

BRAZILIAN-AMERICAN RECIPROCITY.

A COMMERCIAL arrangement has been entered into by the United States and Brazil by which, after the first day of April next, certain products of the United States will be admitted into Brazil duty free, and upon certain other products there will be a reduction of twenty-five per cent. of the duty charged in the tariff now in force, or which may hereafter be adopted there. The free list includes wheat; wheat flour; corn or maize, and manufactures thereof; rye and rye flour; barley and buckwheat, and buckwheat flour; hay and oats; beans and peas; potatoes; pork, salted and pickled, and bacon, except hams; cottonseed oil; fish, salted, dried or pickled; coal, anthracite and bituminous; rosin, tar, pitch and turpentine; agricultural implements, tools and machinery; mining and mechanical machinery, tools and implements, including stationary and portable engines, and all machinery for manufacturing and industrial purposes, except sewing machines; instruments and books of art and sciences, and railroad material and equipment. The total annual average of the value of all imports of these articles into Brazil is \$20,003,939, of which the United States furnished but \$3,394,633. The articles upon which the duties are to be reduced twenty five per cent. upon imports from the United States include lard and substitutes therefor; bacon hams; butter and cheese; canned and preserved meats, fish, fruits and vegetables; manufactures of cotton, including cotton clothing; manufactures of iron and steel not included in the free list; leather and manufactures thereof, except boots and shoes; lumber, timber and the manufactures of wood, including cooperage, furniture of all kinds, wagons, carts and carriages, and manufactures of rubber. The total average value of importations into Brazil of articles embraced in this schedule is \$38,631,242, the United States supplying but \$2,035,899 worth. Taking the two schedules together, of a total annual importation into Brazil of \$58,635,182, of all these articles, only \$5,430,532 went from the United States as against \$53,204,650 from all other countries. In return for these concessions the United States admits into its markets free of duty the sugar, molasses, coffee and hides, the growth and product of Brazil. In 1888 the imports into Brazil from the United States were valued at \$7,137,008, and from the United Kingdom, \$28,314,482. In that year Brazil sold to England, France, Germany and Spain, \$61,657,280, and bought from these countries \$82,405,560. From these figures it will be seen that the balance of trade between Brazil and the United States has been greatly against the latter country. In fact, during the thirty years ended with 1888, the United States paid to Brazil in cash, over and above what was furnished in merchandise, \$798,500,000. The United States has heretofore maintained a heavy import duty upon Brazilian sugar, molasses and hides, but for a number of years coffee has been free. The United States consumes more than sixty per cent. of Brazil's production of coffee, the value of that article imported into the American market in 1869 being \$34,500,000. The exports of Brazilian sugar to the United States have varied widely from year to year, as the Cuban crop has been a success or failure: and the advantage to be derived by Brazil from the free entry of her sugar into the American market is not great, as all sugars under number 16 Dutch standard goes in there free after April 1st.

It is to be observed that this Reciprocity between Brazil and the United States is not of the unrestricted variety, such as Mr. Blaine says Canada must submit to or remain out in the cold. Brazil is not an extensive manufacturing country: and this treaty means a great deal to American manufacturers, who congratulate themselves that they have virtually obtained entire control of the trade of another country as large as their own, containing about 20,000,000 people, and exceedingly rich in natural resources. Mr. Blaine is now endeavoring to negotiate similar treaties with other South American States, providing for partial reciprocity: and it is only his desire to force Canada into annexation that withholds his consent to a similar arrangement with this country.

THE DANGER OF UNRESTRICTED RECIPROCITY.

THE town of Peterborough, Ontario, is one of the most thriving manufacturing centres in Canada. The *Review* of that place thinks the town's prosperity would be endangered by unrestricted reciprocity with the United States; and what it says on the subject is equally applicable to the whole Dominion. It says:—

"What effect unrestricted reciprocity, as proposed by the Liberals, would have upon manufacturing industries is an important question for the people of this town and district. We are building up here a manufacturing centre, and of late years—in fact ever since the beneficial effects of the National Policy began to be felt—the industrial importance of the town has grown rapidly.

"A good illustration of the advantages given by the National Policy is afforded by the recent very important addition to the town's list of factories—the Edison general electric works. At these works all kinds of electrical machinery and appliances will be made, from the smallest wire to the largest motors, electric street cars and boilers to drive the machinery. The plan of the buildings shows that an immense area will be covered, and the company expects to have six hundred employees in the shops. But why did this company wish to expend hundreds of thousands of dollars in Canada to build shops instead of doing all their work under one management in their immense shops in Schenectady? Because there is an import duty on the articles they manufacture. And in order that they would be in a position to do business in Canada they decided to establish works on this side, for by doing so they would not have to pay the duties, and could sell cheaper and meet competition. The National Policy brought the Edison works to Canada, and but for it the men who will be working and living here, and purchasing their supplies from our farmers and merchants, would remain in the United States and buy from American merchants and farmers and assist to build up the Republic instead of the Dominion. This is a practical and pointed illustration of the beneficial operations of the National Policy, for the truth of these facts is obvious to anyone and was confirmed by the company's representative in Peterborough.

"What is true of the Edison works is also true of other large industries. It was the National Policy that encouraged Mr. Brooks to come here and led to the establishment of the lock works. It was the protective tariff that encouraged Mr. Law to enter into bridge building and built up that industry from a small foundry to be the large and flourishing industry it now is, sending its products to all parts of the Dominion. It was the same tariff that enabled the carbon works to be started, the trade and output of which is steadily growing despite the efforts of the United States factories to freeze it out. The Auburn mills and other industries that have increased their