

position in Canada is: "We have given Great Britain a preference, will she ever give us one in her markets in return." There has been no request from Great Britain for a greater preference in our markets. On the contrary, the business men of the Mother Country quite realize that the ratio of the existing preference is, generally speaking, quite sufficient to give them the necessary advantage in the Canadian market over their competitors. Let us illustrate this point.

The preference, roughly speaking, means an advantage to British traders in the Canadian market of about nine or ten dollars on every one hundred dollars of dutiable goods. For instance, if the duty is 35% against the United States, the British preferential rate is 22½% or 25%. If it is 30% against the United States, the preferential rate is 20% and sometimes 17½%. We think we are fair in taking nine to ten dollars on one hundred as the actual advantage to England on the principal lines imported.

Now that is a very substantial advantage which enables the British manufacturers and merchants to overcome the natural advantage which the United States has by reason of contiguity and similarity of market. If the advantage were made more than necessary who would benefit by it? Might it not be that the British manufacturer, keen trader as he is, would wait to pocket the excess. We admit that in certain lines it may be shown that the present preference is not sufficient, and we emphasize that by reason of entering into the reciprocity agreement, Canada was not debarred or prevented from granting further preference to Great Britain if she sees fit to do so. Mr. Taft therefore did not accomplish anything in this direction.

Then if we take the other side of the picture, the question of Great Britain granting a preference to Canada, obviously the only preference that would be of value would be on natural products, and that would not interfere in any way with the reciprocity agreement.

The Adjunct Letter.

In the Spring following the reciprocity election, Mr. President Taft made public a letter which he wrote to ex-President Roosevelt on January 10th, 1911, containing the following passage:

"It (reciprocity) might at first have a tendency to reduce the cost of food produce somewhat; it would certainly make the reservoir much greater and prevent fluctuations. Meantime, the amount of Canadian produce we would take would produce a current of business between Western Canada and the United States that would make Canada only an adjunct to the United States. It would transfer all the important business to Chicago and New York, with her bank credits and everything else and it would increase greatly the demand of Canada for our manufactures. I see this is an argument against reciprocity made in Canada and I think it is a good one."

The Conservatives seized upon this like a hungry dog upon a bone. They magnified it, gloated over it and laid the flattering unction to their souls. The phrase that Canada would be made an adjunct to the United States was flaunted in the face of the Liberals. "What did we tell you," they said, "Didn't we say exactly what Mr. Taft wrote in that letter?"