

Canadian Nationality, British Connection, and Fiscal Independence.

When the Hon. Mr. Fielding announced to Parliament the Reciprocity Agreement he alleged, as the chief reason for making it, that ever since Confederation Canada had been committed to the policy embodied in the agreement, and earnestly desired it at the present time, that the Conservative party, as well as the Liberal party, was committed to it. He did not attempt, by facts and figures, to prove that upon economic grounds it would be beneficial to Canada; he *assumed* that it would be so.

Although the question must be decided upon Canada's position and condition in 1911, and upon the effect of the agreement in the future, and not upon whether a political party was or was not, or is or is not now committed to it; yet, as the Government have justified the making of the agreement upon the grounds stated, an enquiry into the facts upon which this justification is said to be based will not be out of place; especially as a great many Liberals oppose the agreement, and claim that, in doing so, they are consistent with the long-established policy of the Liberal party, and that the Government are now, to a very substantial extent, reversing that policy.

Reciprocity Damaged St. Lawrence Exports.

From 1854 to 1866 a Reciprocity Treaty existed between the old Province of Canada and the United States of America. This Province comprised only Upper Canada and Lower Canada (now Ontario and Quebec). Confederation did not take place till July 1st, 1867.

When this treaty was made the Province of Canada had a population of approximately 2,100,000; when the treaty was abrogated it had increased to about 2,650,000. Settlement had extended but a few miles, comparatively, north of the United States boundary in either Upper Canada or Lower Canada. The Grand Trunk Railway from Toronto to Montreal was the only railway connecting the two provinces. The Great Western Railway from Niagara to Windsor (now part of the Grand Trunk) was the only railway running through Ontario's Western peninsula. There were no large factories, and but a small home market, while the population of the United States in 1854 was 26,500,000, and in 1866 it was 36,000,000. Communication across the Atlantic was meagre and expensive. No wonder that the old provinces of Canada welcomed the Reciprocity Treaty of 1854, and that trade to the south increased. But the results upon the east and west traffic were a warning, and should be a lesson to us now.

Following the treaty, business in and out of the Port of Montreal declined. The carrying trade of the St. Lawrence in 1854 was valued at \$33,633,128. In the next year it dropped to \$15,208,600. The ships' tonnage going to the sea from Montreal and Quebec decreased from 1,487,097 to 870,794 tons, and the value of the exports from \$42,000,000 to \$28,000,000. On Canadian canals in the first year of the treaty the tolls fell off by 32 per cent.

The advance in prices of farm products which took place after the treaty was not entirely due to trade with the United States. The Crimean War, in which England, France and Turkey were fighting Russia, began