

fifty-five millions instead of five millions of people, and do away with the customs annoyances so much complained of. We understand a few object because we would have more manufacturers to compete with, but as far as our business is concerned we have them to compete with as it is, as they send their surplus and old stocks into Canada at twenty-five, thirty, and even fifty per cent. reduction, and make this a dumping ground to preserve their own market from demoralization.

"Our Government does its best to protect our manufactures, but the protection intended is greatly neutralized by the special prices made both in England and the United States to meet our tariff.

"This again gives rise to trouble between the appraisers and the importer which is creating considerable dissatisfaction with the Customs regulations. Unless duties are levied on fair market values there can be no protection for home industry."

*From MESSRS. W. DOHERTY & Co., Organ Manufacturers, Clinton, Ont.*

"Judging from the painful experience of Canadian manufacturers during the hard times of the McKenzie regime from 1872 to 1878, the keen competition and slaughtering of prices incident upon a change of policy would not be beneficial but ominous both to the manufacturer and dealer.

In our line it would result in cutting into a well earned trade in Canada, against a determined and unprincipled foreign manufacture, without any benefit resulting therefrom to any one. It might be said we could return the compliment, but that is true to a certain extent only, as we are virtually entire strangers to the buying people of the United States, while the most of the old concerns there are well known in Canada. Their tariff is prohibitory, while ours is not, thus giving them access to our markets. It is also a well-known fact that trade combinations exist there controlling production and maintaining prices, simply using Canada as a slaughter market for their surplus stock. It is also a fact that the United States Government gives a bounty for certain classes of goods exported, thus enabling them to recoup any loss they may make in selling such goods in Canada against our domestic manufacturers, so that looking at the question from any standpoint, Commercial Union with the United States is not in the interests of the Canadian manufacturer. I hope that the N.P. which gave Canada to the Canadians will be permanently maintained."

*From MR. W. K. McNAUGHT, of the American Watch Case Company, Toronto.*

"In my opinion 'Commercial Union' or 'Reciprocity in Manufactured Goods' between Canada and the United States is not a question of practical politics, because as long as Great Britain reserves the power she at present possesses of making our treaties, she would be foolish to consent to throw the trade of one of her best customers into the hands of her most enterprising competitor. If it simply rested with the people of Canada to decide this question, I am of the opinion that such a treaty would mean national suicide, because in any such arrangement the advantages would be largely in favor of the United States.

"To our wholesalers it would mean a loss of from fifty to seventy-five per cent. of their business, for the bulk of the Maritime Province trade would be transferred to Boston, that of Ontario and Quebec to New York, and the trade of the North-West to Chicago.

"To our manufacturers who are making goods under purchased American patents, such a treaty would be of no benefit whatever, as their trade would still be corralled in Canada.

"To the bulk of our manufacturers who are making goods similar to those made in the United States, which the American manufacturer has protected in his own country by patents

which either do not extend to Canada or have lapsed on account of non-compliance with our patent laws, such a treaty would simply mean ruin, because the United States manufacturers would then be able to compete on more than equal terms in Canada, while the Canadian manufacturer would, on account of the American patent, be debarred from selling a single dollar's worth of goods in the United States.

"In order to give Canadian manufacturers a fair chance to compete with those in the United States under such a treaty, it would be necessary to wipe out entirely all letters patent at present in force in either country that affect any existing manufactures, and commence anew with a clean slate.

"In regard to new industries, I think that any manufacturer with an eye to future contingencies would certainly locate on that side of the international line where the bulk of the population resided, so that in case of a failure to renew such a treaty at its expiration, they would still be in the country possessing the largest market.

"If Canadian manufacturers succeeded, as the friends of Commercial Union profess to believe, in building up a large trade in the United States under such a treaty, would they not, after having changed their trade to suit the new condition of things, naturally prefer political union, commonly known as Annexation, in preference to being compelled to change back again to the limited market that the cancellation of such a treaty would certainly restrict them to? Viewed from the standpoint of British connection or Canadian nationality, the success of such a treaty would be the strongest argument against it.

"Looked at from any standpoint, the scheme is fraught with danger to Canadian nationalism, because it takes the levying of our customs duties out of our own hands and gives it unreservedly to the United States. Any reader of history knows what would surely follow were this power put into the hands of such anti-British statesmen as Blaine, Ingalls, or even the renowned Finnerty.

"Commercial Union is but Annexation under a different name and more to the tempting aspect, and the Canadian who countenances such a step is vulnerable to a charge of disloyalty to his country, and betrays his lack of faith in her future. If we are to have annexation, give it to us straight, and let us go into it with our eyes open.

"For my own part I have no great desire to become an American citizen. I am a Canadian by birth, and proud of my country, and I should be very sorry to see the day when this glorious Dominion of ours should, instead of being a land where people who believe in government after British models can work out their destiny after a freer method than obtains in the old land from whence we sprung, become a hanger-on of the American republic, and be utilized by Americans as a tail to their commercial kite."

In 1866 the British North American Commission, reporting on the prospects of trade with the United States and North America, stated that the trade of the provinces now included in and comprising the Dominion of Canada with the West Indies and South America during the previous year amounted to \$6,700,000. In 1873—the year in which the first Government of Canada resigned—this trade had increased to \$7,865,000, a gain of about 17 per cent. In 1878—the year in which the Mackenzie Government resigned—Canadian trade with the West Indies and South America amounted to only \$5,117,000, a decline of about 35 per cent. In 1885, according to the latest published returns, this trade amounted to over \$8,500,000, an increase of more than 60 per cent. over that of 1878; 9 per cent. over that of 1873, and 27 per cent. over the trade of 1866.