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The Farmers' Home Market

—BY—

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Jack Canuck—Are you coming over here to manufacture your goods?

Uncle Sam—Yes, Johnny, but not till you raise your fence so's I can't step over it like I kin now. See!

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THE FARMERS' HOME MARKET.

The three great Canadian crops that can be most cheaply handled by railways and steamships are wheat, oats and barley. The Statistical Year Book, issued by the Dominion Government, gives the quantity of these produced in Ontario, Manitoba and the Northwest Territories for the year 1902. The statistics of farm production for Quebec and the Maritime Provinces for that year are not given in the Year Book. The figures for Ontario and the Northwest are as follows :

	Wheat	
Ontario	26,081,693	bushels
Manitoba	53,077,267	"
Northwest Territories	13,956,850	"
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Total	93,115,810	"
	Oats	
Ontario.....	106,431,439	bushels
Manitoba	34,478,160	"
Northwest Territories	10,661,295	"
	<hr style="width: 50%; margin: 0 auto;"/>	
Total	151,570,894	"
	Barley	
Ontario	21,890,602	bushels
Manitoba	11,848,422	"
Northwest Territories	870,417	"
	<hr style="width: 50%; margin: 0 auto;"/>	
Total..	34,609,441	"

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The Trade and Navigation Reports show that the total Canadian wheat exports to all countries for 1902 amounted to only 26,117-530 bushels and that 1,086,648 barrels of flour were exported. Assuming that it takes $4\frac{1}{2}$ bushels of wheat to make a barrel of flour, the Canadian exports of wheat and flour would together require 31,007,446 bushels of wheat. Only 457,117 bushels of Canadian barley and 5,030,123 bushels of Canadian oats were exported. That is Ontario and the Northwest produced three times as much wheat, thirty times as much oats, and forty-seven times as much barley as the whole Dominion of Canada exported. What became of the balance of these crops? They were consumed in Canada. The home market for these farm products was therefore of much greater value to our farmers than all other markets. This being the case, with crops so easily transported and so easily preserved in good condition as wheat, oats and barley, it is evident that for perishable farm products such as fruits, vegetables, butter, eggs, etc., the home market must be absolutely indispensable to our farmers.

In 1902 the United Kingdom imported from all countries 151,061,654 bushels of wheat and 10,907,791 barrels of flour, so that

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the British imports of wheat and flour from all countries were equal to about 200,146,713 bushels of wheat. Last year the Canadian Northwest produced 67,034,117 bushels of wheat. Therefore it would only take about three times as much wheat as was grown in the Canadian Northwest last year to supply all Britain's present requirements even if imports from all other countries were shut off. The acreage devoted to wheat culture in the Canadian Northwest was 2,665,698 in 1902 as compared with 1,870,260 acres in the year 1900, an increase of over forty-two per cent. in two years. The homestead entries for the year ending June 30, 1903, numbered 31,002 as compared with 14,289 for the year ending June 30, 1902, and there is reason to believe that the annual influx of settlers will steadily increase, as the people of the United States and Europe have just discovered the Canadian Northwest. It has been estimated that there are in our Northwest 200,000,000 acres of land capable of producing wheat. Professor Macoun, the eminent botanist, who has made a most careful study of the climate and soil of the whole Canadian Northwest, estimates that after deducting lakes, rivers, swamps and bad lands there are at least 150,000,000 acres of

land suitable for growing the very finest grades of wheat, that is over fifty-six times the area planted with wheat last year. With the same yield per acre as last year that acreage would yield about 3,754,000,000 bushels of wheat, that is over eighteen times as much as Britain now imports. Taking into consideration the extraordinary development that is now going on in the Canadian Northwest and the rapid increase in the acreage devoted to wheat culture, it seems probable that in a very few years our Northwest will produce more wheat than Britain now imports. As the United States has large quantities of wheat for export and there are a number of other wheat producing countries, there is danger that Canadian farmers may have a surplus of wheat on their hands unless the home market is developed by the encouragement of manufacturing industries.

The farmers of the United States last year produced 670,063,000 bushels of wheat, of which about 75,000,000 bushels were exported to Britain and about 48,000,000 bushels were converted into flour for export to Britain. Small quantities were exported to other countries, but the greater part of the crop had to be consumed at home. It was the same with corn. The greatest quantity of

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corn ever exported from the United States in any year was 209,348,000 bushels. Last year the corn crop of the United States was estimated at 2,523,648,312 bushels. Suppose that the United States had no home market and that those enormous quantities of wheat and corn were thrown on the world's markets, what would be the effect on prices? Wheat and corn would be almost as cheap as they were in Ohio in 1823, before the adoption of the protective tariff, when forty bushels of wheat were given for a pair of boots. Fortunately the farmers of the United States were wise enough to support a policy of protection which built up manufacturing industries and created a home market while their wheat and corn areas were being developed.

The Canadian West has more arable land than the Western States, but the climate is not favorable to Indian corn, so that the area devoted to wheat will be far greater than in the United States when our west is fully under cultivation. The wheat fields of the Canadian West will probably exceed the corn fields of the Western States in area and production in the not distant future. It will be impossible to market such immense quantities of wheat abroad, and unless the growth of population in

our towns and cities keeps pace with the development of the farming areas, thus creating a home market for all the products of the farm, there is likely to be such a glut of farm products that the condition of Canadian farmers will be little better than that of the peasants of India or China.

Already Canada exports almost enough cheese to satisfy British import requirements. According to British returns the total imports of cheese from all countries for the calendar year 1902 amounted to 285,195,008 lbs., and the Canadian Government returns show that the exports of Canadian cheese for the fiscal year 1902 amounted to 200,946,401 lbs., of which 200,392,350 lbs. went to Great Britain. There is evidently not much room for expansion in cheese exports.

Of all Canadian fruits, apples can be the most easily kept in good condition and most conveniently transported to distant countries. Yet only 516,215 barrels of apples were exported to all countries during the fiscal year 1902, although Ontario's apple crop alone last year was estimated by the Government to be 48,185,125 bushels, or over sixteen million barrels. That is, Ontario produced about thirty-one times as many barrels of apples as were exported from the

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whole Dominion of Canada. It is true that 1,685,460 lbs. of dried apples were exported, but this would represent a very small proportion of the apple crop. The Maritime Provinces, Quebec and British Columbia, as well as Ontario, produce large quantities of apples, and new orchards are being planted every year. The Annapolis Valley of Nova Scotia is famous for its apples. There are estimated to be in Nova Scotia and Prince Edward Island 2,178,485 apple trees. Many of these are not yet bearing, but will be in a few years. The average yield in Ontario last year was estimated to be 6.86 bushels per tree of bearing age. With the same average yield in Nova Scotia and Prince Edward Island, when all the trees now planted are of bearing age, those two provinces alone will produce in a good year about 13,000,000 bushels, over eight times the quantity now exported from the whole of Canada. The total quantity of apples imported by Great Britain from all countries during the year 1902 was 318,494,500 lbs. The Canadian railways estimate that the average barrel of Canadian apples weighs 160 lbs., and charge freight at that rate. Assuming this estimate to be correct, the total British imports from all countries would be equal to about two million barrels of

Canadian apples. As Ontario alone produced last year over sixteen million barrels of apples, it is evident that Canadian apples would have to rot on the trees or on the ground, if there were no home market.

A crop grown extensively in all the provinces of the Dominion is potatoes. Ontario alone produces over 18,000,000 bushels annually, according to Government returns, and the Maritime Provinces nearly 14,000,000 bushels. Manitoba's potato crop in 1901 was 4,797,433 bushels. The crop statistics for Quebec Province do not appear in the Government Statistical Year Book, but the potato crop is undoubtedly large. According to the Dominion Census Report the total potato crop for the Dominion was 52,653,704 bushels in 1891. It was probably somewhat greater last year than it was in 1891. Yet the total exports of Canadian potatoes to all countries last year only amounted to 1,330,452 bushels, so that the home market for potatoes was about forty times as valuable as the foreign market.

For other vegetables, fruits, meats, poultry and eggs the showing for the home market as compared with the foreign is even more favorable.

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There are many perishable farm products that cannot be profitably shipped to great distances, and these are the very things out of which the farmer makes the most money if his farm is located near a manufacturing town or city.

If the Canadian farmer could always get for his products the price that the distant consumer pays for them he would soon grow rich. The difference between the price the farmer gets and the price the consumer pays is partly made up of transportation charges and partly of middlemen's profits. The farther the market is from the farm the greater the cost of transportation and the larger the number of middlemen there are to share the profits.

Immense as the home consumption of Canadian farm products actually is, it would be far greater but for the fact that our low tariff allows many millions of dollars' worth of American farm products to come into Canada.

Who are the home consumers of farm products? Chiefly the people living in the cities, towns and villages which are built up by manufacturing industries. It is manifestly in the interest of the farmers of Canada to increase the manufacturing

population in order to develop the home market.

We buy in the United States and other foreign countries every year many millions of dollars' worth of goods that could be made just as well in Canada. Canada is especially equipped by nature to become a great manufacturing nation. Our water powers are unequalled ; we have more valuable timber areas than any other country ; we have immense deposits of coal, iron, copper, nickel, lead and all the precious metals. Nearly all the raw materials required for manufacturing can be obtained in the country from our mines, our forests and our farms, and the raw materials that cannot be obtained within the country can easily be imported from abroad. The workmen now employed in cities of the United States making goods for Canadian consumption get their food supplies from American farmers. If the goods were made in Canadian factories the workmen would purchase from Canadian farmers all their food supplies excepting a few oranges, bananas and other products of hot countries that cannot be grown in Canada. They would give the Canadian farmers a home market that could always be depended upon and the work of

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the farm could be carried on with a sense of security and a certainty of profit that will always be lacking so long as our farmers must depend upon the uncertainties of a fluctuating foreign market.

Every extension of a Canadian manufacturing industry giving employment to more workingmen increases the home demand for farm products and benefits the Canadian farmer. If the request of the Canadian manufacturers for increased protection is granted, instead of the money of our farmers going over to the United States to pay American workingmen, it will remain in Canada and be paid out in wages to Canadian workmen, who will send much of it back to Canadian farmers in payment for food.

WE AND OUR NEIGHBORS.

Excluding gold and silver, Canada bought from the United States during the fiscal year 1902, about \$115,000,000 worth of merchandise, and sold to the United States about \$47,000,000 worth of merchandise. The population of the United States is estimated to be about eighty millions, and the population of Canada about six millions, so that the Americans bought from Canada about fifty-eight cents' worth of merchandise per head of population, whereas Canadians bought from the United States about nineteen dollars' worth of merchandise per head of population. That is, each Canadian consumed over thirty-two times as much of American merchandise as each American did of Canadian merchandise. A great deal has been said about the United States being the natural market for Canadian farm products, yet, per head of population the Americans bought less than nine cents' worth of Canadian farm products in the fiscal year 1902, while Canadians bought from the United States over \$2.66 of the

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same kind of farm products. That is, each Canadian consumed nearly thirty times as much of United States farm products as each American did of Canadian farm products of the same kind. The exact figures are as follows :

	Merchandise
Canada bought from U.S.....	\$114,752,396
Canada sold to U.S.	46,907,299
	<hr/>
Balance against Canada.....	\$ 67,845,097
	Farm Products
Canadian farm products sold to	
U.S.	\$ 7,024,14
Similar farm products bought from	
U.S.	16,010,355

Raw cotton, Southern fruits and other things that cannot be grown in Canada are excluded from the above statement of farm products imported from the United States. If the value of Southern farm products imported into Canada were added, the showing would be still more unfavorable to Canada.

There is no reason for this extraordinary difference other than the fact that the United States has a high protective tariff, while Canada has a low protective tariff.

Will any Canadian farmer say that such trade conditions should continue ?

While United States products have been coming into Canada, Canadian men and women have been going to the United

States. Canada has for many years been exchanging men for goods. Some bales of goods come in ; a man goes out ; for if we do not provide employment to suit the varied talents and tastes of our people, they will go abroad to seek work. There are very few families in Canada that have not at least one member in the United States. At least three-fourths of those who leave Canada for the United States go to seek employment in the cities and towns of that country, and many Canadians are actually occupied in the United States producing goods for consumption in Canada. If there had been in force in Canada during the last thirty years a policy of protection as thorough as that which has so wonderfully developed the United States, there would be very few Canadians over the border to-day.

The great emigration of farmers from the United States to the Canadian Northwest is of a very different character. Canadians go to the United States to seek work. The Americans come to Canada to seek land. Cheap farm lands are no longer obtainable in the United States, and there is reason to believe that the annual exodus from that country to the Canadian land or promise may soon reach 200,000. The

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next Dominion census may show a population of considerably over two millions in Canada west of Lake Superior. But are the older provinces of Canada to stand still while the West is growing? That will depend upon whether we are willing to allow the manufacturers of the United States to supply the farmers of the Northwest with manufactured goods. Our present policy is to admit the products of the United States into Canada on payment of low duties, while very high duties have to be paid on almost every Canadian product entering the United States. If this policy is continued a very large share of the Canadian Northwest trade will go to cities over the border, but if the Canadian tariff is made as high as the United States' tariff, the manufacturers of Canada will completely control the Northwest trade, and the progress of the eastern provinces will be as marvellous as the development of the West. Of course all the new factories will not be built in the East ; the West will get its share of them ; but the eastern provinces will have no cause for dissatisfaction if adequate protection is given to all Canadian industries.

The farmers now crossing the international boundary for the purpose of settling in

the Canadian Northwest have been accustomed to a high protective tariff in the United States. Most of them have been educated to believe in protection, and they will not be surprised to find the Canadian Government fostering Canadian industries in the same way that manufacturing industries have been developed in the United States. They know even better than Canadian farmers do the value of a home market for farm products.

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THREE MISTAKES ABOUT FARMERS

The free traders make three great mistakes in appealing to Canadian farmers. The first mistake is in supposing that every farmer's heart is in his own pocket, that farmers as a class are entirely lacking in that patriotic sentiment which makes men desire to see their own country grow great and prosperous, that if they think a few cents or a few dollars can be saved yearly by buying foreign goods they do not care how many Canadian workingmen are driven out of the country or how far Canada may lag behind other nations in industrial progress. The second mistake is in assuming that Canadian farmers think only of the present, that they are unwilling to make any immediate sacrifices for the sake of future gain for themselves or for their children. The third mistake is in supposing that buying is of more importance to the farmer than selling, that the farmer's sole aim is to buy cheap goods even if he loses his most profitable customers by doing so.

Some of our farmers do look at matters in that selfish and short-sighted way because they have been educated to do so by the newspapers they read, but Canadian farmers in general are very patriotic. They love Canada and wish to see it take a leading place among the nations. They take pride in watching the rapid development of the varied resources of our vast Dominion. They think of their children as well as of themselves, perhaps more than of themselves, and wish them to have full scope in Canada for the exercise of their talents.

A country to be great must have a variety of occupations for its people. God did not make all men alike. Even in the same family there are often great differences of temperament, taste and capacity. A man who is naturally well fitted to excel in one kind of work may make a complete failure of another kind of work for which he is unfitted.

Canada occupies a peculiar geographical position, extending from ocean to ocean beside a neighboring nation, akin in origin and having like social customs with somewhat similar political institutions. Our neighbors have developed the resources of their great country by most carefully foster-

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ing all kinds of home industries, and if our young people cannot find in the Dominion the occupations that suit them a short railway journey will carry them to the great industrial centres of the United States. It becomes a question, therefore, with every Canadian farmer whether he will favor a policy that will give his boys and those of his neighbors employment in the home land or force them to emigrate to the United States. The farmers' wives and daughters sometimes feel the loss of the boys even more keenly than the farmers themselves. The *Montreal Family Herald* and *Weekly Star* has published a number of letters on the tariff question from men of all shades of opinion, but one of the most interesting letters was written by a woman, who said :

“My husband says that you won't publish letters from a woman on this question. He says if you asked for letters on love affairs or on 'How to take care of babies,' I might write, but that women won't be consulted about making the tariff. But I say that this is a love affair for me at any rate. I love my two boys, my only sons, and they are living in a big city of the United States. My heart is aching to have them home again in some Canadian city. I am afraid they will marry American girls and settle down there, almost forgetting their mother. I

have a neighbor whose son went to the United States years ago. At first he wrote to her often. Then he got married and after a few years he was divorced and married again. He has children by both wives. Isn't it dreadful? Divorces are so common over there. You will say, 'What has all this to do with the question of high tariff?' I will tell you just what. I got a letter two weeks ago from one of my boys. They both work in the same factory. The letter said: 'What do you think, mother? We may be back in Canada before long. I heard our manager say yesterday to a gentleman who was going through the factory with him that if the Dominion Government should raise the Canadian tariff as high as the American tariff it would be necessary for our company to start a big branch factory in Canada. Over one-third of the work done in our great factory now is for export to Canada and our Canadian trade is increasing every year. I often think as I am pegging away at my work that while living in the United States I am making things for Canadians. I guess there would be quite a lot of branch factories started in Canada if the tariff should be raised and there would be lots of work for Canadians at home.' Now, Mr. Editor, do you see why I am interested in the tariff question? I want my boys to come home, because I think Canada is a purer and better country. They will be better men here. I don't mean that they are not good now. They are both good boys, but I am afraid of the future."

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No doubt the writer of that letter voiced the feelings of many Canadian fathers and mothers. Sentiment of this kind must be taken into consideration by the politicians who try to gauge public opinion in the rural districts.

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RECIPROCITY AGITATION.

The Toronto *Sun* is trying to revive the dead agitation in favor of reciprocity with the United States. It says that Canadian statesmanship can render no greater service to the people of this country than in meeting all advances that may be made from Washington and in securing a wide treaty of reciprocity between the two countries. "With reciprocity," says The *Sun*, "our trade would reach enormous proportions and it would be trade of the most profitable character."

To what class of people in the United States would our farmers sell their products if the United States tariff wall were removed? Would they expect to sell to the farmers of the United States? No. Certainly not. They would expect to sell to the people in the cities, to the manufacturers of the United States, their employees and the people directly and indirectly dependent upon them. Why then is the Toronto *Sun* so hostile to the same class of people in Canada? A workman in a Canadian factory has just as good an appetite as a workman in a factory of the United States. The United States is a great manufacturing country because the farmers of that country have for many years voted in favor of high protection. It is a waste of time to try to get fair reciprocity from the United States. Even if

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the United States Government could be induced to agree to such an arrangement, the United States Senate would never sanction a treaty that would be advantageous to Canada. But there is a way in which Canadian farmers can get all they seek when they ask for reciprocity with the United States. As already shown, what they seek is the privilege of selling farm products to American manufacturers and their employees. If they had free access to the United States market they could only hope to supply a small proportion of the food consumed by the workmen of the United States, for they would have to compete with millions of American farmers. But if the Canadian tariff on both manufactured goods and farm products were raised as high as the United States tariff, a great number of United States companies who are now manufacturing goods for Canadian consumption would establish branch factories in Canada giving employment to workmen who would have to get their food supplies from Canadian farmers. The effect of this movement of factories from the United States to Canada would be to give our farmers a better market for their products than they would secure by a reciprocity treaty.

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No trade arrangement with the United States would be lasting, for it would be the easiest thing in the world for agitators to persuade the masses of the people in the Republic that they were getting the worst of the bargain, so that Canadian farmers would hardly learn the road to that market before they would be cut off from it by a change of tariff. But even if a permanent arrangement could be made with the United States for unrestricted reciprocity or commercial union, it would mean that the millions of farmers in the United States would have the privilege of selling their products freely in Canada, and this would largely offset any advantages secured by Canadian farmers.

Then very few of the large cities of the United States are near the Canadian border and some of the largest of them which consume the greatest quantities of farm products are situated as near to the Southern States as to Canada and consequently in selling agricultural products in those markets Canadian farmers must expect to compete with the cheap negro labor of the South and they cannot do it successfully unless they are willing to dwell in the same sort of cabins as the negroes and live in the same half-civilized way.

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THE CHILDREN OF THE NEW SETTLERS

The emigration of farmers from the United States to the Canadian North-west has attracted much attention and many people suppose that it is a new thing under the sun for Canada to receive settlers from the United States. But the English speaking sections of the Eastern Provinces were very largely settled by Americans. The first great emigration from the United States to Canada took place immediately after the Revolutionary War when thousands of United Empire Loyalists settled in Ontario, the Eastern Townships of Quebec and the Maritime Provinces. They were followed a few years later by quite a large number of United States citizens who had heard of the fertile farm lands of British North America. The United Empire Loyalists found in the Province of Ontario, then known as Upper Canada, the best farming country in America. At that time when the fertility of the soil had not been exhausted by recropping the farm lands of Ontario produced wheat as abundantly as those of Manitoba do to-day; the climate was favorable to the growth of a great variety of fruits and berries that can never be grown in the Northwest, and no better country for dairying purposes could be found anywhere. Upper Canada not only had extraordinary natural

advantages as regards soil and climate but it was almost completely surrounded by a great system of lakes and rivers that helped to regulate the rainfall and at the same time provided waterways for a great number of vessels which kept down the cost of transportation.

However, notwithstanding all the natural advantages of Ontario, the young men growing up in this fertile farming region soon began to emigrate to the United States, and from that time until now there has been a continuous flow of Ontario's best blood to the neighboring Republic. Why did they go? Certainly not because they preferred the institutions of the United States to those of Canada, but because they could not find congenial employment at home. The great majority of the young men who left Canada went to the cities and towns of the United States, where the development of a great variety of industrial enterprises was encouraged by a policy of protection. The same causes that led so many young men to leave the Province of Ontario caused an exodus from Quebec and the Maritime Provinces. The impression prevailed that Canada could never be a manufacturing country, and strange to say the geographies used in the high schools of Ontario until recently

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stated that Canada possessed no natural advantages for manufacturing industries.

Manitoba and the Canadian Northwest should profit by the experience of the Eastern Provinces. All the loyalty of their ancestors to the British Empire did not prevent the young men of the East from emigrating to the United States. Unless home industries are provided for the sons of the men who are now settling in the Canadian Northwest they too will drift back to the land of their fathers.

And the farmers' sons will not be the only emigrants. Many boys born and brought up in Winnipeg and other towns will join the exodus and seek their fortunes in the United States, just as so many Canadian boys from towns and cities in the Eastern provinces have done in the past. But a high protective tariff by building up varied industries will keep the boys at home.

Is it not largely for the sake of their children that the pioneers of the Northwest are willing to endure the hardships and inconveniences of life in a new country? Should they not then support a national policy that will cause the establishment of many home industries, making opportunities for those boys who do not care for farming to get on in the world without leaving

Canada? However desirable it may be for the boys to stay on the farms, they will not all do so. Tastes differ, and so long as Canada cannot offer its citizens the choice of a variety of occupations, thousands of our young men will seek employment in the United States. Manitoba and the Territories should bear in mind the fact that while it is a good thing to get the fathers and mothers, it is better still to keep their children.

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PROTECTION AND PRICES.

Free traders and advocates of a tariff-for-revenue-only seem to agree in thinking that the only object of a protective tariff is to enable a manufacturer to increase his price, and that if he fails in doing this it is of no use whatever to him. They cannot see how the importation of foreign goods, free of duty, or at a low rate of duty, can injure our home manufacturers, unless such importation forces down the price of home products. They say to the manufacturer: "If you can sell your goods as cheaply as the foreign manufacturer, why do you want protection?"

To many unthinking people that seems an unanswerable argument. But, in fact, it is a very poor argument, and shows complete ignorance of the best known laws of production. They entirely overlook the fact that when manufacturing is carried on upon a large scale, goods can be turned out more cheaply than when it is done on a small scale.

The managing director of one of the Nova Scotia coal companies said a few years ago that the machinery in the mines under his control cost several million dollars, and he pointed out that in order to be a paying investment, the mine must yield interest on the money invested in this machinery, as

well as repay the amount expended in wages. Consequently the larger the number of men employed and the greater the output of the mine the cheaper they could afford to sell the coal. It is easy to see that if foreign coal came into this country and took the place of the Canadian coal to such an extent that the output of the mines was reduced one-half it would greatly injure the owners of the mines and the workmen employed by them, even if the price of coal per ton remained precisely the same as before. On the other hand, if the output of the mines was doubled the price to the consumers might be decreased without any loss to the mine owners. The same thing is true in every line of production. The larger the number of articles of the same kind turned out of one establishment, the cheaper each of them can be sold.

A great many factors have to be taken into consideration in estimating the cost of production. First of all there is the interest on the capital invested in land, buildings and machinery. This remains precisely the same whether the machinery is in full operation or not. Raw materials can be purchased more cheaply in large quantities than in small quantities. The

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expenses of office management and of travelling salesmen are less in proportion when the output is large than when the output is small.

It stands to reason, then, that if, owing to insufficient protection, foreign manufacturers bring their goods into this country and share the limited market with our home manufacturers to such an extent that the latter have to run at half their capacity, it will not only injure the Canadian workmen, who will be thrown out of employment, but the profits of the manufacturers will be cut down without any decrease in the price to the consumers. But if by increasing the protective tariff we can enable the home manufacturers to double their present output they can afford to increase the wages of their workmen, lower prices to the consumers and still make more money than they now do.

It is true that a large importation of foreign goods during a period of depression may temporarily cause a reduction in prices to the consumer, but the experience of both the United States and Canada under low tariffs proves that when the home factories have been closed down as a result of foreign competition the foreign manufacturers usually raised the price so that the consumers got no benefit.

About thirty years ago David H. Mason, an American protectionist, referring to the effect of protection on prices, said :

“If a man makes 100 tin pans a week, which he must sell at an average profit of twenty-five cents in order to carry on his business and live, he would be far better off if he could make and sell 10,000 pans a week at a profit of one cent each ; for he would gain in the former case only \$25, in the latter \$100. Not only would he benefit his customers, he would also give increased employment and wages to labor. Every additional mechanic he would employ would require additional food, clothing, etc., to be supplied by somebody else. By such interaction and reaction all persons willing to labor may ultimately find steady employment and good pay. Then each produces something to be exchanged for something else. The greater the number of commodities produced, the greater, other things being equal, will be the number of exchanges. Commerce tends, therefore, to grow with the increase of production ; and production tends to increase under a high protective tariff.”

Free traders always assume that under a protective system the whole duty is added to the price, and that thus the consumer always pays the duty. If the protectionists were as unfair and inaccurate in their arguments, they would declare with equal positiveness that the foreign producer paid the

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whole duty in every case, and they would be just as near to the truth.

However, protectionists try to be fair. They never pretend that a protective tariff does not tax the people at all. But they do believe that taxation is often far less oppressive with a high tariff than with a low tariff.

Taxes must be imposed in some way, for revenue must be obtained to carry on the Government of the country, to build railroads, canals and other public works. If the money for such purposes is not raised by means of a customs tariff, it must be taken directly out of the pockets of the people by tax collectors. The aim of protectionist statesmen is to so adjust the tariff that while yielding sufficient revenue, it will encourage the establishment of home industries, furnishing varied occupations for the people and creating a home market for farm products.

If an article is not produced in the country whatever duty is imposed is usually added to the price. If the tariff is not high enough to cause the establishment of home industries, the whole of the duties will continue to be added to the price ; if the tariff is just high enough to cause the establishment of an industry on a small scale, but not high enough to encourage manufacturing on a

large scale, the greater part of the duty is commonly added to the price ; but when the tariff is high enough to ensure manufacture on a large scale within the country, home competition will sooner or later make the price as low or very nearly as low as it would be if there were no duty at all. Then if the foreign manufacturer wishes to do business in the country he must lower his price to meet the price of the home manufacturer, and so practically pays the duty instead of the consumer. Sometimes the price is even lower on account of home competition than it would be if there were no duty at all, and no home manufacturers. So protectionists believe that when the tariff is high enough to afford adequate protection it is the least oppressive of all methods of taxation.

But if the tariff is too low to afford adequate protection to home industries, there is not sufficient home production to bring down the price, and then the whole duty must be paid by the consumer. So prices are often higher under a low customs tariff than under a high tariff. With low protection the competition comes from outside the tariff wall. With high protection the competition takes place within the wall, and is consequently more effective ; the com-

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petitors are subject to the same conditions ; the competition is fair and if profits are unduly high capital is readily forthcoming for new enterprises. This is not a mere theory. It has been proved by one hundred years of practical experience in the United States, where the tariff has been raised and lowered and raised again with such results that the people of that great country have become more imbued with protectionism after each experiment.

In the year 1887 Mr. A. Williamson challenged the Cobden Club to issue a short circular to the leading British exporters asking them whether in exporting goods to the United States the taxation was paid by the British manufacturer or the consumer in the United States. The Cobden Club did not accept the challenge, but Mr. Williamson sent a circular to a large number of representative exporters of the chief manufacturing centres, embracing cotton, woollen, carpet, iron and steel, brass, gold, silver, electro plate, hardware, guns, cycles, engineering, glass, indiarubber, leather, beer and other industries. Out of 531 replies, 530 admitted that to a greater or less extent the United States tariff taxation fell upon them instead of upon the consumer in the United States because they had to

reduce their prices to meet the prices of the protected American manufacturers.

The manager of the Barrow Steel Company stated in evidence, before the British Royal Commission on Trade Depression, that in one year, 1884, his Company had paid £160,000, or about three-quarters of a million dollars in duties to the United States Government.

This is not a new condition of things. The same law of prices prevailed when the United States was a young and struggling nation. For example, two months after the adoption of the protective tariff of 1842, a large hardware importing house in New York representing British manufacturers, sent out a circular and price list giving in parallel columns the prices they charged for goods laid down in New York duty paid, before and after the protective tariff was increased. Twenty staple articles which cost £143 16s under the old revenue tariff were offered at £131 10s. under the new protective tariff, so that the cost in the United States after paying the duties was considerably less than before the tariff was increased. Anyone who has studied the price lists in the United States under the different tariffs adopted since the year 1824 and compared them with the British prices

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for the same years will admit that in the great majority of cases the protective duty is not added to the price of an article. A few instances will suffice to show the fallacy of the free trade theory of prices. Before 1842 there was a low duty on starch, but it was not sufficiently high to cause production in the United States except on a small scale. A large factory had been started in New York but was obliged to shut down for want of sufficient protection. As soon as the higher tariff was imposed this factory was re-opened and at once placed starch on the market half a cent per pound cheaper than it could be bought before the tariff was raised. Other factories were soon established and prices were kept down while employment was given to a considerable number of American workmen.

The tariff of 1842 made the minimum duties on cotton fabrics six cents per square yard on plain and nine cents per square yard on printed or colored cottons. These duties were equal to about one hundred per cent on the importers' valuation of their goods. A few months after the adoption of that tariff, Mr. Horace Greeley, editor of the New York Tribune, made an enquiry as to the prices of cotton fabrics in Lowell, Mass., the principal cotton manufacturing

centre of the United States at that time, and published in his paper the prices for the three months before the new tariff was imposed. The prices were as follows :

AVERAGE PRICES OF LOWELL COTTON FABRICS PER YARD.

	In May, June and July, 1842.	In Sept., Oct. and Nov. 1842.
Drillings.....	7 $\frac{3}{4}$ cts	7 cents.
Shirtings, common.	5 $\frac{1}{4}$ cts.	5 "
Shirtings, heavy ..	6 $\frac{1}{2}$ cts.	5 $\frac{3}{4}$ "
Sheetings, common	6 $\frac{3}{8}$ cts.	6 "
Sheetings, wide ..	8 $\frac{1}{2}$ cts.	7 $\frac{2}{3}$ "
Flannels (cotton) ..	10 cts.	8 $\frac{1}{2}$ "

Thus although according to free trade theory the prices should have been doubled as a result of the high duty, they were actually reduced. Later on still further reductions were made as a result of protection.

A good example of a new industry being established by high duties without increasing the price may be found in the growth of the manufacture of tin plates in the United States. This was one of the latest industries to be established in the United States because the protection was not high enough before 1890. In 1889 there was a duty of 1 cent per lb. on tin plates. As no tin plates were made in the United States the duty was added to the price and paid by the consumer. Mr. McKinley said the duty

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at time, should be increased in order to encourage prices for the manufacture of tin plates. His low tariff was declared that tin plates could not be profitably made in the United States and that any increase in the duty would be a burdensome tax on the consumers. In the year 1900 the McKinley law raised the duty to 2.2 cts. per lb. The year the duty was raised the imports amounted to 329,435 tons and were valued at \$23,670,158. The Welsh manufacturers who had been supplying the Americans with tin plates soon established works in the United States and the importations fell off as the home production increased until the home production was greater than the total imports were at the time the tariff was raised as shown by the following figures :

COTTON

Sept., Oct.
of Nov. 1847.
7 cents.
5 "
5½ "
6 "
7½ "
8½ "

free trade doubled as the home production increased until the home production was greater than the total imports were at the time the tariff was raised as shown by the following figures :

Year.	Imports gross tons.	Home Production gross tons.
1890.....	329,435	none
1891.....	327,882	999
1892.....	268,472	18,803
1893.....	253,155	55,182
1894.....	215,068	74,260
1895.....	219,545	113,660
1896.....	119,171	160,362
1897.....	83,851	256,598
1898.....	66,775	326,915
1899.....	58,915	397,767

According to free trade theory the extra duty should have been added to the price,

As a matter of fact the price remained stationary for about two years and then declined as home industry developed. In 1894 the duty was lowered to 1 1-5 cents per lb. by the Wilson-Gorman law, but the industry had obtained such a good start under high protection that it continued to develop. In 1897 the duty was raised again by the Dingley law to 1 1/2 cents per lb.

Thus by what was regarded at the time as an exorbitant increase in duty a great industry was started in the United States, giving employment to thousands of men who consume farm products and keeping in the country many millions of dollars that formerly went abroad, while the price decreased instead of increasing.

A large volume could be filled with similar illustrations of the fact that a protective duty is not usually added to the price.

One of the fundamental principles of protectionists is that things which cannot be produced within a country should be admitted free of duty as far as the necessities of revenue will permit. Free traders, on the other hand, always select this class of articles as the most suitable for customs duties. Thus during the fiscal year 1902 the free trade British Government collected

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 l. In 1894 million dollars. Quite a large revenue was
 ts per lb. also obtained by the British Government from
 e industry duties on dried fruits, such as figs, prunes,
 nder high raisins and currants. When there is a duty
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 tion but as a means of raising revenue. The
 e time as nearer we approach to the British system of
 eat indus- free trade the more of such revenue taxes we
 s, giving will have.

Any woman who wants, tea, coffee, cocoa,
 chocolate, raisins, currants, figs, oranges,
 lemons, bananas, prunes, dates and other
 fruits which cannot be grown in Canada to
 come in free of duty, should urge her hus-
 band to vote for protection. These would
 be just the kind of articles our rulers would
 select for high taxes if we had free trade or
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 to get rid of all such taxes on things which
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MAKING AN IDOL OF CHEAPNESS

Everyone naturally desires in making purchases to get what he buys as cheaply as possible, but this is a very different thing from making an idol of cheapness as many free traders do. The value of cheapness depends altogether upon its relation to earning power.

India and China are both very cheap countries to live in, but the condition of the people is deplorable. No thoughtful Canadian would desire to see in Canada such cheapness as prevails in those countries where whole families live on a few cents per day.

It is a well-known fact that in civilized countries prices are higher in good times than in bad times. Prices have been higher in Canada as well as in the United States, the United Kingdom and all the countries of Europe, during the last six years, than they were at any time during the preceding 18 years, and **all these countries have enjoyed extraordinary prosperity.**

Living is always cheaper in a small village than in a large city, yet people flock to

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the city because they can make so much more money there that they can afford to spend more.

Prof. Robt. Ellis Thompson of the University of Pennsylvania has well said :

“The average American is a consumer who also produces, and who, therefore, is interested not only in the price of what he has to buy, but also in the price of what he has to sell. Practically he buys by exchanging his commodity for others which he needs, although money is used as the medium of exchange. And this sort of trade is always most favorable when he can effect such an exchange with his own neighbors and thus save the cost of transportation. Especially the producer of food and of raw materials finds the relation of prices most in his favor when he is located near to the place where these are converted into manufactured articles. The object of protection is to bring the artisan and the manufacturer into neighborhood with the farmer. The great immigration to the United States, especially from free-trade countries like Ireland and Norway, shows that protection has helped to make this country more attractive. An Irishman was heard complaining that he could buy as much for a shilling at home as for a dollar in the United States. “Why didn't you stay there?” he was asked. “Bedad, I couldn't get the shillin',” was his candid answer.”

Suppose that for a period of five years a farmer gets on the average \$600 per year

for the farm products he sells and pays out \$500 for what he buys, putting one hundred dollars in the bank each year, at the end of five years he will have saved \$500 and accumulated interest. Then the tariff is raised and as a result of it a number of factories are started in the neighboring towns within a few miles of his farm, creating such a profitable home market for everything produced on the farm that its earning power is increased twenty-five per cent. At the same time prices in general go up and average ten per cent. higher for five years ; the farmer gets twenty-five per cent. more for what he sells and pays ten per cent. more on the average for what he buys. His sales will then bring him \$750 per year and his purchases will cost him \$550 per year, so that he will be able to save \$200 annually instead of \$100 as he did before, and at the end of five years he will have saved \$1,000 and accumulated interest instead of \$500 and interest as he did during the preceding five years. Under such circumstances the farmer will have no reason to complain of increased prices.

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HOW A NATION GROWS RICH.

There is an old, old story often told by free traders and advocates of a low tariff which runs as follows :

“ Nations to get rich must trade with other nations. No man can get rich by trading with himself alone. He may trade his two jack knives from pocket to pocket all day long till the cows come home, but at night he will only have the two original jack knives, and yet some people tell us that such a jack knife policy would make the country rich.”

Of course the object of this story is to convey the impression that the only profitable trade is that with foreign nations.

The fundamental error of the story is the assumption that the sole business of a nation is to trade. It overlooks the producer altogether. The fishermen gather into their nets the riches of the waters ; the farmers extract wealth from the soil ; the lumbermen take it from the forests ; the miners bring it up from the bowels of the earth ; the inventors study natural laws, the knowledge of which enables men to control the forces of nature and utilize to the best advantage the raw materials taken from the sea, the forest, the farm and the mine ; the manufacturer utilizes

the ideas of the inventor and converts the raw materials by hand or by machinery into forms suitable for general use.

The trader is useful in a community only because he assists the different producers to co-operate with each other in developing the latent wealth of the country by facilitating exchanges. If the fishermen, the lumbermen, the miners and manufacturers all abandoned the work of production and devoted their time to trading jack knives or anything else with foreign nations, the whole nation would soon starve to death.

It is not trading with other nations that makes a people rich, but development of home resources. Nature has endowed Canada with great wealth in minerals, fisheries, timber and fertile soil. To grow rich the Canadian people must adopt a policy that will ensure the development of this latent wealth.

For example all the raw materials for making iron and steel are found in abundance in Canada. Large quantities of iron and steel are required by the Canadian people, and for many years all our supplies of these necessities were purchased abroad, so that our wealth of raw materials lay unused in the earth, of no value to any one. To pay for the iron and steel obtained from abroad we

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had to send out of the country a large part of the wealth produced by the industry of our farmers, fishermen, lumbermen and other producers. Now a considerable part of the iron and steel used in Canada is produced within the Dominion. To pay for this Canadian iron and steel we do not have to send wealth out of the country. Thus home trade enriches the nation because it causes development of natural wealth and keeps it within the country. On the other hand foreign trade may impoverish a nation by preventing the development of new industries and paralyzing those already established. But when foreign trade is kept within legitimate channels it is beneficial. Owing to the differences in climate and natural resources all countries do not produce the same things, and so profitable exchanges may be made between them. It does not pay Canada to exchange jack knives for jack knives or flour for flour with any foreign country ; it does not pay us to exchange Canadian pulp wood for foreign steel ; but it does pay us to trade our surplus apples and flour for the tropical fruits and spices of the West Indies ; and there are many other things which cannot be produced in Canada that may profitably be imported from abroad and paid for directly or indirectly by Canadian products.

CHEAPER TRANSPORTATION

An investigation made by the Agricultural Department of the United States Government some years ago showed that in those States where there were few factories, the railways charged the farmers higher rates for transportation than the farmers in the manufacturing States had to pay. As factories increased in any State the railway rate went down. The reason for this was found to be that when the railways had little to carry except farm products and the merchandise consumed by farmers, nearly the whole of the cost of operation and maintenance, the interest on the bonds and dividends on stock, had to be paid out of the earnings on farm traffic ; but when, owing to the establishment of factories and the consequent growth of cities and towns, the railways had many other sources of revenue, they were able to reduce the charges for carrying farm products and yet make more money than they did before. One of the greatest sources of revenue to the railways was the transportation of raw materials to the factories.

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Every industry established in Canada makes traffic for the railways. When the people of Canada buy their manufactured goods from the United States the railways of that country get most of the profits of transportation. The Canadian railways usually get only a short haul. When the goods are made in Canada the Canadian railways secure the whole profit of transporting them. Moreover, they have to carry the raw materials to the factories as well as the finished products to the consumers. A good example of the way a new industry benefits a railway is to be found in the remarkable increase of both freight and passenger traffic on the Intercolonial railway as a result of the establishment of the Dominion Iron and Steel Works at Sydney, Cape Breton. Half a dozen such industries in the Maritime Provinces would make the Intercolonial a profitable enterprise instead of a burden on the people of Canada as it always has been. The Government could then afford to reduce the rates. The Government also has power to reduce the rates on the railways owned by corporations when their profits largely increase.

We are likely to have within a short time three great trans-continental railways, all of

which must lose money on that section of their lines running through Northern Ontario, unless the mineral wealth of that region is developed and manufacturing centres established. When one section of a railway does not pay the sections that do pay must make up the loss. Consequently when the railways running through Northern Ontario can pay their own way rates can be reduced all along the line.

The traffic on the railways running through the older parts of Ontario and Quebec would be enormously increased if the factories in the United States which are now selling millions of dollars' worth of goods to Canadians every year should establish branches in Canada, as they would be forced to do if the Canadian tariff were raised to about the same level as the United States tariff.

Many of the railways in the United States now contribute large amounts in taxes to the state treasuries. When it was proposed to tax the railways in Canada in the same way, they complained that they could not afford it as the traffic was so much less in Canada than in the United States. By developing manufacturing industries we can so increase the traffic and the profits

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of the railways that they will be able to pay their proper share of taxes, thus partially relieving the farmers from the burden of taxation.

On the other hand if we fail to raise our tariff, when hard times come and prices go down, United States manufacturers will begin to slaughter goods in this market and many Canadian factories will be forced to close, throwing thousands of men out of employment and greatly reducing both the freight and passenger traffic on Canadian railways.

During the great depression which followed the reduction of the United States tariff during the Cleveland administration the railways of the United States were so affected by the hard times that many of them went into the hands of receivers.

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FARMERS OF THE MARITIME PROVINCES.

The farmers of the Maritime Provinces have even more reason to favor a policy of protection than those of Central Canada and the Canadian North-west. Although they lie so much nearer to Europe they have no great steamship lines such as run out of Montreal in summer carrying the products of Ontario, Quebec and the Northwest to British ports. They have an Atlantic steamship service from St. John and Halifax for a few months in the winter, but for the greater part of the year they are almost without facilities for the cheap transportation of farm products to Britain. But even if they had a good trans-Atlantic service all the year round they could not look to England for a market to the same extent that the western provinces do, for they do not produce enough breadstuffs to feed their own people. It has been shown that there is not much room for expansion in cheese exports. A market might be found in the United Kingdom for large quantities of butter if the butter of Denmark, Sweden, Russia and the United States were shut out, and perhaps

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even in competition with those countries if there were a good steamship service, but unquestionably a good home market would be worth more to the farmers of the Maritime provinces than any outside market. The coal miners and the workmen employed in the iron and steel works already consume considerable quantities of farm products. The multiplication of such industries will give the farmers a profitable home market at all seasons of the year for everything they produce. Canada sends to the United States annually about \$25,000,000 for iron and steel and manufactures thereof. If our tariff were as high as the United States tariff a considerable portion of these iron and steel manufactures would be produced in the Maritime Provinces. Many other manufacturing industries would be started in the provinces by the sea if our tariff were higher. No other part of the Dominion possesses greater natural advantages for the prosecution of the woollen industry. Ontario woollen manufacturers say that the best wool produced in Canada is that which comes from Nova Scotia and Prince Edward Island. There are already a number of woollen factories in the Maritime Provinces but they require more protection. An expansion of the woollen industry would not

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only give employment to a large number of men who would consume farm products, but it would create a local market for wool.

It should be noted that every new manufacturing industry established increases the demand for coal, necessitating the employment of additional miners who must buy their food from the farmers. The manufacturing industries of Quebec province also get their coal from Nova Scotia and there is reason to believe that as a result of the enlargement of the canals Nova Scotia coal will soon be used to a considerable extent by the manufacturers of Ontario.

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FACTORIES IN THE NORTH-WEST

Canadian advocates of free trade or a low tariff try to set the West against the East. They tell the farmers of the North-West that protection is a policy intended solely for the benefit of the manufacturers in the Eastern Provinces. The low tariff advocates of the United States used to tell the same story to the Western farmers. They said there were no manufacturing industries in the West and never could be. The protectionists, on the other hand, told the Western farmers that the ultimate effect of protection would be to cause the establishment of factories in the West as well as in the East. The farmers of the West gave their support to the party advocating high protection and they are now reaping the benefits of the policy. *The American Economist* points out that according to the last United States census in what may properly be called Western States there were two years ago a total of 225,287 manufacturing establishments, with an aggregate capital of \$3,477,587,249 and an annual product of \$5,252,311,029. In New England there were only about one-quarter as many manufacturing establishments as in the West, less than half the capital invested and

an annual production of less than two-fifths that of the West.

The census figures give Nebraska 5,414 manufacturing establishments, with \$71,982,127 capital and an annual production of \$143,990,102; Iowa, 14,819 establishments, \$102,733,103 capital and \$204,617,877 product; Missouri, 18,759 establishments, \$249,888,581 capital and \$385,492,784 product; Minnesota, 11,114 establishments, \$165,832,246 capital and \$262,655,881 product; Kansas, 7,830 establishments, \$66,827,362 capital and \$172,129,398 product; South Dakota, 1,639 establishments, \$7,578,895 capital and \$12,231,239 product; Colorado, 3,570 establishments, \$62,825,472 capital and \$102,830,137 product. These industries give employment to a great number of workmen, who with their families and the tradesmen dependent upon them create a most profitable home market for the farmers.

In this connection a letter written to the *Montreal Weekly Star* by one of the new settlers in the Canadian North-West is worth quoting. The writer says:

"I came over the border a year ago with my brother, as we had heard much of the cheap farms in the Canadian North-west. We both got good farms not many miles from Wetaskiwin, and are well satisfied with this country,

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but we miss the manufacturing towns we had so near our farms in Illinois. The great question here is the cost of transporting our farm products on the railways and on the ocean to distant markets. If there were factories in Alberta, a large consuming population would soon grow up in this territory, and we would not need to trouble ourselves very much about transportation. Alberta has every natural advantage for becoming a great manufacturing country. There is coal in abundance, and swift little rivers coming down from the mountains furnish cheap water-power. We know what protection has done for the farmers in the United States in building up manufacturing towns near them. My father bought his farm in Illinois for five dollars an acre. He recently sold it for one hundred and fifteen dollars an acre. The increase in price was due to the growth of manufacturing towns in the State. My father's farm was not near enough to a town to be sold in town lots. Its increased value was entirely due to the better market for farm products. However, a friend of ours had a farm quite close to a manufacturing town. As the town grew farm lands were required for workingmen's houses, and he sold his farm to a real estate syndicate for five hundred dollars an acre. The syndicate divided it into building lots, and I have heard that they made quite a pile of money out of it. In conclusion, let me say that if the Canadian Government would put up the tariff as high as the United States' tariff we would soon have plenty of factories in Alberta. I was surprised to see in one of the Canadian newspapers that when the American farmers now pouring into Alberta become Canadian citizens they will force the Dominion Government to adopt free trade. Why should we vote for free trade in Canada when we have been voting for high protection all our lives in the United States?"

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INDUSTRIAL POSSIBILITIES OF ALBERTA

No part of Canada has more to gain from the adoption of a policy of adequate protection than Alberta. The farms of Alberta are very far from the markets of both the United Kingdom and the United States. Distance from markets means high charges for transportation which eat up the farmer's profits. Not only must the farmer pay the railway and the steamship companies to carry his products across the continent and over the ocean, but the merchants must pay high freight rates on all the goods they have to sell, and consequently they must charge the farmers higher prices for these goods.

The remedy is to bring the factories and farms closer together. If the fertile farm lands of the Canadian Northwest could be lifted up and set down close to the great manufacturing centres of England or the United States the whole question of transportation could be quickly settled and the farmers would soon grow rich. The farms

cannot be moved closer to the factories, but factories can be brought closer to the farms.

Alberta is naturally well adapted for the development of manufacturing industries. There are extensive coal areas in both Northern and Southern Alberta and the Crow's Nest coal mines of British Columbia are not far distant from Southern Alberta. Edmonton, which seems destined to be one of the great manufacturing and distributing cities of the Canadian Northwest, has coal right at its doors. Imagine what the province of Ontario would give for Alberta's coal! A great variety of raw materials can be obtained from the territory of Alberta itself and the eastern sections of British Columbia. It may be noted that raw materials brought by rail from the mountains to the towns of Alberta will have the advantage of the down grade which should make transportation less expensive.

If the Canadian protective tariff is raised as high as that of the United States Alberta will not have to wait long for factories. The manufacturers of the United States, who under our low tariff are able to sell many millions of dollars worth of goods in Canada

every year, will begin to look for sites in the Dominion for branch factories as soon as the tariff is raised and a district having such great natural advantages as Alberta cannot fail to attract some of them.

Of course it is not to be expected that all the needs of Alberta will be supplied by local factories under a system of high protection. Considerable quantities of goods from the factories of Eastern Canada will be sold, but the local factories will have the advantage of saving the long railway haul.

An industry for which Alberta appears to possess peculiar natural advantages is the manufacture of woollens. Ontario woollen manufacturers are now using considerable quantities of wool produced in the ranching country of Alberta near the foothills of the Rocky Mountains and the flocks are rapidly increasing.

The development of mining and manufacturing industries in British Columbia is also of great importance to the farmers of Alberta. The farms of British Columbia do not produce enough to feed even the present population and large quantities of agricultural products are imported from the United States in addition to the supplies obtained from Alberta. A policy of high protection

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that would develop the mining and manufacturing industries of British Columbia and at the same time shut out American farm products would be very beneficial to the farmers of both Alberta and British Columbia.

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WINNIPEG AS AN INDUSTRIAL CENTRE

There is very little doubt that Winnipeg will in a few years have cheap electric power from the St. Andrew's Rapids or the waterfalls of the Winnipeg River. The result must be the establishment of numerous mills and factories in the North-West metropolis if adequate protection is assured. The maintenance of the protective tariff and the strengthening of weak points in it is, therefore, of very great importance to Manitoba's chief city. With free trade or a low tariff Winnipeg manufacturers would have to compete with the great industrial establishments of St. Paul and Minneapolis, which are very favorably located for trade with the Canadian North-West. Winnipeg will always be an important distributing centre, but without manufactures it can never become a very great city.

The development of Winnipeg will be to the advantage of the whole Northwest. Winnipeg is the gateway city of the Northwest and visitors get their first impressions from it. The amount of British and Ameri-

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can capital invested in the Northwest will to some extent depend upon the opinion which tourists form of Winnipeg.

The farmers of Manitoba are proud of Winnipeg. They have a feeling of proprietorship in the capital of their province and would like to see it develop into a big city. But apart from sentiment it is manifestly in the interest of the farmers to build up in Manitoba a great industrial centre, for the workingmen and those dependent on them will consume vast quantities of farm products.

MANUFACTURES OF BRANDON

Already there are a number of successful manufacturing industries in operation in the Canadian Northwest, and as the population increases these will be greatly multiplied if the Canadian tariff is made as high as the United States tariff.

The town of Brandon, Man., with a population of between five and six thousand people has quite a number of manufacturing industries. The Winnipeg Telegram, in a special number describing the town of Brandon, gives the following list of articles manufactured in that progressive town: Threshing engines, boilers, chemical fire engines, fanning mills, carriages, pumps, monuments, bricks, tents, awnings, overalls, binder twine, harness, tanned hides, fur coats, fur robes, fur mitts, dressed lumber, doors, sashes, mouldings, flour, oatmeal, pickles, creamery butter, beer, pop, ginger ale. There are three firms manufacturing harness, two manufacturing pumps, and two dressed lumber. A woollen factory is now being equipped with machinery and it

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is expected that it will be in operation within a few months, manufacturing yarns, flannels, blankets, etc. The binder twine factory will undertake the manufacture of rope if adequate protection is granted, and the establishment of several other industries is talked of.

A town of the same population in Ontario would have reason to be proud of such a list of industries. Of course some of these industries are only conducted on a small scale, but their business would increase very rapidly if United States manufactures of the same kind were shut out of the Canadian Northwest by a high tariff.

Mr. Wolverton, manager of the Brandon binder twine factory, has been making experiments with a view to utilizing the vast quantities of flax straw grown in the Northwest and burned every year. It is stated that about 40,000 acres of flax are grown in Manitoba and the territories for the seed alone, the straw being burned. Mr. Wolverton claims that in the flax straw so destroyed there is a fibre which would be worth at least \$2,000,000 if extracted. He has just returned from a careful investigation of the methods of growing, handling and manufacturing flax in Ireland, Scotland and England. He has discussed the problem

with many experts and collected a vast amount of information not only as to the methods of handling flax in the above countries, but in Belgium, France, Russia, India, Australia, and the United States. From the agricultural departments of the various governments he has received publications of great value. He has followed the experiments that have been made during the last twenty years, and thinks he has found the cause of failure. He claims to have invented a system of treating flax by which he has made on a small scale from Northwest flax straw binder twine longer, stronger and evener than any now in use. Patents have been applied for and arrangements are being made to construct machinery to manufacture binder twine from flax fibre on a large scale. If Mr. Wolverton's hopes are realized the binder twine industry will become of immense value to the farmers of the Northwest.

The Winnipeg Telegram concludes its review of Brandon industries with the following suggestions for future development :

"Although some farm implements and carriages are made in Brandon, yet the industry could be advantageously developed.

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The nearness of the ranching country makes it possible to manufacture leather as well as boots and shoes, and the excellent railway facilities apply to this industry as well as to others. Clothing of all descriptions might be manufactured here as elsewhere, and the manufacture of crockery and glassware as well as woollen goods must at sometime find a foothold in the west, and there is no reason to be offered why Brandon should not be its home. For an abattoir, there is an exceptionally good opening owing to Brandon's handy means of access to the northern, western and southern stock raisers, and the closeness with which Brandon is in touch with the fluctuation of the world's markets. Biscuits and confectionery could be made here at no greater outlay than in other cities, and there is also an excellent outlook for a good electrical firm, a wire fence factory and a broom factory. Another industry for which Brandon is admirably located is that of sugar making. Progressive agriculturists have already carried out careful tests along the line of raising beets and testing, as far as possible, their saccharine properties. In every case, results have been eminently satisfactory, thoroughly demonstrating the fact that the scheme is feasible. The average yield of

roots in the district was in the neighborhood of 300 bushels per acre, the soil being particularly well adapted to the raising of beets of all varieties."

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PROTECTION FOR NORTH-WEST FARMERS.

Immense quantities of farm products from the United States are sold in our markets in competition with the products of Canadian farms. This means a very serious loss to Canadian farmers. Farmers of the North-west feel this competition as well as the farmers of the East.

The Manitoba Free Press, the leading free trade newspaper of the Canadian North-west, in a recent editorial calling upon the farmers to raise more hogs says :

"For the year ending June 30th, 1902, Manitoba alone received 417,306 lbs. of American bacon and hams and 300,000 lbs of American lard. The receipts during the last six months of the year 1902 are not available, but everything points to these quantities being nearly doubled. This does not say anything as to the heavy receipts in the North-west Territories over the Soo road; nor does it take into account the tremendous trade in British Columbia, of which fully three-quarters is supplied by American meats; nor does it include the Yukon meat market, which is largely controlled by Americans.'

It looks as if the farmers of Manitoba and the Canadian North-west Territories needed increased protection. The present Canadian

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tariff on bacon and hams from the United States is only two cents per pound while the United States tariff on Canadian bacon and hams is five cents per pound. If the Canadian tariff on these products were as high as the United States tariff large packing houses would soon be established in Winnipeg, Calgary, Edmonton and other centres which would supply not only the local demand in the Canadian North-west and British Columbia, but also ship to England. These packing houses would create a demand for hogs that would add greatly to the profits of farming. As the Winnipeg Free Press itself points out "the mortgage lifter" is the slang name for the hog in the western states, and there is no reason why the raising of hogs should not be equally profitable in the Canadian North-west. Many of the farmers from the United States who have settled in Alberta are said to be making preparations to go into hog raising. These new settlers will not be any better pleased than Canadian-born farmers to have bacon, ham and lard from the United States competing with their products.

There are many other farm products of the North-west that require more protection. There is no good reason why the products of United States farms coming into Canada

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should be taxed at about half the rate Canadian farm products have to pay to get over the border.

Already the consumption of farm products by the mining population of British Columbia and the Yukon Territory is large, and as the population increases the demand will be very great. There are coal mines also in Alberta which are likely to be extensively developed and the miners employed in them must be supplied with food either by farmers in Canada or by farmers in the United States.

THE PRICES NOT REDUCED.

The Toronto Globe says that "it is as hard to estimate the foreign price plus a high duty as to estimate the foreign price plus a 'reasonable' duty or the foreign price with no duty." If this has any meaning at all it is an acknowledgment that the free trade contention that the whole duty is always added to the price of an article is wrong. But the Globe proceeds to contradict itself by adding :

"Our duty on farm implements has little effect on the proportion of domestic to foreign implements purchased, but its full effect is seen in the price which our farmers must pay for such supplies, whether of home or foreign manufacture."

Why is it, then, that the prices of farm implements are no lower now than they were when the tariff was higher? Why is it that in free trade England the prices of farm implements are higher than in Canada? Why is it that farm implements are cheaper in the United States than in Canada although the Canadian tariff is not nearly so high as the United States tariff? Why is it that the importations of agricultural implements have been increasing at an alarming rate since the tariff was lowered?

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If the Globe will examine the Trade and Navigation reports it will find the following figures :—

IMPORTS OF FARM IMPLEMENTS

Year	Value of Imports
1896	\$ 445,070
1897	575,409
1898	905,140
1899	1,639,888
1900	1,826,944
1901	1,896,760
1902	2,655,468

If the tariff had been higher, instead of such an increase taking place in the importations there would have been a great increase in home production, giving employment to Canadian labor and keeping in Canada millions of dollars that have been sent to the United States.

The manufacture of these farm implements in Canada would have added to the population as many people as there are in the city of Brantford, and thousands of men would have been employed in getting out raw materials. All these workmen and those dependent on them would have obtained their food supplies from Canadian farmers.

IMPORTANCE OF SMALL INDUSTRIES

A manufacturer in one of our small towns asked a certain politician to support a proposal for increased protection. "How many men do you employ?" asked the politician.

"Fifty," said the manufacturer, "but I am afraid I will have to discharge most of them as soon as hard times begin in England and the United States, for the manufacturers of those countries will then begin to slaughter their surplus stocks in the Canadian market."

"It would pay the country better to bring your fifty men to Ottawa and board them at a first-class hotel than to give you increased protection," said the politician.

"Well," said the manufacturer, "if you followed the same plan with every Canadian industry employing not more than fifty men, the city of Ottawa would have an enormous increase in population and you would have to build a great number of hotels. In our little town there are quite a number of industries, but only one of them employs

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more than fifty hands. Altogether there are some hundreds of workmen employed in the town and they have families dependent on them who help to swell the population. What is true of our town is true of many other little towns and villages throughout the country. It is true also that there are many city industries that employ less than fifty hands. What would you do with the families of the workmen whom you propose to board in Ottawa hotels at the public expense? Would you let the women and children stay at home and starve? How would you compensate the merchants who sell them food, clothing and household furniture? Would you pension the tailors, dressmakers and milliners who make their clothes? Would you pay the doctors' bills and the salaries of the school teachers and ministers? Would you buy the eggs, butter, vegetables and fruit that the farmers now sell to these people?"

Many politicians seem to forget the old saying that "many a little makes a muckle."

There are many little industries in cities, towns and villages throughout the country which seem of small importance when looked at individually, but altogether they provide employment for a great many

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people, create a valuable home market for the farmers, make business for the merchants and keep in circulation in Canada many millions of dollars which would go out of the country if they were wiped out of existence.

The little industries as well as the big ones require more protection and they should not be forgotten in the revision of the tariff.

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CANADIAN MONEY FOR CARNEGIE

We hear a great deal about the money that Mr. Andrew Carnegie has given to Canada, but nothing about the millions of money which Canadians have sent to Mr. Andrew Carnegie. Last year Canadians sent to the United States about twenty-five million dollars for iron and steel and manufactures of iron and steel. A very large part of this went directly or indirectly to the United States Steel Trust from which Mr. Andrew Carnegie derives most of his wealth. Of course all these millions did not represent profits for Mr. Carnegie and his associates in the United States Steel Trust. The greater part of the money was paid out in the United States in wages to workingmen, in renewing machinery, in purchasing raw materials and in other ways, but the profits on the steel sold to Canada during the last twenty years would build a great many libraries. The best reply to Mr. Carnegie's sneers about Canada would be to make the Canadian tariff on iron and steel and manufactures thereof as high as the United States

tariff. The effect of thus raising our tariff would be to build up in Canada great iron and steel industries which would give employment to thousands of Canadian workmen and keep in circulation in the Dominion many millions of money which we now send to the United States.

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WHEN BRITAIN HAD PROTECTION.

Those who believe that all Great Britain's progress has been due to the adoption of free trade should read the speech made by Henry Clay before the United States House of Representatives when the protective tariff bill of 1824 was being discussed. Mr. Clay, who has been called the father of protection in the United States, made a statistical comparison between Great Britain and other countries of Europe, showing how greatly the British people had prospered under protection.

Britain at that time had a higher protective tariff than any other country and Mr. Clay's comparison showed that it was the most prosperous country in the world, that the earnings of the people were greater in proportion to the cost of living, and that the wealth of the country was increasing in a most extraordinary way.

In conclusion Mr. Clay said: "The committee will observe that the measure of the wealth of a nation is indicated by the measure of its protection of its industry; and that the measure of the poverty of a nation is marked by that of the degree in which it neglects and abandons the care of its own

industry, leaving it exposed to the action of foreign powers. Great Britain protects most her industry, and the wealth of Great Britain is consequently the greatest. France is next in the degree of protection and France is next in the order of wealth. Spain most neglects the duty of protecting the industry of her subjects, and Spain is one of the poorest of European nations. The views of British prosperity, which I have endeavored to present, show that her protecting policy is adapted alike to a state of war and peace. Self-poised, resting upon her own internal resources, possessing a home market, carefully cherished and guarded, she is ever prepared for any emergency. We have seen her coming out of a war of incalculable exertion, and of great duration, with her power unbroken, her means undiminished. We have seen that almost every revolving year of peace has brought along with it an increase of her manufactures, of her commerce, and consequently, of her navigation. We have seen that, constructing her prosperity upon the solid foundation of her own protecting policy, it is unaffected by the vicissitudes of other states. What is our own condition? Depending upon the state of foreign powers—confiding exclusively in a foreign, to the

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culpable neglect of domestic policy—our interests are affected by their movements. Their wars, their misfortunes, are the only source of our prosperity. In their peace, and our peace, we hold our condition the reverse of that of Great Britain, and all our interests stationary or declining. Peace brings to us none of the blessings of peace. Our system is anomalous ; alike unfitted to general tranquility, and to a state of war or peace, on the part of our own country. It can succeed only in the rare occurrence of a general state of war throughout Europe."

HOW FREE TRADE RUINED BRITISH FARMERS

It is not at all surprising that so many British farmers are protectionists. The effect free trade has had upon farming interests in England is well described by Sir Guilford L. Molesworth, who says : " For many years England did not feel the blighting effects of free trade. She had a good start in the race, and it would naturally take years for other nations to overtake her ; but the capital which she recklessly expended in purchasing abroad commodities that might have been produced at home gradually armed other nations with funds for successful competition with her. It was not until after twenty or twenty-five years that the effects of her policy began to be felt. The situation had to some extent been saved by the partial restriction of unlimited free imports in consequence of the Crimean and American civil wars. Our agriculture, being more heavily burdened by taxation than any other industry, was the first to suffer ; and in 1879 a Commission was appointed to enquire into its depression. The evidence before that Commission disclosed a ruinous state of

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affairs. Sir James Caird estimated the loss of farmers' capital in six years at £38,000,000 sterling. Sir Robert Giffin admitted that there had been an enormous depression, involving losses equivalent to what is usually considered the whole of the farmers' profit. The evidence showed that the inroads made on agricultural capital rendered it impossible to continue good farming, and in many cases the land had sunk in condition and become foul, had run to weed and gone out of cultivation. In 1893 the condition of our agriculture had gone from bad to worse, and a Royal Commission was again appointed to enquire into its depression. The report of this Commission showed that the ruin was complete, especially with regard to arable land. Mr. Pringle, the Assistant Commissioner, prepared a ghastly map of a portion of Essex, formerly a prosperous wheat-growing district. The map is strewn over with a profusion of black patches, indicating the farms that have passed from good wheat cultivation to coarse, weedy pasture. The whole report teems with evidence showing that, in many cases, rent has been entirely paid out of capital, that the capital of farmers has been gradually exhausted, that stock, horses and cattle have diminished,

that the land has seriously deteriorated, and that which has been left alone has gradually "tumbled down" to weeds, that property has constantly been changing hands; farmers are in debt, freeholds heavily mortgaged, and mortgagees losing their money. One property purchased during prosperous times for £8,000 has been sold for £420. Land mortgaged for £1,000 has been foreclosed, with the result that the land can neither be let nor sold, and the mortgagee is out of pocket, having to pay tithes, rates, taxes, as well as the wages of a caretaker. In short, the evidence disclosed a state of absolute ruin on all sides. More than 3,000,000 acres have gone out of cultivation between the years 1868 and 1893, namely, 1,757,000 acres of wheat, 804,000 of grain, and 612,000 acres of green crop. Meanwhile it is a significant fact that while the production of wheat and grain has fallen off in England in so serious a manner, it has increased largely in Protectionist countries. Between 1831-40 and 1887 the production of grain has increased in France 41 per cent., in Germany 143 per cent., in Holland 150 per cent., in Belgium 127 per cent., and in Italy 104 per cent. In like manner the production of wheat has increased in France 44 per cent., in Germany 100 per cent., in Holland and Belgium 100 per cent., in Italy 135 per cent."

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ENCOURAGEMENT TO GO FURTHER

The almost universal approval of Mr. Fielding's decision to place a surtax on German imports shows how few old fashioned free traders there are in Canada to-day. A few years ago we would have been told that such a tax would have to be paid entirely by Canadians and would make no difference to Germany. This is a distinctly protectionist measure and yet it is heartily approved by Liberals and Conservatives alike. The whole Canadian people are becoming protectionists. The favor with which this protectionist measure has been received should encourage Mr. Fielding to go a good deal further in the direction of protecting Canadian interests. Looking at the question purely from a Canadian standpoint without considering the effect on outside nations there is no doubt that Canada needs protection against the United States far more than against Germany. The balance against Canada in the trade with Germany last year was between nine and ten million dollars. The balance against Canada in the trade with the United States

was about \$68,000,000. If the duties on United States imports were as high as those on German imports are under the new Fielding tariff it would make a considerable difference in the trade figures.

Canadian farmers heartily approve of a high tax on imported German goods because Germany puts a high tax on Canadian farm products. Yet nearly all our imports from Germany are manufactured articles. What would our farmers say if the Germans were sending to this country annually many million dollars' worth of farm products. Last year Canadian farmers sent to the United States about seven million dollars' worth of farm products and the Canadian people bought from the United States over sixteen million dollars' worth of similar farm products simply because the Canadian tariff was low and the United States tariff high.

Cannot Mr. Fielding see that a high tariff on the products of United States farms and factories imported into Canada would be received with even greater acclaim by the Canadian people than the surtax on German goods?

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NORTHWESTERN ONTARIO

There was for some years a dispute as to where the boundary between Manitoba and Ontario lay, a part of what is now known as New Ontario being claimed by Manitoba. Fortunately for Manitoba the two provinces are in the same Dominion and trade is unrestricted between them, so that it makes no difference commercially to which province this territory belongs. Commercially and socially it will always have as close relations with Manitoba as with Southern Ontario, and this is true not only of the land formerly claimed by Manitoba, but of all Northwestern Ontario. The country extending from Sudbury to Rat Portage is especially fitted by nature to become a great mining and manufacturing district, for it has numerous water powers and abundance of raw materials. It has not very extensive areas of agricultural land, and when it has a large population engaged in mining and manufacturing operations the neighboring farms will not be able to supply the demand for farm products. The farmers of the district will be able to sell all they produce at good

prices but there will be a difficiency which will have to be supplied by the farmers of Manitoba. Is it not evident that it will be better for the farmers of Manitoba to have workingmen employed in Rat Portage, Port Arthur or Sault Ste. Marie making goods for them and eating the food they produce than to have them employed in the distant cities of the United States, Germany and other foreign countries.

KEEP YOUR MONEY IN CANADA.

When Canadians buy goods made in Canada the money they pay out is kept in circulation in this country, passing from one Canadian to another again and again in the course of trade, so that the whole community is benefited by it, and the man who paid it out in the first place often gets it back again. When Canadians buy goods made in the United States, and other foreign countries, the money goes out of Canada, and Canadians in general receive no benefit from it.

When Abraham Lincoln was defending the policy of building up a steel rail industry in the United States by means of high protection, he said: "When we buy rails in foreign countries we get the rails and the foreigners get the money. When we buy the rails in our own country, we have both the rails and the money." This will prove as true for Canada as it was for the United States. In the words of Adam Smith: "Though the returns of foreign trade should be as quick as those of the home trade, the capital employed in it will give but one-half the encouragement to the industry or productive labor of the country."

PROTECTIONIST FARMERS.

Canadian politicians of both political parties have always been too ready to assume that by giving adequate protection to home industries they would incur the hostility of the farming community.

In the United States the Republican party, which has always consistently favored high protection, has generally had the support of most of the agricultural districts in the Northern States. The agricultural sections of the south have generally supported the Democrats, but their opposition to the Republicans during the last forty years has been chiefly due to other causes than protection.

New York has always been regarded as a doubtful state, but the Republicans have usually been sure of a large majority in the agricultural districts of that state. The Democrats have been so thoroughly organized in New York City that they have usually had a big majority there, and the question has always been whether the Republican majority in the state outside the City of New

York would be big enough to overcome the Democratic majority in the metropolis. The agricultural districts of the New England States are noted for their stalwart Republicanism, and the corn and wheat growing states of the West and North-West, which are almost purely agricultural, have generally supported the Republicans. The Populist party obtained a foothold in some of them, but the Democratic advocates of low tariff have never had much strength there. The middle states have now great manufacturing industries, but in the early days of settlement, when agriculture was almost the only industry, those states gave their support to the policy of protection in the hope of securing the establishment of factories near their farms.

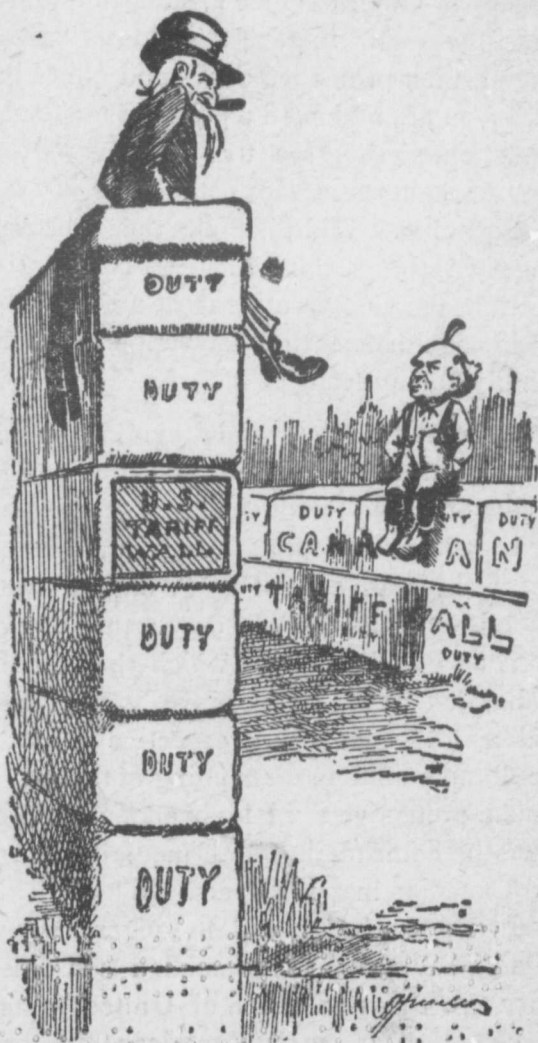
It is a well-known fact that free trade was adopted by the British Government to please the manufacturers, who wanted cheap food for their workmen, and the chief opposition to the abolition of protection came from the farmers. The Cobden Club, by circulating free trade pamphlets among the farmers and sending out orators to preach against protection, converted a considerable number of them, but it is doubtful whether the majority of British farmers were ever convinced that free competition was a bless-

ing to them. To-day British farmers would rejoice to see stiff protective duties on bread-stuffs, and for the sake of them would willingly favor duties on manufactured articles as well.

In Canada, of course, the conditions are unlike those of the United Kingdom, but they are very similar to those of the United States, especially before manufacturing industries had become highly developed in that country by long continued protection. Some of the most enthusiastic protectionists in Canada to-day are farmers, although a large number of Canadian farmers are free traders because they have been educated by newspapers and politicians to believe that the interests of farmers and manufacturers are antagonistic. Both political parties are now protectionists, in practice, but it is worthy of note that for many years, when the Liberals were earnestly advocating the abolition of protection, while the Conservatives were persistently defending the National Policy, the Province of Manitoba, the most purely agricultural district in the Dominion, gave strong support to the Conservatives, and continued to do so until the school question caused division in the party. The Conservatives also had the support during those years of many purely agricultural

districts in Ontario, Quebec and the Maritime Provinces. In 1894 the Conservatives lowered their protective tariff, and the Liberals soon after adopted a policy of moderate protection, so that the two political parties were brought very close together on the tariff question. Did this help the Conservatives in the farming districts? On the contrary, the Conservatives lost a number of rural constituencies that had supported them steadily for eighteen years.

Old party traditions and prejudices on this question have now disappeared. Both parties having accepted the principle of protection, the time has come for a forward movement. The Conservative tariff at its highest was much lower than the Wilson-Gorman Act of the American Democrats which the Republicans denounced as a move toward free trade. All Canadians irrespective of party, should now unite in demanding of the politicians a protective tariff high enough to preserve the home market for Canadian farmers and Canadian manufacturers. When such a tariff is established, it will no longer be possible to say that each Canadian consumes thirty-two times as much of United States merchandise as each American does of Canadian merchandise.



UNCLE SAM—Waal, dunno's I care much about reciprocity—but tell yeh what I'll do, Wiify, you throw off the top row of stones on your wall, and I'll throw off the top row on mine—there.