

# THE CANADIAN MANUFACTURER

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### "COMMERCIAL UNION" AND "RECIPROCITY."

At a recent meeting of the Executive Committee of the Canadian Manufacturers' Association, the Secretary was instructed to communicate with a number of manufacturers and request their views as to the effect that Commercial Union, or Reciprocity in Manufactures with the United States would have on Canadian industries. A circular letter was sent out requesting such views, and as the replies thereto embody many strong arguments against such a political move, we have formed them into a symposium which our readers will no doubt study with great interest.

The idea of reciprocity is not received with favor by Canadian manufacturers. They but too well remember the adverse circumstances against which they had to contend up to the time of the inauguration of our present National Policy in 1879. They well know that that policy made it possible for them to furnish Canadian manufactured products to Canadian consumers, a thing which had never been successfully done before. They know that the small nucleus of then existing manufactures has since grown to proportions which are the surprise of observers, the pride of Canadians and the envy of enterprising American manufacturing competitors.

American manufacturers see in Canada a rich and inviting field in which they desire to market their products, and they know that they are prevented from doing so only by our protective tariff which keeps them out. Hence their wonderful fervor and zeal in declaring their friendship for Canada, and their desire for Commercial Union, Reciprocity or any thing else which would remove our tariff barrier.

Canada must not be allowed to be dragged into a position where she will be compelled to take a subordinate part to the United States. The high and enviable position that country now occupies is due to the protective policy of its Government, and if Canada aspires to a similar position and condition, the end will have to be accomplished by similar means.

It will be observed that of all the writers whose letters are here reproduced but one only is not outspoken against this scheme of obstruction to Canada's nationality and greatness, and that gentleman seems to base his views upon the fact that "the efforts of the Government to protect our manufactures is greatly neutralized by the special prices made both in England and the United States to meet our tariff," and that the undervaluation of imports—otherwise the "special prices" to which he alludes—is "creating considerable dissatisfaction with the Customs regulations." The argument is untenable as favoring reciprocity, but is strongly in favor of some stringent law by which undervaluation may be prevented.

The symposium, which is herewith begun, will be continued in our next issue.

*From MR. B. ROSAMOND, President of the Rosamond Woolen Company, Almonte, Ont.:*

"I look on the scheme as not practical, more from the hostility of parties in the United States, than from any very strong objections to it in Canada.

"From our standpoint there is the difficulty arising from our political connection with England. We cannot possibly let in goods manufactured in the Mother Country duty free, first, because we must have revenue to meet public expenditure and interest on the public debt; and second, because if we did a very large number of manufacturing interests would be inevitably ruined. Can we admit the manufactures of the United States duty free and charge a duty on similar manufactures from England? Perhaps England would consent to our doing so if we demanded permission and backed up our demand with the proper amount of bluster which I think a cheeky demand of that kind should have.

"Supposing this difficulty to be got over all right, there remains the question, how would such a 'Union' affect Canadian manufacturers? There would be many drawbacks to contend with from the beginning. We are accustomed to a small market and can hardly manufacture as cheaply as if we had a population ten times as large as at present, so that at the start at all events we would be very likely to be undersold. I am inclined to think, however, that in time this would rectify itself and that Canadian skill and industry would soon come to the front. I do not think we should be afraid to meet our neighbors on equal terms, or that if they give us their market we should hesitate very much in giving them ours. I would regard as very objectionable any arrangement which would bind us to adopt their tariff against England and other countries. If such a condition be any part of the scheme of Commercial Union it should, from a Canadian standpoint, be considered as fatal to its success."

*From the Manager of a concern in Ontario Manufacturing Vehicles for the wholesale trade:*

"Reciprocity would mean the total annihilation of our concern. Manufacturers can produce goods in our line so much cheaper in the U. S. than here, that they could afford to pay duty and freight and import at less than the cost of manufacture here. This is owing to the large output of many concerns there. Were there reciprocity this would steal our trade, as there is capacity enough there to manufacture all the goods that could possibly be sold in Canada with very little additional labor expense and no plant expense.

"As to the general effect on Canadian industries, it is hard to say what that would be, but as the 'survival of the fittest' governs all things in commercial life, I think it would mean to a certain extent, the crushing out of the weaker and smaller Canadian manufacturers, while some of the larger ones might possibly profit by the enlargement of their field.

"There is no question that in the lines of business with which the writer is familiar, the American factories have