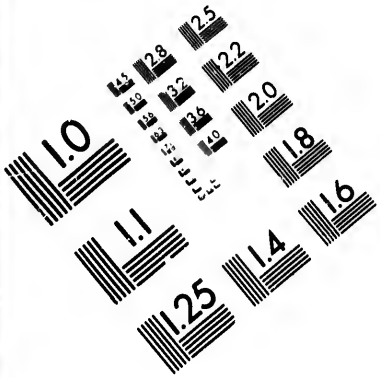


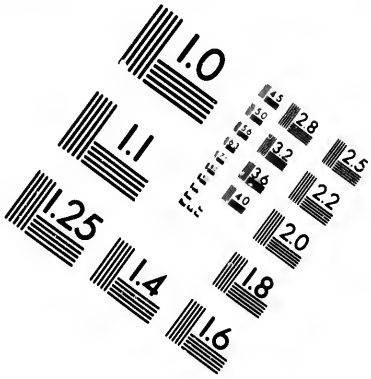
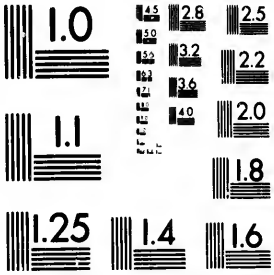
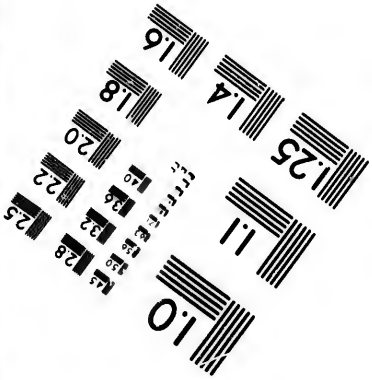
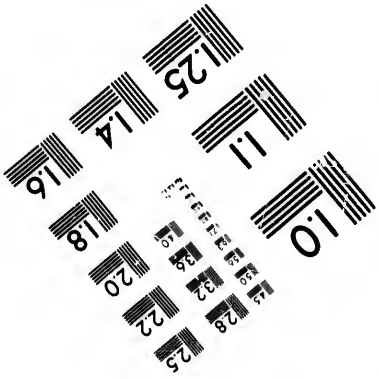


IMAGE EVALUATION
TEST TARGET (MT-3)







CIHM/ICMH
Microfiche
Series.

CIHM/ICMH
Collection de
microfiches.

Canadian Institute for Historical Microreproductions

Institut canadien de microreproductions historiques

1980

Technical Notes / Notes techniques

The Institute has attempted to obtain the best original copy available for filming. Physical features of this copy which may alter any of the images in the reproduction are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Certains défauts susceptibles de nuire à la qualité de la reproduction sont notés ci-dessous.

- [x] Coloured covers/ Couvertures de couleur
- [ ] Coloured maps/ Cartes géographiques en couleur
- [ ] Pages discoloured, stained or foxed/ Pages décolorées, tachetées ou piquées
- [ ] Tight binding (may cause shadows or distortion along interior margin)/ Reliure serré (peut causer de l'ombre ou de la distortion le long de la marge intérieure)
- [ ] Additional comments/ Commentaires supplémentaires
- [ ] Coloured pages/ Pages de couleur
- [ ] Coloured plates/ Planches en couleur
- [ ] Show through/ Transparence
- [ ] Pages damaged/ Pages endommagées

Bibliographic Notes / Notes bibliographiques

- [ ] Only edition available/ Seule édition disponible
- [ ] Bound with other material/ Relié avec d'autres documents
- [ ] Cover title missing/ Le titre de couverture manque
- [ ] Plates missing/ Des planches manquent
- [ ] Additional comments/ Commentaires supplémentaires
- [ ] Pagination incorrect/ Erreurs de pagination
- [ ] Pages missing/ Des pages manquent
- [ ] Maps missing/ Des cartes géographiques manquent

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

The last recorded frame on each microfiche shall contain the symbol ⟶ (meaning CONTINUED"), or the symbol ▽ (meaning "END"), whichever applies.

The original copy was borrowed from, and filmed with, the kind consent of the following institution:

National Library of Canada

Maps or plates too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:

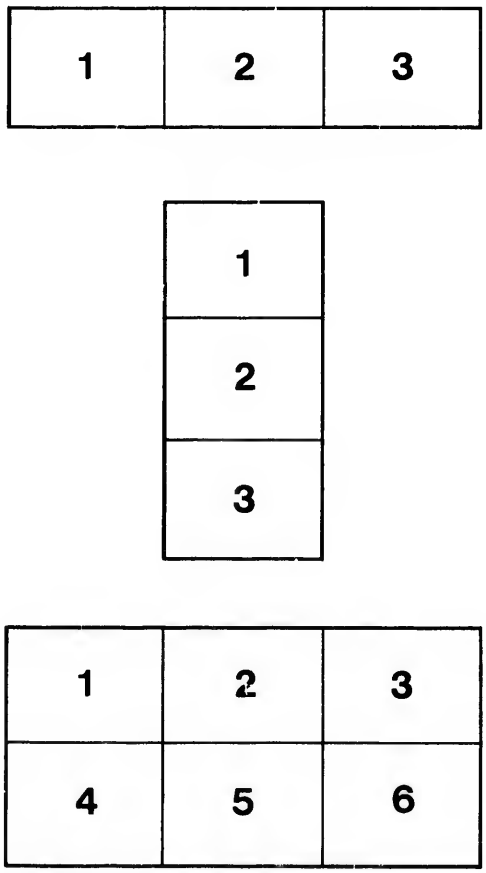
Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole ⟶ signifie "A SUIVRE", le symbole ▽ signifie "FIN".

L'exemplaire filmé fut reproduit grâce à la générosité de l'établissement prêteur suivant :

Bibliothèque nationale du Canada

Les cartes ou les planches trop grandes pour être reproduites en un seul cliché sont filmées à partir de l'angle supérieure gauche, de gauche à droite et de haut en bas, en prenant le nombre d'images nécessaire. Le diagramme suivant illustre la méthode :



Darling, Henry W.

ADDRESS

OF

MR. HENRY W. DARLING,

MERCHANT, TORONTO,

AT THE

BANQUET

OF THE

Union League Club of Chicago,

WASHINGTON'S BIRTHDAY CELEBRATION,

FEBRUARY 22ND, 1889.

Toronto:
PRESS OF THE BUDGET, 64 BAY STREET.
1889.

ADDRESS

OF

MR. HENRY W. DARLING,

MERCHANT, TORONTO,

AT THE

BANQUET

OF THE

Union League Club of Chicago,

WASHINGTON'S BIRTHDAY CELEBRATION,

FEBRUARY 22ND, 1889.

Toronto:
PRESS OF THE BUDGET, 64 BAY STREET.
1889.

SPEECH.

Mr. President, Hon. Gentlemen and Gentlemen :

I desire to express my sense of the honor you have done me in inviting me to be present at this magnificent demonstration; and in asking me to address so distinguished and representative a gathering upon the subject of the relations between the United States and Canada, present and prospective, commercial and political; and this I am expected to do from a Canadian standpoint.

The phraseology used by your President in communicating to me the subject upon which I was expected to speak, implied a reference to what you understand on this side of the line as Annexation or Political Union; and I ask your indulgence while I touch briefly upon this point, first of all, assured that you will not misapprehend me if I speak with all candour and plainness.

To thoughtful Canadians the word

ANNEXATION

has an ominous and unattractive ring, conveying to them an impression of a confession of failure in the mission committed to them by their forefathers as to the future destiny of their country—an impression that they are adopting voluntarily in despair, the only course open to them, if they are to escape irreparable disaster, or an impression of coercion and force at which their whole nature revolts, and which they are bound to resist.

I think I correctly describe the prevailing sentiments of Canadians generally when I say the word Annexation is extremely distasteful to them. You would probably despise them were it otherwise. The tie that binds them to the Motherland is a silver thread that can be broken practically at will; but their affection for the land of their forefathers is a feeling which is, and always will be, predominant in their breasts. British Canadians cling to the glories and traditions of the race. They hope to be able to preserve all the characteristics of England's prosperous polity. They have neither sympathy with, nor encouragement for, the enemies of the British Empire.

They may be mistaken as to their ultimate destiny; and they may over-estimate their ability to make the North American Continent the home of a great and independent Anglo-Saxon race; but if their political relations are to be changed, it will come about as the natural sequence of events, and not purely as the result of an appeal to sordid or material considerations.

I can conceive of a policy of injustice to one of the Provinces being carried to an extent that might produce a movement in favor of the separation of that Province from the Confederation, with a view to union with the United States; but, such an agitation, if based upon righteous and equitable grounds, would be almost certain of accomplishing the removal of the injustice, or the defeat of the party in power perpetrating it.

The feeling against Americans bred by your revolutionary war, which drove the Loyalists who founded Canada into exile; by the war of 1812, and by subsequent misunderstandings, has largely passed away; but the growth of good-will is a different thing from readiness for Political Union; and I cannot help earnestly adjuring you, while we are discussing the advantages which I hope to lay clearly before you of another union, to dismiss from your minds the question of Political Union.

I refer to what is known as

COMMERCIAL UNION,

or Unrestricted Reciprocity, or Continental Free Trade, whichever of these terms may best convey the idea to your minds.

I would ask you to look at the map of North America, and say whether it is not in violation of all the indications of nature that artificial barriers to trade and commerce should be erected along an imaginary line stretching from the Atlantic to the Pacific, between peoples of common descent and common language, who are engaged in a common aim, namely, the making tributary to their material advancement the vast resources of nature, which, by the bounty of Providence, have been placed at their disposal.

Granted, for a moment, that there are two nations; that each has its individual interest to serve, and its national requirements in the way of revenue to be provided, the policy that separates them at present does not exist mainly for revenue purposes, because your Treasury is an overflowing one; and the policy of Canada was adopted as an alternative to one which, had you been willing, would have been infinitely preferred by their people.

You are aware that from 1854 until 1866 a Treaty was in existence between the two countries, providing for the free interchange of *natural* products, which was admitted to have been highly beneficial to the people of both countries. This was terminated by the Government of the Republic, not so much because it was less advantageous to her than to Canada, but because the Government desired to mark in this way its disapproval of the sympathy which, it was supposed, she had extended to the people of your Southern States during the time of the rebellion.

You may form an idea of the effect this Treaty had on the trade of the two countries when I state that in the eight years from 1846 to 1853, the aggregate interchange of products and commodities was about fourteen millions annually; while in the first year of the Treaty it rose to nearly thirty-three and a half millions; to nearly forty-three millions during the second year; to over fifty millions in the third year; and to no less a sum than eighty-four millions (of which fifty millions were free goods going into the States) during the last year of its existence; and the balance of trade during the whole period was in favor of the United States to the extent of about thirty million dollars, or a yearly average of about eight and a half millions. That the prosperity of both countries was greatly enhanced by this increase in the volume of trade is evidenced by the immediate effect which its abrogation produced upon them.

During its existence the industry of Canada had been largely directed to the supply of the United States market with products for home consumption; and on your markets being closed to us, the annual exports of Canada fell during the next three years, from about seventy-five millions to about fifty-seven millions; and the effect upon the whole commerce of the United States was, in like manner, depressing, inasmuch as you thereafter ceased to have the handling of our surplus natural products on their way to the various markets of the world, which, at the port of Boston alone, exceeded twenty-seven millions annually, consisting chiefly of wool, grain, animals, and the products of our fisheries.

In spite of the restrictions placed upon the commerce between the two countries by the imposition of duties the balance of trade has, since the abrogation of the Reciprocity Treaty, been in favor of the United States to the extent of from two and a half millions to seven millions annually; and since 1850, of a total aggregate of trade between the two countries of *2,440,282,259* dollars, there has been a balance

against Canada and in favor of the United States of over two hundred and five million dollars.

Looking at your trade returns for 1886, I find that

BRITISH NORTH AMERICA

stands fourth in importance as your customer, and freed from its present restrictions there is no doubt it would soon stand next to Great Britain—your trade with Germany, the second on the list, being but one hundred and thirty million dollars annually.

It is no doubt partly owing to the remarkable development of your manufacturing industries, that the tendency of our trade with you has been towards growth, while our trade with Great Britain has been diminishing.

During the five years from 1873 to 1877 the aggregate trade with Britain was about $178,000,000, and with the United States $115,000,000; while during the last five years from 1883 to 1887 the aggregate trade with Britain fell to $141,000,000, but it has risen with the United States to $138,000,000.

This is the more remarkable in view of the barriers to trade with the United States in the shape of a hostile tariff on both sides, while Britain admits all our products free.

The United States duty on agricultural products alone is over 32 per cent., and taken all round the duty on imports is about 42 per cent.

It is true that after the adoption of a Protective Policy in Canada, our *importations* for home consumption from the States fell off some forty-two million dollars for the first five years, namely, from two hundred and forty-nine million dollars in 1873 to 1877, to two hundred and seven million dollars in 1878 to 1882, but they have increased to two hundred and forty-four million dollars in the period from 1883 to 1887; and during the same periods our aggregate imports from Great Britain were two hundred and seventy-two, one hundred and ninety-seven, and two hundred and twenty-two million dollars, shewing a falling off in our imports from Britain of about fifty millions; while with the United States they have hardly been affected. In like manner our *exports* to the United States show steady growth, being respectively in the periods referred to, one hundred and sixty-six, one hundred and seventy, and one hundred and ninety-four million dollars; while to Britain they were two hundred and six, two hundred and twenty-seven, and two hundred and nineteen million dollars.

	Aggregate Trade with Great Britain.	Aggregate Trade with the United States.
1873 to 1877	$478,000,000	$415,000,000
1878 " 1882	424,000,000	377,000,000
1883 " 1887	441,000,000	438,000,000
	Aggregate Imports from Britain.	**Aggregate Imports from the United States.**
1873 to 1877	$272,000,000	$249,000,000
1878 " 1882	197,000,000	207,000,000
1883 " 1887	222,000,000	244,000,000
	Aggregate Exports to Britain.	**Aggregate Exports to the United States.**
1873 to 1877	$206,000,000	$166,000,000
1878 " 1882	227,000,000	170,000,000
1883 " 1887	219,000,000	194,000,000

These figures take no account of the contraband trade between the United States and Canada, on the one hand, nor do they include anything but exchanges in merchandise, and the balance in cash; while in the case of Britain we have to send her large exports in payment of the interest on borrowed capital, a constantly increasing item with us.

I think it must be accepted from these facts that *there is a natural exchange* between the two countries, which is increasing, and must still further increase; and if the present barriers were removed, the greater suitableness of many articles of the United States manufacture for our market would unquestionably displace similar articles which we at present receive from abroad, and an immense impetus would be given to reciprocal trade to the advantage of the consumers in both countries.

For your general information, and to enable you to understand the relation of the figures I have quoted, I may say, for the last fifteen years or so the total *exports* of Canada have averaged about eighty-six millions; and the total *imports* about one hundred millions, of which twenty-eight millions were free goods. Our foreign trade is estimated to be about $41 per head of the population, as against $23.50 per head in the United States.

From Great Britain we receive about forty millions, and from the United States forty-five millions annually.

In 1887-8, of a total trade of one hundred and ninety million dollars, ninety-one million dollars was with the United States.

As an example of

THE EFFECT OF THE REMOVAL OF THE DUTIES

on products exchanged by the two countries, here is a return placed

upon the table of the House of Commons at Ottawa the night before last.

> The value of Canadian importations from the United States of green fruits, seeds, trees and other articles placed on the free list from April 13, 1888, until Feb. 1, 1889, was $831,399. The amount of revenue which would have been collected upon such importations if they had not been placed on the free list is $292,676. The value of such importations from the United States for the corresponding period of the previous year was $498,183. The value of Canada's exports to the United States of these articles from April 13, 1888, to Feb. 1,1889, was $1,486,022, of which apples were valued at $1,315,452.

Since 1886 numerous attempts have been made by the Canadian people to induce your Government to resume these more intimate trade relations, which seemed so beneficial to both countries, but without success ; and the alternative policy which has been adopted with a view to bind together more closely the various Provinces which extend from the Atlantic to the Pacific, would probably still have been silently persisted in, had there not been a disposition shown on the part of some of your eminent statesmen (notably the Honorable Robert R. Hitt, Mr. Wharton Barker, the Honorable Mr. Butterworth, and others), to discuss the question of closer commercial relations ; and especially in connection with the Fisheries dispute, which has been so fruitful a source of irritation and annoyance.

While the Government of Canada were somewhat reticent upon the subject ; what we conceived to be indications on your side of a more favorable consideration of the question, gave rise to a discussion of it from one end of Canada to the other. No agitation that I am aware of ever matured more rapidly in the minds of the people of Canada than this did ; and if, during the past few months, it has not received that prominence which might have been expected, it has been due to

THE RETALIATION BILL,

and other unfavorable indications of the minds of your public men upon this side, which, however, we are disposed to believe, were more the outcome of political exigency than as reflecting the minds of your people generally.

I hope I may be at liberty to trace ; and that the people of Canada may be warranted in assuming from the fact that you have been kind enough to extend this invitation to me to address you, because I have

heretofore expressed somewhat liberal sentiments upon this subject, that there is a desire upon the part of the people whom you so fully represent, for a thorough investigation into the merits of the proposition.

One proposition is that the Custom Houses upon the boundary line from the Atlantic to the Pacific should be abolished, or maintained only for the purpose of statistical information; and that there should be the freest interchange of products and commodities between the two countries—that to prevent the smuggling of foreign goods from the country which might have a lower tariff into the country having a higher tariff, an assimilation of the tariffs of the two countries should take place. This should not be difficult of accomplishment; for the buoyancy of your revenue seems to point in the direction of a reduction of your tariff; while the policy of protection to manufacturers adopted in Canada, somewhat after the example of the Republic, *tends towards an increase of duty*, and the difference in the duty between the two, taken all round, is probably not more than ten to fifteen per cent., so that if approached in a spirit of compromise, an intermediate figure might be reached with advantage to both countries. The internal revenue duties would have to be dealt with in a similar manner.

As a large proportion of Canadian imports reach Canada through your American cities on the sea board, the loss of revenue to Canada in this way would have to be adjusted by a contribution from the common purse, the details of which would not be difficult to arrive at; and there would be involved in this an arrangement for

THE PERMANENCY OF THE FISCAL POLICY OF THE COUNTRIES

for a fixed number of years, which would have to be long enough to induce our manufacturers to adapt themselves and their machinery for the supply of the larger market which the changed circumstances would require.

Another proposition is, that reciprocally the duties should be abolished by both countries upon all products and commodities, the growth, produce, or manufacture of the other country, leaving freedom to each country to levy what duties they might think proper upon the goods of other countries.

The object, you will notice, is the same, namely, to secure Continental free trade; and the methods by which it may receive effect may be very well left to the diplomatists and statesmen to arrange, the principle being once affirmed by both parties.

I have said that nature seems to point most unmistakably to the benefits of an arrangement of this kind. For example, we find in the Maritime Provinces, which nature has placed within such easy reach of your manufacturing State of New York, an almost unlimited supply of coal, peculiarly suited for their purposes. A similar state of things exists in British Columbia, where almost at the water's edge the coal can be placed in ocean-going ships, and conveyed to San Francisco and other ports on your Pacific Coast. The very articles, which at these points, nature has practically deprived you of.

Then looking at the Province of Ontario, which nature has dovetailed almost into the heart of your country, we are short of the heat and steam producing fuel, which your mines in Pennsylvania, and Ohio seem to have been placed by a beneficent Providence to supply; but the politicians stepped in and for a time, placed the barriers of custom house duties upon the free interchange of these necessaries of our commercial life; and said in effect that "the Jew shall have no dealings with the Samaritans," and so with other products. Our Ontario barley, which is as necessary to your maltsters as your Indian corn is to our distillers and farmers, the politicians have said "we shall only exchange by the payment of a duty upon either side;" and so from one end of this imaginary line to the other, the natural tendencies of the people on either side are thwarted; and their industry deprived of its legitimate reward by these artificial barriers which the politicians have imposed.

Now, if I have been successful in establishing that

THESE RESTRICTIONS UPON TRADE ARE UNNATURAL AND UNNECESSARY,

that they *ought* to be dispensed with; and that they *can* be dispensed with, with enormous advantage to the people on both sides of the line, let us consider for a moment the objections that are raised to their removal. It has been urged, and I suppose it will be urged again, that Canada having a population of five millions, and the United States of about sixty millions, the benefits of this Continental free trade would be very much greater in proportion to the smaller population than to the larger. This seems at first sight apparent; but I think it can be established beyond all controversy that there would be a full equivalent in benefit and advantage to five or six milllions, aye! to eight or ten millions of *your people* on the South side of the line, as to the five or six millions upon the North side of the line. Regarded as a portion of your own population, *our* five or six millions of industrious, energetic and frugal people would contribute as much

to the common good as any other five or six millions of *your* people, and they would not receive *more* than their share of it.

The enormous natural resources of Canada, which only await the skill, and the capital, and the enterprise of your people, who have already made the natural resources of your country contribute so largely to the national wealth, must lie practically dormant until a larger market is open for their disposal. Many of them are absolutely necessary to you; such as our fish, our fuel, our timber, and the products of our mines; and the experience you have already gained in the development of these industries would make the investment of capital in the working of them, mines of wealth to those who have the courage and the enterprise to engage in them.

Your manufacturers require an extension of their markets; and the removal of the tariff would open a market at their doors, superior in every respect to any other that can be found, equal to that of a dozen new States, and constantly increasing in value and extent.

Therefore, I think I may safely leave this question of the relative advantage to the two countries as being capable of demonstration that *they are not unequal.*

The Question of Protection

from the pauper labour of Britain does not enter here, nor does it raise the general question of protection and free trade. It means only the legitimate and natural extension of that Continental free trade, which, under the name of protection, you have been attempting on so large a scale.

I must remind you that the Canada of to-day is not the Canada of 1854 or 1866, for since then, in the erection of beacon lights, buoys and signals along our coasts free to the ships of the world, the erection of graving docks, the deepening and extension of our canals and inland navigation, the building of railways extending from the Atlantic to the Pacific and covering the rich Province of Ontario as with a net, some $200,000,000 of national money has been spent, which has been largely supplemented by the capital and enterprise of individuals, corporations and Provincial Governments.

Of sea going vessels touching our ports the aggregate tonnage was last year somewhere about fourteen millions, while the coasting tonnage was probably seventeen millions more; and as a maritime country Canada must be counted *fifth* among the nations in its ownership of merchant marine.

THE IMPORT OF THESE FACTS LIES IN THIS,

that we have facilities now for an enormously increased commerce, which can be readily obtained by an extension of our markets, to the enriching of those who have the enterprise, capital and experience to engage in the development of our vast natural resources.

I have said that the discussion of this question has arisen in connection with the Fisheries dispute.

If that has not been amicably settled, the people of Canada are not to blame. The distinguished plenipotentiary representing Great Britain in the recent attempt at settlement, was sensible enough to bring to a successful issue, en route, as it were, delicate negotiations personal to himself, requiring equal tact, discrimination and judgment.

That the negotiations in the one case were successfully consummated and not in the other, was no doubt because "Barkis was willin'" and in the other case Pegotty wasn't!

I believe it to be the earnest desire of the thoughtful people of Canada, that all differences which have a tendency to endanger the amity and friendship which so largely and so happily exist between us *should be removed;* and I am not without hope that the most satisfactory and permanent adjustment of the question at issue will be attained by boldly grappling with the commercial relations and coasting trade of the two countries as a whole.

The settlement of them in this way, according to the dictates of enlightened reason and broad statesmanship, would be a triumph of diplomacy infinitely superior to the paltry pottering of retaliatory legislation, now on one side and now on the other, which can never be otherwise than hurtful to the best interests of both countries.

These views which I have been led to adopt from a careful study of the matter, and which I have been presumptuous enough to present to you as those of a private citizen, have been approved in many influential quarters in Canada—they have been made a prominent plank in the platform of one of the great political parties, endorsed by the representatives of the Governments of all the Provinces of the Dominion, assembled for conference upon subjects of common interest in the City of Quebec; and universally approved by the agricultural classes where the subject has been fully discussed.

I shall not trouble you with more than stating

THE OBJECTIONS TO THEM IN CANADA,

where I think they have been successfully refuted.

It is said we would be discriminating against Great Britain, to whom we owe allegiance, and in favor of a foreign country. The geographical contiguity of the two countries is a sufficient answer to this. Canada has already asserted her right to the largest measure of liberty in the framing of her fiscal policy to what is most advantageous to herself.

It is said we would divest ourselves of the right to regulate our own tariff; and that this would be adjusted for us at Washington, to which no free people would submit.

It is further alleged that Continental free trade would close our factories.

It is also said that the Republic, having obtained control of our markets, Annexation would follow as a matter of course, at the expiry of the Treaty.

Canada is doing well as she is, say some—let well enough alone.

The importing business done by the wholesale merchants in our large cities would be closed; and New York would thenceforth be the distributing centre of the Continent.

Canada and the United States having a surplus of the same description of products, are rivals in the foreign markets of Great Britain; and have no natural trade with each other. Britain is the true and the proper market for what we have to sell.

The people of the United States are the hereditary enemies of Canadians; and we should have nothing to do with them; give them no countenance or encouragement, but shoot them down in their tracks as opportunity offers.

Such are the principal objections made to these proposals in Canada, urged with great force, but not with much success.

The remaining objections are more serious, namely, that the people of the United States have always been, and are now, utterly opposed to any extension of the trade relations with Canada.

It remains for such representative men as I have the honor to address to say how far this is correct. Should it be otherwise, I think you may rely upon any efforts you may make in the direction I have indicated, being generously responded to by the people of Canada.