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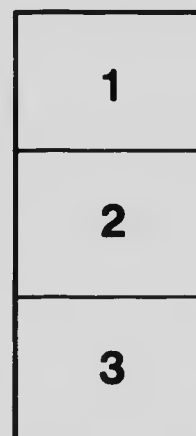
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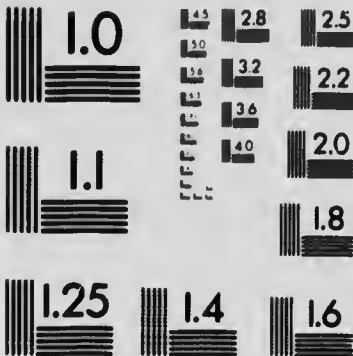
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CANADIAN CHAPTERS ON MR. CHAMBERLAIN'S POLICY

BY

ARCH MCGOUN, K.C.

MONTREAL

PRINTED BY JOHN LOVELL & SON, LIMITED

1904

Entered according to Act of Parliament of Canada in the year of our Lord one thousand
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CHAPTER I.

THE POLICY PROPOSED, ITS GENERAL BEARINGS.

The probable effect of Mr. Chamberlain's proposals has not been adequately discussed from the standpoint of Canadian trade. Too much prominence by far has been given to the views of Canadian manufacturers, and too little to the interests of the rest of the Canadian people. Even the pious free traders in this country seem to be more concerned with the effect of slight protective duties in the mother country than with the increased freedom of trade that would be gained in Canada.

It is desirable that this should be discussed from the standpoint of the average citizen of Canada, and from the point of view of those who believe that a customs tariff should be a tariff for revenue, and not an instrument designed for the killing of external trade.

If we assume that Mr. Chamberlain succeeds in obtaining authority from the electors in the mother country to carry out his policy, what would be its effect upon the prosperity of Canada, and what should Canada be prepared to concede in return for the benefits she would derive?

The proposal is to put a duty of two shillings per quarter on foreign wheat, a similar duty on other foreign grain, except maize; also a tax on flour, and a tax of five per cent. on foreign dairy produce and on foreign meat other than bacon; a substantial preference on colonial fruit and wine, the whole to be offset by a remission of part of the duty on tea, cocoa, coffee and sugar. Lastly a duty on foreign manufactures averaging ten per cent.

The articles mentioned in this list in which Canada has an interest are chiefly the following.

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TABLE I.

PRINCIPAL AGRICULTURAL EXPORTS FROM CANADA TO THE UNITED KINGDOM IN 1902.

ARTICLES.	In £		U.K. returns		In \$		Canadian returns, & Exports to United Kingdom.
	Total Imports.	From Canada.	Total Imports.	From Canada.	Total Imports.	From Canada.	
Cattle	7,813	1,614	39,065	8,220	.....	.....	9,742
Beef, salted	244	7	1,220	35	.....	.....	.....
Beef, fresh	7,905	55	39,525	275	.....	.....	396
Beef, preserved	1,710	28	8,550	140	.....	.....	855
Sheep	454	86	2,270	430	.....	.....	525
Mutton, fresh	6,914	.....	34,570	.....	.....	.....	.....
Mutton, preserved	206	5	1,030	25	.....	.....	.....
Meat, other	1,199	7	5,995	35	.....	.....	325
Meat, preserved	869	92	4,345	460	.....	.....	.....
Fish, { Canada : { Salmon, } { Canned, }	1,798	886	8,990	4,430	.....	.....	5,818
Butter	20,526	1,547	102,630	6,735	.....	.....	5,465
Cheese	6,412	4,301	32,760	21,565	.....	.....	19,803
Apples	1,923	569	9,615	2,845	.....	.....	1,495
Wheat	27,079	3,194	135,395	15,970	.....	.....	24,102
Wheat Flour	8,925	869	44,625	4,345	.....	.....	2,290
Barley	7,131	20	35,655	190	.....	.....	172
Oats	5,041	183	25,205	915	.....	.....	1,431
Oatmeal	315	32	1,575	160	.....	.....	329
Rye	312	105	1,560	525	.....	.....	443
Buckwheat	21	.....	120	.....	.....	.....	79
Pease	719	78	3,595	390	.....	.....	1,217
	107,519	13,508	537,595	67,540	.....	.....	74,487

The difference between the United Kingdom and the Canadian returns is due chiefly to the latter including shipments through United States ports; the former Canadian ports alone. The U. K. year ends 31st December, the Canadian, 30th June. In imported fish only canned salmon are included in the first four columns. It is not quite certain whether this item will be included in the taxed list.

There are also certain manufactured articles produced by Canada. We exported to the United Kingdom of these in 1902.

TABLE Ia.

Agricultural Implements	\$378,000
Carts and Carriages	29,000
Organs,	332,000
Pianos,	13,000
Sewing Machines and Machinery	400,000
Steel Manufactures,	601,000
Door Sashes and Blinds,	231,000
Household Furniture,	184,000
Matches and Splints,	45,000
Spools,	105,000
Other wood manufactures,	239,000
	<u>\$2,557,000</u>

Canada's total exports to United Kingdom, Domestic \$109, 347,000; Domestic and Foreign \$117,320,000.

The Imports into the United Kingdom the same year 1902, were, \$2,026,560,000 Foreign Countries; \$513,792,000 British Countries; Total, \$2,540,352,000.

Whether the colonies will be exempt from the duties on flour and manufactures will depend, no doubt, upon the disposition they show to make a fair return for the privileges offered to them. There is ample room for negotiating, and no doubt the mother country will meet us fairly on this ground, if we are willing to meet her. Mr. Chamberlain has said colonial manufactures are to remain free of duty.

It appears from the above that at the lowest calculation the United Kingdom affords a market for over \$500,000,000 worth per annum of the articles which it is intended to make subject to a foreign duty, while leaving the colonial import free, and out of this amount Canada does not at the present time supply more than one eighth. She has, therefore, an opportunity to increase her export of these particular articles to eight times their present amount. She has, further, the chance of increasing her total exports from \$117,000,000 to any figure she is able to supply in the import by the United Kingdom from foreign countries alone, of \$2,026,000,000, the market being only limited by our power to produce.

The benefit would manifestly accrue first of all to the Agricultural interest. This is the most important element in our population. A Canadian Government is bound to realize that whatever tends to improve the condition of the Canadian farmer, and to increase the farming population should be an object of the first solicitude on the part of those who direct our public policy. If life on a farm could be surrounded with as great comforts and as great facilities for social intercourse as the life of people in the towns, Canada would be the ideal home of the finest population the world could contain.

As against such a consuming market, what is the extent of the market Canada can hope for by limiting and restricting her trade with the United Kingdom? In other words what proportion of the inhabitants or producers of Canada have any interest, however slight, adverse to a policy of freer trade within the Empire?

The great bulk of Canadian manufacturing enterprises are

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connected with articles in which the competition of the mother country is of comparatively small importance. Our great competitor in these, as well as in agricultural produce, is the United States. We may try to estimate the relative importance of the manufacturers whose business might be affected by British competition as compared with other manufacturers whose business would not be affected, and to the latter are to be added all the other occupations of the Canadian people.

First then the population of Canada was divided in the census of 1891 into six general classes, and the ratio of each class to every hundred engaged in all occupations was as follows:

Agricultural.....	47.621%	} including farming proper. 44.310%
Trade and transportation .....			lumbering, mining, fisheries, 3.311%
Domestic.....		11.251%
Manufacturing and mechanical		14.836%
Professional.....		19.286%
Non-productive.....		3.813%
		3.193%

Applying these proportions to the population under the new census of 1901, gives the following results:—

Agriculture.....	2,541,471	} Farming.....	2,364,768
Trade and transportation.....			Other.....	176,703
Domestic.....			600,452
Professional.....			791,778
Non-productive.....			203,495
Manufacturing and mechanical.....			170,406
			1,029,269
			5,336,871

I propose to show that of the 1,029,486 belonging to the class manufacturing and industrial, considerably more than half, or 590,924 are engaged in manufacturing enterprises which could not be affected by British competition. If these are added to the other five classes above mentioned, it gives a population of 4,898,314, whose industries would not be affected by British competition, and allowing all other manufacturing and mechanical pursuits to remain (although they also include all the smaller industries, most of which probably also belong to the first class), the total of these is only 438,561 or 42.6 per cent. of the manufacturing and mechanical class, or 8.2 per cent. of the whole population.

The manufacturing and mechanical industries which I believe would not be so affected even slightly appear in Table

II, and nothing need be said to satisfy any one that most of these would not be so affected even slightly. With regard to a few of the items in which this might not be perfectly clear to those not familiar with the trades, I have given in Table III, figures showing that Canada is of such articles an importer from the mother country either not at all or to an insignificant amount. The bulk of such imports, when they are brought in, come not from the mother country, but from the United States.

TABLE II.

Principal Mechanical and Manufacturing Industries, Canada
 Census 1891, not likely to be affected by other British Competition.

INDUSTRY.	No. of Establishments.	Employees over 16.		Employees under 16.		Wages. Annual Thousand Dollars.
		Men.	Women.	Boys.	Girls.	
Agricultural implements	221	4,372	11	160	....	1,812
Bakeries	1,656	3,716	587	214	34	1,607
Blacksmithing.	9,423	11,761	6	203	....	3,187
Boots and shoes.....	5,398	13,432	3,482	762	365	4,916
Brick and tile making.	697	6,031	6	698	2	1,428
Cabinet and furniture.....	1,286	6,506	285	361	28	2,452
Carpenters and joiners.....	4,618	9,913	3	221	....	2,949
Carriage making.....	3,336	8,697	32	323	4	2,909
Cheese factories.....	1,565	2,604	266	122	21	753
Cigar box making	112	1,741	1,180	190	109	976
Cooperage.....	1,524	2,960	4	240	....	744
Fish canning	390	8,333	3,635	1,110	653	974
Fish curing.	4,627	11,155	2,177	1,891	481	1,066
Flour and grist mills	2,550	6,103	33	178	3	2,366
Fruit and vegetable canning.	52	508	1,291	194	248	165
Gas works.....	49	1,160	....	4	....	496
Lime kilns	1,184	579	1	10	....	111
Marble and stone cutting....	497	3,691	1	100	1	1,410
Meat curing.....	527	1,470	100	100	20	503
Musical instruments.....	89	2,030	11	129	....	962
Painters and glaziers.....	405	1,321	35	52	....	500
Photographic galleries.	327	497	159	29	23	228
Planing and moulding mills.	321	2,541	2	121	....	970
Plumbers and gasfitters.	144	1,114	3	151	....	475
Sash, door and blind factories	608	5,631	....	176	....	2,309
Saw mills.....	5,666	48,074	61	3,233	10	12,635
Pulp mills.....	24	960	7	58	....	292
Rubber factories.....	15	497	674	21	32	338
Sewing machines.....	12	869	17	10	1	295
Shingle mills	877	3,050	6	311	1	616
Ship yards	147	3,142	3	46	....	998
Smelting works.....	16	1,835	1	64	1	851
Stave mills.....	70	927	....	138	....	296
Tanneries	802	4,084	57	120	2	1,522
Tobacco factories.....	37	964	874	148	119	485
Washing machine shops.	30	133	2	4	46
Wood turning	127	659	8	89	2	204
	49,429	183,060	15,070	12,081	2,160	54,904

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TABLE III.

CANADIAN IMPORTS, 1902, OF CERTAIN ARTICLES.

ARTICLES.	From Great Britain.	From United States.
Agricultural implements	\$19,913	\$2,635,055
Bricks and tiles	30,181	141,440
Carriages, buggies and pleasure carts	4,265	67,856
Cutters and sleighs .....	....	11,916
Carriages, railway and parts	4,661	801,740
Waggons and drays .....	..	123,946
Carriages, other	1,837	148,686
Furniture of wood, iron and other material	18,357	441,889
Wood manufactures, N. E. S.	23,552	530,499
Fruit, green	156,534	1,162,209
Fruit, in cans	10,347	54,054
Marble manufactures	2,004	102,280
Stone manufactures	52,020	160,203
Sewing machines	3,389	243,001
Typewriting machines	15	129,913
Boots and shoes	34,178	665,915
Harness and Saddlery	8,700	73,433

Of boots and shoes, Canada exported the following:—

1901; \$209,000 besides sole and upper leather \$1,966,000.

1902; \$179,000 besides sole and upper leather \$1,911,000.

In harness and saddlery we exported in 1901, \$136,000, in 1902, \$119,000.

Those employed in the industries enumerated in this Table II, number 212,371 hands, being 57.4 per cent. of the number, 370,256, engaged in all the manufacturing and mechanical employments. If we multiply these hands by the number which represents the proportion of those engaged in all the occupations to the whole population, this makes the number of people engaged in industries not likely to be affected by British competition and those dependent on them 590,924 out of the total in all industrial pursuits of 1,029,486.

The hands employed in all the other industries number 157,885, representing at the same rate a population of 438,561.

Not all of these, however, would be affected by British competition.

The only important industries that might be affected by competition from the United Kingdom are cotton, woollen, iron and steel manufacture, and a few others enumerated in Table IV., employing in the aggregate 28,287 hands, about half women and

girls. At the same rate these hands represent a population of under 80,000 people.

TABLE IV.

INDUSTRIES THAT MAY BE AFFECTED BY BRITISH COMPETITION.

INDUSTRY.	No. of Establishments.	Employees over 16.		Employees under 16.		Wages Annual Thousand Dollar
		Men.	Women.	Boys.	Girls.	
Carpet making	577	309	341	26	13	135
Corset factories.....	32	101	778	10	63	216
Cotton mills	22	3,116	3,837	877	672	2,102
Flax mills.....	40	869	112	338	90	204
Knitting factories ...	223	360	922	77	142	332
Shirt, collar and tie makers..	157	512	2,376	54	116	671
Rolling mills.....	19	4,874	15	129	....	2,235
Woolen mills.....	377	3,142	2,996	578	439	1,884
	1,447	13,286	11,377	2,089	1,635	7,779

The most important, not included in Tables II. and IV. are given in Table V., which are as likely to be benefited by freer trade in the Empire as to be affected by the competition. The remaining industries enumerated in the census of 1891, are indicated at VI. in the Resumé.

TABLE V.

INDUSTRIES NEUTRAL IN RESPECT OF BRITISH COMPETITION.

INDUSTRY.	No. of Establishments	Employees over 16.		Employees under 16.		Wages Annual Thousand Dollars
		Men.	Women.	Boys.	Girls.	
Dressmaking and millinery..	7,006	224	15,524	67	1,392	2,475
Foundries and machine works	621	12,367	95	343	3	5,132
Paper box making.....	43	255	619	16	74	220
Paper factories.....	34	1,408	294	59	31	656
Printing and Publishing offices	589	5,904	984	771	46	3,099
Tailors and clothiers.....	3,982	7,765	14,504	419	546	5,730
Tin and iron sheeting.....	233	1,040	121	177	40	463
Tinsmithing	1,492	3,487	56	246	9	1,265
Watchmaking and jewellery.	655	1,414	86	87	2	648
Harness and Saddlery.....	1,533	2,894	30	145	....	1,001
Sugar Refineries.....	8	1,900	27	709
Weavers.....	2,085	469	1,916	32	88	180
	23,361	39,098	34,229	2,389	2,231	21,578

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RESUME OF ALL MANUFACTURING INDUSTRIES.

	Establish- ments.	Men	Women	Boys	Girls	Total Hands.	Population Represented	Annual Wages Thous \$
Table II...	49,429	183,060	15,070	12,081	2,160	212,371	500,000	54,904
IV...	1,447	13,286	11,377	2,089	1,535	28,287	70,000	9,779
V...	23,361	39,008	34,229	2,389	2,231	77,947	220,000	21,578
VI...	1,731	37,980	9,004	2,867	1,134	51,651	140,000	24,402
	75,968	273,424	70,280	19,426	7,060	370,256	1,020,000	100,663
V., V., VI.	26,539	90,364	55,210	7,345	4,900	157,985	439,000	45,759

As a check upon the probable accuracy of this estimate, we find from the last four census returns, the division into rural and urban inhabitants thus:--

Census	Rural.	Urban.
1871.....	81.2	18.8
" 1881.....	78.9	21.1
" 1891.....	71.3	28.7
" 1901.....	73.88	26.12

The relative importance of the Agricultural classes is also tolerably constant, the percentage of Agricultural being as follows:

Census 1871.....	47.49%
" 1881.....	47.61%
" 1891.....	47.62%

Even if every individual engaged in or dependent upon the industries in which the mother country could compete, were to spend his whole wages in the purchase of agricultural produce, it would be only a market of from 80,000 to 500,000 persons against a market in the United Kingdom of 40,000,000.

The total wages earned even if all spent would be from \$10,000,000 if we confine ourselves to Table I V. to \$46,000,000, if we exclude all except Table II, against an expenditure by the United Kingdom as shown in Table I. of \$537,000,000, now actually made on imported agricultural produce.

The volume of the census of 1901 dealing with these matters is not yet published, but if the classification under the new census were followed, the result would greatly accentuate the conclusions above drawn. In the old census, mechanical and manufacturing establishments in which only one person might be engaged, were included. In the new census of 1901, only works in which five or more persons were employed rank as manufactories; and ac-

cordingly, we have in 1901 only 14,646 establishments, 312,703 wage earners, and \$89,472,046 as wages paid for labour. Therefore there is no reason for believing that the number really affected at the present time is greater than the number stated above based upon the previous census.

The interest of the farmers is most direct; that of all the inhabitants is in securing a rapid increase in the population with profitable and useful employment for the incomers, and in purchasing British goods better and cheaper than they can at present. Sir Michael Hicks-Beach contends in Manchester that to appease jealousy in Canada, timber as well as grain would have to be taxed. No such jealousy exists, the lumberman will not grudge the farmer any benefit he may secure. No demand has come from the colonies for duties on raw materials other than foodstuffs. If the United Kingdom itself finds this policy so profitable as to desire to extend it, the colonies are not likely to object. But evidently Sir Michael fears not the failure, but the success, of Mr. Chamberlain's policy.

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CHAPTER II.

CANADIAN AGRICULTURAL INTERESTS.

Are the farmers, who are offered at once such a market as the United Kingdom affords, to be told that they can wait until the Canadian population has grown without cooperation of the mother country so as to equal that of the United Kingdom? That would mean that the present generation is to have no benefit from the

Can it be seriously pretended that 92 per cent. of the population large market.

are to be denied the benefit of such a policy as Mr. Chamberlain proposes for the sake of a small percentage of perhaps 8 per cent., who may be interested in industries that are dependent upon Canadian protection. If it was protection against the unjust action of some other Government, there might be some reason for it, even at some economic cost, but such cannot be pretended in the present case.

Is the Canadian farmer, miner, lumberman, and fisherman to be obliged to pay even 25 per cent. more for his woollen and cotton clothing, his blankets and his tools than they are worth, in order that they may be manufactured in Canada?

Some person, said to be the largest holder of cotton stocks in Montreal, wrote to a London paper saying that the manufacturers of Canada were favourable to Mr. Chamberlain's proposals, but they could not be expected to put their hand in their pocket in order to give a return. This was quoted by Lord Rosebery as expressing the opinion of the people of Canada. Those "caterans" should be made to understand that they are not asked to put their hand in their pocket, but to take their hand out of other people's pockets. If they are charging Canadian consumers \$1.25 for what is only worth \$1.00, for what could be bought outside and laid down in Canada at \$1.00, their hand is in the pocket of their fellow citizens, "lifting" the extra 25 cents. Now people should not be allowed to misunderstand the nature of a protective tariff. The idea is often put forward that it is quite indifferent to the Canadian consumer whether he pays \$2.50 for a Canadian pair of boots, or \$2.50 for a pair made outside of Canada, and imported under a duty of 25 per cent. If the

article is imported and sold for \$2.50 this means that \$2.00 is paid for the article itself, which is therefore its real value, and the other 50 cents goes into the Canadian Treasury, and saves the people from taxation to that extent. If the \$2.50 is paid for the Canadian article, this means a loss to the people of this 50 cents, because it does not go into the public treasury, but into the pocket of the Canadian manufacturer. There being so much less revenue, the 50 cents must be raised by other taxes. The manufacturer in Canada may or may not make some return to the Canadian people for this 50 cents. This will depend on whether the protection is asked for only a few years until the industry is established, and the manufacturer put in a position to supply goods to the Canadian people as cheap as they can be bought outside; or whether the duty is required permanently, and we are never to reach the stage at which we get our goods at the same cost as the cheapest of other countries. In this case it is a permanent loss to the rest of the people.

It may be that the Canadian public really wish to benefit the manufacturers to this extent, but at least they should perfectly understand that this is what they are doing, and the manufacturers should not adopt a tone as if they were claiming that to which they had a moral right, and which their fellow citizens were bound to respect. And particularly they should not allow their individual gain to stand in the way of Canada reaping the benefit of a magnificent opportunity for adding largely to her wealth and population.

The present Government was not returned to power in Canada to maintain a high protective tariff; it was returned upon a distinct pledge that the tariff would be reduced, and especially that it would be reduced in favour of the United Kingdom, which has always admitted our goods free into their markets, but in any case that such a reduction should be offered in case a preference could be obtained in the market of the United Kingdom. This pledge was formally and expressly given by Sir Wilfrid Laurier in my hearing at a meeting held in Westmount, and I read the identical utterance repeated on other platforms. No language could have been more explicit. I voted for his candidates in both districts on the strength of it. And I think so did the majority of the people. Mr. Foster thundered on the hustings in almost every large town

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of Canada, that the Government had been false to its pledge of not reducing the tariff more than one or two per cent. which pretended was the extent of the reduction on the general tariff. The Government's reply was that they had reduced the tariff 1.3 per cent. by the Preferential clauses in favour of British countries. It is therefore quite wrong to pretend that the people of Canada are so wedded to high protection that they are willing to sacrifice the best interests of the farmers and of the people generally in order to maintain a small number of unnatural exotic industries in which she cannot compete on equal terms with her rivals in the outside world. If the Government betrays the interests of the masses to obtain or retain the favour of the "privileged" classes, it is a desertion by the officers of the trust the millions reposed in the Government.

I am quite aware that this may be taken by opponents as an argument against protection even in the mother country. I am convinced, however, that Canadians require instruction on the advantages of high protection fully as much as the people of the mother country upon the wisdom of preferring the interests of the Empire to an unreasoning adherence to a purely economical policy. I am convinced of the economic advantages of free trade, but I believe that economy should not be the only national pursuit, and that a legitimate political object may justify a departure from a purely economic policy. A protective policy has had important results in consolidating our own Dominion, and I am convinced would have equally important results in consolidating the British Empire. Levying taxes by this method is not an attempt to specially benefit any particular class at the expense of other classes in the same community, but it is intended to benefit the different countries comprised within the union. And if slight incidental advantages accrue to certain classes in each of the several communities, this is by no means an unmixed evil. In the case proposed the advantage is to be given precisely to that class, the agricultural, which is utterly powerless to adopt the methods of trade combination, which often enable other classes to enrich themselves at the expense of the general community. The proposed taxes on manufactures are for revenue purposes and to be used as a levy to secure fair play in dealing with foreigners. And as a means of revenue they are an equitable system. They make the foreigners bear some share of the cost of defending our country from foreign attack.

CHAPTER III.

TRANSPORTATION INTEREST, IMPORTERS, DOMESTICS, SHOP-KEEPERS AND HANDS.

The next class in Canada that we should notice as interested in supporting Mr. Chamberlain's policy, are those engaged in the business of transporting agricultural produce to the British market, and the return cargoes bought with the price due for it. In 1891 there were 186,695 engaged in these occupations, representing under the new census of 1901, 584,355 persons.

This includes the owners of the barges that bring this wheat to the seaport, and the men engaged in operating these barges and their families. If their business can be increased tenfold, their profits will also be increased tenfold, and both the owners and the employees engaged in this transportation will have larger revenues and more constant employment than they could obtain in any other way, and more money to spend on legitimate Canadian manufactures.

This class includes also the owners and employees of our great railways, and particularly the two great railway organizations, the Canadian Pacific and the Grand Trunk. These are interested in the development of the Northwest, but not of the Northwest alone. They have the most tremendous direct interest in the cultivation of every acre of land through which they run, on the main lines and on the branches. The number of railway employees is large and forms one of the most important, and one of the most intelligent and highly trained, classes to be found in any community.

Their interest is partly in having the farm produce brought over their lines to the seaport, and in the freight they receive for this; but they are also interested in having large quantities of return freight over the whole line from the seaport sent to the farmers from whom the produce is received by them for export.

It is directly to the interest of the people of Canada and especially of the Eastern Provinces of Canada, that the farmers should

buy what they require in the East. It is of secondary importance to them whether it is manufactured here or imported. It is this that forms the strongest argument in favour of the construction of the new Grand Trunk Pacific line. And the interest of these companies is identical with the interest of the people of old Canada, in developing, as rapidly as possible, a large volume of trade between the East and the West.

We next have those interested in the ships that run between Montreal, Quebec, St. John and Halifax, and Liverpool, London, Bristol, Galway or Glasgow.

The shipping industry of Canada has hardly received the support it deserves at the hand of the Government. A subsidy paid to a single line or to a few lines of steamships, may have a certain advantage as regards those lines, but such subsidy is simply drawn from the taxes of the people and only affords a small offset to the disadvantages of heavy customs duties upon the trade. Subsidies help only the lines that receive them. All other lines and all tramp vessels are discriminated against.

Shipping should be made prosperous by the natural operations of trade.

If import trade by sea is destroyed by heavy customs duties, the ships are obliged to charge, for all that we export, double rates of freight, or be run at a loss if we refuse to allow them to bring in return cargoes. No subsidies can give the same advantage to the shipping industry that they would derive without subsidies from freer trade. Their interest does not require that there should be no duties on imports, but that the duties should be arranged so as not to discourage imports which they desire to carry in return. In England this does not apply to the same extent. It is easier for ships there to get inward than outward cargoes by reason of foreign tariffs.

Without specially commenting on the fishermen, lumbermen, miners, insurance and bank employees, we come next to the class that is generally put most directly into opposition with the manufacturing class, namely the importers. Let us consider then, whether importers should be treated as public enemies. The importer, like the manufacturer, endeavours to supply the inhabitants of Canada with what they wish to buy. The two chief differences between the importer as such, and the manufacturer as such, are these: First

it is frequently possible for an individual not having very extensive means to engage in an import business. If his credit is good and his business capacity known to his banker, it is possible for an importer to carry on business with a comparatively small capital.

The second difference, however, is said to be that while the manufacturer employs a large number of hands in converting the raw material into the finished goods, the importer requires only to employ the small number of hands required to handle the goods. Which, therefore, of these employments is the best for the country at large?

There is no doubt that for a few individual manufacturers it may be a great advantage for them to reap the profits, or a share of the profits, of the work of a large number of working people. But in a manufacturing industry there is a much smaller number of persons who are their own masters, and free from the control of a superior, than in importing houses. One manufacturer employing 100 hands may drive out of business 10 importers, each with a staff of hands.

The staff of an importer consists of those employees who receive, unpack, arrange and classify the goods, and put them in a position to be inspected by customers, the salesmen and travellers who dispose of them and the hands required to forward the goods to customers. All of these operations are carried on equally whether the goods are imported or manufactured in the country, but while the importer has the world to draw upon for the goods he handles the manufacturer concentrates the trade and the profits and brings those handling the goods under the control of the head of the manufacturing establishment.

The importing system therefore creates a large number of independent men, men who are simply free citizens, and having the right to use their intelligence in the way they themselves desire, while the manufacturers' hands are brought under the rule of some special head of a department.

Take the case of Mr. Brock of Toronto, one of the manufacturers who insists upon spreading his views broadcast over the country as to what the manufacturers of Canada will or will not consent to. He engages a large staff of employees, and makes them sign an agreement that they are subject to dismissal at a month's

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notice at the outside, even commercial travellers, who in ordinary trades are engaged by the year.

The only class in a manufacturing establishment which does not exist in an importing community, is the foremen and operatives in the factory itself. We have already seen what is the total number of hands engaged in the several classes of manufacturing industry. The numbers given include those employed in the offices and warehouses, frequently, perhaps generally, in the selling department, and always in the arranging and shipping departments. Deduct these and their salaries, which would equally be paid if the goods were imported, and how much is left for the purely manufacturing processes? And how many of these are men and how many women?

In several of the most important, namely, cotton mills and knitting factories, shirt and collar factories and woollen mills, the numbers in 1891 were: women and girls 11,500; men and boys 8,716. Is this such an employment for the population of a country as to be worth special efforts on the part of the Government for its increase? These factory operatives are drawn into the cities and manufacturing towns from the farms, and as regards the female portion of the industrial employees, they are drawn from the class that would otherwise furnish those who could be employed in the performance of domestic duties.

We have said that it is worth the attention of the Government of our country to encourage agriculture and to add to the comfort and happiness of those willing to live on a farm, and to bring the land under cultivation. But it is hardly less important that efforts should be directed to induce our young women to fit themselves for the proper performance of household duties. Is it desirable, therefore, that special inducements should be offered to young girls to take positions in factories rather than in private families? There will be hardly any difference of opinion on this subject, except from one point of view.

The young girl may prefer the factory, and for two reasons: One that it gives her the independent control of a certain amount of money received for wages, and, secondly, such a position is considered to be free from the stigma that formerly attached to the position of a servant.

Both of these objections must be fairly met.

Perhaps the second difficulty is at the root of the whole trouble. The amount of money received by a domestic servant is probably fully as large as the amount received by the ordinary factory employee. The actual amount received in cash by a competent factory girl may be more in many cases, but not the average hand. Being however, free to spend her wages as she likes, the general tendency is for such girls to economize in expenditure for food and nourishment, and to spend rather extravagantly on luxuries and dress and ornament. As a rule, however, the factory girl is not as well fed or as well nourished as the domestic servant, and the tendency of such employment is thus towards deterioration in the physical condition of the female population, and indirectly of the whole population. The servant under ordinary conditions receives abundance of good nourishing food, and the physical condition of the farmer's daughter and of the domestic servant is so much superior to that of the factory employee, that it should be an object of the Government to discourage rather than encourage the employment of women and girls in factories. While, therefore, it would be folly to think of preventing women and girls from seeking factory employment, there is certainly no reason why we should subsidize out of the people's taxes establishments intended to draw them from more desirable occupations.

This argument has much more weight in Canada than in the mother country. There, there is a large surplus of women over men, namely, 1,253,905, more than a million and a quarter. With us there is a lack of women amounting to 131,895 on the last census. We cannot afford our young women to be unduly drawn from the domestic employments.

The other difficulty, however, is one that must be faced, and faced in a broadly Christian spirit. The social condition of the women engaged in domestic employment should be raised. The housemaid—pretty little Polly Perkins—should be brought to a position of perfect social equality with the clerk who is employed in warehouses and banks.

There is no use in attempting to abolish class distinctions. It would be folly to insist that every servant is entitled to the same consideration and social rank as her mistress. We do not insist that every clerk in a mercantile establishment should expect to a-

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sociate on terms of perfect equality with his employer. There always be difference of rank, whether these are based on advantage of education or on degrees of relative wealth. So long as property is recognized in society, so long there must be difference of wealth. And difference of wealth, in spite of all that can be done to the contrary, will preserve difference in social standing. There is no use in a man with an income of \$500 attempting to associate on terms of equality with the man whose income is \$10,000, and these are probably the most real distinctions existing in society. There is no use, on the other hand, in attempting to compel the man who is highly educated and refined to associate on terms of perfect social equality with the man who is ignorant and coarse, and this is a distinction that not only will exist, but that most good men will concede should exist permanently.

But while admitting the necessity of social distinctions based upon wealth on the one hand, and upon education and refinement on the other, these distinctions should be modified in such a way that they will not apply to industrial occupations. A servant should no longer be called a servant girl. She might be called a housemaid or whatever other term she may prefer, but it should be a name that will banish utterly the idea of servitude or of necessary inferior social standing. We may be permitted to hope that in connexion any such essentially ignorant and vulgar name as "lady" may be avoided. The word "lady" should be reserved for its proper meaning, which has nothing to do with a commercial employment. If a male employee in a merchant's establishment is called a salesman, a woman taking up the occupation might call herself a saleswoman, or any other name that would properly describe her position; but it is an abuse of language to drag in such a term as "lady" into connexion with such a subject. It is the same kind of abuse of language as that which talks of "building a home," as if a home could be created out of brick and mortar. We might as well talk of building a family. Men and women of refinement will always have the strongest repugnance to language that falls below the whole conditions of life.

This, however, is a side remark. The point contended for is that domestic service is the most desirable sphere for the employment of the energies of women, but it should not be called domestic

vice; because the women engaging in it should not be servants any more than other employees, but should be equal to those of the same degree of education and refinement occupying other positions in society.

The well educated woman who is willing to earn her livelihood by taking a position in which she shall have household duties to perform for a salary should retain every advantage of social rank that she enjoyed in her own family. We have a Victorian Order of Nurses. Let us have an Alexandran Order of Housemaids; not to increase the rate of wages and so prevent families of moderate means from being able to afford them; but to secure recognition of social rank in such a way as to make it the desire of our best young women to enter upon this kind of life, to earn simply fair wages, but to have a comfortable and respected position in society, while qualifying themselves in the best way to make good wives.

But let the order be national, not international. Let our young women feel that in our own country there are those who take the greatest interest in their true welfare, and let them not forget that the greatest danger to harmony and prosperity in a community is the organisation of societies based on antagonism between labour and capital, which under the guise of international breadth lead to the neglect of the patriotic duty owed by every citizen to his or her own people. So-called International unions operated or directed from the United States are never international or cosmopolitan in any true sense, and are generally anti-British.

We contend then that girls should not be drawn by special inducements into the employ of manufacturers, because the women so employed are often a loss and not a gain to the country in which they dwell.

If this be conceded, there still remain the male employees engaged in the actual operation of manufacturing, and this is the only class besides the owners of factories whose interest is properly opposed to that of the importer and his employees, and of the consumer who has no interest to favour one rather than the other. The men and boys engaged in the industries in Table IV, number 15,375; in Tables IV., V. and VI., 97,759.

It is very true that there are many young people in every country who do not wish to remain on the farms, who desire employment in the cities, and if they do not get it here, they will

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leave the country and go to some place where they can get it, is one of the most reasonable arguments in favour of encouraging manufacturing. Let us see whether it would be unreasonably interfered with by Canada consenting to meet the British preference by a reduction of duties on articles imported from the mother country.

If Canada is to be a great country she must have great civilization. There are many of the branches of civilization that cannot exist except in large and wealthy cities; and in these cities there must be great diversity of occupation. Would the growth of our country be unreasonably interfered with by freer trade within the British Empire?

As far as Montreal is concerned, there can be no such danger of a loss of its population. Standing at the head of ocean navigation and provided with facilities for handling the commerce of the West, must exist between the Canadian farmer, miner and lumberman and his providers, Montreal must have a large population for the distribution of articles of consumption, whether the articles be manufactured in the country or be imported from abroad. If we control the trade of supplying the Canadian West in return for affording them a good market for their produce, we cannot do so without a very large population.

The largest towns the world has seen, however, have not been manufacturing towns. Nearly all the great and wealthy towns of ancient and modern times have been commercial and distributing, importing and exporting towns, and not many of the greatest of them have been peculiarly manufacturing towns.

In England, London would not be called a manufacturing town. The large population there certainly requires the manufacturing of many articles close at hand, but London is not properly a manufacturing town. The great cotton industry which has been displayed before the world at the present time as the great source of England's prosperity, is not carried on in London. It would appear that not more than perhaps 400,000 out of London's population of 4,500,000 are engaged in industries that in any reasonable sense could be considered manufacturing. And yet it is London and not Manchester, that is the centre of the civilisation of Great Britain.

Glasgow is a great manufacturing town, but her importance is not by any means exclusively due to her manufacturing preeminence. It is as a trading centre that Glasgow is most flourishing.

Liverpool again is not to a great extent a manufacturing town, but is the greatest centre of shipping in the world. Neither Dublin nor Edinburgh is a manufacturing centre.

Even Manchester, which is as nearly as possible a manufacturing metropolis, is far from being exclusively dependent on manufactures. Out of a population in that city of 544,000, only 17,000 are engaged in cotton manufactures. In all Lancashire only about 230,000 (of whom 88,000 males) out of a population of 4,406,403 are in the cotton industry.

In all England out of over 14,000,000 persons in all specified occupations, about 636,000 are in the cotton industry in all its branches, while there are over 1,100,000 persons employed in farms, woods and gardens.

England, moreover, has developed her great manufacturing interests under a system of free trade, and, therefore, it does not seem reasonable to insist that freer trade is likely to ruin a town like Montreal or Toronto or a country like Canada.

Civilisation, therefore, in so far as it depends upon town life, is dependent upon a large population, but it is not in any way bound up with that population being engaged in manufacturing enterprises.

In the United States, New York, by far the most important city, is not preeminently a manufacturing town, nor is Chicago in any special degree. She owes her great and rapid development, not to manufacturing, but to handling and shipping the agricultural produce of the great and rapidly increasing West and to supplying their wants in return. It is trade, not manufactures, that builds up these greatest of towns.

San Francisco, again, on the Pacific Coast, is not noted as a manufacturing town. She exists by reason of trade in the exporting of wheat, of fruit and of the products of the mines, and the import both by rail and by water of what is required for the great population of the Pacific States.

On the other hand, Lowell and Pittsburg and certain other great towns in the United States, are great centres of manufac-

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tures, but they do not compare as centres of civilisation with the commercial towns that have been named.

In Australia, Melbourne, with its population of 500,000, is not a manufacturing town. Its importance is due to the wool trade and mining exports. I believe it is the same with Sydney.

Paris and Berlin, the greatest cities of the two great nations of Europe, are both noted as great commercial towns, but not in any special degree as the seat of manufactures, although in both manufacturing is carried on extensively. Compare these with Oldham, Rochdale, Leeds, Sheffield and the other manufacturing towns of the old and new world, or with our own Valleyfield or Maisonneuve.

It might perhaps be regarded as pedantic if we were to attempt to draw a lesson from the great cities of the past. I will therefore content myself by a mere mention of a few great cities, none of which, so far as I know, have owed their preeminence to being centres of manufacturing.

In Greece we have Athens, the home of the most illustrious civilisation in many directions that the world has ever known. Christianity itself has hardly been able to equal some of the achievements of the intellectual power of this town. Corinth, the most luxurious, wealthy and powerful city, owed her great development and importance to her commercial situation, to her shipping and commerce and not to manufacturing.

Rome was not noted as a great manufacturing town, and yet she drew the wealth of all the known world to her shores, and she thus attained a higher degree of civilisation than any other place, during many of the most important centuries of human history. Carthage was not a manufacturing, but a commercial town. Carthaginian commerce spread over all the seas known to the ancient world, and brought wealth and renown to her people. Venice, the beautiful town of the Adriatic, attained her greatest development as a purely commercial town, and brought civilisation and art to a high degree of perfection, much of which is retained to the present.

It would be easy to extend such a list, but sufficient has been said to show that large population and high civilisation do not in general depend upon manufacturing, but do depend, in nearly every case, upon shipping and commerce.

If, therefore, we wish to build up large, populous and powerful cities, we can do so more by the encouragement of trade than by imposing fetters upon our trade, in the hope of fostering unnatural manufacturing industries.

Nor should we lose sight of the fact that a large importing trade is a great national benefit. Free intercourse with the rest of the world enlarges our ideas and tends to stamp out the wretched influence of provincialism, which manifests itself in England in the school known as the Little Englanders, who care nothing for their Empire beyond the seas, and in Canada by the narrow-minded cry of Canada for the Canadians, instead of Canada for humanity. However great are the excellencies of the character of the American people, it is a national defect that they regard everything too exclusively from the point of view of American interests. Excessive devotion to our selfish interests, whether personal, family, provincial or national, has a tendency to lower the character and to destroy that liberality of mind which looks to the realisation of the idea of brotherhood of mankind. Importing means intercourse with outside countries. It means many a trip back and forward by merchants and their employees, and it also means many a visit of outsiders to our shores, and brings the people of our seaports and even of the interior into more frequent contact with people of other lands and of other nations. Both provincialism and the notion of race dominance militate against the spirit of large humanity which seeks the good of all nations and of all races. And in our Empire it is specially important that intercourse should take place between our different lands and between the members of the many races that have united together under the British flag.

Another class that stands to benefit rather than to lose by freer trade within the Empire is an ordinary working class, the hands in these establishments, large and small, that sell by retail to the consuming public. This department of industry is not concerned to any important degree with whether the goods they sell are manufactured at home or abroad. These are dependent upon a large population, with money to pay for what it would buy. Our great departmental stores, which give employment to a great army of hands, both male and female, would be favourably rather than unfavourably affected by freer trade within the Empire. Many good travelling and visiting customers would be attracted to these

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shops, if we could offer them at reasonable prices a great many things that would be imported direct from England and other British countries. This would probably greatly increase the travelling public from abroad. It is true that a certain part of the custom of our shops is in supplying the wants of those engaged in the manufacturing establishments, but I think if we could get full information, it would be found that this is not the most important item in the sales that are made by Morgan, Carsley, Dupuis, Hamilton, Murphy, Eaton, Simpson, Walker and the other retail establishments great and small in Montreal and Toronto. Certainly the factory operatives do not benefit both the shopkeepers and the farmers to the full amount of the wages they receive. These retail establishments are probably more important from the point of view of Canadian progress, than such manufacturing establishments and are the result of the protective duties recently introduced into our tariff.

If a visitor to any of our large towns would count the number of buildings occupied for purely manufacturing establishments, and would compare this number with the great aggregate of the buildings occupied for other purposes of trade and enterprise, it would be astonishing what a small proportion of the industries of the people is connected with the operation of manufacturing pure and simple. Against the large manufacturing establishments may be put the five, eight and ten story buildings springing up in St. James street, and St. Catherine street in Montreal. These are occupied by thousands of persons whose occupations are not connected with the purely manufacturing department of our industrial life. The banks, insurance companies, railway corporations and other owners who have erected these handsome structures, are as useful to the community as manufacturing establishments, whose owners do not waste much money on the architectural features of the buildings in which their industries are carried on.

CHAPTER IV.

CHARACTER OF A PREFERENTIAL TARIFF AND REASONS THAT
MAY JUSTIFY IT.

If every class is to look to its own interests exclusively to the same extent as the Manufacturers' Association looks to the interests of manufacturing establishments, we shall be able to discover whether the interest of Canada lies in freer trade within the Empire, or in maintaining unreasonable duties tending to hamper our trade and curtail our imports.

It is the natural right of every citizen to buy what he likes where he likes. If any restriction is to be placed upon his natural right, it must be demonstrated that the object sought to be attained by the restriction is one of undoubted advantage to the country. Mr. Chamberlain proposes to restrict trade in England to a slight extent, but he proposes to do so for the avowed purpose of consolidating the British Empire. If this is a worthy object, it deserves some economic sacrifice, but it recognizes the development of the interest of the whole Empire as its justification.

If Canada proposes to try to live within herself and to have as little trade as possible with the rest of the Empire and with the rest of the world, she may be wise in keeping up high protective duties. But all Canadians who believe that Canada is not interested in curtailing her intercourse with the rest of the Empire should do their best to support a movement that tends to promote her outside trade and to greatly increase her population.

Canada may also have been justified in adopting a protective tariff on external imports for the purpose of binding the Provinces together, but this has now been effected, and freer trade with the other countries of the British Empire is not likely to separate the Provinces again, whatever free trade with the United States might do.

Another legitimate object that Mr. Chamberlain proposes to attain, even if at some temporary economic sacrifice, is that of en-

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larging the basis of taxation so as to provide a revenue help to extinguish the national debt or to release some for this purpose.

The heavy revenues from customs duties have enabled the United States to reduce their national debt from \$2,845,000,000 in 1865 to \$1,420,000,000 in 1900. (17 Enc. Brit. 244-22 Enc. Brit. 828 a.) The national indebtedness of the United States is only \$18.50 per head of population as compared with £15 7s 6d in the United Kingdom (31 E. B. 83). If the United States exercise any reasonable financial care they could extinguish the American public debt entirely within a few years.

If England hopes to compete on anything like equal terms with her American rivals, she must greatly reduce the amount of the British national debt. It is now £768,443,000 (W. 1903). Mr. Ritchie, I believe, estimates that this can be paid for and rapidly extinguished out of existing revenues. But it is hard to understand how such can be effected within a reasonable time, when it has proved so very difficult in the past to reduce the national debt, and while the necessary expense of defending the Empire is so heavy and is borne by the United Kingdom alone. In any case Mr. Austin Chamberlain, the new Chancellor of the Exchequer, is surely right in contending that an income tax of 10 per cent on the £ in time of peace is an intolerable burden and urgently calls for some broader basis of taxation.

If the masses in the United Kingdom had not been pauperized by exempting all under a certain amount, at present £180, from the Income Tax, they would never have submitted to freedom from taxation of imports from foreign countries. The masses in the colonies lose more than they gain by being taught to think it their duty to transfer their obligations to other shoulders.

The poorer classes in the mother country leave it to the richer classes to come taxpayers to meet the national expenses. These do not blame it, and small blame to them. They let the Chancellor of the Exchequer borrow money for what he needs, and an enormous load of taxation for interest on debt results. Macaulay has a great deal to answer for, for his brilliant argument to prove that it is indifferent whether a nation has a debt or not. The working people will find some day what a handicap they are under compared with nations

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that free themselves from debt. No doubt the United Kingdom with a debt and an Empire is better off than with no debt and no Empire. But she would be better able to hold her own with rival nations having a small debt, if the debt could be wiped out or largely reduced. Here as generally Adam Smith strikes the true keynote.

The self-governing colonies also think they are getting off cheaply by not paying adequately for their defence. Canada pays nothing for external defence, and, consequently, leaves the control of her international treaties and interests to a set of ministers who are not directly interested in their proper management; and then when they are mismanaged makes a great outcry for direct management of her own treaties, but never breathes a word of paying her share of external protection. She also will find out that it is very dear in the long run, and, meantime, it is thoroughly shabby for her to accept even the nominal protection of the British Empire while she pays nothing for it. If we are training for Independence, it is a pretty spirit of independence we show to allow the mother country to back us up till we are large enough to stand alone, intending then to desert her. If we are in training for a partnership we should not postpone the time of assuming our share of responsibility till we are bigger and greater than the Old Land. The time to share both burdens and control is now.

Mr. Chamberlain, no doubt, believes, however, that if the colonies are to derive a direct and enormous benefit out of trade with the mother country, they will be sure to favourably consider joining with her in defending British commerce and the shipping that carries this commerce from one British port to another. He has not deemed it wise to make this a condition of the acceptance of his policy. In this he has acted in the same way as Mr. Fielding in establishing the preferential tariff in Canada. Mr. Seddon has done the same in New Zealand. All these practical statesmen believe in taking one subject at a time, and they may be right. I have generally contended that the one should hang on the other; that we should get a preference only if we agree to contribute to the defence of the Empire. But I am convinced that Mr. Chamberlain feels it perfectly safe to trust to the sense of fair play in the colonies for their being willing to relieve the

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mother country of some part of this charge incurred for the common benefit, when once a distinction has been made in the treatment of the colonies as compared with foreign countries.

Most Canadian thinkers believe that no such contrast should be made until constitutional changes have been made that will enable the colonies to share in the direction of the disbursement of any revenues they may contribute.

Sir Wilfrid Laurier may be right in believing that Canada does not wish to be drawn into a system of high military expenditure, and it is probable that guarantees will have to be given such will not result from any contemplated constitutional changes. Nor should the rest of the Empire be drawn into anything but a just and righteous call to defend Colonial interests.

Colonial opinion on these questions, though probably not so well formulated as by the lovers of peace among the public men at Home, will almost certainly coincide with the opinions of Gladstone, one of whose great services to the British world consisted in advocating a policy of peace and a policy of retrenchment. None of us wish to lose the enormous benefits of the sound Christian doctrines that he taught, and was strong enough to induce the nation to follow, in strenuously urging that it is much wiser for nations to live in harmony together if possible, than to burden themselves with great military expenditure in order to pursue an aggressive foreign policy.

It may be charged against Mr. Chamberlain by his enemies that he is responsible for the increase in the national debt occasioned by the South African war. Such an accusation is groundless and unfair. No one realizes better than Mr. Chamberlain, (and let us add Lord Kitchener), the importance of economy in national affairs. Mr. Chamberlain has been large enough minded to maintain a policy of economy does not justify the sacrifice of legitimate national objects. Mr. Chamberlain was certainly not responsible for the want of preparation in the army and navy. He was a colleague of Mr. Gladstone when the agreement was made, which if honestly interpreted would have left the solution of the South African question to be worked out in accordance with the desire of the people of South Africa itself. But when Mr. Kruger wanted to play a game with loaded dice, and to prevent, whether for fourteen or

seven years, all those having British sympathies, even though in the exercise of their right of franchise, and making their influence properly felt, and this in the hope of forcing a solution of the question which would have been disastrous to the interests of the British inhabitants and of the British Empire, Mr. Chamberlain was not the man, the British nation was not the nation, to tamely submit, and he very properly forced the issue before the schemes of the Boers for undermining British influence had been completely successful.

If therefore the war was right, it had to be fought and paid for; and the manner in which the expense has been met, with hardly a ripple on the financial condition of the country, is as great a marvel as the admirable manner in which the people of France wiped out the German indemnity after the Franco-Prussian war. The colonies who supported the justice of this war cannot reasonably criticise the incurring of debt for bringing it to a successful end, although they may perhaps imagine that if the colonies had had a larger share in the management, the expense might have been less. Sir Wilfrid Laurier has certainly ranged himself with those who maintained the justice of the South African war, though the expense of the Canadian contingents should hardly have been allowed, even at the behest of the War Office, to fall in part on the United Kingdom.

It will, however, no doubt, be a condition of the reorganisation of the Empire, that military expenditure, in time of peace at least, is to be kept as low as possible, the resources of the people devoted to the development of their industrial interests, and other means of securing peace adopted when possible; but yet not that our national rights should remain unprotected.

Finally, no measure imposing duties upon the colonial inhabitants will ever be introduced into any House of Parliament without the consent of the Colonial members of an Imperial Ministry responsible to an Imperial Parliament containing Colonial representatives. No money bill can, under the principles of our constitution, even now be introduced, except by a responsible Minister of the Crown, and this valuable safeguard will be retained when Imperial Ministers are in part drawn from the Colonies.

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CHAPTER V.

AGRICULTURE IN THE UNITED KINGDOM.

A third object that Mr. Chamberlain may have in view those that have been brought prominently before the public give a fair opportunity for improvement to agriculture in Britain and in Ireland. The public men of Great Britain are mortally afraid of the word Protection that they say very much about this feature of the policy. But, nevertheless, it is possible that the agricultural interest of Great Britain has more to gain at the outset by Mr. Chamberlain's proposed than have the colonies.

An extraordinary statement is attributed to Lord Goschen in his address at the Passmore Edwards settlement, on the taxation of food. I have only the condensed reports in the weekly "Times" and in the "British Weekly," but both agree. It is that "four-fifths of our supply of food stuffs come from other countries." Whether this is the actual statement made, it certainly is the idea conveyed in most of the speeches and articles we read on the subject. Lord Devonshire before the Free Food League at the Queen's Hall spoke of "the people of these small islands who are dependent on more than half of their food supplies on foreign sources." Lord Rosebery, "Probably more than a full half of the food that you consume... comes from abroad." As a matter of fact, hardly one third comes from outside the Empire, nearly two-thirds per cent. from within the United Kingdom. The mistake or suggestion arises from considering Colonial Produce with Foreign Produce instead of with the produce of the United Kingdom itself.

The immediate benefit of Mr. Chamberlain's policy, as regards agricultural produce, would be greater to agriculturists in the United Kingdom than to the colonies, because the amount of produce consumed at Home is much greater than the colonial import.

In the following articles, namely, cattle, beef, sheep, mutton, fish, butter, cheese, apples, wheat, barley, oats, peas, beans, wheat-flour and oatmeal, the value of the Home production in

was £138,222,000, the import from the colonies £24,966,000. The United British production was, therefore, £163,188,000, while the foreign import was, £85,320,000 being a total consumption of £248,508,000, of which 65 per cent is of British production and 35 per cent. of foreign.

If we include potatoes, rice and sago, the former largely produced in the United Kingdom and the Channel Islands and the latter largely imported from the East Indies, the United British production is £198,775,000, the foreign £87,369,000, the total consumption £286,144,000, the foreign production being just over 30 per cent. and the United British a trifle under 70 per cent.

Comparing the United Kingdom Home production with the colonial, the proportions are £171,255,000 Home, £27,520,000 colonial. The immediate benefit, therefore, if in proportion to what they now produce, would be seven times as great to the agriculturists of the mother country, as to those of the colonies. Undoubtedly, however, the relative proportions would be greatly altered in the future, and even in the near future, if this policy should go into effect at an early date. The development of the colonies that might take twenty-five years to reach, should, as the effect of this policy, take place within five years.

Nor have farmers in the United Kingdom any interest in retarding the growth of the colonies. This cannot be prevented in any case. But if it takes place through British co-operation, the lands will, in all likelihood, remain staunchly British. If it takes place without, through an influx of foreign settlers, can we be sure that they will prefer British connexion to secession?

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TABLE VI.
PRINCIPAL FOOD IMPORTS, UNITED KINGDOM, 1902, SHOWING
HOME PRODUCTION COMBINED WITH THE COLONIAL IMPORT
AND CONTRASTED WITH THE FOREIGN IMPORT.
THOUSAND £.

	U.K. Home Production.	Import from British Countries.	United British.	Import from Foreign Countries.	U.K. Total Con- sumption.	Percent British Pro-
Cattle.....	40,389	1,668	42,057	6,144	48,201	74
Beef.....		833	833	9,023	9,856	
Sheep.....	12,576	86	12,664	367	13,031	83
Mutton.....		3,948	3,948	3,172	7,120	
Meat, other..						
Fish.....	9,215	1,316	10,531	2,674	13,205	80
Butter.....	8,601	2,534	11,135	17,992	29,127	38
Cheese.....	7,152	4,433	11,585	1,978	13,563	85
Other Milk products..	9,991	3	9,994	1,804	11,798	
Total Milk Products..	25,744	6,970	32,714	21,774	54,488	60
Apples.....	2,500	763	3,263	1,160	4,423	73
Wheat.....	10,229	7,669	17,898	19,410	37,308	41
" Flour.		883	883	8,041	8,924	
Oats.....	23,253	185	23,438	4,856	28,294	82
Oatmeal....		33	33	448	481	
Barley.....	11,928	25	11,953	7,106	19,059	63
Beans.....	1,402	56	1,458	647	2,105	69
Pease.....	984	425	1,409	293	1,702	84
Buckwheat..						
Rye.....		106	106	205	311	32
	138,222	21,966	163,188	85,320	248,508	65.7
Potatoes....	33,033	490	33,523	1,099	34,622	96.8
Rice,Sago,&c		2,064	2,064	950	3,014	31.4
	171,255	27,520	198,775	87,359	286,144	69.8
Adjustment see note to Table VII. }		+2,052	+2,052	-2,052		
		29,572	200,827	85,317		70.2

The United Kingdom Home production of cattle and sheep is arrived at by taking number of animals from the agricultural returns of Great Britain and of Ireland, and estimating the annual slaughter at 19 per cent. for cattle, and 27 per cent. for sheep, being estimates given by Major Craigie (Stat. Soc. Journal, 1883, p. 25.)

The Home production of butter and cheese is taken from the last year, 1900, mentioned in 29 Enc. Brit., page 364 and 386. The total milk products is arrived at as in Mr. Crawford's paper, Royal Statistical Society Journal, December, 1899, page 620, the price being the price of the imports in 1902. The difference is here given as "other milk products."

The figures given for Fish are the produce of the fisheries of the United Kingdom, excluding shell fish (28 E. B., page 407). The import from the colonies and foreign countries includes Canned Salmon, the chief item. The home production of Apples is a rough estimate from number of acres in orchard, the price being the average price of imports.

Bacon and hams have been left out, as Mr. Chamberlain declared he did not intend to apply the duty to them. As, however, the produce dealers have asked a reconsideration of this subject, the following figures may be given for these products. Home production being 69½ tons per 1,000 pigs, Mr. Crawford's estimate, Statistical Society Journal, December 1902, page 624, the number being 3,639,000 in 1902, at the average price of imports £2s. 6d.

Home production of bacon and hams in thousand £:—13,303; Import British, 1,000,000; Canadian monthly Returns of Exports for the same months, ending December 1902, which include shipments through United States ports, reverse the proportions, and would make the U. K. Import British 2,881, United British 16,184, being 52.9 p.c.; Import Foreign 14,000,000, being 47.1 p.c.; Total Th. £ 30,587. The Canadian Returns added to Table VII are not for the same months, but for year ending June '03.

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Percentage.	
British	Foreign
74	26
83	17
80	20
38	62
85	15
60	40
73	27
41	59
82	18
63	37
69	31
84	16
32	68
65.7	34.3
96.8	3.2
31.4	68.6
69.8	30.2
70.2	29.8

TABLE VII.

PRINCIPAL FOOD IMPORTS, UNITED KINGDOM, 1902, SHOWING CANADA'S TRADE IN RELATION THERETO. IN THOUSAND £ AND \$

	U. K. Import from Canada.		Canada's Export to U.K.		Canada's Export to all Countries.	
	£	\$	Canadian Produce.	Total.	Can. Prod.	Total.
Cattle.....	1,644	8,001	9,742	9,742	10,600	10,600
Beef.....	91	443	395	395	414	421
Sheep.....	86	418	525	525	1,495	1,495
Mutton.....	5	24	2	2	6	6
Meat, other.....	26	126	1,175	1,175	1,256	1,256
Salmon (canned)...	886	4,312	4,735	4,735	5,012	5,012
Butter.....	1,347	6,555	5,465	5,465	5,667	5,667
Cheese.....	4,301	20,931	19,803	19,803	19,870	19,870
Apples.....	569	2,769	1,495	1,495	1,567	1,567
Wheat.....	3,194	15,514	18,024	24,102	18,688	26,410
" Flour.....	869	4,229	2,290	2,290	3,969	3,969
Oats.....	183	890	1,401	1,451	2,052	2,104
Oatmeal.....	32	156	329	329	344	344
Barley.....	20	97	172	172	231	231
Beans.....			9	9	225	225
Pease.....	78	79	1,105	1,216	1,582	1,813
Buckwheat.....			79	79	175	175
Rye.....	106	518	227	443	240	484
Other Meal.....			29	29	42	42
			\$67,002*	\$73,438*	\$73,435*	\$81,691*
			8,375†	9,180†		
Value, Port of arrival... }	£13,437 =	\$65,392	\$75,377	\$82,618		
U. K. Returns.....		\$65,392				
Canadian Returns, plus freight)		75,377				
Difference.....		\$9,985 = £2,052				
Bacon.....	£1,203	\$6,015	11,458	11,458	11,493	11,497
Hams.....	4.0	2,100	274	274	284	285
	£1,623	\$8,115	11,732	11,732	11,777	11,782

* Value port of shipment.
† Freight and charges.

To complete this Table, and to show the effect, both of the shipments from Canada through United States ports, and of the addition of freight and charges to the Canadian Export price in the Import values given in the Board of Trade Returns of the United Kingdom,* the following continuation of Table VII. is given:—

* For some reason the Canadian Export Price of Bacon is greater than the United Kingdom Import Price. May this be due partly to Pea-fed animals giving bacon of a better quality than Corn-(or Ma ze)-fed; the Returns not distinguishing between the two?

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TABLE VII.—CONTINUED.

PRINCIPAL FOOD IMPORTS, UNITED KINGDOM, 1902. QUANTITIES AND WITH VALUE OF SAME AT CANADIAN EXPORT PRICE FOR YEAR ENDED DECEMBER, 1902 (MONTHLY RETURNS, 000 OMITTED).

U. K. Import from Canada.	Quantity	£	£	Import Price.	Canadian Exp. Price \$
Cattle, No.	93	1,644	17.67	per head	86. 66.28 pr hd.
Beef, cwt.	35	90	2.57	" cwt.	12.23 10.67 " cwt.
Sheep, No.	85	86	1.56	" head	7.60 5.67 " hd.
Mutton, cwt.	2	5	2.02	" cwt.	9.83 8.29 " cwt.
Meat, other	11	33	s.	" "	14.60 9.82 " "
Salmon, cwt.	366	886	2.42	" "	11.76 11.38 " "
Butter "	285	1,347	4.71	" "	23.07 22.74 " "
Cheese "	1,709	4,301	2.52	" "	12.21 11.65 " "
Apples "	918	569	.62	p.cwt. p. barrel } 165 lbs. }	4.44 2.81 pr brl.
Wheat "	9,527	3,194	.335	" " bushel } 62 lbs. }	.90 .729 " bush
Flour "	1,942	869	.447	" " barrel } 196 lbs. }	3.81 3.512 " brl.
Oats "	696	183	.31	" " bushel } 38 lbs. }	.51 .359 " bush
Oatmeal "	61	32	.524	" " barrel } 196 lbs. }	4.69 3.710 " brl.
Barley "	74	20	.27	" " bushel } 60 lbs. }	.58 .495 " bush
Pease "	215	78	.363	" " bushel } 60 lbs. }	.94 .775 " "
Rye "	390	105	.269	" " bushel } 60 lbs. }	.70 .594 " "
£13,442 = \$65,418 - 57,291 = 8,127 = 14.2% of 57,291					
Bacon, cwt.	462	1,203	2.60		12.65 12.88
Hams "	163	420	2.60		12.65 12.64
£15,065 = \$73,316 - 64,657 = 8,659 = 13.29% of 64,657					

In another chapter I shall attempt to show that the effect of Mr. Chamberlain's policy would not be to increase the price of food in the mother country. If my argument on that point is sound, it may be pretended that neither the agriculturist of the mother country nor the farmer of the colonies would derive benefit from the policy of preference.

As to the colonies this, of course, is no reply; because the benefit they expect is not from an increase in the price, but from having a preferential claim upon the market for all they can produce, and the certainty of a rapid increase in their population, which means millions of acres speedily under cultivation that are now lying waste for want of settlers.

VALUES AND VALUES,
YEAR ENDING

	Value at price 0	Value at price 0
28 pr hd.	6,164	
67 " cwt.	373	
67 " hd.	312	
29 " cwt.	22	
82 " "	108	
38 " "	4,165	
74 " "	6,479	
65 " "	19,906	
81 pr brl.	1,750	
729 " bush.	12,546	
512 " brl.	3,894	
359 " bush	624	
10 " brl.	126	
95 " bush.	82	
75 " "	308	
94 " "	432	
57,291	\$57,291	
8	5,950	
4	1,416	
64,557	\$64,657	

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As to the farmer in the United Kingdom, however, it may be thought that he will not derive any immediate benefit, unless there is an immediate increase in the price of the food he raises. Even in this case he may benefit; for if he also can bring more land under cultivation at a remunerative price, in the knowledge that he has a certain immediate advantage over the foreign producer who now supplies a large part of the demand, he will reap a larger profit at the same price from a larger output, and it is not unreasonable to contend that there is room for an increase in the output of the English, Scottish, Irish and Welsh farmers, when we remember that the acreage under wheat cultivation in 1872 in the United Kingdom was 3,630,000 acres as compared with 1,700,000 acres in 1901, which was increased in 1902 by 26,000 acres in Great Britain and 2,500 in Ireland.

If, however, the foreigner pays only part of the duty imposed, and an advance in price takes place for the other part, the British agriculturist is directly benefited to the extent of whatever advance in price the duty may cause. It seems to me to be a recommendation of, rather than an objection to, this policy, if it will do something to raise the level of wages of the agricultural labourer more nearly to what is received in other employments.* Why should the rate of wages of agricultural labourers be lower as it is at present than in any other industry? The agricultural interest should combine for this very reason to force upon the Government the adoption of a policy that will give agricultural labourers at least as much wages as manufacturing operatives who are now benefited at their expense.

This argument is attempted to be met by the Liberal leaders in the United Kingdom who oppose Mr. Chamberlain by an appeal to the antagonism that is supposed to exist between the different classes in the mother country. Lord Rosebery even condescends to appeal to public prejudice against his own, the landlord, class and pretends that the benefit would go to the landlords alone, and not to the yeoman or farmer or to the agricultural labourers.

If such be the result, it will be on account of a shameful neglect of their duty by the representatives of the people in the Brit-

* The wages of the agricultural labourer in England are given as 15s. per week, valuing all special payments and perquisites, while the building artisan in London received 37s. 6d.; the median or average wage for adult males in the United Kingdom being 24s. per week (33 E. B. 117).

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ish Parliament. It is for them to see that measures are adopted that the farmer or yeoman and the agricultural labourer are not robbed of their fair share of any benefit that may be derived from agriculture generally from such a policy. And it is in the interest of us colonists that provision cannot and will not be made to cure this end.

If the agricultural labourers are not sufficiently interested in looking after their own interests, they want some little interest to be taken with the colonial farmer, who would very speedily resent them that the landlords are as much dependent on them as they are on the landlords. If the agricultural labourers do not advance in wages proportionate to any benefit that this would afford to the agricultural interest generally, they have no interest in themselves of the opportunities that are given them by the emigration societies and bureaux to transport them to the colonies which will be only too glad to get them for the purpose of opening the new lands. I do not believe that the landlords would consent to a further loss of their splendid agricultural produce, even for the benefit of the colonies, if they can retain their full share giving the farmer and agricultural labourers their full share of benefit that will flow to agriculture from duties on foreign produce.

An unprincipled and senseless clamour against the landowners of England, Scotland and Ireland should not blind people to the fact that her present system has made the mother country probably the most fertile, best cultivated and most highly productive land in the agricultural world. The average yield of wheat per acre in the United Kingdom is 30 (in 1902, over 33) bushels; no other country equals this and hardly any other country can show an average yield as large; and this shows the perfection of agricultural methods in regards getting most of the wealth from the soil. If there is any inequality in the distribution of this wealth, that question should not be thrust forward in connexion with the present discussion, but should be dealt with by itself and on its own merits; and if any one has a sound policy to propose, it will, no doubt, be well received. But surely the agriculturists of England will see that it is not for them to have a large amount of wealth to distribute among themselves, but different agricultural classes and not to let the opportunity of increasing their bickerings as to how it is to be divided among the classes.

If the present agitation is calculated to make any clear

tween different occupations, it is the agriculturists of Britain and of the colonies, on the one hand, against the cotton manufacturers and those who pretend to be similarly dependent on foreign markets on the other hand, the latter being allied with the colonial manufacturers of articles produced in Britain at better prices than they can be produced in the colonies.

The former of these apparently insist upon imagining that a tax upon food will lead to a tax upon raw materials, for which they are dependent upon the foreigner, although the assumption is in no way justified, and the colonial manufacturers of this class are only a small proportion of the population of the colonies, although they are extremely active in their efforts to make the world believe that every one else is dependent upon their being allowed to make profits out of a tax on their fellow citizens.

Of the two classes forming the nuclei round which the forces favourable and adverse to Mr. Chamberlain's policy are grouped, the agriculturists, home and colonial, are vastly more important than the manufacturers dependent on foreign connexions and the manufacturers in the colonies of articles likely to be affected by British competition. Mr. Asquith himself insists that the Home market for manufactures is five or six times as important as the foreign export trade.

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CHAPTER VI.

COOPERATION BETWEEN BRITISH COUNTRIES.

These arguments are all, however, entirely subordinated to a great fundamental reason upon which the whole policy is based, namely, that it is important to create a sentiment of a common interest between the mother country and the colonies, and that sentiment that will be present in the time of peace, and that sentiment shall be a perpetual reminder of the difference between his own people, whether in Great or Greater Britain, and the foreigner. If the United Kingdom really is prosperous, she can well afford to adopt a policy that will stimulate the development of her Empire over the seas.

Eventually I hope to see the distinction even more clearly recognized on the basis of a preference in favour of British goods, which shall cooperate together for the protection of British interests of all kinds, and shall contribute financially to British interests on the one hand, and the foreigner who does not so contribute on the other. This to my mind would be the most sound policy upon which such a system could be founded, and the most likely to be free from any sense of injustice on the part of the British subject. But as already suggested, any such joint contribution must be accompanied by some kind of joint control, which Mr. Chamberlain does not touch, as he is not prepared with a proposal that would meet the case. If the Liberals succeed in electing Mr. Chamberlain at the next election, I hope they may demonstrate their constructive statesmanship by devising such a policy.

Lord Rosebery declares that he has been an earnest advocate of an Imperial policy for the last twenty-five years. It is therefore fair to inquire what practical policy he intends to adopt towards the self-governing colonies, if he rejects Mr. Chamberlain's plan. He does not believe in building up an Empire upon a schedule of forbidden industries, and he believes that the Empire can only be preserved upon the lines of freedom. He does not grant the colonies their theoretical right to the Army and Navy with

payment, and the actual or presumed use of the Diplomatic and Consular service. I think the colonies do not entertain such deep gratitude as it may be thought they should for these services, in the control of which they have no voice and which are appointed and employed primarily in the interest of the United Kingdom which pays for them. They are not now properly Imperial. Let us hope they may become such.

Does Lord Rosebery mean, however, that he believes that the Empire can hold together, and still that every part is to remain perfectly free to manage all its affairs, national, intra-Imperial and international, independently of one another and with only a shadowy allegiance towards the Crown?

Lord Rosebery also declares that the Imperial Federation League split on the rock of a proposal to tax the food of the people. This looks very much like an admission not too candid that the Imperial Federationists were already some years ago becoming convinced of the soundness of the view now taken by Mr. Chamberlain; and that the free trade element then realizing that the colonial members of the Imperial Federation Council were convincing their brothers in the United Kingdom that such a policy was required, preferred to dissolve the Council of the Imperial Federation League rather than allow the increasing number of adherents of Imperial reciprocity to gain the upper hand in that Council. If this be so, then apparently Imperial interests were deliberately sacrificed to this trade doctrine. A small remnant of the League, the membership of which is unknown to me, has continued to impose upon the public their views on the duty of the colonies to contribute to the defence of the Empire, and they have undertaken to read many a lecture to the colonies on this subject, without attempting to evolve a plan by which the colonies are also to have a share in the control of the expenditure of these funds, and without giving any guarantee that the colonial view of what Imperial interests require defence is to be adequately considered. This remnant calling itself The Imperial Federation Defence Committee, has, I think, acted unwarrantably in continuing to use the name of our old league after the dissolution of the council appointing it, for the propagation of these views. Imperial Federation means representation, if it means anything, and contribution for defence may follow as a consequence, but cannot properly be demanded apart. This so called

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committee therefore is entirely out of sympathy with the Imperial Federation thought in the colonies; not because they would not be willing to contribute to defence, but before agreeing to contribute, they must be satisfied that they be entitled to a voice as to what defence is required, which is a doubtful element under the present administration.

But having rejected an Imperial trade policy in the Imperial Federation League, and having attacked Mr. Chamberlain's policy of the same policy when he brings it forward at the meeting of a unanimous resolution of the colonial premiers, does he propose that we should sit still and do nothing, while the different parts of the Empire drift apart in the direction of independence and separation for lack of cooperation in a common action whatever? There must be a partnership, unless there is a sovereignty.

A union under the Crown is, no doubt, a satisfactory arrangement, rightly understood, but what is implied in a union under the Crown according to the principles of the British constitution?

Is it a union under the King acting with his personal advisers and guided by no ministry or cabinet responsible for Imperial affairs? Or is the King to be guided in the external and internal affairs of each self-governing country by a different ministry? Or is there no means of determining which advice shall prevail, when the different ministries give different advice? Would that be a constitutional monarchy?

Or does he admit that there must be an Imperial Ministry representative of all the countries of the Empire? If he does, the beginning of cooperation must be made in some way. Sir Wilfrid Laurier in 1897 sounded the note "Call us to your councils." And in several public addresses in the United Kingdom, in France and in Canada, declared the necessity of representation at Westminster.

At the conference of Colonial premiers in 1902, I believe Mr. Chamberlain endeavoured to follow up this line of proceeding, but he failed to secure a concurrence of the premiers in this direction. The public have been led to believe that it was Canada herself that stood in the way. But the colonial premiers unanimously agreed down a course of action that could be followed, namely, that the beginning should be made on the lines of the preference giving

Canada to British trade; and a unanimous resolution was passed that this was the only direction in which colonial sentiment was ripe for any concerted action.

Resolution of Conference of Colonial Premiers, 1902. "That the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies either by exemption from or reduction of duties now or hereafter imposed."

Mr. Chamberlain adopted the course thus unanimously supported by the colonial premiers, and if the mother country refuses to sustain him in his action, the Empire has a right to know what alternative course Lord Rosebery proposes to follow, and what ground he has for believing that it will be accepted in any of the great self-governing colonies. It may be that some of the colonies would support constitutional changes in the direction of an Imperial ministry, but I do not find any reason for believing that such a course would be accepted in any of the colonies, unless accompanied by the policy which Mr. Chamberlain has now brought before the country on its own merits.

Recent adversaries have contended that the Colonial Premiers had no authority to make an offer for the colonies, that the Colonial Parliaments are the only bodies having such authority. The Colonial Parliaments as at present constituted have no more mandate than the Colonial Premiers, or than any other group of loyal British subjects, to deal with such a question. They are elected for the purposes contemplated in their constitutions, and it is not their business to enter upon academic discussions of other questions. Let Mr. Chamberlain obtain a mandate from his own people to negotiate with the colonies and then it will be seen whether the colonies are prepared to make a fair arrangement. The Canadian Parliament has certainly not disavowed the action of the Colonial Premiers.

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CHAPTER VII.

RETURN FROM COLONIES.

What then does Mr. Chamberlain expect from the colonies?

It is altogether misleading for Lord Rosebery to prefer that Mr. Chamberlain proposed that we should bind ourselves not to engage in any industries not now established that might compete with the manufacturers of the United Kingdom. He has, of course, proposed nothing of the kind. His proposal is this: The colonies have already embarked in several lines of manufacture dependent to some extent on the maintenance of a tariff. We already allow British countries a reduction on our general tariff of one third. This, it is thought, gives a fair amount of protection to the capital invested in these and a fair chance at existing rates of duty to outside British manufacturers to compete. Mr. Chamberlain, with the same statesmanlike regard for existing investments in Canada that he shows also for manufacturers in England when he declares that he does not propose to tax raw materials, does not wish to disturb those lines already established. But what he expects from Canada is that if his policy gives us a preference in a market for things of which the mother country imports over \$500,000,000 a year, we shall not be so unreasonable as to endanger this market by adopting a policy of imposing duties on British goods which will shut her out of our markets in new lines not started. We shall always be perfectly free to establish any industry we choose in fair and open competition with Great Britain; and even to give Canadian competitors the slight incidental advantage that they may derive from a Revenue tariff within the Empire. But we shall surely never be so unwise as to deliberately erect barriers not now existing for the purpose of preventing our best customer from sending us any thing in return for what she buys from us. And Mr. Chamberlain is unquestionably

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right. Our farmers would turn out of office with certainty and celerity any Government that could be so infatuated.

In the negotiations between Mr. Gladstone and Mr. Parnell, which resulted in the Home Rule Bill supported by Lord Rosebery, it was urged with conviction and force by Mr. Parnell that self-interest would be enough to prevent Ireland from erecting a customs tariff against England. If Lord Rosebery now has such faith in Free Trade, he must believe that the self-interest of Canada will suffice to prevent her attempting to ruin by prohibitive duties her trade with the rest of the British Empire, if she is given special National advantages in British markets.

The conference of Colonial Premiers of 1902, promised as follows:—"The representatives of the colonies are prepared to recommend to their respective parliaments preferential treatment of British goods on the following lines:—Canada. The existing preference of 33·13 per cent. and an additional preference on lists of selected articles. (a) By further reducing the duties in favour of the United Kingdom. (b) By raising duties against foreign imports. (c) By imposing duties on certain foreign imports now on the free list."

It is mainly in the direction of the first of these paragraphs that a return can be most satisfactorily made to the mother country. The beginning will be made in the manner here promised, but this is only a beginning. It is the hope of those in the colonies, as well as in the mother country, who favour this policy, that it will lead to a much more substantial degree of free trade within the Empire. If we fill up our vacant lands with an agricultural population whose prosperity will be in some measure dependent upon a preference in British markets, they will insist upon a fair return being made to their best customers, and upon an open door for as much British trade as is possible consistently with the exigencies of the colonial revenues. No Government will be permitted to allow the interests of special industries to interfere with the prosperity of the most important factor in colonial trade.

Assuming that we are to make no reduction in our tariff in her favour, but that we are to offer the mother country only the trade in those things that we now import from foreign countries, let us examine what sort of return this would be for the benefits that

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we would derive from a tariff that would give us an advantage of about 7 1-2 per cent. on agricultural produce and about 10 per cent. on such manufactures as we could sell.

Our trade tables for 1902 give at pages 155 and following, a statement of our imports from within the British Empire and from foreign countries side by side. These show an import from within the Empire of articles dutiable \$37,103,000, of articles free \$16,785,000 total \$53,888,000.

From foreign countries the imports are dutiable \$81,553,000, free \$65,349,000, total \$148,903,000.

On examining these lists I find that the free imports from foreign countries consist chiefly of raw materials used in manufacturing and a few necessities of life such as coal. The only things among those now imported from foreign countries which could be obtained from the mother country, appear to be anthracite, \$7,021,000; furs, skins, silk and wool, which are not produced in the mother country, although a part of the import comes through that country; undressed hemp, of which half is now received from British countries; drugs, dyes and chemicals, which are so diverse that nothing general can be asserted about them; brass, copper, iron and steel, of which we receive more than three times as much from foreign as from British countries; and tin, of which three-fourths already come from the United Kingdom.

It does not appear that any considerable part of these free goods could be excluded or made dutiable without aggravating the injury which it may be pretended British competition would do to our manufacturers. A few trifling items might be made taxable when coming from foreign countries, but I think these would be an insignificant part.

As to the dutiable imports I have gone through the list in two ways: First taking those of which it appears to be possible that the mother country might send us some portion of what we now import from foreigners, and the total imports of such goods amount to \$43,073,000.

Secondly, I deducted from the total amount of the dutiable imports from foreign countries, namely, from \$81,553,000 articles that I feel quite certain could not be imported from the mother country, and these amount to \$22,495,000 leaving a balance of \$59,058,000 as the residue.

From this examination I have reached the conclusion that it would be impossible for Canada, in her present condition of development, to import from the mother country above \$50,000,000 worth more than we import at present.

Mr. P. W. Ellis, representative at the Chambers of Commerce in Montreal, of the Canadian Manufacturers' Association, gave (Report, page 78) a list of articles representing, as he said, \$40,000,000 worth of trade in Canada alone, which might be kept within the Empire. I find that of the articles he enumerated we already receive from within the Empire \$15,000,000 worth, leaving, therefore, only \$25,000,000 as the margin upon which the mother country might expect to gain. My own estimate of \$50,000,000 includes these and nearly everything I can find that we could in all probability be able to import from the mother country.

Against this, the value of the market offered to us in the United Kingdom is considerably over \$500,000,000 a year for the articles of agricultural produce, of which Mr. Chamberlain proposes to tax the foreign import; and our share of \$2,026,000,000 which is the amount of the foreign imports into England.

It is thus abundantly clear that the advantage to Canada will be anything from ten to fifty times the benefit that Canada is in a position to give to the United Kingdom, unless she is willing to open her markets more freely than in the past to the produce of the mother country.

This renders it absolutely essential if we wish to make a fair bargain, that we should do everything possible to enlarge our trade with the mother country, to compensate her for any restriction that she is willing to place upon her foreign trade for the benefit of ourselves and of our fellow subjects.

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CHAPTER VIII.

EFFECT ON PRICE OF FOOD IN THE UNITED KINGDOM.

Coming now to the question of the effect of a duty on food imported into the United Kingdom upon the price of the food:

The general argument on this subject is one that turns the question of whether customs duties are paid by the seller, or by the buyer, that is, ultimately the customer, and economists can never perfectly agree on this subject. The truth is that there is no fixed rule in such a matter. If the foreign producer has more of the article than he can use in his own country and if the purchaser can obtain his supply elsewhere, then the seller must pay the duty in order to dispose of the article. On the other hand, if the foreign seller has a monopoly or anything like it, then the buyer or the customer must pay the full advance in price caused by the imposition of a duty. In some years it will happen one way, and in other years it will happen the other way. In regard to food, it will often depend on the relative abundance of crops. In general it is paid partly by each, in different proportions according to circumstances.

But in regard to the particular subject we have to consider there is another argument that tends to show that the price of food would not, in all probability be increased at all by the policy contemplated.

It is very well known that the price of food depends, more than anything else, upon the largeness of the supply. In a year when crops are abundant the price is usually low. In a year when the harvest is generally poor, the price advances; the price varies roughly in inverse ratio to the abundance of the crop.

It is impossible to say the exact fraction to which an abundant crop will lower the price, or a deficient crop will increase the price, just as it is quite impossible to say whether a customs tax will be paid altogether by the seller, altogether by the buyer, or partly by both. But it is reasonably certain that where the supply is increased

ed the price will be reduced. And Mr. Chamberlain's policy would tend to increase the supply. For if additional land is brought under cultivation this will tend to increase the supply and to keep the price from advancing.

The quantity of food consumed in the United Kingdom is produced most largely in the United Kingdom itself, and if the colonial supply be added to this, the United British share very largely exceeds the foreign. It has been shown above that of the articles of food mainly imported, such as corn, meat, animals for food, butter, cheese and potatoes, there is about 70 per cent. British and 30 per cent. foreign.

The home supply is most deficient, however, in wheat, in which at least one-half is imported from foreign countries. The returns do not distinguish, with sufficient accuracy, between wheat grown in the United States and that grown in Canada, Canadian wheat shipped from the United States ports, appearing in the tables as from the United States and vice versa, the result being usually somewhat to the disadvantage of Canada. From data furnished me by Mr. O'Hara, in Department of Trade and Commerce, Canada, it appears that the Canadian Export of Domestic Merchandise to the United Kingdom for the last ten years, is between seven and eight per cent. more than the amount appearing in the Returns of Imports from Canada into the United Kingdom; if all exports, domestic and foreign merchandise, are included, the deficiency in the returns of the United Kingdom is over 18 per cent. This assumes that the value at the port of arrival in the United Kingdom is greater by one-eighth than the value at the port of shipment. See 29, Enc. Brit., 57a.

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TABLE VIII.

Canadian Exports to United Kingdom for years ending 30 June of each year, showing Produce of Canada, and Total Exports from Canadian Returns. Also Imports from Canada, from United Kingdom Returns brought down to same date, 30th June, and converted into dollars in the Department of Trade and Commerce, Canada.

Year ending June 30.	Exports Canada to United Kingdom Canadian Returns \$		Imports from Canada United Kingdom Returns Converted into \$
	Produce of Canada	Total Exports	
1896	62,717	66,690	67,379
1897	69,533	77,227	83,177
1898	93,065	104,998	95,421
1899	85,113	99,001	99,591
1900	96,562	107,736	102,861
1901	92,857	106,328	105,270
1902	109,347	117,320	99,530
1903	125,199	131,202	116,891
Value at Port of Shipment...	734,303	809,592	.....
Estimated Freight, &c., †....	91,799	101,199	.....
Value at Port of Arrival.....	826,191	910,791	770,090
	770,090	770,090	
Difference.....	56,102	140,701	
Percentage of \$770,090.....	7.29	18.27	

In the following, however, I will take the United Kingdom Board of Trade figures as given, and the last year of English statistics, 1902, as one showing the largest apparent import from foreign countries of Wheat and Flour.

The total consumption in that year alone was 128,327,000 cwt. of which 52,615,000 cwt. was grown in the British Empire, and 58,301,000 cwt., (besides 17,411,000 cwt. of flour) imported from foreign countries; the import from the colonies being 18,829,000 cwt. of wheat and flour, and the home-grown wheat 33,786,000 cwt., or 60,065,000 bushels. To produce this amount there was under wheat cultivation in Great Britain and Ireland, 1,770,000 acres, the yield being 33 bushels to the acre. If the foreign and colonial yield was equal to that of the mother country, this would mean that nearly 1,000,000 acres of colonial lands and nearly 4,000,000 acres of foreign lands were

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under cultivation for the supply of the mother country, the three together, 6,770,000 acres. If the yield per acre in the colonies and in foreign countries was only one-half of that in the mother country, it would mean nearly 2,000,000 acres of colonial lands, and nearly 8,000,000 acres of foreign lands, or a total of 11,770,000 in all.

If Mr. Chamberlain's policy is adopted, the British farmer at home and in the colonies will receive a preference over the foreigner of about two shillings per quarter of eight bushels, and at the average price of wheat in 1902, 26s 9d, this would be equal to about 7 1-2 per cent.

The result of getting a better price to this extent over the foreigner will undoubtedly be to bring a larger acreage under cultivation in the Empire. This increase in area cultivated will probably take place both in the mother country and in the colonies, but, of course, chiefly in the latter. In the mother country at present there is a smaller area of land under wheat than formerly. In the year 1874 there were 3,630,000 acres under wheat in Great Britain, and 188,000 in Ireland. In 1901 this had decreased to 1,700,000 acres in Great Britain and to 42,900 acres in Ireland. In 1902 there was an increase in Great Britain of 26,000 acres, and in Ireland of 2,500 acres, or a total increase in the United Kingdom of 27,500 acres.

In Manitoba the population in 1901 was 255,555 and the number of acres under wheat in Manitoba that year was 3,039,440 acres, being about eight acres per head.

Last year the number of persons who took up Government land in Canada was 22,000, representing 64,000 souls. The land taken up was 3,550,000 acres in homesteads, besides 127,000 acres sold. Of this land 2,553,000 acres were granted in 16,000 farms of 160 acres each. This does not include lands sold by the Canadian Pacific Railway or other private companies or owners.

If each person represented by this increase in the population of Canada cultivated eight acres of land in wheat, this would bring under cultivation 512,000 acres of wheat land.

If this extent of land were devoted to the production of wheat for the supply of the mother country, it would be alone almost enough additional wheat land to increase the supply of wheat in

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the mother country to the percentage of the proposed duty. 7 1-2 per cent. on 6,772,000 acres would be 507,000 acres; on 11,770,000 acres it would be 882,750 acres.

India in 1902 produced 224,000,000 bushels of wheat. The average area in wheat crops in 1895-99 in India was 24,000,000 acres. Her average exports by sea for 16 years, 3,000,000 quarters, 24,000,000 bushels. (29 E. B. 64). Australia and Egypt should also be able to grow and to export largely.

If, therefore, Mr. Chamberlain's policy stimulated the cultivation of 1,000,000 acres of land in the whole British Empire, it would probably offset a duty of 2s a quarter on the whole. This supposes, of course, that a corresponding area of wheat lands in other countries would not be thrown out of cultivation, but I do not believe any one will pretend that such will be a probable contingency. It would more likely occur only that Russian peasants might use some of their own wheat, and so live a little better than they do.

Indeed, one of Mr. Chamberlain's adversaries, Lord Burghclere, a former Liberal Minister of Agriculture, has been trying to frighten the British farmers into believing that the increased cultivation of land is precisely what would occur, and that it would ruin the farmers by making bread too cheap! No true economist can disapprove of a policy that will add to the wealth of the Empire and of the world.

But it may be objected: If the price is not to be increased, where is the benefit to the old country agriculturist and to the Canadian farmer? It consists in this, that he will find immediate and ready sale for all his crop, before the foreigner can sell his. He will get the best price going. And he will enlarge the output and so make more money even without an advance in rate of profit. If a farmer raises 1,000 bushels of wheat this year, and sells it at 75 cents a bushel; and, if next year he brings additional land under cultivation, and grows 1,500 bushels of wheat, he will make a much larger profit at the same price. And even if the price went down 7 1-2 per cent., namely to 70 cents (or exactly 69.38), he would have a gross return of \$1,050 (or \$1,040.70) the second year, instead of \$750 the first, and an additional profit the second year of almost as much if he had no rent to pay for his land. He, like

the manufacturer, makes most money by doing business on a large scale.

To summarize this argument I would say that where the effect of the duty is to increase the supply, there will be a reduction in price, which, in all probability, will be fully equal to the amount of duty. And it is quite conceivable that it may greatly exceed the amount of the duty, and, in that case, it will be all gain and no loss to the British people to adopt this policy; and, indeed, a gain to the world in stimulating cultivation of lands now waste.

This, of course, leaves out of view the advantage to the British people, of such an increase in the cultivated area taking place within the limits of the British Empire. When you add to this, that the inhabitants of British countries always import from other British countries at least three times as much per head as foreign countries similarly situated, it is easy to see that such an increase in the cultivated area of different parts of the British Empire will be of great commercial value to manufacturers and other producers of British goods. And this advantage will be shared by the manufacturers in the United Kingdom and by the Canadian manufacturers. But while the Old Country manufacturers will benefit most directly by the increase in the cultivated area of the mother country and in the purchasing power of the agricultural classes of the mother country, the Canadian manufacturer will benefit most by the increase in the cultivated area of Canada and in the purchasing power of the Canadian agriculturists. In every way, therefore, the British producers and consumers will benefit alike by such a policy as Mr. Chamberlain proposes.

The above view formed originally on general considerations is, I think, borne out by the statistics.

In the *Enc. Brit.*, vol. 29, p. 71, is given the Home Production of the United Kingdom in quarters of 8 bushels, the total import of wheat in quarters of 480 lbs, and of flour in sacks of 280 lbs. Adding these three together we get the first column of this subjoined Table IX., as the supply for each year. The second column is the price per quarter for the year. The third, the average cost of freight, ocean and railway or canal, for the period to which each year belongs. The fourth the price after deducting this freight.

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TABLE IX.

SHOWING INCREASE IN ANNUAL SUPPLY, AND CORRESPONDING DECREASE IN PRICE.

Year	Supply Qrs	Price s. d.	Freight s. d.	Price s. d.
1870.....	22,030	46. 11	15. 8	31.
	21,984	50. 8	15. 8	41.
	22,785	57.	15. 8	41.
	22,614	58. 8	13. 6	45.
	25,768	55. 9	13. 6	42.
	24,185	45. 2	13. 6	31.
	22,108	46. 2	13. 6	32.
	26,112	50. 9	13. 6	43.
	26,924	46. 2	12.	34.
	23,417	43. 10	12.	31.
	1880.....	25,808	44. 4	12.	32.
26,031		45. 4	12.	31.
29,588		45. 1	12. 11	32.
29,031		41. 7	12. 2	29.
26,373		35. 8	12. 2	23.
29,624		32. 10	12. 2	20.
23,926		31.	12. 2	19.
28,623		32. 6	12. 2	20.
28,358		31. 10	12. 2	19.
28,081		29. 9	12. 2	17.
1890.....		28,914	31. 11	12. 2	19.
	30,439	37.	12. 2	24. 1
	30,174	39. 3	12. 2	18.
	28,502	26. 4	11. 7	13.
	30,389	22. 10	8.	14. 1
	30,036	23. 1	8.	15.
	30,797	26. 2	7.	19.
	27,959	30. 2	7.	23.
	31,657	34.	7.	27.
	31,672	25. 8	7.	18.
	1900.....	30,043	28. 11	7.	21. 1
30,553		26. 9	7.	19.

From this it appears that in the five years beginning 1870, the supply of wheat in the United Kingdom including home production and the import of wheat and flour, (the flour being reduced to its equivalent in quarters of wheat in the proportions given in 32 Enc. Brit., page 71), averaged 23,214,000 quarters, and the average price was 55s per quarter.

The supply gradually and steadily increased down to the present date, while the price has steadily decreased.

In the five years beginning 1895 the supply had risen to 30,427,000 quarters and the average price decreased to 28s 5d.

The increase in the supply was in the proportion of 31 per

cent. over the figures for the first period, and the decrease in price was 48 per cent. upon the price in the first period.

The part of this decrease in price, which was due to a reduction in freight, port dues and other charges, appears to have been from about 15s per quarter to 7s per quarter, and if these amounts are deducted from the price given, there still remains the difference between 40s in the first period and 21s 5d in the second period rather over 46 per cent., which is unaccounted for, and appears to be clearly due to the great increase in the amount of the supply caused by the settlement of the new wheat fields in the American Western States. There are 200,000,000 acres of wheat lands in the Canadian Northwest to be brought under cultivation.

Against this argument it is urged that the price of wheat in France and in the German Empire is greater than the price in Liverpool, if not to a full extent of the Corn duty in those countries, at least to a considerable part of it. The answer is, first, that neither of these countries is as large a market for Wheat grown abroad as the United Kingdom; and secondly neither of these countries has large areas of Wheat lands to develop, such as exist in the British Empire.

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CHAPTER IX.

PROBABLE RESULTS IN CANADA.

(a) Effect on Incoming Settlers.

If a rapid increase of settlers in the Canadian Northwest could follow immediately as the result of the adoption of an Imperial preference, there is hardly any doubt that this would fully offset any tendency to an increase in price, which might follow either from the duty, or from the greater consumption in the United States leaving a smaller margin for export.

Nor is there any reason to apprehend a change of national sentiment in Canada as a result of the large influx of American and other foreign farmers. On the contrary, if these foreigners can rightfully believe that their prosperity is even partly due to the connexion of Canada with the rest of the British Empire, this will have the most wholesome effect in moulding the natural change of sentiment that may be expected to take place upon a change of residence on the part of the incoming settlers. The very fact of their taking up a new home renders their minds more receptive to the good influences that bear upon them there, and if the Canadian people give a large-hearted welcome to all new comers, from whatever quarter they hail, and if these enter immediately upon a career of prosperity, there is no probability of any tendency to disloyal sentiments on the part of such settlers. It is this attitude of the American people towards immigrants that has been most effective in engaging the loyal affection of their new inhabitants, and of the children of these; and we cannot have a better example for Canada to follow than to show a like spirit of hospitality and hearty goodwill.

Nor does the experience of old Canada tend to support the opinion that American settlers are not likely to become loyal British subjects. They are entitled to naturalisation three years after their arrival; and without the offensive declaration in the oath of

allegiance required by the naturalisation oath in the United States, in which they renounce and abjure allegiance to their former fatherland. With us they take an oath simply to be faithful and bear true allegiance to our Sovereign.

In the earlier stages of Canadian history, American settlers were, it is true, somewhat aggressively American in their national sympathies, but I have lived long enough to see that most of those who reside among us permanently become as faithful and loyal citizens as any other class.

The first time I heard the National Anthem after the accession of King Edward, the air was led by the fair daughter of an American who had made its home in Canada, preferring the British to any other conception of civil liberty and orderly government—*Patria cura curior Libertas*,—and it never was more sweetly sung.

The children of American parents in Canada are probably as heartily loyal, both to Canada and to the British Empire, as any of our people; and have perhaps even a more intelligent idea than the children of many other parents as to the value of national privileges that are associated with the British type of civilisation. We therefore welcome our American cousins as heartily as our brothers from over the sea, and if by a spirit of emulation we are able to realise in Canada a higher type of civilisation than what is attained in the United States, it will be better for both peoples that such a struggle for excellence should take place, especially if kept as free as possible from any spirit of hostility and antagonism. It is upon love of our own nation and not upon hatred of another that a sound national sentiment can only be based. The only American sentiment that Canadians should resent is one that would show a desire to undermine our allegiance to our own people.

Many of the friends of this movement have taken the position that Canada will very soon be in a position to supply the whole demand for breadstuffs, and especially for wheat, in the United Kingdom. This position seems to me both unreasonable and unnecessary. We must not make the mistake that was made by Mr. Cobden, when he predicted that as the result of his policy all nations would very rapidly adopt free trade. There is no probability that at any time, much less in a few years, will the United King-

dom draw her supplies of wheat exclusively from Canada or from the British colonies, and it is not desirable that such a result should follow. All British countries hope to keep up large and profitable trade with all foreign nations, and there can be no wisdom in attempting to exclude, more than is necessary for our own political and commercial development, the produce of other countries. Trade between the United Kingdom and the United States, France and Germany and between Canada and the United States, France and Germany will continue to grow with the prosperity of the countries.

The real effect that we hope to see produced by the adoption of the proposed policy is simply to greatly enlarge the trade within the Empire, and the capacity for production of all British countries. It is believed, not that Canada will supply England with all the wheat she is to import, but that the effect of such a policy will be to increase the production of wheat in Manitoba and the Northwest to such an enormous extent that this will counteract the tendency to an increase in price that would be otherwise likely to follow from the adoption of an import tax. If an import tax of 10 per cent were imposed with no enlargement of the supply, the price would necessarily advance. If it is accompanied with an increase in the amount of the supply to the same extent, then the tendency to an advance in price would be counteracted. We count therefore upon an increase in the production of the colonies to an extent very much in excess of the percentage of the duty, and therefore we feel convinced that the mother country need have no apprehension of an increase in the cost of their food. The prosperity of the colonies will be accelerated directly by the aid of the mother country, and their prosperity will react upon that of the United Kingdom itself, so that the whole British Empire will go forward in a period of rapid development similar to that which took place last century in the United States. We hope for a development of the British Empire in the XX. century, even outstripping what has taken place in the United States in the XIX. And just as New York and the Eastern Atlantic Seaboard has shared in the development mainly due to the opening up of the wheat-fields of the American West, which was greatly helped by the co-operation between the Eastern and Western States, so Eng-

land, Scotland and Ireland will share in the general development of the British Empire, due to their cooperation, although the greatest increase will take place in the parts now only on the threshold of their industrial career. The United Kingdom, as well as the colonies, has a brighter outlook in one great Empire than any of them can hope for alone.

(b) *Effect on Competing Canadian Manufactures.*

Let us now consider what the effect of Mr. Chamberlain's policy would be even upon the small number of colonial industries already established that depend to some extent on moderate protection against the mother country, and that give employment in Canada to at least a small percentage of the wage-earners of Canada.

Even as regards these, and more strikingly as regards all manufacturing industries, I believe the effect would be on the whole most beneficial. When Mr. Chamberlain has obtained authority to offer us a preference on articles of food, he will confer with the Colonial Governments as to the manner to give effect to his policy. The colonies will not be asked to surrender their fiscal independence, they will be asked to use that fiscal independence in the best interests of their own people, in making a fair bargain with the mother country. It may be admitted that high protective or prohibitive duties need not be contemplated. Reasonable duties required for revenue purposes will be allowed, and some rule defining what shall be considered revenue duties will be adopted. The scientific distinction between revenue and protective duties would be, of course, that any customs duties upon imports from another country in the Empire should be accompanied with an excise duty of the same amount on the same articles produced at home. But British statesmen are not accustomed to adopt purely scientific rules when these would interfere with vested interests or with other practical considerations. It is more likely that an agreement will be made as to how high a duty on ordinary imports will be considered as a revenue duty. It must not be high enough to exclude importation, but it must be high enough to produce a reasonable amount of revenue, because customs duties are by far the most important, in many cases almost the sole, source of colonial revenue.

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And if trade within the Empire is to be promoted by encouraging imports from British instead of from foreign countries, the imports coming from foreign countries will not be very large, and will therefore not be a very prolific source of revenue. A rate of duty will therefore be allowed, which will be expected to yield the amount of revenue required in the colonies, and it will be imposed or retained so as to yield this revenue, and could only be effective for this purpose if the import trade really takes place. Canadian manufacturers will benefit by the incidental protection that will accompany these revenue duties.

In making such an agreement, the Canadian Government will unquestionably take into account industries already established, capital already invested, and hands already employed. If therefore the maximum duty intended to be levied should appear insufficient to secure these vested interests, the Government would be careful to provide that any reduction in the rates of duty on British imports should take place very gradually and in such a way as to give every opportunity for every branch of manufacture to meet the altered conditions without loss. What the rate should be is manifestly a subject for negotiation.

Should the exigencies of the revenue require that in any particular instance the rate agreed upon as a reasonable revenue duty has to be exceeded, it can then be arranged that an excise duty shall be levied on the same articles made at home equal to the amount of the excess.

And here I think it advisable to interpose a comment upon the statement often made that too close bargaining between members of the same family does not conduce to harmony. From this I entirely dissent. Close and exact bargaining on matters of pure business instead of causing friction generally removes it. It is only when a bargain is felt to be unfair and one-sided that it gives occasion to a feeling of resentment. It can surely not lead to misunderstanding if both the mother country and the colonies agree together, that they will give one another their custom when possible. If a father had a son in business, it would give much greater offence if the father gave most of his custom to a competitor in the son's trade, than if he made a formal agreement to give him his custom on conditions clearly laid down as to special discounts on both sides.

So much then for existing and established industries.

If any entirely new industry should spring up in any colony, the promoters would have to consider that they must meet British competition on fair terms with only the incidental advantage that they might derive from the revenue duty that had been agreed upon, and the further advantages in the colonial home market that they would derive from a better knowledge of the local requirements.

Even in cotton, woollen, iron and steel industries there are certain lines in which British competition is not a serious matter; and the manufacturers could, if they desired, devote their attention chiefly to these lines. There would here be the most ample field for the employment of far more capital than is already engaged in such manufactures, if a specializing process of this kind took place. Instead of manufacturing an immense number of lines in very small quantities, they could manufacture a small number of lines in large quantities, and with such manufacturers they might even invade the markets of the United Kingdom itself, as it is well known the manufacturers of the United States are able to do at present in quite a large number of articles.

Then, for the Canadian home market, these manufactures would have an advantage that is far greater than any possible protection by customs duties, resulting from the enormous enlargement of the Canadian market through the increase of population that would pour into the country by reason of the adoption of Mr. Chamberlain's preferential tariff.

This advantage would be shared in common by all Canadian manufacturers, both those in which British competition is an element and those in which it is not. For the building of our most important manufacturing enterprises, the change resulting from freer trade within the Empire would be a tremendous advantage. Our manufacturers would save full cost of ocean freight and insurance estimated by competent authorities to be equal on an average to at least twelve and a half per cent. of the value. Mr. George Johnson informs me on the authority of an article in the "Brazilian Review" that the ratio of freight to cost of articles in country of shipment is 20.235 per cent. The distance from Liverpool to Rio Janiero is 5,125 miles, to Montreal 2,960. Local manufacturers would have the most intimate knowledge of the ex-

act requirements of purchasers, they would have an advantage over the manufacturers in the mother country of greater facilities in handling those branches in which the people prefer articles of American manufacture; such, for instance, as axes, shovels, agricultural implements, organs, sewing machines and typewriters, for all of which they would have even greater protection against their competitors in the United States than against British manufacturers.

In addition to all this, the Canadian tariff could be so arranged as to give the greatest possible extension to the free import of raw materials. Of course, the raw materials of one industry are the finished product of another, and therefore the extent to which the free list could be enlarged would depend upon the general policy of the country in regard to free trade or protection. If protective ideas prevailed, restrictions upon partly finished goods which are the raw materials of other manufactures could not be so generally imposed. If, on the other hand, free trade ideas govern the fiscal policy of the country, there would be less tendency to exclude partly manufactured goods, which are the raw materials of other industries, and the free list would be made as large as the exigencies of the revenue would permit. But in any case the manufacturers of certain articles would be greatly benefited by the free admission of their raw materials, and the country would remain at perfect liberty to frame her policy on the lines of protection or on the lines of a revenue tariff as she saw fit. And here also the competition of the mother country would be a less important feature of the case. We do not import raw materials very largely from the United Kingdom.

We have given the amount of wages earned by those employed in the various industries. But it may be pretended that our manufacturing establishments also afford a market to the farmers for raw materials. Incidentally, no doubt, they will purchase certain quantities of articles produced in Canada, as indeed every merchant who erects a building and carries on an establishment, will purchase quantities of raw material for his operations. But the main staple of the raw materials in two of the three most important industries that may be exposed to British competition, is not produced in Canada, but is imported from abroad, and the money

spent upon it is sent out of the country. These two are cotton and wool. Of course, all our raw cotton comes from outside, and we imported in 1902, 693,578 cwt. of cotton wool and waste, valued at \$5, 859,000; and 103,607 cwt. of raw wool, valued at \$871,000.

There is a small amount of Canadian wool also used, but most of the raw wool comes from outside.

The same is true in part as to iron, though we have undeveloped resources in this department well worth fostering; only in these we should be able, as Americans are now able, to compete in the markets of the United Kingdom, to which, if we, by a fair hearty and generous response to England's offer, secure the preference on manufactures as well as on food, we shall continue to have free admission, as a British country, denied to them as foreign.

Canadian manufacturers should not lose sight of the fact that free trade affords them many of the best conditions of establishing prosperous manufactures. Those that depend upon customs protection alone, or mainly, can never maintain themselves without the expenditure of much of their energy and no small part of their capital, in perpetually trying to convince the people that it is their interest to pay for their goods more than they are worth; whereas manufactures that are adapted to the country may require protection against unjust competition from those who enjoy a monopoly in their own markets from which we are excluded, but having received that, the healthiest conditions are those that give them the greatest scope for the purchase of what is required in their manufacture. And there are undoubtedly immense opportunities for manufacturing in which we can easily hold our own against any other British competition.

(c) *Dumping of Canadian Iron.*

A great outcry has been made concerning the dumping of Canadian iron in the English market, stated to be more than from Holland, Belgium, the German Zollverein and the United States. The Canadian Government pays a bounty of three to six dollars a ton on iron produced in Canada.

In the comparison that has been made, the largest of all the iron-exporting countries have been omitted, Russia and Sweden, and also Spain. The import from Canada in 1902 was £116,000 out of a total import of pig iron of £773,000 or a total United Kingdom import of unmanufactured or slightly manufactured iron, of over £8,000,000.

Canadians have all recognised the importance of developing iron mining in Canada. A great many millions of private capital has been invested in the iron mines, and an urgent demand was made upon the Government to protect these investments, which were in danger of being ruined, and of causing widespread misery and injury to the credit of the country, and of the British as well as other capitalists who had invested in the mines.

The difficulties attending the beginning of such an industry are tremendous; and this, if ever, was a case in which Government aid to an infant industry was justified, on the principles of the most rigid of political economists.

The Government had the choice of aiding them by making a considerable advance in the customs duties upon iron generally, or of giving bounty upon the ore. If the former policy had been adopted, the result would have been to exclude large quantities of highly finished iron and steel manufactures, and the iron trade in Britain would have been injured by the exclusion of iron manufactures. By the policy adopted, the English iron manufacturers were still permitted to send their manufactured iron and steel at lower rates of duty while they were enabled to buy the Canadian ore or pig iron at a lower price, and still to give a considerable development to our new industry of iron mining. At present, when Britain in no way cooperates with us in the development of our industries, there is no reason why we should seek to limit competition with other British producers of iron.

The Canadian bounty does not, however, discriminate against the iron trade of the United Kingdom. It is not a bounty on iron exported, but on all iron produced. Their iron manufacturers, so far as these bounties go, are affected precisely in the same way as the iron trade in Canada.

But if a policy of cooperation is adopted, it is quite open to the Canadian Government to consider the advisability of fixing an early date for the cessation of these bounties, even if Canadian

iron producers are not given a preference on the raw material in the markets of the United Kingdom over the foreign countries now competing with Canada in the supply of the British market. A preference on manufactured iron would probably render bounties unnecessary. Possibly also a change of policy in the mother country might by negotiation secure a decrease in the import duties on iron from all British countries into the United States, and obtain freer access for Canada as well as the United Kingdom to that market. At present we have to pay duties ranging in 1902, from 18.71 p.c. on pig iron, 20.40 p.c. on iron ore, up to 42.11 p.c. on ingots of steel, or an average import duty on all iron and steel of 37.03 p.c.

Further, if the Canadian iron mines are brought into successful operation, it will be a gain to the whole British Empire, while the same development of foreign iron mines would be rather to its detriment, so long as high foreign tariffs prevail.

CHAPTER X.

FOREIGN TRADE POLICY.

A word should be added upon the effect of this policy on our relations with the United States and other foreign countries.

We shall, of course, remain free to adopt either high protection or low duties as we see fit. I do not approve of a policy of unreasonably high duties even against foreign countries. The policy recommended by the Montreal Star of raising our tariff to the level of that of the United States, and then giving a preference of one-half in favour of British countries, would appear to me most unwise. Certain manufacturers have also recommended that we should raise our tariff to 60 per cent. and then reduce it one-half in favour of British countries. Either of these proposals should be condemned. We would be very foolish to attempt to frame our policy by a servile imitation of that of another country. The tariff must be framed to suit the requirements of our own people and of our own revenue. Retaliation can only be justified where our industries are expressly threatened by the hostile attitude of foreign countries, and then only so far as is necessary to protect our own merchants and manufacturers against injustice. If it appears that a Canadian industry is ruined by the hostile action of a foreign country, or by foreign competitors under the protection of a hostile tariff against us, which excludes us from competing in their markets, in such a case it may be the duty of the Government to protect the individual Canadian citizen from unfair artificial competition from outside. But this does not apply to competition with the mother country, which does not and will not exclude us from her markets. If any attempt is made by English manufacturers to sacrifice their goods below cost in Canada, Canadian merchants can buy these goods and ship them back to the mother country, where they will be admitted free of duty; and such competition will not be unduly oppressive, if it does not exceed the amount of the return freight. The Canadian manufacturers in like manner

can also freely invade the market of the United Kingdom. The difference in the rate of wages is not of itself a legitimate ground for the protection of our manufacturers, because it is due to the fact that we have more profitable industries for the employment of labourers.

To simply copy all the worst features of a tariff of a foreign country in order to do them as great an injury as we imagine they attempt to do to us, is unchristian and foolish. We have a right to protect ourselves from injustice, but not to shape our policy out of simple revenge.

On the other hand, it would be an insult to the intelligence of the people of the United Kingdom for us to offer them a reduction of 50 per cent. upon our tariff, if we have already raised our general tariff twice as high as is necessary to exclude them. If an article is excluded from our market by a duty of 25 per cent., it would be no satisfaction to the British producer that we pretend to call the duty against foreign countries 50 per cent. We must deal fairly and honestly with our brother across the sea. It is no concern of his what our duty may be against the foreigner. What he has right to expect is that our tariff against him will not be so unreasonably high as to prevent him from sending his goods into our markets with only fair competition with his Canadian competitors.

But against the foreigner himself it will never be a wise policy to make our duties unreasonably and exorbitant. The rights of individual citizens must be respected. It is indeed the main characteristic of our British idea of freedom, as compared with that of other civilisations, that we respect to a much greater extent the liberty of the individual. If our people persistently and habitually prefer using some article of American or of German manufacture, such as clocks, typewriters or pianos, it is an improper use of the power of the Government to punish such a desire as if it were a crime, and to impose upon its gratification an exorbitant tax. If our method of raising revenues is by customs duties, it is quite right that any purchaser should pay a reasonable contribution to the national treasury when he exercises his right and indulges his taste in buying in a foreign country what may also be made at home. But, after all, it is his right, and there is no moral

excuse for interfering with his liberty and forcing him to buy something different from what he wants, under the penalty of a heavy imposition. To do so is to make an unfair and unjust use of powers that belong to the Government for altogether different purposes. Any attempt to exercise such a power is almost a moral justification for smuggling. The majority has no right to tyrannise over the legitimate desires of the minority, and it may be a legitimate desire for any man to deal with a foreign merchant or manufacturer. On this point the underlying motto of the Cobden Club, "Peace on earth and good will among nations," is a maxim of the highest moral and political value. It can never be productive of good will between nations if the leading principle of our policy is to injure them because we believe that they have injured us. Any such interference with the liberty of individual citizens ought to be confined to cases in which our manufacturers or merchants have sustained a real and substantial injustice by the deliberate action of the foreign state, and our duties should not be higher in general than the revenues of our country require.

Where there is a manifest injustice it may be the duty of Parliament to impose even prohibitive duties, but this must be never looked upon as a normal condition of affairs between our country and our neighbours or other foreigners.

The course that we should follow with regard to reciprocity with the United States should therefore be that we are willing to meet them, after the new Imperial policy has come into force, in a spirit of fair and friendly negotiation, but the cardinal principle of our policy must be that no reciprocity can be entertained that may interfere with the realisation or perpetuation of a system under which the different countries of the British Empire are to be united together upon more favourable terms than are to be granted to foreigners. The sudden desire on the part of American farmers, millers, furniture and carriage makers for reciprocity with Canada is caused entirely by the hope of defeating a system under which we are to receive better treatment in the markets of the United Kingdom than will be extended to them. So long as we desired reciprocity on business principles, it was rejected. Now that we have the opportunity of getting a substantial advantage over them in our best market, we must not be so short-sighted as to entangle

ourselves in any trade agreement with them that will fetter our freedom of action in meeting with a fair return the overtures made to us by the mother country, New Zealand, South Africa and British Guiana.

We may give the United States as neighbours with whom we desire to live on friendly terms the Most Favoured Foreign Nation treatment. But we should never admit them to the privilege of British National treatment either in the markets of Canada or of the mother country, unless they return to their allegiance as British subjects, or unless they also grant to all British subjects the same privileges in their markets as are enjoyed by their own citizens. All British countries propose from this time forward to stand together in these matters.

CHAPTER XI.

RELATION TO PAST POLICY OF CANADIAN PARTIES.

It seems to me that many of our Canadian Liberals have not fully appreciated the advantages connected with Mr. Chamberlain's proposals, and how thoroughly they are in accord with the development of the historical policy of the Liberal party, which has always been against protective duties, except as incidental to raising a revenue by a customs tariff. They have failed to grasp the cardinal fact that while this policy may introduce a slight modification of the pure free trade of England, it can only be worked to the full advantage of Canada by increased freedom of trade on our part. In other words we are offered a direct and enormous advantage in order to induce us to follow a policy which in itself and on its own merits has always commended itself to the judgment of the Liberals in Canada. And not of the Liberals alone, but of Sir John A. Macdonald throughout his entire career. Even when he consented to lead a movement in the direction of protective duties, he clearly avowed that he regarded them as a departure from sound principles, and he wished their adoption solely for the purpose of binding the Provinces together commercially. It was always his aim to moderate the protective features of this policy, and if he had lived to see the possibility of obtaining a preference in the markets of the United Kingdom as a condition of moderating the tariff in that direction, it is impossible to believe that he would not have taken full advantage of it. Mr. D'Alton McCarthy, who was trained in the traditions of Sir John A. Macdonald's school, also entertained the opinion that protective duties should be kept within moderate limits and should not be a permanent feature of our financial system.

Even Mr. Foster, although circumstances made it his lot to administer the department of finance under what was called the national policy, showed that in his judgment also the protective features of a customs tariff should be reduced, and it was only

when his opinion was overborne in the committee of the House of Commons, that the changes he desired to make in the tariff in the direction of reduced protection were voted down; and one of the results of this refusal to adopt his opinion was that the country returned the present Government to power on the express promise that such reductions would be made. And some, though not all, of the Liberal leaders declared in that campaign, in which the party came out successful, that they would eliminate every vestige of protection and that their aim was free trade as it is in England.

The line of criticism of Mr. Foster at the second general election, 1901, seemed to me to show that, in charging the Liberal Government with failing to carry out these promises in a greater degree than they had, he was convinced in his own mind that the Liberals had been right in that campaign, although he probably also realized that the country was not prepared to abandon protective duties altogether.

The old Liberals, however, stood fast by the principle of the Cobden school, that no distinction based on national grounds should be admitted. It remained for Mr. Fielding to strike the most effective blow at that superstition, when he introduced his preferential tariff in favour of the United Kingdom, and followed it up by granting the advantage of the same preference to the West Indian, Australasian and South African British colonies.

Mr. Chamberlain's policy is the logical outcome of the introduction of a preferential tariff into Canada based precisely upon national allegiance.

I would appeal to Sir Wilfrid Laurier and to Mr. Fielding to follow up the splendid lead they have already shown capacity to give: First, to Sir Wilfrid Laurier, who called upon the mother country to summon us to her counsels, not to divert the attention of our people from the great boon now fairly within our reach if we show a reasonable disposition to make a fair return, not to force to the front a subject like the treaty-making power, which should be reserved for consideration till a plan can be thought out by which the reality, not the mere shadow, can be attained, without breaking up our Empire into fragments, without each part of the great whole pursuing its own course regardless of the other members of the great family of British nations, but by endeavouring to secure

our proper share in shaping the foreign policy of the Empire on the lines of peaceable development, while retaining and strengthening every tie that now makes us one.

I would appeal also to Mr. Fielding to continue in the path traced out by him at the time of the adoption of the preferential tariff, of bringing about the Empire-wide recognition of the idea that in matters of trade, in time of peace, the British nations propose to stand shoulder to shoulder, each master in her own house, but each abiding by the motherland and the sister nations. It is a time for union, not for disruption.

Even if England be in any way to blame for an excessive desire to conciliate the goodwill of her eldest son "the sheep that is lost," let it not be a reproach to her from those still in the fold. Let us show that when the elder brother is the prodigal and when he is treated with a profusion of love, even before repenting and while still wasting his substance in riotous living and tending hogs, the younger brother who has remained faithful and true is more noble than the elder brother when it was his turn. And let our watchword be not Canada for England, for England is not the Empire any more than Canada, but Canada for the Empire, Canada for humanity, for Christianity in national affairs, and Canada for the fidelity that has marked out her history in the past.

All Canadian Statesmen have recognised that absolute free trade within the British Empire is not possible at the present time, but it argues a deplorable lack of ingenuity and intelligence for British Statesmen to proclaim that they have not the wit to work out a commercial union upon other lines than absolute free trade within and uniform duties without. There is absolutely no need for such uniformity. The only need is that the different members of the British Empire should make it part of their policy to distinguish between their fellow subjects and foreigners in the broad outlines of their commercial policy. Cobden's doctrine of absolutely equal treatment of our own people and foreigners is based upon moral grounds that logically applied strike at the very existence of separate nations. Pure cosmopolitanism may be an admirable thing; and justice and consideration towards foreigners unquestionably a worthy political object; but so long as nations exist, the members of a nation have a right to expect that

their interests shall be in a very special degree the care of their national Government, and particularly that every citizen has a right to expect the protection of his Government against any act of injustice from outside. Individuals may be left to fight their own battles with individual competitors in foreign parts, but individual British citizens should not be left to fight single-handed gigantic national combinations made against them by foreign citizens under the direct protection of foreign laws.

If we in Canada feel that we can count upon our brothers in the United Kingdom, in Australasia, in South Africa and in the West Indies to stand shoulder to shoulder with us for the protection of our rights and interests, not only in time of war but in time of peace, we shall develop in a much more complete way than we can ever hope to do so long as each of us individually has to cope with the unlimited use that is made by foreigners of their power to injure our commercial interests.

CHAPTER XII.

THE DUTY OF THE HOUR.

The Liberal party press in Canada together with the members of the Government have not given us emphatic an approval of the declaration of policy on the part of Mr. Chamberlain as the interests of Canada would appear to clearly demand. On the other hand, the Conservative party seem to have adopted as their policy one of narrow protection to Canadian manufacturers; and although they profess to welcome Mr. Chamberlain's policy, both on its own merits and as similar in principle to that adopted by the Canadian Conservatives in 1878, they have raised a formidable obstacle to the acceptance of this in the United Kingdom by the prominence given to manufacturing interests in their party platform. Neither of the existing parties therefore has given to these proposals the favourable consideration that they deserve, and the interests of the great masses of the Canadian people have been allowed to remain too much in the background.

What is demanded in the interests of the country is some organisation by which expression can be given to the views and interests of those who are not bound hand and foot to a policy of building up Canada by the extension of manufacturing industries, who believe that the sound development of Canada does not lie in the direction of manufacturing, but in the direction of cultivation of the soil, of the settling of our lands with a numerous and prosperous people; while we can well afford to leave to the mother country the manufacturing of articles that can be produced to best advantage in that part of our common Empire.

There is urgent demand for organisation among the importers, among those engaged in the business of transportation and among the farmers, for the protection of their interests as effectually as the manufacturers are doing by organisation for manufacturing industries.

The number possessing such interests is vastly greater, although less concentrated, than that of the manufacturers. This

concentration of energy enables the manufacturers to exercise an influence upon the Government out of all proportion to their real importance in the country.

Let there be an Importers' Association. There is a vast number of wealthy, powerful and intelligent men who have added to the wealth of this country by bringing into our markets articles produced in other countries which they have supplied to our people on reasonable enough terms. Let some of the strongest of these men take the lead, and set on foot an organisation to which every importer may become a subscriber, and let them take the necessary measures for directing and concentrating their political and social interests as effectually as is done by the manufacturers. No political leaders and no Government can properly be blamed if they make their account with those who take effective means to obtain the acceptance of their views by the general mass of electors. But if the other interests of the country could become as well organised and as effectually handled, they would dominate the policy of any Government holding office.

It is of course very true that many men who have grown rich out of the importing trade have invested some part of their means in manufacturing enterprises, and many of the best of them have taken seats on the boards of the large corporations formed for manufacturing purposes. I would appeal to these, however, to seriously examine the question in its broadest features and not allow the investment of a few thousands in some unstable manufacturing enterprise to becloud their intelligence in considering the general interests of trade and commerce of the country, as well as that of the consuming public.

The manufacturers are entitled to absolute justice and to reasonable consideration, but they should not be allowed to impose their views upon the general public and to demand the sacrifice of the other great interests of the country for their benefit.

The transportation companies also in a measure have their hands tied by the custom they receive from the manufacturers when these act as a unit, and when their better customers act altogether without organic effort. The railway companies very properly refuse to meddle in politics, but while this properly applies to the boards of directors, it should not prevent the employees from

freely supporting any general movement to properly direct the politics of the country in the interests of transportation as well as of their most numerous customers.

The agricultural interest, however, is by far the most important, the worst organised and the most difficult to organise. Let a general movement be set on foot to organise in all the rural districts the interests of the farmers, and their right to obtain such an advantage as is offered to them by Mr. Chamberlain's policy. When the present Liberal Government appealed to the country on the lines which have been suggested throughout this book, they were returned to power with a very large majority, but there is always a danger of general interests being neglected, if particular interests are more persistent and more concentrated in their efforts. Let some of our greatest and most intelligent farmers who thoroughly understand the interests of their people, take the lead in calling a convention for the consideration of needs of the agricultural classes; let them abandon the niggardly habits that have always crippled agricultural organisations. Let the wealthy among them come down handsomely, and let all the farmers make small but regular contributions for keeping up a national agricultural association, which will gain and preserve the confidence of their fellow farmers throughout Canada. Such a movement must be made rigorously national in character. Unless the wisest and best of their number take hold of the matter, it might be very easy for the object to be defeated by international rings, whose interest would be to prevent the successful attainment of their object. Therefore the first principle to govern such an organisation should be absolute fidelity to the general interests of Canada, with a proper recognition of her rights and obligations as a part of the British Empire. I would suggest such a name as the Imperial Farmers' Association so as to exclude by its very terms those who would disregard our interests, rights and privileges as part of the British Empire. This would also emphasize the idea that they have common interests with the agriculturalists of the mother country in securing an adequate recognition from their respective Governments of the rights of the agricultural community. There might even be similar associations formed in the United Kingdom, if they do not already exist, and to defeat the attacks of those who would try to make it appear as a movement in favour of the land-

lords, all landlords except those who personally take part in the cultivation and management of their farms, might be excluded from membership. There will then be a perfect community of interest between the farmers of England, Scotland, Ireland, Wales and Canada, and the movement could also be extended to India and the other colonies. But the immediately practical part of this proposal is one that should be acted upon by the Canadian farmers alone, and I should like to see a representative meeting of the most influential farmers that Canada contains meet and lay the foundations of a large and powerful association, which would secure proper recognition from the Government of the country of the farming community. **This being done we might very soon see a telephone in every farmhouse in the land, good farm roads built and maintained in every part of the rural districts, rural delivery of letters, and even, let us hope, as in the German Empire, and as about to be adopted in the United Kingdom, delivery of parcels e.o.d.** All of these matters would demand revenues, and the necessity of making our tariff a revenue tariff should be kept prominently in view. A large national revenue from a moderate customs tariff would attract a large population, which would form the very best possible encouragement to every legitimate manufacturing industry. The manufacturers would be a thousand times better off by seeing the country rapidly filled up with a prosperous population than by endeavouring to stimulate certain industries through forcing their fellow citizens to pay an unreasonable price for what they have to buy. Manufacturers thus established would become stronger every day, and instead of wasting their funds in making combinations to unnaturally raise prices, and to furnish funds for political corruption, they would turn their energies to the employment of their capital in the most remunerative lines, in lines in which they could manufacture on a large enough scale to supply the Canadian public on as good terms as enjoyed by the public of other countries.

Pending the formation of such associations of importers, of transporters and of farmers, let each individual elector be carefully on his guard against allowing other people's interests to be passed off as his, and to view with disfavour any attempt to induce him to sacrifice his own interests to promote those of any other special class. He may and should subordinate his own interests to those

of his country, but he should not confound the great general interests of the country with those of a very limited class of producers who want to be allowed to sell their goods for more than they are worth.

In selecting candidates for next election, choose nobody who will not make his position perfectly clear on the present issue. Whatever party he may belong to, let him promise, not only to support Mr. Chamberlain's policy, but to insist upon Canada giving the largest and most generous possible return for any advantage we can get in the markets of the mother country. Do not allow this tremendous issue to be clouded by any question not ripe for consideration, such as the treaty-making power. Keep the issue clear and distinct that the Canadian people are determined to give a thoroughly hearty and loyal support to the movement for uniting the trade interests of the Empire. It is hard to make a choice between the two parties as they now exist. The Conservatives have committed themselves to a policy of building up Canada by fostering manufactures through raising the tariff, and no policy could be more disastrous in connexion with this subject. The Liberals, on the other hand, and especially the Government, have adopted a most ungracious attitude towards this movement. They have shown a disposition to obstruct rather than to encourage it, but, on the other hand, unless they are false to all the pledges they have made in the past to aim at freedom of trade, they will be bound to respond to England's offer by throwing our markets more freely open to British products. If it were only possible for some great leader to rise above the trammels of party and to grasp this glorious opportunity of securing the development of our resources in the speediest way, and directly on the lines of our legitimate national growth, surely the country would rally to his support and accord him the same measure of loyal devotion that the people in the mother country are displaying towards Mr. Chamberlain.

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