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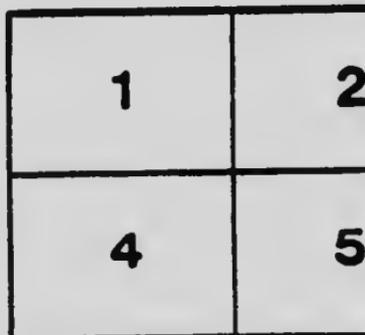
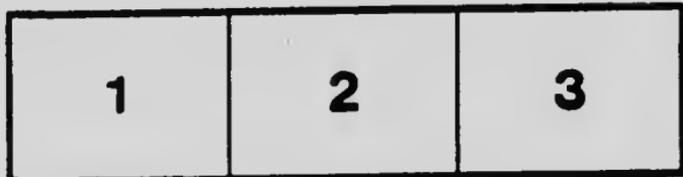
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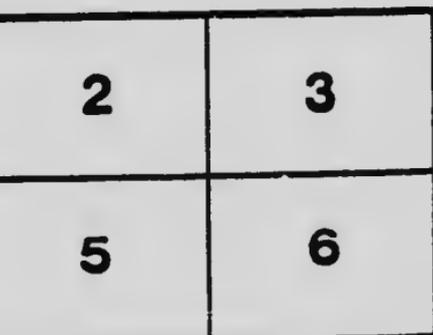
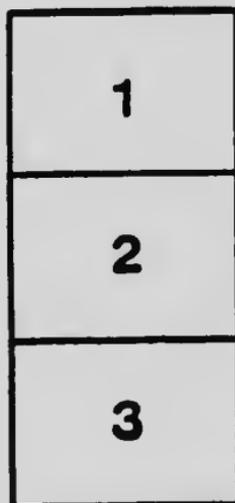
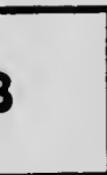
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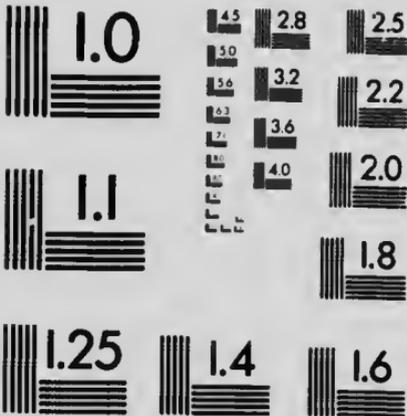
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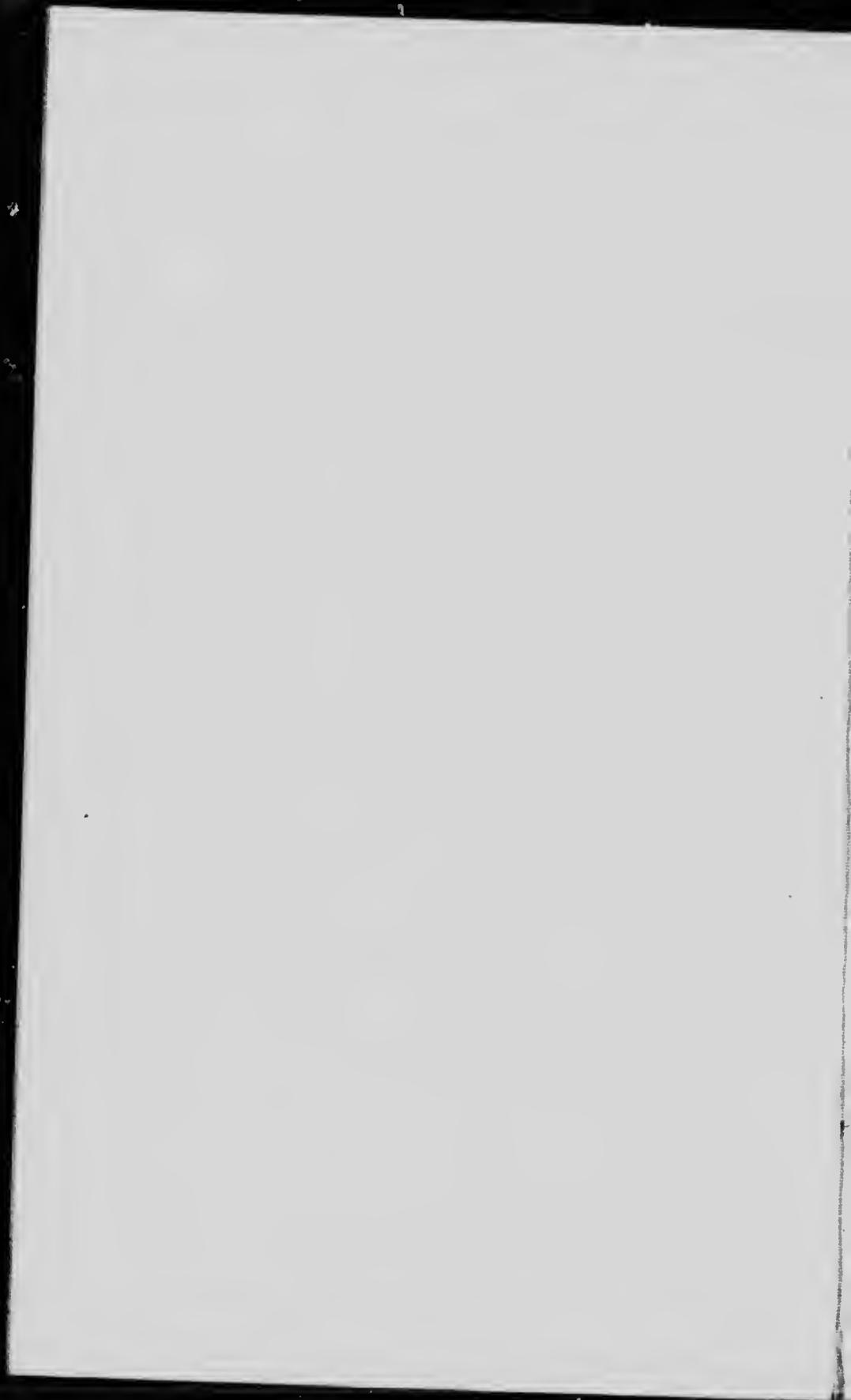
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United States now, the latter country would have an immense advantage. Canadian manufactured goods have been excluded from the United States, because of the high tariff, and are therefore practically unknown to the consumers of that country. The products of the United States manufacturers on the other hand, by reason of the lower Canadian tariff, have been freely sold in this country and are well known to the Canadian people.

The Canadian people have invested heavily in existing industrial enterprises and all interests, agriculture, fishing, lumbering, mining, banking, transportation, etc., are vitally concerned in the continuity of their operations.

Relying upon the maintenance of our tariff, especially as against competition from the United States, British capitalists of late years have invested large sums of money in Canadian enterprises. French and other European investors are beginning to follow the same course. The adoption of a Reciprocity Treaty with the United States would unquestionably check the inward flow of capital, which is necessary to the continued development of our country. (See Appendix 4).

Moderate as is the existing Canadian tariff, it has already induced a large number of United States manufacturers to establish branch factories in this country, thus causing our population to be increased by the employment of labor within our own borders, and creating a large home market for

1911

110 pp. 8.

LAURIER, G.C.M.G., PREMIER AND PRESIDENT OF THE

Manufacturers' Association, in whose behalf we appear before you for this opportunity of laying before you their views on the relations between Canada and the United States, and of acquainting you on previous occasions with their attitude towards the

problem of competition, and required by the very nature of the situation to the fullest extent, they have watched with interest the crisis in the life of our young nation, when, through the influence of the United States, its commercial and industrial destinies were being shaped in new ways. If thus far no official pronouncement has been made that is obviously fraught with deep significance to every Canadian, it is because of the fact that we have viewed the situation with the wisdom that has characterized the management of our affairs for the past thirty years could still be relied upon to bring

about a situation which has already caused some unsettling of business, our

policy on the part of our neighbors to stiffen their demands for a more liberal trade policy, and on this side of the line any considerable element of opinion, we welcome this opportunity of assuring you that we are prepared to speak, representing approximately \$1,200,000,000 of industrial output, furnishing direct employment to 435,000 persons and annually \$250,000,000 in wages, are opposed at the present time to any agreement between the two countries that would necessitate a reduction in the production of manufactured products. They are convinced that any such agreement would be directly detrimental to the industries directly affected, and indirectly detrimental to the Empire as a whole.

It is not an inopportune time for the negotiation of a Reciprocity agreement as United States enterprises are developed to the highest state of efficiency and magnitude of operations; Canadian enterprises are not yet so developed, and it would be obviously impossible to require a reduction that would inevitably follow reductions in the present

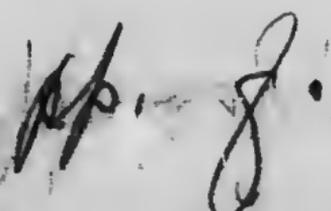
policy of reciprocity; Canada is not. The United States already has a long history of international trade. Dutiable products coming from the United States under an average duty of less than 25 per cent., whereas the United States and protect their own industries, have imposed an average duty of 35 per cent. The present all too successful exploitation of the Canadian market is evidenced by Canadian trade statistics. (See Appendix 2). The United States is embarrassed by the lack of facilities in the United States for the importation of goods, onerous regulations requiring expensive entry fees, conditions which are not things easy for the United States exporter by establishing a free trade zone of any account, while practically the only ports of call for Canadian goods are at the United States, where the duty has to be paid. (See Appendix 3).

Manufactured goods were entered into with the United States and would have an immense advantage. Canadian manufactured goods in the United States, because of the high tariff, and are therefore not competitive with that country. The products of the United States manufactured in Canada at the lower Canadian tariff, have been freely sold in this country to the Canadian people.

Canadian industries heavily in existing industrial enterprises and all industries, banking, transportation, etc., are vitally concerned

with the tariff, especially as against competition from the United States. We have invested large sums of money in Canadian enterprises, and we are beginning to follow the same course. The adoption of a reciprocity agreement would unquestionably check the inward flow of capital, and the development of our country. (See Appendix 4).

As a result of the tariff, it has already induced a large number of United States factories in this country, thus causing our population to be dependent on our own borders, and creating a large home market for



ould kill this movement, which is as yet only in its infancy
manufacturer to equip factories on this side to cater to a
cent. of that market might be cut off at any time by the
(x 5).

st, field, mine and fisheries. If these are now thrown
with the same extravagance that has characterized that
ll be depleted in a few years. With her growing popula-
aterials to be exported in their crude state, but should
n strong diversified Canadian industries, and distribute
roughout the world.

ast and West. The Canadian people have made and
hem, in order to encourage trade between the provinces
ense investment should not be jeopardized by a Recipro-
outhward, benefitting United States transportation lines
l steamships. No extended treaty of trade should be
ve are prepared to abandon the National Transcontinental
and unless we are ready to relinquish the idea of deepening
eorgian Bay Canal, of building the Hudson Bay Railway
nate to our needs at Montreal and Vancouver. (See

ocal trade agreement that would be limited in its applica-
eir unmanufactured state, the members of the Canadian
xpress an opinion. We feel constrained, however, to
pointments they have experienced in times past when
ed by a flood of surplus produce from the United States,
the latter country has been shut off without warning by
y or by the abrogation of existing treaties. When the
l duty on barley, was announced in 1890, many a farmer
f reduced to the verge of ruin. Since it would seem to
Commercial Union to guard against such an eventuality
we cannot but express our fear that the advantages
greement with the United States would fall far short of

manifestly unsound for us as a nation to invest our money
ack the essential of permanence, particularly when the
connections which possess this essential are open to us
ould seriously ask our farmers, would it not be inter-
aprecity with the United States and continue to apply
ome and Empire markets, out of which they would never
ver.

the farmer's best market. Despite the levity with which
ted the subject, the fact remains, and is capable of proof
ent. of everything that is grown upon the farm is consumed
7). Instead of being compelled to sell his produce under
ion in the markets of the world, as some would have us
appy position of being able to convert four-fifths of his
urther, in some lines, more especially in the West, the
at we actually are compelled to import farm produce.
ase in population the home market must continue to
n produce.

the Canadian tariff should be so framed and consistently
ent of capital in Canadian enterprises, and to effectually
on the manufacture of many of the goods which we still
from the United States. Whatever fault may be found
ff, as a whole it is proving itself to be a powerful factor
the expansion of our home markets. Our earnest hope

at we are not in accord with the Grain Growers of the West
give these gentlemen credit for being perfectly sincere in
ne we believe they have been misinformed; from
m it would appear that they have argued from data that

We therefore beg to offer a few explanations which we
d obviate future misunderstandings.

as a favor granted to a privileged class, whereby they are

enabled to enrich themselves by levying toll on all fallacious to speak about the beneficiaries of protection the farmer are just as much beneficiaries under a no True, through the aid of the tariff the latter may his output, but the point to remember is that even or in the purchase of supplies means so much more in the hands of the community at large

Moderate protection sanctions no tribute from dition of general prosperity in which every citizen, statements that the manufacturer adds the whole and offered without any shadow of proof. Such st again to the satisfaction of any impartial investigator (See Appendix 9). The great majority of manufact for less money to-day than they were twenty year under the healthy competitive system which a no nearly always be depended upon to hold in check at

That competition is eliminated, that prices are turers, is a serious charge that all too easily sugges which for that reason should not be uttered light member that the statutes of our country provide any in restraint of trade. If such illegal practices are Canadian Manufacturers' Association has no sympa aggrieved, we would say that the remedy lies in their with fiscal or tariff policy they are the result of England is a leader in the promotion of industrial that many forms of trade agreements, many so-calle Those that lead towards standardization of quality, the adoption of more economical methods of produ in the interests of the consumer as they are in the in

Another claim advanced by the agriculturists w of Eastern Canadian farm land, and in the dispropor the West, we have clear evidences that agriculture principal causes contributing to this, they allege t depreciated 25 per cent. through their having to buy duly enhanced by the tariff. We have the authori *Gazette*, in his Report on Wholesale Prices in Cana the appreciation in value of grain and animal prod 1890-1899, was greater than the appreciation in th with the exception of lumber and furs. According 50 per cent. more for his grain, 48 per cent. more fo produce than he did 10 years ago, while for other textiles only 8 per cent. more, for implements only which lumber largely enters only 10 per cent. more less, as shown in appendix. It is probably no exag any kind of farm produce will purchase 50 per cent would have 20 years ago.

However the decline of rural population may has become less profitable than it was. On the cor than it is to-day, coupled with the axiom that the far indicates that the farmer is making most gratifying States farmers by the hundred thousand are annu wealthy, is the best evidence of the improved posi the United States even with his larger market. (See

We have noted the suggestion offered on behalf o be immediately increased to 50 per cent., with pro ferential rates of duty as would establish complete f within ten years. The Association's position on this in 1902. The resolution on this subject has been rea as follows: "That while the tariff should primarily nevertheless give a substantial preference to the Mo British Empire with which reciprocal preferential tr under any conditions, the minimum tariff must aff ducers." Having regard to present conditions in C

toll on all other classes of the community, it is equally
of protection. The workman, the storekeeper and
under a moderately protective tariff as is the manufacturer.
latter may be enabled to enlarge his business and increase
that every dollar he spends in the employment of labor
much more money in circulation, and so much more wealth

tribute from any class, on the contrary, it induces a con-
try citizen, including the farmer, gets his full share. The
the whole duty to his selling price are general in character
Such statements can be easily disproved over and over
investigator who will examine the facts as they really exist.
of manufacturers are offering the consumer better articles
twenty years ago. This is only what might be expected
which a moderate tariff regularly induces, and which can
check any desire to reap immoderate profits.

prices are enhanced by agreements among the manufac-
sugger itself to the suspicious or biased mind, and
ered lightly. Those who do make the charge should re-
vide ample machinery for the suppression of combinations
etics are resorted to, we desire to state frankly: at the
no sympathy with them, and to those who feel themselves
ies in their own hands. Combinations have no connection
result of the modern tendency to organize. Free Trade
Industrial mergers. It should not be forgotten, however,
ny so-called mergers or combines, are perfectly legitimate
of quality, those that make lower prices possible through
s of production and distribution, are obviously as much
e in the interests of the manufacturer.

culturists who waited upon you, is that in the depopulation
e disproportionate increase in urban to rural population in
griculture is not prospering as it should. As one of the
y allege that the purchasing power of their produce is
ing to buy all their supplies at prices that have been un-
e authority of Mr. Coats, Associate Editor of the *Labour*
s in Canada 1890-1909 (page 16), for the statement that
imal products for 1909, over 11 per cent. for the decade
ation in the value of any other commodity investigated.
According to the same authority the farmer is getting
t. more for his meat, and 35 per cent. more for his dairy
for other foodstuffs he pays only 7 per cent. more, for
ments only 2 per cent. more, and for house furnishings in
cent. more, while on many manufactured articles he pays
ly no exaggeration to say that a fixed amount of almost
50 per cent. more of general manufactured goods than it

tion may be explained, it is surely not because farming
On the contrary, the fact that business was never better
at the farm is the basis of our national prosperity, clearly
gratifying progress. The fact that experienced United
are annually coming to our West, of their becoming
oved position of the Canadian farmer over the farmer in
ket. (See Appendix 10).

on behalf of the farmers that the British Preference should
, with provision for such further reductions in the pre-
complete free trade between Canada and the Motherland
on on this subject was defined at the Halifax Convention
as been reaffirmed at every Convention since 1902 and is
primarily be framed for Canadian interests, it should
to the Mother Country, and also to any other part of the
ferential trade can be arranged, recognizing always that
must afford adequate protection to all Canadian pro-
itions in Canada, we consider that any increase in the

existing preference is inadvisable and would impede

In its relation to the manufacturer, the tariff on agricultural products, such as wool, hides, and skins, on agricultural implements, on grain inspection, terminal elevators, and on the Hudson Bay Railway and a score of other things, is a request of the farmers for federal assistance in which they will contribute to its advancement and their own progress. It is that with a fuller and better understanding of the situation that we stand in a firm stand for stability of tariff, diversified home markets. (See Appendix 11).

For why should the farmers not do so? They are not sacrificing other industries in order to advance the interests best developed by the healthful exercise of all its powers and resources.

And so as the growth of our young nation proceeds, its progress is well ordered and well balanced. By nature we have a variety and in the variety of our resources. In utilizing, in the best manner, but all of those resources lie our surest road to progress.

And that is why we say to you, Sir, in conclusion, that we are opposed at the present juncture to any tariff reduction which would have an unsettling influence upon the prosperous conditions of our country, well, remarkably well. Our population is increasing, our education are being extended and improved, our industries are diversified, while our markets are rapidly becoming the world's. The future lies clear before us; looking ahead we can see no obstacles that would tend to check our progress, but a goal wherein our warmest hopes are centered. To reach that goal whose ways are devious and that lead us we know to disaster, and we earnestly pray, therefore, that you will adhere to a policy which through thirty years has brought us under whose beneficent influence Canada seems to be the greatest good.

APPENDIX

United States Exports

An examination of the trade statistics of the United States upon that country's present overtures for Reciprocity shows that in September, 1910, their exports of domestic merchandise to the value of \$210,490,966 were manufactures for further use in manufactures ready for consumption. The sum of these two classes of all of their exports put together. But this is not correct, it is known as "foodstuffs, partly manufactured" which is also as legitimately forming a part of the exports of the United States exported for the nine months ending September, 1910, to over 66 per cent.

Applying the average for the first nine months of the year available when this statement was prepared, it indicates that manufactures ready for consumption and manufactures for further use are worth over 66 per cent of the total exports, a 600,000,000 mark. This is an enormous amount for which there is little doubt that underlying the present agitation in Canada is an earnest desire to open wider the markets of this country.

At the same time it enables us to catch a glimpse of the progress we continue to work out our own industrial destiny.

APPENDIX

The Balance of Trade—Canada

For the fiscal year ending 31st March, 1910, our exports to them were \$501,809, their purchases from us \$113,150,778. For

ould imperil the existence of many Canadian industries. the tariff stands in exactly the same position as elevators, facilities for chilling meat, cold storage shipping, other things stand in relation to the farmer. With the stance in surrounding their industry with such adjuncts as their own prosperity, we are in hearty accord, feeling hopeful of the situation, they will speedily join hands with us diversified home industries, and strong home and Imperial

so? They cannot hope to be permanently benefitted by advance their own. Like the human organism, a nation is of all its functions by the judicious utilisation of all its

uation proceeds, we should see to it that its development ature we have been singularly blessed, both in the extent utilizing, in cultivating, and in improving not merely one road to present prosperity and future happiness.

r, in concluding this expression of our views, that we are tariff reductions or treaties of trade that would exercise an conditions which now obtain. Thus far Canada has done increasing by leaps and bounds, our avenues of communi- our industries are daily growing stronger and more diver- ming the envy of the world. The course we are now tra- we can see that not only is it free from all those entangle- gress, but that it steadily approaches that great Imperial ered. To depart from that course into alluring by-paths, s we know not whither, would only seem to be courting e, that you will deem it the part of wisdom to continue y years has proven itself to be abundantly satisfactory, and seems destined to attain our highest ambitions and her

APPENDIX 1.

Exports of Manufactures.

es of the United States throws an interesting side light Reciprocity with us. For the nine months ending Sep- merchandise of every kind were \$1,193,321,512, of which er use in manufacturing, and \$401,684,694 were manu- n of these two, \$612,625,660, accounts for 51 per cent. of s is not crediting the exports of manufactures with a class ed" which are valued at \$180,159,193. If we regard this exports of manufactured goods, it means that of everything nths ending September last manufactured goods amounted

e months to the last three, the figures for which were not ed, it indicates that the exports for the year of manufac- ures for further use in manufacturing will pass the \$800,- unt for which to have to find an outlet, and there can be gitation in the United States for Reciprocity with Canada, ets of this country for exploitation by their manufacturers. h a glimpse of what the future may hold in store for us if d destiny along independent lines.

APPENDIX 2.

Trade—Canada and the United States.

, 1910, our purchases from the United States were \$223,- ,778. For the past decade the returns in round figures

show imports from the United States of \$1,600,000,000. In other words seven million Canadians pure and ninety million people in the United States purchase

APPENDIX

Comparison of the Customs Regulations

As illustrating the difficulties to which the U. S. in the case of a Canadian manufacturer attempting to export that in the United States the Customs ports of entry are at the frontier. Where the goods are consigned to an importer is required to employ a broker at the frontier, unless he is that far on the way, as it is the general practice in the United States duty paid delivered prices.

If the shipment is valued at over \$100 the exporter must employ a particular consular officer of the United States who is to certify that the goods were manufactured or purchased in the United States. The presence of those whose place of business is in a town where the consular officer resides, and the delays arising from this cause, are a serious hindrance to his trade in competition with United States houses.

The consular certificate costs the exporter \$2.50. In addition to which there are the usual entry fees payable at the port. These almost always have to be borne by the exporter as prices are so low. By no means a negligible quantity is shown from the United States by two firms in Ottawa, on shipments last year, to the United States. People who are in a fair position to judge, that a large part of the United States Consular Service in Canada is borne by Canadian exporters.

As against all this, the United States manufacturer can export his goods through to destination in bond without cost, and without invoices being required, and every place of any size is a Customs Port of Entry.

The difference between the two systems places the Canadian at a disadvantage; in fact, so expensive and so difficult that only those whose transactions are large enough to persist in the effort.

APPENDIX

British and European Investment

Upon this point Sir George Ross in an address delivered in November, said:

"The British market has always been the centre of national and industrial undertaking. It was our railways and dug our canals. Nearly every great work was carried out by loans in London. British capital built the continental railways. It lights our streets, builds our works and carries us from continent to continent. According to *The Monetary Times*, the sum of \$60,000,000 of which \$97,500,000 has been invested in the United States country. Mr. Paish, an eminent London authority, has absorbed £300,000,000 of British capital in the United States."

APPENDIX

United States Capital in Canada

As the result of some investigations conducted by the author, subsequently verified and added to by officers of the

\$1,600,000,000, exports to the United States of \$800,000,000, and goods purchased twice as much from the United States as goods purchased from Canada.

APPENDIX 3.

Regulations of the United States and Canada.

Since the United States Customs regulations give rise, in attempting to sell goods in that market, it may be stated that ports of entry with very few exceptions are located at the coast to an inland point, therefore, the Canadian exporter at the frontier, unless he is prepared to accompany his shipment, must practice in all such shipments from this country to sell at

least \$100 the exporter must declare to an invoice before the United States who has jurisdiction over the district in which he is located. The procuring of this certificate is a serious inconvenience in a town or city other than that in which the consular office is located, and this cause often make it difficult for the exporter to hold his business houses not so handicapped.

The cost of the certificate is \$2.50 (sometimes travelling expenses besides) in addition to the fees payable to the frontier broker. These expenses are often charged to the exporter as part of the cost of securing business. That they are a heavy burden is shown from the fact that the aggregate amount so paid last year, totalled \$7,700. In fact, the claim is made by the United States that a large portion if not all of the costs of the United States are borne by Canadian shippers.

A Canadian manufacturer exporting to Canada can always forward his goods without cost or trouble of any kind to himself, no consular certificate is required, and a consular office of any size in this country having been constituted a

heavy burden is placed on the Canadian manufacturer at a tremendous cost. So difficult is it made for Canadians shipping goods to the United States that transactions run into very large figures find it worth while

APPENDIX 4.

European Investments in Canada.

Speech delivered before the Toronto Board of Trade

London has always been our base of supplies for every large manufacturing concern. It was with British capital that we built

Nearly every large municipal work in Canada is financed by British capital. British capital is now building two trans-continental railways, laying down our sewers, building our water works, and opening up our route to the continent. In the last five years, according to the London authority on finance, a sum of \$605,453,856 has been invested in Canada, and the greater part of this has been invested in enterprises for the development of the country. The London authority on finance, says that Canada is being financed by British capital.

APPENDIX 5.

Foreign Capital in Canadian Industries.

Investigations conducted by *The Monetary Times* (Toronto.) and the officers of the Canadian Manufacturers' Association, it is

known that at the present time at least 200 United States branch factories in Canada, representing an immense influx of capital, with all the benefits accruing to the Canadian people, which made it worth while for those who hoped to manufacture. Had that tariff not been a protection, they would probably have enlarged their home factories and building on this side, in which case we would now be competing with United States labour, instead of goods made in the United States.

That our neighbours look upon this movement with regard to Canada is shown in the following extract from a speech of a member of the Legislature of Indiana:

"There must be reciprocity with Canada. The world does not apply to our northern neighbours. American manufacturers across the Canadian border, American capital on Canadian soil, employing American labour to supply Canadian demand. We should open our Canadian paper free in return for Canadian machinery, our engines, pumps and other machinery. We should open our Canadian lumber to American planing mills and other American manufactured products.

In this connection it is worthy of mention that several of our recently acquired sites in Canada with a view to manufacturing suspended operations pending the outcome of the negotiations. Our tariff on the goods they manufacture will be unnecessary.

APPENDIX

The Effect of Reciprocity

That this is not mere idle surmise on our part, but that we actually hope to gain by the negotiation of a Reciprocity Treaty, is shown by the remarks of public men who are leading the agitation in the city of Boston, in an article contributed to the Boston Herald in these words:

"If we were to admit Canadian grain, it would stay with us for home consumption and not be sent to foreign lands—New York, Portland, and Boston for the foreign trade of Eastern Canada. Canadian grain should be on this side of the Atlantic. The Pacific and Grand Trunk Pacific should import grain from the port in Boston, New York and Portland.

Honourable Eugene N. Foss, Governor of Massachusetts, has been in force for many years in the United States

"has resulted in sending approximately \$10,000,000 worth of Canadian goods to our markets. It has also resulted in stifling our own England industries and kept us out of the European market to us by every right. It has kept the grain market to us by every right. It has ruined our coastwise shipping into the West and has done little value."

APPENDIX

The Farmers' Home

Of the various methods that may be employed to improve the market, none is entirely satisfactory because of the lack of accurate crop and live stock statistics from year to year.

200 United States manufacturing companies are operating
an aggregate investment of \$226,000,000. For this
recruiting to the Dominion therefrom we must thank a tariff
who hoped to sell us goods to come to this side of the line
been a protective one, those United States manufacturers
some factories to take care of Canadian business instead of
would now be using goods made from United States material
goods made from Canadian material with Canadian labour.
movement as a distinct loss to be remedied by Reciprocity
extract from a speech recently delivered by Senator Beveridge,

ity with Canada. Our tariff with the rest of the
northern neighbour. That policy already has driven
loss the Canadian borders, built vast plants with
a soil, employing Canadian workmen to supply
e kept at home to employ American workmen
l. We should admit Canadian wood pulp and
rn for Canada's admitting our agricultural imple-
d other machinery free. We should freely admit
planing mills in return for Canada's freely admitting
products to Canadian markets."
mention that certain wealthy United States concerns that
a view to the immediate erection of extensive shops have
one of the present negotiations, presumably in hopes that
re will be so reduced as to make such a move on their part

APPENDIX 6.

of Reciprocity on Transportation.

on our part, but one of the objects which our neighbours
of a Reciprocity Treaty with us, may be gathered from the
the agitation on the other side of the line. Mr. H. M. Whit-
l to the *Atlantic Monthly* for October, expresses himself

Canadian grain free from tariff charges, much of it
consumption; a portion of it would go through our
New York, Portland and Boston are the natural outlets
of Canada. The elevators for storing and handling
this side of the line, and the steamers of the Canadian
line should in the winter time at least find their home
at Portland."

Senator of Massachusetts, stated that the policy which has been
adopted

approximately \$300,000,000 of American capital to
industries which compete with our own in foreign
markets is stifling the growth of Massachusetts and New
England out of the business and commerce which belongs
to them. It kept the great Canadian railways from our ports.
It crippled shipping interests and made our wharf property of

APPENDIX 7.

Farmers' Home Market.

are employed for arriving at the value of the farmers' home
market because of the fact that we have no machinery for collecting
statistics from year to year. The following examples however, would

seem to indicate that the statement "80 per cent. consumed within our own borders" is well within the mark.

(1). The Crop Bulletin for 1909 places the value of the production of Canada that year at \$289,144,000.00. To arrive at the net exports, *i.e.*, the exports of such products, deduct the net imports, *i.e.*, the imports of such products. For the fiscal year ending March 31st, 1910:

Barley . . .

Oats . . .

Wheat . . .

Total . . .

For the same period the imports entered for consumption were:

Barley . . .

Oats . . .

Wheat . . .

Total . . .

Deducting one from the other it leaves the net exports of such products, \$234,046,112, or 81 per cent. of the whole, represents the net exports.

(2). It will be noticed that the above example includes the value of the production of wheat and barley. The computation which follows embraces only the value of the production of wheat.

According to the Bureau of Statistics, the total value of the production of wheat (including the value of the production of wheat grown only) were:

To the British Empire . . .

To other countries . . .

Total . . .

Of this \$20,083,959 was exported in a manufactured form. The value of the net exports of unmanufactured field products \$70,349,780, must deduct imports of unmanufactured field products amounting to \$57,748,046. From these statistics it appears that the net exports of such products are 89-1-5 per cent. of the total production.

(3). Neither of the above illustrations takes account of an annual inventory showing the value of our production. The following comparison however, is suggested. In 1910, our exports of unmanufactured field products, our exports of animals and unmanufactured animal products, and our exports of unmanufactured farm products to be \$1,000,000,000, only amounted to 24 per cent. of the value of the field crop for last year of one province (Ontario) was worth 100 per cent. of the whole of Canada.

Honourable James A. Duff, Minister of Agriculture, closed, states:

"We have had abundant crops in all lines of production, and with good prices all round the fact is a source of, though not undeserved prosperity."

Honourable George H. Murray, Premier of Nova Scotia, states:

"With the exception of fruit, which has been a partial failure, crops have been one of the most prosperous in the history of Nova Scotia. * * * * * The striking feature is the much larger amount of fruit being consumed, especially in Cape Breton, than ever before."

Mr. James A. Ruddick, Dairy Commissioner of the Province of Ontario, states:

"The main reason for the decrease in exports is increased home consumption. I see no reason for this. On the contrary, we have every reason to conclude that another outlet in the enlarged home market should give more attention to our home trade, which is more than we have generally recognized. I have seen that Canada over two-thirds of our total dairy production is consumed at home."

He further states that the market for dairy products is worth \$2,000,000 a year.

per cent. of everything that is grown upon the farms as well within the mark

eres the value of all the wheat, oats and barley grown in arrive at the home consumption of these crops we must of such produce proper, less any imports entered for con-

ch 31st, 1910, the exports (Canadian produce only) were

\$ 1,107,732

1,566,612

52,609,351

\$ 55,283,695

ered for consumption were:

\$ 102,908

27,287

55,612

\$ 185,807

es the net exports \$55,097,888. The balance therefore, represents what was consumed by the home market.

e example deals only with three commodities, wheat, oats and barley, whereas all field crops.

s, the total value of Canadian field crops for 1909 was \$12,601,742, our exports of field produce (Canadian

\$ 76,427,447

14,006,300

\$ 90,433,747

a manufactured state, (flour, oatmeal, etc.), leaving the net exports \$70,349,788. But again, to arrive at the net exports we must deduct the value of field products valued at \$12,601,742, bringing the final net exports to \$57,748,046. The home market appears to have consumed

ns takes cognizance of animal products, and in the absence of a reliable value of our live stock, it is difficult to furnish satisfactory figures. However, it is suggestive. For the fiscal year ending 31st March, 1910, the value of field products as shown above were \$70,349,788; to this add the value of animal products, \$43,900,000, and it shows our total exports to be \$114,249,788. Lumping the two together they are worth \$114,249,788 more than the grain alone. As a matter of fact, the grain exports were worth \$54,000,000 more than all the farm exports

of Agriculture for Ontario, referring to the year just

os in all lines of farm production, with few exceptions, and the farmers have enjoyed unprecedented prosperity."

er of Nova Scotia, likewise reviewing the past year, says:

which has been a signal failure, and potatoes, and other crops have been exceptionally good, and the year has been one of the best in the history of agriculture in the province of Nova Scotia. A striking feature in connection with this year's sales is the fact that a large amount of the produce being consumed in the home market, more especially in the winter months.

isioner of the Department of Agriculture, says: "The increase in exports of butter and cheese is the only reason to deprecate our decreased exports. It is a reason to congratulate ourselves that we have found a market for our surplus—the lesson for us is that we would do well to increase our production of these commodities, which has already been of more importance than any other. I have only to state that we consume in the province a large amount of dairy produce."

or dairy produce in Canada is increasing at the rate of

Our Imports of

The undue importance attached by Western with their apparent unwillingness to go in for milk that one of the greatest agricultural countries in the products.

Mr. William Whyte, Vice-President of the C the "Toronto Globe" of January 2nd, as saying:

"If ever there was an agricultural country. Our sole resource is agricultu into Winnipeg over twelve million eggs. in chickens from Chicago. We are also i

"The trouble is that our farmers ar with wheat, and they have not the labor can go away in the winter, and leave th The loss which follows exclusive wheat- nized. The agriculturist is engaged in itself. He is not so much tilling his land not as a farm should be used, but as a n and putting nothing back. If the past our prairies to adopt other methods and portion of our crop would not be greatly

The total value of animal and agricultural p during the fiscal year of 1910 was \$31,509,000, ex ducts and exclusive of ground or manufactured ce

In fact so fast is the home market for farm p unable to keep up with the demand.

The Effect of t

At least two officers of the Canadian Council MacKenzie, have asserted that the manufacturer r duty. Illustrating the point, Mr MacKenzie, say agricultural implements manufactured in Canada of which \$2,342,828 worth were exported, leav were imported that year \$1,593,914 worth of impl to the extent of 20 per cent., or \$318,782. It is n selling price of his commodity the total amount duty. The farmers of Canada thus paid the Go facturers of farm implements \$2,098,383 (20 pe farmers are taxed by reason of Customs duty of \$14 and the manufacturers \$86." Leather, boot: Kenzie in the same way for the purpose of showing taxed for the benefit of the manufacturers.

It needs very little reflection to detect the f actorer took for himself the full amount of the d as much business in Canada as the foreign manuf by Mr. MacKenzie, the disparity is still more stri sell nearly 20 times as much to Canadian consum If they appealed to the consumer on terms equal difference.

That the manufacturer should be able to imp time reduce the price to the consumer may at fir put. Every manufacturing operation whether lar ary overhead expense including such items as re superintendence, etc. If these expenses have to

APPENDIX 8.

Imports of Farm Produce.

Western agriculturalists to the raising of wheat combined in for mixed farming, has resulted in the peculiar anomaly that the country in the world is becoming an extensive importer of farm

of the Canadian Pacific Railway Company, is reported in as saying:

agricultural country in the world, Manitoba is that agriculture. Yet this year there were imported million eggs. For our dining-cars we are now bringing we are also importing cream from the United States. Our farmers are wheat mad. They have made money at the labor which mixed farming involves. They would leave the hired man to take care of the horses. Wheat-raising on the farm is universally recognized as being engaged in selling, not his products, but the farm using his land as exploiting it. He is using the land, but as a miner uses a mine. He is taking all out of the past hot summer should teach the farmer of methods and to practice mixed farming, the loss of a year would be greatly regretted."

agricultural products imported into Canada for consumption 1,000,000, exclusive of salted, smoked or prepared animal products and manufactured cereal products.

for farm produce growing that our farmers are practically

APPENDIX 9.

Effect of the Tariff on Prices.

an Council of Agriculture, Mr. E. C. Drury and Mr. R. J. manufacturer raises his selling price by the full amount of the tariff, MacKenzie, says: "According to the census of 1908 there were in Canada in the year previous to the value of \$12,835,745. Imported, leaving for home consumption \$10,492,919. There is a total of implements on which the Government collected duty \$1,342,827. It is now conceded that the manufacturer adds to the full amount of the protection granted him by the Customs and the Government that year \$318,872 and to the manufacturer \$1,342,827 (20 per cent of \$10,492,919)***** For every \$100 of duty on agricultural implements the Government gets \$20, whereas for boots and shoes and cement are treated by Mr. MacKenzie as showing how heavily and how unjustly farmers are being taxed.

To detect the fallacy of this argument, for if the home manufacturer of the duty how would he be able to secure seven times the price of a foreign manufacturer? In the case of boots and shoes quoted as more striking, because our own manufacturers apparently sell to consumers as foreign boot and shoe manufacturers do. If the price of boots and shoes equal or nearly equal there would not be such a wide

able to improve the quality of his product and at the same time to pay a price that may at first seem incredible, but it all hinges upon the output. Whether large or small involves a certain amount of stationery, tools, etc., as rent, heat, light, insurance, taxes, office expense, and other expenses have to be met out of the returns from a small output

it follows that the proportion carried by each unit if on the other hand they can be spread over a large unit of production may become insignificantly small the lower the cost of production and the cheaper the cost of a tariff which secures the home market or at least

A few examples will suffice to illustrate how Ontario began the manufacture of buggies. In 1875 farmers paid them from \$100 to \$170 each. Last year an output of 15,000 and were able to offer the farmer used to have to pay \$170 for. In 1878 the price to-day it is under five cents. The best binder in 1875 gets a lighter and more compact binder that will be made in Ontario at from \$100 to \$105; to-day the

APPENDIX

The Value of a Protective

The members of the Canadian Manufacturers' Association regard a tariff on farm produce as something that would be a burden in general. In this connection Mr. C. C. Ballantyne in 1906 used words which in the light of subsequent events Ballantyne said:

"Our flaxseed is shut out of the American market at 10 cents per bushel. Why do not our Canadian farmers pay a duty on flax grown in Canada to give the farmer who grows it the value it is entitled to? There is from a million and a half to two million bushels consumed in Canada annually by our Canadian farmers. A million bushels or more of foreign seed is imported into Canada" flaxseed, and grown right here in Ontario.

"I wish to point out to the intelligent farmer that if the tariff on flaxseed is removed, farmers find flax more profitable to grow than any other crop. If the imposition of the tariff takes place, there will be a loss of value to the farmer and that all flaxseed used in Ontario will be imported from the United States.

Up to 1907 flaxseed entered Canada free of duty. The figures for the two years immediately preceding show that we

Fiscal Year

1905
1906 (after deducting exports of foreign)

At the close of 1907 flaxseed was protected by a tariff of 10 cents per bushel for three years, as will be observed from the figures, our exports of flaxseed to the United States while our exports jumped from nothing up into the millions.

Fiscal Year.

1908 (after deducting exports of foreign)
1909	do
1910	do

And yet it is still alleged on behalf of the farmers that the tariff has little value to them.

APPENDIX

Do the Farmers Really Want

While no effort has thus far been made toward the removal of the tariff in variance with the Canadian Council of Agriculture, it

each unit of production will be comparatively high. But over a large output, then the proportion carried by each is significantly small. Generally speaking, the larger the output the cheaper the price to the consumer, hence the advantage is not or at least the bulk of it to the home manufacturer. Illustrate how this works out. In 1878 a certain Company in Michigan. In 1879 they sold all told about 30 buggies, for which they received \$125. Last year in various kinds of wheeled vehicles they had offered the farmer for \$85 a far better buggy than the one he had bought in 1878. The price of sugar was nine and ten cents per pound retail; in 1878 a binder sold at from \$275 to \$300; to-day the farmer can buy a binder that will last longer for \$125. In 1878, single reapers retailed at from \$60 to \$65.

APPENDIX 10

Protective Tariff to the Farmer.

The Manufacturers' Association have consistently advocated a tariff that would materially improve the condition of agriculture. C. Ballantyne, when delivering his Presidential address in 1878, subsequent developments were singularly prophetic. Mr.

of the American market on account of a duty of 25 cents per bushel. Our Canadian farmers ask our Government to place a tariff to give them the home market which they are justly entitled to. They produce a million and a half to two million bushels of flaxseed annually for our Canadian linseed oil crushers, and why should they use foreign seed instead of buying "Grown in Canada"? "Grown in Canada" is the best that can be produced? Tell the intelligent farmers of the West that the American market is a better market to grow than wheat, and I hope that, when revised, there will be a duty placed on flaxseed for the benefit of our farmers. "Grown in Canada" will be "Grown in Canada."

When flaxseed is free of duty and the figures, imports and exports, for the year 1878 show that we were an importing country.

	Imports Bushels	Exports (Canadian) Bushels	Value.
.....	176,887	314	\$ 479
(Canadian).....	711,138	2,824	3,328

When flaxseed is protected by a duty of 10 cents a bushel, and during the following year the figures, our imports dwindled down to practically nothing, and our exports went into the millions.

	Imports Bushels	Exports (Canadian) Bushels	Value.
(Canadian).....	495,154	10,997	\$15,098
.....	288,468	693,779	855,908
.....	4,344	1,997,648	3,642,476

It is the wish of the farmers that a tariff on their products can be of benefit to them.

APPENDIX 11.

Why Do We Want Reciprocity or Free Trade?

When we make a trade towards organizing those farmers who hold the land in agriculture, it seems probable from the voluntary action of the farmers.

of opinion that have appeared, that farming sentiment is more than most people suppose.

The Wentworth farmers are reported in the "Press" to have expressed themselves in these words:

"That if free trade were universally adopted, we must uphold our own best interests and our own tariff, which we believe the present tariff is fair."

"If free agricultural implements and machinery were introduced, it would assure us of their continued and increasing demand, and the necessary revenue raised under such conditions as past experience has shown that this is the best policy. The present conditions that have brought Canada to the present prosperity in the eyes of the rest of the world are nearly so."

"In our opinion the first step in the negotiations with the United States should be a suggestion that the tariff should be reduced to a par with our own. No concession should be had, always a concession to Canada; and in case progress could not be made, the splendid prosperity we are now enjoying from our agricultural products would be of no value. It would perhaps be a mistake to reduce it, in fact, a disadvantage to any section of the community."

Dissenting French-Canadian farmers who attended the meeting in Ottawa, but whose protests were not listened to, expressed their views after the meeting:

"The province of Quebec is satisfied with the present tariff for any revision. It is becoming more and more attractive to its large centres a population of farmers producing agricultural products."

"We believe that it is the duty of the government to stand against American competition. The farmers of the west injure those of the east when they ask for a reduction of our markets and of our industries. It is a national question for all sections of Canada; it is a national question."

"Similar petitions were passed by the various agricultural societies of Quebec."

The following is a resolution unanimously adopted:

"Resolved—That in view of the position of the province regard to reciprocity of tariffs, the Ontario Farmers' Association place on record their unqualified disapproval of the fruit coming into Canada without consultation with the Ontario association."

"The duty is now much lower than it should be, lower than they ought to be in view of the competition from the United States. The price being fixed at a low level, the price of the fruit is low, and the price of the mandarin is low."

The Winnipeg Vegetable Growers have memorialized:

"To the Hon. Sir Wilfrid Laurier, President of the House of Commons at Ottawa:—

"We, the members of the Kildonan Vegetable Growers' Association, at their annual meeting assembled, humbly desire that you should bring the importance of the duty now being imposed on fruit coming into Winnipeg from the United States to the attention of the Government."

"We are left as at present, and sincerely hope that the Government will do the same, as asked for by the wholesalers of the province in 1909, as it would be the means of depriving the growers of their earnings and, in fact, many of their lives."

Only a few days ago the following telegraph was received from Victoria, B. C.:

"The Central Farmers' Institute, in a meeting of its delegates from all parts of British Columbia, is viewing with alarm the movement of the fruit from the United States."

ing sentiment favourable to stability of tariff is stronger
in the "Globe" of December 12th, 1910, as having ex-

universally adopted we would be more than de-
sires and other countries adopt the opposite course
interests under the circumstances as we find them,
tariff is fairly successful in doing.

ments and other articles required by agriculturists
and increased production in Canada, and our
such conditions, we would also be delighted; but
that this is altogether unlikely, then we believe
ought Canada so favorably conspicuous for pros-
of the world had better be maintained or pretty

step in the negotiations for more reciprocal trade
be a suggestion to the United States that their
with ours as a basis of beginning, then conces-
sions, always along the line of at least equal advantage
could not be made in this way, then in view of
now enjoying under present tariff conditions it
could be of immense benefit without any apparent
reduce it, in fact we believe a slight increase on a few
the community."

who attended the meeting of the Council of Agriculture
listened to, handed the following statement to the press

satisfied with the present tariff and does not ask
ing more and more a manufacturing centre, and is
a population which makes a constant demand for

duty of the Government to protect our markets

The farmers of the west can hardly desire to
they ask for a reduction of the tariff, which would
of our industries. This is a not fight between two
national question.

passed by some half dozen French agricultural

unanimously adopted by the Ontario Fruit Growers' Association:
of the possible negotiations with United States in
the Ontario Fruit Growers' Association wish to
express disapproval of any reduction of the duties in
without consulting a committee to be appointed by the

lower than the duties on manufactured goods and
in view of the fact that there can be no monopoly or
duty fixed absolutely by the law of Supply and De-

have memorialized the Government in these words:
Hon. Laurier, Premier of Canada, and to the Members
of the House of Commons at Ottawa:—

The Kildonan and St. Paul's Agricultural Society, in
jointly desire to impress upon your honorable body
the duty being imposed upon green vegetables coming
from the United States. We therefore petition that this duty be
reduced. We hope that your government will not remove the
duty from the wholesalers of the City of Winnipeg in the session of
1911, of depriving our gardeners of a very large propor-
tion of their business, many of them would have to go out of business."

The following telegraphic despatch appeared in all the Eastern papers

at the annual convention here to-day, with forty
representatives from British Columbia, unanimously passed a resolution
in support of the grain growers for reciprocity in natural
resources."



