

## TRADE AGREEMENT WITH UNITED STATES

**Important Schedule Presented Embracing Numerous Reductions—Striking Concessions Made by the Republic.**

Removal of all duties on both sides of the border on the majority of natural products.

Material reductions of duties on meat.

Considerable reductions in the agricultural implement schedule.

Duties entirely removed by both countries from a number of miscellaneous articles, including hay, lumber, coke, railroad ties, telegraph poles, wooden staves, typesetting machines.

Reductions on products of the mine, including a decrease of the Canadian duty on bituminous coal from 53 to 45 cents per ton.

Principle of British preference will be maintained.

Striking sacrifices made by United States to obtain the revised schedule presented.

Doubt expressed in some quarters as to whether Congress will agree to proposals.

The above are some of the important points respecting the trade agreement between Canada and the United States, submitted at Ottawa and Washington on Thursday. Protests naturally will be made at individual reductions, as tariff protests always are. Viewing the agreement in its broadest sense and allowing for the numerous obstacles and special considerations besetting the Dominion Government when framing the measure, it must be conceded that Mr. Fielding has done remarkably well. A feature of the schedule is the number of substantial reductions in duties by the United States, in order to obtain certain concessions from Canada.

For example, at present wheat is dutiable in the United States at twenty-five cents a bushel and in Canada at twelve cents a bushel. We make wheat free in both countries. The reduction in Canada is twelve cents a bushel, whereas the United States reduction is twenty-five cents a bushel. "I give that as an illustration of the fact," said Mr. Fielding, that the tariff of the United States being much higher than ours, in order to meet a common rate they have had to make very much larger reductions than we have. As another illustration, take the article of barley. It was a large crop in Ontario some years ago, and when the American tariff increased the duty on barley it was regarded by Canadian farmers as a rather severe piece of legislation. Barley is now made free. Canada's reduction is 15 cents per bushel, and the United States' reduction is 30 cents per bushel."

### Many Items on Free List.

Among the large items which it is proposed to place on the free list are cattle, horses and mules, swine, sheep and lambs, poultry, wheat, rice, oats, barley, buckwheat, beans, dried peas, potatoes, butter, cheese, milk, cream, eggs, honey, fish, vegetables, fresh and some dried fruits. The door of United States market is thus left open to Canadian food producers. A duty of 50 cents per barrel is placed on flour and 50 cents per 100 pounds on oatmeal.

Duties are entirely removed on numerous items, including hay, lumber, coke, some steel rods, typesetting and type-casting machines, cottonseed oil, railroad ties, telegraph poles, wooden staves, pickets and polings.

As largely anticipated, reductions are made in the agricultural implement schedule. A uniform scale of duties on both sides has been arranged. Among the leading reductions are farm wagons, harvesters and mowers, 22 per cent.; ploughs, harrows, drills, horse rakes, cultivators, threshing machines, hay loaders, patent augers, feed-cutters, grain crushers, fanning mills, hay-tedders, farm or field rollers, 5 per cent. reduction.

Sawn lumber will be admitted free to the United States and also pulp and paper if the provinces of the Dominion can see their way to withdraw their export restrictions on pulpwood.

### As to Manufactures.

"With regard to some of the items made free I have said before," remarked Mr. Fielding, explaining the schedule, "that they are largely natural products, but in some cases there are manufactured articles, and in some other cases it will be shown that we have made some reductions to a moderate extent on manufactured articles. I have already indicated that our reductions are not very large while those of the United States are considerable. Our manufacturers are rather alarmed at the competition of the Americans. No doubt with their magnificent organization and

great accumulation of capital Americans are in advance of us in most of the lines of manufacture.

"I do not suppose that in manufacturing generally can we hope at present to send many things across the line. But I do hope that the reduced rates of duty will open up new facilities for our manufacturers, and that we shall be able to enter the United States markets. Our manufacturers, whose products are shut out to-day by a prohibitory duty, may be encouraged to send some of their goods into the United States under a bounty on them here which will expire shortly. We have thought it desirable that our manufacturers in that line should have a chance in the American market, and therefore we claimed that wire rods, which are now free in Canada, should be free in the United States, and I think we will have a fair chance of making wire rods for the United States and sending them over from our steel plants."

### Principle of British Preference.

In answer to questions by Mr. Foster, respecting the maintenance of the British preference, Mr. Fielding said: "It is a great and important question. We have dealt with it in the past; we shall deal with it again. I do not want to import into this discussion anything of party color, but I ask my honorable friend if he does not think that the British preference may safely be trusted in the hands of the men who created it? This is a tariff negotiation with the United States. We will have to deal with the items in the tariff generally; we will have to consider the British preference and to see how far it would be affected by this if we made any change. But that is an entirely distinct question, which we will have to deal with at the time."

### Will Congress Approve?

"We present the arrangement," concluded Mr. Fielding, "to the judgment of this Parliament as the President of the United States will present it to the judgment of Congress. The one fear I have is that there may be people who will say that we have made so good a bargain that Congress should not approve of it. In the past friendly arrangements have been made with the United States Government, which have failed to receive the approval of Congress, but we think the time is favorable now. We think we have found the psychological moment for dealing with this question; we think we are within reach of some of the commercial advantages for which our people have struggled now for half a century."

"We commit this matter to the care of the Canadian Parliament with the firm conviction that it is going to be a good thing for Canada, a good thing for the United States, and that we will continue to have it and obtain it, not because there is any binding obligation to do so, but because the intelligence of the people of the two countries will decide that it is a good thing for the promotion of friendly relations and for the development of the commerce of the two countries."

It is rather more than doubtful if so broad an arrangement will be sanctioned by the American Senate. Examining the free list, there are sure to be Senators who will object that while, in the matter of grains, for example, the United States takes off 25c. per bushel duty to make wheat free, Canada takes off only 12c. On oats their reduction is 15c. to our 10c.; on barley 30c. to our 15c.; peas, 25c. to our 15c.; beans, 45c. to our 25c. As to vegetables, the reductions proposed are somewhat more nearly even.

It is noticeable that both in Ontario and Quebec many fruit dealers are of opinion that freeing fruit from duty as proposed will not only stimulate trade in United States southern fruits, which Canadians use largely, but will reduce the price to our people of such familiar and near-by fruits as American grapes, pears and strawberries.

In dairy products, the concessions proposed to be made by the Americans to reach a free basis are greater on the whole than ours. So confident are Canadians, however, of the superiority of their butter and cheese that many will be found to object to reciprocity in these, as being too favorable to Uncle Sam. Hay and straw, flaxseed and linseed, garden and field seeds, lend themselves more easily to being placed on an equality.

One thing, and an important thing, has been secured, which could hardly have been expected. This is the placing of fish on the free list, and this without any concessions made to the Americans as to the catching of fish in our waters. The arrangement made as to agricultural implements is one which will appeal to most people as reasonable. It will not satisfy the farmers in the far west, perhaps, but they are not always strictly reasonable or disposed to consider the wishes of other dwellers in Canada.