

COPY

OPPOSES RECIPROCITY

SIR G. W. ROSS THINKS CANADA SHOULD NOT BE TIED UP.

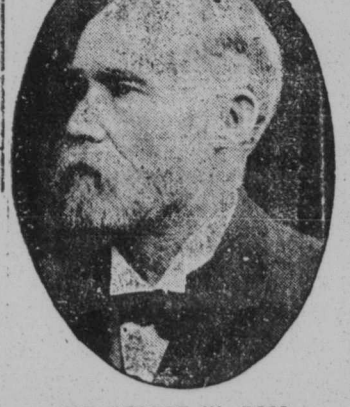
Former Premier of Ontario In Historic Address Before the Toronto Board of Trade Gives His Reasons For Maintaining the Present Tariff—Phenomenal Growth of Industries Would End.

In a speech eloquent, logical and comprehensive, Sir Geo. W. Ross discussed the question of reciprocity before a largely attended meeting of the Board of Trade in Toronto recently. "The negotiation of a reciprocity treaty with the United States," he said, "has been a somewhat familiar subject to Canadians for two generations. Ever since the repeal of the treaty of 1854, over forty years ago, it has been frequently discussed on both sides of the line."

After discussing the political effect on Canada of reciprocity, Sir George took up the economic problem. He said:

**A Poor Bargain.**  
"But, assuming that bona fide proposals for reciprocity are to be submitted, let me mention a few considerations that require the most careful attention."  
(1) We must not forget that the mere exchange of certain articles may involve a great deal more than appears on the surface. For example—to abolish the duty on wheat on both sides of the line looks fair, but to accept an offer of that kind pure and simple would, in my opinion, be a poor bargain for Canada. I believe that the longer the American tariff of 25 cents a bushel on Canadian wheat is maintained the better for us. Canadian wheat has now a distinct place in the British market. If the market of the United States were freely opened it would be impossible to maintain its identity in passing through American elevators, and Canada would be the loser to the extent of any reduction in price.

"A similar observation will apply to flour. Manitoba flour usually



SIR GEORGE W. ROSS.

brings a higher price on Mark Lane than any American brand. Who could vouch for the genuineness of this brand if American wheat moved freely across the border? The poorer qualities on the south side of the line would be fortified by the products of Canadian mills, and the better qualities on the north side would be deteriorated by mixture from the south. Such an interchange would be throwing away all the advantages we possess from the great wheat belt of Manitoba and the west.

Canadian Cheese Pre-eminent.

"In the same way Canadian cheese, after years of experiment and large expenditure of money, has driven American cheese out of the British market. How could this pre-eminence be preserved if Canadian cheese passed through the hands of American shippers over the border? We have, therefore, to consider not the first profit, if profit there be, but the ultimate effect upon an industry which yields us annually about \$30,000,000. The advance of a few cents in price in exceptional conditions of the market should not dominate the general effect on the large aspect of the question and the business interests of all the cheese factories of Canada.

"The question of our lumbering industry has also its future aspect. No doubt the admission of lumber into the American market free of duty would enhance the value of lumber and probably the value of all standing marketable timber in Canada. But the personal interests of the lumbermen are not to be alone considered. One of the greatest questions now before the people of Canada is how to conserve their forests. Mr. Clifford Sifton, chairman of the Commission of Natural Resources, speaking before the Empire Club on the 20th inst., said: 'At the end of twenty years the United States would have no timber for sale in the ordinary way. In Canada the supply was large, but if the supply in the United States ran out, the supply in Canada would last the United States for only seven years. The time must come, however, when the people of Canada would demand legislation prohibiting the export of marketable timber.' This is the national view, and the only view which will do justice to Canadian interests. Can this view be maintained under a treaty?"

"In 1866, when the old treaty was repealed, we were poor in banking capital, in skilled labor, in agriculture and in manufactures. A treaty then would have afforded some relief. To-day conditions are different—different because the repeal of the treaty removed every prop on which we had formerly leaned, and the true temper of the Anglo-Saxon spirit was needed to set on foot a country in the world affords a better illustration of public spirit than Canada

when the United States in 1866 flung our poverty in our faces and told us that our only choice was starvation or annexation. It is not that the fabled wrestler Antaeus, whom Hercules sought to crush, sprang to his feet whenever his shoulders touched the earth. We touched the earth in 1866; but, like Antaeus, we sprang to our feet, and by our unaided strength we have made the name of Canada great among the nations of the world, and so Hercules now wonders if it would not be better for him to pour a libation at our feet than wrestle with us in the commercial amphitheatre of this country.

**Growth of Manufactures.**  
"Nor does it appear to me to be necessary that we should worry ourselves much over reciprocity in manufactures. The secretary of the Manufacturers' Association said that only three per cent. of the imports of the United States from Canada consisted of manufactured goods. If the Americans want more of the excellent products of our factories let them reduce their tariff, and I have no doubt many of them will be glad to wear our cotton and our woollen goods. But even in spite of our exclusion from the United States our factories have prospered.

**United States as a Market.**  
"But suppose the markets of the United States were thrown open to us, would that not greatly enhance our prosperity? The United States lie along our border for 4,000 miles, with a population of ninety millions. If you have anything to sell, there is an unlimited market for us—why not let us enjoy it? This is a fascinating picture, but there is another side to it. The boundary is just as long for the Americans as for the Canadians, and a reciprocity treaty that opened one side of the line would also open the other. While our seven millions were getting into the American markets with our merchandise the American ninety millions were getting into Canada, and the home market, always the best, where not glutted with goods, would be rendered practically valueless. The fruit-grower would find American fruit in the market before him, and everywhere so abundant that his trade would be ruined. The flour merchant, the seed merchant, the dealer in provisions, such as bacon, butter and cheese, would be similarly situated, and any occasional sale that he could make in the United States would be poor compensation for the losses incurred on account of the surfeit of the home market by American goods.

"But in a still larger sense Canadians would stand to lose from the opening of the American markets, and that is very clearly put by Senator Beveridge in a speech recently delivered on reciprocity. He says: 'There must be reciprocity with Canada. Our tariff on the rest of the world does not apply to our northern neighbor. That policy already has driven American manufacturers across the Canadian border, built vast plants with American capital on Canadian soil, employing Canadian workmen to supply trade. That capital should be kept at home to employ American workmen to supply Canadian demand.'

"Here we have another statement, this time from a distinguished Senator, as to the effect of our present commercial relations with the United States which President Taft is so anxious to change. Senator Beveridge says: 'The American tariff has driven American manufacturers across the Canadian border, built vast plants with American capital on Canadian soil, and so on. Well, suppose it has, and we are told that American capital to the extent of \$225,000,000 has been invested in Canada is that a condition that we should seek to change? If the Americans change it of their own motion we cannot help it, but surely we should not encourage negotiations which would prevent the investment of capital from any quarter in Canada. If there is anything we need it is capital for our industries and farms and mines and factories. But notice another observation of the distinguished Senator. He says: 'That capital should be kept at home to employ American workmen to supply Canadian demand.' Well, let me tell Senator Beveridge that some time ago we allowed American workmen to supply Canadian demand, but if he ever hopes that this will happen again, then I very much mistake the Canadian sentiment of to-day. Americans now supply us with about \$80,000,000 of manufactured goods. Even that is too much, but to increase it as Senator Beveridge proposes would be treason to Canadian industries, the very thought of which makes one shrink from the consequences.

Relations With Mother Country.

"Next let us consider the effect which reciprocity might have upon our business relations with the mother country. I leave out of consideration the presumption of many Americans that better trade relations with the United States might lead to political union. If the United States supplied the only market available for Canadians a treaty might have some political effect. But we are not dependent upon the United States in any sense for our markets, and if we make a treaty it is to be assumed that we will give a quid pro quo for any favors we receive. Canadians surely would not be bribed by privileges for which they paid. But if trade and loyalty are to be considered together it is the mother country that has the first claim upon us. In the face of a duty of 23.7 per cent. on all the goods we sell to her she allows free access to her market, while the Americans exact a duty of forty-two per cent. for a similar privilege. The British market is also a steady market and not subjected to the fluctuations of the Chicago Corn Exchange or to the manipulation of speculators. It is not liable to be closed against us by the expiration of any treaty or by the manipulation of any trust. So long as the British Empire endures we may expect the British market to be accessible to us. If we have any favors to bestow that is the market with the strongest claim, or if we

anticipate any favors, such as a preference over foreign traders, it is in the British market that these favors are most likely to be obtained; we certainly would not look for them in the markets of the United States. One thing is certain, we cannot have reciprocity in wheat and British preference at the same time.

**What British Capital is Doing.**  
"Then, again, the British market has always been our base of supplies for every large national and industrial undertaking. It was with British capital that we built our railways and dug our canals. Nearly every large municipal work in Canada was carried out by loans in London. British capital is now building two transcontinental railways. It lights our streets, lays down our sewers, builds our waterworks and carries us from continent to continent. In the last five years, according to The Monetary Times, the sum of \$695,453,856 has been invested in Canada, of which \$97,500,000 has been invested in enterprises for the development of the country. Mr. Parish, an eminent London authority on finance, says that Canada has absorbed £200,000,000 of British capital.

In considering further investments would the capitalists be more likely to decide for Canada if our trade were directed to the United States? For that is what reciprocity means. Just now the current is with us. If we proceed with the construction of the Georgian Bay Canal and the Hudson Bay Railway and the enlargement of the Welland Canal, not to say a variety of smaller enterprises, we will need two or three hundred millions in the next few years. Where are they to come from? Certainly not from the United States. Capital is sensitive. Let us not give to it a jolt in this important stage of national development.

Effects on National Autonomy.

"Reciprocity would not help our national autonomy. A treaty means an obligation, and an obligation is subject to interpretation. The Washington Treaty contained several obligations. One was the free admission of fish into the United States. Interpreted, it still meant fresh fish, but not the packages in which they were put up. The Washington treaty allowed the use of certain American canals in exchange for the free use of Canadian canals. Interpreted it meant that the vessels or barges could pass only if they were unloaded when they entered American territory. Under a reciprocity treaty the two countries will no doubt undertake certain obligations which, possibly, when they come to be interpreted, may mean what either party understood them to mean. But the obligation will continue during the life of the treaty, to the annoyance of one or both parties.

"For my part I do not want to see any act of the Canadian people subject to interpretation at Washington. Only once in 100 years did we get full justice in the interpretation of treaties affecting Canada, and that was before The Hague Tribunal a month ago. Our tariff act is now interpreted at Ottawa, and any complaint from the United States authorities where else is settled by Canadian officers. Right or wrong we are our own masters. This would not be the case under a treaty, but that would mean irritation and possibly international good-will. And now where does my argument lead? Evidently to this conclusion: that Canada does not stand in any great need of a reciprocity treaty with the United States.

Leave Well Alone.

"Let us not want to be better unless we are sure of the effects of the medicine. We are free from entanglements with the United States. We cannot be embarrassed by any amendments we make in our tariff, or if we are we can alter it ourselves. A treaty we cannot alter. We have taken the duty off binder twine and barbed wire and corn, and we have given the Americans a free list of goods under which they sold us last year \$79,471,000 worth of merchandise on which there was no duty. If they are anxious for better trade relations with Canada, let them negotiate through their own Congress at Washington, and reduce their tariff as it may suit them, and let us reciprocate if we deem it expedient, through the Parliament of Canada.

"This is the first move on the commercial chessboard. We have Great Britain a preference without any treaty or even negotiations; why should we treat the Americans with greater formality? At the same time, let us receive their representatives with the utmost courtesy. They have proposals to make, we want to know what they are. They should be made as openly as if they were submitted to Parliament. Public opinion should be heard upon them, and there the matter should rest until the United States Congress had given its sanction and approval to the action of its representatives. It would then be the duty of the Parliament to take similar action if in the public interest so to do—only in this way can we preserve perfect freedom from the possible entanglements of a treaty which, no matter how carefully drafted, is liable to be misunderstood and misinterpreted.

"An adjustment of the trade relations between the two countries by the independent legislation of both rather than by treaty is the only safe course, as it affords publicity in the first instance and admits of perfect freedom of action thereafter. In the meantime let Canada continue to sell her merchandise wherever she finds a market, and trusting in that Providence which has always filled her barns with plenty and made her merchants princes in the land, let her not hazard her trade or her independence for expectations that may never be realized, nor place herself under obligations that might interfere with the fullest development of her industrial prosperity in the years to come."

The Advocate Offers the Best  
**DOLLARS WORTH OF READING MATTER**  
IN  
**NEW BRUNSWICK**  
SEND  
in your Dollar and we will put you on the paid up list.

OUR RATES FOR Advertising ARE VERY LOW

Try us and see the good that will result

Let Us Furnish You with Letter Heads, Bill Heads, Envelopes, Statements, Note Heads, Draft Forms, Visiting Cards, Business Cards, Posters, Dodgers.

OR IN FACT ANYTHING IN THE Printing Line.

Send, or Bring your orders, and we will do the rest.

We Supply and Print  
**ADVOCATE PUBLISHING CO., LTD.**