goods, which require more labor than many of the lines now manufactured. The employment of 43,000 people will build another city equal in population, if not in wealth, to that of Toronto, and it will consume upwards of \$20,000,000 worth of farm products annually. Surely here is a policy worthy of the support of a patriotic Government and people.

Now, let us consider the Canadian Customs tariff and our trade relations.

With respect to our present Customs tariff, the Canadian Manufacturers' Association occupy exactly the same position to-day as when we met at Halifax two years ago and adopted the following resolution, namely :

"Resolved. That in the opinion of this association the changed conditions which now obtain in Canada demand the immediate and thorough revision of the tariff upon lines which will more effectually transfer to the workshops of our Dominion the manufacture of many of the goods which we now import from other countries :

"That, in any such revision the interests of all sections of the community, whether of agriculture, mining, fishing, or manufacturing, should be fully considered, with a view not only to the preservation, but to the further development of all these great natural industries.

"That while such a tariff should primarily be framed for Canadian interests, it should nevertheless give a substantial preference to the Mother Country, and also to any other part of the British Empire with which reciprocal preferential trade can be arranged, recognizing always that under any conditions the minimum tariff must afford adequate protection to all Canadian producers."

As I have said on a former occasion, "the two great and practically the only markets available for Canadian products to-day are, firstly, the home market; and secondly, Great Britain, the Mother Country." What I may call our "Halifax policy," therefore has a double purpose, viz., to conserve as much as possible these two markets to the Canadian people, and in the case of the British market, to transfer orders for our surplus requirements to our own customers, the people of the Mother Country.