

field for emigration. In addition to this Dr. W. Geo. Beers and Mr. McNaught delivered addresses on "Canada" in many cities and towns of the United Kingdom.

In 1868 Mr. McNaught entered the employ of the late Robert Wilkes, wholesale jeweler, of Toronto, occupying successively the positions of clerk, traveller, manager of a department, and foreign buyer in New York.

In 1877 Mr. McNaught entered into partnership with the late John Zimmerman, forming the firm of Zimmerman, McNaught & Co., wholesale jewelers. Two years later Mr. W. G. H. Lowe was admitted as a partner, and the firm name changed to Zimmerman, McNaught and Lowe; Mr. McNaught having charge of the financial part of the large and successful business, the interests of the concern requiring frequent visits to Europe. In November, 1884, he purchased a half interest in the watch case factory of Mr. R. J. Quigley, and the following year the business was merged into the American Watch Case Company, of Toronto, of which Mr. McNaught is secretary-treasurer, and R. J. Quigley, manager. At the time of the organization of this company it gave employment to some thirty workmen, but at this time there are 120. The manufacture of watch cases in Canada is practically the outgrowth of Canada's National Policy of protection to manufacturing industries; and although the tariff imposes a protective duty of 35 per cent. upon importations of such goods, those made by the American Watch Case Company are sold fully as cheap in Canada as similar goods are sold for in the United States.

In 1879 Mr. McNaught began the publication of *The Trader* which at first had but eight pages, but now contains 68, with handsome colored cover. It is the organ of the Canadian jewelry trade, and reaches every jeweler from Halifax to Vancouver. Mr. McNaught is sole editor of this beautiful and meritorious journal. The Canadian Jewelers' Security Alliance is an association of jewelers whose object it is to hunt down and bring to justice any who many burglarize or rob jewelry stores. Mr. McNaught was the organizer of this alliance and its first secretary. In 1890 he was selected by the Jewelers' section of the Toronto Board of Trade to represent their interests in the Council of the Board, and served a year in that capacity.

In his earlier life Mr. McNaught was a Liberal in politics, and a believer in tariff for revenue only, but in 1883, observing the benefits which Canada was receiving from the National Policy, he changed his views, and has ever since given a hearty support to that policy. Intensely British Canadian in his views, he is a firm believer in the ultimate independence of Canada and that she will in the not distant future become a great and independent nation, but maintaining such close relationship with Great Britain as to make Imperial Federation a fact in effect if not in name.

AS REGARDS RECIPROCITY OF TRADE.

ABOUT all the expressions which have been made regarding reciprocity of trade between Canada and the United States have been from the standpoint that Canada needs the American market for her surplus products, these being chiefly of agriculture, the fisheries, the mines, and the forest; those in favor of unrestricted reciprocity urging that certain Canadian

manufactures also require that outlet; while on the other hand it is contended that Canadian consumers should be allowed to obtain American products at their cost in that country and without the payment of duty. These arguments have led the Americans to imagine that all the benefits arising from any system of reciprocity would accrue to Canada and therefore they object to any but unrestricted reciprocity, believing that that would be but the forerunner of annexation, which would soon follow.

Without discussing the probable and inevitable result of unrestricted reciprocity, involving in the first place tariff discrimination against Great Britain, and in the second place total and final political separation from her, it can be shown that even under existing circumstances Canada is not as dependent upon the United States as many suppose; and that a limited reciprocity would be quite as much in the interests of that country as of this. One of the prominent features of the McKinley bill is the increase in the height of the tariff wall along the Canadian frontier. According to the *American Economist* the legislators who stand for the principle of protection in framing the American tariff bill pronounced a stiff duty on Canadian products essential to the policy of protection, and that to abolish these duties on Canadian products would be a change of front on the tariff question. Says the *Economist*:—"The things which Canada would expect to come into the United States duty free under any reciprocity treaty, every one of them would come into direct competition with an American industry." It does not seem to occur to the advocates of unrestricted reciprocity in either country, or to the opponents of it in the United States, that Canada has more to offer as a market for American products than she asks for in asking for access to the American market for her own products.

The interchange of merchandise between Canada and the United States, and the balance of trade in favor of the latter country was as follows in the years named:

Year.	Imports into Canada.	Imports into U.S.	Balance of Trade.
1886-87	\$44,795,908.	\$37,847,277	\$6,948,631
1887-88	46,440,296.	42,924,554	3,515,742
1888-89	50,029,419.	42,738,074	7,291,345
1889-90	52,291,973.	40,522,810	11,769,163

The exports of Canada to the United States include such products as grain, lumber, etc., sent there for export to other countries, while the imports into Canada from the United States include only merchandise imported for actual home consumption. To make this comparison more exact, as regards the year 1889-90, to the balance of trade in favor of the United States of \$11,769,163 should be added the produce imported from the United States for export fully \$8,000,000, to which should also be added the coin and bullion sent from Canada to the United States, included in the above mentioned \$40,522,810 which amounts show the actual balance of trade between the two countries last year to be \$22,208,445 in favor of the United States.

The proportion of imports free of duty in the interchange of merchandise between the two countries was as follows in the years named:

Year.	Into Canada from U.S.	Into U.S. from Canada.
1886-87	31.75 per cent.	31.31 per cent.
1887-88	41.65 "	30.01 "
1888-89	42.07 "	31.48 "
1889-90	41.53 "	30.82 "