AMERICAN ARGUMENTS FOR RECIPROCITY

Are Excellent Reasons for Canada's Rejection of the Pact.

The Monetary Times believes that the consummation of the proposed reciprocity agreement would be injurious to the interests of Canada as a nation. The treaty can and should be examined outside the sphere of political bias.

Many of the chief arguments advanced by the Americans for the passing of the treaty are in reality telling arguments against reciprocity, so far as Canada is concerned. That reciprocity is intended to prevent a home market in Western Canada is frankly stated by The Northwestern Miller, the chief organ of the American milling trade, which says:—

"The disposition of Canada's surplus is a question upon the answer to which depends the future, not only of the milling interests of the (American) Northwest, but indeed of the United States. Should this surplus be shipped abroad, it must inevitably mean the destruction of the American export trade, the shifting of the American milling centre, the gradual decline of the American milling interest to a comparatively unimportant place in the list of large American industries.

"The miller who is able to grind this enormous (Canadian) crop will be the miller of the future, and where he is, there will be the great mills of the world.

Flowing to American Elevators.

"The future of the American milling with free Canadian wheat secured is a grand one. With this enormous crop flowing into the mills and elevators of the States, a splendid tide of prosperity would follow in its wake. The mills of America would go forward on their developing course, new mills would be built, and capacities enlarged. New markets abroad would be conquered.

"New railways would be extended into the wheat-growing territory. American railroads carrying flour from the mills would secure additional freights; American banks would obtain increased deposits, and greatly enlarged exchange accounts; American mill operatives would be in demand, and payrolls would be increased; mill machinery, bags, barrels and other mill supplies would be required in larger quantities; more money would be in circulation, and the benefit would be felt in every artery of industrial life touched by milling.

"There would be an increase in grain firms, in elevators and in every branch of the grain-handling and flour-making interests. This would be felt in the added value of real estate and in the solid and substantial development of every undertaking and enterprise that makes a community prosperous."

The Honorable P. C. Knox, one of the American fathers of the agreement, says:—

"The free admission of grain from Canada meets the present situation and provides against future contingencies when the Canadian surplus becomes greater by replacing the control in the hands of our own grain growers."

North and South Trade.

Mr. J. J. Hill, the railroad magnate who desires north and south trade on his American lines says:—

"The future union of all parts of the British Empire in a commercial federation is almost certain. When that shall have been concluded, under a system of preferential advantages securing the English market to a colonial producer of raw materials and food products, and the colonial market to the English manufacturer, it will strike the United States a double blow. Our best customer, Great Britain, and our third best, Canada, will trade less and less with us and more and more with each other. And it will then be permanently impossible to repair our error. Political and economic weather signals indicate that should the present measure fail, no other can succeed in for many years, if ever."

Some Well Grounded Fears.

The Minneapolis Journal fears that Canada would supply English needs, taking away American trade if reciprocity failed to pass. That journal says:—

"To-day England is our best customer, and Canada is our third best customer. But our foreign trade wanes. And that of Canada grows. If we push Canada into England's arms, the trade arrangements between the two will tend more and more to shut us out.

"How long will our trade with these two customers last if reciprocity fails? Our Canadian trade must fall off, as the east and west channels of her commerce are scoured by use. And Canada will more and more supply English needs in our stead.

"Markets of Ninety Millions for Canada"

This alleged ninety-million market is the most delusive fallacy of defenders of the reciprocity agreement. The market is not there for the farmer. Nobody has yet claimed it to be there for the manufacturer.

Consider the facts. The total population of the United States is about ninety millions. According to the last complete census returns of the United States, 35.1 per cent. of all the families of the Republic were "farm families," which means that of a population of ninety millions, thirty-one million, five hundred and ninety thousand people were living on farms, who would certainly not buy the products of Canadian farms. There are probably in the country towns and villages contiguous to the farms about twenty million people who would certainly buy their supplies from the contiguous farms and not from Canada.

It is inconceivable that the Southern and Southwestern States would provide a market worth considering for any kind of Canadian farm produce. The population of these States was, by the census of 1910, over thirty-six millions. Deduct from the ninety millions the farming community and those in the Southern and Western States who are not farmers, and those in the country towns and villages referred to, and how many are left who could in any way be relied on as consumers of Canadian farm produce in competition with the farmers of the United States?

The ninety million market, reduced to facts by common sense, means a chance only, and that an intermittent one, of selling at a profit some of our farm products to some of the people of the cities and towns not far from the international boundary line.

To create and encourage a community of interest between the whole of Canada and the United States because of temptation at a few points along the border, is to reverse the whole policy on which Canadian nationality has been nourished. But is it likely that the chance of selling at higher prices in these cities and towns will be realized?

So far as trade in eatables is concerned, the desire of the American people is to use reciprocity with Canada as a means to reduce prices. If prices are high in Detroit and Buffalo because the tariff makes it difficult to obtain Canadian produce, the removal of the tariff must instantly reduce prices in those cities. Reciprocity with the United States will not give to the Canadian farmer a better market than his market at home, but it will reduce costs to the American consumer.

CROPS IN EUROPE

A cablegram received from the International Agricultural Institute at Rome gives preliminary estimates of 1911 wheat harvest as follows:—

Belgium 14,054,000 bushels compared with 12,449,000 last year. Hungary 173,886,000 compared with 198,484,000; Italy 196,579,000 compared with 153,339,000 last year; Spain 154,437,000 compared with 137,449,000; Roumania 121,710,000 compared with 110,828,000; Great Britain 61,351,000 compared with 58,235,000 in Great Britain and Ireland last year. Conditions in Russia satisfactory.

FRANCE—The latest reports are very optimistic, and point to a yield of about 320,000,000 bushels, against 253,000,000 bushels in 1910. Harvest has commenced in many districts, and the quality promises to be very good.

GERMANY—The latest official report indicates an outturn of about 136,000,000 bushels against 142,000,000 in 1910. The weather has recently been very favorable and the quality promises to be better than last year.

RUSSIA—The weather continues very hot in the Volga districts, very great damage has been done, and the yield is expected to be very small. In most other parts of the empire fairly good results are expected, and if there has been no particular decrease in the area sown, compared with last year, a relatively large yield of wheat may still be gathered, even if some 15 per cent. smaller than last year.

TURKEY—The area sown is reported to be much larger than last year; conditions generally have been favorable, and the yield promises to be an excellent one.

ROUMANIA—The overflowing of the Moldau in its upper reaches has done immense damage, especially to the timber industry. The crops are in danger.

The harvest in progress on the north coast of Africa is said to promise well in Algeria, where the yield of wheat is usually upward of 35,000,000 and of barley over 45,000,000 bushels; in the much less important producers, Tunis and Morocco, only a moderate outcome is expected. According to the June official report, the yield on the 1,250,000 acres of wheat in Egypt was likely to be "good" in upper Egypt, but in lower Egypt not quite up to that standard.