

Our Ottawa Letter

(By THE GUIDE SPECIAL CORRESPONDENT)

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Reciprocity and terminal elevators were again the chief subjects for debate in parliament this week. The elevator question has been before both houses in the commons on a motion proposed by Dr. Schaffner, the member for Souris, declaring in favor of government operation and in the senate on the second reading of the new Canada grain bill, which was moved by Sir Richard Cartwright, minister of trade and commerce. The discussion of Dr. Schaffner's resolution took place on Monday and occupied several hours. Eastern as well as Western members taking part in the debate. As usual the liberals and conservatives found a reason for differing, the opposition members supporting the motion and the ministerialists voting for an amendment proposed by Dr. Neely, of Humboldt, favoring a postponement of any declaration on the question until the bill introduced in the senate by Sir Richard Cartwright came before the House of Commons. The amendment was carried on a party division.

The second reading of the Canada grain bill was moved in the senate on Thursday afternoon, but no discussion took place. Sir Richard Cartwright, after explaining the bill and referring briefly to the reasons for its introduction, intimating that it was the wish of the government to delay the debate for another week in order to allow those interested to express their opinions and make any representations they might see fit to their representatives.

Foster Opposed Reciprocity

The reciprocity debate is now well under way, and three days were devoted to the discussion of the proposed revision of the tariff this week. The most notable utterance was the speech of Hon. Geo. E. Foster, one of the strongest advocates of high protection in Canada and the chief financial critic on the conservative side of the house. Mr. Foster, who had spoken for an hour and a half on the previous Thursday, concluded his speech on Tuesday when he occupied another two and a half hours. Mr. Foster is recognized as by far the ablest debater on the conservative side on matters concerning trade and finance, and his speech may therefore be taken as containing the best argument which the opponents of reciprocity in parliament can put forward. Mr. Foster's arguments, shorn of his oratorical flights and of his shafts of wit and sarcasm, are given below. Mr. Foster and also the other speakers played for some time on the patriotic string, and endeavored, though without much success, to show that the offer of reciprocal trade was but the first step towards the annexation of Canada by the United States.

It will be noted that, except in the case of fruit and vegetables, on which there appear to be different opinions in different parts of the country, the opponents of reciprocity do not object to the reductions which it is proposed to make in the Canadian tariff, the great objection being to the lowering of the United States duties, over which Canada has, of course, no control.

Liberal speakers, on the other hand, all supported reciprocity, and the immense trade between Germany and Great Britain was pointed to as an instance of nations trading with one another without the remotest idea of political union. Hugh Guthrie, the liberal member for South Wellington, in supporting reciprocity, practically announced himself as a free trader in the country and a protectionist in the city, and Dr. Neely, of Humboldt, said he also believed in the protection of infant industries, though he thought protection had been carried too far, and that the duties on manufactured goods ought now to be reduced.

A Tiresome Job

A large number of the members on both sides are preparing to take part in the debate, which will probably last another two or three weeks, but already the house is becoming bored, and on Thursday night there were sometimes not more than twenty members present, and most of these were engaged in conversation and paying no attention to the speaker.

Foster's Speech

Hon. Geo. E. Foster on Tuesday continued the speech against reciprocity which he had begun on the previous

Thursday. The aim of this country for the past forty years, he said, had been to stimulate the number of productions in Canada, and one result of the policy of protection had been that \$200,000,000 had been transferred from the United States to Canada in plant and equipment for the establishment of branch factories. The United States desired this proposed trade agreement with Canada because she coveted the rich natural resources of the Dominion, and her object was to carry these natural resources over to the United States, and there work them up into the finished product, allowing only the cheaper and less skilled operations of labor to be performed in Canada, and reserving the better paid and more technical operations to be carried on in the United States. He claimed that Canadian industries would be injured as a result, and this would prevent capital being invested in Canada by British and foreign capitalists. Capital, and with it labor, would, he said, in fact be drawn from Canada to the United States, and the supporters of reciprocity in that country looked upon it as the entering wedge and believed that the ultimate conclusion would be free trade in the whole of North America with a tariff wall against the rest of the world. Mr. Foster next objected to the proposed arrangement because he said it prevented the government making changes in the tariff when it was found that any industry was

ELEVATOR COMMISSION SALARIES

In reply to a question from Dr. Armstrong (Gladstone) Hon. Robt. Rogers stated in the Manitoba legislature that the salaries paid each member of the Manitoba Elevator Commission during 1910 were: D. W. McCuaig, \$3,615; F. B. MacLennan, \$4,519.95; W. C. Graham, \$3,014.50. Since the commission was appointed in June last it would appear from the figures given that the yearly salaries are: D. W. McCuaig, chairman, \$7,000; F. B. MacLennan, \$8,000; W. C. Graham, \$6,000. The minister of public works also stated that the commission had been appointed for no fixed term.

suffering under a grievance. Sir Wilfrid Laurier had not been able to tell the recent delegation of fruit growers, for instance, that their complaint would be enquired into, and if properly founded it would be removed. These people had to be told by a finance minister who had been careful to keep his coal scuttle undamaged, and by a minister of customs who sat tight upon his biscuit box that they must sacrifice themselves for the good of Canada. But if they told the fruit growers there could be no protection for them, then they had the right to say that there should be no protection to any other industry. The whole farming interest of the United States was ready to demand that the duty be struck off from every other industry so far as it ran between Canada and the United States, and to a certain extent there was the same feeling in this country. If this step was taken, and unless this government was speedily overthrown, the sense of injustice would rankle and grow until there was free trade between the two countries.

He also sought to show that reciprocity with the United States would render impossible the Chamberlain scheme of imperial preference, by which the tariff reform party in Great Britain wished to adopt protection in that country and establish preferential trade within the empire, with tariffs against the rest of the world.

The Premier's Promise

Mr. Foster then attacked the premier for making these important changes in the tariff after stating in the West last summer, and repeating in the house during the present session, that there would be a commission of investigation before the revision of the tariff was undertaken. Sir Wilfrid had also stated that the British preference would not be interfered with by anything that was done with the United States, and Mr. Foster read a list of articles on which the duty had been removed or reduced, with a resulting

decrease in the British preference under the present schedules of from 2½ to 14½ per cent.

Mr. Foster spent some time in combating the idea that the removal of the duty by the United States would increase the price of wheat to Western Canadian farmers, but the facts which he adduced in support of his contention appeared to support the opposite view. He quoted, for instance, a speech in which J. J. Hill assured the farmers of Minnesota and the Dakotas that the price which they would receive for their wheat would not be reduced by the free admission of Canadian wheat, though prices at present were lower in Canada than in the Northwestern States. The price that all would receive on the Liverpool market was the same, and the only thing that varied the price at the point of production was the cost of transportation "and the like of that." He also discussed the effect of free admission to the United States market on the cattle and hog raising industries and made the assertion that the result would be that stock cattle would be exported to be finished and slaughtered, cured and packed in the Western States, and that in addition the staple market which the Eastern hog raiser now had in Ontario and Quebec would be sacrificed for the very uncertain, but occasionally more profitable one at Detroit.

The Annexation Cry

Mr. Foster's great and final effort, however, was the attempt to show that the object of the United States in offering to make this trade agreement was ultimately the annexation of Canada. The United States, he said, had desired the conquest of Canada in 1773, in the years around 1812, and since. In support of his contention that annexation was still aimed at, Mr. Foster referred to the speeches of Senator Beveridge and Governor Foss, and quoted the words of Pres. Taft when at Columbus, Ohio, he said: "The greatest reason for adopting this agreement is the fact that it is going to unite two countries with a kindred people, and lying together across a wide continent in a commercial and social union to the great advantage of both."

Dr. Neely Favours

Dr. Neely, of Humboldt, followed Mr. Foster. He reminded the house that the national policy of the conservative party had incorporated in it a provision for reciprocal trade between the United States and Canada, and the list of articles in which free trade was offered the United States by the conservative tariff of 1897 was almost identical with that included in the new free list. As to the conserving of our natural resources, the farmer did not wish to conserve his wheat in his granary, or to keep his cattle longer than was necessary to prepare them for market, and in the same way the fish in our waters were of no use until they were caught, nor the gold and iron until they were brought up from the earth. The forests would not last forever, but trees would grow on the same ground where other trees had grown before, and if the timber was cut under proper regulations he did not see what danger there was in having a larger market opened in the United States. The leader of the opposition had spoken of the immediate future advantages which some people saw in this agreement, and this immediate future advantage, to be continued as long as this pact lasted was the strongest argument in its favor, and it was his staunch conviction that if this agreement was carried through it would open up a new era of prosperity such as neither country had ever experienced before. One of the advantages which would result would be that "rejected" wheat, which though it could not be admitted to any of the higher grades, was of good milling quality, would be bought for its full value by United States millers instead of having to be sacrificed as it was at present, and he believed a sample market would be established in Winnipeg and perhaps at other points in the West, to which buyers would come from Minneapolis and St. Paul. As to the effect on the cattle trade Dr. Neely quoted the statement of Mr. Jas. Bower, president of the U. F. A., in The Guide to the effect that the placing of cattle on the free list would revolutionize the trade in Alberta, and would mean the solution of the freight rate question in Canada. A market would also be provided for barley which was at present selling for 60 cents in Toronto and for 90 cents in Buffalo, and the same thing applied to a great number of items which were placed on the free list, such as flax,

potatoes, hay, dairy products, and so on.

Lower Other Duties

He would have been glad to see a greater reduction in the duty on manufactured articles, particularly agricultural implements, but the farmers of Canada were reasonable men. They did not expect revolution in a day, and he was sure they would be satisfied with the fact that they were being provided with free markets for their produce. They had heard it said that if this agreement went through they would not need to deepen the Welland canal or to build the Georgian Bay canal, and that to build the Hudson's Bay railway would be money absolutely wasted, but he believed that the development of the West would be such that we would not only need these things, but it would not be many years before we would need another transcontinental railway. He realized that in a young country like Canada, when industries were first established, probably it was necessary that the state should throw around them to some extent the arm of protection, but he had come to the conclusion that that privilege had been exercised to altogether too large an extent. The farmers of the West had come to the conclusion that their burdens were too heavy, that the protection given to manufacturers was too great and that the day had come where there should be still greater reductions in the duties on manufactured articles. He heartily agreed with those views in every particular and he did not think that anyone in the house would argue that the ideal condition of trade was not freedom of trade—freedom to buy and freedom to sell wherever we choose. Having repudiated as unworthy of consideration the suggestion that a desire to carry on trade with the people of the United States showed any disloyalty to the British empire, Dr. Neely said the sentiment of the people of Western Canada was one of entire approval of the proposed agreement, and concluded by saying that any public man who stood in the way of an arrangement which opened up the markets of the south for the product of Canadian farms would assume a serious responsibility, and one for which sooner or later he would have to give an account.

B. C. Fruit Interests

Martin Burrell, Yale and Cariboo (conservative), spoke in opposition to reciprocity, criticizing chiefly the removal of the duty on fruit. He claimed that the British Columbia fruit growers would suffer from competition with their rivals in Washington and Oregon, where he said labor was cheaper and other expenses of the industry lower. He pointed out that while the protection which the fruit growers had enjoyed was to be removed, they still had to pay duties on many things which they used: on their wagons and buggies, on coffee, canned vegetables, sugar, meat, biscuits, clothing and machinery, and if all along the line of their expenditures they had to pay the tax gatherer and get no protection for their own industry, he declared it would be more manly, more honest, and more just to clean the slate, buy in the cheapest market, sell in the dearest, and resort to direct taxation. Mr. Burrell is himself a large fruit grower of many years' experience, and Hugh Guthrie, the liberal member for South Wellington, Ont., who followed him, admitted that he was not sufficiently familiar with the fruit industry to enter into a discussion with him on that point.

Must Protect Manufacturers

Mr. Guthrie, however, showed an intimate knowledge of conditions in Western Ontario, and proved conclusively that the farmers of that portion of the country would benefit very materially from having the markets of the United States opened to their produce. He also said that he believed reciprocity would be a tremendous advantage to the people of the West. It would increase the rapidly with which the West was being settled and the effect of this would be to increase the demand for the manufactures of the Eastern cities. One reason why he approved this trade arrangement was that it contained nothing which could be an injury to the manufacturing industries, because he did not believe in free trade for Canada unless we had the broad world to trade freely with. He believed that they must have some kind of protection in Ontario.

Haughton Lennox, South Simcoe (conservative), opposed reciprocity on both economic and political grounds. He said farmers would gain little advantage by having the United States market thrown open to their hay and grains, because the wise farmer did not sell these things but