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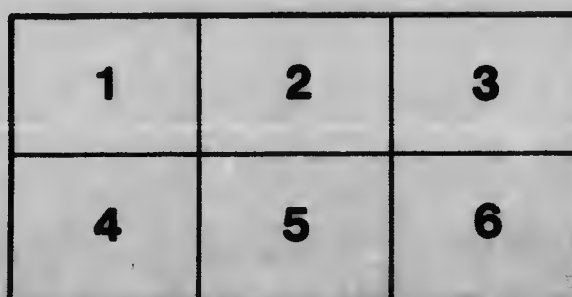
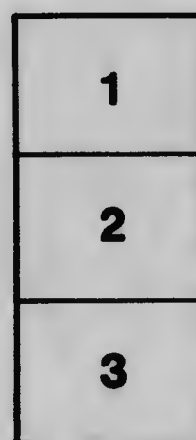
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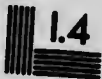
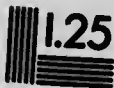
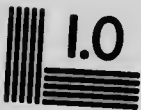
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THE CANADIAN FARMER
THE GENERAL CONSUMER
AND THE WOOL TARIFF



By E. B. BIGGAR

BIGGAR-WILSON, LIMITED
CONFEDERATION LIFE BLDG.
TORONTO

1910

PREFACE.

Much has been said and written during the last few years on the woolen industry of Canada, but until the last session of Parliament the subject has had little consideration from the standpoint of the farmer and the general consumer.

In the following pages the writer endeavors to ascertain how the interests of the farmer and the general public are affected by the Canadian tariff laws as they stand, and to compare the history of the wool industry of Canada with that of the United States, Great Britain and other great manufacturing countries.

It will be seen from the period of time covered by this history that for the defects of the present woolen tariff neither political party is wholly to blame. The woolen tariff is the haphazard growth of various administrations, alternating in the degree of protection afforded to the different branches of the industry, and consistent only in one respect—its omission of all consideration to the farmer who grows the wool.

No theory of political economy is here advocated. The writer simply accepts the fact that our revenues are now raised, not by direct taxation, but by duties, more or less protective, on imports of goods, and his only plea is that the advantages of the tariff should be equitably shared among the people whose labor contributes to the upbuilding of the country. Since we have a tariff intended to promote home manufactures, is it not reasonable that this tariff should be so designed as to secure the production in Canada of those things most essential to the physical life of the people? And of these first needs is there anything more important than clothing?

In this pamphlet an attempt is made to go back to first principles. The foundation of the wool industry is wool, and any tariff which cuts off the wool-grower from his fair share of its benefits is on a false bottom, if there is any pretence that the industry is to be a native Cana-

dian one. The foundations of Britain's great woolen industry were laid by a radical measure of protection to the British wool-grower, combined with special measures for establishing the manufacture. In the case of the United States also it was only when the wool-grower was admitted to his share in the benefits of the tariff that the industry was put on solid ground and grew to its present enormous dimensions.

It is true that just now the woolen mills that are left in Canada are generally busy, but this is due to the sudden expansion of trade and the unusual demand for goods of all kinds during the past few months. It is too much to expect that this will be a permanent condition. We know that during the past twenty years the woolen cloth industry has declined, and that greater branch—the worsted industry—is practically non-existent, so far as it is based on the combing of Canadian wool. So far as the farmer is concerned, we have the deplorable fact to record that, while every other branch of domestic live stock has grown with the population, the sheep of Canada have diminished till they are to-day less than at the time of Confederation. And this is the situation, though no country in the world grows healthier sheep or stronger wool than Canada, and, though Canadian sheep have for years won the best prizes at America's great sheep fair at Chicago.

In the hope that the facts here compiled may lead to a fresh study of this important problem these pages are respectfully submitted.

Toronto, January, 1910.

E. B. BIGGAR.

THE CANADIAN FARMER, THE GENERAL CONSUMER AND THE WOOLEN TARIFF.

Early History.

The history of the wool industry of Canada and the United States is very interesting, not only as a story of the achievements of modern inventive skill in providing for the creature comforts of the people, but as an illustration of the effect of tariff laws in developing or retarding a nation's industrial independence.

The aim of this pamphlet will be to show how the Canadian farmer, as well as the general consumer, is affected by the growth or decay of a native woolen industry.

Because of the common tendency to justify or condemn the attitude of one political party or the other on tariff questions this problem has become confused and clouded where it ought to be clear. The writer hopes that a brief history of the wool industry as it affects Canada and a presentation of the foundation facts in the present situation will help to clear away the fog.

If the trade relations of the great nations of the world were ideal, commerce between them would be unrestricted and imports and exports would be absolutely free. In that case each Government would have to raise its revenues by direct taxation, which would be a good thing in itself, because the people of each nation would have a keener interest in securing economy and honest administration in its own Government. But, with one exception, all the great nations raise their revenues by taxes on imports. Even Great Britain, though called a free trade country, has a considerable list of articles which cannot be imported without paying a tax. Canada, ever since it became a self-governing country, has raised more or less of its revenues by imposing duties on various imports, and from the time of Confederation to the present moment no political party has attempted to make our imports free and raise our revenues by direct taxation.

Since no attempt has been made in Canada to defray the cost of administration by direct taxation upon the people, leaving imports free, the average citizen, and more especially the Canadian farmer, may ask whether the burden of this indirect taxation is fairly distributed among the different interests of the country. When the question is applied more specifically the farmer may ask whether he should be excluded from the full benefits of protection when those benefits are accorded to other classes of the community. It will be for the reader to judge whether the record proves that the exclusion of the farmer from the advantages of this protection through the tariff laws accounts for the decline of the sheep industry of Canada, and accounts, at the same time, for the decay of the woolen industry; and, still more important, whether it explains why this country is still without a worsted industry, which forms the chief branch of the woolen trade of other great manufacturing countries, and which is peculiarly adapted to the character of Canadian wools.

The foundation of a woolen industry is wool, and, so far as Canada is concerned, it is a native industry only in so far as it is based primarily on Canadian wool. The records of the French regime in Quebec and Nova Scotia and those of British colonization in the other Provinces of Canada show that the hand-woven and hand-knitted fabrics of those early days were made almost entirely from wool grown on Canadian sheep. As it began, so it developed natively down to the time when the factory system and tariff legislation combined to deprive it of its true native character, and by divorcing the interests of the farmer from the interests of the manufacturer, brought about the decline of both sheep-raising and woolen manufacturing.

To be independent, a nation should be able to provide within its own borders the prime needs of the people, such as food, fuel and clothing, and it will not be denied that in a country like Canada wool clothing is a prime necessity. This was understood so instinctively among the early settlers of Canada that the first industries planted were the manufacture of clothing and boots and

shoes. Let it be noted also that the desire to be self-dependent was at the bottom of the first struggles to plant the home industry in Canada. From the period of the first colonization of Canada to nearly the close of the eighteenth century it was the policy of home Governments—whether British or French—to regard the colonies as existing for the benefit of the commercial and manufacturing interests of the mother country, and local manufacturing was prohibited as far as possible in order that factory owners at home might grow richer. But the exactions in prices and the extortions of the colonial companies, to whom the trade of the country was farmed out, drove the French-Canadian colonists first into smuggling and then into making cloth for themselves, in some cases with the consent of the home authorities, in other cases in spite of them. The Quebec Intendant Talon, for one, realized that the planting of domestic industries was for the benefit of the colonists, and in times of need would be a relief to the Government at home; and in 1671 he wrote that he had caused druggets, coarse camlet, bolting cloth, serge, woolen and leather to be made in the colony, adding: "I have of Canadian make wherewithal to clothe myself from head to foot." The Ursuline Nuns willingly assisted him in this policy, and taught the girls of the colony to spin and weave while at their schools. So the flax spinning-wheel, the wool spinning-wheel and the loom were a part of the furniture of almost every house, and in course of time the French-Canadian wives and daughters provided every fabric needed, from the clothes the men and women wore to the towels used in the kitchen, the carpeting on the floor and the bedclothing under which they slept. The grazing of sheep and the growing of flax and hemp went hand in hand with those industries; and the census of 1671 showed that there were 407 sheep and 36 goats in Canada. In 1685 the goats had decreased to 14, but the sheep had increased to 787, and by 1695 there were 918 sheep. In Acadia (Nova Scotia) in 1693 there were 1,164 sheep, which steadily increased in numbers till in 1827 there were 173,731 sheep in Nova Scotia. By 1765 the sheep in New France (Quebec) had increased to 28,022.

Practically all the wool grown in the British American colonies was spun into yarn and woven into cloth for the use of the colonists, and both manufacturing and stock farming thrived together as long as this exchange of the products of the farm with those of the factory went on. But it was only by a unity of these interests that they made headway. Lieutenant-Governor Francklin, of Nova Scotia, in a letter to the Earl of Shelburne in 1766 said: "The country people in general work up the wool for their own use into stockings and a stuff called homespun what little their sheep produce; and they also make a part of their coarse linen from the flax they produce." This and the information given by Francklin in previous letters stirred up the jealousy of manufacturers at home, who regarded the colonists as existing for their benefit, and the Governor, who was evidently in sympathy with the colonists, had to allay this jealousy by writing that the colonial Government had "at no time given encouragement to manufacturers that could interfere with those of Great Britain, nor had there been any association of private persons for that purpose, nor were there any persons who professed themselves weavers, so as to make it their employment or business, but only work at it in their own families during the winter and other leisure time." Such explanations either satisfied the official mind at home, or else what went on in Nova Scotia was overlooked in the more important controversies that preceded the Revolution in the larger colonies.

"It is obvious from this, as well as from a multitude of other facts," says Murdock, the Nova Scotia historian, "that a close jealousy existed among the manufacturers of England against any attempts in America to do anything in that line; and this narrow policy, influenced by a few avaricious capitalists engaged in manufactures, did more to lose the old Provinces to England than any other circumstance."

Introduction of Factory System.

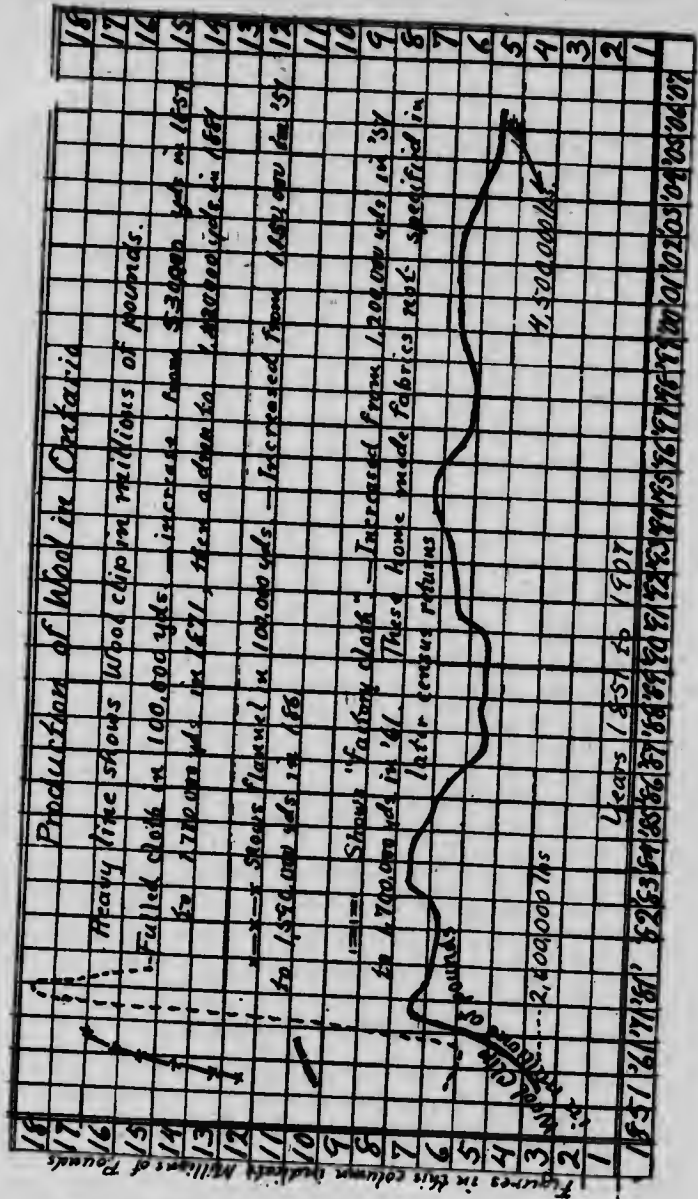
The manufacture of woollens in Canada remained a domestic industry down to the first quarter of the nineteenth century, when power machinery was introduced

into the carding and fulling departments. In 1827 there were ninety-one carding mills and seventy-nine fulling mills in Lower Canada, and in Upper Canada in 1842 there were 186 carding mills and 144 fulling mills. By the middle of the century there were in all Canada about 400 carding and fulling mills and 250 establishments where weaving was carried on by machinery, and besides these there were about 60,000 hand looms, producing over 6,000,000 yards of homespun cloth. The making of homespun cloth continued to increase with the growth of population down to 1871, when the product in all the provinces and territories now forming the Dominion was about 8,500,000 yards of cloth per year. From that date power machinery rapidly superseded the hand-spinning, weaving and knitting processes, and by 1891 the product of the handlooms in homespun and flannels diminished to 4,320,000 yards, of which a little more than half was made in the Province of Quebec. The census of 1891 gave Canada 377 woolen mills and 281 places where knitting was carried on, many of the latter, no doubt, being operators of hand-knitting machines, as the total hands employed in knit goods were only 2,143.

The more recent record of woolen cloth manufacturing in Canada is a record of decline and atrophy, accompanied by a corresponding decline in sheep-raising, and it will be interesting to the farmer to trace the connection between the two industries.

The Effect on Sheep-raising.

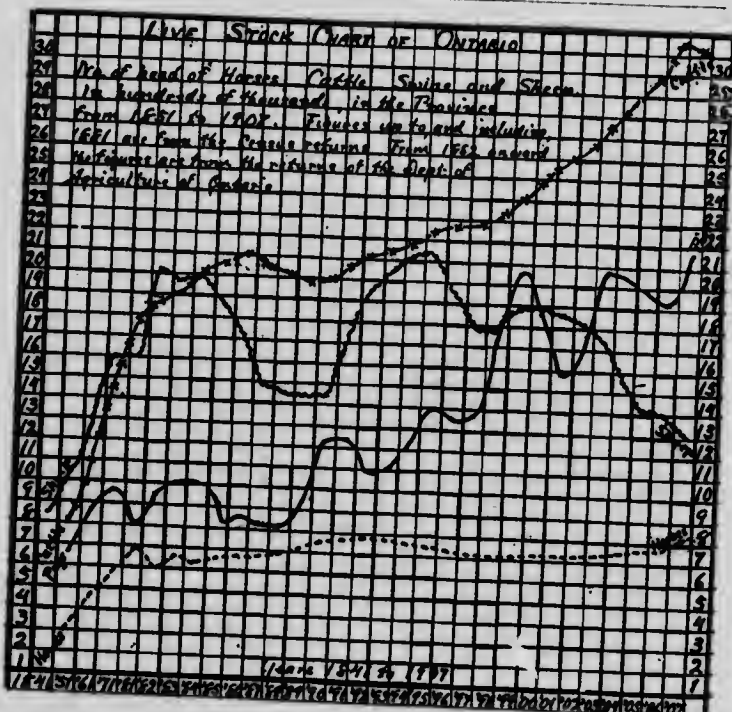
Of all the provinces, Ontario alone has kept a record of its live stock since 1881. The accompanying chart is, therefore, given of wool production and live stock raising of this province as typical of the changes that have been going on in these industries. It will be seen that so long as the old custom woolen mill remained the corner-stone of the business—say, till the decade of 1871 to 1881—sheep-raising held its own, because the interests of the farmer and manufacturer were mutual, the farmer supplying the wool and taking the finished product from the mill. The seeds of decay of both interests were planted when, with the development of the modern fac-



It will be seen from this chart that wool production increased till approximately the general introduction of the modern factory system in the Province. From the decade of 1871 it ceased to grow with population, and has since declined to 4,500,000 pounds, or 1,900,000 pounds less than in 1871. If production had increased in same ratio as population the Ontario wool clip of 1907 would have been 9,600,000 pounds at the average weight of fleece in 1871 (3½ pounds). But the average weight of fleece has increased from 3½ pounds in 1882 (in 1851 it was only 2 10-16 pounds) to 6 3-5 pounds in 1907, at which rate the clip of 1907 would have been over 13,700,000 pounds. It will also be seen that woolen manufactures developed under the old system, along with wool production, till the advent of the factory system in the Province.

tory system, the manufacturer began to get special protection from which the farmer was excluded under the tariff laws. It is true that for a number of years wool of a class or kind grown in Canada has been dutiable at three cents a pound under the general tariff and two cents a pound under the preferential tariff, but in practice this duty is not exacted.

The live stock chart of the number of head in Ontario in hundreds of thousands, indicated by the figures

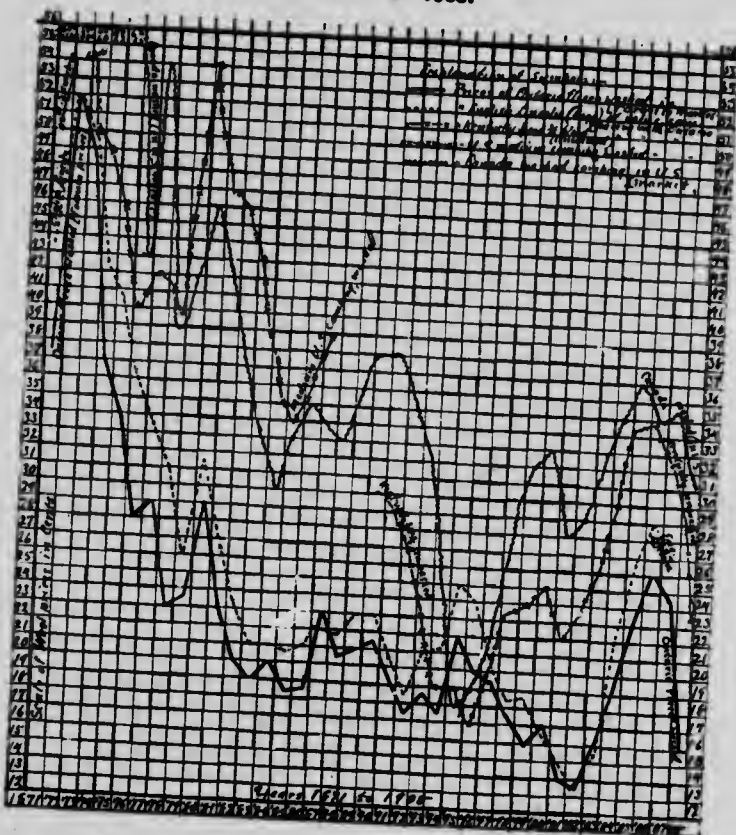


From the above chart it will be seen that the number of head of horses in Ontario has increased from 201,000 in 1851 to 725,600 in 1907, the number of cattle from 744,400 in 1851 to 2,926,000 in 1907, and the number of swine from 850,200 to 2,049,600 in the same period, while the number of sheep, after an advance till 1882 have actually declined on an average of years. Sheep-raising advanced along with other live stock till about the time of the introduction of the factory system in the woollen industry, when growth fell off till a stimulus was given to exports by the free wool tariff of the United States. From 1895, when there were 2,022,700 head of sheep in Ontario, the number steadily decreased till in 1907 it was only 1,066,000, or 64,000 less than in 1861.

at the sides, discloses the remarkable fact that, while every other branch of live stock has increased with years—some of them at a rate even greater than the increase in population, sheep alone have declined till the figures of 1907 bring the total down to less than in 1861. As noticed in a pamphlet recently issued on this subject, this has seemed a mystery to farmers, politicians and political economists alike, because our sheep have taken the highest prizes at great United States fairs, our mutton is of such high quality that considerable quantities are imported by leading hotels and other United States consumers in the face of an extreme duty, and the wool of the Canadian sheep is among the strongest in the world. More noteworthy still, sheep in Canada are almost exempt from the serious epidemic diseases which afflict the sheep of Great Britain, Europe, South Africa and Australia. Old Country shepherds are often amazed that disorders which are chronic among sheep in England and Scotland disappear of themselves in a generation after the animals are brought to Canada. With all these things in its favor, why has the Canadian sheep been steadily disappearing from the farms of every Province from Manitoba east to the sea in the last thirty years?

As there are two sources of profit in sheep-raising—mutton and wool—it may be inferred that the absence of a fair return from one of these sources explains the decadence of the Canadian sheep industry. Puzzled by the steady decline of sheep-raising in Ontario, the Professor of Agriculture in 1884 sent out a set of questions on this subject, and in his report for 1885 summarized the answers as follows: "Correspondents attribute the decline first of all to the absence of demand for, and low price of, wool, which renders it unprofitable to maintain sheep for that product alone, and, in the absence of that source of revenue, sheep, simply as meat producers, do not pay so well as cattle and hogs." As the result of renewed discussions on this subject at the Guelph Winter Fair in 1905, the Ontario Department of Agriculture made enquiries from its correspondents and published the results in a special bulletin in 1907. This

CHART OF PRICES OF ONTARIO WOOLS, 1871 TO 1908.



This chart shows the prices—indicated in cents by the figures at the sides—of certain wools from 1871 to 1908. The heavy black line shows the price of Ontario combed wools, washed, in the Toronto market. The dotted line next above this shows the price, in England, of English Lincoln wools of a class corresponding with Ontario combed wools. The line interrupted with single crosses, starting in 1890, gives Kentucky quarter bred and three-eighths blood wools of a type at present nearest to Ontario wools, but these prices are for unwashed wools. The same wools, if washed, would show a range of prices about a third higher. The lines interrupted by double crosses and ending at 1887 show United States wools of a type formerly comparing with Ontario combed wools, but in the washed condition. Information for a continuous record of wools of this class could not be obtained. The wavy line shows the prices realized by Ontario wools after being sold in the United States markets, showing a difference of 10 to 15 cents per pound more than is obtained by the Ontario farmer in his own market. The quotations, wherever obtainable, were in the months of May and June. The remarkable slump in prices of all United States wools, during the Wilson régime when wool was on the free list will be noticed. Note also that in the period from 1871 to 1875 Canadian wools in the United States market ranged in price from 55c. to 90c. a pound, while the prices in Ontario in that period ranged from 33c. to 52c.

bulletin gives the following as the first and chief out of five causes assigned: "Lack of sufficient profits due to low price of mutton and wool, or to comparatively high prices for other kinds of stock or their products, particularly dairy cattle and their products, together with bacon hogs." Summarizing the replies, the bulletin states: "In spite of the handicap which is thus placed upon the sheep industry the replies of correspondents indicate that instead of 34 per cent. of the farmers keeping an average flock of 13 breeding ewes as at present, there should be flocks of from 10 to 20 ewes on fully 75 per cent. of the farms of Ontario. The contention is that there has been lack of appreciation of the value of sheep on the farm."

The chart of wool prices shows that Ontario wools are generally a little below the level of similar grades in England under free trade, and also below the price of like grades in the United States to the full extent of the duty (plus freight) imposed on raw wools coming into that country. In this case the Canadian wool-grower pays the duty of twelve cents a pound when he exports his wool to the United States. For nearly one hundred years Canadian wool has been highly valued by United States manufacturers, as well as by Canadian manufacturers, and it was upon Canadian wool that the United States worsted industry was founded. With these things in its favor why is it that this disadvantage in price should operate so constantly against the Canadian sheep farmer, and why is it that with qualities so well demonstrated there has not been better recognition of Canadian wool in our home market? The explanation will appear when we study the relation between the grower and manufacturer both in Canada and in the United States.

Wool Industry in the United States.

Taking the case of the United States first, let us glance at the history of wool-growing and wool manufacturing there for the last century and a quarter. This is summarized in a pamphlet recently issued by the publishers of the "Canadian Textile Journal," from which the following quotations are made:—

"As the result of the invention of carding, spinning and power weaving machinery—between 1760 and 1790—the factory system in wool manufacturing developed with extraordinary rapidity in England, and this change was well advanced before it had even started in the United States,* where it continued for a long time to be carried on as an industry of the home, as in Canada. The supply of wool was short and the breed of sheep poor in the United States, and it was only in 1802 that the first flock of merino sheep was introduced there. By the time the embargo on trade was laid on, which preceded the war of 1812, several thousand head of merino sheep had been brought in, and that conflict turned the attention of people of the young Republic to the need of both wool-growing and woolen manufacturing to make the country independent. The price of merino wool rose from \$1 a pound in 1807 to \$2 and \$2.50 during the war. Compelled to rely on its own efforts in consequence of the Non-Inter-course Act of 1809, the wool clip increased from less than 14,000,000 pounds in 1810 to 22,000,000 pounds in 1812, and during the four or five years preceding the war "no industry was so prominent in the public eye as the manufacture of wool." The fame of the merino sheep spread until some rams sold at \$1,000 each; while broadcloths were sold at times as high as \$8 to \$12 a yard. Up to this time Great Britain had been looked to as the source of supply of woolen cloths, and, while certain duties were placed on imports by the first tariff of 1789, the duty of 5 per cent. on such goods showed that woolen manufacturing was not one of the industries sought to be developed. The United States was, in fact, the best market of the world for British cloths, as the value of woolen goods shipped thence rose steadily from £1,481,378 in 1790 to £2,803,490 in 1799, or 40.77 per cent. of the entire British exports of these goods to the world. As might be expected, "factories for making army and navy cloths, blankets, negro cloths and broadcloths, the great staple

* "A Century of American Wool Manufacture, 1790-1890," by S. N. D. North.

woolen manufactures of that time sprang up in different parts of the country, stimulated by the enormous rise in the price of these necessities" [North], and many cotton mills were diverted to the manufacture of woolen goods. This development was helped by the introduction of steam in American woolen mills and by the more extensive use of the spinning jenny, which was first introduced there only in 1804. As illustrating how the minds of the people were centred on the textile industry at this time 237 patents were issued in the United States in 1812, and of these the great majority were for processes in the manufacture of wool, cotton and linen.

Creation of British Wool Industry.

After the close of the war a strange reaction ensued. To understand this reaction, by which the United States woolen industry was prostrated, it is necessary to glance at two or three landmarks in the history of the woolen industry in England. In the twelfth and thirteenth centuries the Counts of Flanders, who ruled what is now Belgium and Holland, became so powerful that they were able when it suited them to defy European kings, and were more wealthy than many of these kings. To be as rich as a Count of Flanders became a proverb. Their wealth was chiefly made out of the manufacture of textiles, notably woollens. This wool came almost entirely from England, the fleeces of that country being greatly superior to those from continental sheep. The trade had gone on for a long period till wool became England's staple export. Hemmingford could say: "All the nations of the world were clothed with English wool, made into cloth in Flanders." It is noteworthy that under Edward I. and Edward III. England laid the foundations of its woolen industry in times of strife and war, the industry being, in fact, a prototype of that of the United States, developed five hundred years later. Henry II., a patriotic ruler, made a good start by founding the Cloth Fair (afterwards known as Bartholomew Fair) at Smithfield, at which the buyers and sellers assembled for three days; and to compel the use of pure English wool and stop the mixing of it with Spanish, he passed an Act declaring that "If any cloth

were found to be made of Spanish wool mixed with English wool, the Mayor of London shall see it burnt." Scarlet cloth began to be made in the twelfth century, and as early as this the cloth "worsted" took its name from the Norfolk town of Worsted. But Edward III. was the real creator of the woolen industry of England. He induced Flemish wool-workers to settle in England, a colony of Flemish sheep-raisers having already established themselves at Pembroke. These colonists were more skilful and better educated than the English cloth workers, and met with violent treatment at the hands of Englishmen in spite of royal authority. Riots occurred in the wool trade centres, such as London, Bristol, Gloucester, Nottingham, Lincoln, Oxford and Yorkshire, one authority stating that from London alone in 1290 no less than 15,000 Flemish artisans were banished. Wat Tyler slaughtered and robbed all the Flemings he found on his march to London.

But King Edward persevered, and, having educated his people to the manufacture of the cloth, he issued orders that no Englishman, Irishman or Welshman should carry out wool from his dominions under penalty of death, and this enactment brought over a further host of skilled workmen from the Continent. Thus from being importers of cloth, and sellers only of raw wool, the policy of Edward III. soon brought England into prominence as a manufacturer and exporter of cloth, and by 1425 the Scotch also began to export cloths, having along the shores of Fife Flemish colonists, who taught them the art which was destined to give Scotland its fame as a manufacturer of tweeds. The policy of holding the raw material and retaining the secrets of manufacturing as far as they could was pursued in Great Britain down even to the reign of Queen Victoria. To those who only associate with the name of Great Britain the free trade views of the present day it will seem almost incredible that the inventions of Hargreaves (carding machine and spinning jenny), of Arkwright (the spinning frame) and of others were guarded by Governments and people as trade secrets, and kept as jealously as the secrets of the industrial guilds of ancient Egypt. In 1774 an Act was passed "to prevent the exportation to foreign parts of

the utensils made use of in the cotton, linen, woollen and silk manufactures of this Kingdom," and under penalties of confiscation and heavy fines it prohibited "the putting on board of any ship or vessel not bound to some port or piace in Great Britain or Ireiand of any tools or utensils commonly used or proper for the preparation, working up or finishing of the cotton, woollen, silk or linen manufacture." In 1781 another statute was enacted adding a year's imprisonment to the penalties imposed by the Act of 1774. This policy, with some modifications, was strictly enforced down to 1845, when the era of free trade was inaugurated, by which time British textile manufactures were considered out of danger from foreign competition.

Independence and the United States Wool Industry.

In the pamphlet previously quoted Mr. North says that during the earlier decades of the existence of these laws no known instance occurred in which a perfect textile machine was smuggled into the United States from Great Britain. The models that were introduced were so imperfect that it might fairly be said that the people of the United States had to invent anew the machinery by which, after trying difficulties, the textile industries of the country were at last established. At a later period they were to reap the advantage of this, for some of the most important improvements in the textile industry of the world had their origin in the United States during the last century. A catalogue of these would surprise persons unacquainted with textile manufacturing who associate all progress in this field with the primary inventions of Great Britain.

This early monopoly of textile manufacturing inventions explains why, in spite of the patriotic ardor aroused by the war of 1812-15, the comparatively crude woolen industry of the Republic almost collapsed before the well-organized industry of Great Britain, producing much finer fabrics. By 1816 the imports of woolens and cottons into the United States from Great Britain mounted up to \$70,000,000, and merino sheep that during the war sold as high as \$1,000 could now be had for \$1 a head. In this strait the cotton and woolen manufac-

turers turned to Congress, and the result was a long series of tariff experiments, the study of which would be most illuminating to those who have had a hand in the woolen tariff legislation of Canada during the past quarter century.

Without attempting here to follow this legislation it will be enough to say that it required no other war—that of the great civil conflict of 1861-5—force home to the people of the United States the conviction that the production of its necessary textile fabrics must be an essential part of its national policy. "The war of 1861 recreated the American wool manufacture." And this new policy began with adequate protection to United States wool, by which the production of the raw material should be first secured. The result of this to the farming interests was that the domestic wool clip, which in 1859 was reported at 60,264,000 pounds, grew to 106,000,000 in 1862, and has since then reached an average of over 300,000,000 pounds in recent years, in a grand total of 500,000,000 pounds worked up in the mills. This policy was carried out at a serious risk to the United States worsted manufacturers, who, under the reciprocity treaty of 1854 with Canada, had developed a large industry by using Canadian wools, then admitted duty free. The reputation of the worsted goods of the United States was first founded on the high quality of these Canadian wools, and, as the sheep of this class were not then raised in the United States, the worsted manufacturers appealed to Congress for a special exemption to Canada wools. They pointed out that the worsted industry already employed more people and capital in both England and France than the carded wool industry itself, while of \$60,000,000 of United States imports of woollens and worsteds \$40,000,000 were of worsteds alone. The petition to Congress went on to state:—

"The manufacture of worsteds, which is just beginning to have an important development in this country, owes its existence to the Reciprocity Treaty, which admitted, free of duty, the wools of Canada. The farmers of Upper Canada, of English and Scotch descent, naturally prejudiced in favor of the sheep hus-

bandry which prevails at home—as England is still called in the colonies—and having a taste for English mutton, imported sheep of the Leicester, Cotswold and Down races, which have thriven admirably on the naturally rich limestone soils of Upper Canada. The present production of wool from these sheep in Canada is about six million pounds. The Canadians have no fine-wooled sheep [meaning merinos]. Protected by a tariff, they consume about two million pounds of their own wool in the manufacture of coarse cloths, including tweeds, which have been imported largely into the United States, notwithstanding the duty on cloths; and we use the balance of three to five millions." They added that the introduction of the finer lines of worsted goods and the unexampled development of this branch of textiles was due to the command of Canada wools, which were "fully equal to the English combing wools," but there was not enough of such wools grown in the United States to keep one of the worsted mills running. They were fair enough to admit that if these combing wools were to be grown in the United States the worsted manufacturers would fall into line with the national policy, provided their industry could be protected sufficiently to hold the trade during the period of transition. Their views were met by Congress, and the result has been a marvellous development in the textile industries of the country. The census of 1905 showed that the United States textile manufacturers employed capital to the amount of \$1,343,324,605 and produced goods to the annual value of \$1,215,036,792. The capital invested in the woolen branches alone was over \$477,000,000, and the annual value of the products \$517,000,000. When the manufacture of clothing is combined with the manufacture of textile fabrics this industry forms the greatest of all groups of industry. The number of hands employed was 1,156,305, or nearly as great as in the manufacture of "iron and steel and their products" and "foods and their products" combined. The enormous total of hands and capital employed and the wages paid has given the great home market for the varied products of American farms and gardens, thousands of cities, towns

and villages having the textile industries as their chief support. The specific effect on sheep-raising has been remarkable, for out of 500,000,000 pounds of raw wool consumed annually in these industries, the wool-growers of the United States produce 330,000,000 pounds, practically every pound of which is sold and used at home.

The Unity of the Wool Industry.

These great industrial developments have been most notable since the tariff adopted at the close of the Civil War, when it was first fully recognized that United States farmers were as much entitled to protection under the tariff laws as manufacturers. The identity of the interests of the farmer and the manufacturer were specially recognized in the woolen industry. The wool tariff then adopted was based on the principles agreed to in a conference between representative sheep breeders and wool manufacturers held in 1865, at which the following resolutions were adopted:—

“Resolved, That of the great industries with which the people of the United States can occupy themselves to advantage, the woolen interest is especially commended for combining and developing in the highest degree the agricultural and mechanical resources of the nation.

“Resolved, That the mutuality of the interests of the wool producers and wool manufacturers of the United States is established by the closest of commercial bonds—that of demand and supply, it having been demonstrated that the American grower supplies more than 70 per cent. of all the wool consumed by American mills, and, with equal encouragement, would soon supply all which is properly adapted to production here; and, further, it is confirmed by the experience of half a century that the periods of prosperity and depression in the two branches of the woolen industry have been identical in time and induced by the same general causes.

“Resolved, That as the two branches of agricultural and manufacturing industry represented by the woolen interest involve largely the labor of the country, whose productiveness is the basis of national prosperity, sound

policy requires such legislative action as shall place them on an equal footing, and give them equal encouragement and protection in competing with the accumulated capital and low wages of other countries:

“Resolved, That the benefits of a truly national system as applied to American industry will be found in developing manufacturing and agricultural enterprise in all the States, thus furnishing markets at home for the products of both interests.”

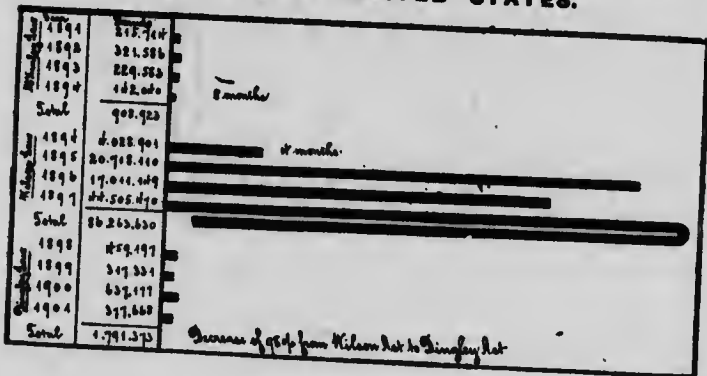
These resolutions were reaffirmed in 1908, in identical language, at a joint convention of representatives of these two interests, and the tariff of 1909 embodied the principle again. This principle has been put to the test of practical operation for forty-five years, with the exception of the short break of four years under the Wilson tariff during President Cleveland's term, when wool was admitted free, while the manufacturers were protected by a 50 per cent. duty. That was the most disastrous period, both for the farmers and manufacturers, through which the United States ever passed. At least half the woolen and worsted mills were more or less constantly closed during this regime, hundreds of thousands of people being out of employment; farm products and the value of farm lands fell to a ruinous extent, and over 10,000,000 head of sheep were slaughtered because of the low price of wool following upon the closing of the mills. This is seen in the diagram of wool prices on page 13, where it will be noticed United States wools of a class corresponding to Ontario wools dropped for the first time in the history of the trade to 16 cents, or 4 or 5 cents below the price that Canadian wools realized. This, it will be observed, is the only time Canadian wools rose to a point higher than similar wools in the United States—a demonstration of two important points, first the high quality of Canadian wools when sold there under equally favorable conditions; and second, the consequences that followed when the United States farmer was cut off from his share in the protection to the wool industry. When this share in the advantages of the tariff was restored to the United States farmer the sheep-raising industry revived at once, and the result

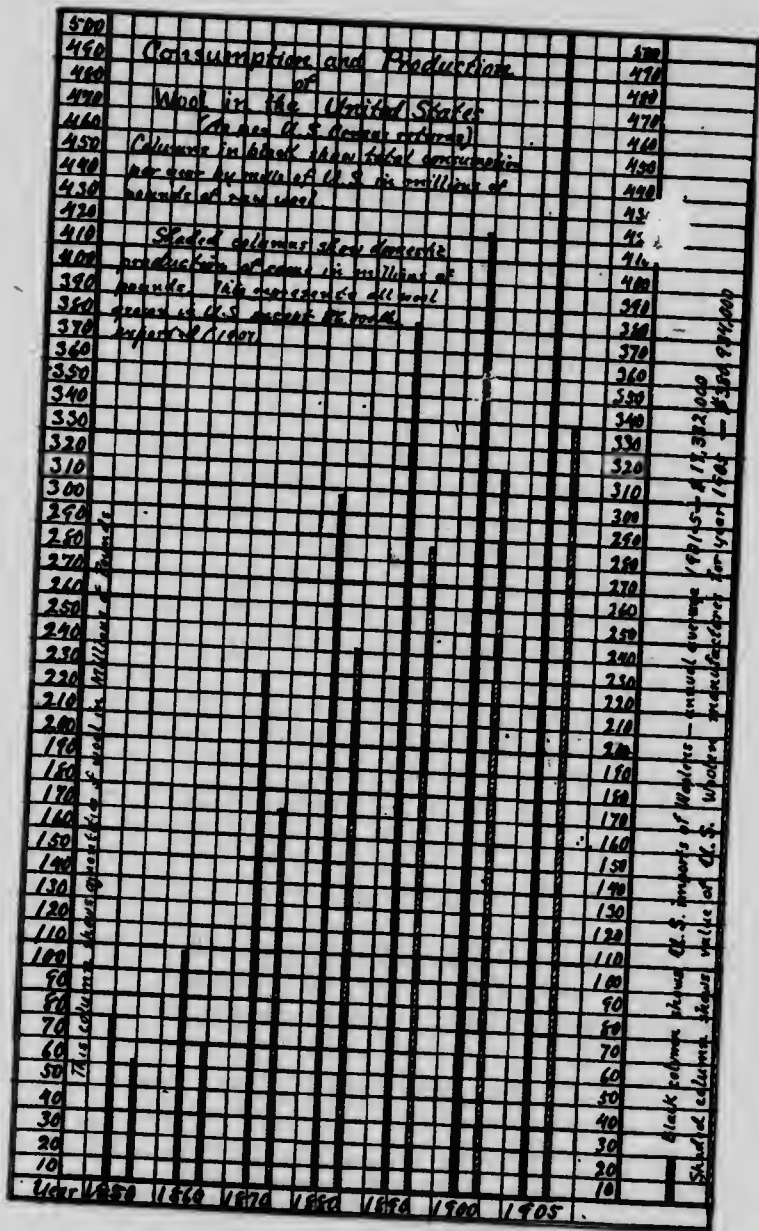
is seen in the columns at the right side of the diagram exhibiting the United States wool production. It is there shown that in the five-year period ending 1905 the average value of woolens imported was \$17,332,000, while the value of woolens manufactured within the country in the last year of the same period as taken from the census returns was \$380,934,000, or over \$500,000,000 if all the products of the wool industry were taken into account.

One remarkable phenomenon of the free wool era in the United States under the Wilson tariff was the enormous increase in the imports of rags and shoddy. The Act came into force in 1894, and in the remaining four months of that year there was over four times as much shoddy imported as in the preceding eight months, and by 1897 the imports had mounted up to 44,505,000 pounds, an increase of over 9,000 per cent. This condition was brought about because the few manufacturers who could keep running at all had to fight shoddy with shoddy in the competition with imported goods.

It may be remembered that the leading issue in the campaign which ended in the election of President Cleveland's administration was tariff reduction, and the centre of the vortex of the discussion in the press and on the platform was the wool and clothing question. People wanted cheap manufactures, but above all they wanted cheap clothing.

EFFECT OF FREE WOOL, ETC., ON SHODDY IMPORTS OF UNITED STATES.





The figures at the side represent millions of pounds. The black columns show the number of millions of pounds of wool used by the mills of the United States, and the shaded columns show the proportion of that wool which was grown in the United States at the dates mentioned in the figures at the bottom.

"During the Cleveland campaign," says one who watched these events, "the farmers were told that if they had free wool they would get a higher price for wool than they were receiving under the McKinley Act (which carried the present wool duties), and that they would be able to buy clothing at one-half the McKinley protected price, and enough of them voted for Cleveland to elect him. The result was that the wool industry was nearly destroyed. The number of sheep decreased from over 47,000,000 in 1893 (when it was discovered that the new Congress was Democratic, and that the duties upon wool were to be removed), the sheep were sent to the butchers in anticipation of free wool, and by 1896 there were only 36,500,000 left, a decrease between Cleveland's inauguration and McKinley's election of over 23 per cent., and this slaughter of sheep was only halted by McKinley's election in 1896, when it was discovered that there would be a Republican Congress that would restore the wool duties. Perhaps the one thing that had more influence than anything else was the enormous increase in the imports of shoddy, which took the place of wool. Four years' experience with the Wilson Act proved several things which converted the American to his support of protection to American wool."*

Of what avail was cheap clothing when the people, through want of employment, had no money to buy goods with?

Though there was only one period of free wool in the United States since 1865, there was a short period beginning in 1883 when the duty on wool was reduced 10 per cent., and even this was a disaster to the wool-growers, as the number of sheep fell from 50,500,000 in 1884 to 41,500,000 head in 1888.

Recent History of the Canadian Industry.

Let us now consider the wool situation in Canada as it has been affected by tariff laws and by recent changes in the conditions of manufacturing. Under both political parties we have had for many years a duty on

*Letter of Justice, Bateman & Co., wool merchants, Philadelphia, to the "Canadian Textile Journal."

manufactured woolen fabrics, with raw wool on the free list and wool in its primary stages of manufacture either free or coming in at a nominal rate of duty. So long as the farmer took his wool to the custom woolen mill and purchased back the product of finished cloth the wool-grower and manufacturer throve together. But when more modern processes were adopted and larger factories were erected, the farmer ceased to take a personal interest in the manufacturer and began to buy more largely from the storekeeper, the merchant tailor and the ready-made clothing manufacturer. It was to the interest of these classes, and the newer generation of wholesale dry goods dealers, rather to sell foreign-made goods than Canadian, because of the greater profits obtainable. This was due to the greater variety of styles that could be had abroad, the patterns and "makes" of Canadian goods being much more limited than now, and being easily identified by the consumer, who knew their value. The wonderful expertness of European manufacturers in the use of shoddy and vegetable fibres to mix with wool has given greater opportunities for profit to the merchant, and these causes have led to that systematic detraction of Canadian goods and systematic praise of foreign goods which has resulted in constantly widening the breach between the Canadian consumer and the Canadian woolen manufacturer. The result has been that, with the exception of the knit goods branch, the woolen industry has been for years in a state of decay, and, while the ratio of the imports of foreign goods is continually increasing, the imports of foreign raw wool used in the Canadian woolen industry also increases to the displacement of the Canadian raw material while the Canadian grower of sheep has to ship his wool abroad for want of a market at home.

Will anyone who remembers the wearing qualities of the goods made by the Canadian custom woolen mill from Canadian wool deny that they were of intrinsically better value than the modern fabrics manufactured abroad? And if this is the fact, why cannot relations between the two interests be restored under modern conditions, especially when the creation of any sub-

sidiary manufactures within our own country would mean the finding of an immense home market for every product of the farm, not to speak of the special interests of the raiser of sheep?

We may be nearer a solution of this problem when we see the effects of the divorce which has taken place between the farmer and the woolen manufacturer.

The following statistics of the number of woolen mills, with their capacity in sets of cards, looms and spindles, are from the Canadian Textile Directory, editions of 1885, 1899 and 1907:—

| | 1885. | 1899. | 1907. |
|----------------------|---------|---------|---------|
| Number of mills..... | 240 | 270 | 217 |
| Sets of cards | 515 | 624 | 579 |
| Looms | 1,885 | 2,645 | 2,034 |
| Spindles | 107,870 | 194,086 | 188,254 |

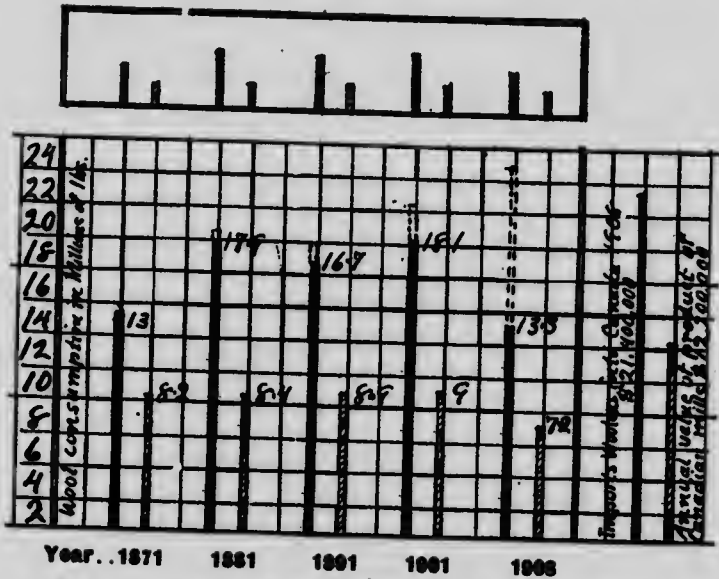
It will be seen that in the first period there was a growth, but not in proportion to the growth of population. In the second period the decline is more marked, and it is worse than appears on the face of the statistics, because in 1907 there were twenty of these mills standing idle whose total manufacturing capacity was 58 sets of cards, 328 looms and 14,876 spindles, and most of those idle mills have since been abandoned or converted to other uses.

Another aspect of the manufacturing situation is shown by the accompanying diagram of the production of wool on Canadian farms and the consumption of wool in the Canadian woolen mills, also the relation of the imports to the home manufactures. The reader may compare the progress of the two industries of wool-growing and wool manufacturing in Canada with the same in the United States. In the latter case where it is made a native industry by protecting the product of the farm as well as the product of the mill both have developed so as almost to displace foreign goods; in the other case the importation of foreign-made goods has grown to the enormous total of \$21,400,000, far exceeding the total value of Canadian manufactures; while

both wool-growing and woollen manufacturing have gone down hill in spite of the remarkable increase in the population and wealth of this country.

We see that from 1901 to 1908 the consumption of wool in the Canadian mills fell to a point almost as low as in 1871, when it was 13,000,000 pounds, while of the portion of this wool which was grown in Canada the total dropped by a million pounds, having fallen from 8,200,000 pounds in 1871 to 7,200,000 pounds in 1908.

The imports of foreign-grown raw wool into Canada range from 6,000,000 to 12,000,000 pounds a year, so that, roughly speaking, only about half the wool manu-



Black columns show consumption of raw wool in millions of pounds by Canadian mills. Dotted extension of these columns show further extent of Canadian wool displaced by importations of tops, noils, waste, rags, etc. The shaded columns show how much of this total consumption is grown in Canada. The total consumption is found by adding the amount of wool grown (as per census) to the total importations, less amount exported. The amount of the domestic product in Canadian mills is found by taking the amount grown, less the amount exported. The census returns do not give data for accurate calculations.

The top set of columns would show the quantities if exhibited on same scale as the chart of United States wool production.

factured in this country is the product of Canadian farms and ranches. The Canadian woolen manufacturer is himself at the same disadvantage in regard to his own industry, for the Canadian people only buy half as much cloth from him as they do from foreign manufacturers. Fifty years ago the very reverse was the case as regards both wool-grower and manufacturer, and the reverse is also the case in the United States to-day, where over three-fifths of the raw wool manufactured in the country is grown on the backs of American sheep, and where out of \$400,000,000 worth of woolen goods annually consumed, according to the census of 1905, \$380,934,000 were made in the country. Here is a strange contrast in the conditions of one of the primary staples of these two countries, for primary and important it is, whether we regard the sheep as a producer of mutton or wool. If Canadian wool or sheep had a poor reputation, this contrast would not be so surprising, but as we have seen, during the time wool was free in the United States Canadian wool was used in unprecedented quantities in the United States worsted industry, and so dependent was that class of manufacturers upon it that, in forming the new national tariff of 1865 a special exception had to be made in favor of Canadian wools by admitting washed wools as unwashed. This is the reason that Canadian wools pay a duty of 12 cents a pound instead of 24 cents, which they should have paid on the plan applied to wools of other classes, that pay twice as much when washed as when unwashed.

The Record in Sheep Raising.

There is the same contrast between the two countries in the record of sheep as in wool. This will be made clear by a study of the following table, compiled from the census returns of the two countries:—

| Canada | | United States | |
|------------|-------------|---------------|-------------|
| Year. | Population. | Year. | Population. |
| 1871 | 3,485,000 | 1870 | 38,558,000 |
| 1881 | 4,324,000 | 1880 | 50,155,000 |
| 1891 | 4,833,000 | 1890 | 62,947,000 |
| 1901 | 5,371,315 | 1900 | 75,994,000 |

| Canada | | United States | |
|---------|----------------|---------------|----------------|
| Year. | No. of horses. | | No. of horses. |
| 1871 | 836,000 | 1870 | 7,145,000 |
| 1881 | 1,059,000 | 1880 | 10,357,000 |
| 1891 | 1,470,000 | 1890 | 15,266,000 |
| 1901 | 1,577,000 | 1900 | 16,952,000 |
| Cattle. | | Cattle. | |
| 1871 | 2,624,000 | 1870 | 23,820,000 |
| 1881 | 3,514,000 | 1880 | 39,675,000 |
| 1891 | 4,120,000 | 1890 | 57,648,000 |
| 1901 | 5,576,000 | 1900 | 52,403,000 |
| Swine. | | Swine. | |
| 1871 | 1,366,000 | 1870 | 25,134,000 |
| 1881 | 1,207,000 | 1880 | 49,772,000 |
| 1891 | 1,733,000 | 1890 | 57,426,000 |
| 1901 | 2,353,000 | 1900 | 62,868,000 |
| Sheep. | | Sheep. | |
| 1871 | 3,155,000 | 1870 | 28,477,000 |
| 1881 | 3,048,000 | 1880 | 42,192,000 |
| 1891 | 2,563,000 | 1890 | 40,876,000 |
| 1901 | 2,510,000 | 1900 | 39,853,000 |
| 1905 | 2,100,000 | 1904* | 51,630,000 |

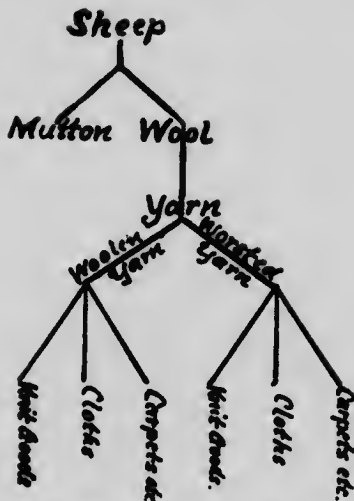
The increase of population of each country is shown in the first table and the increase of live stock in the others. It is remarkable that there is a fairly proportioned increase of every kind of live stock in these periods in the United States, and there is an increase in every class of live stock in Canada with the exception of sheep. In proportion to population Canada has more horses and cattle than the United States. So far from this being the case with regard to sheep, these animals have actually diminished by one-third since 1871; if they had increased in proportion to population in this period the number of head would be over 3,400,000; and if they had increased in the same ratio as horses and cattle the number would be over 4,000,000, or double the number actually existing.

*The National Association of Wool Manufacturers, in its report for 1909 placed the number of sheep fit for shearing in the United States at 42,293,205, an increase of 1,981,657, as compared with 1908. The wool production was estimated at 328,110,749 pounds, an increase of 6,863,137 pounds, as compared with 1908. Total value of the 1909 wool clip was \$88,829,746, as against \$61,707,516 for 1908.

Processes of Manufacture.

To find an answer to these riddles let us learn something of the processes of manufacture, the changes brought about within the last thirty or forty years by machinery, and the effect of tariff laws on both wool-grower and manufacturer. The pamphlet already quoted makes the ABC of the process of manufacturing clear to the ordinary reader:—

“The accompanying diagram shows the order in which the manufacturing processes are carried out, be-



This diagram shows the genesis of woolen and worsted fabrics and knitted goods. The main difference in the process of manufacturing woolen and worsted yarns is that the carding machine used in making woolen yarns tends to cross the individual wool fibres at every angle, which explains why woolen cloths are so easily felted or fullered. The combing machine, which prepares the wool for worsted spinning, separates the long fibres from the short and lays them parallel, and those fibres, being longer than in the carded wool process makes possible the spinning of a much finer and relatively stronger yarn. Hence the greater versatility of the fabrics obtainable by worsted spinning which is adapted to the coarsest as well as the finest yarns. “Tops” are the first product of the worsted combing machine, being the longest and best of the fibres drawn from long wools and used in spinning worsted yarns. Noils are shorter fibres of the same wool dropped from the comb to become material for spinning woolen yarns, etc.

ginning with the wool and omitting the preliminary steps of washing and scouring. From the sheep we derive our wool; from the wool we get our yarns, both woolen and worsted; and from the yarn we make our knit goods, cloths, carpets and other fabrics, whether wool or worsted, or woolen and worsted mixed. But our tariff system, built up under successive administrations, ignores wool altogether as a Canadian product—only \$6 being collected as duty in 1907 and none in 1908 under the clause providing for a duty of three cents a pound on wools of the Leicester type—while tops, noils, waste, rags and other forms of wool, largely derived from the very type of sheep grown in Canada, are admitted free. Under this system from 5,000,000 to 12,000,000 pounds of raw wool, over 2,000,000 pounds of yarns and several million pounds of tops, noils, waste and rags are brought in free, or under only nominal duty. It must be admitted that Canada does not now, and never will, produce merino wools of the fineness of the Australian product, nor do we produce the wools at the other end of the scale—the coarse, hairy, cheap Asiatic wools used in the carpet trade; but bear in mind that Canada is now not only a grower of long-wooled sheep, but raises a medium, fine quality of merino wool also, the climate of Alberta and Saskatchewan having proved as favorable to merino and cross-bred sheep as Montana and Wyoming."

Difference of Tariffs of United States and Canada.

It may here be explained that the principle of the United States woolen tariff—settled upon after seventy-five years of antagonistic legislation, alternating between a tariff wholly in the interests of the farmers and one wholly to the advantage of the manufacturers—is that the duties should begin with raw wool and those engaged in each successive stage of manufacturing up to the finished clothing should have an additional protection corresponding to the amount of labor devoted to the process. Whatever may be said as to the degree of protection afforded to some branches of the industry, the

principle is fair, as those engaged in every branch have some share in the protection to their labor, and the whole system is made national by being based on United States wool.

It is not so under the Canadian tariff. Here the farmer is excluded from all share in the benefits of the tariff, and consequently the industry has steadily lost the character of a native industry which it once had. Not only is raw wool free, but the materials of the first processes of manufacture are also free or else come in under a nominal rate of duty. It is manifest that every pound of tops and noils displaces a pound of Canadian wool, and it is equally manifest that no worsted manufacturer would pay the higher rate of wages in Canada and establish a worsted combing plant here to compete, under such conditions, with the cheaper labor of England or Europe. This explains why there are only three worsted combing plants in Canada, and why all of these import more or less of foreign tops to supply their spinning plants. And yet in other countries worsted manufacturing has made more progress in the last thirty years than the carded wool branch. The worsted industry of the United States, for instance, now consumes 261,000,000 pounds of raw wool per year, while the carded wool industry only consumes 157,000,000 pounds per year. Worsted manufacturing has also grown to be by far the larger industry in the chief textile manufacturing countries of Europe, such as Great Britain, Germany, France and Belgium. Keeping in mind the fact that the wools of Ontario and Eastern Canada are specially adapted to the worsted trade, and that the wools of the Western Provinces, though of different character, are also quite adaptable to the worsted trade with modern machinery, the reader will cease to wonder why the Canadian farmer is forced to ship so much of his wool to the United States under the handicap of the tariff, and why the Canadian woollen manufacturer goes across the seas to get wool, tops, noils, shoddy and rags which displace Canadian products of the same class. It is, no doubt, true, as manufacturers have often pointed out, that Canadian farmers have been at fault in not taking more care

of the sheep, in not keeping the fleeces clean, in not properly grading the wool, in careless packing and in the use of binder twine, which gives so much trouble when the wool goes into the mill; but if every fleece of every farm in Canada were perfect the sheep and wool interests could never under the present tariff develop in harmony as a great national industry such as they have in other lands.

Again, both woolen and worsted yarns are admitted under a duty of $12\frac{1}{2}$ per cent. under the preferential tariff where used in knitting and other factories; and every pound of yarn displaces more than a pound of Canadian wool. Of these yarns 2,360,547 pounds were imported in 1908. It is, therefore, only in the last stage in the manufacture of woven and knitted goods that the duties become effective. The protection on knitted goods in general is 35 per cent. under the general tariff and $22\frac{1}{2}$ per cent. under the British preferential tariff; hosiery, 35 per cent. under the general and 25 per cent. under the preferential; flannels and blankets, 35 per cent. and $22\frac{1}{2}$ per cent.; carpets, 35 per cent. and 25 per cent.; woolen and worsted goods in general, 35 per cent. and 30 per cent., and woolen clothing, 35 per cent. and 30 per cent., the first figures in each case indicating the rate under the general tariff, and the second under the preferential tariff. It is a common misconception to speak of the duties on woolen goods as being on the above scale, but it will now be incontestably plain that, from the standpoint of the Canadian farmer and general consumer, and so far as they secure to Canadians the supply of the raw material, the conditions are: Free Trade in the first two stages of the manufacture—that is, the preparation of the wool and the manufacture of tops and noils—and a duty of $12\frac{1}{2}$ per cent. in the third main process of manufacture. These elementary facts should be kept in mind, because when tariff changes are asked either by the wool-growers or the manufacturers such changes are objected to on the ground that they are against the interests of the consumer. It is precisely because it will be in the interest of the general public that the present tariff needs a radical reconstruc-

tion. It is said by some that wool is raw material. True, it is raw material to the woolen manufacturer, but it is the farmer's finished product, on which he also has expended labor. As soon as labor is spent on an article it ceases to be raw material.

Inequalities of the Tariff.

While the worsted industry lies still-born and the woolen cloth industry is suffering paresis, the knit goods industry has developed because of the exceptional treatment it has received at the expense of the Canadian wool-grower. This is not because the knit goods manufacturers have too much protection for their branch, but because the other branches have too little, and because the duties in one branch have no sequential relation to duties in the other. A part is not greater than the whole, and, as all these branches combine to form one unit based on wool, one link cannot be disconnected without spoiling the chain. On this phase of the question the "Canadian Textile Journal" says:—

"Let it be observed that the Canadian knit goods industry has attained its present development because of a twist in the tariff. The more thoughtful of those in the knitting industry know that a house on such an unsound foundation must tumble sooner or later, and that until the tariff is so re-cast as to give to the woolen industry an all-round development, there is no security for any portion detached as it is from its true base. As soon as the woolen branch is demolished the forces that are now working for its destruction will be concentrated on the knit goods industry and the clothing trade, taking each in detail.

"During the past three years about twenty woolen mills have abandoned the manufacture of woolen cloth and gone either wholly or partially into knitting, while a number of new knitting mills have been started. If this process goes on, a point will soon be reached when over-production will be a serious trouble. That the new form of foreign competition hinted at is gathering strength may be inferred from the following figures of the imports of knitted goods into Canada in the past four years:—

Imports of Knitted Goods.

| | 1904. | 1908. |
|--|-------------|-------------|
| Woolen knit goods, not other- wise provided | \$ 240,177 | \$ 676,743 |
| Socks and stockings | 871,903 | 1,379,317 |
| Undershirts and drawers..... | 146,985 | 206,829 |
| Stockinette | 70,826 | 103,270 |
| Cotton socks, stockings, etc.. | 234,481 | 594,663 |
| Cotton undershirts | 19,952 | 74,077 |
| | \$1,584,324 | \$3,034,899 |

This shows that the imports of knitted goods into Canada have nearly doubled in four years, and would have much more than doubled but for the German surtax."

The "Journal" gives the opinion that if the German surtax were removed the knitting industry would be in the same predicament as the woolen cloth industry is.

The present textile tariff is unjust also to the clothing manufacturer, because, although he expends a considerable amount of labor on advancing the process from the cloth to the finished garment, he has no more protection from foreign competition than the manufacturer of the cloth, the duty on clothing being 35 per cent. under the general tariff and 30 per cent. under the preferential. This is one explanation of the increase in the importation of foreign ready-made clothing, and as soon as the British manufacturer of this class of goods introduces the rapid-cutting system and the high-speed machinery of the United States he will do in the Canadian clothing trade what has already been done in the woolen trade. The situation in this branch is thus outlined by the "Canadian Textile Journal":—

"In the earlier days of ready-made clothing manufacturing in Canada there was a more intimate connection than now, for Canadian tweeds were to a much more general extent the basis of the ready-made industry, and the consuming public had not yet ceased to demand the substantial home product, which could be known by its distinctive patterns. The same tariff aberrations that

caused the woolen manufacturer and the Canadian wool-grower to drift farther and farther apart have also led the woolen manufacturer and the manufacturer of ready-made clothing into divergent paths, until now in some cases there is class antagonism, and all along the line the old bonds are loosened. The clothing manufacturer could not be blamed for this change, for under the preferential tariff cloth that looked as good as the better fabrics of earlier days, and yet could be bought so cheaply, formed the basis of a profitable trade, and in the recent years of general trade expansion everything 'went.' The pendulum is now swinging back. Later in time, but no less certain in result, the clothing manufacturer will find himself subject to the same law which has led the woolen manufacturer through such vicissitudes during recent years. It is only a question of time when the British and foreign manufacturer of clothing and ladies' wear, having already cheaper raw materials, and the still greater leverage of ill-paid labor, will adopt the high-speed machinery and rapid-cutting methods of Canada and the United States, and then the Canadian clothing manufacturer will be crying the loud and bitter cry of Mordecai at the King's Gate. That this succession of causes is already in operation is apparent from a comparison of the imports into Canada of ready-made garments in 1904 and 1908, taken from the trade and navigation returns:—

Canadian Imports of Clothing.

| | 1904. | 1908. |
|-------------------------|-------------|-------------|
| Woolen clothing | \$1,472,333 | \$1,633,570 |
| Cotton clothing | 575,744 | 1,062,755 |
| Blouses and waists..... | 36,643 | 119,331 |
| | <hr/> | <hr/> |
| | \$2,084,720 | \$2,815,656 |

"These figures have an ominous significance to the Canadian manufacturer of ready-made garments, and, strange as it may seem to the outsider, the United States clothing manufacturer, operating under high tariff conditions, is cutting an important figure in this trade."

Under a reformed textile tariff the clothing industry would expand and a greater proportion of men's, women's and children's garments be made in this country.

Substitution.

Another evil that has grown up under the present tariff is the substitution of cheap, foreign-made goods for Canadian. To satisfy the demand for variety in styles and patterns the Canadian manufacturer now produces an infinitely greater variety of goods than formerly—though in doing so for a limited home market it still further diminishes his profit—and many mills now offer in a single season from 500 to 1,200 patterns. As it is, therefore, no longer possible for the consumer to identify Canadian goods, the way is open to a dealer or manufacturer to sell classes of cheap, foreign goods that look well but wear ill as Canadian, and dispose of the better class of Canadian goods as foreign. The extent to which this is carried on would scarcely be believed by those not actually in the manufacturing business; but it is a matter of common occurrence for a manufacturer to positively identify in tailors' and clothing manufacturers' establishments goods made in his own mill which are offered as imported goods. In many cases, of course, the tailor or clothing manufacturer will not know the difference, as he will have bought the cloth in good faith. On this subject, Mr. T. D. Wardlaw, a gentleman of long experience as a handler of wool and a former manufacturer, speaking at the Guelph Winter Fair in December, 1908, said:—

“The wools grown in Canada should, as far as possible, be manufactured in Canada, and, gentlemen, I want to tell you that Canadian woolen and worsted mills can, and do, make as good cloth as are imported. I have samples here from several of our leading mills as an object-lesson, and you will readily agree with my assertion. It is a crying shame and disgrace for our merchants to use as a crowning argument in effecting a sale: “This is an imported article.” I went into a clothing store in Toronto a few weeks ago to look at overcoats. Was shown one at \$19; asked what mill in Canada made

the cloth. The answer I got was: "We only handle imported cloth." It was Canadian-made. . . . One of our leading manufacturers told me last week of going into a merchant tailor's shop in his own town where he was shown the very latest things in imported tweeds, just received. "Why couldn't Canadian mills make goods like these?" Out of the twenty pieces on exhibition, thirteen of them were my good friend's own make, and he could not say anything for fear the merchant would row with the wholesale firm from whom he bought, and they in turn would cut out the manufacturer. This is much more prevalent than you are aware of."

On this prevalent wrong the "Canadian Textile Journal" recently said: "There is no line of home manufacturing that has suffered for the past thirty years from such a campaign of detraction and belittlement as the textile trades, especially the woolen manufacturers. The merchant tailor has a profit three times as great on a suit of clothes made from imported goods as on cloth of Canadian make. The direct importer of woolens and the manufacturer of woolen clothing also gets a better profit from imported cloth. There is thus a powerful temptation not only to decry Canadian goods and to recommend imported fabrics, but to represent the better class of Canadian woolens as imported. Merchant tailors and importers, as a class, are no doubt as honest as the average business man, but the disinterested observer will conclude that even if they did not habitually decry Canadian goods, no large percentage of these men could be expected to be active partizans in favor of goods which would diminish their own profits."

The Farmer's Home Market and the Cost of Goods.

On the woolen goods imported annually to the amount of from \$18,000,000 to \$22,000,000 the people of this country pay duties amounting to five to seven million dollars a year. If this is a "tax," why not have absolute free trade in woolen fabrics and extinguish the woolen, knitting and carpet mills, and let the farmer find a foreign market for the produce he sends to our towns where textile manufacturing is carried on, and let him

sell all his wool in the United States and England at such prices as he may get? But if the tariff is to be abolished on wool products in which the farmer has a specific interest it should also be abolished on iron and other products in which he has no specific interest. Again, if the duty on imports of woollens is a tax, is it any the less a tax on iron and steel manufactures, or the hundred other articles on which we impose duties? Let us be fair and face this question honestly. If Abraham Lincoln's homely illustration, given elsewhere, shows that, under the conditions ruling in this continent, the abolition of all duties would lose to the United States farmer his home market, which is his best market, what could happen otherwise to the Canadian farmer? If all Canadian manufactures that are now protected by duties were wiped out, the operatives turned away and the home market for farm produce thus reduced, would the Canadian farmer obtain any more for his grain, vegetables and live stock in the foreign market than he gets now? Would a farmer living, say, between Galt and Guelph, be any better off in the sale of his products if one of those two towns were swallowed by an earthquake? Applying this on the larger scale, the Canadian farmer has now two markets, the home and the foreign. Will he benefit by reducing his choice from two to one?

The Canadian farmer and consumer have had a partial application of this principle already. It is said that an increase in the protection to Canadian woollens would increase the cost of clothing to the poor man. If so, then the reduction of duties that has actually taken place has given the poor man cheaper clothing to-day. Has it? The facts given on page 51 show that clothing is dearer in Canada than before the preferential tariff was put in force. It is true that the cost of living in general has increased in this period, but if the preferential tariff would cheapen the poor man's suit, there should at least be a favorable difference in the case of clothing, which there is not, as will be seen by a comparison of this commodity with others. As a matter of fact, the poor man now gets poorer clothing, with more shoddy in it, at a higher price by 15 to 30 per cent. than

before the present tariff was put in force, for we know that the old Canadian tweed suit outlasted three of the present day.

Questions of Policy.

Let us again examine this question as to whether the duties on woollens are a "tax," and if so, who is paying the tax?

If a worsted industry were established and the woolen industry reorganized, it is believed that the great increase in the home industry would so lessen the imports that the revenue of \$5,000,000 to \$7,000,000 now derived from customs dues on woolen and worsted goods would be reduced, and if the new duty were high enough no doubt this would be the case. Now, if these duties on woollens are a tax, and this tax is reduced, will the consumer not be the gainer? And if it be objected that such high tariff might raise the cost of clothing at home, how is it that under a tariff three times as high as our own the United States manufacturers are able to produce clothing at an average price so much lower and so much better in quality as to be able to ship these goods into Canada over our present duties in ever-increasing quantities as we shall see is the case? If the present woolen duties are not a tax, then there should be no objection to broadening the industry so as to give the farmer a share of the benefit. If they are a tax, then such a reform of the tariff as will compel the manufacture of more fabrics in Canada and compel the woolen mills to buy more of their wool in Canada will cut down that tax by reducing the dutiable importations.

A large body of public opinion has been favorable to the development of a Canadian iron and lead industry, and the Government has added bonuses to the protection given for this purpose. If the Government has paid over \$14,800,000 in cash bonuses to create an industry in which the farmer has no specific interest, why should it not adopt a policy that will restore the dying sheep industry and lead to the investment of millions of fresh capital, at the same time giving the poor man better value in the fabrics he wears?

The situation to-day in the woolen industry is the same as that in the iron and steel industry some years ago. After some years of tariff experimenting by both political parties it became clear that the only tariff that would develop a native Canadian iron trade must begin with the prime raw material, that is, the ore in the ground, and so the present Government not only maintained and readjusted the duties on iron and steel in its various stages of manufacture, but super-added a bounty on the ore produced in Canada. Whether bounties are wise or unwise, the principle of beginning the protection with the prime raw material is rational. Up to the present year a total of \$14,803,074 cash has been paid out of the public treasury in bonus to the iron and lead industries, besides the protective duties. If this has been done in the iron trade, why should it be refused to a trade which is of greater magnitude in the leading manufacturing countries of the world, and the raw material of which is the product of the farmer's own labor?

And this leads one to another matter in which justice might be done to the sheep industry. Years ago, following a convention of dairy farmers at Ottawa, the Dominion Government published large quantities of literature on the advantages of a Canadian cheese and butter industry and the improvement of breeds of cattle. At that time Canadian cheese had to be sold under the name "American" to find favor in the British market. To-day, as a result of this campaign of education, the Canadian dairy industry has so developed that Canadian cheddar and cream cheese have a reputation all over the world, and some United States exporters now actually adopt Canadian place names in order to help their trade abroad. Many thousands of dollars have been spent by the Dominion Government, under the administration of both parties, for the promotion of the horse, swine and other animal branches, but beyond the publication of the interesting bulletin on sheep by J. B. Spencer last year little, if anything, has been done specifically by any Federal Government in interesting the farmers of Canada in sheep.

Reasons for Reform.

There are three main reasons, among others, why a change in the wool tariff will be to the general advantage of Canada, and in weighing these reasons the reader will keep in remembrance that this country does not now—and neither great political party has yet proposed that it shall—raise its revenues by direct taxation, but by customs duties of a more or less protective nature. Hence, no matter what is done with the woolen tariff—whether wool and woolen goods of all sorts are placed on the free list—the people of this country are already living under the conditions of protectionist countries as to wages and the cost of living, and the chief questions in any change in the woolen schedule are, Will a tariff on raw wool and a readjustment of the duties on the general principle of the United States tariff increase the cost of woolen goods to the consumer or be of advantage to the country?

1. Such a tariff reform will not raise the cost of goods to the consumer, taking real values into account.

2. It will restore a branch of farming of highest importance to the nation, and re-create an industry which, in other manufacturing countries, is of greater magnitude than any other group of industries.

3. It will make the country self-sustaining in supplying its people with a prime necessity, without which it would be liable to great suffering in time of war or other disturbance of trade.

Prices of Clothing in Canada and United States.

As to the first assertion, few will dispute the statement that the wearing qualities of Canadian tweeds, flannels and other woolen goods made under the old system from Canadian wool were better at a given price than the goods of the present time. Even if, modern conditions are held to require the use of more shoddy and other fibres than wool in cheap goods, those admixtures will of necessity be all the more serviceable when remanufactured of rags from Canadian wool, as has been proved to be the case in the United States. Though the United States woolen tariff is at some points unneces-

sarily high, yet the cost of ready-made clothing there is lower than in Canada, and the average quality of the cheaper goods better than Canadian goods made from imported cloth. Any impression to the contrary is founded on a misunderstanding of the situation there. It is true that if a tailor-made suit from really imported cloth is bought in the States its cost is very high compared to Canada, but it has already been shown that less than four per cent. of the cloth used in clothing is imported, so that suits from foreign goods are the rare exception and not the rule. Not only is ready-made clothing cheaper in the States than Canada, quality for quality, but the average ordinary tailor-made suit from American cloth is also cheaper. This was shown in the following evidence supplied by an investigator last year, and this evidence can be tested by anyone who will take the trouble to purchase copies of Canadian and United States papers of the same dates and compare the announcements in the advertisements.

In the Chicago "Daily News" of May 27th, 1909, there were the following advertisements of clothing firms:—

Felix Kahn & Co. advertised \$450,000 worth of clothing, among the items being a line of "substantial woolen suits—coat, pants and vest—all complete and all alike, materials mostly fancy tweeds and cassimeres, all sizes, at \$2.98. Another line in more fashionable colorings at \$4.95, and another line "in delicately shaded velour cassimeres and tempting pure worsteds" at \$7.95.

Mandel Brothers advertised "strictly all-wool velour cassimeres and fine worsteds" at \$10 a suit, and another line at \$5 a suit, along with men's trousers at \$1.35 and \$1.85.

Seigel Cooper & Co., the well-known departmental store, offered 1,400 suits in fancy worsteds, blue serge, black Thibet, gray worsted, tweed, cheviot and cassimere at \$6.95 a suit, these suits being "excellently tailored, serviceable materials, fine linings and trimmings, and perfect fitting."

Rothschild & Co. offered all-wool suits in chevots, cassineres and worsted, all sizes, at \$6.85, and boys' two-piece suits at \$1.65, \$2.45 and \$2.85.

The Boston Store, of Chicago, advertised a consignment of Browning, King & Co.'s men's clothing at \$7.50 and \$9.98, and boys' "D.B. suits" at \$2.98 and \$3.98.

Lloyd's Bargain Store advertised men's pants, made by the Cleveland Woolen Mills at 98 cents and boys' two-piece suits at 49 cents, "every suit warranted fast colors."

Carson, Pirie, Scott & Co. offered boys' suits "with extra knickers" at \$2.95.

The Hub (Henry C. Lytton) advertised "pure all-wool, fast-color blue serge suits" at \$6.50 to \$8 and boys' "all-wool knickerbocker suits" and cassinere suits at \$1.75 to \$2.50.

Hillman advertised boys' wash suits at 98 cents and boys' all-wool, fast-color blue serge suits at \$3.75, and men's suits "of best patterns" at \$6.85 to \$9.90.

In the Toronto "World" of May 27th, 1909, there were two advertisements of clothing—the Robt. Simpson Co. and the T. Eaton Co. The former advertised men's three-piece suits, regular \$9.50 and \$10.50 at \$6.95, and the latter offered summer suits, "very light tweeds," regular \$8.50 to \$10.50, at \$5.95. In the evening papers of this day and the day before there were also advertisements of J. F. Brown announcing fancy suits at \$25; English tweed, \$22.50; two-piece suits, \$10 and \$15.

In the Montreal "Star" of May 27th Blumenthal advertised boys' tweed pants, regular 75 cents, cut to 37 cents; boys' three-piece suits in fancy tweeds, regular \$6.50, cut to \$2.98; boys' Norfolk suits, fine tweed, regular \$4, cut to \$1.98.

Ogilvy's advertised boys' Norfolk suits, with knee pants, fine imported tweed and homespun, all sizes, regular \$4 to \$5, cut to \$2.98.

Morgan's advertised navy blue serge suits, regular \$25 to \$28, cut to \$14.

Scroggie advertised (May 26th) men's three-button sack suits, regular \$12, for \$7.98, and Carsley's announced Buster Brown suits at \$3.35 to \$4.15.

Currie's advertised blue serge suits at \$19 to \$18, and boys' suits and top coats at \$2.50 to \$10.

Taking the extremes of low prices, we have boys' pants in Montreal at 37 cents against a two-piece suit in Chicago at 49 cents. The general range of prices for corresponding goods appears to be lower in Chicago.

There are over fifty towns in Ontario where one or more clothing dealers regularly make a specialty of clothing of United States make, and at the Christmas sales of 1909 half the clothing in one of the retail stores of Toronto was advertised as of American make. Our own trade returns show that woolen goods to the amount of \$737,794 were imported into Canada from the States in 1909 paying duty, an increase of over \$100,000 over the figures of 1906, and more than \$200,000 over those of 1905. If these goods are not considered better by the Canadian purchasers, how is it that United States manufacturers are able to ship them here and pay the duty in competition with our own goods and with European goods, and why is it that this trade is an increasing and not a diminishing one?

Tailor-made Suits—Canada vs. United States.

A correspondent of the "Canadian Textile Journal" investigated the question of clothing prices in Canada and the States in July of 1909, and the following are the conclusions of the paper:—

Our correspondent has not confined his enquiries to the question of prices of ready-made clothing in the United States, but has been investigating the prices of tailor-made suits in Western cities. Among the cities visited were Chicago, St. Paul, Minneapolis, Milwaukee, Grand Rapids, Moline, Davenport, Decatur, and several smaller places, ranging in population from 2,000 to 20,000. Talking with tailors, and noting the prices in hundreds of tailors' show windows, he was surprised at the low range of prices for made-to-order suits of unquestionably high quality. In every one of these places he found tailors of good repute, with shops of a style denoting prosperous trade, who offer to make suits from high quality cloth and trimmings at prices

from \$14 to \$25 per suit. Within this range of prices there were more suits offered at under \$20 a suit than over \$20; and these quotations were not a special "hargain day," or "moving sale," or "retiring from business" sale, hut the regular prices available to the customer, month in and month out. The styles, the shades, and the finish of these fabrics compared favorably with the goods shown by the better class of Canadian tailors.

Here, then, is a striking series of comparisons, and it would he w'l if a commission, appointed by the Canadian Government, or sent by the woolen manufacturers and farmers of Canada, went to typical cities to confirm these findings of our representative, and then the people could sit down and calculate what this country is losing annually: in income to the Canadian farmer, in profitable employment for the people all the year round, and in good service to the consumer in an industry of national dimensions.

While on the subject of the tailor, our correspondent was struck by the difference in the attitude of the average United States merchant tailor towards the textile industries of his own country. Instead of decrying the products of American woolen mills and attempting to make his customers believe that there is no mystery so deep as the manufacture of woolen cloth, and that none but a foreign manufacturer can fathom it, he frankly admits that American-made cloth is better than any other in the world. He may admit that under free trade some lines of goods might come in cheaper, hut, as one of them said to our representative: "The difference in the price of the cloth, and, in fact, the whole cost of the cloth in a suit, does not decide the advantage or disadvantage of protection. The chief cost in the suit is the element of lahor, and the American tailor is protected in his lahor, while we know that the woolen and worsted mills of the country employ an enormous capital and a vast army of people, without whose custom, along with that of people employed in other industries, where would our own husiness drift to?"

Anyone who compares the spirit of this philosophy with the perpetual sneer and the groundless slander that rise from the lips of a large proportion of the Canadian tailoring fraternity regarding the products of the mills of his own country will understand why one country has gone ahead in this field and the other is where it is. The American tailor is content to see the labor of other industries protected as well as his own. Too many of our Canadian tailors will fit out a customer with a suit of good Canadian

cloth, sold as imported, and by this systematic slander will get an extra \$5 or \$10 from his customer, who is, of course, confirmed in his prejudice when his suit of imported cloth (made in Canada) wears so well. A tariff which will give Canadian-made cloth to the Canadian people will make such deception impossible. Under a tariff that puts the American industry in American hands such a slander is self-exposed. With protection that protected, it would be so in Canada.

The Food Value of the Sheep.

The second reason sets forth the value of sheep and wool to a nation. As a food mutton is the safest meat available to mankind. It has been so esteemed by the most intelligent peoples of ancient times; but it has remained for modern science to demonstrate it by chemistry and the microscope. The report of the United States Department of Agriculture for 1905 shows that of 6,000,000 cattle inspected 11,000 were found to be tuberculous, of 25,000,000 hogs 207,000 were tuberculous, while of 8,000,000 sheep inspected only 27 were tuberculous. In other words, only one sheep in every 291,580 is afflicted with tuberculosis, while there are 555 head of cattle and 2,390 head of hogs in the same number tainted with the germ of consumption. It is believed by some that the reason why the Jews have such a record for longevity is that they are a mutton-eating rather than a pork or beef-eating people. Canadian mutton and lamb take high rank with any in the world for flavor, and incidentally a policy of protection to Canadian wool would lead to a large trade in the export of Canadian frozen mutton. There are large tracts in almost every Province where the soil and the broken nature of the country would make sheep-raising more profitable than any other form of farming, especially if the added value of a protective tariff was given to the wool. Such a duty, with a readjustment of the duties on manufactured goods, would make the textile industry the greatest in the country, employing millions of fresh capital and more labor, thus creating a new and great home market for all other produce of the farm. The rise of the cities of New England, the Middle West and the Western States show how this policy has operated there, while its effect on farming has been equally noteworthy. There are nine

States in the American Union which now have more head of sheep than there are in the entire Dominion. This is shown in the following table:—

| Number of Sheep. | |
|--------------------|-----------|
| | Head. |
| In all Canada..... | 2,100,000 |
| In nine States:— | |
| California | 2,563,000 |
| Idaho | 3,121,000 |
| Michigan | 2,747,000 |
| Montana | 6,170,000 |
| New Mexico | 4,899,000 |
| Ohio | 4,020,000 |
| Oregon | 3,040,000 |
| Utah | 3,818,000 |
| Wyoming | 5,099,000 |

Effect on Income of the Farmers.

The effect of the policy on farming developments in some of these States is remarkable. Michigan, for example, is a State relatively insignificant in geographical area, with a climate and soil just the counterpart of South-Western Ontario, yet Michigan alone has 647,000 sheep more than all Canada. Ontario in 1907 had 1,106,000 head, or less than half as many as Michigan. Take also the case of Ohio. At the time the tariff of 1865 was put into force there was not enough of the combing wool, such as grown in Canada, to keep a single worsted mill in the States running, while in Ohio, for instance, the quality and yield of wool per head was below that of Ontario. Now, Ohio has over 3,000,000 head, and the combing wool of that State far surpasses Ontario wool in quality, while in total quantity Ohio exceeds the product of all Canada. Montana now raises over 6,000,000 head of sheep, and the wool of that State brings an average of 10 to 15 cents a pound more than wool of the same quality and from the same breed of sheep grown just across the border in the Canadian Province of Alberta.

In the summer of 1909 the American Woolen Co., of Boston, bought 25,000,000 pounds of wool in Montana alone, paying 27 cents per pound for "fine staple," 29 cents for half blood, 30 cents for three-eighths blood, and 24 to 25 cents for clothing wools. A despatch from Alberta, Canada, in the same season, reported the wool

clip of that Province to be about 400,000 pounds, and the best price bid was $13\frac{1}{4}$ cents a pound. The wool clip of Montana is 40,000,000 pounds a year, and thus at a difference of only 10 cents a pound the sheep-raisers of that single State would make over \$4,000,000 more than would be made by the same number of ranchers in Alberta. These are concrete illustrations of the advantage of a home market.

Abraham Lincoln on Relation of Farmer and Manufacturer.

Abraham Lincoln, whom the world recognizes as a man of homely common sense, illustrated the operation of the law of mutual dependence between the farmer and the manufacturer in a country like the United States. "He compared the case of a Pennsylvania farmer and a Pennsylvania iron implement maker whose properties adjoined. Under a protective policy the farmer supplied the ironmaker with bread, meat, vegetables, fruit, fodder for horses, etc., and the ironmaker supplied the farmer with all the iron, iron implements, etc., which he needed. Assuming that a change is made and the Protective policy abandoned, the farmer then discovers that he can buy his iron implements cheaper from Europe than from his neighbor, assuming that he sells a sufficient quantity of flour in Europe to enable him to effect the purchase of the iron. He ultimately discovers that the cost of carriage to the coast, transportation by sea to England, insurance and cartage on arrival, does not enable him to receive such a good reward for his labor as he formerly did when selling his flour to his neighbor, the ironmaker. He, therefore, determines to sell his flour as before to his neighbor. But meantime the farmer discovers that while he has been purchasing his iron implements from Europe his neighbor, the ironmaker, has been compelled to stop his works and dismiss his employees, not having sufficient work for them. The farmer, therefore, now finds that he has more wheat than he knows what to do with; also, that he is no longer able to sell his fruit, vegetables fodder, meat, horses, etc., to his neighbor, the ironmaker, as he has gone out of business. In fact, he finds that through buying abroad

in the cheapest market he has destroyed the home market for his own products and thrown a number of his fellow-countrymen out of employment."

Clothing Prices Since 1896.

The manner in which Lincoln's theory has worked out for the Canadian farmer is shown in the results on clothing prices. It was believed that a reduction in the tariff would give the consumer cheaper clothing, but the "Canadian Textile Journal" gives the following record of prices in Toronto before the preferential tariff and since:—

Clothing Prices—From Files of Toronto Daily Papers, 1896, 1896, and 1907.

1896.—Throughout November and December the T. Eaton Company continuously offered ready-made 4-button all wool tweeds with best Italian cloth linings, sizes, 36-44 at \$6 to \$7.50.

1896.—Throughout November and December the R. Simpson Company advertised ready-made all wool 4-button sack suits of English and Canadian tweeds at \$5.99, \$6.49, and \$6.99.

1905.—Throughout November and December the T. Eaton Company continuously advertised same classes of ready-made suits at \$10.50, \$15, and \$18.

1905.—Throughout November and December the R. Simpson Company advertised same class of suits at \$9, \$11.75, \$14, and \$16.

1907.—Eaton and Simpson advertised early in November all-wool and worsted winter suits, sizes 36-44 at \$12 to \$14, but later advertised in December towards Christmas manufacturers stocks at slaughter prices of \$7.95 to \$8.59.

The Displacement of Canadian Wool.

The effect on the sheep farmer's product in wool under existing conditions is shown by the same journal as follows:—

"While nominally there is a duty on wool in our tariff, in effect it is free, and not only is foreign wool imported to the extent of 6,000,000 to 12,000,000 pounds, but tops, noils, yarns, etc., to a total of 5,000,000 pounds come in free or under a nominal rate of duty. Rags and other waste material make up another million pounds (also entering in free to displace Canadian wool), while woollen goods in the manufactured state displace another ten or twelve million pounds of wool and displace over \$20,000,000 worth of Canadian goods. And still more regrettable, because we have no worsted industry for

which Canadian wools are specially adapted, Canadian sheep-raisers have to export to the United States the wool, under the handicap of the United States duty, which should all be worked up in Canadian mills. In one year this export reached over 7,000,000 pounds. If conditions were right for these industries in Canada there would be a market for the consumption of over 26,000,000 pounds of raw wool more than is now consumed, which would mean an average annual amount of \$4,700,000 in the pockets of Canadian farmers which now goes abroad." This is taking wool at the present price, but under such a policy the Canadian farmer would get a better price for his wool, and, as is the case in the States, all his wool would be consumed in the home market.

"The benefit of a thriving sheep industry is not confined to these aspects of the case, for we have the enormous possibilities of the export trade in mutton to foreign countries. Every year the Argentine Republic alone gives to the British market nearly one and one-half million hundredweight of frozen mutton, while Australia ships still greater quantities to the Motherland, the exports from the Commonwealth and New Zealand being 2,000,000 cwt. in 1905, and over 2,800,000 cwt. in 1907. The last-named item alone amounts to over \$25,000,000 in value, so that our farmers scarcely yet realize the prospective importance of this trade when combined with the worsted and woollen industries."

The third proposition should be self-evident, but it may be well to point out that of all fibres, animal or vegetable, wool is not only the greatest retainer of heat, but it excels all other fibres in the capacity for both absorbing and conveying away the perspiration of the body or other moisture with less danger to the health. The importance of wool clothing in a country like Canada, having extremes of heat and cold, will not be questioned. Moreover, wool manufacturing in its various branches forms a suitable permanent indoor occupation for the Canadian winter months.

As the keeping of sheep was an occupation of the very first human family, so wool, on or off the pelt, was one of the first materials of human clothing, and it will no doubt continue to be essential to the end.

