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THE OLD RECIPROCITY ARRANGEMENT.

In 1854 a commercial treaty was negotiated between the Canadian Provinces and the United States, which was ratified by the proper authorities in both countries and became operative. It was, by its terms, to continue in force for the period of ten years and continually thereafter until twelve months after the government of either country gave notice to the other of its desire to terminate it. Either government could give such notice at any time after the expiration of the ten year period. The treaty was in force for almost twelve years, when in 1865, by direction of the Congress of the United States the President gave such notice, and the treaty was terminated in 1866. In this treaty no provision was made for fixing the duty on any dutiable articles imported by either country from the other, but simply provided that certain articles, the growth or product of either country, should be admitted into the other free of duty.

These articles were enumerated in the treaty as follows:

- Grain, flour and bread stuffs of all kinds.
- Animals of all kinds.
- Fresh, smoked and salted meats.
- Cotton wool, seeds and vegetables.
- Undried fruits and dried fruits.
- Fish of all kinds.
- Products of fish and of all other creatures living in the water.
- Poultry and eggs.
- Hides, furs, skins or tails, undressed.
- Stone or marble, in its crude or unwrought state.
- Slate.
- Butter, cheese and tallow.
- Lard, horns, manures.
- Ores of metals of all kinds.
- Coal.
- Pitch, tar, turpentine, ashes.
- Timber and lumber of all kinds, round, hewed and sawed, manufactured in whole or in part.
- Firewood.
- Plants, shrubs and trees.
- Pelts, wool.
- Fish oil.
- Rice, broom, corn and bark.
- Gypsum, ground or unground.
- Grindstones and burr stones, wrought or unwrought.

THE CANADIAN MANUFACTURER

Reaches all the Blast Furnaces, Iron and Steel Works, Rolling Mills, Manufacturers of Iron and Wood-Working Machinery, Steam Engines and Boilers, Pumping and Mining Machinery, Electric Machinery, Textile, Pulp and Paper Mill Machinery, Water Power Plants, Cement, Sewer Pipe and Terra Cotta Works, Dealers in Steam Fitters' and Plumbers' Supplies, and all Hardware Merchants in Canada.

Dyestuff.

Flax, hemp and tow.

Tobacco—unmanufactured.

Rags.

It is difficult to comprehend the reason of the United States Government for abrogating their treaty. It was just at the close of the war between the North and the South, and the principal reason assigned by the Congress was, that with its enormous debt the Government was in need of all the revenues it could possibly raise, and must have those which would be derived from duty on imports from Canada. It has been and is asserted by some that the treaty worked unfavorably to the United States, based mainly upon the fact that the last year it was in operation the balance of trade was largely against that country; but that was for but a single year of its operation, and therefore should not be considered conclusive. On the other hand many in Canada contend that the operation of the treaty was not favorable to this country. The treaty was certainly very favorable to the United States, which secured to it free coal, free wheat and free lumber from Canada; and it was, reciprocally, of benefit to Canada in that we had free access for the enumerated articles to the United States market. Previous to the adoption of free trade in Great Britain in 1846 a system of preferential treatment encouraged trade between the Mother Country and her colonies; but the repeal of the Corn Laws altered all that, by which Canada was thrown into a long season of painful commercial depression. The population of the country was sparse, and the governments of the different colonies, now included in the Dominion, were frequently not in harmony with each other. There was but little intercourse between the provinces and the United States. There were no railroads, and the modes of communication between the two countries, and also between the provinces, were inadequate—in many instances entirely lacking. Such were some of the conditions at the time of the ratification of the reciprocity treaty of 1854. With the ratification of that treaty trade between the two countries increased at a phenomenal rate, and this prosperous condition continued. During the war the interchange of commodities showed about as much in favor of one country as the other, but during the war period, owing to the curtailment of production in the United States and the increase of consumption, the so-called balance of trade was in favor of Canada. During a period of a little less than the twelve years that the treaty was in force, the