CANADA AND THE EMPIRE

EDWIN S. MONTAGU
AND
BRON HERBERT

With an Introduction by Lord Rosebery

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AN EXAMINATION OF TRADE PREFERENCES.

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WITH A PREFACE BY
RT. HON. THE EARL OF ROSEBERY, K.G.

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LOYALTY AND PREFERENCE.

"*Every self-respecting Canadian resents the argument, used on scores of platforms in Britain, and published in scores of British newspapers, that Mr. Chamberlain's Protectionist Policy, even though it may raise the cost of food to the millions of wage-earners in Britain, should be adopted by the British people, because it would secure and retain the loyalties of the Colonies. . . . If the electors of Britain see it to be to their advantage to change their fiscal policy so as to raise a tariff wall against foreign countries, while holding an open door for the Colonies, let them register their votes accordingly; but let no campaigner, even though he be Mr. Chamberlain himself, slander Canadians in measuring their loyalty by any tariff preference.*"—From the Toronto "Globe" (the leading organ of the Canadian Government), December 31, 1903.

PREFACE.

It seems to me that this little book is well worth the consideration of fair-minded enquirers at this time; particularly of those who are lured by the hope of a closer connection between the different parts of the Empire as a probable or possible result of the fiscal proposals now before the country.

The authors are two young men, sincere and convinced Imperialists, who went to Canada last autumn with the earnest desire to ascertain the truth for themselves and on the spot.

They have here laid before the public the result of their enquiries; which will tend to strengthen the position of those who see in the new fiscal policy not a probable bond but a possible dissolvent of Empire. That is the anxiety that lies deep in the minds of many of the opponents of that policy, who believe that the British Empire can only be surely maintained and developed on the fundamental principle of allowing

each self-governing part of it to shape its own fiscal policy by its own interests and its own methods. This fiscal independence these parts have long enjoyed, and are determined to preserve; but it is precisely that fiscal independence which it would be one of the main objects or results of Mr. Chamberlain's policy to restrict. Specially then to be commended to hesitating Imperialists is the chapter entitled "Results of the Policy"; and chiefly that part of it which is headed "The Gain to the Empire."

For the danger of this policy lies in the fatal fact that people will not think for themselves. There is a laudable attraction about the label "Imperial";—people dislike to be dissociated from anything so ticketed, and they are right. But they should learn to distinguish between what aims at Empire and what makes for Empire. For this reason they should visit the Colonies and understand Colonial feeling and conditions on the spot before they pronounce on problems of this kind. And, when they cannot visit the Colonies themselves, the best they can do is to read the experiences of those

who have been able to do so, like our authors. This is the more necessary, as the London newspaper is so largely enlisted in Mr. Chamberlain's cause. Information thus furnished cannot but be consciously or unconsciously coloured by the channels through which it passes. Yet no one can pronounce on these problems without the largest and most unbiased knowledge.

There is, too, another danger—to my mind a very grave one—to which our authors call attention. It is this, that the views which are cabled from London to the Dominion are as favourable as the London Press to Mr. Chamberlain's agitation. This is a serious matter of which I have no personal knowledge. But if it be true that the effect of these communications is to misrepresent the Liberal party, corporately, as it is misrepresented at home, and tax it with indifference or hostility to the idea of Empire, the mischief is an Imperial peril. For the Liberal party is predominant throughout the Empire. There is not a self-governing Colony which would tolerate a Cabinet holding the views and policy of

ours in domestic questions for a month. The natural sympathy of such Colonies should then be with the Liberal party. But if they are under the impression that it is necessary that a reactionary party should control and fetter the old root-country, and that a party in sympathy with their own views of domestic policy is a menace to the Empire, we are in full view of a situation detrimental not merely to the Liberal party but to the Empire as a whole.

If the authors have not made one truth evident they must be held to have failed in their purpose. That truth is that the Canadians are convinced that both their prosperity and their allegiance to the Empire depend on their realised independence and right of self-government under the Crown. These they will not allow to be tampered with. But the wisest Canadians see that these will be greatly affected by tariff bonds, which would not merely produce constant friction, but seriously curtail freedom of action. When this result became apparent, snap would go the tariff bond—and some other bonds would be seriously strained as well.

Men are misled by the analogy of other Empires, ancient and modern. They will not or cannot realise that the British Empire is and must necessarily always be unlike these. The true ideal is and should be a vast co-operative league of contented and emulous Anglo-Saxon States, together with an Empire in the East of different races and different conditions. When that truth is grasped we shall have less of the perilous rhetoric as to the necessity either of mechanically drawing closer or of drifting apart—less of the specious fallacy that if there be not a constant centripetal movement in the Empire there will be a constant centrifugal movement.

You might as well say that if the pillars of a Doric temple be not constantly pulled together they will fall outwards and ruin the building. It is on the solidity, consistency, and substance of the component parts that the Empire rests, not on the doomed effort to assimilate fiscal conditions all over the world.

ROSEBERY.

CONTENTS.

INTRODUCTION.

This small contribution to the fiscal controversy is the result of an all too short visit to Canada. Mr. Chamberlain has proposed a vague but important scheme for the consideration of the people of this country. His scheme directly concerns the relations between our country and its Colonies. In its conception it was an Imperial rather than a commercial project, designed to define and so to render more permanent the connection between Great and Greater Britain. To test the probable results of the proposals we went to Canada, and now venture to present, in the form of some rough notes, the conclusions prompted by our investigations.

We do not propose to consider the effects of Protection on British industry. That is a side of the question for decision by the electors of Great Britain when appealed to on the subject. Our theme is rather the Imperial value of the proposals, and their

probable efficacy in binding together the different parts of our Empire. We have, therefore, treated the subject throughout, not as a proposal simply to conclude a commercial treaty between Great Britain and Canada, but as a proposal to permanently improve, by means of a commercial treaty, the relations between Great Britain and Canada.

We cannot, of course, pretend that we visited Canada as impartial observers. The majority of those interested in politics in England range themselves with one or other of the great political parties. We confess to having gone to Canada convinced at least, so far as England was concerned, that Free Trade and freedom to choose markets is the best policy. But we can honestly claim that we took pains to conduct our inquiry impartially, and to trust to no one party or school of thought. We found nothing across the Atlantic to shake our belief in the evils of Protection, and have satisfied ourselves that in the best interests of the Empire the policy of Protection and Preference is inexpedient and dangerous.

During the time we spent in the Dominion

we were exclusively occupied in collecting information for a detailed study of the all-important question, and in gathering the views of Canadian citizens and administrators, rather than in seeing the country itself.

Among those we saw and interviewed during our travels were :—

Members of the Government, members of both Houses of Parliament and both parties, deputy ministers, government officials, judges, lawyers, soldiers, representative manufacturers, representative men connected with practically every large industrial concern in Eastern and Central Canada, officers of many of the Chambers of Commerce, Manufacturers' Associations, &c., &c., heads of several of the largest wholesale importing and exporting firms, railway men, shipowners, timber-merchants, engineers, university professors, real estate agents, farmers, grain exporters, millers, bankers, journalists, stockbrokers, divines, doctors, and artisans.

To all these gentlemen we are very greatly indebted for their unflagging kindness and consideration, and sometimes, we fear, for-

bearance as well. If any value attaches to the views we are here placing on record it is because without exception these gentlemen showed the greatest readiness to discuss the subject with us, and to give us the full benefit of their wisdom and experience.

We have quoted freely in the following pages from government pamphlets, newspapers, etc. Except where otherwise stated the extracts are from government pamphlets.

It will probably be cast at us as a reproach that we stayed too short a time in the country to really learn anything at all. But we were concerned with the study of a single, though complicated problem, and if a man will work hard and avail himself of the best sources of information, he is more fitted to report on the opinion of a country on the particular question he is studying, after a visit paid for that purpose, than is the inhabitant of the country who has never exclusively devoted himself to research in this direction.

We desire here to express our gratitude for the kindly encouragement and great sympathy we have received from Lord Rosebery.

CANADA AND THE EMPIRE.

AN EXAMINATION OF TRADE PREFERENCES.

CHAPTER I.

CANADIAN CONDITIONS.

It is advisable, before passing on to the direct discussion of Mr. Chamberlain's programme, to review some of the important features of a country so varied and so little understood. Ignorance has been, is, and will be the chief source of danger to the Empire. We at home in Britain have much to learn of the countries flying our flag, and a proper devotion to this duty would help much to ensure Imperial unity. The main objections to the application of the preferential theory to Canada are to be found in the conditions obtaining in that country, and we therefore make no apology for dwelling upon them.

It must be remembered that the Dominion is not the homogeneous country it is so often assumed to be, but consists of widely separated territories which might easily be antagonised. Standing in the streets of Halifax after a week on

the Atlantic, it is astonishing to find that you are further from the Pacific coast of Canada than you are from London, and that in front of you for over 3,000 miles stretches a vast expanse of forest, prairie, and mountain, fertile and well watered, varied in climate, abounding in timber, in mineral wealth and in all the best products of agriculture. A study of the map makes you wonder at the singleness of purpose which has built a united and enduring nation out of the original fringe of settlements along the international boundary. As new districts were opened up the nation spread northward, and thus along the northern boundary of the United States the Canadian has carved himself a country. His vast territory, occupying the larger part of North America, was divided by Nature into three almost entirely separate portions, and he has linked them together by artificial means. First, in the west there is British Columbia, a beautiful country which is both fertile and rich in minerals, and is by nature far more closely connected with the Pacific States of the Union than with the rest of Canada. It is cut off from the east by the Rocky Mountains, which before the construction of the Canadian Pacific Railway absolutely prevented the flow of commerce east and west. Next, east of the Rockies stretch nearly 1,000 miles of prairie, which extend for something like the same distance north and south, though no man yet knows how far north fertility ends. This is the "North-West." In the west it is still a ranching country,

but the east, which is the great wheat belt of Canada, is now the centre of the greatest activity, development, and rush of immigration. The prairie country is separated from the prairie of the United States simply by a geographical line, and is cut off from Eastern Canada by several hundred miles of barren and unproductive country on the north shore of Lake Superior. The third and last division is Eastern Canada, stretching from Ontario, the province of endless forest, of rich mixed farming and growing manufactures, through Quebec to the maritime provinces of the Atlantic seaboard. It has the oldest civilisation, is the most densely populated, and though the majority of the population is still employed in agriculture, it is here that the manufacturing industry has taken root and is growing rapidly. This part of Canada again should, if geographical conditions alone had play, be more closely allied with the Eastern States of the Union than with Western Canada. It is political confederation and the work of the engineer with his railroads and canals that have welded together the widely scattered portions and made them into a homogeneous nation, but it was only made possible under the ægis of British rule, which gave their inhabitants protection during their early struggles, and autonomy, wise codes of laws, and high ideals of justice later on.

Considerable variation in population is found in the different parts of the country. British Columbia has up to the present received the

largest influx of settlers from Britain and is considered the most British part of Canada. The North-West is becoming largely populated by Americans and Scandinavians. Eastern Canada is the home of practically all the old Canadian families; also of the French Canadians, who number about a million and a half, or nearly a third of the total population. Quebec is the home of the latter, but they are spreading rapidly into Ontario, and even into the North-West. Immigration must, of course, play a large part in the development of so vast a country. With the free gifts of land offered by the Government, and the splendid organisation of the Department of the Interior for helping those who are willing to help themselves, immigrants are arriving as fast as they can be settled on the land. No fewer than 80,000 United States farmers entered the North-West last year, bringing with them capital derived from selling their former homes. Their advent is regarded with much favour by the authorities, for they make splendid settlers, being thoroughly accustomed to prairie farming. It is a noteworthy fact that 80 per cent. of these immigrants from the United States become Canadian citizens as soon as they have qualified for naturalisation. The feature of the immigration into the North-West, as the figures given in the Appendix will show, is the vast preponderance of foreigners over those of British birth, and as immigration increases it is probable that the proportion of foreigners will

increase, for Britain has not a large agricultural population to draw on for purposes of emigration. It will thus be seen that Canada cannot be regarded as an all-British colony, a fact which is of considerable importance in discussing her relations to Great Britain.

Market for Canadian Produce.

Under existing circumstances there is no doubt that far the most important available market for Canadian agricultural produce is Great Britain. The United States, as a result of its strange fear of imports, has so taxed its people as to practically exclude Canadian produce from its markets, and so the market for Canadian crops and cattle is to be found in the 42 million people here at home. Those, therefore, who urge that a preference to Canadian food products will direct trade in Imperial channels forget that this, so far as is possible, has already been accomplished.

Although the time must eventually come when the United States will want Canadian wheat, yet the superiority of Canadian wheat over all other wheat ensures that Great Britain will take all that Canada can grow until Canada produces more than Great Britain requires.

Meanwhile, with the growth of the population of the United States, mixed farming is there replacing the one crop farm, and this, coupled with the growing exhaustion of the productive power of

the Union wheat lands, clearly indicates that the United States will one day require Canadian wheat and in return will open her markets. Perhaps also a new market will be found in the far East, and the larger the supply of Canadian wheat the more prepared will her farmers be to urge the negotiation of commercial treaties which will give them new purchasers of their goods. This shows the utter uselessness and unwisdom of attempting for any length of time to confine the trade of Canada to certain directions or within certain limits.

But no greater mistake could be made than to suppose that Canada is merely a wheat-growing country, or even an agricultural country. There is an unlimited water power which is clearly destined for manufacturing purposes, while the mineral wealth shows that it is only a question of time before her manufactures will be at least as diverse as those of the United States. Already she is able to supply a remarkably large proportion of her own requirements and has developed staple manufactures of iron and steel, cotton, wool, paper, &c., and as her population grows she will continue to extend her manufactures until the industrial development of the East becomes as important as the agricultural development of the West.

It is true that at present her exports consist largely of raw and semi-manufactured materials. With the assistance of bounties she is already the largest exporter of raw steel and iron to Britain,

where she finds a ready market for it. She will not long continue, however, to export her iron and steel raw. Wherever there is good water power large manufacturing works are arising, some of them belonging to Canadian and a few to American firms, so that already Canada is supplying most of her own wants and is even beginning to invade the British market. The conception of Canada as an Imperial farm which shall also imperially consume our manufactures to an unlimited extent, must be dismissed as erroneous.

Thus it is clear that before many years have elapsed Canada will be seeking markets for her manufactured goods as well as for her food and raw products.

Further free traders contend that protection must diminish the purchasing power of the inhabitants of Great Britain. This result would materially diminish the value of Great Britain as a market for Canadian exports, and so once again injure the Canadian producer.

Canada as a Market for British Goods.

The probable fate of the present preference to British goods will be discussed in a subsequent chapter, although on it hangs the whole nature of the trade that Britain will be able to do in the Canadian market. As we have just said, the Canadian looks forward just as keenly to the industrial development of Eastern Canada as he does to the agricultural future of the North-West.

Any measure therefore which offers the least obstacle to that development would clearly be detrimental to Canada's interests, and would be met with violent resentment in Canada. This places Britain out of the running, as far, at any rate, as her great staple industries of iron and steel, cotton and wool are concerned. At the present moment, thanks to the preference, British wool and cotton compete successfully with the home made product, with the result that those industries are suffering from it.[1] At one of the largest and most efficiently managed cotton mills in Canada, fitted throughout with the best and most modern machinery from Oldham, driven by water power, we found 600 looms standing idle, due, it was alleged, not to shortage of cotton, but to British competition. The cordage and woollen trades, we were informed, are in a still worse plight, and many mills have had to close down. These are, however, peculiar cases, and in most of the other lines of business we heard a very different story. The British manufacturer never seems to have made any serious attempt to cope with the requirements of the Canadian market; he has never tempered his astonishing unadaptiveness to Canadian conditions.

This is the real reason why people have said the preference has been of little use to Britain. In

[1] This was the case, at least, before the latest alterations in the Canadian tariff.

those lines where Canadian and English requirements are the same, the British manufacturer holds his own stoutly against all comers: but in those lines—and they are many—where British and Canadian tastes differ, he may try to enforce British taste upon the Canadian, but he will rarely attempt a rendering of Canadian taste. It is no good returning year after year with the same samples at the same prices whilst the enterprising foreign competitor is offering new and cheaper goods every year.[1] It is an evil which is not to be remedied by a preference unless the tariff were

[1] We met the representative of a large and well-known firm of Sheffield cutlers. He assured us that the German cutlers were our successful rivals in the Canadian market. Their goods were better, cheaper, and newer than ours. They were continually tempting the retailer with new patterns adapted to Canadian requirements. We were content to bid him buy things that were selling in South Africa or London. "There isn't a saleable article among your goods, but we'll buy a few for friendship's sake," was a story he constantly heard. Our commercial travellers come to Halifax, tour Canada with their samples, and at the end of the season leave them at Halifax. The following season they take the same samples round again, and so, as they are frankly told, waste the time of their Canadian customer. The German returns again and again with new and attractive samples. And this, said our friend, is the way we use our preference! Nothing can remedy this but better methods, change of manufacturing machinery, greater adaptability and better commercial travellers. We are indebted to this gentleman for his expression of views which we heard all over Canada concerning many other lines besides cutlery.

made absolutely prohibitive to the foreigner, and this is not a remedy which should find favour with any sane statesman. It would be simply compelling the Canadian to pay an increased price for what does not suit him.

What tariff can avail against the criticism: "I had rather deal with England, but I can't. I must buy German goods because, despite the tax, they are better, cheaper and newer. There isn't a saleable article among your samples"? And what would be the effect on the Canadian consumers' loyalty if a beneficent Government were to prevent his getting the better, the cheaper, the more modern, and the more suitable, simply because he was a subject of the British Empire?

Unless, therefore, British manufacturers will modernise their methods the outlook for British trade in Canada is not bright. Canada is growing more self-sufficing every day, and her requirements from foreign countries will decrease proportionately. She is already engaged in most of Britain's staple industries, and unless British producers adapt themselves to Canadian requirements they will, with or without a preference, lose the Canadian market.

Military System.

The Canadian military system is one that, although in many respects not in accordance with British ideas, yet is admirably suited to Canadian conditions and requirements. The militarism of Europe, which necessitates the

expenditure of half the revenue upon army and navy, is a condition which has not reached this Western continent. Canada has little fear of armed aggression except from the foes of Britain, from whom she may reasonably expect Britain to defend her. Therefore the necessity for warlike preparations on a large scale does not exist for her. The soldier of Canada is the citizen soldier. There is a permanent corps which consists chiefly of garrison and field artillery. The officers are trained at Kingston Military College, where the training given is such that it fits a man equally for civil or military life, and many young men go there who have no intention of entering the permanent corps.

A statute to enforce compulsory service in the militia has been in existence for a long time, a legacy probably of a time when there was thought to be danger of war with the United States. Now that danger is passed it is a dead letter, as sufficient numbers offer themselves for voluntary enlistment. Any attempt to enforce it would undoubtedly meet with violent opposition, especially from the French Canadians, and still more from foreigners of European origin, many of whom have emigrated to Canada to avoid the compulsory military service of their native countries. As it is the Canadian regards with something akin to horror the militarism of Europe as being opposed to his ideas of freedom of life, and this is one of the chief obstacles to any suggestion of closer Imperial union. Voluntary

help he may be inclined to give us, compulsory entanglement he fears and resists. Canada's progress depends much on the large sums available for expenditure on public works, and it is quite foreign to her ideals to spend a large portion of her income on armaments. The defence which Great Britain has always afforded her has enabled her to enjoy a civilisation of peace, safe-guarded by the heavy military expenditure of the Mother Country, and one of the strongest reasons that Canadians have to fear closer union is their dread of being involved in European warfare, and the expenditure of time and money on bellicose preparations.

Many people think that Canada ought to contribute towards the expenses of Imperial defence. This suggestion finds favour with but few in Canada. She will never make this contribution so long as she is excluded from a share in the management of the Army and Navy, and even then the large and increasing foreign element would probably be hostile to any such suggested expenditure of Canadian revenues. So long as it entails no curtailment of liberty the Imperial connection is valued largely because it takes from the shoulders of the Dominion the burden of self-defence.

Canada as Nation and Colony.

As we have already said, Canada's development into a corporate nation is of quite recent and astonishingly rapid growth. But it is a healthy

growth, and shows no symptoms of the evils that result from the exploitation of the resources of the country by gigantic speculators beyond the control of the State. In this respect Canada compares very favourably with the United States.

A very strong national spirit has naturally resulted, but its development has probably been accentuated by the fact that the generation of Canadians who are now beginning to make their influence felt upon Canadian opinion are men who were born or have lived most of their lives under a confederated Canada, and have therefore felt the influence of their own nationality more strongly than the older men. This is necessarily of immense importance in all questions relating to the nature of the Imperial tie. But there need be absolutely nothing inimical to Imperial loyalty in the growth of national spirit. On the contrary, everything goes to show that the national spirit fosters Imperial loyalty, that with the growth of devotion to Canada grows also the devotion to the Empire of which Canada is so important a part. Love of the Mother Country existed before the other sentiment, and far from being killed by it, the two have grown in strength side by side. In many men's minds is growing a pride in the glory of the Empire, sustained by a feeling that Canada is becoming more and more indispensable to its prosperity.

But it must not be thought from this that Britain will find Canada a tool pliant in her hands. Far from it. Any interference with the national idea

will deal a blow to the Imperial sentiment. Lofty and exalted as Canada's loyalty to the Mother Country undoubtedly is,—and in the minds of many Canadians it amounts almost to a kind of religion,—yet with the generality of Canadians it still ranks second to love of their own country. Their attitude was admirably summed up by a Canadian in the following words: "We feel that we can best be good Britons by first being good Canadians."

Canada dates her rise as a nation from the passing of the British North America Act, which gave her autonomy. To that Act she attaches as much importance as we in this country have ever attached to any of the great charters of liberty by which our constitution has been built up. Businesslike as she is, Canada values the maintenance of her liberty and her autonomy infinitely higher than any commercial gain, nor would she sacrifice one fraction of the former to achieve the latter. It is because Britain does not attempt any infringement of her liberties that her Imperial loyalty continues unimpaired. Should Britain ever attempt to restrict her, it must infallibly be only a question of time before Canada declares for independence.

Attitude of Parties.

In Canada, with no Established Church, no landlordism, no grinding poverty, and a strong enough Temperance party to keep licensing moderate, there are no great questions of class and vested

interests to divide political parties. Here, as in almost all Protectionist countries, the tariff forms the dividing line, and it assumes such gigantic importance that it is upon the manipulation of the details of it to the inevitable accompaniment of ceaseless attempts at log-rolling and lobbying, that whole elections often turn. There does not exist in practical Canadian politics at the present time a Free Trade party, as we understand it in Britain. The tariff is the main source of the Dominion income, and the Canadian dislikes intensely any form of direct taxation, and strongly objects to the inquisitorial nature of an income tax ; he feels, moreover, that his young industries require protection from his great neighbour the United States. Politicians, therefore, have become divided into a Revenue Tariff or Liberal party, and a High Protectionist or Conservative party.

Neither party has yet made any official pronouncement either for or against Mr. Chamberlain's policy, each being inclined to incite the other to speak first. What support has been given is strictly unofficial, and therefore the best way of presenting Canadian opinion upon the question is to give the views of the various interests.

1. The Liberal Party.

In order to explain the attitude of the Government upon the question, it is necessary to go back a little way. The Liberal party came into office, after a long period of Opposition, in 1896. Their

platform at the previous election had been unrestricted reciprocity with the United States, and they had been badly beaten, for the Conservatives denounced their policy as disloyal to the Empire, and swept the country. In 1896 the Liberals were returned to power on a low tariff programme, and Sir W. Laurier became Premier. The Liberals realise that a tariff such as the Canadian tariff taxes the consumer, but they choose this method of taxing him for reasons given above. They regard it as a secondary attribute that the tariff is Protectionist, and while they realise the political power of the manufacturer, yet they endeavour to keep taxation as low as possible. In Canada there is at present little room for theory, and policy is dictated by expediency to a very large extent. It was soon found impossible to lower the tariff by direct means. As an alternative, however, Sir W. Laurier devised the masterly policy of giving Britain a preference of $33\frac{1}{3}$ per cent. of the tariff. The effect was four-fold. It carried out the pledge given at the election to move towards Free Trade; it vindicated the loyalty of the party; it administered a rebuff to the United States, who, so long as Canada was a suitor, turned a cold shoulder upon her; and, lastly, it established the new Government in the favour of the British people. But it was a free gift. Canada asked nothing, and knowing that Britain had nothing to give, expected nothing in return. Thereby she kept full liberty to maintain or discontinue the preference at her own free will,

nor was her fiscal independence in any way compromised. The programme was hotly opposed by the Conservative party, on the ground that Laurier had not obtained a *quid pro quo* from Britain, but the vigour of their opposition was undoubtedly inspired by alarm as High Protectionists at the reduction of the tariff.

In 1902 Britain imposed a tax on corn, and then for the first time it became possible to give Canada a preference in the British market. It is Canada's policy to make commercial treaties when and where she can. Therefore it was that at the Colonial Conference of 1902 she asked for preferential treatment, and it must be remembered *that it was only because the corn tax was in existence that she did so.*

At the conference Mr. Chamberlain stated that Britain derived no substantial advantage from the preference, a view he has since abandoned. It was his protest that led to the remark that the preference, if of no value, might be withdrawn or modified. The Canadian Government may well have welcomed this excuse for heeding the outcry of the cotton-spinner. At the same time, an increase in the preference was offered in return for a preference on corn. All that was meant by this is, "If you will give us a preference on our corn, we will see that the preference you get in return will be a real preference of some substantial advantage, and seeing that we would like it as large as we can give it you, on behalf of the consumer in Canada, we will go as far as our opponents and the

Canadian manufacturers will let us." How far it is in the power of a Canadian Government to go in fulfilment of this generous offer will be discussed later. The granting of a preference would have made the corn tax, which was imposed as a temporary war tax, permanent, and the Canadian ministers were undoubtedly satisfied with the force of this argument. The memorandum of the Canadian ministers containing their suggestions and proposals still stands as the expression of the Canadian Government's attitude with regard to the question. Beyond this the Government has absolutely refused to go. They feel very strongly that it is for Britain alone to settle her own fiscal system, and they wish to do nothing that can influence her decision.[1]

We have said that in Canadian politics at the present time there is no Free Trade party. This

[1] The resolution submitted at the Conference was :—

"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."

It will be observed that this resolution does not suggest the imposing of any duties with a view to reducing them for the benefit of the colonies, but merely that where any duties existed, or may hereafter exist, an exemption from or reduction of them should be granted in favour of colonial products. Nor does it suggest that the preference granted by some of the colonies is in any way contingent on the action of the Mother Country.

is true, but there are a number of Canadians who look forward to the day when Canada will be in a position to adopt Free Trade. At the head of them stands Sir W. Laurier, who has stated that his ideal for Canada is Free Trade as in England. This is doubtless an additional reason why he and his Government will do absolutely nothing to help destroy that ideal. Should Britain, however, of her own volition abandon Free Trade, the Canadian Government is quite prepared to negotiate a commercial treaty, but refuses to see anything Imperial in such a treaty. It is, to the Liberal party, a purely commercial matter, in which Britain is regarded in the light of a friendly foreign power, and the present Government will not enter into a commercial treaty unless independence and freedom to negotiate elsewhere are guaranteed. How this attitude can be reconciled with any plan for an Imperial ring fence tariff remains to be seen. But whatever may or may not be the advantages of such reciprocity from a commercial point of view, it is at least evident that the urgency of the scheme from an Imperial standpoint cannot be maintained.

The Liberal party in Canada has at present a large majority, and, it would seem, a sure place in the hearts of the electors. Public opinion in Canada does not fluctuate as rapidly as it does in England, and the efficiency of administration and the great and growing prosperity of the Dominion during the last eight years have endeared

the Government to the people. The majority of farmers who stand in no fear of foreign competition and desire to be cheaply provided with the manufactured articles that they use, naturally incline to the Low Tariff party. Particularly is this the case with the farmers of the North-West. They are of many nationalities, British, American, Scandinavian, Russian, German, Icelandic, and they care not whether the articles they buy are of British, Canadian or foreign manufacture so long as they are cheap and good. They are much cut off from the East, talk of "our country" as meaning Manitoba and the North-West Provinces, and are not likely to welcome a demand for an Imperial sacrifice. On the whole, we were told, the great obstacle to inducing many a foreign settler to come to Canada rather than to the United States is a fear that by settling under British rule he will be drawn into Imperial wars and martial preparations. He is pleased with Imperial defence, but does not want closer Imperial connection. The farmers are a hard-working, hardy and independent class—men who have "lit out" for the edge of civilisation, fought Nature and won, and are now on the road to prosperity. So self-reliant are they that they have come to look upon a preference upon their wheat as a kind of dole the acceptance of which would argue a lack of faith in their power to compete against the rest of the world, as the following incident which occurred whilst we were at Winnipeg will show.

A meeting had been called for the selection of a candidate for the Dominion Parliament. Delegates, many of whom came more than forty miles for the purpose, assembled from the constituency concerned and political speeches were delivered in French and English. Some ninety fully accredited delegates were present, all engaged in agriculture, and of all nationalities. The adopted candidate, in the course of a lengthy address on Canadian politics, referred to the suggested scheme of Mr. Chamberlain, and none of his remarks were more enthusiastically applauded than those in which with considerable indignation he repudiated the suggestion that farming in Canada required any artificial advantages in the British market. So astutely have many advocates of the policy represented it as requiring no sacrifice on the part of the Canadians, that these farmers were inclined to resent the attempt to purchase their loyalty with bribes and to repudiate the suggestions that they were fit subjects for British charity. They were aware of the marketable nature of their produce and were suspicious of designs on their independence or freedom. They looked on the whole matter much as a prosperous tradesman would look on a gratuitous offer of small charity. They doubted the origin of the suggested dole. Was it to be wrung from the people of England? There were many in the room who had emigrated from England and were able to compare their present prosperity with that of the industrial

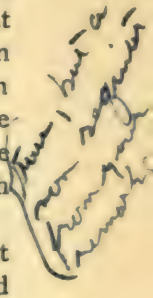
population at home. Outdoor relief is not wanted by the Canadian farmer at the expense of the British taxpayer, and his loyalty can only be acquired by an appeal to his pride and his honour, and not by an appeal to his pocket and his industry.

Even when a tardy attempt is made to point out that England will receive something in exchange, he replies that whoever pays it will not be he. So far as he is concerned (dissociating himself from the manufacturing East), it is an attempt to purchase his loyalty and an insult to a respectable industry. He refuses to contemplate being asked to buy what he wants except in the cheapest and best markets.

This is a perfectly reasonable attitude adopted by the intended beneficiary, and it is markedly different from the attitude of the politician or the loud-voiced and of course disinterested manufacturer.

The French Canadians in 1901 numbered 1,659,352 in a population of 5,371,315, and the majority live together and dominate a large part of Eastern Canada. They support the Liberal Government mainly because of their unbounded faith in Sir W. Laurier. They value the British connection because it has given them freedom, peace, the best of order and the best of law. It has guaranteed to them their nationality, their religion and their language, and they are grateful. But they value their independence as Canadians so

much, that any suspicion that it was being jeopardised would immediately raise a demand for more independence. They are nearly all resident in Quebec and the East, and have therefore little desire to surrender independence for a preference to Manitoba wheat. If ever cause were given to Canada to desire to throw off the ties of Empire the French Canadians would support the movement. Their present attitude towards Mr. Chamberlain's scheme, as far as it has been developed, is to betray a certain amount of distrust of what may lie behind it. A closer Imperial connection would mean a more direct concern in European politics, and with this they always associate the idea of militarism. It would be easy to place these Eastern French Canadians in conflict with the Western farmer.



When Mr. Bourassa warns his audience that despite the reverses Mr. Chamberlain has sustained "Imperialism" is not dead, and urges them to resist that statesman's designs on Canadian autonomy, he is not preaching the actual independence of Canada. An Imperial ideal which will guarantee freedom and independence to Canada under the British flag, he supports and extols, but an Imperial ideal which would place Canada as part of a closely connected Imperial machine, he resents and opposes. Imperialism as it was in 1895 he welcomes, Imperialism as it is defined by Mr. Chamberlain he repudiates, and if Mr. Chamberlain's views find favour in England, we shall find

that Mr. Bourassa's views are those of the French Canadians generally, and that the habitants will be ready to demand release from a constitution which may imperil the sacred freedom of Canadian action. We can unhesitatingly assert that the new Imperialism must set up a party in Canada up till now non-existent, which will be opposed to the Imperial connection, and this party will number at least two-fifths of the people of Canada.

The maritime provinces favour no alteration in Imperial relations. Their inhabitants believe in the British connection because they recognise that the British navy would be important if Canada were involved in war (although this protection is good-humouredly pooh-poohed because Canadians consider they are not likely to have war except by reason of the British connection). Their natural market, however, is in the republic of the United States, if only they could gain access to it, and it would be most unwise to give them an Imperial grievance by bidding them abandon all hope of this. They fully realise that an arrangement for Imperial trade would be hard to get away from and would deprive Canada of all chance of altering her fiscal policy quickly should a conflicting advantage be offered. So that within the ranks of the Liberal party it is abundantly clear that we have more than sufficient evidence to flatly contradict Mr. Chamberlain's statement about the colonial support for his policy. Though there may be found many Liberals who welcome the commercial

aspect of the scheme, there are none, or practically none, who share in the idea of a closer Imperial connection, because they realise that there are so many diverse factors and conflicting interests that the Imperial tie is only possible whilst it is loose and free.

2. The Conservative Party.

The Conservative party find their chief support in the manufacturers, in the large capitalistic enterprises, and in the interests which are in favour of High Protection. It is from the Conservative party that has come almost all the Canadian support Mr. Chamberlain has received. But this support is of a peculiar kind, for it must always be remembered that the Conservatives approach this question from the High Protectionist standpoint, which regards imports as dangerous. They therefore wish to do nothing to increase the import of manufactured goods. For this reason they, and especially the manufacturers, who are strong and exceedingly well organised, oppose the present preference. On the other hand, it is the manufacturers who have done more than any other interest to support Mr. Chamberlain. The reason they give for their support of the policy is that by increasing the value of Canadian agriculture and giving it a preference it will assist the development of the country and thereby increase their home market, which they intend to keep as much as

possible for themselves.[1] Were this their only reason for advocating the policy it would be difficult to understand their excessive ardour, seeing that a natural preference already exists, as will be shown later, and as a consequence immigrants are pouring in as fast as it is possible to settle them on the land. But there are other reasons. It is undoubtedly to their interest that Free Trade shall cease to exist in England, and with it the ideals of their political opponents in Canada be shattered. They also fear the possibility of a treaty of reciprocity with the United States, and every business instinct urges them, if a commercial treaty has to be made, to make it with a country which refuses to accommodate itself to Canadian demands rather than with one who is only too ready to supply them. They fear worst of all invasion of the home market, and they stand united in strenuous opposition to any policy which may lead to this. The present preference they consider gives Britain much too free access to the Canadian market, and they prove their contention by quoting the cotton and woollen industries. They have passed far more resolutions asking for re-adjustment of the tariff than they have in support of Mr. Chamberlain. Most of Britain's

[1] The authors found that when a manufacturer was willing to admit any line of British goods on terms that would permit competition with a Canadian manufacture it was always some line in which he was not himself interested.

staple industries they wish to exclude from their markets because they compete with their own. They are perfectly willing that those few British industries in which they do not themselves take part should supply the Canadian market.[1] To compensate for the wretched inadequacy of such a return for a British preference they would probably be willing to make some contribution to the Army and Navy, but, as we have said, this is an absolutely impracticable policy.

This kind of support, for Mr. Chamberlain (and, indeed, his campaign generally), is becoming dangerous to the Empire. Closer connection and military contributions are preached so lustily that the French and non-English Canadians are becoming alarmed, and are beginning to think that if Imperialism may demand such duties from them it

[1] The preference which the Canadian manufacturers favour is only to be granted after they have sheltered themselves from all competition, both British and foreign, as the following resolution regarding the last Budget will show:—

The Canadian Manufacturers' Association has issued a formal statement on the recent tariff changes, in the course of which the following passage occurs:

"While pleased that the Government has favourably considered the necessities of the woollen industry, the Association considers that the measure of Protection afforded is insufficient, and does not approve the departure made by the Government in increasing Protection by decreasing preference. Such action will probably be misinterpreted in England, whereas an increase in the regular duties would still maintain the principle of uniform preference for British goods."

is opposed to the Canadianism they cherish. The "Imperial" campaign itself is thus feeding the "Canada for the Canadians" attitude.

There is a body of men belonging to the Conservative party in Canada which, though neither very numerous nor particularly influential, has yet made its voice heard more loudly in England upon this question than many larger and more important bodies. It is the only body in Canada which has given Mr. Chamberlain its whole-hearted support. At its head stand the United Empire Loyalists, a little knot of gallant men whose family histories form a record of devotion and self-sacrifice to the cause of Empire unsurpassed in the annals of any country. They are descended from the men who, when the United States won their independence, remained true to Britain, and, sacrificing all they possessed, marched into Canada in order to remain under the British flag. They are inspired by a fervent loyalty to the Empire for which they have suffered so much, and intense hatred of the United States, the cause of their sufferings. In Mr. Chamberlain's scheme they see the means of gratifying both sentiments. They are not moved by the commercial side of the question, for few of them are engaged in commerce. They would be prepared to go to extreme lengths to ensure to Britain an adequate return for a preference in the British market. But where they fail politically is that they are inclined to regard all Canadians as being as ready as they themselves

are to make pecuniary sacrifices for the Empire. Their point of view is for the most part an extremely rough and ready military one, and no one therefore is worse qualified than they to deal with the difficult and delicate problems which must arise from difference of race and divergence of interest. Their views are shared by a certain number of men who, although not themselves United Empire Loyalists, yet sympathise and form the remainder of this small body. They, too, are willing to experiment with the policy at whatever the cost, and they give as the reason of their faith the inherent grandeur of the scheme rather than any specific advantage to be gained from it.

3. The Labour Party.

Labour cannot be said to be organised in Canada to anything like the extent that it is in either the United States or Great Britain. There are, however, two organisations, the larger of which, the Dominion Trade and Labour Union, is the more important. Labour flows freely to and fro across the frontier, the conditions are identical, and organised labour has the same aims and objects on both sides of it. It is not surprising therefore to find that this Labour Union is attached to the labour organisations of the United States for the purposes of obtaining similar conditions and wages, but the national antagonism existing between the two countries absolutely prevents the United States organisation from exerting any political influence

whatever over the Canadian branch. This Labour Union has passed a resolution sympathising with the British trades unions in condemning Mr. Chamberlain's "capitalistic" policy. The resolution was not unanimous, but many of the men who opposed it, including the leader of the opposition, have since learnt facts of which they were then in ignorance, and are in consequence now opposed to Mr. Chamberlain's policy.

The other union, which is much smaller, has not discussed Mr. Chamberlain's policy, but has passed a resolution demanding higher protection.

The Labour party, like the Labour party in Australia, is inclined to resist any attempt to bring skilled labour into Canada. In particular it resents the action of a labour bureau in London which is accused of posing as a Government office and of being financed by a manufacturers' association for the purpose of bringing operatives to Canada under contract not to join unions, and to accept a wage higher than that given in England, but lower than the standard wage in Canada. It is certain that the real wages in Canada are far lower than they are represented to be, even though the abundance of food, the free land in the North-West, and the scarcity of labour keeps them fairly high. But in a Protectionist country necessities are dear, and the authors met many working men who complained of being induced under false representations to change their homes for unimportant or non-existent advantages.

This sums up the leading schools of Canadian opinion upon this question. And it may now be gathered how much real support Mr. Chamberlain has or how far his policy is an Imperial necessity.[1] The Liberal party stands lukewarm, rather suspicious, and quite determined not to commit itself. The Conservatives advocate it for their own ends, which are not Mr. Chamberlain's. The majority of the organised labour is certainly against it. It will be obvious that the difference of the tariff ideals of the two Canadian parties augurs ill for the co-ordination and existence of an empire which is to depend on the stability of an Imperial tariff.

Many misapprehensions exist as to Canadian

[1] Those who desire to find active support for Mr. Chamberlain in Canada point to those provincial legislatures which pass with enthusiasm resolutions approving of his policy. But these resolutions are only made possible by the vagueness of the terms in which Mr. Chamberlain has enumerated his scheme. They express willingness to conclude commercial treaties with Great Britain. This willingness no one doubts, but it is not of any use in estimating the Imperial value of the policy. They express further approval of any preference Mr. Chamberlain may offer Canada. But the real attitude can be gauged by the attitude of the Manitoba legislature. In that body a resolution approving of Mr. Chamberlain's policy was carried, but an amendment to express approval of an increased preference to Great Britain was rejected by an overwhelming majority. The legislatures are, in fact, willing to take but not to give. If this be Mr. Chamberlain's policy, they approve it most certainly. But if there be more in Mr. Chamberlain's policy, he must not look for support in the resolutions of the Canadian legislatures.

opinion, which should be removed. In the first place, most Canadians are Protectionists. They are inclined, therefore, to wonder amicably how England can get along with Free Trade. They approve the suggestion that Great Britain should follow Canada's example and become Protectionist in her own interests, and are therefore dubbed Chamberlainite. But just as we do Canada the justice of believing her capable of adopting the system best for herself, so she is ready to credit us with the capacity for managing our own affairs, and the approval of Protection in a Canadian does not necessarily mean that he desires an Imperial preferential bond.

In the second place, many Canadians approve of accepting what is offered without pausing to consider the results of the scheme. But the man who wishes to receive without giving can hardly be called a real Chamberlainite.

In the third place, it is often said in Canada as in England that Mr. Chamberlain's policy should be given a trial, and men are found ready to risk results they have not examined. This attitude presupposes the possibility of experimenting with the Empire, forgetting that although unsatisfactory domestic legislation can be repealed, changes in the constitution of an Empire are irretrievable.

Canadian Agriculture.

A few paragraphs devoted to some considerations of Canadian agriculture can hardly be out of place

in a treatise largely devoted to the results of an Imperial dole to this industry. There is certainly no country in the world which is so attractive to the agriculturist, and probably no country in the world in which the agriculturist is so carefully considered by his Government. But in a country where climate, race, and resources tend to energy and enterprise, the increase of the development of secondary industries and complicated manufactures is only a question of time. This is important as pointing to the unwisdom of regarding Canada as a large farm, or of adopting a policy which ignores her manufactures while favouring what is for the moment her overwhelmingly predominant industry.

Canadian agriculture is too commonly regarded as being concerned simply with wheat-raising and stock-breeding. It is difficult to estimate with any great degree of accuracy the actual extent of land available for wheat growing in Canada, for it depends on cultivation and climate, and to some extent on science, as well as on geological formations. It must also be remembered that single crop farming on virgin soil is at length almost invariably replaced by mixed farming, and thus the wheat output is reduced.

The opening up for the purposes of wheat growing of the vast prairies of the North-West, the largest, richest, and most prolific wheat area in the world, must inevitably create a great effect upon the wheat markets of the world.

Although we are within measurable distance of

the time when the United States will consume more wheat than they produce, and although large markets for wheat are being developed in the far East, the rapid development of Canada's vast area must inevitably have the effect of accelerating the steady fall in the price of wheat that has been going on for the last half century. It may be a good many years before the abundance of Canada's wheat materially affects the markets of the world, but nevertheless the advantage a preference will give to British landowners can only be a passing one, and therefore a dangerous one, as an experiment conducted at the expense of the poor will result only in temporarily disturbing the condition of the land. Nor can the Canadian farmer hope to earn for long so much as he does now in actual money, and his only advantage will be in relation to his foreign competitors.

It is often urged that even if, as free traders contend, it be proved that economically the policy is unsound, it is worth making some sacrifice for the good of the colonies. Now if the British people are to be asked to make a sacrifice for the benefit of Canada it is well to know whether Canada is in need of assistance or sacrifices. Were we convinced that we had in Canada a country of great promise in which people refused to settle, that her good resources were going begging and her development was arrested, then indeed some desperate remedy might be necessary. But on this score there is no ground for the

slightest alarm, and no reason for the smallest exercise of Government charity on behalf of a country which has only to be understood to be attractive, only known and advertised to be eagerly sought by those willing to contribute to its wealth and take a share in its prosperity.

The immigration figures are evidence that there is absolutely no necessity to give Canada any help in her development, but if more evidence is wanted the statistics given in the Appendix of the development of her cities, and above all of Winnipeg, the city built of wheat, show conclusively that there is no cause for alarm, but that our great and loyal colony is building herself swiftly and surely, triumphantly and proudly, to the position her resources deserve.[1]

The figures given in the Appendix, which are taken from Government pamphlets, show conclusively that only an infinitesimal portion of the estimated wheat land is yet under cultivation.

Immigration.—The Canadian Government has adopted the shortest and speediest way of putting their land under cultivation. To every applicant over twenty-one years of age is given, on payment of an entry fee of ten dollars, a "homestead" of 160 acres. The condition is made that he shall reside upon his farm a certain portion of each of his first three years, and shall break a certain amount of ground every year. He is given a practically free hand in choosing his piece of land,

[1] See Appendix.

and at the end of the three years, if he has complied with the imposed conditions, the farm becomes his freehold property. From the moment the settler lands he is well looked after. He is housed by the Government until he can run up a dwelling upon his land. He is helped in the choice of his farm, and is as far as possible placed among friends or neighbours of his own race. In addition there exist all over the farming districts loan companies ready to advance capital to settlers at low rates of interest on the security of their land. So they start farming helped to the utmost degree by the country which welcomes them.

A large amount of land is thus occupied, and large quantities more are sold at from $3 per acre upwards. So there need be little fear that these wide expanses of fertile land will not fill up rapidly enough. We give figures showing the extraordinary inrush of settlers. [1]

We quote from Government pamphlets two or three quite typical settlers' letters.[1] This cheerful tale of prosperity easily accounts for the fact that settlers are arriving on the soil as fast as they can be dealt with by the authorities. They arrive in yearly increasing numbers to take advantage of the free land, or the cheap farms, the good government and the great freedom, the peace and the prosperity guaranteed to them by existing conditions. The well equipped Department of

[1] Immigration Statistics, Settlers' Letters, &c. See Appendix.

Immigration is being so energetically administered, the undoubted advantages of the Dominion are being so well advertised, that not only are the numbers of immigrants yearly increasing, but the expense of obtaining each immigrant is yearly diminishing.

Frost.—The worst foe of the farmer of the North-West is the frost; but it must not be assumed that agriculture necessarily becomes impossible in high latitudes. Mountain ranges and large sheets of water, and, most of all, the spread of cultivation, conspire to defeat the effects of polar geography. The history here given of a particular frost[1] is an example of this, and it is a matter of common knowledge that the greater part of the North American wheat belt now lies north of what in former years was considered the most northerly limit of wheat production. With greater settlement and the clearing of trees, the soil is exposed to the warm sun, and the frost is expelled from the ground. In the north, large tracts of land from which the ice never melted when covered with trees and sphagnum have been found to yield splendid cereal crops when the trees are cut down and the sphagnum burnt off. The ground thaws and the small wheat seedlings get a constant supply of water from the melting ice below, the process continuing all through the summer.

Thus there is evidence to show that the limit of Canadian agriculture has not yet been ascertained,

[1] Frost. See Appendix.

and that the figures here given are probably not in any way exaggerated.

It is difficult to gain any reliable information as to the effect of early frosts on crops, and therefore as to the regularity of the Canadian wheat supply (for this is one of the points on which the authorities are somewhat reluctant to speak), but so large is the dominion, so varied its climate, that, allowing a somewhat wide margin, the yield, if not the quality, may be regarded as fairly constant. The figures of wheat exportation in a given time, or even of wheat in the elevators at a certain inspection, are hardly to be accepted as final, for the more prosperous the farmer becomes the more likely he is to hold his own crops and await a favourable market.

Rain.—The rains are mainly concentrated into definite seasons, and so agriculture is not so much interfered with by this uncertain element as in our less fortunate country.[1] In considering the climate

[1] "The progress of the seasons and the labours of the husbandman, throughout the North-West, may be summed up as follows:—Early in April the hot sun dissipates the slight covering of snow, and almost immediately ploughing commences, as, after the frost is out six inches, spring work may begin. Seeding and ploughing go on together, as the ground is quite dry, and in a few days the seed germinates owing to the hot sunshine. By the time the rains and heat of June have come, abundance of roots have formed and the crop rushes to quick maturity.

"After the middle of August the rains almost cease, and for ten weeks scarcely a shower of rain falls, giving the farmer ample time for harvesting. These general characteristics apply to the climate of the whole North-West, and

of Western Canada the fact should not be lost sight of that, although the total rainfall averages only 13·35 inches for the Territories and 17·34 inches in Manitoba, the amounts falling between April 1st and October 1st are respectively 9·39 inches and 12·87 inches, or 70·3 and 74·2 per cent. of the whole.

Temperature.—The mean temperature generally prevalent in summer is nearly the best temperature for wheat raising.

Great Britain is one of the earth's most favoured regions for wheat-growing. It has a summer temperature of about 60° to 62° F. In the North-West Territories the Dominion Government maintains sixteen stations where the temperature is daily recorded. Ten of the sixteen showed a mean summer temperature of 60° to 65° F.

Soil.—The soil is largely of that black alluvial nature which requires little cultivation, and is almost permanently capable of producing wheat.[1]

the same results are everywhere observed over tracts embracing 300,000 square miles of territory. One important result of this peculiar climate is the hardness and increased weight of the grain. Another, equally important, is the production of natural hay, on which horses and cattle thrive much better than when fed on made hay. All stock-raisers know that it is not cold that injures cattle or horses, but those storms of sleet or soft snow which are so common in the eastern provinces. Such storms as those are never seen in the North-West, and the cattle are never wet from November to April."—*Professor Macoun.*

[1] "Where such soil exists, under a suitable climate, its value to the world is universally recognised. In all the

The Governments and the Farmers. — The Dominion Government and the Provincial Governments have applied themselves to assisting the farmer in conducting his industry in the most scientific and profitable manner possible. The efficiency of the Agricultural Departments, and the practicality of their methods, must call for the unstinted admiration of all who investigate Canadian agriculture. The limits of such a work as this forbid any detailed discussion on this interesting topic, but it is with difficulty we resist the temptation. Whether it is in the administration of the central department at Ottawa or in the experimental farms throughout the Dominion, whether it is in the teaching of scientific agriculture, or in the nature of the experiments conducted, or in the methods adopted for conveying the results to those who should profit by them, we find everywhere examples well worthy of imitation here.[1]

progress of wheat culture in the United States or Canada, no such land was found until the Red River of the north was reached, and there, beyond what was supposed not very long ago to be the extreme limit of profitable agriculture of any kind, has been found not only a climate suitable to the production of wheat, but an inexhaustible soil; a combination of soil and climate that has given the world its wheat of highest grade."

[1] "Last year, over 40,000 farmers received samples of grain. . . .

"During the past eight years, from 1895 to 1902, inclusive, the number of samples distributed annually has averaged 36,684, and the total number sent out since the distribution was begun in 1888, is 387,898, involving the use of over

Experiments in "cereal breeding," with a view to producing hardy plants of good milling quality and large yield suitable for all climates; experiments in the introduction and breeding of horses, cattle, sheep, pigs, and poultry, with attention to the needs of the various markets; experiments in the growing of timber trees and the production of fruits which will withstand the rigours of climate; experiments in the rotation of crops, and the manuring of soils, the dates of sowing and harvesting, methods of pruning and packing, of feeding and dairying — all these are conducted on an elaborate scale, with expenditure entirely justified by results. These investigations are carried on at different stations throughout the Dominion by practical farmers, so that it may be possible to deal with the varying conditions with which the farmer has to contend. The work that the Dominion Government has started is being developed by the Ontario and Manitoba Governments, and will soon be shared by all the provinces of the Federation. Colleges, equipped with large and well stocked farms, for the education at cheap rates of farmers' sons and settlers who intend to become farmers, institutes and clubs scattered through the country and supplied with lecturers and pamphlets

581 tons of first-class material for this purpose. Of these samples, 338,609 have been sent out from Ottawa, and 49,289 from the branch farms."—*Evidence of Professor Saunders, Director of the Dominion Experimental Farms, before Standing Committee on Agriculture.*

by the central authorities, the sending of experts to the farms to teach butter and cheese making, agricultural shows and competitions, schools and examinations—all these are organised and administered with unfailing energy.

The Government realises that the value of their results depends on their being well advertised, accessible to all, and of that practical form that will commend itself to the practical but imperfectly educated tiller of the soil. So scientific pamphlets which are mines of valuable information, samples of seed, and even cuttings, are distributed to applicants free of charge. That the Government has succeeded in winning the confidence of the farmer is evidenced by the statistics of correspondence by their co-operation in establishing and conducting experiments at outlying stations, and by the attention with which the results of their various experiments are received and followed throughout Canada.[1]

[1] "The correspondence maintained with the officers of the farms by the public is also an indication of the great use which is being made of the experimental farms by the farmers of Canada. This correspondence has assumed very large proportions. At the Central Farm alone, during the past six years, 305,840 letters have been received, or an average of 50,973 per year for the six years. Reckoning the working days in the year at 310, this is an average of 160 letters a day for the whole period. This branch of the work seems to be steadily growing. In 1901, the total number of letters received at all the farms was 59,461. In 1902, the number was increased to 73,317. During the first three months of 1903, from January 1 to March 31,

By the efficacy of such a system the prosperity of farmers is greatly enhanced, and the more the farmers avail themselves of its assistance the more remote becomes the possibility of exhaustion of soil, and failure from frost.

So we find that Canadian agriculture is a profitable industry, favoured by Nature, and nurtured by governments, offering attraction to the pioneer and profit to the industrious settler, who is not slow to accept his chance. The more closely we studied it the less necessary did any form of Imperial assistance seem, and the less necessary, the less appreciated will it be. We cannot expect to reap a large reward for gilding this agricultural gold, or to purchase much loyalty, if loyalty is in truth a purchasable commodity, by a small present to the prosperous.

the total number of letters received at the central experimental farm was 27,664, so that the year has made a good beginning in that way. A large number of these are applications for grain, but a very large number, also, are letters asking advice in regard to the treatment of crops and what shall be done at this or that particular juncture. Before the recent rains came, we were getting letters asking what kind of late crops the farmers could grow to advantage to furnish food for their cattle in the autumn. Suggestions on many different topics are asked for and responded to, and thus a constant stream of information is going out from these farms to farmers, helping them in their endeavours to turn their crops to the best advantage and to make their work more profitable. The number of reports and bulletins sent out each year for the past six years has averaged 216,034."—*Evidence of Professor Saunders.*

UNITED STATES *v.* CANADA.

So far we have dealt with the prosperity and possibilities of Canadian agriculture. We have admitted that if Canadian agriculture were not prosperous and immigrants were not arriving, a potent argument in favour of Imperial interference would be available, but this argument, as we have seen, does not hold. Again, if the quality of her produce already guarantees a market to Canada, it is unnecessary and unstatesmanlike to attempt to guarantee her a market at the cost of British taxpayers. And as to accelerating her development, it is indeed doubtful whether an attempt by means of preference would be successful, for so profitable is agriculture in Canada under existing conditions, and so fast are the immigrants arriving, that even if the preference went to the agriculturist and was not absorbed in other places, it is unlikely that more could be induced to immigrate.

But it is often urged that, apart altogether from any alteration in the price of wheat, by means of a preference in the British market Canada would be given an advantage over the United States which would turn the stream of immigration into Canada and establish her fame as the agricultural portion *par excellence* of the American continent. It may, therefore, be worth pausing to prove that Canadian agriculture has *already so great a preference over United States agriculture* that if settlers still choose the Republic it must be owing to some

cause not to be affected by the profit of their profession.

In fact, we met Canadians who were in a position to speak with knowledge on the subject, who roundly declared that the preference would not increase the rate of immigration by 5 per cent. because the superiority of Canada over other countries is already so marked that it must be for other reasons, such as climate, society, &c., that emigrants from Europe go to farm in other lands.

1. *Security of Property.*—The settler in Canada soon realises that the laws of the country he has come to live in are adequate to protect his property and keep the peace. The United States citizen when he comes across the border is popularly supposed to throw away his revolver. He soon learns to appreciate the fact that he has come to live under more perfect law and order than he has known before, and is no longer called upon to be his own court of summary jurisdiction. This in itself should give Canada an advantage as a settlers' country.

2. *Railway Rates.*—In a country where railway rates are so vital a part of agricultural expenditure it is important to note that here again the Canadian farmer has a decided advantage over his rival in the United States. The facts given below, taken from a Boston (Mass.) paper, are quite typical, and similar figures can be obtained for other places in the two countries. The Canadian Grain Act, too, ensures that the railway companies shall provide cars to carry the farmer's crops to the market at

which he wants to sell them. He is not therefore compelled to take whatever price the local elevator company may offer him.

"If freight rates were established according to geography, the Minnesota and Dakota farmers ought to get their wheat hauled to lake water considerably cheaper than the farmers of the Canadian West can. From the closely adjacent Canadian Lake Superior ports of Fort William or Port Arthur the distance to Winnipeg, Manitoba, is about 427 miles by the Canadian Pacific Railroad. From Duluth to Grand Forks, N.D., nearly due south of Winnipeg, the distance is about 300 miles by the Hill roads. The Dakotan shipper at Grand Forks might, therefore, reasonably expect a lower wheat rate to Duluth than is given to the Canadian shipper from Winnipeg. But the Winnipeg-Port Arthur rate is 10 cents per 100 lb., while the Grand Forks-Duluth rate is 14 cents per 100 lb. His geographical position, more favourable by 127 miles, costs the Grand Forks shipper 4 cents per 100 lb.!

"What does this amount to in land values? If the estimate be on the presumption that wheat farms near Winnipeg and near Grand Forks alike will yield 25 bushels of No. 1 to the acre, or say 1,450 lb., then the Winnipeg farm is worth 58 cents per year per acre more than the Grand Forks farm. Assuming that such land in those regions is worth only 10 years' purchase of its income, or its possible rental, the Winnipeg farm is worth $5·80 per acre

more than that of Grand Forks; *i.e.*, if the Great Northern Company, which earned $12,808,608 net income for the year ending last June, and distributed $8,673,973 in dividends, be not soon moved to imitate the liberality of the Canadian companies.

"Anyone interested in the subject can easily figure out the significance in land values of the following facts: St. Vincent shippers, 363 miles from Duluth, have to pay a wheat rate of 15 cents per 100 lb. At Emerson, a Canadian town just across the line from St. Vincent, and 493 miles from Fort William by Canadian Pacific Railroad rail, the rate is 12 cents. The following table shows the respective rates at American and Canadian points not far from the boundary line, and nearly opposite one another."

Canadian Stations.	From Ft. Wm. (miles).	Rate on wheat per 100 lb. (cents).	U. S. Stations.	From Duluth (miles).	Rate on wheat per 100 lb. (cents).
Emerson ...	493	12	St. Vincent ...	363	15
Gretna ...	496	12	Neche ...	395	15
Morden ...	508	12	Walhalla ...	397	15½
Manitou ...	529	13	Hannah ...	443	16
Holmfield ...	582	13	St. John ...	459	17½
Napinka ...	648	15	Souris ...	497	18
Pierson ...	634	16	Mohall ...	540	19½
Estevan ...	717	17	Avoca ...	615	25

3. *Climate.*—The nature of the climate is shown from the following extracts:—

The wheat of Western Canada is known to be extremely hard, the yield being 30 to 50 per cent.

more than in the States south of the boundary line. The principal causes for this are that the farther you travel toward the northern limit of its growth the finer is the quality. The subsoil during the early period of the growth of the wheat is kept moist by the slow melting of the winter frosts through the intense heat; the moisture ascending to the surface and nourishing the roots of the grain, thus stimulating the growth and producing a bountiful crop. Again, at a later period, the sunshine is longer, just at the needed time, when the heads are ripening. Heat alone will not bring wheat to maturity, solar light being needed to assist, and the greater the amount the better the result obtained. From the 15th of June to the 1st of July there are nearly two hours more daylight in every twenty-four hours in Western Canada than in Ohio.

The black alluvial soil, like a blackened plate of glass, absorbs heat in seemingly enormous quantities; and the subsoils that are to be found in every district of Western Canada are marvellous in the amount of their plant foods, and during the long, bright, even occasionally hot, summer day the transformation of plant cells is so rapid as only to be likened to the growth of plants under glass.

4. *Soil.*—There is far more of the rich alluvial soil of the Red River valley, such as is found in Russia and in Hungary, lying in Canada than in the United States. This soil appears to be nearly inexhaustible, so here, again, Canada offers more than the United States to the farmer. Canada's fertility is further guarded by the education of the farmer by the Government, which, profiting by the experience of the United States, has urged the rotation of crops, manuring, &c., even on those

who are cultivating virgin soil. Thus there is every reason to suppose that the day of exhaustion will be long postponed. "The wheat area of the Red River valley within the United States is possibly 200 miles in length from north to south; but on the Canada side the same advantages of soil with greater advantages of situation and climate extend north-westerly along the North Saskatchewan to the Rockies, a full 1,000 miles, with an average width of not less than 200 miles."

5. *Quality of wheat.*—The wheat of the North-West is graded for marketing purposes by Government inspectors, according to its hardness and milling qualities into No. 1 Hard, No. 1 Northern, No. 2 Northern, etc. It is well known that Canada produces a far larger percentage of the higher grades than does the United States. This is due to superiority of soil and climate, and gives an additional natural advantage to Canada.

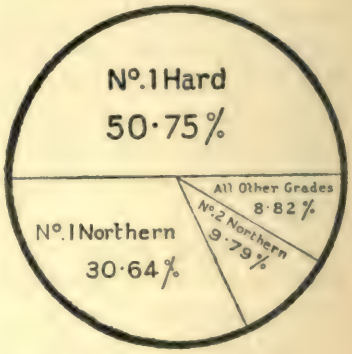
We print the following result of the wheat inspection at Winnipeg and Minneapolis from the *Winnipeg Telegram.* It will be noticed that the same year is not selected in each case, and this perhaps slightly exaggerates the very marked superiority of Canadian over American wheat.

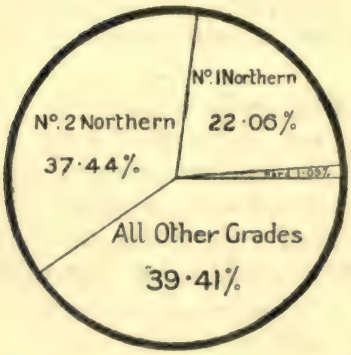
WINNIPEG v. MINNEAPOLIS.

These two circles are divided off to represent the percentage of the different grades of wheat given in the total inspections at Winnipeg and Minneapolis. The upper circle, representing Canadian wheat, is based on the total official inspection up to the 1st of December, 1902. The lower circle, representing the Minneapolis inspection, was taken from the opening of the present grain season until November 14th.

Each circle is divided and marked off into segments, representing the percentages of the different grades, which are as follows:—

No. 1 Hard, or simply hard wheat, as it is called in Minneapolis: Canadian, 50·75 per cent.; American, 1·09 per cent.





No. 1 Northern: Canadian, 30·64 per cent.; American, 22·06 per cent.

No. 2 Northern: Canadian, 9·79 per cent.; American, 37·44 per cent.

All poorer grades: Canadian, 8·82 per cent.; American, 39·41 per cent.

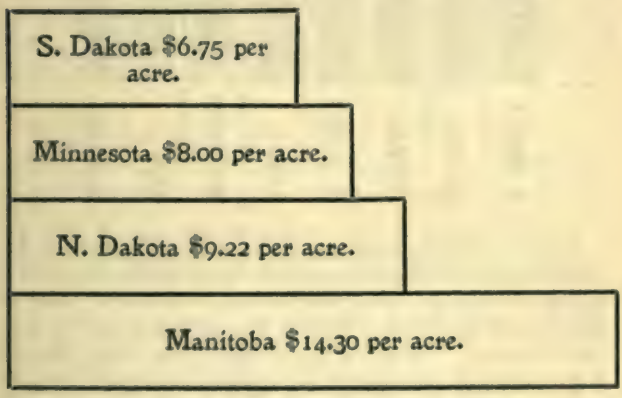
Of the best grade, hard wheat, Canadian inspection shows over fifty times the relative proportion that the American inspection does, and of the poorer grades, worse than No. 2 Northern, Minneapolis inspection shows nearly five times the proportion of the same grades in Canadian wheat.

This is a point of much importance: not only is the yield per acre much higher and the price of land much lower, but the wheat itself grades tremendously higher. Over one-half of the Canadian wheat inspected so far this season was of the highest grade.

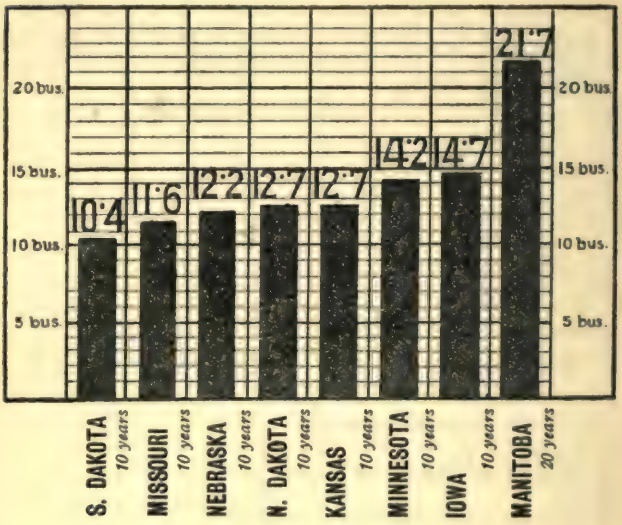
6. *Yield of crops per acre.*—The mean temperature, soil, and other factors mentioned in this chapter, conspire to give Canada an advantage over the United States in the yield of crops per acre. The figures given below conclusively prove these conditions.

MANITOBA *v.* UNITED STATES.

Revenue per Acre for Wheat, 1902.



Canadian and American Average Wheat Yields.



"In the above diagram the figures—all of which are compiled from official sources—afford some instructive comparisons, and fully demonstrate the superiority of the Canadian North-West in the matter of wheat productiveness. As will be seen from the diagram, the average yield per acre in Manitoba for the past twenty years is more than double that of South Dakota, and 50 per cent. greater than that of Iowa, the best of the wheat-growing States.

"The yield per acre of wheat in Canada is larger than it is in the United States. In 1902 the average crop given for the whole of the United States, including winter and spring wheats, is about 14·5 bushels per acre. The same year the average of spring wheat

in Manitoba was 26 bushels, and in the North-West Territories 25 bushels. In 1903, when the season was so unfavourable, the yield in Manitoba averaged 16·42 bushels per acre. In Ontario, in 1902, winter wheat averaged 25·9 and spring wheat 18·7 bushels.

"The average of a ten years' record tells much the same story. A ten years' average for Manitoba from 1891 to 1900 gives 19 bushels of spring wheat per acre. During the same time South Dakota gives 10·04 and North Dakota 12·07. The wheat yield for the whole of the United States for the same period was 13·3 bushels per acre; while in Ontario, the only province with statistics covering this period, we have an average of 19·4 of fall wheat and 15·2 per acre of spring wheat. This larger yield in Canada is no doubt partly due to the land being more productive, and partly to a more favourable climate, and in some measure to better farming."—*Professor Sanders, Government Experimental Farm, Ottawa.*

7. Land prices.—In spite of the manifest inferiority of United States land to Canadian, the price that must be paid for farmlands in the United States is far higher than in Canada. This, of course, is due to the lack of supply and greater demand. United States farmers are therefore selling their farms and coming to Canada to take up cheaper and better land.

"The possibilities are indicated by the fact that only 3,198,000 acres in Manitoba and 1,000,000 acres in the Territories are yet under cultivation. The writer estimates that 20,000 farmers from the States came into our North-West this season. Wheat land in the States now costs $25 to $40 an acre, whereas with us it is only from $3 to $15 per acre."—*The "Morden Empire."*

"If you had it in Illinois, Indiana, Ohio, or Kentucky, you could get $100 an acre for it in a very short time. I have seen river bottom-land not so fertile as this sold for $120 an acre in Indiana."—*Settler's Letter.*

"There was a time when our popular campaign song was 'Uncle Sam Is Rich Enough to Give Us All a Farm.' To-day he has not any farms to give us that we can cultivate. All of the agricultural land that can be cultivated without irrigation is gone, and the people are selling their homes in the United States and moving out into North-Western Canada, west of Winnipeg, where they can buy land at from $6 to $10 an acre. More people have gone there than many of our men would like to acknowledge."—*Mr. James J. Hill, speaking at Minneapolis, January, 1904.*

Thus, then, there is every reason to choose Canada as an agricultural country in which to settle, and indeed the figures of United States immigration into Canada, here given, prove that the republican is realising this.

We cannot but think that the foregoing facts appreciably dispose of the desire to assist Canada either actually, or as compared to the United States.

To sum up :—

(1) Agriculture in Canada is abundantly prosperous.

(2) The agricultural advantages of Canada are being healthily and thoroughly exploited.

(3) It is unnecessary to aid agriculture and immigration by any artificial advantages of tariff.

(4) Not only is such artificial stimulus unnecessary, but its effect will be hardly appreciated

when compared with the potent attractions of Nature.

(5) Canada has already a striking advantage over the United States in :—

(a) Quality of produce.
(b) Yield per acre.
(c) Quantity of farming land available.
(d) Prices of farming land.
(e) Government assistance.
(f) Facilities for marketing.
(g) General conditions under which farming is carried on.

CHAPTER II.

CANADA AND THE UNITED STATES.

THE geographical proximity of Canada to the United States is one of the causes which have led superficial observers to say that the Canadians so closely resemble their republican neighbours, but it is one of many. The same blood originally ran in the veins of both nations, the same language is spoken by both, and by both it is subjected to almost the same inflexions. The two peoples live under closely similar conditions, and many of those peculiarities of Western civilisation that are not found elsewhere are common to both. In both countries the great Railway Corporations wield a power unknown in Europe. The same monetary system exists in both countries, and American money is current in Canada. Their educational systems have much in common, while the continent of North America has a journalism all its own. These are some of the features in which the two countries closely resemble one another.

The fact that the United States was the first to develop into a great industrial country has only had the effect of drawing the bond closer. For whilst Canada was still a struggling agricultural community the great rising cities of the United

States gave opportunities for employment to townsmen and markets to farmers, with which Canada had nothing to compare. For years Canadians crossed the frontier in their thousands. At the present day it has been estimated that there are something like a million Canadian-born residents in American territory, most of whom have become naturalised American subjects. French Canadians migrated to the New England States, British Canadians to the great industrial centres and the farms in the Western States. Thus a bond of relationship has been created between the two countries, and there are few of the older Canadian families who have not some naturalised American cousins.

As with population so it has been with trade. The natural trend of trade on the continent was north and south—it is by artificial means that it has been diverted east and west. Canada found herself trading with the United States all along the frontier. Canadian timber from the province of Ontario was floated across the great lakes into American ports. Pennsylvanian coal was burnt in Eastern Canada, while the coal from British Columbia supplied the Western American States. The hard wheat of Manitoba found a ready market in Minneapolis and the other grain centres of the Union, where it is bought to make up their best blends for the European markets. All this existed in the days when Canada was an almost unknown competitor in the European market, and it still exists. But besides the commerce in raw materials

there was a not inconsiderable one in manufactured articles. Before Canada manufactured for herself, her intercourse, commercial and social, with the States naturally led her to buying in their market. Besides being the nearest and the most natural one to resort to, it was the market that above all others suited her. Just as the Canadians sold to the republic, so the republicans sold to Canada. Being accustomed to supply conditions almost precisely similar to Canadian ones, they were able to meet her needs completely, whilst the readiness of American manufacturers to comply with any stated requirement, the great rapidity with which their orders could be executed and delivered, due partly, of course, to proximity, were advantages which soon gave the United States a preponderating hold on the Canadian market. That hold was never seriously challenged from this side of the Atlantic.

Here is where the United States keeps her hold, and although Canada is daily becoming more self-supporting in her manufactures, although it is astonishing to find how many articles of everyday use are of Canadian make, yet the adaptiveness of the republican manufacturers and the rapidity of execution ensured by its geographical proximity will always make trade with the United States of considerable importance to Canada. On these two points trading with Great Britain can bear no comparison with trading with the United States, and there is no possibility of ever

counteracting the effects of geographical proximity. It, therefore, seems probable that nothing but an absolutely prohibitory tariff against the United States will enable Britain to compete with them in certain lines. And it cannot be too strongly emphasised that any attempt to induce Canada to adopt such a policy would be a course fraught with danger. A deliberate attempt such as this to debar Canada from buying in the best and most advantageous market would inevitably result in pecuniary loss for which the sufferers would have every reason for attacking those Imperial claims which caused it. In a desperate attempt to better our trade with Canada by a few millions we may lose the colony of which we are so proud.

It may perhaps be asked how it is, with such close ties uniting these two nations of the North American continent, that they have never fused or shown serious signs of doing so. The answer must be that it is the attitude of the United States that has prevented it. Not since the days of the Civil War has the latter shown any consideration to Canada or made serious attempts to win her friendship. In the days previous to the war there existed a reciprocity treaty between Canada and the States, which was to Canada a successor to the preferential treaties that existed between the colonies and Great Britain before the establishment of Free Trade. But Canadian sympathy for the Confederates during the Civil War caused fierce feeling and resulted in the rupture of the

treaty. On losing her favoured treatment in the markets of the States, Canada passed through several years of severe depression. She emerged from it much embittered against her great neighbour, and it is perhaps a commentary upon the effect of preferential treaties in general that her relations with the United States were far less friendly after the treaty had been broken off than they had been before it was ratified. The reciprocal treatment has never been resumed. The United States entered upon her career of Protection, and whilst she still exported to Canada, her fear of imports gave Canada little trade in return. With each successive rise in the tariff, Canada received a blow to some of her exporting industries, and she has some ground for believing that in many cases new tariff arrangements were directly aimed at her commerce. To Canadian requests for a renewal of the reciprocal treaty the United States has turned a deaf ear and unbendingly continued a policy which practically amounts to a boycott of Canadian manufacturers. Naturally such a policy has not warmed Canadian feelings towards the United States.

But trade policy has not been the only cause of friction between the two countries. On a continent so vast and at first so sparsely inhabited it was inevitable that many disputed questions of frontier would arise when the country filled up. Such has indeed been the case. When peace was concluded with what are now the United States, after our

Imperial policy had lost us thirteen colonies, Great Britain cheerfully surrendered much fertile land, about 270,000 square miles on the Ohio and Mississippi, which were formerly part of Canada. Maine was lost through what must be regarded as something more than mere astuteness on the part of the United States Government.[1] Now that a port on the Atlantic seaboard would be of such value to Canada, Canada feels herself badly crippled. The mouth of the Columbia river lost, according to the story current in Canada, because the emissary of the British Foreign Office sent out to investigate the

[1] Daniel Webster had in his possession a facsimile of a map showing the true boundary as settled in 1783, marked in red ink by Benjamin Franklin, the United States Commissioner. He suppressed this map and produced another map which gave to the United States a large portion of British territory. When the Senate afterwards in secret session demurred to ratifying it, Webster authorised Mr. Rives, Chairman of the Committee on Foreign Relations, to produce the map which proved that he had secured a large area which did not belong to the United States, and then the Senate ratified it. This was on the August 17, 1842, only eight days after the signing of the Ashburton Treaty. The Senate subsequently dissolved the injunction of secrecy and authorised the publication of Mr. Rives' speech.

Dr. Kingsford, in his "History of Canada," vol. ii., p. 159, speaking of this, says: "We came out of the negotiations serious losers; but no national reproach of meanness and wrong rises unbidden to wring our consciences. It is a question if a high-minded citizen of the United States can, with complacency, contemplate the proceedings of his Government on this occasion." — *Footnote to Denison's "Canada and Her Relations to the Empire."*

question thought it was not worth while disputing over a river in which "salmon would not rise to the fly," was another victory to the United States. The Alaskan boundary has not been settled to the satisfaction of Canada, and these and other surrenders form an unbroken line of American victories which have shorn Canada of much valuable territory, and it was not to be expected that Canada would regard them with equanimity. They have been instrumental in accentuating Canada's resentment at her treatment by the United States, and in widening the breach that has for some time been growing between them. Had this been the only result it would at least have had its good side in doing much to avert an Imperial danger. But there is a far more sinister side. Britain has had to bear her share of Canada's resentment for losses which have in some cases undoubtedly been due to her ignorance and carelessness, and no one will say that she did not deserve it. But besides this natural resentment there has grown up a far more dangerous feeling due to the recurrence of defeat. A belief now possesses the Canadian people that Great Britain is ready to sacrifice what belongs to Canada in order to conciliate the United States, a country, as they bitterly exclaim, whose rapacity nothing will appease. This feeling, if allowed to grow, is one that is utterly subversive of Empire. Once the right of the colony to look to the Mother Country for the defence of its rights ceases to exist, or is even

questioned, the strongest bond that binds empires together is shattered, and cannot be replaced by preferences or anything else. It was the existence of this feeling pervading the whole of Canada that made the outburst over the Alaska boundary award so bitter and so threatening. It will be well for Britain to see that never in the future does she give any ground for any such accusation to be levelled at her by her colonies. She must not lay herself open to the charge that she is willing freely to surrender territory and loyal subjects, or that she shortsightedly considers only the present value of undeveloped territory.

The tide has at last turned in Canada's favour. United States citizens are now pouring into Canada, and United States manufacturers are building their works on Canadian soil. Canada is prospering at a rate with which even the exotic growth of the United States cannot compare. And with her prosperity has come a change in her policy. Canada, so long a suitor for favour, is so no longer. When Sir Wilfrid Laurier came into power he turned his back upon the United States, and so successful has his policy been that now it even seems remotely possible that the vast bulk of the States may plunge down upon its knees to Canada. For Canada's position grows stronger every day, and when the time comes that the United States cannot get on without Canadian corn, Canada will be in a position to dictate the terms.

There can be little doubt that any inclination

that the United States may have in the direction of reciprocity will be strengthened by Mr. Chamberlain's scheme. It is remarkable, since this propaganda was started, how marked has been the increase of the feeling in the United States for reciprocity with Canada. Should the United States adopt this policy, the advantages she would be able to offer Canada must infallibly far outweigh anything Britain can place in the scale against them. Canada would have the prospect of entry for the first time into a protected market of 80,000,000 people, and against this Britain could only offer slightly improved terms in a market of 42,000,000, in which Canada already enjoys a very secure position.

It would be a deplorable thing from the point of view of British trade were Canada to enter into a reciprocal treaty with the United States, and would mean considerable loss of trade with Canada. Nevertheless, we maintain that if Canada's true commercial policy lies in the direction of making trade freer than it is at present on the North American continent that policy will inevitably sooner or later be fulfilled, and a colonial policy which tries to thwart it for the sake of a few millions of trade is a dangerously obtuse and short-sighted one, and one moreover which, when the time comes, will assuredly fail to achieve its object. But should Canada find that her true commercial policy is to make a treaty with the United States, and reciprocity ensue, we

confess we see no signs of the danger so often predicted as the result of it, namely, the danger of political union or annexation. That this was a very real danger in the past is undoubted, but those were the days before Canada achieved Confederation and before she awoke to the sense of her own nationality. At the present day we do not believe that anything short of actual conquest will make her a part of the Union. Nor, while we adhere to our present Imperial principles, need commercial union lead to political union between Canada and the United States any more than it does between the many other countries all over the world between whom exist commercial treaties.

There exists in Canada at the present time no desire either for annexation by the United States or for Independence. In fact the fear of absorption by the United States would seem to make any desire to exist as an independent country more than ever remote.

CHAPTER III.

THE CANADIAN VIEW OF ENGLISH POLITICS.

No one who goes to Canada can fail to be struck by the surprisingly meagre information about Great Britain that is supplied by the Canadian newspapers. Foreign telegrams fill a very small part of these journals: scarcely any of them appear to have foreign correspondents, and they rely almost entirely upon one or two news agencies. However, in a country which is too large for any paper to have much more than a local circulation, and where every little township has its two or more morning and evening papers, it can hardly be expected that a paper will be in a position to afford a large outlay upon foreign intelligence. It is very unfortunate that this is so, for it must necessarily narrow the outlook of the average Canadian upon matters of Imperial and even world-wide concern, and it often makes him extremely impatient of British foreign policy simply through ignorance of the complicated interests at stake. The paucity and badness of the news is an Imperial misfortune, and it is to be hoped wireless telegraphy or direct cable communication will one day remove the necessity of filtering

most of the news through the United States. The spirit in which the greater part of that news is written is an Imperial danger which should be removed at once. We were amazed at the flagrantly partisan nature of the news supplied to every Canadian newspaper with one or two notable exceptions. The partisanship is on the side of Mr. Chamberlain. It consists in giving incomplete extracts from his speeches and in either ignoring or misconstruing the arguments of his opponents. There existed (or existed at the end of 1903) in the mind of almost every Canadian a most complete misconception of the nature of the opposition to Mr. Chamberlain and of the reasons, motives, and political strength of his opponents. British Free Trade leaders were often accused of being prompted solely by a desire to cringe to the United States, and of lacking the courage to declare themselves as Protectionists. For this the papers are chiefly responsible. In them are to be found, side by side, the *dicta* of the great London dailies and the smallest provincial papers, of Cabinet Ministers and Parliamentary candidates, the resolutions of local beanfeasts and picnics, and of representative associations. In view of this, one is not surprised to read in a Canadian paper a stirring account of "London's 12 million unemployed." It is but fair to add that in the prevailing darkness there are some Canadian newspapers which see the difficulties and objections, but even these have been slow

to decry a policy which, as interpreted on insufficient knowledge, may have some good to offer the people of Canada. Any wild Protectionist statement is faithfully copied, but its refutation never arrives; and the figures, so important to the proper understanding of the subject, have not reached Canada.

There is,—and every Free Trader should know it,—a grave danger that the judgment of Canada may go by default against British Free Trade. In a progressive country like Canada, always sympathetic to the Liberal party in this country, and always acquainted with the careers of leading Liberals, and especially those of them who have shown most interest in Imperial questions, such a thing should never be allowed to occur. But it calls for energy on the part of the Free Traders, and the time is favourable. A change is coming as the campaign goes on. Doubt is replacing certainty, and a desire to wait is replacing enthusiasm. It wants but more knowledge and work to create a well-informed and correct view. In the face of the activity of Mr. Chamberlain and his organisations in occupying the public view, we have every stimulus to undertake this branch of the fight. It is not sufficient to rebuff the opposing forces. We must gain a permanent victory and if we can enlist the sympathy of the colonies by propagating the cause in which we have faith at least as widely as Mr. Chamberlain has propagated his, we should be able to secure one. Why cannot our statesmen

be induced to visit the colonies during the Parliamentary recess?

It is perhaps worth while to illustrate the result of information by reference to an actual occurrence.

The authors heard the subject discussed at some length by a party of farmers. One of their number had immigrated from England some twenty years before. He was addressing an audience of men of all nationalities who were living prosperously and comfortably by cultivating their own land. He described to them in graphic language life in an English village. He told them of shopping on Saturday night and expenditure calculated in half cents. He spoke of tea by the farthing's worth, the lack of any luxuries, the poverty of the squalid cottages. He mentioned the scraping and saving of the rent—an unknown item in the Canadian farmer's budget. His audience listened in astonished interest, and, as the Englishman talked on, punctuated his remarks with expressions of wonder. When he had finished, they stated with violent emphasis that if the English voted for a tax on their food for the Canadian farmers' sake, they would be "damned fools," and the man who persuaded them to do it would be a scoundrel. "But they are being told that the tax will not increase the price of food," we said. A moment's silence, and then amid general acclamation, "Well, they had better not risk it." "Tell them we don't want it, either." And this came from men who, earlier in the evening, had been asking us "how

much land was available for homesteading in the old country."

For the rest, loyal as Canada is, there is a dangerous contempt for English methods, which makes one think that the more Canada is left alone to govern herself the more loyal she will be. The Canadians do not understand our diplomacy.

Alaska as an isolated instance is unimportant, but Alaska, after the other incidents mentioned in the preceding chapter, is serious. And it is not only the result, but the methods that led up to it to which exception was taken. Whatever the wisdom of the Alaska decision, its method was bad. The Canadian representatives came away with a firm belief that both in the preliminary negotiations and at the hearing of the case sufficient consideration had not been paid to Canada, and the matter had been settled over her head, whilst at the hearing itself the British representative appeared to forget that he was merely one of three Imperial representatives and assumed the position of arbiter, and that once again the United States had triumphed through Britain's craven fear. If the decision was wise, and they had been properly consulted, they would have acquiesced. If the decision was not wise, it should not have been given. More on this subject will, of course, be heard, but no preferential treatment will remove a growing belief that they cannot rely on the Mother Country to back them in their differences with foreign Powers. The Canadians have grown

to resent our ignorance of geography and our arbitrary boundary making. They are irritated by hearing Englishmen speak of America when they mean the United States of America, apparently forgetful that there are about seven million British subjects among the Americans. They are as integral a part of the British Empire as Great Britain, full of the same energy and the same aims. Treat the Canadians as "colonials" and they resent it; treat them as brothers owing allegiance in the same degree to the same King, and then, and then only, shall we preserve their loyalty.

CHAPTER IV.

THE RESULTS OF THE POLICY.

WE have shown that Canada regards the idea of a preferential tariff with Great Britain as a strictly business matter into which no Imperial sentiment can enter. We have also shown that her desire to entertain the idea is caused by the fact that her present policy is to improve her trade by entering into commercial treaties with other countries. Treating it, therefore, as a matter of business which will be accepted or rejected according as it is profitable or the reverse, it is important to know along what lines Canada is prepared to negotiate—what concessions she is prepared to make, and what she expects to get in return.

The concrete advantages that, it is alleged, might accrue to Canada from a preference in the British market are four. They are as follows:—

(1) In wheat growing it might place her in a position of superiority over the United States, at present her chief competitor in the British market. (2) It might turn the stream of immigration from the agricultural States of the Union into Canada. (3) It might increase the home market. (4) It might help to divert the natural flow of

trade through Canada—*i.e.*, east and west—from its natural direction, which is north and south.

All these are advantages to Canada the value of which no one would question. They are steps towards the national development of Canada which it might under certain circumstances be to Britain's advantage to go to considerable length to encourage and foster. But as things are there is no need of Britain's help. Every one of these steps has already taken place. We have shown how in wheat growing Canada already has an enormous natural preference over the United States. The statistics of immigration show how very strongly the stream of immigration already flows into Canada. The home market advances by leaps and bounds. The last consideration, the diversions of trade east and west, is entirely a question of transportation. The Canadian Pacific Railway has linked Eastern and Western Canada far more effectively than any policy could have done. There are now schemes afoot for at least two other railways to connect east and west, besides some projected canals, and the money required is forthcoming in Canada without need for outside assistance.

The Result of the Preference.

No one will deny that a tax of six cents per bushel on foreign wheat must of necessity, whether the price of wheat is actually raised or not, give

Canada an advantage over the United States of this amount. Who, it has next to be considered, will get this six cents?

Other things being equal, it is probable that this advantage will be distributed between producer, transporter, and middleman in approximately the same proportion as the price of wheat in English markets is at present. When wheat in England is fetching, say, 36*s.* per quarter, or 4*s.* 6*d.* per bushel, the North-West farmer is selling it at about 52 cents, or 2*s.* 2*d.* per bushel, so that it would be fair to assume that, other things remaining as they are, rather less than 3 cents would go to the farmer. But can other things remain as they are? It remains to consider for this purpose the fate of the bonding privilege, but in order to do this, one has to consider the power of Canadian and United States railway companies.

In countries where so much depends on transportation, where new territories of boundless extent and unfathomable promise remain useless until railways are built, it is not surprising that the railway companies have become very powerful. Governments have been anxious to do their utmost to encourage railway building, and grants of land and money and concessions of monopolies have been made in early times, which, in Canada at any rate, have given the companies more power than has yet been felt. Since it must necessarily be a bad thing when railways coerce Governments, it is to be hoped that the Canadian Government will profit by the

warning of the United States and find some way before it is too late to curb the capital powers and statutory rights of these large combines. Now, when Imperial preferences were formerly tried by Great Britain, we know that smuggling in order to obtain the preference was extensive. If it was possible to ship timber in 1842 from Norway to Canada and back to England as Canadian timber, in 1904 it would be simple to smuggle United States produce over any part of 4,000 miles of frontier, to the great advantage of the railway companies concerned.

With regard to the bonding privileges, so far as the authors could find evidence on this topic, more wheat is sent during the summer months from the United States to Montreal than is sent from Canada to Boston, New York, or down the Mississippi to New Orleans in winter. There is necessarily no fixed ratio where every exporter is endeavouring to find cars and ships to market his wares quickly and cheaply. But most people seem to agree that any disturbance of the bonding privilege would hurt the United States at least as much as Canada. This, however, goes for very little, as the United States takes nothing lying down, and if the preference hit them they would fight. What, then, would happen? At all periods of the year Canada would to some extent be crippled, for the outlets for wheat, and, consequently, transportation competition would be diminished, to the benefit, of course, of the Canadian railway companies, as far as Canadian produce

was concerned. If this benefit was greater than the loss entailed by the loss of the United States grain traffic, they would acquiesce in the new state of things, but if not, the whole of their great power and influence would be thrown into the scale against Imperial reciprocity. However, since the export of United States corn is destined to diminish, ultimately the preference and the abolition of bonding privileges must be to the advantage of Canadian railways.

But in winter, shipping insurance rates along the ice-bound St. Lawrence are so large that Montreal becomes impossible. This would entail shipping from St. John or Halifax. This would mean a longer railway journey, heavy freight rates, still further profits for the railway companies. The whole 6 cents of preference would probably be swallowed up by increase of railway transportation, and it is very doubtful indeed whether the farmer would gain anything at all.

It will therefore be seen that as far as the internal advantages which Canada might derive from the preference on her food-stuffs are concerned she does not stand to gain what she is not already gaining at the present moment. What gain there would be could only arise from an acceleration in the present rate of development, although even this is doubtful, for development, as has been shown, is so rapid that acceleration seems impossible. It is not, indeed, difficult to understand the attitude adopted by the manufacturers, who are, as we have said, almost the

only class who have pledged themselves at all deeply to Mr. Chamberlain. Feeling as they do that it is to her own unaided efforts that Canada's present prosperity is due, they very naturally think it is not right that Britain should step in and pluck the fruits of Canadian industry and energy, which they quite frankly announce that they intend to keep as far as possible for themselves. To this end they are, as has been said, advocating a complete readjustment and raising of the present tariff. This would, of course, cause a proportionate rise of the tariff against England, but would still give her a considerable advantage over foreign countries.

This, then, is the manufacturers' view of what Canadian obligations would be under the commercial treaty. And what do they expect in return from England? There is no class in Canada so impressed by the illogicality of a preference on food-stuffs alone as the manufacturers. Why, they ask, do you propose to give a preference only to the industry which needs it least? Agriculture has a firm hold on the British market—there are many other industries which have not. They look forward to the time when Canada will export manufactured goods to Britain. She already sends some. Therefore, in return for all-round preference in the Canadian market, they demand for Canada an all-round preference in the British market. Raise the Canadian tariff for all, give Britain a substantial preference over other countries, and give

Canada an all-round preference in the British market, is the sum total of their demands.

The majority of the Liberal party have very different ideas. It is the revenue tariff party, with Free Trade ideals. It welcomed the present preference when it was given as being a step nearer Free Trade, and holds the opinion at the present time that it has been beneficial to Canada. Its strength lies largely in the country districts (except some parts of Ontario), and it has little sympathy the manufacturers. The agriculturist desiring Free Trade feels that the Protectionist manufacturer is only a handicap to his prosperity. If a preferential tariff were ever put into effect, the former would undoubtedly feel much tempted to sacrifice the latter and lower the present tariff to Britain. He is naturally, too, not particularly desirous of an all-round preference in the British market. This represents the feelings of the majority of the Liberal party in Canada. There is, however, a not unimportant minority composed of French-Canadians engaged in manufacturing in Eastern Canada, and we shall have to specially refer to them later.

Here, then, are two essentially different attitudes: the Protectionist, who is ready to demand an increase of the present tariff against Great Britain, and an all-round preference in the British market; the revenue tariff party, more prepared to be satisfied with a preference on food only, and to increase Britain's present preference. If Mr. Chamberlain's

policy were to become accomplished, which party could enforce its views? And, as has been said above, what permanency would be achieved for a system which depended so vitally on the views of the party in power?

The whole nature of Protection is such as to aid and abet the party who wishes to increase it. It is like a stone rolling down-hill, which the Protectionists push from above, and the revenue tariff party from below. Already it has made its weight felt upon the Liberal party. In 1896 they found themselves unable to lower the tariff by direct means. The British preference was an admirable and loyal policy, but it was also an excellently devised expedient for doing what the Government were not strong enough to do in any other way. Another instance of the force which Protection gathers behind it occurred in 1903. An elaborately devised scheme of self-extinguishing bounties upon exported iron and steel is in existence.[1] The bounties were in theory to diminish yearly and extinguish themselves in seven years. Already, however, in the short space of two years the self-extinguishing arrangement has been suspended, and the bounty remains the same. The low tariff party, therefore, powerful as

[1] The Tariff Commission Report on iron and steel seems entirely to ignore Canadian competition. The duties advocated and the retaliation threatened against the colonies cannot fail to interest Canadian iron and steel manufacturers.

it is, by no means has things all its own way. Protection has its forces organised, its electioneering funds are large, and it is a formidable opponent.

Even, however, if the extreme revenue tariff party could have their way and give the utmost return possible to Britain, the effects, though highly satisfactory to British manufacturers, and undoubtedly stimulating to trade between the two countries, would not necessarily strengthen the bonds of Empire. The Canadian manufacturer, loyal as he is to Britain, has no intention of surrendering to her a market which he considers as his own, and any attempt to make him do so would be met with bitter resentment. The present outcry which is being raised by the wool and cotton industries shows how very dangerous such a policy would be. Once let the manufacturers feel that for Imperial considerations they are to forfeit the monopoly of the market their own energy has built, and they will fling those Imperial considerations to the winds. If ever they have cause to say that they are made to suffer for being subjects of the British Empire they will have every reason for turning their energies towards terminating that connection as soon as possible. Especially is this the case with regard to that Liberal minority of French-Canadians engaged in manufacturing; whilst they are perfectly satisfied with present conditions, they have no particular cause to wish for closer Imperial connection. They are satisfied with it because of the liberty

which is ensured to them. But let them once feel that they are being made to pay for Imperialism through industrial depression and lack of employment in the particular industry in which they are engaged, and there can be little doubt that they will be among the first to desire an independent Canada.

Take the other case and suppose the policy of the Canadian manufacturers to be put into force. A prohibitive tariff against foreigners will be necessary to give Britain a substantial preference that yet shall not enable her to compete with the home-made article. But it is well known how valuable it is for Canada to have access to foreign markets which supply her needs so much better than does the British market. If, then, the Western Canadian finds that he can no longer buy at a reasonable price those things which suit him, and that any attempt is being made to force him to buy English articles that do not suit him, he will be the man who will have a grievance against Imperialism. His independence which makes him regard the British preference as a dole will certainly make him resent this restriction.

Here, again, we have the views of both schools, and the dangers which the accomplishment of either view may engender. The ultimate fate of the present preference is doubtful. One thing, however, is fairly certain. The outcry raised by those industries which are at present suffering from British competition is too strong to be resisted. They will have to be protected, and in those lines

of merchandise Britain will lose some of the preference she now enjoys. As regards all other articles included in the preference, everything points to the extreme unlikelihood of the High Protectionist party getting their way in the matter, and, as the Liberals favour the preference, they will endeavour to keep it where it is at present. This is what will probably happen, whether Britain gives a preference or not, for the threat of withdrawing the preference that the Canadian Ministers used at the Colonial Conference will not be enforced so long as Liberal opinion remains what it is at present. The net result, therefore, will probably be a compromise. Britain will find herself in a slightly less good position than at present in comparison with Canadian manufacturers. The only way to make up for this loss will be to raise the tariff against foreigners; but it cannot be expected that a party with revenue tariff principles and pledges, and a most decided opinion of the value of access to the market of the United States, will make it prohibitive. An increase of 10 per cent. on the tariff against foreign nations has often been given as a conjecture; it seems extremely doubtful whether such increase would bring much profit to Britain. The net result to Britain, with certain loss in such important lines as cotton and wool, and probable gain in others, would most likely affect her total Canadian trade but little. This will probably be the case whether Britain gives a return preference or not. Canada cannot give

more than a certain preference without laying her manufacturers open to British competition, and this seems to be more than any Government dare do, no matter what reciprocal advantage Britain were to offer. On the other hand, the British preference thus limited is popular in Canada: to take it away would be extremely unpopular, and it is therefore highly improbable that any Government would, without some reason that does not now exist, care to incur the odium of being called disloyal.

Gain to the Empire.

Keeping the commercial side of the question distinct from the Imperial side as it is in the colonial mind, we next have to consider what would be the effect of the transaction upon Imperial relations; and here we are at once confronted with a difficulty. We have already dealt with the manner in which the Canadian regards the preference—his comparative indifference to the commercial advantages that it may confer, and his determination not to be drawn closer to Britain if it entails losing independence or sharing Britain's military and naval burdens. It is the Imperial side of the scheme that he so distrusts. And therefore the more successful the scheme is from Mr. Chamberlain's point of view the more likely it is to prove distasteful to the Canadian. In fact, Canada, if she enters at all, enters without any great enthusiasm for one half

of the programme and a most marked apprehension of the other.

If this is to be the spirit animating the colonies it does not bode well for the success of the scheme, for there are many difficulties and dangers that will have to be faced. How, for instance, can Imperial reciprocity be made to harmonise with the policy of retaliation, a policy in which Canada believes and of which she makes use—a policy which is presumably to become part of the Conservative programme in Britain. If foreign countries know that no matter what concessions they are prepared to make they will never be allowed to compete inside the Empire on equal terms with the Empire, the value of the market to them will at once be depreciated, and they will offer but little in the way of tariff reduction in return for entry on such unequal terms. It is generally conceded that if retaliation is to be successful the retaliator must be armed with the longer weapon, but an Imperial Tariff is bound to have the effect of breaking half the blade off the sword with which the foreigner is to be fought. The same objection applies with even greater force to the idea which is entertained by many preferentialists, of treating the Empire, once the preference is established, as a unit in negotiating commercial treaties with foreign Powers. Under such a plan the individual colonies and Britain herself would be reduced to precisely the same position which Britain now enjoys under the Sugar Bounties Convention, a position to which the

Government of this country does not apparently object, but one which the colonies would most violently resent. It must amount under certain circumstances to nothing more nor less than the sheer loss of the fiscal independence which the colonies at present enjoy, and the Canadians have explicitly stated they will not give this up.

Under present conditions, further, it is open to any colony to frame its tariff with a view to the advantages of the colony itself. Under the new system, however, each Chancellor of the Exchequer and each colonial Minister of Finance would have to consider the effect on the Imperial Preference scheme of any suggested alteration, and so each colony would tend to lose its political entity, and become a portion of an interdependent machine. Theoretically this result might have many advantages, but in practice it would be open to the objection that our self-governing colonies, with their advanced and growing ideas of nationality, would not be content under any system which must entail the abrogation by the various units of the Empire of their independence of action.

If we take as an example the last budget introduced into the Imperial Parliament we see that the Chancellor of the Exchequer had to consider the readiest means of raising the money he required, and, revelling in the fiscal independence of Great Britain, he imposed taxes on tea and tobacco. Should the preferential programme be carried out, no new tax on imports could be imposed, and no

old one altered in the interests of the British people, without consulting the Governments of our self-governing colonies, and the Finance Ministers of the colonies would find their hands tied in a similar manner. In a protectionist country, too, as one of the results of Protection, internal influences are perpetually at work which make it expedient to manipulate the tariff. But so far as such alterations interfered with Imperial trade, they would be unwelcome to the other colonies or Great Britain. The introduction of Imperial considerations into tariff manipulation would be fraught with serious consequences.

Again, there is the question of bounties. Any colony might object to the invasion of its markets by the bounty-fed products of another colony, and this would lead either to the abrogation by all colonies of the power of granting bounties, or even to some system of retaliatory tariffs within the Empire.[1]

[1] The following replies made by Mr. Vince, Secretary of the Birmingham Tariff Reform League, to a questioner at a public meeting, presumably outline Mr. Chamberlain's policy in the matter of inter-Imperial retaliation:—

Questioner. Will any duty be put on manufactured goods from the colonies under Mr. Chamberlain's scheme?

Mr. Vince. No. If the colonies are willing to lower tariffs against us we shall probably give them Free Trade. If the colonies refuse to give us better treatment, then, of course, we shall treat them as we treat foreign nations.

Questioner. If we consent to have our food taxed for the benefit of the colonies, will the colonies allow our manufacturers to compete with their manufacturers on equal terms?

The more Imperial the scheme, therefore, and the more it is attempted to make the Empire an economic whole for the purposes of preferential treatment, the bigger grow the obstacles to it. It becomes, in fact, increasingly apparent, that the bond which unites the Empire depends for its existence upon its inability to be materialised into a sort of profit and loss account, and that the moment an attempt is made to do so and to commercialise the tie which unites so many great nations widely scattered with widely divergent interests, that tie becomes at once impossible.

The Carrying Out of the Programme.

We have sketched some of the difficulties that lie in the way of Mr. Chamberlain's scheme. It now remains to be seen how, in the face of them, the scheme can be put into force. That Canada will consent to become a unit in a commercial confederacy is, in the present state of Canadian opinion, out of the question. As we have already said, the best informed opinion in Canada regards the scheme commercially and not imperially. On

Mr. Vince. What is proposed is a reciprocal arrangement. If the colonies will not give what we want, we shall not give what they ask.

Questioner. You think they will let our manufacturers trade on equal terms?

Mr. Vince. I would not go so far as that. The colonies have a few manufactures which have been established, fortunately or unfortunately, as protected industries, and they will be obliged to continue protecting these industries.

the other hand, it is Canada's policy to enter into commercial treaties with other countries. She would naturally prefer to have treaties with her friends, and would therefore rather make a commercial treaty with Britain than with any other country, provided she can secure advantageous terms. In this manner, then, she is prepared to negotiate. She will give up no more fiscal independence than she would if she were making a similar treaty with France, nor renounce her power of making treaties with other countries, and she will only enter upon a treaty with us for such period as suits herself, with full power to break it off at the end of that period if she so desires. If Canada sets the example it may be taken for granted that the other colonies will follow it. All idea of making the Empire a unit for commercial transactions will be at an end. Britain will be forced into negotiating a series of commercial treaties with each of her colonies.

A preference given to the colonies on any given article must have a comparative value to each colony, depending on the importance to the colony concerned of the production of that article. Did one colony conceive that it was receiving an advantage compared to which the advantage received by another colony was very great, it would have cause to ask for another preference to equalise advantages.

This raises the question of differential treatment of the various colonies, a claim for which has already been put forward at the meeting of the Australasian

Chamber of Commerce held in London in December, 1903. It is certain to be heard more of, especially if the time comes when the colonies can produce more than is required for the British market and have to compete against one another. The refusal to accede to a request by one colony to be placed upon equal terms with another more favourably situated would certainly create a grievance against the Mother Country even if it did not cause inter-colonial jealousy, and would probably lead to demands for an extension of the preference to other articles of commerce. On the other hand, a differential tariff would in all probability cause worse jealousy. Thus emulation, friction, and disappointment would replace harmony and unity.[1] The feeling of Canada, as far as it was expressed to us, was practically unanimous against a differential tariff. Moreover, such a tariff would need constant readjustment as the colonies developed. The readjustment of the simplest protective tariff is a long and difficult affair, owing to the interdependence of various industries and the necessity of co-ordinating their products. It is a work from which Governments shrink owing to its difficulty.

[1] The following will show more clearly of what we mean. Australia has an enormous area, which, if irrigated, will grow an average of eight bushels of wheat to the acre. The expense of irrigating, harvesting and freight must so handicap her in competing against Canada that without a preference over that colony she can scarcely hope to find a place in the British market.

The British tariff will be of a manifold nature. Presumably there will be two tariffs for foreigners, a normal and a most-favoured nation ; an Imperial tariff for dutiable articles, *e.g.*, tea ; and, finally, the time may come when a Protectionist Government will deem it necessary to give the farmer who buys in a protected market protection against his Canadian cousin who already sells his wheat profitably at £1 per quarter to the exporter ; and other industries which find themselves in a similar predicament would want similar treatment. The work of adjusting such tariffs affecting half a dozen different countries will present almost insurmountable difficulties.

How Long Can it Last?

Supposing, however, and it is no small supposition, that all these difficulties have been overcome, that means have been found to safeguard colonial liberties, that each colony has satisfactorily negotiated her commercial treaty with Britain for such period as best suits herself, and that the foreign import has been more or less successfully taxed out of the Empire, how long can the fabric last? We must always remember that the arrangement is to be a purely commercial one on one side at least, and that Canada will abide by it only so long as it is profitable. Probably, therefore, it will last just so long as nothing more advantageous is thrown in the way of the Colonies. How long will that

be? We have already dealt with the effect of Mr. Chamberlain's proposals upon the United States, and the danger appertaining thereto. The United States will certainly not be the only country similarly affected by the proposals and similarly desirous of breaking down the Imperial preference. It is a danger which will from all sides assail the individual units making up the Empire. Britain will have to see that the inducements that she offers are superior to those of other countries. In the case of Canada and the United States she clearly cannot compete. In most other cases she might be able to compete successfully, but it would not be a dignified spectacle to see Britain bidding against a foreigner for the favours of one of her colonies who was engaged in playing off one suitor against the other in order to secure the best terms for herself.

If we establish a material tie which must depend for its stability on the commercial advantages we can offer, can we bid high enough to keep the squalid bond intact and strong?

Great Britain with the best intentions possible will not be able to bid against other countries. She will have to remember her teeming masses and her limited resources, her own manufacturers and the expansion of their trade. So that if it comes to bidding, we shall always be urged by the offers of other countries to increase our offers, until finally we succumb. The United States will assuredly endeavour to possess herself of any

advantages we may gain, and will continually bid against us. Then, again, we have pointed out that Imperial reciprocity is antagonistic to the policy of retaliation. And the desire to make use of the latter, which exists strongly at present in Canada, will be a force acting against the permanency of the arrangement.

It is a business policy, and depends for its success upon its soundness. Is it a sound policy that an Empire as great as ours should subsist upon its own washing? Even at the present time there is little to recommend it. Canada stands to gain from it practically nothing that she has not got at present. By it Britain cannot materially improve her market in Canada. As the Empire grows it will have even less to recommend it, for as the colonies grow larger they will have of necessity to look for other markets. These markets will be found, just as they are being found at present, along the course of the natural streams of trade. It has never been either a wise or a remunerative policy to try and turn aside the natural course of trade. The building of costly canals along which to force it in opposite directions to those in which it would naturally flow, which is what Mr. Chamberlain is attempting to do, is doomed to eventual failure, especially when foreign countries are improving and facilitating what is already the natural course. What will be the result of a policy economically unsound? It will not bring in the profits expected. Disappointment and resentment at any little Imperial

restriction will follow in its train. Then it could not be long before the treaty was broken off. Commercial treaties are always dangerous when they are broken off. Economic disturbances result which dislocate trade and cause suffering, depression, and of course, resentment against the Power with whom the treaty existed.

So it was when colonial preference was abandoned as a result of the adoption of Free Trade by England. The feeling then was so strong that it almost led to the loss of Canada, by stimulating an existing undercurrent of annexation feeling. This is an example of the danger of the commercial tie. Further, the feeling caused by the abandonment of the Canadian-American reciprocity treaty, which was the result of the Civil War, led to a feeling of resentment on both sides of the boundary which has not yet disappeared. This has at present led to no important political or constitutional changes, but a similar feeling between two parts of a great Empire is likely to be so dangerous in its results as to more than warrant us in hesitating to risk its occurrence.[1]

[1] We do not propose to enter into the necessarily somewhat speculative question of whether foreign nations preparatory to an attempt to break down the Imperial tariff would cease to give most-favoured-nation treatment to Britain and her colonies or not. The risk of such treatment, however, fraught as it would be with inevitable loss of foreign trade, deserves consideration, particularly as the whole question has to be considered from a commercial standpoint.

Heart and Pocket.

We have in the preceding pages attempted to suggest some of the obstacles to the practical realisation of Mr. Chamberlain's or similar proposals. It seems to us that these alone are sufficiently formidable to urge us to pause before experimenting in this direction with our Empire and our trade, but we have still to discuss another aspect of the question. Can the Imperial tie be strengthened by commercial bonds? How will the introduction of considerations of pecuniary gain or loss affect Imperial loyalty? We are asked to depart from what has hitherto been the guiding principle of our Imperial aims—freedom, not only of government, but also of fiscal policy in each country which flies our flag. Will consent weaken or strengthen the ties that bind the Empire?

It is certain that no commercial advantage will keep loyal an otherwise dissatisfied colony. Loyalty, as we now understand it, springs from a deep-rooted sense of pride and peaceful content in a system which ensures freedom, honour, and world-wide respect. A colony loyal for these reasons is not to be tempted from its allegiance by pecuniary loss or gain. Disloyalty can only result from a bitter sense of injustice and fettered liberty, or the sacrifice of the national welfare for the benefit of nations across the sea. Should a colony deem it expedient to claim independence, from a desire for either better government or increased liberty, no paltry consideration of commercial advantage

will disturb the wave of popular enthusiasm or indignation that must be the motive or method of casting off an allegiance.

So that if there really are disruptive forces at work within the Empire we cannot hope that a preference will kill them. On the other hand, a preferential tariff may well contain the element of dissatisfaction or even of disruption. Take the case of the Canadian cotton and woollen manufacturers and others who have had cause to complain of British competition. Under present conditions their grievance can only be against the Canadian Government, who alone are responsible for granting the preference, and it is a question for the manufacturers to settle with their Government. But had the preference been the result of a compact between the Governments of Canada and Great Britain, by which in return for certain advantages granted to the Canadian exporters Canada had conceded terms which gave her manufacturers cause for complaint, their complaint would primarily be not, as now, against their own Government, but against the system which exposed them to such competition, and that system would be nothing more nor less than the Imperial connection.

When the Government of one country makes a commercial treaty with the Government of another country in pursuance of a policy which is presumed to be calculated in the interests of their respective countries, those injured have ground for complaint against their Government. The unpopularity of

the Government will be measured by the number or political power of the dissatisfied, and they will do their best to obtain the denunciation of the treaty and the removal of the responsible Ministers. But when, as in the case of commercial treaties within an Empire, the fiscal arrangements of a nation have to be modified, not at the unfettered will of her own Ministers in her own interests, but conjointly by her own Ministers and the Ministers of another nation, or indeed of other nations, for the supposed welfare of a machine, in the complications of which the individuality of each nation has to be merged, then the dissatisfied have ground for complaint against the Empire and the Imperial connection which prompted the transaction.

Business must be conducted on business lines, and in endeavouring to conduct it along the grooves of sentiment, there lies the great danger of creating in the colonies an anti-Imperial class. The trade of a country to be satisfactory to its inhabitants should be conducted wherever adequate profit is to be made, and not merely where sentiment desires intercourse.

A similar danger exists at home. If a system which began with an impost on the food of the British taxpayer, and resulted in depriving his Government of the control of the financial arrangements of Great Britain in his interest; if the poor man's purse was squeezed and his family deprived of cheap food for the supposed benefit of the colonies, there is little doubt that an anti-Imperial

class would soon be formed in Great Britain, and it would not be long before these "Little Englanders" were represented by a sympathetic class in the Imperial Parliament.

Canada desires above all things a Parliament at Westminster more completely in sympathy with the colonies, and with greater knowledge and understanding of colonial thought than is the case with our present school of politicians. She would rate an Imperially-minded Parliament and an Imperially-minded people in Britain far above the pecuniary advantage to be derived from a preference. A guarantee of the continued integrity of our Empire, the life of which depends on the willingness and Imperial sentiment of the people who compose it, is surely not to be found in adopting a policy which, by imposing burdens and restrictions too great for some of them to bear cheerfully or willingly, would create "Little Englanders" in England and "Little Canadians" in Canada.

It is impossible to superimpose a commercial tie on to the existing one of confidence and affection without destroying the disinterested nature of Canadian loyalty. At present the loyalty of the Canadian is one of his dominant characteristics, but it is not a thing he can stop to reason over or reduce to logical terms of profit and loss. Implicit faith in the British flag is as much a part of his nature as is his religion. There is nothing to show that this loyalty is waning; or even that it is in any way threatened. It is the bond which has

hitherto bound the Empire together, and there are no grounds for supposing that it will in future prove inadequate to do what it has done in the past. But once something of the nature of a commercial transaction is introduced, the whole nature of the bond is changed. The ties that at present hold the Empire together are none the less real because they are peaceful and intangible. Their value is in no way decreased by the fact that it is these very qualities of peacefulness and intangibility that alone render the Imperial tie tolerable to a large proportion of Canadians of foreign descent, to whom a more hard-and-fast bond would be irksome. This cannot last under a stereotyped commercial agreement. The tangible is bound inevitably to exclude the intangible, with the result that the old relations that bound the Empire together must tend by degrees to disappear and purely commercial ones based on preferential tariff treaties will take their place. At present commercial treaties can be made in any quarter without weakening the Imperial tie, because commerce and empire are distinct. Once destroy the distinction that now exists between these two, and the continuity of the Empire will have to depend upon the stability of the commercial treaties that connect its parts together. Commercial treaties last, and ought to last, just so long as they are commercially profitable, and their object being solely profit, they are usually denounced as soon as a better offer is made from elsewhere. Were Canada offered her

choice between entry for the first time on favourable terms into one of those great markets which are now closed to her and a slight improvement in her already strong position in the British market, there can be no doubt that her true commercial policy would be to close with the foreigner. But this would be a policy antagonistic to the unity of the Empire, for Canada would be cutting the dyke and letting in the sea of foreign competition into the Imperial preserves. Such conduct would have to be met by the other members of the Empire with some self-defensive measure of expulsion, proscription, or at least of forfeiture of privilege within the confederacy. So Canada would be confronted by a thorny problem. If she chose to consider the best interests of her people and her trade, she would become the scapegoat of the Empire; if she chose to conform to the new standard of Imperialism she would be conducting her affairs in an unprofitable and unbusinesslike way. This is a dilemma in which it ought to be impossible for a colony to find herself, and such a situation could not fail to damage the Imperial prestige and endanger the bond of Empire. Further, if the colonist is told that there is little more in Empire than commercial advantage he would soon come to think that the Empire should lie where the greatest commercial advantage is to be found. We are glad to think that trade now follows the flag, but we should not be anxious to establish a *régime* under which the flag might follow trade.

CHAPTER V.

WHAT BRITAIN MIGHT DO.

WE have now roughly described the country with which we have to deal. It is a country in which an Imperial preference has been tried before. We were told that so long ago as the 17th century, a suggestion for preferential trade was made to the Commandant at Quebec by the French Government. The suggestion was contained in correspondence which redounded in expressions of desire to bind Canada more closely to France. It was tried again—this time by Great Britain—at a time when there was far less danger of conflicting interests, and when the Canadian constitution was less independent than to-day. But even then on the one hand the inevitable friction, the smuggling and quarrelling made many glad that it was given up, and on the other so violent was the disappointment of the rest that it almost led to annexation by the United States.

It is a country essentially loyal to the Imperial idea, and the Imperial idea as Canada understands it means autonomy political and fiscal under the Union Jack. By the Imperial tie Canada understands a bond which asks nothing, which compels nothing, but for which the Canadian is free to fight

when he chooses and if he chooses. It is in this kind of bond alone that the many races and many interests of which Canada is composed find common ground for satisfaction and loyal adherence. If any alteration is to be made in the nature of the Imperial tie, no alteration that does not guarantee to the Canadian fully as much liberty as he at present enjoys will meet with his approval.

But to reiterate the impossibility of Mr. Chamberlain's scheme should not be the whole duty of those who are interested in the welfare of the Empire. We do not propose to depart from our alternative Imperial policy—that of leaving freedom of government and of trade arrangements to each colony and of trusting to the loose elastic bonds of sympathy and respect. But our Imperial policy requires manifestation by something more than mere declaration, it demands definite action to prove that it is undoubtedly a live policy. There are certain conditions under which a policy of negation becomes a policy of construction. It is so often inquired, If you are not going to do this, what are you going to do? Nothing? And the complete answer seems to us to be: We are not going to depart from our past policy, but we are going to do our utmost to remain sensible of the responsibilities our policy imposes upon us. By this means we shall demonstrate to all whom it may concern that whilst we believe Free Trade essential to our prosperity, and freedom to make their own trade arrangements essential to the

colonies, we are as good, if not better, Imperialists than even the Protectionists claim to be. It is the purpose of this chapter to suggest some spheres of activity for the Home Government which are indicated in the fulfilment of our Imperial policy.

As the colonies have developed they and the Mother Country have come to know more and more about one another, and a desire has thus been produced for closer intercourse. It is as one of the fruits of that desire that the present agitation has arisen. Though as Free Traders we are opposed to Protection, and as Imperialists we are opposed to the preferential attempts which must result from the adoption of Protection, yet as Imperialists again we can welcome the spirit which we believe to be at the base of the movement, and it is clearly our duty to suggest some methods of satisfying that desire. In suggesting the topics that are dealt with in this chapter we do so in the hope that each suggestion may be discussed and considered on its merits, and we trust that we shall not be charged with the presumption of forming an Imperial programme.

COMMUNICATIONS.

There are few things more earnestly desired by the people of Canada than an improvement in maritime communications. Between Canada and Europe there are three main routes :—

I. From the ports on the St. Lawrence (Montreal, Quebec, &c.).

By this route all summer shipments of wheat and other Canadian exports leave the country. It is also the main passenger route to England, but it is not practicable in winter. The high rates of insurance demanded for ships undertaking so perilous a journey in winter, surrounded by floating ice and irresistible icejams, are prohibitive to freighters, and the perils and uncertainties keep passengers away.

II. From the ports of the maritime provinces (Halifax, St. John, &c.).

This route has the advantage of necessitating the shortest sea-voyage, but has the disadvantage of entailing a longer railway journey from the commercial centres of Canada. Probably Halifax or St. John would be the starting point for any quick line of steamers. A suggestion is now being urged in Montreal to run 25-knot steamers to Galway, tranship cargo across Ireland, and thence by ferry to Liverpool, thus reducing the time of transit by almost one half. The idea of making this the chief route to England is well worth considering. Ireland's development would be materially assisted by an important service of this kind, but the stormy Irish Channel and the foggy coasts of Galway suggest that the details of the scheme may be open to criticism.

III. From a port on Hudson's Bay.

It is projected to build a railway from Winnipeg to Fort Nelson at the South of the Hudson's Bay and a contract has been made with a British firm of Baltic shippers to run ships there as soon as

the railway has been built. Should this scheme ever be carried out it will be the best, and by far the cheapest outlet for the whole of Western Canada and a large part of the Western States, and will be of the utmost importance to Canadian agriculture in the North-West.

It only remains to be decided how long this route will be clear of ice and so for how many months in the year the route will be practicable. The opinion of explorers and experts is most varied. On the one hand it is asserted that for nine months in the year ice prevents the possibility of such traffic; on the other hand are to be found those who assert with equal vehemence that the tidal conditions prevent freezing, and that the route is practicable for most of or throughout the year. It must be remembered that such a scheme would be opposed by all existing railway companies, by the Hudson's Bay Company, which would fear the disturbance of its fur country, and generally by the combined wealth and influence of East Canada.

Now, one of the advantages that the Imperial connection offers to the colonies is the right to appeal to an impartial tribunal across the seas. The right of appeal from the Canadian law courts to the Privy Council might under certain circumstances be invaluable to justice, and contrasts most favourably with the difficulties and dangers of equity in the United States. In a matter like the one under discussion, what clearer acknowledgment could Britain make of her Imperial responsibility

than by the offer of a Royal commission to settle once for all the possibilities and limitations of the Hudson's Bay route?[1]

Apart from Imperial considerations, there are certain definite advantages to be gained by developing these steamship routes. In the first place, there is the trans-continental traffic, *i.e.*, traffic from Europe to the far East carried on across America. Practically the whole of this now goes through the United States owing to the far better lines of steamers that ply from United States ports than from Canadian ports. But it is the desire of Canada to take her share in it, and it has long been a saying there that the real termini of the Canadian Pacific Railway lie in Europe and Asia. As a matter of fact, the journey from Britain to Japan *viâ* Canada is considerably shorter than it is *viâ* the United States, and will be still shorter if the projected Canadian Grand Trunk Railway scheme is carried out. In spite of greater distance, however, the United States route holds the field at the present time owing to the superiority of its ships.

For the same reason the Transatlantic passenger traffic is to a very large extent in the hands of the lines sailing to United States ports, although

[1] Why, for instance, when the *Discovery* returns from her Antarctic explorations, should not the British Government equip and send her or offer her to the Canadian Government for the purpose of definitely ascertaining the navigability of the Hudson's Bay?

the sea journey from Halifax or St. John to British ports is far the shorter. There can be little doubt that fast steamers plying from one of these ports would attract a large number of passengers to whom either time or a short sea journey is of importance, though no private company has yet seen its way to starting such a service. The stimulus that such lines of steamers give to trade is of course well known, and is an extra inducement towards any such project. There is a strong desire in Canada for good lines of steamers running to Canadian ports capable of competing with the lines that now run to United States ports; it is felt that sufficient use is not being made of Canada's geographical advantages. It is not surprising, therefore, that Canadians view adversely the heavy subsidies given by Great Britain to ships plying to New York, when half that subsidy, in conjunction with what Canada could offer, would probably have been sufficient to start a fast Canadian line. We do not suggest that Britain should withhold her support from the companies she now subsidises; but, committed as she is to the practice of giving ocean subsidies, it would undoubtedly foster Imperial trade and strengthen the Imperial connection if, wherever it is practicable, she were to devote money to improving those lines which ply between Britain and colonial ports.

At the same time, by thus bringing the home market nearer to the colonial producer she would

be giving him an effective preference over the foreigner which might in many cases exceed what Mr. Chamberlain proposes to give, and would perhaps do much to stimulate trade development and immigration.

Internal Transport, &c.

It has been suggested that the Imperial Government should be prepared to advance capital to be invested in, or even given as grants in aid to, important developmental works, such as the construction of railways, canals and irrigation systems in the colonies. These are to be considered, not merely as colonial, but as Imperial works, for the progress of our colonies is material to the welfare of the Empire, and the more they are developed, the more attractive they will prove as an outlet for the valuable part of our surplus population. In Canada especially are railways to be regarded as Imperial undertakings, for they must form an important part of an all-Imperial route for trade and passenger traffic to Japan and the East. But so far as Canada is concerned, assistance in internal engineering works would not be a useful method of evincing Imperial sympathy. Her prosperity is so assured that there is no lack of private capital. Her people have not yet learnt the luxury of living to the extent which so often accompanies commercial affluence in Europe, and these works provide extremely profitable investments for the rapidly increasing wealth of the country. We cannot, of

course, offer any opinion as to the value of the suggestion as regards our other colonies, but in Canada there is no necessity for assistance in this direction.

Immigration.

Another question worth consideration from an Imperial point of view is whether there are no means by which the stream of emigrants that leave these shores every year could be encouraged to go to the colonies rather than to foreign countries. One of the arguments most used by those who favour preferential tariffs is that they will stimulate emigration to the colonies and thereby satisfy the chief desire of those colonies—a desire for increase of population. The figures of Canadian immigration which we have already quoted show that this is unnecessary. In fact, the rush of emigrants from all parts of the world into Canada is already so great that from one point of view it constitutes an Imperial danger. Canada, already largely cosmopolitan, is becoming more so every year, and it is becoming increasingly desirable to leaven the mass of foreign immigrants with as large a number of Britons as possible, if the British element is to continue large in Western Canada. Much is being done to achieve this by the lectures and other methods of popularisation adopted by the energetic Canadian Department of Emigration. In these efforts we should co-operate, although there are difficulties that confront any

scheme of state-aided emigration. In the first place, there exists in Canada, based on past experience, a strong prejudice against what are contemptuously termed "pap-fed" immigrants. Secondly, there is very little doubt that any attempt to assist operatives and mechanics to go to Canada would, for the present at any rate, be opposed by the Canadian operatives, and especially by the trades unions. This, however, would be no bar to assisting men who go as agriculturists, and something could undoubtedly be done to help them judiciously, and increase in their eyes the already preponderating advantages of going to Canada. The Canadian prejudice against "pap-fed" immigrants is based upon the idea, often a true one, that they are usually so sent because they are undesirables. If this could be overcome the prejudice would probably disappear. There is already a Canadian immigration office in London. If some sort of Government office for assisting emigration to the colonies could be founded whose functions would consist in examining the credentials of intending emigrants, and, if satisfactory, passing them on to the Canadian office for approval, a good class of men could probably be got and the responsibility for them shared by both Governments. State aid could then take whatever form was considered most useful, either loans to assist passages or capital with which to start farming operations. That it would be possible to repay these loans in a comparatively short time seems

almost certain from the prosperity of Canadian agriculture. Loan offices in Canada are ready to advance loans on the security of farms or implements at a low rate of interest, and rarely lose their money. Similar arrangements could probably be made with other colonies. To further assist, it might be possible to make arrangements with subsidised lines of steamers for special terms to intending emigrants to the colonies. By some such means as these it ought to be possible to encourage a very large percentage of British emigrants to remain within the Empire, and at the same time safeguard the colonies against receiving from Britain an undesirable class of emigrant. By these means we shall help to populate the boundless territories of Canada. But, whatever steps are taken, the Government of Canada must be prepared for some difficulty in obtaining settlers for districts which, however fertile, are desolate and icebound in the long winter months when work is impossible, and this is a difficulty that neither preference nor State-aided immigration can obviate.

The Cattle Embargo.

Canadian cattle imported into England must be slaughtered at the port of debarcation within a short time of landing. No opportunity is given the Canadian cattle breeder to sell store-cattle to the British farmer. He cannot hold his cattle in England to await a rise in price, but he must take

the market as he finds it. And when his cattle have suffered severely from the sea journey, he cannot restore them to condition by grazing them on this side of the water. Consequently the prohibition is bitterly felt in Canada, and there is no little resentment occasioned by the refusal of the Board of Agriculture to remove this serious bar to the prosperity of an important branch of Canadian industry.

The embargo originated in the very natural determination to prevent the importation of pleuropneumonia. This horrible disease has cost our farmers so much, and is so infectious, that it is the duty of our Government to do all in its power to stamp it out, and to prevent any fresh outbreak. Canadian cattle were scheduled on what was not a certainty, but a suspicion. An outbreak of pleuropneumonia in Scotland was dubiously traced to a cargo from Canada, and there is still considerable room for doubt as to the correct diagnosis of the disease. But a suspicion based on the slenderest evidence was sufficient to justify the action of the responsible Minister. There our sympathy with the restriction must end. The restriction has been fortified by the Government which came into office in 1895 by embodying it in an Act of Parliament. The Board of Agriculture has never treated the Canadian Government fairly. Naturally anxious to clear their cattle of the suspicion resting upon them, the Canadians eagerly courted the most searching investigation. But to

all their offers the Home Government was unresponsive, and not only so, but the answers they allowed to go back to Canada were thought to cast doubts on the good faith of the offer. To nothing is the Canadian more sensitive than to lack of confidence, brusque treatment, or doubt as to his capacity of administration. Moreover, the Dominion Department of Agriculture is so excellently equipped, and so thoroughly enjoys the confidence of the people over whose destinies it presides, that ignorance only could excuse suspicion of its capabilities. The public spirit of the Canadian farmer and the energy of the Government have prevented any outbreak of pleuro-pneumonia, and there is no room for the slightest suspicion as to the existence at the present time of the disease in any part of the Dominion. In their own interest as much as in ours the Canadians can be relied upon to prevent the importation of infected cattle from the United States, and in the interests of true Imperialism the cattle embargo should be removed without delay. It can only be regarded now as an effort to protect the British cattle breeder at the expense of the Canadian farmer, at the expense of the British farmer who feeds store cattle for the meat market, and at the expense of the consumer who buys his meat. And this anti-Imperial experiment in Protection is hypocritically masked as a method of guarding against a non-existent disease. The Canadian has good ground for complaint, and is, moreover, particularly aggrieved that of all Governments it

should be the British Government which has caused to be attached to him an unjust stigma in the eyes of the world.

Newfoundland.

There is a feeling in Canada that this island should become part of the Dominion. When we were in Canada, the chief obstacle to this was the dispute as to French rights, but this has since been happily settled, to the apparent satisfaction of the Canadians and of the inhabitants of Newfoundland. There remain the two islands of St. Pierre and Miquelon, which the Canadians think should, if possible, be purchased from France by the Imperial Government. It is stated that they dominate the St. Lawrence, and are used merely as a base for smuggling operations. A rumour was being circulated last winter that negotiations had been opened for the sale of these islands to the United States. This naturally alarmed the Canadians, but apparently there was little cause for apprehension in the report.

Sir Richard Cartwright's Suggestion for an Imperial Policy.

Sir Richard Cartwright, one of the best known figures in Canadian public life, is often quoted as a supporter of Mr. Chamberlain's policy. This view of his utterances is of course erroneous. The veteran statesman, who sees clearly enough the dangers and evils of Protection, is entirely out of sympathy with the Imperial policy developed

by the ex-Colonial Secretary. He discards altogether the suggestion that the British Government should tax all imported wheat from non-Imperial sources. But he suggests an alternative policy. He would like Great Britain to tax United States wheat only. This would, of course, give the Canadian producer a preference over the United States farmer. But Sir Richard does not contemplate that even this impost should be permanent. He advocates it as a means of obtaining some reduction in the United States tariff, and therefore as a means of bettering British trade. Sir Richard's policy is thus simply a commercial one. He does not believe in binding the Empire in preferential chains—he is a retaliator who does not discard a tax on food as a potential weapon. He considers that the United States are at our mercy in that they sell us much and buy little. But he assumes that the only market for United States wheat is to be found in Great Britain. It may, therefore, be worth while to suggest two objections to the efficacy of Sir Richard's policy.

(1) If we tax United States wheat coming into Great Britain she will seek other markets and get them, for the available supply in the world does not, as far as is known, exceed the demand. The countries which are still free to send their wheat here will increase their exports and consume United States wheat instead of home-grown wheat. The United States will one day cease to export wheat and would thus lose little or nothing,

while we should have to pay the extra cost entailed by this change of source of supply.

(2) The United States is turning its attention to the possibilities of the Orient as a market for its wheat, and the following extract shows that a new market that we cannot effect is being developed:—

"Of the varied Oriental markets to which wheat was exported through Puget sound during the fiscal year ending June 30, the following partial list suffices to show that the American wheat farm has numerous hungry customers across the sea:

	Bushels.
To Yokohama	144,196
„ Algoa Bay	326,610
„ Caliao	305,845
„ Cape Town	1,360,330
„ East London	442,841
„ Kobe	40,000
„ Melbourne	362,980
„ Port Elizabeth	796,297
„ Port Said	188,006
„ Sydney	352,878

* * * * *

"The flour shipments from Puget Sound for the twelve months ending June 30 last, included:

	Barrels.
Algoa Bay...	28,031
Dalny	11,500
Durban	50,241
East London	38,548
Honolulu	19,240
Hongkong...	554,711
Kobe	115,944
Moji	36,883
Nagasaki	15,569
Port Natal	28,881
Port Arthur	78,982
Sydney	57,202

	Barrels.
Shanghai	41,271
Taku	10,750
Vladivostock	85,560
Yokohama..	362,175

"That business has only begun, and yet the largest orders for flour that have ever come to Minneapolis from any quarter have come from the Orient."—*Mr. James J. Hill, speaking at Minneapolis, January*, 1904.

Without going into further details, we append here extracts from speeches delivered by Sir Richard Cartwright. We feel that these extracts are not out of place here, for he suggests as a British policy a form of retaliation with which we are not familiar in England, and his name has been inaccurately used in the discussion of fiscal subjects:—

"The question of the present, which is probably more than any other agitating the British Empire, is the question whether it is possible to solidify the Empire? Now, sir, my memory goes back for forty years, and I remember very well that the time was when British statesmen thought it was not possible to solidify the Empire. I remember very well when British statesmen, and British statesmen of the very highest rank and place, were disposed to throw their colonies overboard, and more especially to throw their North American colonies overboard. There has been a wondrous change in the spirit of their dream since then. Now, I have here in my hand that somewhat remarkable manifesto issued by Mr. Balfour but a few weeks ago. It is a thoughtful and scholarly exposition of Protection, as might be expected coming from such a source; but I would venture to say, with all due deference, that Mr. Balfour is more theoretical than practical in his treatment of the subject. Mr.

Balfour speaks of the American fiscal system as one who has studied it from books. Mr. Balfour is rather like the closet naturalist—he never met the beast in its native jungle. Had he done so, he would have known, I think, that the United States fiscal system is a corrupt and demoralising system, that it is politically and commercially unsound, that it affects the distribution of wealth—a most important point—most injuriously. Now, sir, Canada, so far, as yet has maintained itself as a free country; I venture to say a freer country than the United States. A country where life and liberty are better guarded and justice better administered. And I say, for my part, that, as far as I can judge, Canada wants no dwarf Pierpont Morgans or miniature Rockefellers among her people. Canada does not want Standard Oil Companies or Steel Trusts. Canada does not desire to see her commerce at the hands of two or three irresponsible autocrats who can make footballs of millions of their fellow-countrymen.

"Mr. Chamberlain, who is a practical man, knows better than Mr. Balfour, and I observe in one of Mr. Chamberlain's recent speeches he defines the United States tariff as a tariff of abominations. Mr. Chamberlain, however, is not over-clear always as to what he means. I am not quite sure that Mr. Chamberlain has thought out all his propositions. I am very certain that his Canadian advocates have not. Possibly United States Protectionists would have done so, because self-interest is a wonderful sharpener of the eyesight, and I think they know whereof Mr. Chamberlain's propositions may come to end. Now, I will tell you what I think should be done—you can judge for yourself whether it is desirable that it should be done. First of all, I must clear the air of some misunderstanding. I do not say that Mr. Chamberlain contradicts himself, but I am bound to say that in dealing with Mr. Chamberlain's proposals I have got to put in certain caveats. If Mr. Chamberlain

means to state that certain principles are principles upon which Free Trade stands or falls, I must dissent. If Mr. Chamberlain states that not only are those facts to be considered, but there are other important facts which must go to govern the statesmen in dealing with these complicated questions, that is quite another thing. Briefly, if he designs Protection I have nothing to say for him. If he means reciprocity I have a great deal to say in his favour. If Mr. Chamberlain declares that the United States owe their present prosperity to Protection, I deny it emphatically. If he says the United States has prospered in spite of it, I agree with it completely.

"If Mr. Chamberlain, on the other hand, says Canada prospers because of Protection, I take the liberty of contradicting him flatly, and so do the facts. If he says Protection does avert periods of depression, I say he knows nothing of the history of this continent, at least of its commercial history. *I cannot agree with him if he says that any fiscal system will avert depression.* If he says it would be a great gain if nations would exchange on fair terms, I agree entirely with him.

"If he states it is worth while to make temporary sacrifices to bring about such a state of affairs, I agree with him again.

"It is not improbable that Lord Goschen, it is not improbable that Lord Salisbury, it is not improbable that even the Duke of Devonshire and Lord Rosebery, and not improbable that research will show that Adam Smith and John Stuart Mill and Mr. Cobden would be found of the same opinion. Sir, if Mr. Chamberlain declares that Protection hurts countries that do business with Protectionist countries, he says what is true. If he says that he can tax all food products from all countries without adding to the prices somewhere, I say Mr. Chamberlain is clearly wrong. But if he says he can tax the food products coming *from one particular country* without increasing the cost

to the consumer, it depends. It may be so, or it may not be so. Now, sir, the real truth of the matter is this: As I said, it is a rather complicated question. The economists are right, in my judgment, in saying that under normal conditions, certain results may follow. The statesmen are right in saying that these results may be violently disturbed by abnormal causes, and it may be part of their duty to consider them. Economists are right in saying commercial wars are harmful, and statesmen may be right in saying that such wars may be forced upon a country. If I read Mr. Chamberlain aright, I think Mr. Chamberlain means more than his critics have given him credit for. I think he shows that there are certain great political possibilities, to which I will invite your attention.

"Sir, I think Mr. Chamberlain sees that the selfish policy of the United States has resulted in a very extraordinary condition of things, and has put a very great power into the hands of the people of Great Britain if they choose to use it. The trade relations now existing between Great Britain and the United States are worthy of the most serious consideration. I have here a list of the exports, and invite your attention to them.

"The United States in 1903 exported $1,420,000,000 worth of goods, chiefly food products. They sent to Great Britain and Canada, and the other dependencies, $747,000,000; to all the rest of the world outside the British Empire they sent $672,000,000—the trade with Great Britain and her colonies amounted to $75,000,000 more than with all the rest of the world. As you know, their goods are imported free into Great Britain. At any rate, as you know, the trade from Great Britain to the United States has been cut down by prohibitory legislation to such a point that only some £20,000,000, or about one-sixth or one-seventh part of the amount Great Britain imports free, has been exported to the United States. Now, sir, there are three courses, to

my mind, open to the people of Great Britain. They may use, if they choose, the power which they possess to enforce reciprocity on the people of the United States; they may use it to greatly stimulate the food production of Canada, of Australasia, of India, *and of the Argentine Republic, and other places;* or may use it to pave the way to something closely approaching a zollverein between all the English-speaking nations and subsequently to something like a practical alliance between all English-speaking nations.

"You want to consider what it means to us. The United States is an Enlish-speaking nation. Sir, were such an alliance an actual fact, it would mean that the allies would control the entire new world. Of North America they have now possession. South America they have under protection, and I hope they will use it well. Of Africa they have the half, all of Australasia, and probably four-fifths of Asia would be open to them. I think that is enough for any modest and well-disposed community.

"This may be accomplished if only the English race choose to stand together. It may come to this, that we will all live to see two great world-empires, one Russian and the other English-speaking, one Saxon and the other Slav, and without in the slightest degree doing injustice to other countries. Here is a little sum in arithmetic which I would advise you to consider, and all English-speaking people who are in the United States: 80,000,000 plus 55,000,000 make 135,000,000 and that is a dominating factor in the world's history. Eighty million minus 55,000,000 is equivalent to 25,000,000, and that will be a negligible quantity. That will be an open door for the United States to extend commerce, that will be the true defence of England's food supply, and much else beside. I grant that until recent events this might fairly have been considered pious imagination, but very important things have happened within the last few years, which have had their lessons for us and for Great Britain and the United States."

And from another speech :—

"Once imbue the minds of a large section of the people with the idea that wealth can be created by imposing taxes, and it is obvious that they have no longer any reason for opposing the imposition of new taxation, and that when the Government wants money it need only profess that it desires to encourage new industries to find a ready excuse for filling its coffers.

"Under taxation for revenue purposes only, Canadian expenditure for 1874 was $23,316,000; in 1878 it was $23,519,000, in spite of large expenditure on public works; but under taxation for protective purposes it increased to 37,000,000—an increase in eleven years of 14,000,000.

"There is no more effectual method of installing corruption in the politics of any country than to give a large number of active, energetic business men a direct pecuniary interest in controlling legislation and in supporting any particular political party. Being subsidised they must subsidise in return.

"Sir John Macdonald, Premier of the Dominion being pressed for funds, summoned eighty or ninety of the principal protected manufacturers in Canada to meet him at the Queen's Hotel, Toronto, and then and there told them that as the Government had helped them to enrich themselves at the public expense, they in return must help to keep the Government in place."

Laurier and Treaty-making Power.

It is too early yet to judge a new demand which is certainly likely to receive a cordial welcome in Canada, but an important suggestion for the devolution of Imperial responsibility must be mentioned in this chapter. The demand for treaty-making power is to be regarded as a

natural development of the Canadian Imperial idea. It is not looked upon by its promoters or its supporters in any way whatever as a step towards independence; it is aimed to perpetuate the Imperial connection by increasing yet further the liberty of the colony, and so diminishing the possibility of friction. It probably comes at the present time largely as a result of the Alaskan treaty, and will be urged, if urged it is, as an expression of dissatisfaction with British diplomatic methods and of determination that she shall not have an opportunity in the future of repeating bygone blunders. Nor will the demand be as formidable as it sounds. So far as sketched at present, the Government of Canada will ask, now or at some future time, for permission to negotiate on her own behalf directly with the representatives of foreign powers.

She will seek the consent of the Imperial Government before entering into any such negotiations, and their result will not be ratified without the approval of the King and his ministers. She will ask, with the permission and approval of those to whom she looks for her defence, for the right to make her own treaties. This demand will be prompted by a distrust of the potency of English foreign ministers, remarkable though such a distrust may seem, and will be made as a method of guaranteeing to Canada the representation of her desires to her satisfaction. Thus autonomy under the Crown may be developed, another

ground of friction removed, and the Imperial connection safeguarded and more firmly established. It is not foreign to, or inconsistent with, her ideal of loyalty, or with desire for a permanent bond of the highest nature. But it is a manifestation of a trend in direct opposition to Mr. Chamberlain's policy, and its welcome in Canada will be some indication of the possibility of the latter scheme.

This extract from a speech of Sir W. Laurier's clearly explains his aim :—

"What is the bond of our Empire? It is effective, potent and powerful. It is the powers of local autonomy and self-government given to all the colonies. This principle was not known at the time of the revolution of the thirteen colonies of the United States, but it was left to the Baldwins and Lafontaines to proclaim it in Canada, where it was known for the first time.

"But our institutions may not remain always as they are at present. More local autonomy may be required. A few weeks ago I said that we might request treaty-making powers, but I shall not discuss this, as I am sure my friend Mr. Borden would agree that this subject might be saved for discussion when we meet in the House of Commons a few weeks hence. But I am sure that whatever power of self-government may be granted to the colonies—to Canada, Australia, New Zealand or South Africa—they will serve only to bind them closer to the seat of Empire rather than loosen the ties. Nobody would have supposed in 1837 that in a few years the two provinces of Canada would have been entrusted with powers of self-government, but the result of the action of the Imperial Government at that time was to turn rebels into supporters of the Government. The

Roman Empire meant war; the British Empire means peace. I am not a young man, and I thank Providence I was born in Canada. But Canada's history is only commencing. As the nineteenth century was that of the United States, so I think the twentieth century shall be filled by Canada. For myself I cannot see much of it, but when my eyes close I hope it will be on a united Canada cherishing an abundant hope for the future."

CHAPTER VI.

CONCLUSION.

If we are to believe the teachings of history, a maritime Empire is an unstable thing, and this warning has often been applied to the British Empire. In applying it, however, one is apt to forget that the British Empire of the present day has little in common with those Empires of the past. A fundamental difference exists, created by Great Britain herself, who by precept and example has taught the world to attach an entirely new significance to the word colony. The mediæval conception of a colony was one of the strictly guarded preserves which existed simply and solely to be squeezed to provide a rapacious parent with the uttermost drop of sustenance or profit. After a time, evil chance or the effects of this parasitic battening process would cripple the parent power, and as a natural result the component parts of the Empire were either filched away or drifted off to independence and increased prosperity. So died the maritime Empires of the past. There was a time when Britain's older colonies were fulfilling this same function. But as the Empire increased in size and became the home of hardy, thriving, independent offshoots of the British race, it became

a necessity that the barbarous old method should give way to more enlightened treatment. Gradually Britain was forced to realise that the enterprise of these vigorous young communities commanded a higher destiny than that of merely filling her coffers, and, as the conviction grew in strength at home, so did the independence and nationality of the colonies grow abroad.

The first step along the new path of British colonial policy, once taken, was an irrevocable one, and everybody knows the result of Lord North's effort to retrace it in his dealings with the American colonies. It was the first and last attempt to turn back; it was the death blow of the old school of colonial policy. Since that day have arisen the great self-governing colonies.

The British colonial policy under which they grew, though in many respects shifting and variable, has been marked by one constant trend, namely, the gradual relaxation of those irksome bonds which were the relics of the old colonial school, and their replacement by the gift of the fullest powers of self-government that are compatible with the inability of the colonies to defend themselves. In short, colonial policy for a century past has been shaped to make the ties binding colonies and Mother Country as light, as elastic, and as non-galling as they can be made. And under this wise policy, it is through no pampered infancy that the colonies have won to their manhood. Sent forth early to make their way in the

world, they have conquered the rigours of climate, the rudeness of the land, the jealous rivalry of the nations of the world. In the struggle they did not ask, and did not often receive, the help of their Spartan mother, who steadily, though often coldly and carelessly, pursued her policy of decentralisation and non-interference. How far Britain's colonial policy came of her own volition, how far it was forced upon her by the colonies, or how far it was the outcome of mere ignorance or neglect on her part, it is not necessary to discuss here; it is the fact that under this continuous policy the Empire has grown up that matters to us now. For results have abundantly justified the wisdom of the policy. The British Empire presents to-day a spectacle unique in history. Instead of the central country with its dependencies shackled to it by chains, that the world has hitherto called an Empire, it beholds a group of sister nations held together by bonds of blood relationship, mutual support and community of interests. It is an Empire which girdles the earth; its strength lies in the strength and vitality of every one of the units of which it is composed; its prosperity is derived from the commerce which such an Empire can drive to the uttermost ends of the earth. We have called it a group of sister nations—sister nations they are, and the sooner that Britain realises that her self-governing colonies have outgrown their childhood, and that she has to deal not with dependencies but with equals, the better it will be for the

Empire. It is but one of many points with regard to the colonies upon which Britain is at present ignorant. Before she attempts to alter her traditional colonial policy, let her be sure that she knows with what manner of men she is dealing. Let her try to understand the proud and independent spirit which animates these vigorous communities. Let her try to understand the passionate devotion with which they regard their rights, their liberties, their independence, from the acquisition of which dates that which is most dear to them—their rise as nations. Let her realise the nature of the sentiment that prompts many at least of their members to reject the offer of a preference because they think it is a dole tardily offered in the days of their prosperity. Let her realise the nature of the spirit which places the least fragment of independence far above all pecuniary gain. Let her realise and emulate, if she can, the genuineness and exaltation of the loyalty these young countries bear to the old country they still call mother. Let her at least acquaint herself with their geographical, social, and industrial conditions. Then, perhaps, Britain may be able to judge whether the time is now ripe for a policy which is to bind the Empire by fiscal bonds, bonds which are of their nature rigid and inelastic, of the kind once considered essential by the old colonial school, but which it has ever since been British policy to relax. Britain has to answer the question whether an attempt to materialise her

Imperial connections into hard cash is not a step back from the path of Imperial progress and prosperity, a disastrous retrogression towards the doctrines of the dead and gone colonial school, which it took so many years, fraught with the loss of blood, treasure, and colonial possessions, to eradicate.

From what we have said, the conclusion seems to us irresistible. The only practical Imperial policy demanded is to overcome geographical difficulties by communications, and thus to defy sea and mountain to separate the different parts of the Empire.

Canada looks with scorn on an insulting attempt to purchase her loyalty, and requires nothing to increase her prosperity, while she fears a loss of her independence. She desires to develop her own trade and resources, and believes that in working for her own welfare she is working for Imperial welfare. She begs us to consider our interests and to safeguard hers. Her prosperity is assured, and she wants nothing done for her at our expense. Her farmers are ready to face foreign competition wherever they may meet it, her manufacturers desire the monopoly of the home market, while her people generally desire freedom and peace under the British Crown. Of Great Britain the Canadian has a right to expect tolerance, sympathy and knowledge. An Imperial Government ignorant of geography and disdainful of his civilisation is abhorrent to him. He desires confidence and

sympathy, tact and recognition. He is not a dependent, and is only to be governed by consent. Above all, he desires modernity of method and liberty of trade. If Great Britain respects Colonial opinion, consults Canada when Canada is concerned, encourages Imperial patriotism, cherishes the good name of the British Empire, and avoids ignorant blunders and irreparable follies, if she avoids conflict and friction, and leaves bargaining to those who must, the Empire is permanent.

It has been well said that the Liberal party in the past tried to lose the colonies and succeeded in securing and establishing Imperial unity. On the other hand, the Conservative party is making a desperate but unnecessary attempt to define, codify, and so to strengthen Imperial relations, but their policy, if adopted, would rather lead to the disruption of our Empire.

APPENDIX I.

We have collected in this appendix some rather miscellaneous extracts from various Canadian publications, in order to give, as shortly as possible, information on topics germane to the subject under discussion. Only a selection is possible here, and for further statistics the reader is referred to the well-known books of reference on the Dominion (*e.g.*, the Statistical Year Book of Canada). The extracts are from Government Blue Books, pamphlets, &c., except where their source is specifically mentioned.

The Possibilities of the Dominion.

Leaving now any further discussion of these enormous northern territories, let us return to the smaller and better known districts nearer the lines of railway. Of the 171 million acres in Manitoba and the three Provisional Territories, which are said to be suitable for cultivation, a very small part is yet under crop. In Manitoba there were 2,039,940 acres under wheat in 1902, and 1,134,385 acres in other farm crops,

making a total of 3,174,325 acres. In the three Provisional Territories there were in all 625,758 acres in wheat, and about 363,879 acres in other crops, making a total of 989,637 acres, which, added to the acreage under cultivation in Manitoba, makes in all 4,163,962 acres. From this comparatively small area over 67 million bushels of wheat and nearly 59 million bushels of other grain were produced.

In 1903 the season was less favourable, and while there was an increase in the acreage of land devoted to wheat in Manitoba and the Territories the total production has been about 52 million bushels of wheat with about 54 million bushels of other grain. While the land prepared for crop in 1904 is considerably in excess of that for 1903 it is not likely to exceed 5½ million acres in all, which is not much more than three per cent. of the land suitable for agriculture within the limits referred to.

The following figures as to the quantity of land fit for settlement in the Province of Manitoba and the three Provisional Territories, Assiniboia, Saskatchewan, and Alberta, have been obtained from official sources and may be accepted as approximately correct:

	Total Area Exclusive of Water. Acres.	Estimated Proportion Suitable for Cultivation.	Acres.
Manitoba	41,000,000	⅔	= 27,000,000
Assiniboia	57,000,000	⅛	= 50,000,000
Saskatchewan	70,000,000	¾	= 52,000,000
Alberta	64,000,000	⅔	= 42,000,000
Total	...	...	171,000,000

It is thus estimated that there are within the limits referred to, after making allowance for lands unfit for agriculture, about 171 million acres suitable for cultivation by which is meant land of such a degree of

fertility as to admit of profitable farming. We should not, however, deal justly were we to pass over the great north country lying beyond the boundaries of Saskatchewan and Alberta without a few words of explanation.

The 155 million acres of land in Athabasca, and a large slice of the 340 million acres in Mackenzie, will no doubt prove important factors in the future development of Canada, but what proportion of these vast districts will be capable of the profitable growing of crops is as yet a matter of conjecture. There are, however, some proofs available showing that it is possible to grow cereals to some extent in portions of these remote districts of which our knowledge is so fragmentary.

The writer has received samples from Dunvegan, on the Peace River, in Athabasca, 414 miles by latitude north of Winnipeg, of Ladoga wheat, plump and well matured, weighing 64 lb. per bushel; oats weighing 40 to 42 lb. per bushel; six-rowed barley, 52 lb. per bushel; and spring rye weighing 56 lb. per bushel.

At Fort Vermillion, further down the Peace River, also in Athabasca, 591 miles north of Winnipeg, Ladoga wheat has been raised weighing 60 lb. per bushel; oats, 41¾ lb.; six-rowed barley, 51¾ lb.; and spring rye, 57½ lb. per bushel.

From Fort Providence, in Mackenzie, 710 miles north of Winnipeg, have come good samples of oats and spring rye; but the quantities received were too small to permit of their weight per bushel being determined.

From Fort Simpson, 818 miles north of Winnipeg by latitude, Ladoga wheat has been obtained which weighed 62½ lb. per bushel. In this instance a small percentage of the grain was injured by frost. This is the furthest point north from which samples of cereals have been received. The time between sowing and harvesting in these far northern districts is in some

instances less than it is at the Experimental Farm at Ottawa. At Dunvegan the grain was sown May 7 and harvested August 21, giving a growing period of 101 days. The same sorts of grain grown at Ottawa, taking the average of three years, require 106 days. At Fort Vermillion the time between sowing and harvesting was also 101 days. At Fort Providence 108 days were required to bring grain to maturity, from June 1 to September 17, and at Fort Simpson the wheat was sown June 7 and harvested September 22, giving a growing period of 107 days.

A Reasonable Prophecy.

The total imports of wheat and flour into Great Britain in 1902 were equivalent in all to about 200 million bushels of wheat. Were one-fourth of the land said to be suitable for cultivation in Manitoba and the three Provisional Territories under crop with wheat annually, and the average production equal to that of Manitoba for the past ten years, the total crop would be over 812 million bushels. This would be ample to supply the home demand for 30 millions of inhabitants (supposing the population of Canada should by that time reach that figure) and meet the present requirements of Great Britain three times over. This estimate deals only with a portion of the West, and it leaves the large Eastern Provinces out of consideration altogether. From this it would seem to be quite possible that Canada may be in a position within comparatively few years, after supplying all home demands, to furnish Great Britain with all the wheat and flour she requires and leave a surplus for export to other countries. With a rural population on the western plains in 1902 of about 400,000, over 67 million bushels of wheat were produced. Add to this the wheat grown in Ontario and the other Eastern Provinces and we already have a total of over 93 million bushels. T' se figures are full of promise for

the future of Canada as a great wheat-exporting country.

Land fit for settlement in Western Canada, 171,000,000 acres.
Of which there is now under cultivation, 5,000,000 acres.
Present production of wheat and other grains, about 125,000,000 bushels.
Possible wheat production (one-fourth under crop annually), 800,000,000 bushels.

Quality of Canadian Wheat.

Analyses established the fact that the quantity of albuminoids (flesh-forming principles) was one-tenth greater in Canadian flour than in the best brand of Hungarian. I went to a prominent baker in London to see if there was any possibility of having a test made by using Canadian flour in one of the modern bakeries. The test was made by the bakers themselves for their own information. This reliable firm of bakers furnished me with a report afterwards. One of their tests in using Canadian flour gave the rate of 146 lb. of bread from 100 lb. of flour, and that of excellent quality. They got at the rate of 152 lb. of bread from the next, and 151 lb. from a third test. All of these were from strong Canadian flour. There is no other flour going to England from any country, so far as I can learn, that makes as much bread per 100 lb., or as good bread, as Canadian flour.

Canadian flour not only contains an exceptionally large percentage of albuminoids, but the different forms of gluten are present in such a condition as to give the dough great tenacity and capacity to take up water. Such a thing as adulteration of Canadian flour by Indian corn flour, or other cheaper and inferior substances, is entirely unknown.

The flour milling interest in Canada is a very important one. There are not less than 2,500 mills, employing over 6,000 men. The values of the wheat

and flour exported from Canada in the years 1898, 1899 and 1900, are shown in the following tables :—

	1898.	1899.	1900.
Wheat exported ...	$17,313,916 ...	$7,784,487 ...	$11,995,488
Flour ,, ...	5,425,760 ...	3,105,288 ...	2,791,885

The following reasons are given for the superiority of the wheat of Western Canada :—

From a commercial standpoint it will produce more loaves of bread to the barrel than any other, therefore it is a question of dollars and cents to the baker.

It contains a larger quantity of gluten than other wheat, it will make a more elastic dough, and produces a loaf of bread that is much more wholesome and nutritious.

It will run over the standard in weight, 60 lb., is the standard; the average Manitoba No. 1 hard will go 62 and as high as 64 lb. to the bushel.

From a milling standpoint the bran is very much thinner than any other, and will yield more flour per bushel. The climatic conditions, as well as the soil, that exist there are exceedingly favourable to the production of this wheat.

Minnesota and the Dakotas twenty years ago produced nothing but hard wheat, principally No. 1 hard, but to-day it is difficult to find any. The bulk of it is No. 1 Northern. At the present time the only genuine No. 1 hard wheat comes from Western Canada.

Climate and Wheat.

Wheat is grown over a wide range of latitude and under many and various climatic conditions. In some respects it is the hardiest of small grains and in others the most delicate. In the earlier stages of its growth it will stand almost any vicissitude of climate, but as it nears maturity it becomes exceedingly sensitive to climatic disturbances. For about three weeks, while passing from the bloom to the mature grain it is specially sensitive to the slightest touch of frost, which is the great

drawback of wheat growing in northern latitudes. A difference of one or two degrees in temperature on a single night during this period will make the difference between success and failure of a wheat crop, and mean thousands or perhaps millions of dollars loss to the region affected. Where the line between success and failure is so narrow it becomes possible to pass over it. The experience of half a century in all parts of North America has demonstrated that the general cultivation of the soil of any region tends towards the maintenance of an equal temperature, and therefore that many regions in which wheat did not mature successfully while the country was in a raw condition, become the most successful wheat producers when cultivation has become general. It is a fact that the regions of North America which are to-day recognised as the great sources of the wheat supply of the continent and of the civilised world are far beyond what were supposed to be the climatic limits of wheat production fifty years ago.

The following is reproduced from the St. Paul, Minnesota, *Dispatch*, of September 12, 1902, as a comparison between points in the States and Winnipeg, Manitoba.

Watertown, S. D., Sept. 12.—A killing frost occurred here this morning. The thermometer registered 24°.

Lisbon, N. D., Sept. 12.—Frost this morning forming ice one-third of an inch thick, killing corn, late flax, and much millet. Nothing but the hardiest vegetables survive. The minimum temperature was 23°.

Iowa Falls, Iowa, Sept. 12.—A severe frost prevailed in this section last night. Vegetation was killed and corn was badly damaged. It is estimated that but 30 per cent. of the corn crop will be marketable, necessitating cutting and feeding the balance of the crop.

Plainfield, Wis., Sept. 12.—Heavy frost this morning. The corn crop was very late and is partly killed and damaged.

Mitchell, S. D., Sept. 12.—A heavy frost covered

this section last night and put an end to all further growth of vegetation. The thermometer went to 24º and stood there the greater part of the night. Corn in this section was pretty well out of the way of frost damage, although some of the late corn was nipped before maturity.

Winnipeg, Man., Sept. 12.—The frost was so light last night that the tenderest plants were not damaged.

Beresford, S. D., Sept. 12.—Heavy frost here last night. Great damage was done to corn.

Huron, S. D., Sept. 12.—Frost last night killed garden stuff and injured late corn beyond recovery. It was the hardest frost known so early in many years. Ice formed in some sections.

The great bodies of water, which are distinguishing features of Canada, also exert a considerable influence on climate. Hudson's Bay is 1,000 miles long by 600 wide: its temperature 65° F. during the summer. In the winter it is three degrees warmer than the waters of Lake Superior. The chain of fresh-water lakes, which almost without a break extends between latitude 44-45 and latitude 51 north and from longitude 75 to longitude 120, covers, together with the smaller lakes, an area of 130,000 square miles, and contains nearly one-half of the fresh water on the surface of the globe. The moderating influences of these large bodies of water, which never freeze over, will be at once recognised.

Productiveness of Western Canada.

The following table is given as showing the productiveness of Manitoba, North Dakota, and Minnesota, based on Government returns:—

	Manitoba.	North Dakota.	Minnesota.
Wheat	25·1	13·4	14·5
Oats	40·3	25·8	33·6
Barley	34·3	23·5	27·6
Flax	12·7	10·3	12·
Rye	23·	13·6	15·8

A staff correspondent of the Toronto *Globe* points out that: "At least 10 million bushels more wheat will be secured in Manitoba this year than in its neighbour to the south. This, too, although the acreage in Manitoba under wheat is certainly not over two-thirds as much as the wheat area in North Dakota. These figures supply a sufficient reason for the rush of the Dakotans into the Canadian North-West, especially when they can sell their land in the Red River Valley for $30 or $40 an acre. With the money thus obtained, the Dakotan farmers can double the area of their farms by moving across the line into a district that gives even higher crop returns than the State in which they heretofore have made a comfortable subsistence."

Canada *v.* United States.

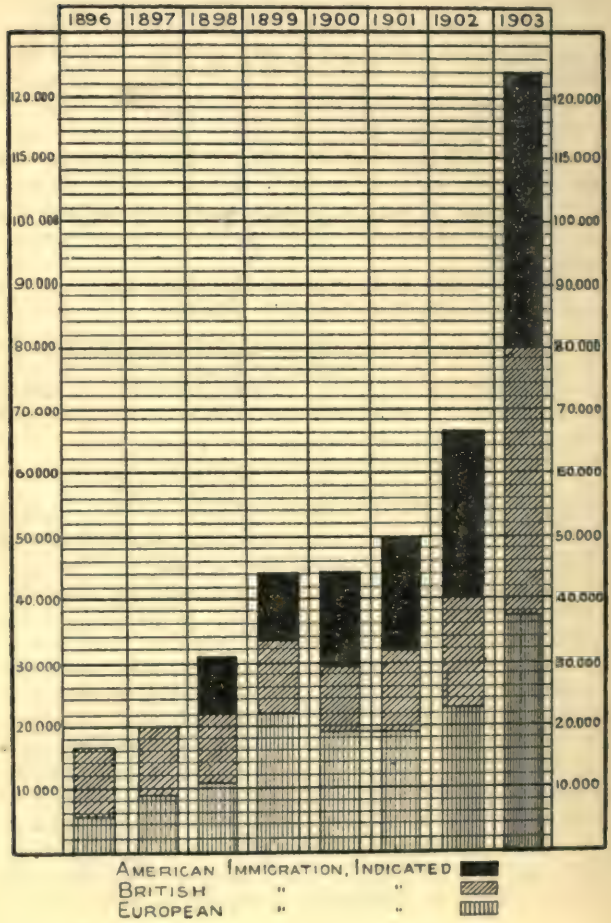
In Canada in 1902	...	2,665,698 acres produced 67 million bushels of wheat.
In the United States	...	46,202,424 acres produced 670 million bushels of wheat.

Nine Reasons for the "American Invasion."

"(1) Little attractive free grant land remains in the United States; (2) the Canadian Government gives settlers free grants of 160 acres; (3) alternate square-mile blocks of railway grants can be bought in Canada at low prices; (4) the uncropped or virgin prairies of Canada are uncommonly fertile; (5) they yield more and better wheat than more southerly prairies because the length of sunlight per day during the growing season increases as agriculture moves north; (6) the immigration literature of Canada is attractive and trustworthy; (7) it is very extensively circulated in rural parts of the United States by resident Canadian agents, who advertise extensively in American papers at Government expense; (8) agents of the speculative American companies 'go after settlers, dig 'em out' and send them to Canada to view the Canaan there.

A ninth main cause may reside in the Canadian railway rates on wheat."

IMMIGRATION.



In eight years the immigration into Canada has increased eight-fold. In the fiscal year ending June, 1903, the arrivals totalled the enormous aggregate of 125,000. This gigantic movement originates, not merely in Europe and Britain—which together supply less than two-thirds of the influx—but from every state in the Union. The "American invasion," which commenced in '96 and '97, in 1903 sent to Canada 47,000 settlers.

The arrivals for the year ending June 30, 1902, total 67,379, as against 49,149 for the previous year, classified as follows:—

BRITISH—		
English and Welsh	13,095	
Scotch	2,853	
Irish	1,311	
		17,259
CONTINENTAL—		
Galicians	6,550	
Germans	1,048	
Hungarians	1,048	
Austrians	320	
Scandinavians	2,451	
French and Belgians	654	
Russians and Finlanders	3,759	
Miscellaneous	7,902	
		23,732
United States		26,388
Total		67,379
Those from Great Britain show an increase over last year	5,449	
Those from the continent of Europe show an increase over last year ...	4,380	
Those from the United States show an increase over last year	8,401	
Total increase	18,230	

METHODS OF INDUCING IMMIGRATION.

An extract from a report of a speech by Mr. Sifton, Minister of the Interior (*Toronto Globe, Jan.* 5, 1904):—

"Mr. Sifton believed that an excellent class of

settlers could be obtained from the United States. He stationed men at convenient centres of population there, and was not discouraged because for the first year or more there seemed to be no results. Some of his agents became discouraged and sent in their resignations, but he induced them to take heart of grace and keep pegging away. Tons of information about Canada was distributed where it was hoped it would have some effect, and at length the harvest began to come in. In the first year of effort only 792 persons from the United States were induced to adventure into the Canadian west. Last year 49,000 settlers came from there. Similar methods had been pursued in Great Britain. A special office, distinctively Canadian in every respect, had been established in the busiest part of the world's metropolis. From this as a centre intelligence about the promised land radiated to the four corners of Britain. No trust was put in the mere scattering of literature promiscuously. The addresses of virtually every farmer and farm labourer throughout the three kingdoms were obtained, and a newspaper setting forth the attractions of the Dominion mailed to every address. The distribution of these prints surpassed the million mark. A text-book on Canada was introduced in the schools; 25,000 maps of the Dominion were hung on the school walls. Almost instantly, as a result of these and other similar efforts, letters began to pour into the London office, and care was taken that when once a man was heard from he was kept in touch until his intentions were ascertained. The result of this methodical system was that 50,000 settlers came from Great Britain alone last year, whereas four years ago the number from all sources was 42,000. In 1903 the immigrants from the various countries numbered 128,000.

"These operations had cost some money. Since 1897 the work in the United States had cost $701,000, but as a result of it 123,000 settlers had come into the country, who had brought in with them stock,

household goods, and farming implements to the value of $18,848,891, and $25,000,000 in cash. These were not guesses, but ascertained facts. Of these 123,000 persons probably 25,000 were heads of families, and it was within the mark to say that on an average in their first full year of operation they would extract from the soil $2,000 worth of products, or a total of $50,000,000 added to the wealth of the Dominion every year.

"As to general results, the total immigration in 1900 was 42,500; in 1903 it was 128,900, of whom 49,408 were from the United States, and 41,702 from Great Britain. During the present fiscal year there were 135,000. All these people, except about five per cent., settled direct upon the land, as was shown by the homestead entries in the North-West Territories, which were 8,000 in 1901, 14,633 in 1902, and 31,383 in 1903, each of which represented a farm actually taken up. The result of this increased immigration is that, whereas in 1898 the cost per head of securing settlers from the United States was $7·77, last year it was $3·25.

"In the five and a half years preceding last June, 143,000 Americans had settled in Canada, at a cost of $701,000, an average of $5·67 per head. They brought in $18,848,891 worth of settlers' effects, and some $25,000,000 in cash, a total return of $43,848,891 for the cost of getting them. Of these there were 25,000 farmers, heads of families, used to extensive farming. At a moderate calculation, after six years' settlement, they would each produce $2,000 worth a year, a total annual addition to the country's wealth of $50,000,000."

Testimony of Settlers.

Sec. 32, 3, Tp. 6, Rge. 21, W. 1st. M., Souris.
Souris, Manitoba.

Mr. F. T. Griffin,

C. P. R. Land Commissioner, Winnipeg.

Dear Sir,—I came from Hope County, Durham, Ontario, in 1880, and took up my homestead in the

spring of 1882. I started that spring with only $300·00 cash, out of which I had to buy a yoke of oxen for $250·00 cash, and I had to get a plough, harrow and waggon on credit.

After twenty years' farming I have now one and a half sections of land (960 acres), all of which is under cultivation except some acres around a creek. I do not put all this in grain, each year reserving portions which have been seeded in brome grass and sometimes oats for pasture.

I have a large brick dwelling two storeys high, as good as you will see in Ontario; also a frame barn for 32 head of horses; and a granary which holds 12,000 bushels of grain. I have 40 head of cattle, and am building a barn to hold 60. I have a hog pen and 100 pigs. We have 100 hens and 12 geese.

Land immediately adjoining mine was sold this summer for $25·00 per acre without any buildings, and as my buildings are valuable I would not take less than $30·00 an acre for my place, if I had to sell, which I have no wish to do. So valuing the

Land at	$28,800
40 cattle, at $35·00 each	1,400
20 horses, at $150·00 „	3,000
100 pigs, at $8·00 „	800
A new separator and engine, 20 H.P....	3,000
Other implements, say	2,000
	$39,000

Besides this, I have in the bank $6,000·00. Making in all $45,000.

So, out of my investment of $300·00 and my own labour alone at first and lately superintending my men, I have made in twenty years $45,000, and I have not been stingy either, for I have lived well all the time. Besides these $45,000, I had to sell out of last year's crop:

18,000 bushels of wheat, at 60 cents ...	$10,800
2,000 bushels oats, at 30 cents ...	600
	$11,400

to be added to above, as I have paid already all expenses.

I know other men, my neighbours, who have done even twice as well as I have, for instance, Mr. John Mair, a Scotchman, and several others.

During these twenty years I never had a crop so poor that it did not pay expenses and a little more. The poorest was in 1889, when I only had 11 bushels per acre, but the price was good—70 cents. The largest yield per acre was in 1887, when I had 45 bushels per acre No. 1 hard.

In my second year, with only a yoke of cattle, I produced 2,100 bushels of grain, 1,200 wheat, and 900 bushels oats, and every year I have increased the output, but I have never killed myself with work. There is no such hard work to do in this country as in Ontario. For instance, in the year 1887, when I had the 45 bushels to the acre, I was baking and cooking, and with the assistance of a boy of sixteen years old I put in and took off a crop, 6,000 bushels wheat and 2,000 oats, as well as breaking and back-setting 70 acres. I also ploughed 30 acres summer fallow twice. In the early days, when little of the country was under cultivation, we lived in fear of frost, but since so much of the land is under cultivation we never think of it.

Yours truly,

W. H. Brown.

Forget, Assiniboia, Nov. 23rd, 1903.

Mr. F. T. Griffin,

C. P. R. Land Commissioner.

Sir,—I came to Oak Lake, Manitoba, eleven years ago, from the province of Lorraine, in France. I was absolutely without money on my arrival, and borrowed the $10·00 fee to enable me to enter for my homestead on S. W. 1-4 of section 20, township 8, range 7, west 2nd meridian, near Moose Mountain. I now have 1,120 acres of land, with good buildings and machinery,

28 head of cattle, and 31 horses. I have 700 acres of land under cultivation. Last year I had 8,000 bushels of wheat besides other grain. This year I have 17,000 bushels of grain, 9,000 bushels of which is wheat. I now have an interest in the steam ploughing outfit, and during the past season broke up 225 acres of new land in ten days, and in the future I think it quite probable that I will cultivate by steam instead of by horses, as the land in my neighbourhood is well suited for cultivation by steam. There are about sixty families of French people settled in my neighbourhood, all doing well.

The Pipestone Branch of the Canadian Pacific Railway has been extended to Regina and passes near our land, giving us all the railway facilities which we require.

Land in this district has more than doubled in value in the past two years. Two years ago I purchased a half section of railway land at $3·00 per acre, and a few months ago I sold it for $14·00 an acre, nearly all being under cultivation.

Yours truly,

ERNEST ALEX. GUILLEMIN.

EDEN, MANITOBA, NOV. 25th, 1902.

MR. F. T. GRIFFIN,

C. P. R. Land Commissioner, Winnipeg.

SIR,—I came to Canada from London, England, when nineteen years of age, where I had been employed as a shop-boy in the provision trade. Landed in Montreal with thirty shillings. Worked around Montreal for one year, then went west to Barrie, Ont. Worked out among the farmers for seven years. My first year's wages were $120 and board, which I spent in visiting the old folks at home. I came back to the same farm and hired for $20·00 a month, and in 1876 I got married to a hard-working Canadian girl, and not finding any good chance to set up a home of our own there, we determined to try Manitoba.

I left Ontario in 1878, with a team of horses, a wagon, a barrel of pork, a few tools, and $165·00 in cash. The nearest railroad point to Winnipeg then was Fisher's Landing, Minnesota, 100 miles or so up the Red River. My cash was all gone on reaching Winnipeg, so that I was obliged to peddle my pork to pay the boat company their fare. Now we have a railroad station but two miles off.

I drove west from Winnipeg about 130 miles and homesteaded on the eastern slope of the Riding Mountain, on heavy scrub land, and by using plenty of elbow grease and sticking plaster, have as fine a farm as there is in Manitoba. My crop this year off 150 acres of wheat was 3,965 bushels, all No. 1 hard; 40 acres of oats (2,600 bushels), and 90 tons of native wild hay, and ¾-acre potatoes gave 125 bushels. My stock consists of 11 horses, 39 head of cattle, 28 hogs, and over 200 head of poultry. Implements: 2 binders, 2 mowers, 1 horse-rake, 2 gang ploughs, 2 ploughs, 3 set harrows, 1 seed drill, 3 wagons, 3 sleighs, &c.

I own five ¼ sections (800 acres), which I bought at odd times when I had money to spare.

The house I live in cost me $2,000; stables, $1,400·00. At a moderate estimate I rate myself as being worth $20,000·00 or £4,000. I attribute my success to a determination to have a farm of my own, to the help of a good wife, to keeping sober and out of debt, and last, but not least, to the excellent soil and climate of Manitoba.

This is as healthy a climate, I believe, as can be found in the world. We have a family of eight, and the four eldest are all heavier than their parents, their average height is 5 feet 9½ inches, weight 158 lb., and three of these are girls. We have never needed a doctor.

Yours truly,

JOHN GROVER.

In 1900 Joseph Glenn, of Indian Head, Assiniboia, bought a quarter section of land (160 acres) for $200,

Last year the entire quarter section was under crop. He allows expenses in connection with the crop as follows:—

Breaking, at $5 per acre	$800
Seed grain	144
Labour and seeding	50
Binder twine	84
Harvesting	250
Delivery to elevator	210
Incidentals	160
Total, including cost of farm ...	$1,998

The yield was 7,447 bushels of wheat, which sold at 55 cents, realising $4,095·85. The average yield per acre was 47 bushels. After all expenses and the farm were paid for, Mr. Glenn's clear profit was $2,097·85.

N.B.—Exceptional crop.

Agricultural Exports.

(Years ending June 30.

	1890.	1897.	1898.	1899.	1900.
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Bacon, Hams and Pork	645,360	5,871,988	8,092,930	10,473,211	12,803,034
Butter	340,131	2,089,173	2,046,686	3,700,873	5,122,156
Cheese	9,372,212	14,676,239	17,572,763	16,776,765	19,856,324
Cattle	6,949,417	7,159,388	8,723,292	8,522,835	9,080,776
Sheep and Lambs	1,274,347	1,002,011	1,272,077	1,540,857	1,894,012
Eggs...	1,795,214	978,479	1,255,304	1,267,063	1,457,902
Wheat	388,861	5,544,197	17,313,916	7,784,487	11,995,488
Flour	521,383	1,540,851	5,425,760	3,105,288	2,791,885
Oats...	256,156	1,655,130	3,041,578	3,268,388	2,143,179
Oatmeal	254,657	462,949	554,757	396,568	474,991
Pease	1,884,912	2,352,891	1,813,792	1,955,598	2,145,471
Apples	997,922	2,682,472	1,431,517	3,051,008	2,789,125
Lobsters(canned)...	997,654	2,075,155	2,290,872	2,320,060	2,372,859
Salmon (canned)...	2,069,736	2,856,127	3,430,645	2,407,481	2,883,330
Totals ...	27,747,962	50,947,050	74,265,889	66,570,482	77,810,532

Canada's Trade.

"The foreign trade of Canada was:—In 1886, $189,675,000; in 1896, $239,025,000; in 1903,

$467,061,000. Canada, therefore, does, *per capita*, the third largest trade in the world, being exceeded only by Great Britain and Belgium. It is nearly three times that of the United States, or in the proportion of $84 per head to $30 in the United States. It is nearly double that of France and Germany."

"Canada is at the present time 'running fastest' among all the nations of the earth. It showed the following relative percentages of growth of trade of undermentioned countries for seven years, 1895 to 1902":

Country.	Increase.	Percentage of Growth.
Canada	$227,472,289	107·43
Japan	129,359,208	97·20
Cape Colony	87,031,400	59·50
United States[1]...	775,058,014	47·18
Italy	197,468,942	45·99
Germany	683,111,578	38·59
Belgium...	206,037,529	34·84
Argentine Republic	65,004,094	31·31
Switzerland	81,755,424	26·82
Great Britain	822,453,702	26·29
France	300,875,900	21·98

General Prosperity.

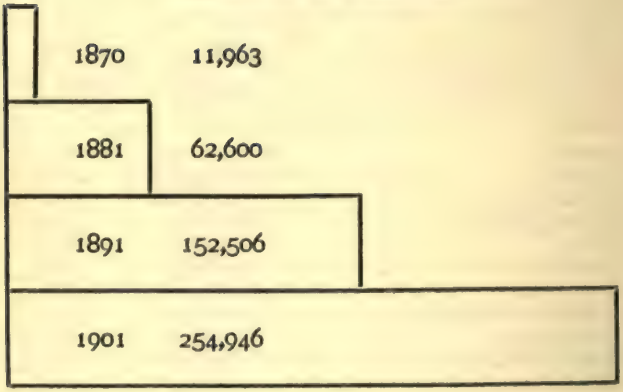
Increase of	1888.	1892.	1898.	1902.
Elevator capacity, million bushels	—	10	18	39
Railway mileage	2,366	3,277	3,876	4,555

[1] Includes total imports, not imports for consumption only.

Total assessable value of real and personal property in Winnipeg :—

1874	...	...	...	$2,676,018
1880	...	...	...	4,008,460
1890	...	...	...	18,612,410
1900	...	...	...	25,077,460
1902	...	...	...	28,615,810

Population of Manitoba.



The following extract from the Toronto *Globe* of December 31, 1903, is an admirable expression in one of Canada's leading papers of a view of the question which is widely prevalent in the Dominion :—

LOYALTY AND THE PREFERENCE.

In discussing Mr. Chamberlain's fiscal proposals Canadians must be honest and frank and straightforward with Britain, Anything of the nature of double-dealing, any attempt to gain for ourselves a commercial advantage on the pretext of securing Imperial unity, would be dishonourable in the extreme,

and would, in the long run, weaken the real bonds of Empire, which, so far as Canadians are concerned, are stronger than hooks of steel.

It is, we believe, the honest representation of Canadian public opinion which makes it quite clear to the people of Britain that the loyalty of Canadians was not at the first founded on commercial preferences and is not now in need of preferential supports. Every self-respecting Canadian resents the argument, used on scores of platforms in Britain and published in scores of British newspapers, that Mr. Chamberlain's Protectionist policy, even though it may raise the cost of food to the millions of wage-earners in Britain, should be adopted by the British people, because it would secure and retain the loyalty of the colonies. So far as Canada is concerned, the implication of that argument is false and vicious to the last degree, and would be resented by every self-respecting Canadian. There are various views prevalent in this country respecting the effect upon our industries of a protective and preferential policy in Britain, but there is only one view respecting our loyalty to the King and our place in the Empire. If the electors of Britain see it to be to their advantage to change their fiscal policy so as to raise a tariff wall against foreign countries while holding an open door for the colonies, let them register their votes accordingly; but let no campaigner, even though he be Mr. Chamberlain himself, slander Canadians in measuring their loyalty by any tariff preference.

A dozen questions are raised by Mr. Chamberlain's proposals, however vague and uncertain those proposals may appear to be, which the British elector must settle for himself. If a tariff can be framed by which the Canadian farmer will be given six cents extra per bushel on his wheat, and the British farmer's position improved by protection against outside competition, without at the same time increasing the cost of food to the British consumer, then the British Protectionist will have proved his skill in manipulating

tariff regulations to be superior to that of the Canadian Protectionist. That, however, is largely a question for solution in Britain, not in Canada, but the misuse made of Canada's attitude by British Protectionists is a point upon which Canadians have a right to speak. The arguments of British Protectionists, based on the supposed unreliability of colonial loyalty, is not only misleading to the British electors, but insulting to the Canadian people.

Manufacturers and Tariff Revision.

The Canadian Manufacturers' Association is absolutely non-political. It has declared itself during the past two years in favour of an early and thorough revision of the Canadian tariff. It has advocated such revision:

1. In order that manufacturing in Canada may keep pace with the changed conditions and the needs of our market;

2. In order that capital and labour in Canada may be *properly protected* from the specialised and heavily protected industries of foreign countries, which use the Canadian market as their dumping ground;

3. In order that Canada's resources may be developed and Canadian industries built up;

4. In order that the *surplus requirements* of the Canadian market may be supplied from British rather than foreign sources.

We quote from three widely different sources evidence that Mr. Chamberlain's scheme (1) may more than probably include a policy of retaliation against our colonies, and (2) must inevitably curtail their fiscal and even political liberty. That many, at least, of our Canadian fellow-subjects are aware of this danger, and that Mr. Chamberlain's campaign is

proving an Imperial peril, is shown by the words of Dr. Mouet, a prominent French-Canadian :—

> "We have come here to-day to combat with all our strength, as we have always done, the designs of Chamberlain against the autonomy of Canada."

1. In reply to a question by Mr. Lloyd George in Parliament (June, 1904), whether the British Government intended to protest against the increase of Canadian duty on British woollen goods and cordage, Mr. Balfour said : . . . "The Government does not intend to protest because in the absence of a reciprocal arrangement the precise nature and amount of the preference to be given to British imports are matters which must be left entirely to the discretion of the Canadian Government."

2. The Report of the Tariff Commission upon the Iron and Steel Trades recommends (Conclusions, 8 B) : "A preferential tariff lower than the general tariff for those of our colonies which give adequate preference to British manufactures, and framed with a view to securing freer trade within the British Empire."

MR. CHAMBERLAIN AT ROCHESTER, JULY 26TH, 1904.

You know, ladies and gentlemen, they are not ours in any sense whatever of possession. They are absolutely independent states. There is nothing to prevent them separating from us to-morrow. We could not, we would not, attempt to hold them by force. It is a voluntary bond, and a bond the obligations of which have never up to the present time been defined. The other day this country found itself in a great emergency, and I venture to say that it was to our surprise that we found that our children had not forgotten us (cheers), that they are willing in our time of need to come to our assistance, though there was no obligation written or implied. If they had refused to spend a

penny or give a man we should have had no legitimate right to complain. But the importance of obtaining some sort of security that when any part of the Empire is in danger or trouble—and the next time it may be quite a different part to that involved before—each alike should be entitled to call all the different branches for assistance and support. The importance of that security must be manifest to everybody who has studied the history of past Empires. We want some such organisation.

APPENDIX II.

SOME CANADIAN OPINIONS.

In order to get the views of representative Canadians in a definite form we drew up roughly a series of questions and asked some fifty victims to answer them. To those who complied with our request we now offer our sincerest thanks. We found, however, a difficulty in persuading those occupying official positions to put their views on paper, and some others we found reluctant to put their views as definitely on paper as in conversation. We print in the following pages selected answers to some of our questions. The answers have been selected with regard to their intrinsic interest and with no regard to their political shade. We have decided that they must be printed anonymously, but for the guidance of our readers we append an analysis.

Answers labelled (A.) are from a lawyer and politician.
" " (B.) are from the general manager of an important bank.
" " (C.), (C 1.), (C 2.) are from farmers (eastern).
" " (D.), (D 1.),(D 2.),(D 3.), (D 4.),(D 5.), editors and members of the editorial staffs of important newspapers.
" " (E.) an agricultural implement manufacturer also interested in woollen goods.

Answers labelled (F.), (F 1.) are from persons holding positions under the Government.

" " (G.),(G 1.) French politicians engaged in commerce.

1. *Is there in Canada generally, so far as you know, any demand for Mr. Chamberlain's proposals?*

(A.)—There is a very general sentiment in favour of Mr. Chamberlain's policy in Canada, due, I believe, to the very general conviction that the "proposals" if carried out would benefit the Dominion in many ways—by increasing our trade with Great Britain, augmenting our population, and intensifying the sense of Imperial unity.

In my opinion, however, there is by no means a clear understanding in the public mind as to what Mr. Chamberlain's policy precisely is, and therefore no real comprehension of the difficulties which appertain to it as a practical measure.

(B.)—There is throughout Canada a strong feeling in favour of "knitting closer the bonds of Empire." Among English-speaking Canadians this feeling is held by almost everybody, certainly by the writer. Some of the leading French Canadians are also Imperialists, but it would be unnatural to suppose that the bulk of the French Canadians, who cannot as a rule even speak English, care much about it. I doubt, however, if any considerable number are distinctly opposed to it.

Mr. Chamberlain's proposals are regarded by the majority of Canadians as a genuine effort in the right direction.

(C.)—I do not know that there is any general Canadian demand for the carrying out of Mr. Chamberlain's proposals. One could perhaps answer the question better if one knew exactly what Mr. Chamberlain's proposals were, or are. But this does not seem possible, and therefore one must judge from

a somewhat vague conception of the nature of the new doctrine. One would like to see a definite and specific declaration from Mr. Chamberlain. But, as far as I can understand, he wished the Old Land to adopt a system of protective tariffs, giving under these a preference to the British colonies. And he hopes that in return the colonies will give Great Britain a preference in their markets.

(C1.)—There is in Canada a very general wish that Chamberlain's proposals may be so arranged that a preference may be given to all the products of the farm, and I am sure this feeling is growing among both political parties.

(D.)—Canadians in general, without distinction of race or party, wish Great Britain to reciprocate the Canadian preference of 33⅓ per cent. to British goods. They are pleased by Mr. Chamberlain's proposals in so far as these are to give Canada a preference, just as Englishmen would probably be pleased if a prominent element in France, Germany, Russia, or the United States were proposing a tariff preference to British goods. It is presumed that Englishmen, in view of such propaganda in either of those countries, would applaud the conductors thereof. They would show themselves ready to accept the boon cheerfully if it were to be granted freely—as Canada granted the preference to British goods. If the propagandists were offering the apparent boon on terms not specified it is presumed Englishmen would say in effect: "We like your movement, so far as we know it. But until we know the terms we can't say we will accept. We want the preference if we can get it gratis, or at a profitable price, one not involving us either in pecuniary loss, in injury to our national status, or in danger of commercial or other war with other people. In short, we like the idea of being preferred—but we are not engaging to accept any gold bricks until we ascertain precisely the quality of the gold."

(D 1.)—There certainly was not any demand for Mr. Chamberlain's proposals on the grounds assigned by him, viz. the necessity of a commercial bond to prevent the secession of the colonies from the Empire. There is a feeling in favour of Protection on the part of protected manufacturers and of Imperialism on the part of a certain number of the British Canadians.

Definite demand for Mr. Chamberlain's proposals I really see none. Nobody knows exactly what the proposals are.

(D 2.)—There is in Canada, no doubt, a strong desire for preferential treatment of Canadian products in Great Britain, and to a considerable extent Mr. Chamberlain's proposals are regarded as offering this advantage to the colonies.

(D 3.)—None, except in so far as it is supposed they will tend to stimulate our agricultural development without interference with other industries. Of undefined support there is much, but it all bears this impress. No attempt has been made to consider what it might give in return.

(D 4.)—It would hardly be proper to say a demand. Canadians are pretty well agreed that a British preference on foodstuffs grown in Canada and exported to Great Britain would tend to the advantage of this country, and, Great Britain being willing, Canada would be glad to negotiate with a view to reaching a mutually satisfactory arrangement. But the contention which I have seen put forward, that such an arrangement is necessary to keep Canada in the Empire, is a gross libel on the Canadian people, whose loyalty is not for sale.

(D 5.)—There is a widespread feeling that a British preference to Canadian foodstuffs would greatly benefit the Dominion.

(F.)—There was practically no *demand* for reciprocal treatment before Mr. Chamberlain's campaign began. Now there is a very widespread support for his

proposals, but it has a very vague idea of what they involve. Practically they see only two things in the proposals—an impetus to Canadian wheat production, and protection at Home for British industries. Being Protectionists they naturally consider the latter mere common-sense, and wonder what insular stupidity has prevented its adoption before. The former they welcome, shutting their eyes, as nearly all Canadians do, to any dangerous tendencies in the North-West. The other side of Mr. Chamberlain's bargain they never even think of. A substantial lowering of the tariff wall in our favour, and the corollary of the scheme—the common bearing of the burden of Imperial defence and responsibility—they do not trouble to contemplate seriously. The Province of Quebec will be found to be opposed to it, because it spies the cloven hoof of Imperialism and militarism. To Quebec Chamberlain is the embodiment of everything they distrust and shrink from in British rule. When the position of Quebec in Canadian politics is considered, the fortunes of the scheme, if ever put into a practical proposal, can be imagined. Note that Bourassa and Lavergue have just begun an active campaign against the scheme on the ground that it is an Imperialist intrigue, and the *Globe*, the leading Government paper, steadily pours cold water on it.

(F 1.)—If not a demand there is at least a ready acceptance.

(G.)—There is a general desire for preferential trade within the Empire. We are willing to take everything we can get, provided it does not cost us too much.

(G1.)—There has been a demand in this country by both political parties for a reciprocal tariff between the Dominion and Great Britain, but whilst such a policy is advocated, if it can be carried out on mutually advantageous terms, I do not think the country could consent to sacrifice any part of its control over its fiscal policy beyond a commercial treaty between

Great Britain and the Dominion, subject to the rules of ordinary reciprocal arrangements between two countries.

2. *If so, are we to regard their fulfilment as necessary to Canada's development, or would a refusal to carry them out, because it was considered proved that they would be harmful either to the continued prosperity of the Empire as a whole, or to the people of England, cause widespread dissatisfaction in Canada?*

(A.)—I do not believe there is any ground for the statement or implication that Canada has been a party to any "offer" accompanied by a threat of secession from the Empire if the offer is not accepted. No doubt the Dominion would duly appreciate any additional favours, and, not having made a "demand," there would be no ground for dissatisfaction. Canada prizes Home Rule too highly to find fault with Great Britain settling this matter in her own interest. Moreover Canadian loyalty is not and never has been based on commercial considerations.

(B.)—While many Canadians do, I do not consider that the carrying out of Mr. Chamberlain's proposals is necessary to the successful development of Canada. We shall in any event prosper. But there is no question that the carrying out of his proposals would greatly increase the prosperity of Canada in certain directions, and, what is more important, hasten the day when Great Britain can depend on her own colonies for her food supply.

If it could be clearly shown that his proposals, taken as a whole, would be hurtful to the Empire, or hurtful to Great Britain alone, I am sure the dissatisfaction in Canada would not be widespread, but the proof would have to be very convincing indeed. When you say "England" I presume you really mean Great Britain. In this country, where the people are largely of Scotch and Irish descent, as well

as English, we have to speak with accuracy in geographical matters.

(C.)—If there was a general demand in Canada for preferential trade with England, it does not necessarily follow that such trade would be beneficial. But, as the magnitude of the demand is quite uncertain, the question cannot be properly answered.

(C1.)—While the development of Canada is now making great strides forward, there can be no doubt but that preferential trade with Great Britain would hasten that development.

(D.)—No dissatisfaction, but perhaps some disappointment would be caused in Canada did Great Britain refuse to reciprocate the Canadian preference, just as it was granted—gratis. Canada thinks of the matter sanely—as a country of level-headed business men. Mr. Chamberlain's proposals are Great Britain's business, not Canada's. Canada will deal with them when Great Britain authorises Mr. Chamberlain to propose them in business fashion—not on the stump.

(D1.)—My answer to this second question is practically implied in my answer to the first. I do not believe that the rejection of Mr. Chamberlain's policy would cause widespread dissatisfaction here.

(D2.)—I cannot think that the fulfilment of Mr. Chamberlain's proposals is necessary to Canada's development. Nor do I think their refusal would cause serious dissatisfaction in Canada. We claim the right to determine the character of our own fiscal legislation, and would not deny a similar right to the Mother Country.

(D3.)—There would be no general dissatisfaction. There might be enough, if a Canadian Protectionist Government were in office, to give a colour of excuse for raising the scale of duties against England, something the same party would do anyhow, while shouting for Mr. Chamberlain.

(D4.)—Canada's rapid development is assured whether Mr. Chamberlain's plans fail or succeed. If his scheme, being tried, proved the success he predicts for it, it would no doubt add to Canadian prosperity. But it would be a great mistake to think that Canada's future growth is contingent upon the adoption of preferential tariff arrangement. Should the people of England decide against any such system of preferential tariff, there would be no resentment in Canada. We recognise that this is a matter solely for the British electors to decide.

(D5.)—Canada will not ask Britain to do anything for the Dominion which will not be in the Mother Country's own interests. Consequently, dissatisfaction need not be apprehended if, for such reasons, a preference be not extended.

(F.)—The failure of the Chamberlain campaign would *not* cause "widespread dissatisfaction." It would be a disappointment to the enthusiastic loyalists and Imperialists who support the movement rather blindly, simply because it is labelled "Imperial." It would supply the ill-disposed with a chance of saying that England will do nothing to make a fair return for the Canadian preference, therefore Canada must in future consult only her own interests.

(F 1.)—Their fulfilment is not necessary to Canada's development, which is dependent rather on its own resources and people than on external trade arrangements of a preferential kind. A refusal to carry out Mr. Chamberlain's proposals would not cause general dissatisfaction in Canada.

(G.)—Canada does not depend for her development upon any system of preferential trade, and should the majority of British voters consider such a policy harmful to Great Britain, the decision will be accepted by all good Canadians, who believe that the British people will decide according to what they believe to be the best policy for Britain.

(G 1.)—Whilst a reciprocal tariff between the two countries would naturally be beneficial, nevertheless I do not think its non-fulfilment would be injurious to the Dominion, seeing that we are very prosperous without it, but it would cause, no doubt, a political agitation which would ultimately lead us to the withdrawal of the present preference in favour of Great Britain. Personally, I am not in a position to pronounce myself as to how Mr. Chamberlain's scheme will affect the Empire as a whole, but I do not think that the Empire will be much benefited by its change of policy.

3. *Are Canadians prepared for a fair adjustment of preferential duties between the colonies, which may entail a small tax on Canadian exports as against Australian, &c.?*

(A.)—My view is that Canadian Protectionists are, and will continue to be, opposed to any reduction of the tariff for any purpose, their inclinations, in fact, being quite in the opposition direction.

Canadian Free Traders would oppose any inter-colonial preferential management cut and dried by any central authority, on the ground of jealousy for the rights of self-government.

Reciprocal trade favours might be effected with other colonies, but only as the result of negotiations carried on by our own Government, subject, of course, to the approval of the general electorate.

(B.)—If by this you mean that there might be discrimination against one part of the Empire which geographically is nearer to another part of the Empire than a still other part of the Empire, and in favour of this third part, I am sure that we would not consent to such a proposal. I can understand that in some matters Canada in supplying Great Britain will have an advantage over Australia. In other situations it will be at a disadvantage. But in any event I fail to see where the attempt to regulate such situations would end.

(C.)—I do not think any *details* of the new propositions have been laid before the Canadian people. Those Canadians who have most loudly welcomed Imperial preferential trade, do not, I think, at all realise what it would mean. They are basing their actions and voices wholly upon a *sentiment*.

(C1.)—We do not see any necessity for any discrimination between Canadian and Australian exports.

(D.)—Canadians would consider that matter also in a sane, businesslike way. They are not a lot of petulant children, liable to be jealous and fret because other children get something unlike what is given to them. It is perfectly conceivable that Canadians might cheerfully see Australians get nominally more preference, if it were not enough more to damage Canadian sales in any item.

(D1.)—To this I can only reply that no proposal of the kind is before the Canadians. Until it is before them in a definite form I cannot undertake to say what their answer will be.

(D2.)—I should doubt if Canada is prepared for a preferential system which would entail a tax on Canadian exports as against Australia.

(D3.)—Not a dozen Canadians have ever thought of such a thing.

(D4.)—In any general arrangement Canada would, I am satisfied, consent to any reasonable requirement of the other colonies.

(D5.)—This subject, I think, has never been discussed. If Britain gives a voluntary preference, it will not be for us to criticise. If its preference is a matter of bargain, Canada will have to make her own terms.

(F.)—Such a thing was never dreamt of in their philosophy.

(F1.)—Canadians have never considered this phase, and would probably object to what they might regard as "discrimination" in favour of other colonies.

(G.)—I do not think Canadians are prepared for a tax on exports, however light.

(G1.)—I think the great difficulty will be in drafting a fair adjustment of preferential duties between the colonies, seeing that we are already to a great extent a Protective country, and that our present industries clamour for more protection, and pretend that the existing preference to Great Britain is ruinous to our industries.

4. *Will Canadians who are interested in the export of oth things than foodstuffs also expect either immediately or eventually to get preferential treatment in British markets for—*

(a) *Raw material,*
(b) *Semi-manufactured material,*
(c) *Finished articles?*

(A.)—I should say decidedly yes!

While Canadians as a people are loyal and generous, those of them who, as individuals, are interested in selling goods, will naturally seem to secure higher profits, and will therefore demand an equality of preference with their countrymen who happen to be growing foodstuffs.

(B.)—I do not think we should at any time ask Great Britain to put a tax on these articles, against foreigners and for our benefit, as she is expected to in the matter of foodstuffs. But if she does in the future put a tax on the importation of these articles for her own purposes, it should not intertere with the free entry of our exports of this character.

(C.)—I presume that they will so expect.

(C1.)—If we have to open our markets to English manufacturers and shut out other manufacturers from other countries by a high tariff, then Canadian manufacturers would certainly expect a preference. This is where one of the greatest difficulties arises in the proposals of Chamberlain.

(D.)—Canadians having either of these sorts of commodities to sell would relish a preference of course. Equally of course Canadians engaged in protected manufacturing would cheerfully content themselves without a British preference in their lines, in case the Canadian tariff were fully protective of those elsewhere. Our manufacturers would regard a British preference to our farmers, lumbermen, fishermen, miners, &c., as benevolently as a sheepowner would regard anything that would tend to make his sheep fatter or woollier. Improve the condition of their flock as much as you choose, but beware of disputing the ownership!

(D 1.)—As to this and questions of the same kind I can only say that our protected manufacturers, whatever may be their political sentiments, will act on business principles when you come to the question of the tariff.

(D 2.)—Yes.

(D 3.)—There would undoubtedly be pressure in this direction if once a beginning were made. Our agriculturists are not pushful. Others are.

(D 4.)—It is quite possible that they would.

(D 5.)—If we should make any substantial sacrifice in order to secure a British preference, we would hope to have such preference cover as wide a range of our products as possible. If we give no returns, we cannot object to Britain drawing the line where she will.

(F.)—A demand would almost certainly come from all three classes eventually.

(F 1.)—Very probably; likely eventually.

(G.)—For the present we are only advocating preferential treatment for raw materials.

(G 1).—At the present time I do not think that the demand for a preferential treatment extends so far as your question on (a), (b), (c), but no doubt may eventually be taken up if Chamberlain's policy be carried out as to preferential trade with the colonies.

5.—*To what extent is Canada prepared to open the Canadian market to British manufacturers who compete with her own manufacturers, e.g., steel, iron, wool, cotton?*

(A.)—If Great Britain grants a substantial preference to colonial grain, &c., I think Canada ought to be willing to reciprocate by increasing the present preference to at least 50 per cent., with proportionate increase of the preference in the event of increase in the general tariff.

I am convinced this would not be agreed to by the Protectionists. I do not think they would, under any circumstances, go beyond the present rate of preference. Any alterations in the tariff as above indicated, would be governed by consideration of the interests of Home industries, and with the strong Protectionist sentiment existing in Canada, I think the reply to the question must be—To no additional extent at all.

(B.)—I personally believe that Canada will follow the course which will eventually lead to our making for ourselves the ordinary products of iron and steel, and our hope is that in the long run we shall be able to compete on equal terms with Great Britain, or sufficiently so to warrant the removal of the duty. For the present, however, a duty sufficient to protect our new industries must be sustained. In a less degree this will also be the case in the products of wool and cotton. But when articles are made which require highly skilled labour or for which the market in the world is narrow, we shall doubtless be willing to give large preferences to Great Britain in arranging the duty.

(C.)—As far as I can see from utterances of the Canadian Manufacturers' Association, the Canadian manufacturer is *not* prepared to open our markets to the British manufacturer. Let such a proposition be submitted to them and see what the reply is.

(D.)—If Great Britain formally offered a good stiff preference to the four great Canadian industries—

farming, fishing, lumbering, and mining, on condition that Canada should let all sorts of British manufactures in at 10 per cent.—with a tariff of 30 to 50 per cent. against the rest of the world, there would be a mighty pretty political fight in the Dominion, and it is not unlikely the great natural industries would win, *i.e.*, if the arrangement were to be terminable at the will of either party to it, *i.e.*, Canada or Great Britain. Canadians might then think they could afford to see Canadian manufactures perish which were too feeble to exist under 10 per cent. protection against British goods, and 30 to 50 per cent. against other goods.

(D 1.)—I cannot speak for "Canada." But the protected manufacturers appear to be decidedly opposed to opening the Canadian market to free British competition.

(D 2.)—Canada, for the present at least, is not prepared to reduce further the duties on British manufactures, and, in fact, will probably increase the present tariff on steel, iron, wool, and cotton.

(D 3.)—In good times, 90 per cent. are not prepared to do anything; a great majority are willing to have existing duties *raised* if our manufacturers say so. Our manufacturers do say so. In hard times there would be a return of the Canadian agitation for lower duties, Chamberlain or no Chamberlain. This element, quiescent at present, are so because they trust Laurier, Cartwright, and Fielding.

(D 4.)—While free trade in these articles is out of the question, the Canadian people would be prepared to make their tariff low enough to give the British manufacturers a fair share of the Canadian markets. The present tariff permits large importations of these lines. While the Canadian manufacturers have objected, and will continue to object, to British competition, the Canadian Parliament, while it retains its present political complexion, will maintain a moderate tariff.

(D 5.)—There is no evidence that Canadian manufacturers of the lines mentioned are prepared to make any concessions to Britain, and there is much evidence that the Canadian people are determined on promoting and maintaining these industries.

(F.)—I have seldom or never heard anyone here suggest anything but raising the tariff against the foreigner, and at the best leaving it the same against Great Britain. The manufacturers have great political power and they would be united against opening Canadian markets to us. Even now there is a good deal of dissatisfaction caused by the preference.

(F 1.)—Theoretically to the extent of placing English goods on an equal footing with Canadian, allowance being made on the one side for cheaper labour in Great Britain, and of cost of transportation on the other, but Canadians are not likely to sacrifice any of these lines of manufactures to British interests.

(G.)—Only to the extent of protecting her existing manufacturers from foreign competitors, Britain included.

(G 1.)—I do not think that Canada is prepared to give British manufacturers a freer market than they enjoy at present, as there is a strong pressure on the part of our manufacturers for a greater degree of protection.

6. *Will Canada agree to raise the duty upon those imports from foreign countries which she does not herself produce, and which she now gets cheaper or better from foreign countries than she possibly could do from Great Britain?*
What will the effect of this be on—
(a) *Canadian consumers of these imports;*
(b) *Prosperity of the country?*

(A.)—It would, (a) raise the price to Canadian consumers;
(b) diminish the profits of trade to the extent of such increase.

The question really is, Will Canada agree to reciprocate to any extent beyond the present tariff preference? Not while Protectionist opinion rules in our councils.

(B.)—I presume this question only refers to manufactured goods, and not to raw material or foreign foodstuffs, such as tropical or sub-tropical products.

In the case of manufactured goods where other European countries and the United States are the competitors with Great Britain for the supply of Canada, every item is a fair subject for discussion, and, if Great Britain will actually make the goods we want, which is often the main difficulty, we should be willing in the main to raise the duty against outside nations, where necessary, in order to give Great Britain the trade. Clearly, however, this is a matter which must be dealt with in detail, because there may be classes of manufacture where even if we raised the duty against outside nations, Great Britain, with the preference, cannot secure the trade because of faults inherent in the manufacturing conditions existing in Great Britain in that particular trade.

(C.)—I do not think so; at least the consumers of those imports would not agree readily to pay the increased price.

(C 1.)—The effect will be—

(a) Dissatisfaction.
(b) Probably baneful.

(D.)—It is conceivable that Canada might increase such duties—that would depend entirely on whether her Parliament thought such increase would pay. The effect could not be appreciated before the situation was disclosed precisely. Canadians are not devoted to theories—they are apt to look hard at circumstances, and judge what will pay when circumstances are clearly seen.

(D 1.)—I really feel quite incompetent to say what Canada would do if questions or proposals to which

the attention of her people have never been called were definitely put before them.

(D 2.)—Canada would probably agree to raise the duty on goods from foreign countries, which she does not herself produce, without particular consideration of the effects of those imports upon the Canadian consumers or upon the prosperity of the country.

(D 3.)—Our Low Tariff people, not to be despised because they say little now, will resist this in any form. It is the fight we have fought for thirty years.

(D 4.)—Yes; I think there would be no difficulty in arranging this if it was deemed necessary to the working out of the scheme. At the moment the Canadian duties on German goods, through the operation of the surtax, are more than twice those levied on British goods.

(D 5.)—The Canadian Ministers at the Colonial Conference of 1902, offered to raise duties on some foreign products. I do not consider that a very large volume of imports could thus be diverted from foreign to British sources of supply. We buy heavily from the States because of contiguity, similarity of demand, and mechanical achievements. We are not likely to place a duty against these imports that will seriously affect our prosperity. We may by Protection force some United States industries to migrate into Canada.

(F.)—The effect of this would, of course, be evil both to (a) and to (b).

(F 1.)—Not likely.

(G.)—I hardly think she would. (a) The effect on Canadian consumers of these imports would be to raise their price to the consumer. (b) The country would undoubtedly be less prosperous. Every measure or policy which increases the cost of living in this new country is a drawback to its prosperity.

(G 1.)—I cannot say if Canada will agree to raise the duty upon these imports of goods from foreign countries

which she does not herself produce and which she now gets cheaper or better from foreign countries than she could possibly from England, but I do not think that Canada would consider that in making a tariff arrangement with Great Britain she would be obliged to tie her hands with all other countries willing to enter into preferential arrangements with this country.

(a.)—The effect would be on the consumer an enhanced price for the benefit of a few manufacturers on this side.

Their cry here already is to raise the duty all round so as to encourage the making of these goods in this country.

(b.)—I do not think it would add to the prosperity of the country; on the contrary I think that a revenue tariff such as exists at present is more advantageous in every respect than a high or prohibitive tariff.

7. *If Mr. Chamberlain's scheme be carried out, no colony will be able to make a commercial treaty with any foreign country, which would entail lowering its tariff against that country, and thus disturbing the Imperial preference. Is Canada willing to make this sacrifice of fiscal independence?*

(A.)—Sir Wilfrid Laurier voiced the sentiment of the country when he said at the Montreal Conference of Boards of Trade, that under no circumstances and for no purpose would we be willing to part with any portion of our powers of self-government.

(B.)—This question begins by an assertion of fact. If the assertion is true, the willingness of Canada to make such a sacrifice will depend on the nature and extent of the Imperial preference. I do not think this is a practical difficulty, as Great Britain is our best customer in so many things.

(C.)—I do not think that Canada as a whole is likely to sacrifice any fiscal or political independence.

(D.)—I do not believe Canada would sacrifice a jot of fiscal independence on any account, except in so far

as it might temporarily be put in abeyance by an agreement in the nature of a treaty terminable at short notice.

(D 1.)—I can answer this only in a general way; but in a general way I may say that there is a prevailing unwillingness on the part of Canadians, both British and French, to resign any part of their self-government.

(D 2.)—I should say that an Imperial tariff arrangement must be by concurrent legislation, and that Canada is unlikely to surrender for any term of years the control of its own tariff.

(D 3.)—Not for a minute.

But not 1 per cent. of those who shout for Mr. Chamberlain for local political purposes imagine that any such limitation is contemplated. If the position were taken up it would not stand one election.

(D 4.)—If there is a preference it will have to be in the form of a commercial treaty between Canada and Great Britain. Whatever the conditions of this treaty may be, they will be loyally adhered to by Canada.

(D 5.)—Your question implies a bargain. The sacrifice you speak of would have to be considered as one of the conditions of such a bargain, but would not be a factor if Britain should extend us a voluntary preference, such as Canada gives to her.

(F.)—When the Duke of Devonshire suggested that the scheme entailed some sacrifice of independence, he was received with a howl of derision here. Few realised, or do now, that a commercial treaty with the Mother Country largely based on sentimental grounds would be in a very different position from a commercial treaty with a foreign country which can be broken or amended the moment it pays to do so. Laurier and those who think with him are opposed to anything, fiscal, defensive, or political, that would in any way tend to diminish Canadian freedom of action.

(F 1.)—Not likely to sacrifice any fiscal independence.

(G.)—If Canada consents to the Chamberlain scheme, so called, she will have to carry it out in its entirety. I do not think Canada would be satisfied to abandon her rights to regulate her own fiscal policy.

(G 1.)—I do not think Canada is prepared to bind herself to such an extent as to forego her privilege of making suitable commercial treaties with other countries. Personally, I am of opinion that it would not be to our interest to so bind ourselves.

8. (1) *Do you think it possible to formulate a scheme of Imperial reciprocity which would not tend to create friction within the Empire?* (2) *If it be possible, do you think any such arrangement could have any degree of permanency?* (3) *If not permanent, do you think it would be of any value, or* (4) *do you consider periodical readjustments to be commercially practicable?*

(A.)—On Protectionist lines (1) No; (2) No; (3) No; (4) No; it would prove disastrous to the Empire.

Imperial reciprocity, to be safe and sound, must be brought about by the colonies reducing their tariffs in favour of the Mother Country and of each other. This must be brought about by the slow process of education. Meanwhile, the keystone of the Empire is absolute self-government in the colonies.

(B.)—If a scheme looking to better trade relations within the Empire and protection against the outside nations can be devised, it will involve considerable friction from time to time within the Empire, and it may need many re-arrangements. If the general results are beneficial, such readjustments as are necessary will be practicable, no matter how difficult. It will not be a mere question of difficulties. It will be a question of whether or not the different parts of the Empire desire to work together against

the other nations. If after experience they do not, there will doubtless be many reasons which may readily be found for falling apart. But if they do, all difficulties will be reduced to details.

(C.)—I do not think so; because of the diversity of interests, comparative ignorance of one another, geographical barriers, &c. Let any measure of reciprocity, which I personally desire to see increase, be discussed by those two communities whom it directly affects, and let them decide upon it.

(C 1.)—No doubt there would be friction after the new era of things came into effect, but they would all be righted in due time.

(D.)—While I have said it is conceivable that this or that might be done, I do not believe it possible to form an Imperial preferential agreement that would not create destructive friction in its formation, and after its establishment—friction ever increasing, and which would break the Empire up. The only safe plan is that adopted by Canada—let each country of the Empire give any preference it pleases, and cease giving it when it pleases.

(D 1.)—My general impression is that the colonies, differing greatly from each other in their commercial circumstances, Canada especially differing from the rest in respect of her relations with the United States, it would not be possible to formulate a scheme of commercial reciprocity which would not tend to create friction.

(D 2.)—Friction would be avoided if under all circumstances each country retained control of its own tariff.

(D 3.)—(1) No: certainly not while we are so Protectionist as we be.

(2) No: because it shouldn't.

(3)—(a) No.

(b) We cannot without great throes readjust our own tariff schedules. We have quite enough on hand.

Even after an arrangement had been entered into no Canadian Government would be permanently able to resist a Canadian demand for raising or lowering a tariff on one or more articles on the plea that other Governments had been consulted and were unwilling.

It would smash Governments, and probably constitutions. Canadians have no experience of, and no taste for, denying themselves to please—much less to advantage—other people.

(D 4.)—The difficulties of making such an arrangement would be very great: but not necessarily insuperable. There could be no absolute assurance of permanency: like all other commercial treaties it would have to be liable to termination or denunciation after the passage of a certain period of time.

(D 5.)—I consider that a hard and fast bargain would beget friction. A mutual and voluntary preference would be far less likely to provoke such a result. Sentimental considerations will be the strongest safeguard of a preference, and will make possible readjustments made in the best interests of the country granting it.

(F.)—It *would* lead to friction eventually, because it would be economically unsound, and sooner or later people would discover it.

(F 1.)—(a) Yes; (b) Yes; (c) Yes.

(G.)—I cannot answer this question in the absence of a scheme. It may be possible to formulate such a scheme, but it would not be permanent. Periodical adjustments are practicable. We frequently modify our fiscal policy. The most permanent fiscal policy with which I am conversant is that of Great Britain. Each section of the Empire requires a different fiscal policy. How to reconcile all these and bring them to work together is, or will be, a difficult problem to solve. Any system which takes from us our liberty of action will, I am afraid, be productive of serious friction. The Boston tax on tea cost us an Empire.

(G 1.)—To my mind it will be a very difficult task to formulate a scheme of Imperial reciprocity which will work without friction, or that will be satisfactory in every respect, seeing the variety of interests at stake. I do not think any such arrangement could have any degree of permanency without being subject to termination or amendments whenever our interests may conflict.

9. *Does Canada require anything of the Imperial Parliament as regards—*

(a) *Her general Imperial policy.*

(b) *Her policy towards Canada?*

(A.)—(a) Canada ought to have the right to appoint all who represent her in International commissions.

(b) The Imperial Parliament ought to obtain more knowledge of Canada, and assist in spreading this knowledge in the United Kingdom.

(B.)—The questions are too vague, and the subjects too large to be dealt with here. So far as my individual opinion goes, nothing will ever completely satisfy us but a share in the Imperial government. We have as nearly autonomy as we could expect the Imperial Government to grant, but the fact remains that when we have had affairs coming within the narrow margin regarding which we have not autonomy, the Imperial Government has generally made a mess of our interests, either by quite failing to understand our interests, or by bartering them for some more pressing Imperial necessity. We are willing to make sacrifices for the sake of the Empire, but we should know that they really are necessary.

(C.)—Yes. Canada is no longer a child, but is now a man, and can take a man's part.

(D.)—In my opinion Canada requires nothing of the Imperial Parliament except a trifle less superciliousness to Canada, and a great deal less truckling to Brother Jonathan. When Canada wants anything worth seeking from the Imperial Parliament, Canada

will certainly ask for it, and as certainly get it, or quit the concern.

(D 1.)—There is a general impression, which I hold not to be well founded, that British diplomacy has neglected Canadian interests. This feeling has been stirred to rather angry expression by the result of the Alaskan boundary arbitration. But I do not think it is likely to produce any serious demand.

(D 2.)—No.

(D 3.)—(a) Only to be left alone to make this country as strong as we can in our own way. Presently we shall be telling you that English occupation of Halifax and Esquimalt is as anomalous as would be Canadian occupation of Plymouth and Berehaven.

(b) (1) Leave to look after, under the King, our defences with other powers, especially the States. (2) Leave to extend our trade without being bound by your (British) commercial engagements.

(D 4.)—This is a large order. In my opinion Canada will ask in the not too distant future for larger powers of government, which will take her definitely out of the colony class. The right to amend her own constitution, the power to make her own treaties, are among the changes that will be requested. Technically—and sometimes not technically—the Canadian Parliament is subject to the control of Downing Street. The tendency will be to make the Canadian Parliament the equal, not the subordinate, of the English Parliament.

(D 5.)—No.

(F.)—The embargo on Canadian cattle has always excited a disproportionate amount of feeling here.

Generally speaking, Canada waxes fat and kicks, but kicks in the air. An Alaskan boundary case, of course, stands by itself. Laurier's talk of treaty-making power is simply a very clever move to take advantage of the Alaska bitterness to stimulate the

Canadian national consciousness. His policy, under a cloud of words, is essentially centrifugal.

(F 1.)—A freer hand in determining international negotiations in which the interests of Canada are primarily involved. A right to negotiate her own treaties, subject to their approval by the Home Government.

No more Alaskan Boundary Commissions!

(G.)—I do not see what Canada wants of the Imperial Government in the way of a change of policy. Our exports in 1901 to Great Britain amounted to over 105 millions; our total imports, 43 millions. Our products, and even our manufactures, are admitted into England free of duty. Nothing can be more generous or liberal than the British treatment of colonial produce and manufactures imported into Great Britain. Contrast this with our customs tariff on British imports to our country. Britain is not treated as generously as she treats us. I see no reason for Great Britain to change her policy of Free Trade in our interests. We are well served by being left entirely to the Canadian legislature. The harmony which exists between the Mother Country and Canada will, I think, continue to exist and grow stronger, if the Mother Country recognises the fact that Canadians know best what is for the welfare and prosperity of their country.

10. *Do any Canadian industries require further protection than they at present receive against outside competition? If so, what are the industries, and from the competition of what countries do they suffer? Can you give figures?*

(A.)—Yes, there are. The horse-leech had two daughters.

(B.)—The present period of prosperity has developed manufacturing in Canada enormously, having regard to any previous periods. This has been possible partly because the United States has had abundant markets at home for its own productions. When

prices fall and the volume of trade shrinks, Canada will be a dumping ground for surplus products made in the United States, unless steps are taken to prevent it. Before long there will therefore probably be in Canada a loud cry for an increase in our tariff, and I do not think any Government will be able to resist the demand. If one branch of manufacture needs more protection and gets it, others will demand it whether they need it or not.

(C.)—Canadian industries are very various. Some of those engaged in some industries are crying out for more protection, some others are satisfied with what exists at present. I do not think there is any unanimity among those engaged in any particular industry; such is the conclusion reached from reading a number of interviews which appeared recently in the *Toronto News*. Some say that the woollen industry is suffering, whether due to foreign "dumping" or not remains to be proved. Any industry may imagine itself suffering; and, in fact, there may be such suffering where American firms, selling away above cost at home (due to their tariffs), and consequently able to sell below cost abroad, are sending in their surplus products at unduly low prices. I can give no figures at present.

(C 1.)—They have all the protection that the farmers and producers will allow.

(D.)—In what sense is "require" used? Canadian industries, *i.e.* manufacturers, would be pleased, as Canadian farmers or any other ordinary human beings would be, to get rich faster at the expense of other people. If the public interest be the basis for considering what they require, they require nothing but to be submitted to more competition by a general reduction of the tariff. Canada must maintain a high tariff for revenue purposes—incidentally it affords much protection to Canadian manufacturers—and this is partly a public benefit, and partly a public injury. The one fairly good defence for a protective system is

that it maintains in the country a number of enterprising men of various occupations, who are to a considerable degree men of light and leading. It is a costly way of getting or keeping them, but it seems the only way open to Canada.

(D 1.)—I should decidedly answer this question in the negative.

(D 2.)—Cottons and woollens, at least, seem to require better protection against Great Britain, while it may be that we shall have to increase our tariff at many points against the United States in order to prevent a general slaughtering of American manufactures in Canada.

(D 3.)—Personally I am for what Lord Farrer called a safe and gradual approach to Free Trade as it is in England. There are plenty who agree, and who think we have been getting it since 1897. The British preference of that year was a long step, in favouring you because you take all we can send.

(D 4.)—Speaking generally, no; though a tariff inquiry might show industries suffering under existing conditions. But any general increase in the Canadian tariff would be indefensible.

(D 5.)—A number of industries, notably cotton, woollen, and iron, claim that they do require additional protection against the world.

(F.)—I don't know if they *require* it, but many are calling out for it—notably steel and woollens—the latter suffering mainly from English competition, I believe.

(F 1.)—Canadian industries are, according to views of Liberals, already sufficiently protected. Manufacturers in some branches are always looking for more protection.

(G.)—Every Canadian manufacturer is in favour of more protection upon the article he manufactures. He wants his raw material free. I think our tariff is

as high as it ought to be on British manufactured goods, considering that England admits our manufactures free. Not so Germany and the United States, whose tariffs are prohibitory. Very few Canadians would object to a reciprocity of duties in favour of these two countries.

I think there is more suffering caused by over-capitalisation, out of date machinery, and want of enterprise, than from any other cause. The figures you will obtain in the Canadian Statistical Year Book, 1901.

(G 1.)—Canadian industries advocate more protection than they at present receive against outside competition, viz., from Great Britain and the United States, woollens of all kinds, cotton, steel, iron, &c.

They complain principally against woollens from Great Britain.

11. *What is, and what prompts, the attitude of the two political parties in Canada towards the scheme?*

(A.)—The attitude of both parties (as represented by private members and a few leaders who have spoken) is favourable to the scheme.

The grounds of this favour I should set down as:—

(1) An inclination to support any project thought to be in the interests of the Empire.

(2) A conviction that Chamberlain's scheme will at all events prove a great thing for Canada.

(3) A widespread—practically universal—belief in Chamberlain as a statesman of the first rank, too wise and prudent to associate himself with any plan that is not practicable and sound.

(4) A desire for closer British relations as an expression of sentiment adverse to the United States.

(B.)—Both of the political parties favour the Chamberlain proposals, because all Canada practically favours Imperialism, and at this stage of the discussion of the proposals most people in Canada think that they will, if carried out, aid largely in the

development of the Empire, both materially and in political relations.

(C.)—The Conservative party is wedded to High Protection, I believe; and by virtue of hereditary inclinations is disposed to welcome Imperial Preferential Trade without seeing how their Protectionist platform is affected by it. The Liberal party, as at present composed, is moderately Protectionist, and seems pliable: it does not seem to have any *principles* in this connection. I presume that the attitude of the two parties is largely dependent upon their estimate of the vote-winning power of any policy. Unfortunately this is too often the case.

(C 1.)—Both parties would favour preferential trade, that is, among the farmers.

(D.)—(1) The anti-Irish, anti-Catholic element in Canada is a large political force. Its members love Chamberlain because he blocked Gladstone *in re* Home Rule. They would cheer for almost anything he might conceivably propose. Mostly they are Tories or Oppositionists, but some are of the other party, and neither set of leading politicians wish to offend them. That in some degree, for explanation of lack or paucity of English-speaking Canadian opposition to him. To be against him openly would be to run the risk of being accused of "disloyalty"—fearsome bugaboo to many Canadian politicians. (2) The general interest of Canada is in no sort inconsistent with the wish to see what he can effect. Canadians want to see what he really has got in his bag of tricks. (3) How senseless would be any political party in Canada that went against a British politician for merely asking the British electorate to give a preference to Canada and other dependencies! (4) Time enough to oppose him in Canada when he proposes something to Canada that Canada does not like. The attitude of both Canadian parties is essentially an interested one. (5) He is very useful to Canada by

stirring up the United States agitation for reciprocity with Canada. (6) He is a bonny fighter. It is fun to see a man running such a tremendous circus on wind.

(D 1.)—It cannot be said that the political parties have as yet taken up any attitude towards the scheme. Our Parliament rose the other day without having dealt in any way with the subject.

(D 2.)—The Conservative party for twenty years has been a Protectionist party and a "British" party; the Liberals a Tariff Reform party. Most Conservatives believe in Protection for Great Britain as well as for Canada, and therefore sympathise with Mr. Chamberlain's agitation. Liberals gave a preference to Great Britain in order to carry out in some degree their tariff reform pledges, and regard Mr. Chamberlain's proposals as a natural return for the trade preference which we now give to Great Britain.

(D 3.)—Liberals are for low tariff at home, and have so far used pro-British sentiment to help them. Conservatives want to raise the tariff on iron and steel, cottons and woollens, and rely on Mr. Chamberlain's conversion to Protectionism to help them. They hope that by identifying their cause with his, in appearance but not in reality, events may bring a wave of sentiment against Laurier's resistance to Imperialist projects. Once they are in power, up will go the tariff to where it was from 1880 to 1896—or beyond.

(D 4.)—I think both political parties in Canada would like to see the scheme tried because they think it would be advantageous to Canada.

Both parties would be glad to see our products admitted into British markets on exceptionally favourable terms. The Liberals were the originators of the present preference, a voluntary gift, and they, speaking generally, hold that the best policy is to sit tight, and leave the next move to England. They favour

unconditional, rather than conditional, preferences. The Conservatives, on the contrary, have always held that Canada should offer nothing until Britain is prepared to make a bargain.

(F.)—With a general election in front, both parties have their eyes glued to the constituencies. The fiscal question will not be a "live" issue here. Borden will run a High Protection campaign—a ghost of the N.P., and the Liberals will stand by the Grand Trunk and the *status quo* in everything else. The Opposition merely take up the Chamberlain scheme at times when they want to attack the Government, and suggest its lukewarmness to the Empire. Their protective policy is really quite inconsistent with it. The foundation stone of the Liberal party—solid Quebec—will have nothing to do with Joseph Chamberlain, so the Liberals will continue to be indefinite in Ontario and the other English provinces, while in Quebec they will preach against it.

N.P. = National Policy. Grand Trunk = Grand Trunk Railway Bill.

(F 1.)—Liberal leaders have maintained it is a question which concerns Great Britain primarily, and should be settled there, independent of attitude of Canadians. Both parties have favoured the preferential tariff introduced by Canada. The wheat preference furthering the development of the West is a strong factor. "Imperial unity" and "Imperial trade alliance" not sufficiently distinguished in public discussion; belief in preference as furthering the former also an important factor.

(G.)—The Liberal party are anxious to promote trade between the Mother Country and the different sections of the Empire, and look forward to a time when there will be a preferential trade policy throughout the Empire. I think the motives of the Conservative party are similar. The latter want a retaliatory tariff against Germany and the United States, because

of the prohibitory nature of these tariffs. Both parties are loyal to the Empire. The French Canadian wing of the Liberal party, are "Canada first" in their proclivities, to the exclusion of the Imperial idea.

(G 1.)—The programme of the Opposition to the present Government, as well as of the manufacturers who advocate a higher state of protection, is in favour of Mr. Chamberlain's scheme, as they think it will strengthen their cause before the electors at the general elections, as showing that their policy is supported by a large part of the population of Great Britain.

The Government of Canada is favourable to a reciprocal tariff provided it can be carried out on terms of mutual benefit to both countries, without however giving up any particle of our present autonomy. Both political parties in this country are opposed to any sacrifice of our present autonomy. If a reciprocal arrangement can be carried out on mutual advantageous terms it would have the countenance of the country, but if it has to be obtained at a sacrifice of any of our present privileges, no government would have the support of the public opinion of this country.

12. *Is there any danger, present or future, so far as you can see, of*

(a) *Annexation by America?*

(b) *Independence?*

If so, will Mr. Chamberlain's scheme tend to increase or diminish it? If not, will Mr. Chamberlain's scheme tend to create either?

(A.)—There is at present no public opinion in Canada favourable either to annexation or independence.

It remains to be seen whether the large American element now going into the North-West will modify this sentiment in due time.

My belief is that if the system of preferential trade

on Protectionist lines is inaugurated in the Empire it will lead to such discord and friction as possibly to dismember the federation now based on freedom and sentiment. In that case independence would become a live sentiment in Canada; and unless the United States undergoes a speedy and sound conversion on the subject of the rights of its neighbour, it is quite possible that Canada would be made the subject of "benevolent assimilation."

(B.)—*Annexation:* There is as nearly as possible in five million people no sentiment in favour of annexation by the United States. May I point out that your phrase is not "annexation by the United States" but "annexation by America." Nothing would aid in the present discussion, so far as Canada is concerned, more than the cultivation by the British people of a reasonable knowledge of the geography of North America. It must be admitted that their lack of it has cost us dearly.

Independence: There is now a very general desire for the continuation of British connection provided events show that Great Britain desires it. British connection, however, must eventually mean that we are to share in whatever Imperial council or parliament manages Imperial affairs. Of course this is not a practical question at the moment, but in my opinion a permanent condition under which we are a colony and must submit to have some of our affairs managed by the Government which is also the only Government of England, Scotland, and Ireland, is impossible.

What Chamberlain proposes will, if granted, strengthen the desire for British connection. The failure to do something akin to it in the near future, will develop the desire for independence, not as an agreeable alternative but as an enforced necessity.

(C.)—(a) I do not see any danger of forcible annexation by the United States of America. Political union, agreed to by both parties, seems to me to be inevitable, but it may not be realised for many years.

(b) Independence, or political autonomy, will probably come first, and is perhaps in the distant future. I do not think Mr. Chamberlain's scheme can do much to avert the inevitable and natural course of events.

(C 1.)—No danger of annexation, but independence is very likely to come. Chamberlain's proposals would do more to unify the Empire than any other scheme yet produced, and would make the people of Canada as loyal to the Imperial policy as the natives of Britain themselves.

(D.)—(a) Annexation by America? Not a particle. (b) Independence? The independence of Canada would be highly to the advantage of Canada and of Great Britain.

The discussion of Mr. Chamberlain's scheme has been accompanied by a distinct increase of the deeply rooted Canadian tendency toward independence. Every great discussion of fundamentals tends that way—it loosens thought in Canada. The Confederation Act of 1867 meant, as Mr. Chamberlain himself has said, separation. But Canadians do not desire complete separation. Their complete independence under the Crown of our fathers is achievable by so simple a reform as abolishing the reference of Canadian affairs to the King of England in English council. Were that abolished, and our king entitled King of Canada and addressed directly by the Canadian ministry, or one of them resident in London for short terms, Canada would be an independent kingdom, just as England would be or is. Thus Canadians could keep their precious traditions and their most precious system of responsible government. The effect would be a Peace League of the Empire, if all colonies became similarly independent kingdoms, but not a war league. Then the separate kingdoms under the one Crown would aid one another in war or abstain, just as they chose. This system might be of great value. Sir Gavan Duffy long ago discussed

this proposal favourably—it is the sound one for Imperial union.

(D 1.)—I really cannot pretend to see far enough into the future to answer this question. If Mr. Chamberlain's scheme increased our prosperity, though I have not the slightest hope that it would, contentment with our present political position would be naturally the result. But what we want most is reciprocity with the United States and access for the produce of our forests, farms, mines, and fisheries to the continental market.

(D 2.)—There is certainly no present danger of annexation by America, or of independence. I cannot think that Mr. Chamberlain's scheme is necessary to the prevention of either. It is, however, quite possible that a trade arrangement between Canada and Great Britain would tend for many years to prevent successful negotiations for closer commercial intercourse between Canada and the United States.

(D 3.)—(a) Yes.
(b) Yes.
There will not, in my view, be any movement by Canada in either direction unless and until demands by Great Britain (reasonable or unreasonable) give occasion for it. To my mind, Mr. Chamberlain's proposals offer the prospect of complications from which a rupture would be the only practical issue.

(D 4.)—(a) Not the least.
(b) There is very little talk of independence at present, but an agitation with this object in view may arise in the future. But the prospect is a remote one. I do not consider that Canada's relation to the Crown will be affected one way or the other by the failure or the success of the Chamberlain schemes.

(D 5.)—(a) None.
(b) No indications now, but would be the alternative most generally favoured if separation from the

Empire became necessary or desirable. I do not think that Mr. Chamberlain's scheme will force the Dominion towards either destiny.

(F.)—(a) No *present* danger, except in the North-West.

(b) No *present* danger anywhere.

The North-West is the great danger-point. Conditions there are extraordinary even now, and five years may see great developments. Anything that tends to bring in an overwhelming American population greatly increases dangers. The *natural* market of the Territories is the country to the south of them, which will soon be *demanding* food supplies.

(F 1.)—None, so long as principle of full local autonomy maintained.

(G.)—For the present there is no annexation feeling in the country, and no agitation for independence. We are to all intents and purposes independent. The policy of non-interference with local government has created a silken tie between the two countries. There is more to be feared from mistaken attempts to legislate the Empire closer than from allowing each member of the Empire to carry on business for himself in his own way.

(G 1.)—So far as public opinion is concerned there is not the slightest inclination to annexation.

We are perfectly satisfied with our present relations with Great Britain, and do not entertain the idea of independence, although that idea may spring up at some distant date when the country will have become more populous and prosperous. It may then be very difficult to prevent this country from becoming the arbiter of its own destinies, whether we have a reciprocity treaty or not.

Mr. Chamberlain's scheme might certainly tend to either course, specially the latter, if any coercion was used, and if it is inspired or carried out on conditions

that would not be, as a whole, identical with our interests in every respect.

Besides, I do not think that there can be any scheme which can be permanently established between the two countries, unless they are subject to such modifications as may become necessary in the course of time.

13. *Do you consider that the fulfilment of Mr. Chamberlain's scheme would lead to Free Trade within the Empire?*

(A.)—No; the very longest road to Free Trade is *viâ* Protection.

(B.)—I do not suppose that Mr. Chamberlain's proposals would necessarily lead to Free Trade within the Empire; many of the colonies believe in Protection *per se*, and are used and inclined to indirect taxation; for many years to come, either as revenue or for protection, or both, tariff imposts must be exacted; nevertheless, my personal belief is, that if the policy of Mr. Chamberlain is to succeed, it will be because its modifications from time to time are in a direction which will lead eventually to Free Trade throughout the Empire.

(C.)—No; for, as has been pointed out already, colonial manufacturers are not disposed to Free Trade.

(D.)—So far as I understand Mr. Chamberlain's scheme I consider it impracticable, incapable of establishment, merely because it is hard to believe that Great Britain would jeopardise her present commercial position for any temporary formal arrangement for preferential trade with the dependencies, and hard to believe that the dependencies, or say Canada, would enter into any formal, permanent arrangement circumscribing or limiting her fiscal independence. Did Great Britain follow Canada's lead and give a preference without asking anything in

return, the effect might well be to promote Free Trade or freer trade within the Empire. It might even lead to further freer trade throughout the world. The United States might come in. The one safe plan is to trust one another to do the decent thing in return for the decent thing. No haggling for coppers.

(D 1.)—Mr. Chamberlain's scheme is, to my eyes, without form and void. What exactly it is I cannot tell. Therefore I cannot divine its effects. What I plainly see is that the statements of fact on which he has founded it have been found to be utterly false. What can be the use of speculating on the possible results of a chimera?

(D 2.)—No.

(D 3.)—As to this I can only say that we not only do not discuss it in Canada but resolutely refuse to discuss it. My own view is that it is not a safe road to the extension of trade between Great Britain and Canada; and, further, that if it promised well there it would involve other projects which would inevitably meet strong resistance in Canada. In the main, those of us who favour free trading are those who would resolutely oppose any attempt to incorporate Canada in a military organism, especially one managed from London. Those, on the other hand, who are professed lightly to assume military burdens are those who want British and all other merchandise kept out of Canada.

If you want Canada's moral support in emergencies or other support, take care to be strong yourselves, and do not throw away for a shadow that which makes you strong.

(D 4.)—Not in our time, I fear.

(D 5.)—No.

(F.)—No.

(F 1.)—Do not think the scheme sufficiently definitely defined to say. No doubt many believe that would be the tendency, and as such would favour it.

(G.)—If a scheme is drawn up which will be universally applicable to the different nations of the Empire, Free Trade between the different members of the Empire ought to be the logical conclusion. There ought to be a way by which the different States of the Empire should be open to the trade of all without let or hindrance, just as commerce is free throughout the United States.

14. *What is your opinion of—*

(a) *State-aided emigration;*
(b) *Steamship subsidies;*
(c) *Loans to aid development of railways, waterways, &c., to improve and cheapen means of transport to the coast, by the Imperial Government?*

(A.)—I am in favour of these and all similar means of developing the resources of the Empire, provided they are not made unduly burdensome to the taxpayers of any section.

(B.) *State-aided Emigration:* If the emigrants are of the right class the colonies would of course be benefited. Experience, I fancy, is against the value to the colonies of State-aided emigration, because it has generally been a process of getting rid of individuals who, for one reason or another, are incapable of earning a living, and thus of turning over to the colonies all responsibility for their future. The colonies might help themselves through a scheme of State-aided immigration by loans to capable young farm hands, to be secured on the land granted to them.

Steamship Subsidies: The Imperial Government might do much by aiding ocean steamship services between different parts of the Empire, when such routes are really routes which, geographically regarded, ought to be successful.

As to loans to aid the development of rail and internal waterways, I do not see that the colonies need

or should ask help from the Imperial Government for such enterprises.

(C.)—Without giving reasons, *pros.* and *cons.*, I may answer briefly thus:—

(a) State-aided emigration can be of great service to the community and to the individual. It is a danger as well as an opportunity to benefit.

(b) Subsidies in all its aspects I consider a very dangerous policy, to be avoided whenever possible.

(c) Loans to aid much needed developments I approve; subsidising should take this form.

(D.)—Any or either may be good or bad—it depends wholly on the circumstances. Loans by Imperial Government to Canada for any of these purposes are quite unnecessary, and the unnecessary is usually the injurious. Canada is well able to provide for Canada anything Canada thinks she wants.

(D 1.)—I am decidedly against State-aided immigration and in favour of allowing emigration to take its natural course. Our Government has done no good by aiding emigration to our North-West. As a general rule I am against the subsidising system, and so I find are those on whose opinions in this colony I most rely.

(D 3.)—(a) (b) Good in all cases where Great Britain can see instant or approximate return for her expenditure, as in any arrangement between equals; not good where it is only intended to place us under a presumptive obligation.

(c) Loans to aid development of railways (no need), waterways, &c. (no), to improve and cheapen means of transport to the coast (no), by the Imperial Government (our business).

(D 4.)—Canada requires no assistance in developing her internal systems of transportation: but the Motherland and Canada might co-operate to their mutual

advantage in the establishment of steamship lines between the two countries. I do not think that Canada desires any State-aided emigration.

(F.)—(a) Canada does much good work in that way, but thinks too much of quantity, too little of quality.

The Mother Country ought to go into the game herself.

(b) A Canadian fast Line would be a great thing from every point of view, and if Canada will not do it, it would be worth Britain's while to do it.

(c) Canada does enough in this line herself. It would not do for the Imperial Government to touch it.

(F 1.)—All desirable, and real factors in promoting Imperial unity. (a) Would have to be exercised with much care.

(G.)—State-aided emigration is of doubtful benefit. The emigrant who comes out to this country will succeed better by gaining his experience at the expense of his employer. The country is new and there is quite a little to learn before starting out on one's own account. A knowledge of the climate and methods of work is useful. The western country is settling up rapidly, and the demand for farm hands is practically inexhaustible.

The time for steamship subsidies is past. They serve only to perpetuate monopolies and to prevent competition. Capital is abundant and the less Government interferes with and coddles trade the better for the public treasury and all concerned.

Subsidies to railways have been the chief source of corruption of our legislatures.

Judicious loans in aid of railways might serve a good purpose, provided the loans were ever paid back to the lender. In the Province of Quebec no borrower from the Government ever expects to repay the Government. We tried a municipal loan fund, every municipality in existence at the time borrowed as freely as

their influence with the Government of the day permitted.

The great mass of the debt was remitted by Government, frequently before the parliamentary elections took place. If it had been Imperial money the same result would have occurred. The Dominion is abundantly able to pay for its own improvement, railways and waterways included. Do not forget that Canada has grown out of its swaddling clothes. The estimated revenue of the Dominion for the year ended June 30, 1902, was 51 millions, and the surplus for the year 5 millions. This estimate was exceeded. There is no reason why the British taxpayer should be asked to contribute to our financial aid by the Government. This should be left to the good sense of private capitalists. At present I do not see any better way to preserve harmony than to leave each colony to solve its own fiscal question.

(G 1.)—I am not prepared to pronounce myself on this question, except that Great Britain might help Canada in the establishment of a fast mail line of steamers on the Atlantic between Great Britain and the Dominion.

(C 2.)—So far as I can judge there is no urgent demand for Mr. Chamberlain's proposals, although there possibly is a silent acquiescence in any scheme that would be to the benefit of the agriculturist, still I have my doubts if the great bulk of the rural population have given the question that consideration that would enable them to give a reason for their belief.

In my opinion the fulfilment of Mr. Chamberlain's proposals are *not* necessary to Canada's development, *nor* would their refusal cause widespread dissatisfaction.

Judging from the past acts of *others* than exporters of foodstuffs, they *would* expect preferential treatment in British markets.

Canada should above all things control her own fiscal

policy, to do otherwise would undoubtedly cause friction between Canada and Great Britain and the other colonies. Friction too long prolonged causes a conflagration; conflagration generally spells ruin; ruin to that loyalty which all Canadians now have to the Mother Country, wanting which, there would undoubtedly spring up an agitation for a change, either annexation or independence—preferably independence.

To sum up the whole matter, my belief is that we should leave well enough alone; the country as a whole is fairly prosperous and contented.

"'Tis better to bear the ills we have than to fly to others we know not of."

(E.)—The colonies are first of all interested in having Great Britain maintain her present high position amongst the commercial nations of the world, and if she pursues that fiscal policy which is best adapted to achieve that end, she will also do best for the Empire at large. If this view is sound, it follows that in the present controversy she should not lend much support to the appeal to make sacrifices in the interests of Imperialism.

We wish England to pursue a sound policy: firstly, to maintain the value of her market, and secondly, to maintain her commercial prestige.

My personal view is that Great Britain will best hold her commercial position by adhering to a general policy of Free Trade.

2nd. If England should deliberately adopt protection as her best natural policy, then the interests of the Empire would be promoted by the broadest preferential agreement which can be arranged between the Mother Country and all her dependencies.

3rd. The loyalty of Canada will not be affected to any appreciable extent by the refusal of England to grant preferential treatment. Canada recognises the necessity of England doing the best possible for herself.

4th. A very influential portion of the Canadian people would not willingly grant to Great Britain any larger preference in the Canadian markets than she at present enjoys, even though England should offer in return a substantial preference.

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