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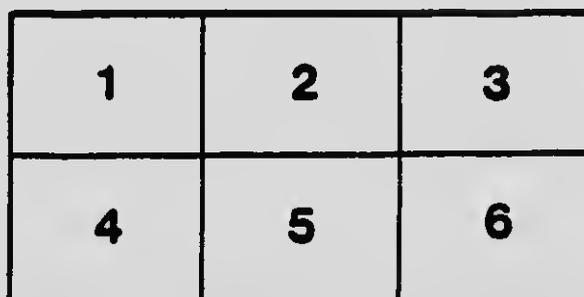
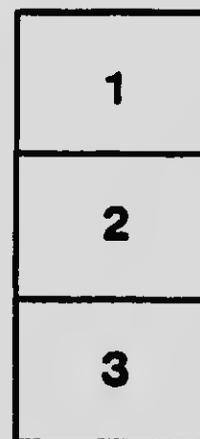
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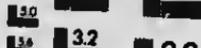
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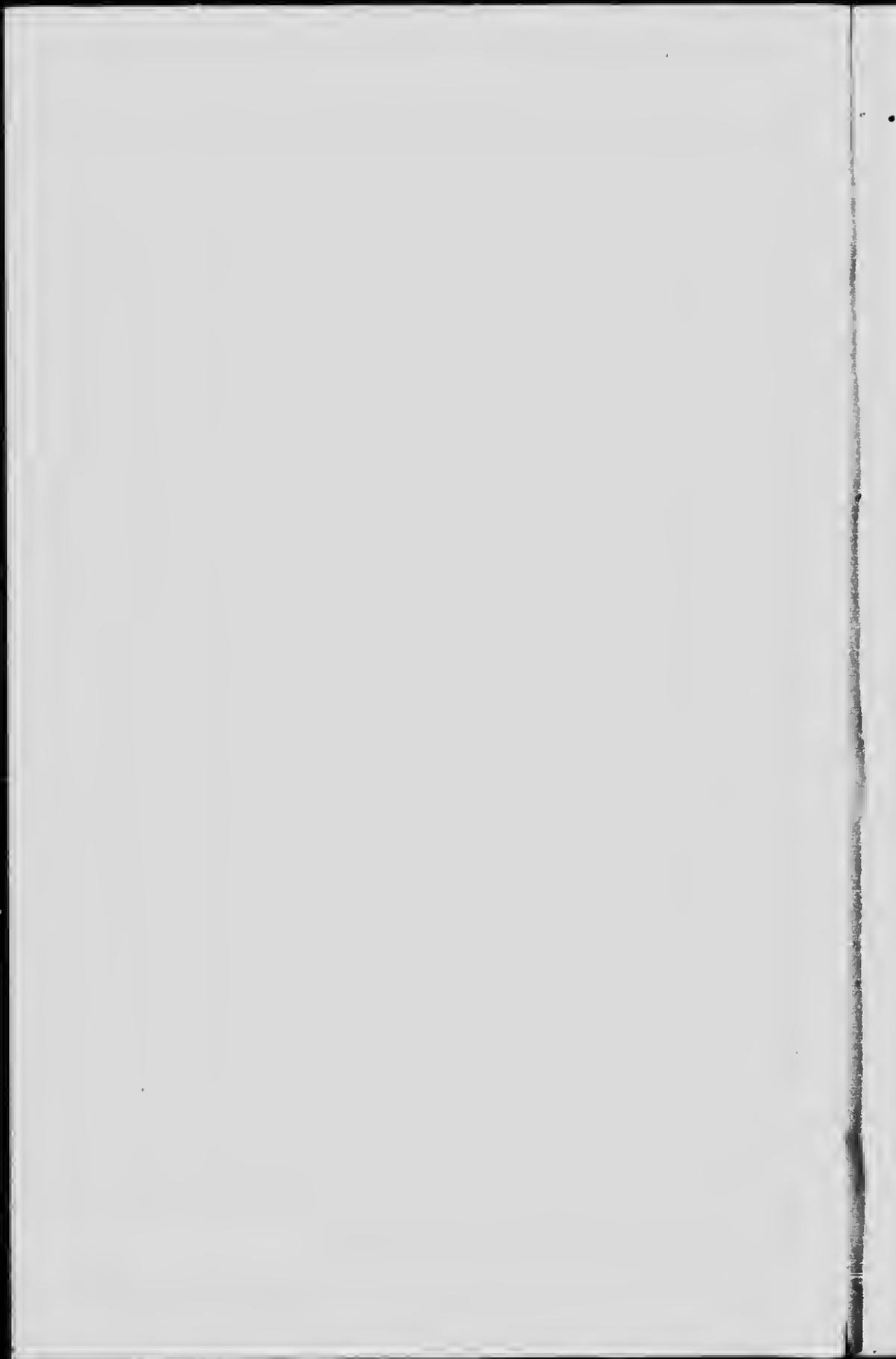
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The Fielding Reciprocity

(See Appendix for the Schedules)

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THE SITUATION

We seem to have arrived at one of those epochs when the masses all over the world find it necessary for their well-being to curtail the special privileges of the classes. In England a powerful democratic movement in that direction is in progress, while in the United States the people have turned in anger upon the manifold evils resulting from an exceedingly high tariff in force for half a century.

Here in Canada a widespread agitation for freer trade with the States has arisen in the East and West. It is said the Laurier Administration should have ignored it, because the country in general and the West in particular are already enjoying a high degree of prosperity. Those who argue in this manner forget that, so far as governments can, a government like ours must not only afford the people an opportunity of reaching a high level of prosperity, but must ensure them the means of enjoying the very highest attainable; otherwise it may expect uproar and tumult with a falling away of loyalty to existing institutions.

No impartial man familiar with the West doubts that the settler's lot would be improved by freer commercial access to Minneapolis and Chicago. Sir John Macdonald used to say of Eastern Canada, in the days when he favored reciprocity in natural products, that if it had two strings to its bow in place of one, a free American market as well as the free British market, it would of necessity be considerably better off. What was and is self-evident of that section of the Dominion is, from the nature of the case, still more true, if possible, of Western Canada, isolated by a huge stretch of barren territory from the cities, towns and factories of the East, and lying alongside the American West for over 1,000 miles.

* * * *

Now, whether we in Canada like it or not, the Republican party, and the Democrats who control the new House of Representatives, have made up their minds to reduce the cost of living and of producing in the United States, by, amongst other reforms, lowering the duties on Canadian products. By no effort on our part can they be dissuaded from this purpose, for, of course, we have no more control over them or their tariff than they over us or ours. If, as the Canadian Tories allege, more extensive commercial dealings with the Americans must impair British connection, then the recent Congress and President Taft

had it in their power, by a stroke of the pen, to shatter it; and a few days hence the Democrats will be in a position to render its further existence well-nigh impossible. But no sensible person believes anything so far-fetched.

When, then, in accordance with the new Republican programme, President Taft offered us a measure of reciprocity, the Laurier Government accepted it, first, because even in the opinion of the Tories—not to be sure repudiated but formerly avowed on innumerable occasions—it must benefit the great natural industries of Canada; and, second, because it afforded us a splendid opportunity of bringing about a better feeling in the West by obtaining for the settler the closer trade intercourse with the adjacent American market which he desired, as well as by lessening our duties on his wagons and implements.

* * * *

Beyond this, the interests of the Eastern Canadian manufacturer are scarcely affected at all. Although 30 years is a long time for long clothea, the policy of Sir Wilfrid Laurier is not to disturb the protected industries of the East wantonly, unnecessarily or without due notice. Yet, because he fears that this concession by the Americans—which, be it remembered, they could have made, and may augment, of their own motion and without a thought of reciprocity with us—may some day lead Eastern and Western agriculture to ask for the extension of the Fielding agreement to a greater number of factory goods, the Eastern manufacturer, as if it were a law of nature that the farmers should be subject to him, insists that they shall not be permitted to send their staples to the United States free of duty, or pay less under our own tariff for some of the commodities they are in the habit of buying there.

To be sure, we can do as we please about the latter arrangement, but how are we to stop the Eastern and Western settler from shipping his produce to the States once the American Customs barrier is removed for the benefit of the American consumer? Are we to meet the abolition of the American taxes on wheat, cattle, horses, eggs, poultry, sheep and lamba, hay, barley, oats and dairy products with export duties? For if so we shall be menacing British connection with a vengeance, by establishing at the heart and extremities of Canada a "bank of discontent, every hour accumulating, upon which every description of seditious men may draw at pleasure."

* * * *

We venture, therefore, for his own sake, to appeal to the manufacturer whose instinct of self-preservation is stronger than his party

prejudice. Surely he must see that, if he continues his opposition to the Filding agreement, he is bound to precipitate a conflict from which, with the rage for tariff reform that is abroad here, and more especially in the States, whence it sweeps like a prairie fire across the line, he would to a certainty emerge in a battered condition, lamenting the hour he ventured on so intolerant an attitude towards the farming community.

The strangest aberration that afflicts him is that, since the Americans are lowering their tariff, our Government should not lower ours, but should reject all overtures for reciprocity and proceed without delay to increase it, not on the raw materials he imports from the States, but on the British and American factory goods that come in competition with his. He believes, or makes believe, that such a policy would save Canada to the Empire by strengthening the loyalty of all engaged in the natural industries.

* * * *

It is not easy to deal with a proposition so manifestly at variance with reason. On the manufacturer's own showing, a great many of the necessaries of life and production are already cheaper in the States than in Canada. There coal and iron abound almost everywhere except in New England and on the Pacific Coast, while the immense size of his home market enables the American manufacturer to specialize labor and machinery to an extent not possible in the narrower Canadian market. This is the standing plea—in some respects a sound one—of the Manufacturers' Association on behalf of a high tariff on American factory goods. The cost of American goods is about to be further reduced below the Canadian price by a downward revision of the woollen, cotton and other schedule, and the free admission of food and raw material from Canada and the world over. Yet the Canadian manufacturer deems this an opportune moment for increasing the cost of things in Canada, and actually supposes that we can thereby make the West, and the East as well, more loyal to Canada and firmer in their allegiances to England.

This doctrine is preached day in, day out, by such Tory papers as the *Toronto News*. Germany could afford to place heavier burdens on its people than those borne by the inhabitants of France or Belgium, for these nations are separated by differences of race and historic association. But except that they have different flags, Canada and the States are as intimately related, in a physical and economic sense, as England and Scotland; only instead of a few miles of border intervening, they are contiguous the whole way across this vast continent.

For reasons that need not be gone into, Federal, State and municipal indebtedness in the United States is a good deal less per head than Federal, Provincial and municipal indebtedness in Canada; and if we deliberately create for ourselves a still more serious disadvantage by rendering the essentials of life and labor dearer here than over there, surely it stands to reason that neither Confederation nor British connection can profit, but must sooner or later suffer.

* * * *

Not to go further, we should at once have a dissatisfied West on our hands. That community is no longer composed of people from the older Province, with a sprinkling of immigrants from the United Kingdom. The immigrants from the United States and Continental Europe are now exceedingly important and influential elements, and, as time passes, are likely, at least in Alberta and Saskatchewan, to outnumber the native Canadian and British-born settler. Saying nothing of the Eastern farmer, could we afford to alienate the Western?

Sunning itself in the warmth of Protection, the Manufacturers' Association views the prospect with indifference. But Sir Wilfrid Laurier does not. It is because he has no wish to see the national life of Canada rendered miserable and precarious by the estrangement of the West, accompanied by a violent agitation of masses against classes here in the East, that he entered upon and is resolved at all hazards to stand by the Fielding agreement. He has never been unfair to the manufacturers, but they must understand that the first and last consideration with him is to do justice to the Canadian people as a whole by bringing about the greatest good to the greatest number.

THE ANNEXATION CRY.

It is a pity Mr. Sifton did not study the trade returns before concluding that the Fielding agreement, which does not propose anything like so wide a measure of reciprocity as the treaty of 1854, under which we flourished and became more loyal to England than before, must sap and mine and ultimately destroy British connection.

While we have been debating questions of Imperial consolidation, a remarkable change has come over the trend of our foreign commerce. Formerly, as everyone knows, our trade with England far exceeded our

trade with the United States, and if an economist had told us forty years ago that this condition of affairs was about to be reversed, that our trade with the States should one day be greater than our trade with the whole British Empire, England included, the Siftons and Bordens of the period would doubtless have rejoined that, in that event, British connection was doomed.

Yet so it has been and is, and British connection not only survives but is heartier and more robust and more of a living factor in our national affairs than before. Last year our exports to England, which admits them free, amounted to \$150,000,000, and our imports from her, under our preference, to \$95,000,000; the gross trade being therefore \$245,000,000. On the other hand, our exports to the States came to \$113,000,000, and our imports from them to \$223,000,000, making the gross trade \$336,000,000. That is to say, the States, despite its high tariff, is the second best customer for all we produce, and, though we give it no sort of advantage over other nations, has become the principal source of supply for all that we require from abroad.

No one can truthfully assert that while this remarkable transformation has been going on our loyalty to England has abated or the strength of Confederation been diminished. The exact opposite is the case. At no former period in our career has there been a greater affection for England or less feeling in favor of annexation. Yet, chiefly because the Fielding agreement reduces the American tariff to some extent in our behalf, our Tory friends will have it that Political Union is bound to ensue. In his flaming protest against a policy which he himself advocated in 1891, Mr. George E. Foster saw the Stars and Stripes already waving over Parliament Hill, with the band playing "Yankee Doodle" at Rideau Hall.

The marvel is that a man of Mr. Sifton's discernment should join in this wild extravaganza. How by any possibility is the Western settler to be converted into an annexationist through enjoying freer access to the States for his wheat, cattle, hay, and barley, and reduced duties on his wagons and implements? Is it not plain that he would be much more apt to turn his mind towards annexation if he were left to present conditions, which deny him those benefits?

If the Fielding proposals did no more than satisfy the West, where the fierce agitation for relief from the trade restrictions imposed by the double row of tariffs at the frontier is subsiding, and a better feeling towards the East now prevails than has existed for many a long day, they have already rendered a service of enormous importance to the Dominion.

THE ADVANTAGES OF A NEARER MARKET.

The British trade returns show that no less than \$36,000,000 worth of eggs were imported into the United Kingdom during the calendar year 1910, of which only a little over \$5,000 worth came from Canada. According to our returns, we shipped \$9,000 worth to Britain in the fiscal year ending last March, and \$11,500 to the United States, which taxed them five cents a dozen. For some reason or another our export trade in eggs has greatly declined, in part perhaps because we are shipping more to the Canadian West. As far back as 1879 our total exports to outside countries amounted to \$646,000, as compared with but \$42,000 in the year 1909-10. Then, we sent \$13,500 worth to Britain and no less than \$630,000 worth to the States. The imposition by Congress of the heavy duty hurt our export business almost to death. The British supply from abroad comes principally from Russia, Denmark, Austria, and France.

By the Fielding agreement Canadian eggs are placed on the American free list, and our exports across the line are sure to go up with a bound. Obviously, a near market like that of the States is more remunerative, in the case of many articles, to the Canadian producer than a distant one; not merely because of the saving in freight rates and of the quick returns, but because, as in the instance of eggs, fresh fish, vegetables, milk, cream, and so on, it is possible to supply it with commodities that cannot stand the long journey to England or the merciless competition there from countries nearer at hand than Canada. The American buyer comes here or talks to us by telephone, and in a much shorter space than it takes to ship Canadian goods to Liverpool, or even to Cape Breton or British Columbia, the produce he buys is delivered at Buffalo and Detroit for cash on the nail.

Every Quebec and Ontario farmer knows this to be so, and, let the Manufacturers' Association say what it may, he is for the Fielding agreement. It cannot be that an improvement in his circumstances is going to make him a traitor to British connection. Why, even the manufacturers, who indulged in a good deal of incendiary language prior to 1879, became the most loyal of men when they began to wax fat by fleecing him. He asks no special favor, however, but will be abundantly content with the privilege of selling his wares to his American neighbours without the embarrassment of tariff obstructions that are as detrimental to their interests as to his.

THE ONTARIO FARMER'S POSITION.

The Ontario farmer of to-day probably knows little except from tradition of the enormous benefits which agriculture derived from the reciprocity of 1854-55. Since 1909 he has profited by the reduction of the American duty on cream, while the recent complaint of the Canadian pork-packers that the Fielding agreement will strip them of hogs by making it more profitable for the Canadian hog-raiser to sell to the Americans, also affords tolerably good evidence that obstructions to commerce between the two countries are not in his interest.

Under the reciprocity of 1854 there was a tremendous boom in Canadian agriculture. Protectionists say this was due in part to the abnormal demand for Canadian products created by the American Civil War; which may be true. On the other hand, the commercial depression ushered in by the panic of 1857, had a bad effect upon both countries; added to which as early as 1860 dissatisfaction with the measure began to manifest itself in the States, in consequence of our having increased our duties on American factory goods, which was held, somewhat absurdly, to be a violation of the spirit of the treaty agreement; so that even then it was common talk that it would not be prolonged beyond the covenanted term.

Despite all this the expansion of commercial intercourse was truly remarkable. The gross trade (exports and imports) between Canada and the States in 1853 was \$20,000,000, whereas by 1855 it had risen to \$42,000,000, in 1859 to \$48,000,000, in 1863 to \$55,000,000, and in 1866, when the treaty came to an end, to \$84,000,000. "I know not where," said George Brown in 1874, in discussing his abortive treaty, "in the history of commerce a parallel of success to this can be found, if we keep in mind that one of the parties to the bargain had at the time but three millions of inhabitants."

Under the Fielding arrangement a considerable number of farm commodities will be admitted free into the States, the following being some of the more important. Appended is the present American duty:

Cattle, horses, mules, swine, sheep, lambs, and all other live animals.—Present duties on calves \$2 per head; on other cattle from \$3.75 per head to 27½ per cent. *ad valorem*. Present duty on horses and mules from \$30 per head to 25 per cent., the latter being levied on horses valued at over \$150. Duty on swine \$1.50 each; on sheep and lambs from 75 cents to \$1.50; on all other live animals 20 per cent.

Poultry, dead or alive.—Present duty on live 3 cents per pound; on dead 5 cents.

Wheat, rye, oats, barley, and buckwheat.—Present duties on wheat 25 cents per bushel, on oats 15, on rye 10, on barley 30, on buckwheat 15.

Dried peas and beans.—Present duty on beans 45 cents per bushel, on dried peas 25 cents.

Hay and straw.—Present duty on hay \$4 per ton, on straw \$1.50.

Potatoes and other fresh vegetables.—Present duty on potatoes 25 cents per bushel, on onions 40 cents, cabbage two cents each, other vegetables 25 per cent.

Fresh fruits.—Present duty on peaches, apples, cherries, plums, pears, etc., 25 cents per bushel, on berries a cent per quart.

Dairy products.—Present duty on butter and cheese 6 cents per pound, on milk two cents per gallon, on cream five cents.

Eggs.—Present duty 5 cents per dozen. Honey.—Present duty 20 cents per gallon.

These are the principal agricultural products which are henceforth to be admitted free into the United States, and reciprocally into Canada. In addition, the agreement provides for the reduction of the American duties on a number of other articles, such as meats, bacon and hams, lard, tallow, canned tomatoes, and flour. Cream separators are made free and the Canadian duties on wagons and implements reduced.

That a great increase in our agricultural exports to the States will ensue goes without saying. Every border farmer is aware that a duty at the frontier not only bears hard on the articles that can stand it, but checks the sale of others, which, but for that handicap, could be shipped across the line at a profit. Last year our exports of animals and agricultural products to the States were valued at nearly \$19,000,000—a large amount in itself, and a very large amount indeed in view of the high American barriers. Meanwhile the British market remains open to us as before, and our right to enlarge the British preference, if we see fit, is in no way diminished. Sir Wilfrid Laurier and Mr. Fielding have, in fact, practically brought about what Sir John Macdonald used to consider the ideal condition of things for Canadian agriculture, namely, two free markets instead of one.

RECIPROCITY AND CONSERVATION.

In one breath the Tories say the Fielding agreement will be of no benefit to the Canadian farmer or fisherman; in the other, that the

Yankees will consume so much of their produce that prices in Canada must go up to the injury of the Canadian consumer. Both assertions cannot be true.

The latter might prove to be the case if Canada had no more territory fit for agriculture than she has now, or if her agricultural population suddenly ceased to grow, or if the American demand became so vast that we could barely supply it. But, of course, none of these conditions exist or are likely to prevail.

This year we shall receive, it is said, well on to 300,000 immigrants, and there is no limit in sight to the number that may come in a near future. In the older Provinces the Grand Trunk Pacific is opening a vast back country containing large areas of good soil and rich in minerals, pulpwood and fish. In the West we have cultivated little more than the fringe of that tremendous empire, adapted much of it for wheat, the rest of it for cattle. The lowering of the American duties on these and other staples will have the effect of tempting population into those empty spaces, and, consequently, of increasing our available surplus by an amount far beyond any demand the States is likely to make upon us, at any rate within the lifetime of this generation. The Tory cry that the Canadian consumer is about to be hurt is as unsubstantial as all their other alarmist stories.

But, they say, the Liberals have been talking a good deal about the conservation of our resources for posterity, yet here they are going to dispose of them to the Yankees.

Conservation does not mean that we are to shut down exporting. What, in a well-known bull, has posterity done for us that we should sacrifice ourselves for posterity? Conservation, to take an excellent working example, is the policy adopted by Mr. Frank Oliver, Minister of the Interior, in assuming control of the rivers in the three Prairie Provinces, the Railway Belt in British Columbia and the Yukon—that is to say, wherever the Dominion Government has jurisdiction—so that the water-powers may not fall into the hands of private individuals or companies who would exploit them for their own, and, therefore, to the detriment of the public interest. In like manner, Mr. Oliver takes care that the forests in the West are not grabbed by speculators holding for a rise, but administered as far as possible for the good of the settler.

This is conservation in the true sense, in the only sense in which it can be practically applied. But if we did not invite immigrants to cultivate the soil and encourage our present population to do so, how could they exist? And unless they could export to the States and elsewhere how could they cultivate it with advantage? If we were about to make the Americans a present of what we shall sell to them

under the Fielding proposals, there would be something in the cry that we are depleting our resources. But as a matter of fact we shall charge them all they can afford to pay, and, what is more, net a higher figure for ourselves than now, when the American tariff robs the Canadian producer on every shipment.

A WORD WITH SIR JAMES WHITNEY.

Sir James Whitney is, of course, entitled to act on his own conception of what is right and proper in such matters, but most persons will probably agree that when he was asked by a leading Conservative newspaper in London for his views on the Fielding agreement, he should have looked at both sides of the question, and given as impartial an opinion as his intense dislike of the Laurier Government might permit.

Instead of this, Sir James seized hold of a number of loose catch-words, and, without attempting to deal with the agreement on its merits or demerits as a commercial policy, declared off-hand that it must "throttle our national manhood," sap British connection, wreck Imperial unity and so on. Instead of delivering himself as became the Premier of Ontario he wrote like an extremely violent member of the Albany.

Since then Sir James, in the Ontario Legislature, has attacked the proposals in the forcible-feeble style characteristic of all his utterances. He says they must tend to diminish trade between Canada and the rest of the Empire. Yet we may be sure that if Mr. Fielding should increase the British preference from 33½ to 40 per cent., Sir James, with the rest of the Tories, will denounce it as a still more traitor as blow at the Empire. Flog high, flog low, the Tory party is never satisfied.

Like Mr. Sifton, Sir James says we are enjoying a large measure of prosperity; why, then, he asks in all simplicity, enable those occupied in the natural industries to enjoy a larger? He himself hails from Morrisburg, a little town on the St. Lawrence in the County of Dundas, which is a remarkably fertile district. This was the Census population of Dundas at the ten-year periods mentioned:

DUNDAS.

Census.	Population.
1851..	7,139
1861..	18,777 (So)
1871..	18,777 (So)
1881..	20,598
1891..	20,132
1901..	19,957

The inhabitants of Dundas are engaged almost exclusively in farming. Note that between 1851 and 1861, when there was seven years of reciprocity in natural products with the States, the population more than doubled, while since 1871 it has practically been stationary. Other causes helped Dundas at that day, as, for instance, the building of the Grand Trunk; besides which the movement from country to town, now so marked a feature, had not then set in. Yet allowing for these and any other favoring influences that may have existed, Sir James must know, if he has ever looked into the matter, that the reciprocity times were by far the most prosperous times in the history of his native county.

Why? Because the farmer was able to trade freely with the American market at his door. His barley, young cattle and lambs, hay, dairy products, oats and buckwheat, eggs, and so forth, were shipped in vast quantities into the State of New York, just across the river from Morrisburg, to his great advantage as well as to that of the town, which was the entrepot of the traffic. See how Morrisburg has fared as to population:

MORRISBURG.

Census.	Population.
1851..	No returns
1861..	855
1871..	1,156
1881..	1,719
1891..	1,859
1901..	1,693

This is not by any means a satisfactory growth. Of late, in the hope of bettering things, Morrisburg has resorted to honusing local industries and so burdened itself with debt. If the Fielding proposals could be submitted, away from politics and purely as a business proposition, it is safe to say the ratepayers would vote for them almost to a man.

In the former reciprocity period there were comparatively few railways in Northern New York. The population of the whole State was small by comparison, for to-day it exceeds that of all Canada; nor

was the average American consumer anything like so well-to-do as now. Obviously, then, a free exchange of natural products under the Fielding project will be even more profitable to the Dundas farmer than it was from 1854 to 1866; and this is true of the farmer in every other section of the Dominion. Finally, if the old reciprocity did not cause the well-known loyalty of the Dundas people to moult a feather, how is a fresh term of it going to transform them into rebels?

THE COAL INDUSTRY.

While their main cry is that the Fielding reciprocity is too liberal a measure for our good, the Tories in British Columbia declare that Mr. Fielding did not go far enough in behalf of the mineral interests of that Province; and in the West they say he should have made a larger reduction of the coal and implement duties.

It is cheerfully admitted that the removal of the duty on coal would have stimulated and developed coal-mining in British Columbia and the West; but it would have been at the cost of the Nova Scotia industry, for which a duty on coal is absolutely necessary. Without it, it would lose a part, if not all, of its big market, the St. Lawrence, and get nothing in return. It cannot conveniently enter the New England market, for the New England ports are without unloading facilities for modern coal-boats, while the Massachusetts anti-smoke law prohibits the use of Nova Scotia coal. Nova Scotia produces more coal than the West. Next to fishing, it is the big industry of the Province. The royalty on coal is a chief source of revenue to the Provincial treasury.

In the West coal is only one of its numerous resources; the prosperity of the West does not rest upon coal-mining, the solvency of the Provinces is not dependent on it. In spite of the American duty, the industry is growing by leaps and bounds. In a few years the production has increased to such an extent that it now almost equals in volume that of Nova Scotia, and will shortly surpass it. Its coal is so superior to the coal of the Western States that, despite the duty, it can still compete. British Columbia coal finds a market in San Francisco and Alaska. For the same reason that Pennsylvania coal can compete in Eastern Canada in spite of our duty, Alberta and British Columbia coal can compete in the Western and Pacific States.

In view of these facts, the Government did the right thing in retain-

ing a duty on coal. It went as far as it could in reducing the duty by 8 cents, as much as the Nova Scotia coal could stand; and the West, realizing its advantageous position, and recognizing that mutual concessions and compromise must prevail in such matters, will accept the reduction, which will certainly benefit its coal-mining and help on an industry already strong, flourishing and rapidly expanding; and this without crippling a sister Province.

Coke is now on the free list, which will benefit the West. Placing zinc ore on the free list would have afforded some temporary relief to the zinc and lead miners of British Columbia, but it is doubtful if it would have been a wise move. The Smelter Trust in the States would buy when they liked, and abstain from buying when they liked. A healthy zinc industry would not be possible under such circumstances. This was the position of lead-mining a few years ago. To-day there is a modern lead smelter in British Columbia independent of the Trust, which furnishes a steady and reliable home market for all the lead produced. The Cœur d'Alene lead miner envies his British Columbia brother in this. It is the policy of the Government to put the zinc industry on an equally good footing. To this end a large sum has been voted, and is being expended to determine the best process for treating the British Columbia zinc ores.

To make provision by reciprocity for the exportation of the raw ore would therefore have been a reversal of policy. No one under such circumstances could be expected to erect a zinc smelter in British Columbia. With a local zinc smelter, which under present conditions is almost sure to come, the gain to the producer will be greater and more lasting, and an additional industry will be built up in the country.

The reduction of the duty on iron ore from 15 to 10 cent per ton will aid iron-mining in British Columbia, as the nearest furnaces are at Irondale, State of Washington. The logical thing would of course be to smelt in British Columbia, where both iron and coal occur, but, as a preliminary, the iron ores must be opened up to demonstrate a trustworthy source of supply. This the reduction in the duty will tend to accomplish, and the other will come as a natural development.

The removal of the duty on fluospar, felspar, mica, asbestos and talc, crude and ground, with the reduction of the prohibitive duties on grindstones, roofing slates, and building stones, means much to the mineral industry of Canada. These non-metallic minerals require a large market and a short haul. The Canadian market has been limited and scattered. We now get into the neighboring States with their vast body

of consumers. Notable developments in these industries will follow the confirmation of this trade arrangement, not only in Eastern Canada, but also to a great extent in the West.

NOVA SCOTIA'S INTERESTS.

When the Farmers' Delegation visited Ottawa in December, Mr. S. C. Parker, of King's County, N.S., stated the case of the Nova Scotia fruit-growers in this brief but trenchant manner (Official Report of Proceedings, p. 47):

"I have the honor to speak for the fruit-growing interests of Nova Scotia. Our industry is rapidly growing; with increasing production we see the importance of as wide a distribution as possible. We are convinced that a fair measure of reciprocal trade with our neighbor at the south would be of immense advantage to all our horticultural interests. Of even more importance is our trade with Great Britain. That country is our best customer, and any preference looking toward increase of trade with the Mother Country will certainly improve our industrial condition."

Mr. Parker desires a preference for Nova Scotia apples in the British market. In the calendar year 1910 Britain imported raw apples, as the official returns phrase it, to the value of a little over \$10,000,000. The imports came principally from Canada, the United States, Australia, France, Belgium, and Portugal in the order named.

Of course, if the Imperial Parliament were to impose a duty, say, of a dollar a barrel on apples coming from foreign countries, and one of 50 cents a barrel on those coming from Canada, the price of Canadian apples would be increased to the British consumer, otherwise the preference would be of no use to Mr. Parker. It is equally certain that the price of foreign apples would be augmented, as well as that of apples grown in Britain itself. Mr. Parker's request cannot therefore be described as modest. Anyhow, the British people have denounced the preferential idea, which in England is as dead just now as Queen Anne.

Mr. Parker is a nimble person, however, for while he favored reciprocity with the States as a second-best policy in December, he appeared the other day at a meeting of the King's County Board of Trade, held at Kentville, and, according to the *Halifax Chronicle*, "did not favor the

present agreement before the House, which, he said, was no good." An explanation of this sudden change of heart may be found in the circumstance that Mr. Parker is now the Tory nominee in King's for the Nova Scotia Provincial elections due in June. Yet surely a martyr's courage is needed by any party candidate who is prepared to assert that reciprocity would not be advantageous to that Province.

It would be easy to show that Sir Charles Tupper entertained a very different opinion, while Joe Howe's speech in favor of reciprocity, at the Detroit Convention of 1865, is a classic. But let us apply the Census test to Mr. Parker's own home:

KING'S COUNTY.

Census.	Population.
1851.....	14,138
1861.....	18,731
1871.....	21,510
1881.....	23,469
1891.....	22,489
1901.....	21,937

King's is situated within the rich Annapolis Valley, and there is ample elbow-room in it for at least 75,000 inhabitants. It will be observed that in the 20 years from 1851 to 1871, reciprocity having been in force for three-fifths of the period, King's made far greater progress than in the subsequent 30 years. What does Mr. Parker make of this and of the decrease since 1881? Even in an old and overcrowded community like England, population increases at the rate of about 10 per cent. in every decade. Our theory—and if Mr. Parker has a better let him produce it—is that, since the abrogation of the Reciprocity Treaty in 1866, King's, like the rest of Nova Scotia, has been enormously handicapped through being practically excluded from the American market, which is the nearest, and, but for the United States tariff, would be the best market for much that it produces or is capable of producing. Under the former reciprocity the county shipped large quantities of apples and potatoes to the States. The present American duties on hay, eggs, lambs, calves, garden truck, etc., prevent it from selling those commodities at a fair profit, and bear hard on fish caught in the Bay of Fundy. The Fielding agreement will help every industry in King's, and, of course, the free British market will still be free.

THE CASE OF IRELAND.

A good many years ago, when the late Mr. Justice Curran was Solicitor-General at Ottawa and a member of Parliament from Montreal, he delivered a speech in the House in which he endeavored to show that Free Trade between Ireland and England had been disastrous to Ireland. Therefore, he argued, closer trade relations between Canada and the United States must be ruinous to Canada.

The Tories are republishing this speech in order, apparently, to influence Irish Catholics against the Fielding agreement. At the outset, one may be permitted to doubt whether Mr. Curran was altogether justified in giving an Irish Catholic turn to a business question solely affecting Canada; but he was a Tory politician, and, to please his Irish Catholic constituents, as he thought, was wont to impart a racial or religious twist to well-nigh every important topic that came before the Dominion Parliament. He was in private a very estimable man, yet, in the end, Irish Catholics grew weary of these efforts of his to cater to them, which, after all, were addressed to their prejudices, or supposed prejudices, rather than to their intelligence. It was a tawdry sort of buncombe that deceived nobody. Moreover, everyone at all acquainted with Irish history was aware that Mr. Curran's version of it was hopelessly astray.

Lecky is probably the most impartial historian of all in respect to Irish affairs, and those who care to learn what really happened before and after England had allowed Ireland to share in her home and Colonial trade should consult his "England in the Eighteenth Century."

The chief source of Irish prosperity was annihilated at a single blow when, at the instance of the English landowners, who complained of Irish competition in the English market, laws were enacted prohibiting the importation into England from Ireland of all cattle, sheep and swine, of beef, pork, bacon, mutton, butter and cheese. Ireland was not allowed to participate in the trade with the American Colonies, although, as Lecky says, her two great natural advantages were her proximity to America and her admirable harbors. "The conveniency of ports and harbors," said Swift, "which nature bestowed so liberally on this kingdom, is of no more use to us than a beautiful prospect to a man shut up in a dungeon."

Not being permitted to export their cattle to England, Irish farmers turned their land into sheepwalks, and began raising wool for local manufacture. This industry was destroyed by the prohibitions of the English Parliament, and later on Irish linens were excluded from the English market by a duty of 30 per cent. An attempt was even made to

prohibit fishing on the Irish coasts except by boats built and manned by Englishmen.

It is not worth while continuing the story. Severed commercially from England, Ireland suffered much; thousands of her people fled, and those who remained at home were far from prosperous. There was a universal demand for closer trade relations, and, although when these were brought about, various things conspired to render the condition of Ireland still unhappy, no instructed Irishman has ever advocated a return to the former commercial isolation of the country from its natural market.

Mr. Curran showed that primitive household industries like weaving and shoemaking were wiped out in Ireland when the competition of the English factory system came into play, and most articles were made by machinery. A similar disaster overtook the domestic industries in every country under the sun to which factory goods penetrated; but no rational person would wish to see the old order of things restored, any more than we should desire the restoration of stage coaches in place of railways.

Thousands of Irish Catholics in Ontario, Quebec and other Provinces have moved across the line in the last 40 years. Doubtless, one reason is that their race in the United States occupies a high position, political and otherwise; hence they feel they have a better chance in life there than in Canada. Yet, if the truth could be known, it would probably be found that the principal cause of the Irish Catholic exodus is identical with that which has produced the exodus of Protestant-Canadians—namely, that all these years we have been in a position of economic inferiority in being compelled to buy and sell at a disadvantage in the American market.

Our total foreign trade (exports and imports) last year came to \$695,000,000, of which \$336,000,000 worth, or nearly half, was done with the States under grave tariff restrictions both ways, which the Fielding-Knox proposals will in part remove. Whoever carefully ponders these figures cannot fail to see that the more relief we obtain the greater must become our powers of production, since the area of distribution for our products on this continent will be extended; and, as a consequence, the more employment we shall be able to furnish at home to young Canadians and to old ones as well.

THE REASON WHY.

Under the system of farming known as metayage, once much in vogue in the Old World, the landlord advanced the land implements and

stock, and received in return a corresponding share of the produce. So far as history records, no landlord ever objected to the farmer's enjoying free access to his nearest and best market.

Under Protection the manufacturer likewise becomes a sleeping partner with the farmer. True, he advances nothing, puts nothing into the common pool, yet exacts from the farmer by virtue of the tariff a considerable amount every year of the earnings from his labor and investment.

Furthermore, he has, at least in Canada, the audacity to say that the farmer shall not be allowed to buy from or sell to his next-door neighbor in the United States without being hobbled by tariff restrictions; lest, by profiting through the free interchange of natural products, he may be tempted to demand a free interchange of factory goods. After the fashion of Demetrius, the silversmith, the manufacturer cries to his fellow-members of the Manufacturers Association: "Sirs, yo know that by this craft or graft of Protection we have our wealth; let us therefore raise a dreadful uproar, for it is, in danger of being set at naught by Reciprocity." And so the Association, aided by the Tory party, has rigged up the scarecrow of Annexation to terrify the unthinking.

It is related in the "Letters of John Richard Green," the famous English historian, that long after Free Trade had been adopted by England, a certain prominent Tory, remaining unconvinced, wrote a pamphlet advocating a return to Protection and got a friend to submit it to D'Israeli. "Tell him," said D'Israeli, "that Protection is dead." "But," replied the friend, "he believes in its resurrection." "Then tell him," whispered D'Israeli, "that Protection is not only dead, but damned." The result of three recent elections in England goes to show that D'Israeli spoke the truth.

It cannot in fairness be said that Protection in Canada is in that parlous state. But without doubt the generality of Canadian farmers are prepared to bear witness to Mr. A. J. Balfour's definition of it. Mr. Balfour is the leader of the Conservative party in England, but nothing can induce him to come out squarely as a Protectionist. This is what he said of it at Glasgow on October 3rd, 1904:

"The object of Protection is to encourage home industry. The means by which it attains that object is by the manipulation of the fiscal system to raise home prices. If the home prices are not raised, the industry is not encouraged. If the industry is encouraged, it is by the raising of prices. That is, in a nutshell, Protection properly understood."

The Canadian farmer entirely agrees with Mr. Balfour. In Canada Protection to home industry means an increase of the price he has to pay for factory goods without a corresponding increase, this being an exporting country, in the market value of his own products. For patriotic, or perhaps from party reasons, the farmer has "stood the gaff" for over 30 years. But now that the protected manufacturer wishes to stop him from selling his wares in the States free from American tariff taxation, and from buying anything there under a reduction of the Canadian tariff, he has come to the conclusion that he really must draw the line at such matchless impudence.

IMPROVING OUR ECONOMIC POSITION.

Mr. Carvell, M.P., represents the County of Carleton, New Brunswick, which borders the State of Maine. He is a lawyer, but is engaged in various commercial enterprises, the management of which has afforded him a good insight into the existing trade relations between Canada and the United States. In his admirable speech in the House he quoted from the latest trade returns our exports of lumber to Britain, which admits them free, and to the United States, which levies onerous duties upon them, as follows:

	Britain	U.S.
Spruce deals	5,825,000	\$ 572,000
Laths	130	1,850,000
Shingles	1,275	2,300,000
Logs	40,000	960,000
Planks and boards . .	1,390,000	17,900,000
Scantlings	500,000	600,000
Ties	15	330,000
All lumber products . .	10,635,000	22,200,000

New Brunswick is largely interested in the production of spruce deals. No one can manufacture spruce deals without having considerable by-products in the shape of laths; in fact in most cases the profit the lumberman makes on spruce lumber depends entirely on the money he gets out of such by-products. These he cannot sell to Britain; Britain would hardly accept them as a gift. "Our market for by-products during all my lifetime," says Mr. Carvell, "has been in the United States," which has always imposed a more or less heavy duty. Hence the man who has stumpage for sale on the American side of the line gets

from \$4 to \$5 per thousand for spruce lumber as it stands; while the man on the Canadian side, within speaking distance of the American market, has to be content with from \$2.50 to \$3.

Carleton County is a famous place for potatoes. So is the Aroostook district across the road, which, by the Ashburton Treaty of 1842, was torn from New Brunswick and given to Maine. Owing to a recent failure of the potato crop in the Canadian West, Carleton has been shipping large quantities thither; but, under normal circumstances, the nearest and best market for New Brunswick is the United States, which now taxes them 25 cents a bushel. The total exports of Canadian potatoes in 1909-10 were 1,920,000 bushels, valued at \$1,133,000, of which Britain, admitting them free, took \$260 worth, Cuba \$605,000, and the States \$345,000 worth. As to the question of Canadian loyalty, which the Tories say is strengthened by our present exclusion, in whole or in part, from the American market, Mr. Carvell pathetically observes:

"During the last 20 years, from my constituency alone, about 1,000 of our very best farmers have sold out and gone, not to Western Canada, not to the big cities of the United States, but just across the imaginary boundary line into the County of Aroostook, and to-day they are prosperous and happy. These men have had the advantage of the American market under the same conditions as we shall, if this agreement goes through. As an illustration of their prosperity let me tell you that on the first day of July last I myself counted 42 former Canadians who are now resident farmers of the United States, and who crossed over to a Dominion day celebration in their automobiles. I wonder how soon the Maritime farmer will be able to enjoy such a luxury. In the near future, under the benefits of this agreement, our New Brunswick farmers will be in a position to sell their potatoes at the same profit our Aroostook friends have enjoyed in the past."

Given a community prevented from disposing of its products to the best advantage, the more enterprising of its population are certain to leave it for a better market, provided the nation with the better market is of their own kith and kin. This is why a New Brunswick census is usually so terribly disappointing.

The sardine industry of that Province affords another signal illustration of the inferior economic position in which Canadians are placed by the existing American tariff. The story is thus related by Mr. Carvell:

"I am told, and I am satisfied from my own research that it is a fact, that every year there are about \$325,000 worth of sardines her-

rings caught in the waters of the County of Charlotte alone and exported to the neighboring county in the State of Maine, to be manufactured into sardines. Under the present United States tariff there is a duty of $\frac{1}{4}$ of a cent per pound on fresh fish, but in some way, by means of their Treasury regulations, this particular kind of fresh fish are allowed to go into the United States free of duty provided they go in an American vessel commanded by an American master. In that way they go in as American fish. As a matter of fact, the Canadian fisherman catches the fish, puts them in hogsheads, and then they are transferred from his vessel to an American vessel commanded by an American skipper, in which they are taken to the packing establishment, distant not more than three or four hours' sail.

"The result has been that hundreds of our vessels have been transferred from the Canadian register to the United States register, and hundreds of our citizens, who are the owners and managers of these vessels, have been compelled to become United States citizens, and, in fact, to reside in the United States before being allowed to man these small vessels in which the fish are carried away. If this arrangement goes into effect, the result will be practically this: Our fisherman will be able to catch his fish, as he has always done; he will register his vessel in a Canadian port, so that it will become again a Canadian vessel; he comes back and becomes naturalized as a British subject; he is able to live at home; he increases our population, and he can carry on a legitimate business, catching these fish with his own labor and that of his sons, and taking them to the United States and getting the same price that the American gets to-day. When you consider that in the present conditions we are sending \$325,000 worth of these fish from one county alone to the United States, you can understand to some extent what the free entry of fish into the United States means to the Maritime Provinces."

Mr. Carvell might have added that a similar condition of things prevails in the halibut industry of British Columbia. For a long time the Americans have levied a duty of \$20 per ton on halibut, fresh or refrigerated, which the Fielding agreement abolishes. The British Columbia halibut fishery is the richest and most extensive in the world, but, owing to that obstruction, it has hitherto been impossible for Canadians to pursue it on a large scale. Our Canadian market on the Pacific Coast and in the older Provinces was not large enough to keep a fleet of fishing steamers steadily employed in the halibut grounds north of Vancouver Island. At length the New England Fish Corporation, of Gloucester, Mass., appeared on the scene, with headquarters at Vancouver, and it has been making money hand over fist, because, although such fish as it sells in Canada have to pay our duty, its sales to the United States, where

most of the catch is consumed, are, as in the case of small herring for the American sardine factories, admitted free under a Treasury ruling. Not only does it supply the Eastern States, but its halibut, caught in our Pacific waters, are shipped in bond through Canada to Boston, and distributed from that point throughout the Eastern Provinces, while, as said, Canadians are practically shut out of the business.

In the light of these things, how weak and absurd is Mr. Sifton's cry that the Fielding reciprocity will enable the Yankee to over-reach us Canadians, and secure for himself all the benefit from it that is going! Everyone knows that, chiefly because the United States is an older and more populous country, the prices of many natural products are higher there than at adjacent points in Canada. To the extent that this is the case, the Canadian producer is injured by the American tariff, which either prevents him from selling in the States or compels him to accept a price below that current on the American side. It indubitably follows, therefore, that in so far as it removes or reduces the United States duties, whether on fish, lumber, barley, eggs, hay, or any of the other commodities scheduled in it, the Fielding agreement must benefit him. It is precisely as though he were a Canadian artisan, working for lower wages than those paid in Buffalo, Boston, or Detroit, who should suddenly have the good fortune to see them raised to the American level.

THE PREFERENCE QUESTION.

In Canadian politics the refuge of the logically destitute, of the Tory side when it finds itself bankrupt in argument, is to assert that the policy of its opponents is a menace to British connection. Our Opposition brethren first invoked this bogey when Canadians entered on the struggle for Responsible Government, and employ it with unfailing regularity whenever they dislike any Liberal measure extending the liberties of the people or striking at a special privilege particularly dear to the Tory heart. No one supposed, however, that they would bring it forth to do duty against a measure of reciprocity in natural products, inasmuch as they themselves have always favored reciprocity in that form as a means of bettering the condition of the great natural industries and strengthening the loyalty of the Canadian people to existing political institutions. Their present contention, so far as they are agreed upon anything, is that the Laurier Administration should have waited for the Imperial

Conference to be held in London this summer, which, they say, might have promulgated a scheme of Imperial Preference. Imperial Preference has been repudiated twice within a year by the British people, whom it most concerns, and laid on the shelf by Mr. Balfour, the leader of the Conservative party proper, as distinguished from the Protectionist faction now headed by Mr. Austen Chamberlain. The Asquith Government, which, so to say, will preside at the Conference, is unalterably opposed to it, and would no more think of proposing it for adoption by Canada than Mr. R. L. Borden of pressing Free Trade within the Empire on a Tory caucus at Ottawa. To talk of waiting for the Conference in order to see what the United Kingdom might do in behalf of Imperial preference is simply absurd.

But, it may be said, the other self-governing Colonies might have had a preferential bill of fare to present at the Conference by which Canada would have benefitted. If so, there is nothing in the world to hinder Canada from discussing it when the Conference meets. The Fielding agreement does not affect our right to make preferential arrangements with Australia or South Africa, any more than it affects our right to enlarge the British preference if we see proper. We are free agents just as much as we ever were, and if other portions of the Empire have anything to propose looking towards closer commercial relations, Sir Wilfrid Laurier and Mr. Fielding will no doubt give it their best consideration.

Any one can see, however, that as regards the commodities enumerated in the Fielding-Knox agreement, they are not of a character to be included by any possibility in a preferential bargain with Australia or South Africa. How, for instance, could there be a mutually profitable interchange with those Colonies in live animals, wheat, vegetables, milk, barley, rough timber, hay, fish, or dairy products? By what preferential legerdemain could we make it worth their while or ours to establish a reciprocity in pulp or paper, fruit, eggs, or poultry; or to introduce reductions in our and their tariffs on sardines, bacon and hams, fresh meats, maple sugar and syrup, wagons or agricultural machinery? Our whole trade with these distant relations of ours is absolutely insignificant by comparison with our trade with the United States, because nature interposes her ban, and, much as we might like to do so, we cannot pump dry the vast oceans that divide us. It is our contiguity to the States and the fact that they can afford to pay the top price for everything they want to buy, while we are in a position to supply them with much that they require, which renders the Fielding agreement so tremendously valuable to Canada at large. Obviously, reciprocity with Australia or

South Africa could not be established on conditions anything like so favorable, if indeed it could be satisfactorily established at all.

Mr Borden and his supporters will have it that an Imperial preference between Canada and England would be beneficial to both; but, as said, the British elector is of a different opinion, and, while he remains in that frame of mind, are we to sit by and do nothing for the advancement of Canadian interests?

So far as Canada and England are concerned, however, the difference between Imperial reciprocity and the Fielding reciprocity is briefly this. In the one case, a cruel burden would be laid upon the British consumer of bread to create an artificial price in the British market for our wheat, but more especially for British-grown wheat, whereby the British landlord would profit through an advance in rents. Other preferences in our behalf were talked of, but a small one on wheat (50 cents a quarter of eight bushels) was the only one English Tariff Reformers as a body were ready to vote for at the outset. In return, we were to give the British manufacturer a substantial foothold in our market, and ultimately there was to be a revival on an elaborate scale of the Imperial Preference system which prevailed from 1763 to 1840, or thereabouts, and which, besides enhancing the cost of food and raw materials in England, effectually checked, as of course it was designed to check, our manufacturing development.

In the other case no burden whatever is placed upon the British people. Our wheat obtains free entry to Minneapolis and Chicago, where, owing to local causes, the price is usually higher than at Winnipeg. In addition, a large number of commodities from the older Provinces will enjoy a better market in the United States than they now have or than Mr. Chamberlain could provide for them if he were to build a Chinese wall round the British Islands, with a loophole for the Colonies. The increased well-being thus assured to the Canadian producer, East and West, is certain to have the effect of increasing our purchases from England. As said, our own British preference is in no way interfered with by the Fielding arrangement, and it is altogether probable that some of these days Mr. Fielding will enable Britain to share in a still greater degree in our new prosperity by enlarging the preference from 33½ to 40 per cent., notwithstanding that the Protectionists will doubtless insist that this is another dastardly blow at the Empire.

Let the reader look at the matter dispassionately and say which is the saner policy for Canada, and which the more unselfish and loyal towards England.

THEN AND NOW.

While our Tory brethren are traversing the land denouncing reciprocity, the farmers of Ontario, as well as the Western settlers and the fishermen of Nova Scotia, are passing resolutions to the effect that they are extremely well satisfied with the Fielding agreement. How could it be otherwise? Both political parties in Canada have until now cordially recognized that the free admission of our raw products into the United States market would be a boon of extraordinary value. Sir John Macdonald used to illustrate the situation of the Canadian farmer in this way (Hansard, 1878, p. 861):

"I put the case in the Eastern Townships of a man upon the imaginary line which lies between this country and the United States. Suppose a man has 100 acres on the Canadian side and 100 acres on the American side. Suppose he grows 1,000 bushels of barley on each of his farms. He takes his 1,000 American bushels to the American market and gets a dollar a bushel for it. He takes his 1,000 bushels of Canadian barley to the American market and gets but 85 cents per bushel, because he has to pay 15 per cent. duty for taking it across that imaginary line. How can it in this case be said that the consumer pays the duty? It comes out of the pockets of the Canadian farmers."

Ultimately, of course, the duty was paid in whole or in part by the American consumer, who, but for it, would have got his barley for less than a dollar. But no one saw more clearly than Sir John that tariff obstructions at the frontier were a detriment to all concerned, and that if they were abolished the Canadian producer, who pays the duty in the first instance, would greatly profit. The present American duty on barley is 30 cents a bushel.

With Sir John, in fact, at one time reciprocity was the be-all and end-all of the N.P. In an amendment he submitted, when in Opposition, to the Liberal budget of 1878 (date above) he declared that his policy, "moving, as it ought to do, in the direction of a reciprocity of tariffs with our neighbors, so far as the varied interests of Canada may demand, will greatly tend to procure for this country, eventually, a reciprocity of trade." And so when, as Prime Minister, Sir John passed the N.P. in 1879, it contained the following proviso, which was kept standing for years:

"Any or all of the following articles, that is to say: animals of all kinds, green fruit, hay, straw, bran, seeds of all kinds, vegetables, including potatoes and other roots, plants, trees and shrubs,

coal and coke, salt, hops, wheat, peas and beans, barley, rye, oats, Indian corn, buckwheat and all other grains, flour of wheat and flour of rye, Indian meal and oat meal and flour meal of any other grain, butter, tallow, meats, fresh, salt or smoked, and lumber, may be imported into Canada free of duty or at a less rate of duty than is provided by this Act upon proclamation of the Governor-in-Council, which may be issued whenever it appears to his satisfaction that similar articles from Canada may be imported into the United States free of duty or at a rate of duty not exceeding that payable on the same under such proclamation when imported into Canada."

This was if anything a wider measure of proffered reciprocity than that which the Laurier Government has just negotiated. The principal difference between the two cases, and it is a vital one, is that whereas Sir John Macdonald and the Conservatives of 1879, and afterwards, supposed that they could best obtain reciprocity of trade by resorting to reciprocity of tariffs—a figure of speech for high Canadian duties—Mr. Fielding has obtained the present reciprocity, not only without increasing the Canadian tariff, but actually through lowering it on such articles of importance to the Canadian farmer as implements and wagons and giving the Ontario manufacturer cheaper coal.

If Sir John could preach and strive for reciprocity in natural products as he did, and still be an orthodox Imperialist, how can any reasonable Conservative affirm or believe that Sir Wilfrid Laurier and Mr. Fielding are traitors?

ABOUT DISLOYALTY.

Sir Edmund Walker, the respected head of the Bank of Commerce, is greatly alarmed for British connection because the Fielding agreement gives our natural industries freer access to the United States market, which he thinks will have a tendency to increase American influence in and over Canada, and thereby render us disloyal to England.

Yet Sir Edmund and Canadian bankers in general claim for themselves the right, which every sensible person concedes, of lending millions upon millions of Canadian capital to Americans, even at times when Canadians are denied further credit and requested to reduce the amounts already advanced to them. These short loans to New York brokers can be recalled at once, and therefore are as good as liquid cash; whereas advances to Canadian customers would of necessity have to be for a longer period, and could not be made with absolute safety on

occasions when money is tight and the financial world unsteady. The profits of Canadian banks from this all-the-year-round American business are considerable, and enable them to treat us in Canada with greater liberality. It is perfectly legitimate banking, advantageous to all concerned, including the Canadian borrower, who, at first sight, thinks it hard on him; and we rejoice that it is growing apace.

But if it is not disloyal for Sir Edmund to lend our money to our American competitors in this fashion, will he be so good as to explain how he arrives at the conclusion that it would be treasonable for a Canadian farmer to sell eggs or butter free of duty to a Buffalo dealer, or buy a Yankee plough under a reduced Canadian tariff?

Similarly, we feel we are entitled to ask Sir Hugh Graham how he contrives to avoid menacing the Empire while sending thousands of copies of his excellent weekly to New England and taking anti-Imperial, Yankee currency in payment; and to enquire of Rev. Mr. Scott, of Quebec, who is combatting reciprocity as fiercely as either, what difference there is, in principle, between a Nova Scotian bartering his fish for Boston cornmeal and an Anglican clergyman in Canada and another in the States exchanging pulpits.

There can be no special privilege for anybody in this loyalty business. If, Imperially considered, reciprocal trade with our neighbors on the part of the farmer or fisherman is a dangerous thing, reciprocal banking, reciprocal railroading, reciprocal publishing and preaching are equally deserving of reprobation. It will likewise be necessary to rewrite Canadian history. If Sir Wilfrid Laurier and Mr. Fielding are traitors, clearly Sir John Macdonald and Sir Charles Tupper were traitors also, since the cardinal feature of the N.P. was that, through reciprocity of tariffs, it would eventually give us reciprocity of trade; while those distinguished Tories over and over again went or sent to Washington to beg for a revival of the treaty of 1854, or for a wide free interchange of natural products in some other shape.

Just now, however, we are concerned with Sir Edmund. Some of our newly created knights, and others whose chief desire in life is to be knighted, are opposed to the Fielding reciprocity simply because the British aristocrat, who wanted an Imperial Preference on wheat in order that he might raise his rents, looks down upon it with supreme disdain. But we hasten to add that Sir Edmund is not that sort of knight; on the contrary, he has a mind of his own, is a thorough Canadian, and surely desires to be consistent to the extent at any rate of obeying the rules as to what is loyal and what disloyal which he seeks to impose on others. For this reason we venture to press him to let us know why, in

the language of St. Paul, he that abhors idols is nevertheless himself committing a greater sacrilege?

RECIPROCITY AND LOYALTY.

Amid the thumping of Imperialist drums and the blare of Imperialist trumpets, our Tory brethren, together with Mr. Sifton, do not hesitate to suggest that the loyalty of Canadians is dependent on the maintenance by the United States of high duties on Canadian products. That is to say, they contend that if some of those duties are repealed or reduced, as proposed by the Fielding-Knox agreement, the farmers in the Canadian West will be rendered so prosperous that nothing can stop them from rushing to annexation in order to enjoy a fuller and more permanent measure of trade with the Americans.

What Liberals say, on the other hand, is that the present reciprocity, like that of 1854, will certainly greatly improve the condition of the natural industries, agriculture most of all; but in doing so will render the people at large better satisfied with Canadian institutions rather than less satisfied; so that, instead of an agitation for Political Union in the West, we shall find the settler beginning his season's work with greater energy and more faith than ever in the future of the Dominion as a British community.

This conflict of opinion on so grave a subject can be decided to the satisfaction of intelligent men by an appeal to the history of the Treaty of 1854. We all know that a formidable annexation movement displayed itself in Montreal in 1849. It was brought about by the dislocation of Canadian commerce resulting from England's abandonment of the old Imperial preferential policy and her adoption of Free Trade. Our merchants found it difficult for the time being to compete in the British market with the exports of older nations, whilst our raw products were shut out of the American market by duties as high as 30 per cent. The manifesto, signed by influential men of all shades of opinion, advocated annexation principally on the ground that in no other way could we obtain closer commercial relations with the United States, numerous diplomatic and legislative efforts to secure reciprocity having failed.

Reciprocity was sought by Canadians as early as 1818, and a very remarkable petition from the Upper Canada Legislature was laid before the British House of Commons in 1836; for, strange as it may appear to the modern Imperial-preferentialist, the policy of Imperial Preference,

in operation here from 1763 down to 1840, or thereabouts, bore hard in many respects upon the Canadian farmer. In 1847 the Parliament of the Province of Canada, to get rid of the old preference, lowered its duties on American and raised them on British factory goods; and in 1849 passed an Act providing for the free admission of American wheat and other breadstuffs, vegetables, fruit, animals, butter, cheese, meats, lumber, etc., whenever like articles, the produce of Canada, were admitted free into the United States. If fish was not mentioned, it was because the seaboard Provinces were then separate political entities, having nothing in common with the Province of Canada save the flag. Meanwhile the British Minister at Washington had been laboring hard for reciprocity, but his and our efforts and representations were seemingly of no avail.

How serious the situation was appears from Walrond's "Letters and Journals of Lord Elgin," the Governor-General. "How long," his lordship asks, "can such a state of things be expected to endure?" and he answers the question thus: "I am confident I could carry Canada unscathed through all these evils of transition, and place the connection on a surer foundation than ever, if I could only tell the people of the Province that, as regards the conditions of material prosperity, they would be raised to a level with their neighbors. But if this be not achieved, if free navigation and reciprocal trade with the Union be not secured for us, the worst, I fear, will come, and that at no distant day." His private letters to the Lord Grey of the period, who was at the Colonial Office, contain many observations to the same effect; indeed, from first to last throughout that critical time, Lord Elgin's recipe for dissipating the annexation movement was this (p. 61): "As regards these Colonies, you must allow them to turn to the best possible account their contiguity to the States, that they may not have cause for dissatisfaction when they contrast their own condition with that of their neighbors." Or as he says to Lord Grey in another place (p. 102): "You have a great opportunity before you. Obtain reciprocity for us, and I venture to predict that you will be able shortly to point to this hitherto turbulent Colony with satisfaction, in illustration of the tendency of self-government and freedom of trade to beget contentment and material progress."

It may be well to add that Lord Elgin was by no means a confirmed Free Trader. He questioned many of the arguments of Peel and Cobden, but was positive that closer commercial intercourse with the United States would redound to the advantage of Canada. By a happy chance, it fell to him to obtain the Treaty of 1854, after years of fruitless endeavor on the part of others. That Treaty, amongst other things, pro-

vided for the free interchange of natural products, fish included, and in its general scope was not unlike, though wider than, the Fielding agreement of to-day. It was abrogated by Congress in 1866 on various grounds, really because England and the United States, in consequence of differences that had arisen during the American Civil War, had ceased to be friends. But before that happened the Canadian Government, of which Sandfield Macdonald, a Liberal, was Premier, in a report of Council (February 19th, 1864), entreated the Imperial Ministry to leave no stone unturned "to avert what would be generally regarded by the people of Canada as a great calamity."

This report went on to say that "it would be impossible to express in figures with any approach to accuracy the extent to which the facilities of commercial intercourse created by the Reciprocity Treaty have contributed to the wealth and prosperity of this Province; and it would be difficult to exaggerate the importance which the people of Canada attach to the continued enjoyment of these facilities." Then, turning back to the events of 1849, the report proceeds: "Nor is the subject entirely devoid of political significance. Under the beneficial operation of the system of self-government, which the later policy of the Mother Country has accorded to Canada, in common with the other Colonies possessing representative institutions, combined with the advantages secured by the Reciprocity Treaty of an unrestricted commerce with our nearest neighbors in the natural productions of the two countries, all agitation for organic changes has ceased—all dissatisfaction with the existing political relations of the Province has wholly disappeared."

The Council were sure that if the treaty was abrogated the loyalty of the Canadian people to their Sovereign would not be diminished in the slightest degree; still, as they said, "they think they cannot err in directing the attention of the enlightened men who wield the destinies" of the Empire "to the connection which is usually found to exist between the material prosperity and the political contentment of a community; for in doing so they feel they are appealing to the highest motives that can actuate patriotic statesmen—the desire to perpetuate a dominion founded on the affectionate allegiance of a prosperous and contented people."

Instead then of precipitating annexation the reciprocity of 1854 warded it off, as Lord Elgin had foreseen. The Sandfield Macdonald Administration gave way to one of which Sir John Macdonald was a member, and the latter Ministry (22nd December, 1865), reported to the Administrator that as the treaty was almost certain to be terminated by the Americans, and no time was left for a full consideration of the subject, "it would appear most desirable to refer if possible any

legislative arrangements with the United States," which might thereafter be made regarding a renewal of the treaty, "to the Legislature of the Confederate Provinces," Confederation being then on the anvil. Meanwhile two of the Ministers, Messrs. Galt and Howland, went to Washington early in 1866, accompanied by representatives from Nova Scotia and New Brunswick; but their mission was a failure.

Thereafter Sir John Macdonald, or the Governments in which he was the leading mind, continued to labor at every convenient opportunity for reciprocity, even going so far as to put a liberal standing offer in the N. P. tariff. At the last general election in which he took part he announced that he was negotiating a measure of reciprocity with Secretary Blaine. And it is tolerably safe to say that if he had had the present Canadian West to deal with he would have striven as hard as the Laurier Administration to put the million or more of settlers on as good an economic footing as their American competitors, and would have rejoiced beyond measure if he had been only half as successful.

THE CASE OF THE FISHERMEN.

The first tariff act of the United States, that of 1789, imposed duties on Canadian fish besides granting to American fishermen a bounty in lieu of a drawback of the tax on salt. From that time till now, except during the Reciprocity period of 1854-66, and the period during which fish was made free by the Washington Treaty of 1871, the fishermen of the Maritime Provinces and Quebec have been excluded from the American market to their great loss and detriment. At the present moment, notwithstanding the American duties, all the fresh fish exported from Canada goes to the United States, including the fresh mackerel, herring, halibut, lake fish, etc., together with 70 per cent. of the smoked herring, 75 per cent. of all the preserved and pickled fish, and 30 per cent. of the canned lobsters. On the other hand, the bulk of the canned salmon of British Columbia, and of the dry cod of the North Atlantic is taken by other countries. All told, our exports of every sort of fresh water and salt water fish in 1909-1910 amounted to \$15,700,000, of which no less than \$4,700,000 worth was purchased by the United States; so that any one can see how greatly the Canadian fisherman is bound to profit by the American tariff abolitions and reductions of the Fielding agreement.

That agreement alters the conditions of the entire fishing in-

dustry from one end of the Dominion to the other, in favor of the Canadian fisherman. It provides for the free admission to the United States, and reciprocally into Canada, of fish of all kinds, fresh, frozen or packed in ice, salted or preserved in any form, except sardines and other fish preserved in oil; together with shell fish of all kinds, including oysters, lobsters and clams; whilst as regards certain fish preserved in oil, or packed in tin cans or boxes, the American duties are considerably reduced. It is a much wider measure of free entry than that provided for by Article 21 of the Washington Treaty of 1871, for the latter expressly excluded "fish of the inland lakes and of the rivers falling into them," whereas the present arrangement admits fresh fish of every sort free, whether from lakes, rivers or sea. Under the Payne-Aldrich tariff of 1909, fresh fish and frozen, smoked, iced, dried, and pickled fish are taxed 75 cents per 100 pounds, except mackerel, halibut and salmon, which are taxed \$1, and herring from 25 to 50 cents. Fish from the Great Lakes and rivers pay 25 cents per 100 pounds.

Sir John Macdonald thought, and was justified in thinking, that he had done a good stroke of work for Canada in securing the adoption by the United States of Article 21, notwithstanding its limitations, and the fact that in return for free fish we had to give the Americans free fishing, that is, the privilege of fishing in our valuable inshores. The reader of his biographies will remember with what satisfaction he dwelt on that provision in his speech in Parliament. Yet here is Mr. Borden objecting to the greater, untrammelled boon obtained by Mr. Fielding on the ludicrous pretext that it is a menace to the Empire!

The Empire has been in peril on numerous occasions, according to Tory scaremongers. Its existence hung by a thread, so they said, when we adopted dollars and cents instead of the old pounds, shillings and pence; and men of the stamp of Sir Hugh Graham of Montreal beat their breasts and cried that its last day and doom had come when Canadian railways abandoned the old English broad gauge for the American standard gauge, so that freight cars could run from one country to the other without the necessity of transshipment. But to say that the Empire is in danger because we are obtaining freer access to the nearest and best single market for Canadian fish, is surely the rankest fiction ever invented by superheated partisans. Was it not obviously in greater jeopardy when the Canadian fisherman was discriminated against—when he was not in a position of equality with his American rival in the matter of prices, the rewards accruing to him from his arduous toil; and knew that this handicap was due to his being a British subject?

TWO OPINIONS.

In 1865, when the old Reciprocity Treaty was about to be terminated by Congress, a great meeting in favor of its extension for another term of years was held at Detroit. John Bright was invited to attend, but, finding it impossible to be there, sent a letter containing these words:

"The project of your convention gives me great pleasure. I hope it will lead to a renewal of commercial intercourse with the British North American Provinces, for it will be a miserable thing if, because they are in connection with the British Crown, and you acknowledge as your chief magistrate your President at Washington, there should not be a commercial intercourse between them and you as free as if you were one people, living under one government."

Such was the language of one of the broadest-minded Englishmen of his own or any other day, whose name is revered by all save the privileged classes. Here, on the other hand, is the opinion of Sir Mortimer Clark of Toronto, a stout Imperialist: "We do not want our trade going south of the line to the American nation." Let the reader judge the intellectual calibre of the two men by these utterances, and say which of them is or was the truer friend to Canada and the Empire.

To stop Toronto exports from going south, one of two things—prohibitory export duties or the blowing up of the railway bridges across the Niagara River, with the destruction of the lake shipping. To prevent American commodities from reaching Toronto, the same drastic measures. But will Sir Mortimer tell us how the stoppage of exports would benefit the farmers of the County of York and elsewhere, and how the Toronto manufacturers would fare if denied American coal, iron, cotton and other raw materials? And does he really imagine that the annihilation of all Canada's gross trade (exports and imports) with the Yankees, which last year amounted to \$336,000,000, would conduce to the greater stability of British connection?

There are some queer people in Toronto. As was said of a town of olden time, it seems to be the abode of many who are blind, as well as of a good many more who do not wish to see.

 THE EFFECT ON CANADIAN RAILWAYS.

It is said by Tory papers that the Liberals are supporting the Fielding agreement although they know, or ought to know, that it will

seriously damage the Canadian Pacific, Canadian Northern and Grand Trunk Pacific. In the estimation of the Liberal party the interests of the Canadian people as a body, which will be greatly benefitted, are paramount over those of any single Canadian railway, or of all put together.

But how are Canadian roads to be injured? True, they were built from East to West on the supposition that Congress would never permit the free entry into the States of our Western grain and cattle, and in the course of the journey were carried across the wilderness to the north of Lake Superior, where there is little or no local freight. Nevertheless the notion which the Tories are spreading abroad that the agreement will have the effect of diverting all the export products of the West to the United States, is purely imaginary. The home consumption of wheat in the States is gradually overtaking the home supply, and for this and other reasons the price there is tolerably certain to rule higher for all time to come than that at Winnipeg, by an amount so much in excess of the cost of sending it thither that it will pay the Western settler to resort to that market. The present American duty on Canadian wheat is 25 cents, and that on Canadian cattle 27½ per cent., which come off. The transportation rate from Winnipeg to Liverpool by way of Montreal is ordinarily about 20 cents a bushel; that to Minneapolis something like 7½ cents.

But there is still, as everyone knows, a vast acreage of wild land in the Canadian West to be brought under cultivation, whilst there is no limit, at any rate none in sight, to the immigration now pouring in and likely to continue from England, the United States and Continental Europe. Hence, after deducting all the grain and cattle that may be diverted southward, there will remain indefinitely more than at present for transportation to Eastern Canadian markets and seaports by the Canadian transcontinental lines; besides which the augmented prosperity of the West is bound to swell their west-bound traffic in the shape of factory goods and merchandise from the older Provinces.

Sir William Van Horne says he is "sick and ashamed" of the agreement. Yet he contrived to electioneer for the Tories in 1891, when Sir John Macdonald was endeavoring to obtain a measure of reciprocity from Mr. Blaine. Of the 15,000 miles of road owned or controlled by the Canadian Pacific, getting on to 5,000 are in the United States. It is extremely probable that the freight and passenger rates on this American mileage are lower than those on the Canadian mileage, because of the denser population, greater traffic and more active competition in the States. This is an incident of the situation which we cannot remedy, although the Canadian taxpayer may well feel that,

as a matter of strict logic and fairplay, the bonuses paid to the company should have been paid from Washington rather than by Ottawa.

But why were these American extensions of the Canadian Pacific built? To promote commercial intercourse between the two countries for the company's benefit. How does Sir William square this with the cry that the removal of tariff barriers between the Canadian farmer and the American buyer, who last year took nearly \$20,000,000 worth of his products, despite the heavy American duties which he had to pay in the first instance, will be detrimental to him and a shock to British connections? Sir William is an exceedingly clever man, but in this controversy he is playing the part of Mr. Facing Both-Ways, who could blow hot or cold as occasion demanded, and was constitutionally unable to see that what was proper for him to do must, under like conditions, be equally proper for others.

However, it is officially announced from Canadian Pacific headquarters in Montreal that Sir Thomas Shaughnessy, President of the company, is the only person authorized to speak on its behalf on this or any other public question. And it is significant that Sir Thomas, a far-sighted man, has not said a word against the Fielding proposals.

THE NECESSITY FOR RECIPROCITY.

One of the strangest arguments against the Fielding agreement is that we have outgrown the necessity for obtaining free access for our natural products to the American market.

Years ago the Tories promised the farmer and others engaged in the natural industries an all-absorbing home market that should practically render them independent of any outside consumer, England and the United States included. But whilst in 1879, the year the N. P. was established, our exports to the States were only a little over \$25,000,000, they are now close on \$115,000,000, of which animals and agricultural products amounted last year to nearly \$20,000,000, minerals, lumber and fish with certain manufactures constituting the remainder. So that instead of having outgrown the necessity for reciprocity, it is really more important than ever that we should secure it, our exports to the States having expanded in this remarkable fashion in the teeth of higher and higher American duties.

Take the article of wheat. The man in the West has to send his surplus to England. We in Eastern Canada buy a good deal from him, and he has to meet his own wants for food and seed; but year by year

as a larger area of land is brought under cultivation, he has to ship more to Liverpool, from four to five thousand miles distant from his farm. And when his grain gets there, after being subjected to the accumulated rail, lake and ocean tolls, it has to compete on an equal footing with that of the United States, Russia, India, Australia, the Argentine and other countries; the upshot being that the price is forced down to the lowest level, although, thanks to the fertility of his soil, he can sell at a profit even under these conditions.

Yet surely free access for Western wheat to Minncapolis and Chicago, where, owing to local causes, such as the requirements of the large milling interests that need our No. 1 hard for mixing purposes, the price is usually higher than at Winnipeg, is just as necessary to the settler as it has been any time these thirty years. He will have two free markets now, where he had only one before; and as the consumption of wheat in the States is fast overtaking and must shortly outrun the domestic supply, the price there is bound to advance till before long it exceeds that obtainable in England, allowance being made for the lower cost of transportation.

The Fielding agreement makes cattle free between the two countries. The present American duty is $27\frac{1}{2}$ per cent., which, on the usual American Customs valuation of \$40 for a finished steer, is equal to \$11 per head. This obstacle is formidable enough to compel the Western ranchman and settler to give the American market the go-by and ship his cattle to England. The long rail and ocean journey has an injurious effect on the animals, and by the British regulations they have to be slaughtered within a few days after landing, before they have had time to rally. Then they have to compete in the English market with live cattle and chilled beef from many other countries, for which and other reasons this Western industry cannot be said to be as flourishing as it once was. By what process of argumentation can it be shown that the West should no longer seek the repeal of the American duty, for obviously it would be a large gainer by its removal?

The Ontario farmer, who is met with a duty at the frontier of 30 cents on his barley, 75 cents per head on his lambs, \$2 per head on his calves, 6 cents per pound on his butter and cheese, \$4 per ton on his hay, 5 cents a dozen on his eggs, and so on—in what way has he outgrown the necessity or advisability of having those imposts abolished? And will not the Nova Scotia fisherman profit by the removal of the American duties on his fresh fish and the reduction of the duties on his canned and preserved fish, just as much as he would have benefitted years ago when Sir John Macdonald and Sir Charles Tupper strove in vain to obtain free entry for them into New England?

What would the Ontario manufacturer say if he were told to cease

importing material from the United States, that he had outgrown the necessity for it? His answer would be that with the multiplication of factories there was an increasing demand for raw materials which Canada either does not produce at all, or produces in regions too remote to be reached by him; hence his purchases from the American side of the line have grown wonderfully and must continue to grow. The farmer can reply with at least equal force and logic that as the quantity of products he raises for export is vastly greater than ever before, and with immigration is certain to increase at a constantly accelerated rate, it is of more importance to him to-day than at any previous time that new markets should be found for them; and from the nature of the case none is so advantageous for a multitude of articles as that of the neighboring States.

A SAMPLE CASE.

Amongst other agricultural products, Canadian barley is put on the American free list under the Fielding agreement. The history of that commodity has a particular interest for the Ontario farmer.

For years Ontario barley was exported in great quantities to the United States, Bay of Quinte barley in particular being renowned for its brewing qualities. It was admitted free during the existence of the old Reciprocity Treaty, and after that was moderately taxed till 1890, when the McKinley Act imposed a duty of 30 cents a bushel. This at once diminished our exports, in fact, had the effect of throwing barley almost out of cultivation in the Province, except for the supply of local requirements. In 1889, the year before the McKinley tariff, our exports to the States amounted to 9,935,000 bushels, of which no less than 9,700,000, valued at \$6,300,000, came from Ontario.

Shortly after the imposition of the McKinley duty the Conservative Government at Ottawa endeavored to introduce into Canada the cultivation of the two-rowed barley favored by English brewers, but, chiefly owing to climatic reasons, the experiment was not altogether successful, although some two-rowed is grown in Ontario by farmers who think it more prolific than our native six-rowed, and certainly just as good for feeding animals. Hence whilst we have all along been sending barley to the British market, the trade has never been anything like so great or so remunerative as that with the States when the American duty was moderate. In 1910 our total exports were 2,045,000 bushels, of which 1,400,000 went to Britain for feed, while our once

prosperous business with the Americans had dwindled to a paltry 150,000 hushels. Under the present American tariff the duty is still 30 cents.

With free barley Ontario will resume her control over that portion of the American market represented by the State of New York and New England; whilst the Canadian West, where it grows to perfection, and, ripening earlier than wheat, escapes frost risk, will, no doubt, ship a considerable volume to Chicago, St. Louis, Milwaukee, St. Paul, and other Western American brewing centres.

The puzzle in the picture is to find the disloyalty.

MR. BORDEN'S PROPOSALS.

Mr. Borden proposed the other day that the Fielding agreement should be submitted to the electors before being ratified by Parliament. This will enable the orators on the Tory side to declare that the Laurier Government has no confidence in the intelligence of the people; indeed, extreme Tory papers like the *Toronto Mail and Empire* are saying so already.

Let us examine the matter calmly. An appeal to the electors before Parliament had threshed out the agreement must necessarily have been an appeal to a jury, which, putting it mildly, was for the most part unfamiliar with the pros and cons of the case. It is only from reading the debates and hearing them discussed on the outside that the average man is slowly picking up information about the proposals. Then an appeal, whether by means of a general election or of a Referendum, to the people must necessarily have been made on the eve of another census, to be followed by a redistribution of seats which will give the West, vitally interested in the Fielding project, a large number of new members. Suppose, for the sake of argument, that the older Provinces had condemned it, what would the West have said of a snap verdict obtained under such conditions? The farmers' agitation would have become more aggressive and widespread than ever. No one can say what the consequences might have been.

Mr. Borden has picked up the Referendum idea from the Tory party in England. When the two Chamberlains were insisting that Protection and Imperial Preference should be made the leading plank in the Tory platform at the recent British elections, Mr. Balfour, a Free Trader at heart, balked; and, in order to shelve the question at any rate till the elections were over, suggested that it should at some future day be submitted to the people by Referendum. He likewise desired to submit the

reform of the House of Lords to the people by Referendum before any action was taken by the Asquith Government. In bringing down his Veto Bill in the House of Commons a few weeks ago, Mr. Asquith, after observing that the Lords themselves had been "running up new models for a Second Chamber in which the hereditary principle was cleverly disguised, but was there all the same," said:

"A still more startling change, however, was the sudden emergence of the Referendum in the programme of the Tory party. He would not rule this expedient out altogether, for it might be practicable under conceivable conditions; but he dissented from the view that the Referendum should be a normal part of our constitutional machinery. If applied to conditions like ours, the Referendum would be infinitely more revolutionary than anything contained in this Bill—it would be nothing more or less than to undermine and overthrow the whole structure of Representative Government. I am not exaggerating when I say that it would reduce our general elections to a sham parade, and degrade the House of Commons to the level of a talking club. Our system of representation has its drawbacks, as I fully admit. But even as it is, it is the most practical expedient yet devised for ascertaining, recording and embodying in law the will of the people."

If the Referendum would be absurd and dangerous in England upon a constitutional reform that could afford to wait for a few months, how could it well have been resorted to in Canada when a neighboring nation was offering us a reduction of its tariff for a similar consideration from us, and it was essential in the interests of business in both countries that the proposals should be sanctioned as speedily as possible?

The Referendum works fairly well in Switzerland, a country not so big as many of our single Federal constituencies, but the cost of employing it in Canada whenever an important question came to the front would be enormous, and, to follow up Mr. Asquith's point, assuming that we adopted it as part of our working constitution, what would there be left for the Dominion Parliament and the Provincial Legislatures to do? What foreign country would offer to treat with us on any subject if its propositions had first of all to be passed upon by the Canadian electors, from the nature of things knowing exceedingly little of them?

The Fielding agreement is not a commercial treaty, binding for a certain period, but merely an arrangement for a reciprocal reduction of duties; in which sense it is not, technically speaking, as important to us or to the United States as a treaty. Let us see how the States deal with treaties, commercial and otherwise.

Under the Articles of Confederation of 1777, which preceded the

existing constitution, our neighbors established a Congress consisting of only a single chamber, in which the treaty-making power was vested. The present constitution transferred the treaty-making power to the President and the Senate, the former originating, the latter ratifying or rejecting. The popular chamber, the House of Representatives, is not, save on rare occasions, consulted at all. A two-thirds vote of the Senate, i.e., of the Senators present at the time of the voting, is necessary for ratification. The President, or the Secretary of State in his behalf, enters upon the treaties secretly, at least this is the general rule; they are then sent confidentially to the Senate, and there discussed in Executive or secret session. The American people know nothing of them, beyond what leaks out accidentally, till all is over.

If the reader will consult Mr. Justice Story's standard work on the United States Constitution, he will see that the grant of the treaty-making power to the Congress of 1777 worked very badly. Like all popular assemblies, he said, that body was "unfitted for the purposes of diplomacy"; "our experience during the Confederation abundantly demonstrated all the evils which the theory would lead us to expect"; and so forth. But no one at Washington has ever thought of placing the treaty-making prerogative in the House of Representatives, still less of giving it to the people through the costly, clumsy and inefficient machinery of the Referendum.

In the United Kingdom treaties are made by Ministers and referred to Parliament, as in our own case. If Parliament rejects an important treaty, the Ministry resigns, and the people, by this time acquainted in some degree with the details, are consulted. But not even Mr. Balfour, nor any other Opposition politician in distress, would dream of consulting the people upon a treaty as a first indispensable step. Mr. Borden likes to play to the gallery, but makes a poor job of it, the humbug being too apparent to deceive any one.

But a righteous Nemesis is pursuing him. Several Tory papers want to know what sort of a leader he can be who, by his hostility to the Fielding agreement, has deliberately set the West, with its commanding future, against the Conservative party, and all in order to please the Manufacturers' Association.

OUR TRADE WITH THE STATES.

The American trade returns for the fiscal year ending June 30th, 1910, establish some things of considerable interest to Canadians.

In the first place, the gross trade (exports and imports) between

Canada and the United States in that twelvemonth was \$310,000,000. We sent them \$95,000,000 worth of products, and they sent us \$215,000,000 worth.

Their trade with us was only exceeded by their trade with England and Germany. The former totalled \$775,000,000, the latter \$420,000,000. The United Kingdom has five times our population; Germany over seven times.

They did nearly eight times as much business with Canada as with the whole of the Central American States. In fact, while their aggregate trade with the entire North American Continent, including Central America, Mexico, Newfoundland, and the British and other West Indies, Cuha amongst them, amounted to \$691,000,000, that with us alone was, as shown, not very far from half.

With South America, including such growing nations as the Argentine Republic and Brazil, they did a trade of \$290,000,000, or \$20,000,000 less than with Canada.

With all the Asiatic countries, including China, Japan and the British East Indies, with their hundreds of millions of inhabitants, they bought and sold to the extent of \$255,000,000. With Oceania, including Australasia, the French and German Colonies in that hemisphere, and the Philippines, which belong to the United States, their gross trade was under \$90,000,000. So that their trade with Canada was not far short of their trade with all Asia and all Oceania put together. It is tolerably safe to add that it was more profitable, that they got quicker returns from us, and incurred fewer bad debts.

Whoever considers these facts impartially must see that our contiguity to the States along a frontier 3,000 miles long counts for a great deal; while, if he looks at the map and at the geographical distribution of natural products, he will observe, as an additional explanation of the huge commerce between us and them, that at many points along the boundary we are able to meet their local wants just across it, whilst at others they are able to meet ours. Lastly, the two countries are of the same race and on the same high plane of civilization.

These figures plead earnestly for closer commercial intercourse between Canada and the States. With all intelligent men their eloquence is far more convincing than that of the Tory orators harping on the danger to the Empire, when all they really mean is that the Canadian manufacturer does not like the Fielding-Knox agreement. And he dislikes it for the most sordid of reasons—lest those engaged in the natural resources of Canada should be led to demand a freer exchange of factory goods, detrimental to his monopoly.

THE CONDITION OF RURAL ONTARIO.

A mass-meeting in Toronto, a city abounding in Denisonians, has emphatically condemned the Fielding agreement. Nobody discussed it as a business proposal; it was denounced mainly on the ground that it will not profit us to have closer trade relations with the United States, which, moreover, would be sure to diminish our attachment to England. Toronto is, above all things, unco'-good and ultra-loyal and correspondingly narrow.

Yet surely it must occur even to the most hardened of Toronto Tories that, notwithstanding all that is said of the present prosperity of the Ontario farmer, things are not going any too well in the rural parts of the Province. There, as elsewhere, there has been a rush from country to town. Thousands of farmers' sons have been attracted to urban factories, thousands more have migrated to the Canadian West, and as a consequence farm labor is excessively dear, while in some instances the value of farm land has declined. It is a very fertile Province with a vast area of virgin soil in New Ontario. Until the West was opened it received the bulk of the immigration that came to Canada, and since then has had a good share of it. Nevertheless look at the tale told by the Census figures:

UPPER CANADA.

Census.	Population.
1851..	952,000
1861..	1,396,000

PROVINCE OF ONTARIO

1871.	1,620,000
1881..	1,926,000
1891..	2,114,000
1901..	2,183,000

Fifty years ago Dr. Lilley of Toronto wrote a well-known book on Upper Canada, in which he predicted, amongst other things, that it would clean outstrip the neighboring State of Michigan in population. Dr. Lilley was misled rather badly by what is known as the percentage fallacy. Not long since Mr. Asquith illustrated this erroneous way of looking at things by saying that when the temperance men in England undertook to ascertain the relative powers of endurance of the abstainers and non-abstainers in a certain British regiment, they were astounded to learn that 50 per cent. of the abstainers had died prematurely, while the other 50 per cent. had been invalided. It turned out that there were only two abstainers in the regiment, one of whom had been killed in action while the other had been sun-struck. In other

words, the correctness of a percentage calculation depends altogether upon the quantum from which it starts. This aside, Dr. Lilley was perfectly justified in saying that Upper Canada, apart from its huge extent of cultivable land, had a wonderful abundance of other natural resources, such as iron ore, nickel, timber, water powers, etc., certainly equal to those of Michigan.

It turns out, however, that Michigan—though not a State of leading rank—has outstripped Ontario. It was admitted into the American Union in 1837, when its population was reckoned at 200,000. Upper Canada had been a Province long before and by 1837 had a population in excess of 300,000. Yet while Ontario's population in 1901 was 2,183,000, that of Michigan in 1900 was 2,400,000. If we were to compare Ontario's growth of population with that of Illinois, Ohio and other neighboring States, the figures would tell even more heavily against it.

Can any one believe that if Michigan had been isolated commercially from the rest of the United States, and compelled to pay heavy duties on all its farm products entering that market, it could have reached its present status? Ask the Essex farmer what it means to him to be excluded from the Detroit market across the river. Man for man, Canadians are in point of brains, physique, industry and thrift, the full equals of the Americans. Those of our brethren who have emigrated to the States have as a rule done well; many occupy good and some high positions; all are regarded as among the very *élite* of the population. If this is true, does it not seem to follow that Ontario has not advanced as rapidly as Michigan simply because its economic position has been less favorable—a disability that will be removed in part by the Fielding agreement? How by any possibility can it be unpatriotic to improve its situation? Is not the want of patriotism really on the side of those who oppose reciprocity?

The reader will note that from 1851 to 1871, reciprocity being in force from 1854 to 1866, Ontario's population grew faster than at any subsequent period. It would be absurd to say that reciprocity was the sole cause of the splendid development in those two decades. There were other agencies at work, such as the construction of railways, of the Grand Trunk and the old Great Western; but, giving them all the credit to which they are entitled, it is a reasonable conclusion that reciprocity must have had at least something to do with the highly satisfactory progress which took place in that particular period; especially when we find that population in Nova Scotia and New Brunswick increased more rapidly then than at any time before or since.

These are facts which an estimable extremist like Colonel Denison and those whom he influences ignore. They fancy that our loyalty

to England can best be demonstrated by our displaying an intense hatred of the United States. England herself does not think so. To-day the United States is her principal ally, not by treaty but by blood, which at last is showing itself stronger than water; while to us in Canada a freer entry for our natural products into the American market is a boon that since 1866 the Tories themselves have many times sought to obtain, but which remained for Sir Wilfrid Laurier to get.

BARLEY, VEGETABLES AND FRUITS.

The low duties imposed by the United States on barley enabled the farmers of Canada to send to that country in the seventeen years, 1876-1892, an aggregate of 135,300,000 bushels, valued in the trade reports at over \$90,000,000; and the high duties of the succeeding seventeen years brought the aggregate export down to less than 7,000,000 bushels, valued at \$3,000,000.

In the first period the average price, computed from total values, was 67 cents per bushel, under a tariff ranging from 10 to 15 cents per bushel; and in the second period, under a tariff ranging from 30 cents per bushel to 30 per cent. *ad valorem*, the average price was only 42 cents per bushel.

A report on the malting quality of barleys, made during this period by experts of the United States Department of Agriculture, showed that the Canadian grain was the finest grown anywhere in America, and was only surpassed in the world by the barley grown in Bavaria.

The total value of our imports of vegetables in the twenty-five years, 1886-1910, was \$857,000 from the British Islands, \$9,214,000 from the United States, and \$1,500,000 from all other countries; and the values of our exports of vegetables of like kinds in the same period was \$378,000 to the British Islands, over \$10,000,000 to the United States, and \$8,000,000 to all other countries.

The United States duties on vegetables for seventeen years of this period were 40 cents per bushel on onions, three cents per head on cabbage, 25 cents per bushel on potatoes, 25 per cent. *ad valorem* on other vegetables in their natural state, and 40 to 45 per cent. *ad valorem* on canned and preserved vegetables. For seven years of the early part of the period the duty on potatoes was 15 cents per bushel, on other vegetables in their natural state 10 per cent., and on canned and preserved vegetables 30 per cent. *ad valorem*, and for six years onions and cabbage were free.

The Canadian duties on vegetables imported in these twenty-five years have been kept uniformly high. Melons were at first free, but for

fifteen years the duty on them was 25 per cent., and then it was made a specific duty of 3 cents. For eight years vegetables in cans weighing not over one pound were charged 2 cents per can or package, with 2 cents additional for every pound or fraction of a pound over the first; and for the next seventeen years the duty was made for all weights a cent and a half per pound. From 1887 to 1907 all other vegetables, including fresh or dry-salted, were charged 25 per cent., and from 1907 the rate has been 30 per cent.

In the thirty-four years, 1876-1909, the value of Canada's exports of potatoes to the United States was \$13,000,000, and the value of her imports from that country \$2,000,000. Our imports in the first half of the period had a value of \$467,000, and in the second half of \$1,560,000; and our exports a value in the first half of \$10,365,000, and in the second of \$2,700,000.

The Canadian duty ranged in the twelve years, 1876-87, from 10 cents per bushel to 10 per cent. *ad valorem*, in the twenty years, 1887-1907, 15 cents per bushel, and in the three years, 1907-09, 20 cents per bushel; while in the United States the duty was 15 cents per bushel from 1876 to 1891, and 25 cents for all but three years of the remaining period, when it was 15 cents per bushel.

Yet in the face of these high duties the value of imports of potatoes into the United States from Canada exceeded by \$11,000,000 the imports into Canada from the United States.

In the twenty-five years, 1886-1910, Canada's exports of apples to all countries increased from 223,000 barrels, valued at \$477,000, in the first to 1,600,000 barrels, valued at \$4,400,000, in the last year of the period. To the British Islands the values of shipments in periods of five years were \$3,700,000 in 1886-90, \$7,000,000 in 1891-95, \$9,800,000 in 1896-1900, \$12,500,000 in 1901-05, and \$17,300,000 in 1906-10—making a total of over \$50,000,000 in the twenty-five years.

To the United States the values of shipments in the same periods were \$916,000 in 1886-90, \$978,000 in 1891-95, \$384,000 in 1896-1900, \$145,000 in 1901-05, and \$622,000 in 1906-10—or only \$3,000,000 odd in the twenty-five years. To all other countries the values were \$54,000 in 1886-90, \$100,000 in 1891-15, \$252,000 in 1896-1900, \$373,000 in 1901-05, and \$845,000 in 1906-10; being \$1,600,000 odd in the twenty-five years.

The British market was free for the whole period, whereas in the United States there was a duty of 75 cents per barrel in seventeen years and of 20 cents in three years, while in the five years, 1886-90, they were free.

The values of our imports of apples in the same period of twenty-five years were \$45 from the British Islands, \$2,300,000 from the United States, and \$24,000 from all other countries; this under a duty of 40

cents per bushel in twenty-three out of the twenty-five years and a free rate in the two years 1888-9.

Delegations of market gardeners and fruit growers, inspired by canners and wholesalers on the lookout for large profits, have come to Ottawa to protest to the Government against freer trade with the United States for their products, although the trade returns show that in the last twenty-five years they have met the conditions of a higher tariff against them, and have increased their exports of fruits and vegetables in that period by more than \$70,000,000; and all this time no outcry has been heard from the farmers of the country, whose market for barley has been destroyed by the operation of the United States tariff, bringing upon them a loss of more than \$80,000,000 in seventeen years, three-fourths of which has fallen upon the Province of Ontario.

The Fielding proposals will not hurt the fruit men and vegetable growers of this country to the extent of a dollar, but will greatly help by opening to them the free market of 90,000,000 of consumers; and to the farmers it will restore a lost trade of millions in a grain for the production of which their land and climate are eminently suited.

A word ought to be said on the value of fruits and vegetables in the diet of the people. Where the winters are so long and severe as in Canada there is a tendency towards the outbreak of scurvy if care is not taken to furnish a steady and generous supply of fruits and vegetables as articles of food. A hundred years ago scurvy was the plague and scourge of the British Navy and the merchant service of England. So serious had it become that at one time more than 10,000 sailors were steadily under treatment in the hospitals for this enervating and loathsome disease. A heavy diet of salted meats was found to be the cause of it, and a specific cure for it was discovered in the juices of limes and lemons, which began to be imposed as a daily prescription. Other fruits, such as apples and vegetables, were proved to be equally valuable with limes, oranges, and lemons, and at the present day, with the dietary thus provided, scurvy is practically banished from the seas.

The early settlers of Canada suffered in common with the sailors. Cartier and Champlain knew the disease at Quebec and Lord Selkirk at York Factory, and men who remember the Upper Canada or Quebec schooldays of fifty or sixty years ago will recall the blotched faces of the boys and girls of that time who were the victims of scorbutic troubles, caused by the want of fruits and vegetables in their daily meals. We have lived on into better days, and by many persons the cause and the remedy may be forgotten or unknown. But we ought always to bear in mind that for a people living in northern latitudes, where winter lasts five months of the year, fruit and vegetables can never be too cheap nor too abundant, nor come into use too early nor last too late, for the life

and health and welfare of the farming and other classes that live by the sweat of the brow.

As the trade figures show, what takes place between Canada and the United States in regard to vegetables and fruits is that in the early part of the year, when ours are not ripe, we import from the States; but later on, when their supply has run out and ours come in, we export to them. The existing tariffs of the two countries are in truth an interference with the dispensations of Providence as to climates and seasons. Last year (1909-10) our total imports of all sorts of fruits and vegetables from the States, which, by the way, embraced early vegetables and tropical fruits grown in the West Indies, amounted to \$7,455,000. A good deal of this went into the Canadian West. On the other hand, we exported \$605,000 worth to them, of which about \$95,000 worth were fruits of other than Canadian origin. Let the duties be removed by both countries and the sales of each to the other are certain to increase, to the advantage of both.

FAVORED-NATION TREATMENT.

So much has been said in the reciprocity controversy about favored nations and favored-nation treatment that the following brief explanation of what is meant may be useful. British treaties of commerce with foreign countries almost always contain a clause like the following:

"The high contracting parties agree that in all matters relating to commerce and navigation, any privilege, favor or immunity whatever which either contracting party has actually granted, or may hereafter grant, to the subjects and citizens of any other State, shall be extended immediately and unconditionally to the subjects or citizens of the other contracting party."

Under this, or like clauses, Britain enjoys favored-nation treatment in most of the important markets in the world. That is to say, putting it in the simplest form, if Nation A, with which Britain has a treaty, gives a reduction in the tariff to Nation B, that advantage automatically extends to Britain; while if British goods come to be taxed higher by Nation A the same harsh condition is shared by Nation B, and by all the other countries with which Nation A has favored-nation arrangements. Under the present tariff of the United States the President may levy maximum duties on the exports of countries which in his judgment do not treat American exports in a "just and

equitable manner." But the commercial policy of England saves her exports from the maximum tariff to which those of protectionist countries are exposed on entering the States, because American exports, like those of all other nations, are admitted free—that is, on the very best possible terms—to British ports.

Since its foundation the Washington Government has attached a meaning of its own to favored-nation treatment. It holds that trade concessions specially granted by it to some other country need not become common to a third country with which the United States has a favored-nation treaty, unless the third nation gives the States either the same sort of concession or one of equal value.

Through becoming a party to a number of commercial treaties negotiated by England, Canada is bound, under the British and European interpretation of the favored-nation clause, to give to like exports of Denmark, Russia, Sweden, Spain, Austria, etc., and of some or all of the South American Republics the same treatment that we are about to give to certain American exports under the Fielding-Knox agreement. Assuming those countries had a favored-nation covenant with the United States, they could not, as we have just seen, ask the States to give to like products of theirs the exceptional treatment ours are going to receive in the American market; the American theory of things being against such a demand.

Consequently, on visiting England for the Imperial Conference, Sir Wilfrid Laurier purposes asking that Canada shall be let out of the favored-nation clause of the treaties spoken of, in order that she may stand on precisely the same footing as the United States in the enjoyment of the advantages accruing to us and to them from the Fielding proposals.

A PRACTICAL TEST.

Capital is proverbially sensitive. Given a public measure unfavorable, or likely to prove unfavorable, to a borrowing country like Canada, and as sure as death or taxes the price of our securities will fall, and keep on falling till the evil thing has been abandoned. The Tory investor, and he is a very considerable personage in England and the Dominion, has, as a party man, raised dreadful lamentations over the Fielding agreement; but clearly, as a business man, he takes no stock whatever in his own alarms. For, as the following table shows, our securities at home and abroad, instead of going down a number of points, have not only held their own since the agreement was published, but as a whole have gone up.

Latest available quotations on Canadian Stocks and Bonds, as shown by the London *Economist*, of April 1st, 1911:

GOVERNMENT STOCKS IN ENGLAND.

		Prices per <i>Economist</i> of Dec. 31, 1910.	
Canada 4% Inacribed stock..	101 -102	100	-101
do 3½ do	100½-101½	100	-101
do 3%, 1938..	93.	89½	- 90½
do 2½, 1947..	76 - 77	76	- 77
do 3½, 1930-50..	100½-101½	99½	-100½
Grand Trunk Stocks in England:			
4% Guaranteed..	94½- 95½	91	- 93
1st Pref. Stock, 5%..	111 -112	104	-106
2nd do 5%..	101½-102½	93	- 95
3rd do 3%..	61½- 61½	51	- 51½
Equipment Bonds, 6%..	111 -113	112	-114
Perpetual Debenture Stock, 5%..	124 -126	124	-126
do 4%..	100½-101½	100½	-101½
Grand Trunk Pacific in England:			
3% Guaranteed..	82½- 83½	83	- 87
4% Prairie Section..	95 - 97	96	- 98
4% Lake Superior..	97 - 99	97	- 99

The price of Canadian Pacific stock has considerably increased since December 31st, 1910, and at the time of writing is 225. Meanwhile the quotations of Canadian bank stocks have also improved, while the loans to Canada of British capital are greater than ever before.

We are not arguing that wholly or solely on account of the proposed reciprocity with the United States, the price of these leading Canadian securities has, if anything, improved. That is not the point. The point is that, notwithstanding the predictions of ruin to Canada and British connection in which our Tory brethren have indulged, the investor in Canada and the investor in England have not been in the slightest degree perturbed; whence it is a reasonable conclusion that they view the agreement with satisfaction, as one likely to benefit the great natural industries upon which, after all, our material well-being principally depends.

MR. SIFTON'S SPEECHES.

It is always unfortunate when a man of prominence feels obliged to sever relations with old political friends, though in Mr. Sifton's

case the breach is to be regretted, not on their account, but on his. The Tories are cheering him to the echo, and will doubtless make an idol of him, of him whom they once stoned. Before long, however, when the Fielding agreement has been in operation a few months, Mr. Sifton will discover that all he has said against it is being overwhelmingly confuted by the results; and that in truth, assuming he had no personal motive, he left the Liberal party from lack of proper understanding of a traditional Liberal principle, which even the Tories till lately swore by, namely, that any measure of reciprocity in natural products with the United States is from the nature of things certain to be advantageous to Canada.

He is an able man in some respects, but has not paid much attention to trade questions. He imagines, for instance, that international trade is like gambling—what one gains the other must lose; hence his belief that free access to Minneapolis for our wheat “will benefit nobody except the American Milling Trust,” while the free entry of Canadian cattle to the States will “make the Canadian West nothing but a backyard of Chicago.”

But how so unless the Chicago dealer gives the Western settler a higher price for his steers than he can obtain in Canada or net in England? And by what process is the Milling Trust to monopolize our grain except by buying it, or to buy it except by paying a price topping all other offers? International trade, like trade or barter between individuals, benefits him that sells as well as him that buys, otherwise, as is plain, it would not be carried on for a day. It would be much nearer the truth to say that henceforth Chicago and Minneapolis are to be the backyards of the West.

* * * *

To a controversialist bent on inflaming old-time prejudices, the so-called balance of trade against Canada, in our dealings with the United States, is always an appetizing morsel. Last year we exported \$113,000,000 worth of commodities to the States and imported from them \$223,000,000 worth; so that, as Mr. Sifton puts it, we were over \$100,000,000 to the bad, and are going to be still more to the bad under the Fielding reciprocity.

The balance of trade is a complex question, which cannot very well be dealt with here. Rich countries like England and Germany always import more than they export, whilst poor ones, such as British India, Peru and San Domingo habitually export more than they import; so that what is termed a favorable balance is by no means incontrovertible evidence of prosperity.

To begin with, no Canadian would buy from the States or from any other place unless it was to his advantage to do so. Our imports from the

States are in great part composed of food, raw materials or manufactures not produced in Canada. Not to go further, those of coal amounted to over \$13,000,000, of raw cotton to \$9,000,000, of settlers' effects to \$8,000,000, of Indian corn, free and dutiable, to over \$5,000,000, and so on; indeed, of our total imports of \$223,000,000, no less than \$105,000,000 worth were admitted free as being the necessaries of Canadian industry in one form or another. On the other hand, we draw from the States every year an enormous revenue that is not shown in, or represented only in part by, their exports to us. Canadian banks lend millions in Wall Street, which earn them interest, Canadian railways haul an immense quantity of American traffic to the seaboard, the million or more native Canadians over there are constantly remitting money to their friends at home, and the American settlers now flocking into the Canadian West bring \$100,000,000 or more annually in the shape of hard cash for investment in wild land, which thereafter is made productive by their labor.

Mr. Sifton's notion that we lose by dealing with our neighbors is utterly preposterous. He might as well say that Ontario is hurt by dealing with the West, or Nova Scotia by dealing with New Brunswick. The Fielding proposals, by reducing the high American tariff on Canadian products, will enable us to export more largely to the States; yet Mr. Sifton is opposing them as if they would restrict our exports, while in the next breath he says we shall export so much more than now that our loyalty to England is sure to be impaired. The truth is, he is trying to make political capital out of a subject with which he is but imperfectly acquainted.

* * * *

If, as reported, he is qualifying for admission to the Tory party in England, he will be obliged, as a Canadian Protectionist, to revise his present conclusion that the Preferential policy would ensure Canada a lasting prosperity. Imperial Preference is not, as he seems to fancy, a new device, but was in operation as between England and Canada from 1763 to 1849, and had a good deal to do with bringing about the revolt of the American Colonies. It was designed to restrain us, and succeeded admirably in its purpose, from establishing Canadian manufactures. Britain supplied us with factory goods, and we had to be content with raising wheat and felling timber. The modern Preferential movement aims at the restoration of that primitive condition of things. No British Tory desires that England should give Canadian products a preference without getting something in return from Canada; the least that is expected is a substantial foothold for the British manufacturer in our market.

Some of the leaders of Preferentialism go further and say that the object is to secure for England, as before, a complete monopoly of all the

manufacturing for the Colonies, Canada included. Thus, in his extremely able book, "Imperial Fiscal Reform," Sir Vincent Caillard, one of Mr. Joseph Chamberlain's principal supporters, frankly says (p. 111): "Great Britain would, I imagine, become the manufacturing centre of an Empire, the best energies of the other members of which would necessarily be expended—at any rate for much time to come—in providing the food and raw materials for its consumption"; and to the same effect elsewhere. If, as Mr. Sifton alleges, the Fielding proposals must hurt the milling and pork-packing interests of Canada, by forcing them to pay American prices to the Canadian farmer, will he be good enough to tell us how the Canadian Manufacturers' Association and every industry, big and little, belonging to it, would be apt to fare if this vision of the British Tories, to which he is now committed, should ever be realized?

* * * *

For the present, however, the resurrection of Imperial Preference is hardly worth discussing by Mr. Sifton or anyone else. It has been repudiated by the British democracy, and even Mr. Balfour fights shy of it. Mr. Sifton's contention that we should reject the American offer of lower duties till the British democracy changes its mind on the Preferential question, is childish. We might have to wait till the crack of doom for the event; meanwhile, those engaged in the natural industries in the West would probably be menacing the very existence of Canadian institutions.

"I never knew any man in all my life," said a witty dean, "who could not bear another's misfortunes perfectly like a Christian." When he was a member of the Manitoba Legislature, Mr. Sifton felt for the settler, and was heartily in favor of freer trade with the States. He continued in that frame of mind till he waxed rich and became an investor in manufacturing enterprises. Now he considers reciprocity base and disloyal, self-interest being an inexhaustible source of convenient illusions. Yet, as every one must see, these reciprocity proposals cannot fail to improve the economic position of the farmer, both East and West, by lowering or repealing the heavy American duties which now stand in the way of his obtaining the higher prices current in the States for many of his staples. That by becoming more prosperous our people are likely to grow disloyal is, in the vernacular of the West, a yellow-dog proposition which in his better days Mr. Sifton would have scorned. It implies that our loyalty to England depends upon the maintenance by the United States of an onerous tariff on Canadian exports. What, on this reasoning, is to become of British connection when the Democrats still further reduce the American duties on Canadian produce? Mr. Sifton has lost faith in the virtue of Canadian national senti-

ment and Canadian devotion to England, and talks like a new-rich who has already turned his back upon his native land.

* * * *

He is altogether astray, too, in saying that Protection, by furnishing us with a home market, is doing away with the need for reciprocity. In 1879, the year the N.P. was introduced, our exports of all kinds came to a fraction over \$70,000,000, of which \$36,000,000 worth went to England and \$27,000,000 worth to the States. Last year they came to over \$300,000,000, England, which admits them free, taking \$150,000,000 worth, and the States, though it taxes them, \$113,000,000 worth. The question before the country to-day is simply whether or not two free markets would be better than one.

No sensible person is likely to be frightened by the annexation bogey which Mr. Sifton and his new friends have put on the road to intimidate the weak-minded. There is a fine passage in one of Macaulay's speeches which he should ponder: "God has decreed that old age shall succeed to manhood and manhood to childhood. Even so have societies their law of growth. As their strength becomes greater, as their experience becomes more extensive, you can no longer confine them within the swaddling bands, or lull them in the cradles, or terrify them with the bugbears of their infancy." We all set a high value on British connection, and there never was a time in our history when it was more of a living factor in our national life; witness the enthusiastic support given to the British preference notwithstanding that the Tories opposed it and still murmur against it.

But, after all, the well-being of Canada is the paramount consideration with every true Canadian. Is this agreement calculated to improve the condition of the Canadian people as a whole? If so, let us by all means accept it without regard to its possible effect in other directions. Yet if anything in this world is certain it is that our attachment to England will not be diminished by the young Canadian giant's obtaining a greater outlet and distribution for his products on this continent, while still enjoying the benefit of the free British market. It is not the comfortably off, but those who feel they are being defrauded of the opportunity to better their lot, that engage in treason.

* * * *

Suppose that in the empty region about Hudson's Bay a good fairy called into existence a new Canadian province; that this addition to our home market contained ten millions of people and bristled with cities, towns and factories. Without doubt we should with one accord say it was a godsend of incalculable value.

Yet in sober truth the agreement which Mr. Sifton and the Tories denounce creates for us a local or near-by market extending throughout the upper tiers of States from the Atlantic to the Pacific, with 60 millions of inhabitants, able and willing to pay a good price for a good article, and to take an endless quantity of our products. By reason of its contiguity we can ship to it things which cannot stand the long transport to England, or even the long haul to the iron and coal towns of Cape Breton, or the mining camps of British Columbia. We are already exporting largely to it, nearly \$20,000,000 worth of Canadian farm animals and agricultural products, and nearly \$5,000,000 worth of fish having been sold there in 1909-10, in face of the steep American tariff, which now in part comes off.

Can any intelligent man believe that we shall be injured morally, commercially or politically, by closer intercourse with this rich customer, by the repeal or reduction of the duties that now restrict our sales to him?

* * * *

As an illustration of the unfortunate position which our natural industries occupy while the American market is closed to them, look at the situation in Manitoba. Mr. Garnett, Secretary of the Grain-Growers' Association at Carman, supplies the following comparison of wheat prices at towns opposite to each other in the Canadian West and North Dakota on December 31st:

WHEAT.	
American Side	Canadian Side.
Pembina	Emerson
Neché	Gretna
Saries	Crystal City
Portal	North Portal
Souris	Waskada
.91c.	.81c.
.91c.	.81c.
.89c.	.76c.
.86c.	.75c.
.93c.	.77c.

There has been no relative variation of any moment since. Mr. Garnett also furnishes the prices for flax and barley on January 11th:

BARLEY.	
American Side.	Canadian Side.
Pembina	Emerson
Neché	Gretna
Saries	Crystal City
Portal	North Portal
.67c.	.42c.
.67c.	.38c.
.65c.	.38c.
.63c.	.35c.

FLAX.	
American Side.	Canadian Side.
Pembina	Emerson
Neché	Gretna
Saries	Crystal City
Portal	North Portal
\$2.32	\$1.93
2.32	2.26
2.34	2.10
2.33	1.89

Mr. R. McKenzie, the General Secretary of the Manitoba Grain-Growers' Association, shows by carefully prepared tables that, for the year round, the price of No. 1 Northern at Minneapolis is about 12 cents a bushel higher than at Fort William.

Consider now the like plight of the Nova Scotia fisherman. At present, as every one knows, he is far from being on an equal footing with his Gloucester competitor. This is why so many emigrate to Gloucester. Both fish in the same waters, but while the Gloucester man is able to sell his catch in New England—the only available market for fresh fish, and, with the duty off, the best for nearly every other kind—without being taxed, the Nova Scotian has to pay 50 cents, 75 cents and a dollar per 100 pounds for the privilege of doing so; so that when the supply happens to be unusually large and the price in Boston is down, he gets next to nothing for his toil. Those who wish to pursue this subject further should turn to Sir John Macdonald's speech on the Washington Treaty of 1871, or to Sir Charles Tupper's on the abortive fishery treaty of 1888.

How can Mr. Sifton or any other rational person suppose that a *régime* which handicaps the Canadian fisherman and the Canadian farmer in this cruel fashion, is calculated to keep them firm in their loyalty to Britain, when they know right well they are suffering because they are British subjects and could at once better their circumstances by becoming American citizens?

* * * *

The Tories, and Mr. Sifton too, deride the Western agitation for freer trade with the States, and blame the Laurier Administration for having been influenced by it. Lord Bacon, a wiser man than any of them, tells us that "the surest way to prevent seditions is to take away the matter of them; for if there be fuel prepared, it is hard to tell whence the spark shall come that shall set it on fire." The Tories created a railway monopoly in Manitoba by inserting in the original contract with the Canadian Pacific a provision that no line should be built from it in a southerly direction to within 15 miles of the international boundary; this, by preventing connection with American roads, gave the Canadian Pacific absolute control of the through as well as of the local traffic.

On that occasion, as on this, the Tories invoked the scarecrow of Annexation. If American railways were allowed to participate in the carrying trade of the West, the West, they said, must soon become part and parcel of the United States, the Empire would be shattered and the flag of our fathers disgraced. Here and there worthy clergymen of the old Tory school entreated heaven to interpose, if necessary with a legion of avenging angels.

But on the appearance of an agitation not nearly so formidable as that lately raging in the West, Sir John Macdonald made haste to abolish the monopoly, compensating the Canadian Pacific for abandoning its rights under Clause 15; and every sensible man congratulated him on his wisdom. The disaffection vanished. The Canadian Pacific itself profited by the improvement in the condition of the settlers, who through American competition secured a better and cheaper service that left a greater return for their labor and investment; while, instead of being dissolved, the Empire was manifestly strengthened to that extent.

Without doubt, a similar result will attend the removal of the trade monopoly in the West, created by the Canadian and American tariffs. It is utterly vain to expect that rapidly-growing community to submit to any yoke that deprives it of a just reward, of the best possible reward, for its industry. The real annexationists are those who wish to keep it monopolized and restrained.

* * * *

Meanwhile, to speak plainly, the Liberal rank and file are glad that Mr. Sifton has joined the Tories. He resembled those ancient war-elephants that were a bigger load and greater source of anxiety to their own side than to the enemy.

BUTTER AND CHEESE.

Every one knows that the exports of wheat and flour from the United States are declining in consequence of the increase of the number of mouths to be fed at home. Some day in the near future, if the movement from country to town goes on, it will be necessary for the Americans to import wheat and flour largely from Canada.

A similar decline has taken place, mainly, no doubt, from the same cause, in the American exports of butter and cheese from New York. This is brought out very clearly in the *Montreal Gazette's* account of the export trade of Montreal for the season of 1910, which deals with the exports from New York since 1878 (p. 103). If the reader will turn to the official "Statistical Abstract of the United States for 1909," the latest published at this time of writing, he will see that the fall in the exports of cheese and butter is not confined to the port of New York, but is true of the United States at large. In the ten years, 1900-09, the exports of butter from the whole Republic dropped from 18,260,000 to less than 6,000,000 pounds, and those of cheese from 48,000,000 to 7,000,000 pounds. We are

probably warranted in saying then that before long our neighbors will find it to their advantage to buy a good deal of these commodities from Canada.

The American duty on butter and cheese is 6 cents a pound. The Canadian duty on American butter is 4 cents, on American cheese 3 cents. At various points along the frontier between the Atlantic and the Yukon, American cheese and butter find their way into Canada; while our cheese and butter overleap the tariff wall in like manner, and here and there get into the States in small quantities. Speaking roughly, however, the interchange between the two countries is very limited, our duties, but more particularly theirs, blocking the trade.

Whenever the American tariff is lowered, our dairy produce moves across the line in rapidly increasing volume. The recent reduction of the duty on cream by Congress has been followed by an immense development of the Canadian export. The Department of Agriculture estimates that during the calendar year 1910 our farmers sold no less than \$1,700,000 worth to American buyers, notwithstanding that the American duty was still 5 cents per gallon. That is to say, it paid the Canadian farmer better to sell that much to the States, notwithstanding the 5 cents handicap, than to sell it to Canadian dairymen to be made into butter for Canadian consumption or for export to Britain. As by the Fielding reciprocity cream is put on the free list, together with fresh milk (now taxed 2 cents per gallon by the Americans) as well as butter and cheese, it is safe to predict a large increase in our exports to the States of all four articles. It may well be that their sales to places in British Columbia, the West, or New Ontario, served more readily by them than by our older settlements, may also increase; but, on the whole, we shall be by far the principal gainers.

As a rule, the price of the best grades of butter and cheese is considerably higher south of the line than in Canada or England. This can be verified by any one who takes the trouble to compare the market reports. At this moment the price for the finest Danish butter in London is over 2 cents a pound below the price of "specials" and "extras" at New York; and so with the better kinds of cheese. Here, again, the sole question is whether two strings to our bow would not be better than one; for the British market, our great stand-by for cheese, will remain just as free to us and to the foreign makers of butter and cheese as before.

MR. BORDEN'S PREDICAMENT.

Mr. Borden, as a Nova Scotian, finds himself in an awkward predicament, driven as he is by party exigencies to declare that the Fielding reciprocity is likely to hurt his native Province. Would it

not be better for him to follow the example of Mr. Haultain, the Conservative leader in Saskatchewan, and support the agreement as on the whole well calculated to increase the prosperity of Canada?

It must have occurred to Mr. Borden, for it has occurred to most of us, that considering her vast natural resources and admirable geographical situation, for as has been said she runs out into the Atlantic like a huge wharf, and is a good deal nearer to Europe than any part of the United States, some explanation is needed as to why Nova Scotia should have made so little progress since Confederation. The same may be said of New Brunswick and Prince Edward Island—richer spots by far than the New England States, yet exhibiting in the Census returns unmistakable symptoms of atrophy.

On the Conservative side there is a *consensus veterum*, a general agreement among the leaders who preceded Mr. Borden, that Nova Scotia benefitted by the reciprocity of 1854-66 and suffered greatly in consequence of its termination. The Census figures confirm this account of things:

Census.	Nova Scotia.	New Brunswick.
1851..	277,000	194,000
1861..	330,000	252,000
1871..	388,000	285,000
1881..	440,000	321,233
1891..	450,000	321,263
1901..	459,000	331,000

While we are proud of the growth of the West, we are apt to forget that the Maritime Provinces are not holding the natural increase of their population, let alone such immigration as they may receive. In corroboration of the theory that reciprocity benefitted them and that its abrogation did them serious harm, nothing could well be more convincing than this little table. Even England gains one per cent. a year in population and Germany more, though both are old and overcrowded countries, relieved by a large outward flow of emigrants. But here, as the reader will observe, there has been no such advance of late. The significant fact remains that in the twenty years, from 1851 to 1871, reciprocity having been in operation for three-fifths of the time, Nova Scotia and New Brunswick increased considerably more than in the succeeding 30 years.

The Washington Treaty of 1871 secured the Maritime Provinces free fish for free fishing, *i. e.*, free access for their fish to New England conditionally upon their letting the New England men fish in their inshores. It was not as favorable an arrangement for them as the Reciprocity Treaty of 1854, which, upon the same terms as to free

fishing for the Americans, gave them free entry to the American market for a good many natural products other than fish. Nor was it as advantageous as the proposed Fielding reciprocity, which secures free entry for their fish without conceding to Americans the privilege of fishing within their territorial waters; and, in addition, removes the American duties on certain kinds of lumber, on potatoes, vegetables, apples and other products of much importance to the three seaboard Provinces.

Nevertheless if the reader will look at the speeches delivered by Sir John Macdonald and Sir Charles Tupper on the Treaty of 1871 (See Reports of Debates in House of Commons, May 3rd and May 14th, 1872), he will see how eloquently those two Conservative leaders pleaded for the ratification of the instrument, if only because of its immense value to the Nova Scotia fisherman. At a later day the Halifax Commission, appointed under the provisions of the Treaty of 1871, gave us a large award. Macdonald and Tupper were not thinking of money, however, for they could not have anticipated that the arbitration would go so overwhelmingly in our favor. What they said was in substance that the Treaty of 1871 must raise the economic position of the entire Nova Scotia fishing population, by enabling them to get as good a price in Boston as the fisherman from Gloucester; and so be of untold value to Canada.

In 1888 Sir Charles Tupper with Mr. Chamberlain negotiated a fishery treaty which was hurled by the United States Senate. He acknowledged in the House (Hansard, April 10th, 1888) that he was sacrificing some of our fishery rights in the hope of obtaining at a later period better treatment for Canadian fish in the United States and freer trade generally between the two countries. But at that time the Americans were not in a mood to concede free fish or enter into reciprocity in any other form, although Sir Charles confessed, and the official papers showed, that he had made Bayard an "unrestricted offer." One of the most interesting historical statements in his speech was this:

"As I said before, as I said the other day, I feel it is only right in passing to state that the effort to obtain the freest possible commercial intercourse between Canada and the United States, consistent with the rights and interests of the two governments, is a policy that does not belong to one party only, but is the property of both parties in this country."

In the same debate Mr. Jones, of Halifax, related that Sir Charles had favored closer trade relations with the Americans so warmly that in a speech at Charlottetown in 1878 he told the Island farmers and fishermen: "All you have to do is to support the protective National Policy of

Sir John Macdonald in order to obtain reciprocity with the United States within two years"; and Sir Charles did not deny it.

It is scarcely worth while bringing further evidence to show that Mr. Borden's predecessors in the Tory party supported reciprocity, and viewed it, not as a partisan measure, but as a scheme of things with which both sides had heartily identified themselves through a long course of years. He may reply that the necessity for reciprocity no longer exists. This is the plea of Sir Hugh Graham, who would have us take up with Imperial Preference, because it would suit the book of the British aristocrat anxious to re-establish the English Corn Laws for his special benefit. But how can Mr. Borden or any other intelligent Nova Scotian maintain that the present condition of that Province is so entirely satisfactory that it would not be helped by the revival of a trade policy under which it flourished as never before or since?

BRITISH OPINION.

The Fielding-Knox agreement had no sooner been published than an important section of the Tory press in England executed a change of front on the Preferential question. The event is thus described in the editorial columns of the London *Economist*, of February 4th, 1911:

"Several of the newspapers which have for the last seven years devoted themselves to the task of persuading the country to accept Protection, Preference, and Retaliation, the three main heads of Mr. Chamberlain's doctrines, have suddenly thrown up the sponge. We should have expected them to arouse their readers to a sense of the enormity of the proposed agreement between Canada and the United States. We should have expected them to urge the Home Government to make a frantic effort to avert the catastrophe of Free Trade in food and raw material, and a reciprocal reduction on various manufactured articles as between a British Colony and a foreign country.

"For the agreement is at present unratified, and the difficulties in the way of ratification are so great that the protected interests which it threatens are quite hopeful of scotching it. But, wonderful to relate, instead of taking this natural line, the *Times*, the *Daily Mail* and the *Daily Telegraph* seized upon it as a convenient pretext for throwing over Mr. Chamberlain. They said quite frankly that Tariff Reform has now been beaten at three consecutive general elections, and that the agreement between the Governments of Canada and the United States, which would make a preferential scheme impossible of achievement, should be regarded by the Unionist party as a good occasion for throwing overboard this unpopular incubus."

At first, following the lead of the Canadian Manufacturers' Association, a number of British Tories cried out that the Fielding proposals must land us in annexation; but the good sense of Englishmen was not disturbed by that clap-trap. The *Economist*, in an editorial in its issue of March 11th, says: "In this country critics of reciprocity have given up denying its advantages to Canada," while "the annexation plea has been dropped by Mr. Balfour having explicitly denounced it." At the same time Canadian securities held their own and in some instances advanced in price in the London market—tolerably good proof that the British investor looks for no such calamities as Sir William Van Horne and Sir Hugh Graham anticipate.

Meanwhile Sir Edward Grey, the British Foreign Secretary, electrified England by his response to President Taft's suggestion for the settlement of international disputes of whatever kind by arbitration. Arbitration machinery already exists between several nations, between England and the States since 1908, for the adjustment of questions of a secondary character; but questions relating to national honor, vital interests and the rights of third countries are, where diplomatic negotiations fail, left as heretofore to the decision of war. In a speech before the American Society for the Judicial Settlement of International Disputes, on December 17th, Mr. Taft said:

"If we can negotiate and put through a positive agreement with some other nation to abide by the adjudication of an international arbitral court in every issue which cannot be settled by negotiations, no matter what it involves, whether honor, territory or money, we shall have made a long step forward by demonstrating that it is possible for two nations, at least, to establish between them the same system of due process of law that exists between individuals under a government."

To this Sir Edward Grey replied in the House of Commons, on March 15th, that he was sure the Imperial Parliament and the whole British people would rejoice to be able to adopt President Taft's scheme, and enter into the closest arbitral relations with the United States, so that war between the two great branches of the English-speaking race, now almost unthinkable, might be rendered absolutely impossible. He dwelt on the good effect of such an understanding upon other nations, and believed it would tend to do away with the bloated armaments, under which European countries are bleeding to death, and thereby ensure peace and good will among men.

The London *Observer*, though one of the Harmsworth papers, forthwith urged that the reciprocity measure between Canada and the United States should be supported by Englishmen, if only as a means

of hastening the accomplishment of this momentous compact between England and the States. This view of the matter commends itself to other Tory newspapers in England, while the Liberal press is unanimous in supporting the Fielding proposals, not alone for that great Imperial reason, but because anything which makes Canada more prosperous is sure to redound to the advantage of the British manufacturer.

It is interesting to recall that the present promising condition of affairs, as between England, Canada and the United States, was wished for and foreseen almost to the letter by Sir Richard Cartwright at a banquet given to him by the Senate a year ago (April 28th, 1910). Speaking of the changes that had come over the face of the world since he entered public life in 1863, Sir Richard said the dominating fact of the Twentieth Century was that, counting ourselves and the Americans, there were 100,000,000 English-speaking men assembled together in North America; adding:

“Now, to my mind, much depends upon that fact, much for us, much for the welfare of the whole world. If it were possible, as I have often thought, and as I much desire, that that hundred millions could be brought by any honorable and fair means to form an alliance with the fifty millions of English-speaking men on the other side of the seas, then, sir, you would see presented to the world a combination which I think would make to an enormous extent for the peace of the world and the benefit of mankind. I do not undertake to prophesy, but I have seen strange things already in my time, and of one thing I do feel perfectly certain, that one hundred and fifty millions of English-speaking men dominating two oceans, controlling the two main arteries of commerce, need give themselves no concern about Yellow perils or German scares.

“More than that, I hold that should such an alliance as I speak of ever be consummated, in that fact lies perhaps the one and only chance now existing for bringing about that much desired general disarmament which alone can insure the present peace of the world. To my mind it is a frightful thing, to my mind it is a horrible thing, to know that the four greatest nations upon earth, the four who call themselves the most highly civilized of all nations, are at this very moment expending two-thirds of their net available income in maintaining warlike preparations to cut each other's throats, while according to a recent statement of a late Prime Minister of England, there are millions upon millions of their people who do not know from one day's end to the other where they will find food for the next morning. I think, and I am not speaking without reflection or without cause, that it might well come to pass that we in Canada, who occupy a very peculiar position between the two great sections of the English-speaking race, might well

be able, small nation as we yet are, to assist in bringing these great countries together for such a purpose."

The issue has thus risen to an ennobling height. The voices of three curiously assorted bedfellows are heard in opposition. For obvious reasons the German press dislikes the idea of a closer agreement between England and the United States; a body of Vermont farmers announce their intention of resisting any such project because Mr. Taft's trade offer to Canada threatens to reduce the price of hay; and the Canadian manufacturer is dead against reciprocity between Canada and the States lest it should end in curtailing his power to tax the rest of the community for the maintenance of his particular industry. And yet he is lecturing us on patriotism with the gravity of Satan rebuking sin!

VIEWS OF A CONSERVATIVE JOURNALIST.

To prove that reciprocity would injure the Canadian farmer the *Montreal Star* has sent a reporter to New England to write up the abandoned farms. Since the opening of the American West two generations ago, agriculture in New England has had a hard time of it, more especially the farmer among the granite hills of New Hampshire and Vermont, who, under the best of conditions, was always poor.

But what sense or equity is there in comparing those comparatively barren regions with the vast acreage of good land in Old Canada? Barren though they are, however, they have not, as a whole, suffered as much of late as Nova Scotia and New Brunswick, with many times their natural wealth. Vermont, New Hampshire and Maine had an aggregate growth of population of only 250,000 or thereabouts in the half century between 1850 and 1900. On the other hand, the population of Connecticut rose from 370,000 to 908,000, that of Rhode Island from 147,000 to 428,000, and that of Massachusetts from 994,000 to 2,805,000—increases greater by a good deal than those recorded in the Maritime Provinces, which, as observed, are indefinitely richer in agriculture as well as in fish, timber and minerals.

It will be said that New England owes her development, such as it is, to Protection, to manufacturing. Well, we too have had Protection and what, so far as augmenting population is concerned, has it done for the seaboard Provinces? And does the *Star* imagine that it could have done anything worth speaking of, say, for the great manufacturing State of Massachusetts, if Massachusetts had been commercially divorced from the rest of the United States? Nova Scotia would in a short time be one of the principal industrial centres

of North America if it only had fair play; for in addition to its coal and iron, which New England lacks, it is inhabited by a highly intelligent native-born people, who, alas! are unable to overcome the artificial restrictions that prevent them from making the most of their labor and resources.

It is because the Fielding reciprocity will to some extent free them from these impediments and put them in as good a position as the New England producer, for whom nature has done so much less, that the Maritime electors are warmly supporting it.

The *Halifax Chronicle*, of December 8th, 1910, contained a letter on reciprocity by Mr. W. C. Milner, a well-known Conservative journalist. The Fielding proposals were not then in existence, but Mr. Milner argued with much force, as a Maritime Province man, in behalf of closer trade relations with the United States. "John A. and Tupper," he said, "made reciprocity a corner-stone of the N. P., but many of the present-day Conservative leaders are repudiating it and following strange gods. The great corporate and special interests created by Protection are now masters of the situation here, the same as in the States"; and he deplores the efforts of his political friends to "hohhle-skirt international trade" for the benefit of those monopolies. Here are a few pithy extracts from Mr. Milner's letter:

"There is a great demand in New England towns for Canadian mutton and in the early summer we still ship lambs by the car load. Vegetables, such as turnips, potatoes, etc., grown in our cooler climate, are ahead of such products from the South, and find a good market there. Hay also could often be sold there to great advantage. Every four or five years there is a heavy surplus of hay and then prices with us drop to a non-paying figure. There are probably 10,000 tons of surplus hay on the marshes around the Bay of Fundy. The duty is \$4 a ton. The removal of the duty would probably put \$100,000 in the pockets of our farmers.

"Reciprocity, while no longer necessary for the building stone trade, would open an enormous market accessible by water. Granite from Charlotte County formerly was shipped to New England, but the duty closed that business up also. Lime in immense quantities was shipped from the St. John River, but high duties killed that years ago. Removal of the duties would effect a revival of those industries. The plaster deposits of Nova Scotia and the contiguous part of New Brunswick are very important, in view of the great scarcity of a good article in the United States, and experts say it will some day equal in value the product of our coal mines. It is shipped to-day as quarried, a duty having been imposed on calcined plaster. An export duty on raw plaster, as on pulp wood, might have caused Uncle Sam to sit up and take notice. Wood and wood products and fish and fish

products, from our proximity to New England, would receive a great impetus."

Mr. Milner favors free trade in coal between Nova Scotia and the States, but at present that is not practicable. He ridicules the notion that by sending natural products across the line we shall be wasting our resources:

"Reciprocity cannot prevent timber from growing or lands from producing hay; while our reefs of free stone and limestone and deposits of plaster are probably extensive enough to last a few millions of years.

"Neither New England nor Ontario possesses such a wealth of natural resources as these Maritime Provinces, and yet the standard of living is higher in both. The wealth of this country under high protection is not utilized to the betterment of the condition of the people, or to increase their wealth at large; but to build up great corporate and private interests, whose governing motto seems to have been borrowed from Cardinal Richelieu—that it is dangerous to let the people grow fat.

"The older generation who remember the splendid markets Boston and other New England ports afforded our producers in reciprocity days, hold up both hands for it. These Provinces were never since so prosperous. There was no exodus, because there was plenty of employment and plenty of money at home."

Mr. Milner speaks with authority, for no one is better acquainted with Nova Scotia and New Brunswick; and assuredly he is not influenced by any bias in favor of the Liberal party.

LUMBER AND PULPWOOD.

The following article is taken from a letter written by Senator Edwards, perhaps the best authority in Canada, to Sir Edmund Walker, of the Bank of Commerce, who, like some others, imagines that the present reciprocity proposals may impair our lumber and pulpwood resources by transferring them in part to the United States:

Our principal natural resources are the products of the farm, the forest, the mine, and the fishery, and of these I take it that the most fear is apprehended in the matter of our forest products, say lumber, and perhaps more particularly of pulpwood. In the minds of many Canadians the Americans have practically exhausted their forest resources, and are in immediate need of securing their requirements from Canada. This is not true. The United States possess to-day vastly more lumber than Canada, and while cutting, as they do, say 40,000,000,000 feet per annum, are said to have, by those who have made a study of the subject,

sufficient to supply their wants for from 25 to 30 years. Just where the Americans are to look for a further supply after that time I do not know. Most Canadians think Canada will then be their source of supply, but this is an error. For while it is true that up to date no approximately accurate estimate has been made of our timber resources, yet it is quite well known that the entire timber wealth of Canada, suitable for lumber for immediate cutting, would not supply the United States for more than 8 or 10 years.

In so far as pulpwood is concerned, the situation is different. Our resources in spruce suitable for pulp-making are very much greater than those of the United States. But the total quantity required annually for paper-making is quite a small item compared with the quantity of lumber consumed.

What the position of the United States is to be 20 to 30 years hence as regards lumber is a great and important problem, and one which is in their hands to solve. True, cement, iron and possibly other commodities may in some measure replace lumber; but for many purposes it would seem that there is no possible substitute. This, it seems to me, is not only an American and Canadian question, but, in truth, one of the great questions of the world.

Stringent control of cutting, preservation of our forests from destruction by fire, and reforestation, appear to be the only salvation for us in Canada; and all these measures cannot be too strictly enforced.

But the important point engaging the minds of some Canadians at the moment is, that should the duty on Canadian lumber entering the United States be reduced, and should it be ordained, as in these proposals, that in return for the free entry of Canadian pulp and paper into the United States the Provinces should relax their regulation that pulpwood cut from the Crown domain shall be manufactured in Canada, a greatly increased exhaustion of our forests consequent on improved prices for our lumber and the sale of our pulpwood to the United States, must inevitably follow. And I at once admit that this is a most reasonable deduction to arrive at on the part of those unfamiliar with the true situation.

The agitation against the exportation of pulpwood first arose on the part of the pulp and paper-makers of Canada, with the view of circumscribing the market for their own selfish ends; but misguided and uninformed patriotism has now carried the agitation far beyond this sphere. It cannot be attributed to me that I have any selfish ends to serve in what I suggest, as I am a prospective pulp and paper-maker, have never exported pulpwood, and never expect to. Yet my firm conviction is that the free admission of our lumber, or any part of it, into the United States will not have the effect of increasing Canadian production, and

that the removal of the manufacturing provision of the Provinces, as applied to pulpwood, will do Canada incalculable good, and no harm whatever.

Let me deal first with the effect of the removal of the duty on lumber. Even should Canada derive the full benefit of the \$1.25 per thousand feet which is to be removed on certain kinds of lumber, that would not, in my opinion, have the slightest effect in increasing Canadian production. As we supply only two per cent. of American consumption our competition with their product is only on the border, and the effect of the removal of the duty would only result in our penetrating a few miles further towards the interior with our stuff—the transportation cost will determine just how far. As for the proportion of the \$1.25 that would come to us, no one can exactly determine. It may be one-half, it may be one-third, or less, but not enough to cause any Canadian lumberman to increase his operations. My frank opinion is that far the greater benefit to be realized by Canadian lumbermen will be from the generally improved conditions Canada will most certainly enjoy if the suggested lowering of tariffs on both sides of the line takes place. This, I believe, will be far and beyond the most sanguine expectations of the promoters and supporters of the proposition.

And now as to pulpwood. I have always affirmed, and still affirm, that forest conservation is a matter by itself, and stands on its own bottom. The Crown, represented by the various Provinces, enacts the regulations, and through such regulations controls the cutting. The matter of forest conservation is not involved in dictating to the limit-holder the form in which he shall sell his product. Forest preservation consists in seeing to it that the regulations are strictly carried out. This is so clear to any one that it cannot be necessary to dwell further upon it. But there is an economic question involved, to which I have given considerable study, and to which I hope you will pardon me referring at some length.

Many Canadians believe that the United States is now on its last legs in pulp and paper production, and that Canada alone can supply their needs in this respect, and that the prevention of the cutting of pulpwood on the Crown domain for exportation will result in an immediate transference of a very large percentage of the pulp and paper manufacturing of the United States to Canada. I need not repeat that whether the manufacturing is done here or in the United States, the result would be identical in so far as the depletion of our forests is concerned, and that regulating the cutting is the only means of forest preservation. However, this is not the question at the moment.

The main question is: Are the Americans in such dire need of our

pulpwood cut from our limits, that, if denied the purchase of it, there will be a forced and immediate transference of the American paper mills to Canada? And the opposite question is: Is it not in the best interests of Canada, and for the promotion of the establishing of paper mills in this country, to relax the manufacturing clause and allow exportation of pulpwood cut from our limits?

From a somewhat extended study of the situation, and a full knowledge of the responsibility of the statement I make, my answer to the first question is: No. The Americans are in no such dire need of the pulpwood cut on our limits as will force any such result. And to the other question I answer: Yes, by all means. The interests of Canada will be best served by relaxing the restriction, and very particularly so, as it will result in giving us the freedom of the American market for the sale of our pulp and paper, the only possible market of any great value that can be opened to us for this purpose. There can be no immediate forced transference of American paper mills to Canada so long as the American duty remains as it is, and we can make no considerable headway in pulp and paper manufacturing without the American market.

For home consumption we are overbuilt in pulp and paper mills to-day, and without the United States markets we have no desirable outside market to ship to. We do ship in a limited way to Japan, and to a small extent to Great Britain, and possibly to other European countries. But as Northern Europe can considerably undersell us in pulp, and as Great Britain is supreme in paper-making, we cannot to-day, nor shall we be able for some years to come, to make headway for the sale of our pulp and paper in any other market than that of the United States.

Many of the United States mills have abundant supplies of pulpwood for many years to come. This is true of many of the Eastern mills, and in the West there is an enormous supply. In Oregon and Washington the pulp mills are cutting the largest and finest of spruce, capable of making the longest and largest of dimension timber, into pulpwood, just as if it had no value. But it is also true that some of the New England mills have not ahead of them a sufficient supply of pulpwood for their immediate and prospective wants, and for a few years back have been buying some pulpwood in Canada, cut almost entirely on private lands; while the cheap price of Scandinavian pulp enables them to import from there. But many of these mills suffer from another and most serious disability, viz.: a shortage of water for grinding the wood, and this shortage is becoming more intense as time advances. There is the further condition that many of the American mills, and particularly those which have but a limited supply of wood ahead of them, are but temporary, and one by one will go out of existence.

With our very large resources in pulpwood, and our numerous and:

never-failing water powers, particularly in the Province of Quebec, there is but one sequence to this question. The ultimate home of a large share of the pulp and paper making of North America will be in Canada. But this result will come about automatically and by evolution. Mills will gradually disappear in the United States, and, excepting in places where there is a future supply of wood, no new mills will be built there; and in proportion as they disappear there, and as fast as market-demands warrant their construction, they will be built in Canada, but the construction in Canada will not be hastened a single day by the Provincial restriction now existing. On the contrary, it will retard construction just so long as the maintenance of the American duty remains a concomitant provision or penalty, and Canada will be most seriously injured. Freedom of entry into the United States for pulp and paper would encourage the building of mills in Canada, while the absence of freer access to the States for those articles will deter judicious Canadians from investing in mills.

TWO EMPTY CONTENTIONS.

A free exchange of products between two neighboring nations undoubtedly makes for peace and good will. But to say that it necessitates the annexation of one to the other when, as in this instance, they are of the same stock, is contrary to our own experience from 1854 to 1866, and to that of others who have been similarly situated. Professor Dicey, the famous English publicist, has shown that, not reciprocity, but the persistent refusal of England to concede reciprocity to Scotland, was the prime influence in determining Scotland to enter into Political Union with England. He tells of the hostile tariffs of England, and how the passion of the Scottish nation for closer commercial relations with a market of so much importance at length overcame their passion for independence. Certain men in Congress advocated the denunciation of the old Reciprocity Treaty on the express ground that Canada could and should be starved into annexation; while Mr. Blaine, particularly in a speech in 1888, declared himself opposed to allowing Canada free entry to the American market unless and until she was prepared "to sit down at our table as a member of the great American family." He, too, believed that the way to bring about annexation was not to grant but to refuse reciprocity.

President Taft realizes that we are neither to be coerced nor coaxed into Political Union, that Canadian national sentiment is a living force the growth of which does not depend upon high or low American duties;

and is treating us as a self-respecting young nation with a future of its own. It is only the Manufacturers' Association and Imperialists of the class of Mr. Sifton and Sir Hugh Graham who think so ill of us as to say that our devotion to Canadian ideals and our love for England are liable to be shattered by closer trade intercourse with our neighbors; and they say so only because they have no solid argument to advance against the Fielding proposals.

Then it is said by the Tories that the Fielding agreement, by removing the Protection now enjoyed by the Canadian farmer, will in some instances reduce the value of his products. Mr. Fielding is blamed for not furnishing data on the subject, and a white-book issued at Washington is cited to show that a certain number of farm articles are dearer in Canada than in the States.

The compiler of this white-book evidently worked in haste, for many of his comparisons are wrong, and well the Tories know it. Speaking at large, the market value of the generality of farm products, as well as of fish, lumber, minerals, and other natural commodities, is higher in the States than in Canada—a fact borne out by the higher price of farm lands on their side of the line than on ours; as well as by the Tories themselves in their cry that our wheat will henceforth go largely to Minneapolis, our cattle to Chicago, and our milk and cream to Buffalo and Detroit, whilst the Canadian packer will have to pay Yankee prices for bacon. Over and above this general truth, all the figures necessary for a true understanding of the Fielding reciprocity are to be found in our blue-books. The pretence that the Canadian farmer derives great benefit from the protective duties imposed on American products is, to say the least, suspicious. See what it implies. The American high tariff men have been protecting or professing to protect the American farmer by taxing Canadian and other products for a good half-century. On the doctrine of our Tory friends, such products should have been increased in value so much that their export to Canada, a country with a lower tariff, must have been impossible. The Tories are in the position of a vendor of wizard ointment who should take his stand by the Brockville or Prescott ferry and shout: "Farmers of Ontario, on my own showing my remedy has not been of much, if any, help to your Yankee brethren; nevertheless it is doing wonders for you, although I grant you do not use it to the same extent."

Matters have improved vastly in Old Canada since Lord Durham dwelt on the painful difference between the price of farm lands on one side of the boundary and on the other. Yet it remains true that, with their far larger urban population, the home market of our American neighbors is a very desirable market for us to possess, especially when we shall still retain free access to the British market. The Tories

resort to some curious arguments but they cannot persuade themselves or anyone else that two free markets would be less profitable than one.

MR. BOURASSA'S OPINION.

Mr. Henri Bourassa has printed in pamphlet form his reciprocity articles in *Le Devoir*. On the whole he favors the Fielding agreement. "Without threatening our industries, he says, "it seems to offer substantial advantages to agriculture"; and he makes light of the cry that it will bring about American domination or endanger Imperial interests.

Mr. Bourassa thinks, however, that Mr. Fielding should have made a greater reduction in the implement duties; that the cut to 15 per cent. is not enough. Yet it must occur to him that the cut is a considerable one, seeing that there has been no corresponding reduction of the duties on the raw materials used by the Canadian implement-makers. The coal duty has been reduced to 45 cents, but as the price of the sort of coal imported by the Ontario implement men from the United States is a dollar per ton, this is equivalent to a tax of 45 per cent., or three times the amount of the protection which they enjoy on the finished article. In the case of other raw materials and of the machinery and tools employed in their shops, much of which has to be brought from the States, the duties are higher by a good deal than 15 per cent. The drawback is not granted to all the implement manufacturers, nor does it apply to anything like all the imported commodities used, for example, by Massey-Harris in the production of machines destined for the home market. If it be said that Mr. Fielding should have made implements of every class free and abolished the raw material duties in order to bring about that end—which is the contention of some of the Tories—Mr. Bourassa would probably have joined the rest of the Tory party in accusing him of deliberately sacrificing our iron and coal plants; for, as he says in his pamphlet, "We Nationalists believe in the necessity of a protective tariff high enough to stimulate home industries."

That the farmer in the Province of Quebec will gain by the reduction and repeal of the American tariff on his products goes without saying. Turcotte, a Tory, says in his "*Le Canada sous l'Union, 1841-67*," that Upper and Lower Canada derived great benefits from the reciprocity of 1854-66, which by removing the Customs obstacles augmented imports and exports between the two countries to their mutual advantage; and considers that on account of this and other important measures, such as the construction of railways and the abolition of the Seigneurial tenure, Lord Elgin's term as Governor-General was the most important era in the life of Union.

There was a time in France when its provinces had tariffs one against the other; yet this was not much more unwise than the policy which "holds up" the wares of the French-Canadian husbandman at the American frontier and hinders him from selling them to the American consumer, who requires them because they are more wholesome or cheaper than like articles grown at home. If there is no disloyalty in selling to the Yankees how can it be disloyal to buy from them? The Canadian manufacturer purchases a vast quantity of their raw materials every year to work up into factory goods; yet seriously argues that it is improper and dangerous for the Canadian farmer to obtain a plough, harrow, or wagon from them at a reduced rate of duty for the purpose of cultivating his land and producing finished articles in the shape of crops, by the sale of which, at home or abroad, he manages to get along.

It is a poor rule that does not work both ways. Mr. Bourassa is a protectionist, but does not fail to see that the manufacturer is, in this instance at any rate, going beyond the bounds of prudence. There is such a thing as driving a willing horse to death, and the farmer is sure to revolt some of these days against such high-handed and illogical dictation.

FRUIT.

This subject is dealt with at some length elsewhere. If any one is justified in "kicking" at the Fielding agreement it is the American grower. The value of orchard lands in the State of New York, not far from the Niagara Peninsula, is from \$600 to \$1,000 per acre, much more than lands on the Canadian side would sell for. In like manner fruit-farms in the Wenatchee Valley, the Yakima Valley, the Hood Valley, and so forth in the adjoining States, are worth considerably more per acre than fruit-farms in the Okanagan Valley of British Columbia; and as labor costs much the same on one side of the boundary as on the other, and freight rates slightly favor the B. C. grower, how is he going to be hurt?

The protectionist, always timid, says "Let us keep our local markets for ourselves"; to which the Free Trader replies that Canadians have all the best of it under the Fielding arrangement, regard being had to the higher price of the lands in the States, as well as of fruit in general. Mr. J. E. Johnson, of the Simcoe Fruit-Growers' Association, has shown in the *Toronto Globe* that, instead of injuring the Niagara fruit men, free exchange will benefit them. Where St. Catharines growers of grapes receive \$20 per ton, the New York grower gets \$40; while in the case of peaches the New York price is usually higher by about 10 cents a basket than that at St. Catharines. So while under the Fielding agreement the

Americans, being nearer to those markets, may sell more fruit in Alberta, Saskatchewan and Manitoba than at present, the British Columbia grower will have free entry to the high-priced markets of the States close by, and consequently will obtain a better figure for his high-grade fruit than he gets now.

Mr. Schell, M.P. for Oxford, the Chairman of the House Committee on Agriculture, has collected statistics which show beyond question that the price of fruits of all kinds runs higher in New York than in Ontario. But of this the reader can judge for himself by comparing the market reports in his own locality with the reports from some corresponding point across the line. Only let him not be misled by the Tory device of quoting British Columbia figures for grapes and apples, and showing how much less the price is at certain seasons at Rochester or Mount Morris, State of New York, for an inferior article.

APPENDIX.

The Fielding-Knox agreement consists of four schedules, here given in full. Attached is a copy of the schedule of the Reciprocity Treaty of 1854-66:

SCHEDULE A.

Articles the growth, product or manufacture of the United States to be admitted into Canada free of duty when imported from the United States, and reciprocally articles the growth, product or manufacture of Canada to be admitted into the United States free of duty when imported from Canada:

Live animals, viz.: Cattle, horses and mules, swine, sheep, lambs, and all other live animals.

Poultry, dead or alive.

Wheat, rye, oats, barley, and buckwheat, dried pease and beans, edible.

Corn, awheat corn, or maize (except into Canada for distillation).

Hay, straw, and cow pease.

Fresh vegetables, viz.: Potatoes, sweet potatoes, yams, turnips, onions, cabbages, and all other vegetables in their natural state.

Fresh fruits, viz.: Apples, pears, peaches, grapes, berries, and all other edible fruits in their natural state.

Dried fruits, viz.: Apples, peaches, pears, and apricots, dried, desiccated or evaporated.

Dairy products, viz.: Butter, cheese and fresh milk and cream. Provided that cans actually used on the transportation of milk or cream may be passed back and forth between the two countries free of duty, under such regulations as the respective governments may prescribe.

Eggs of barnyard fowl, in the shell.

Honey.

Cotton-seed oil.

Seeds viz. : Flaxseed or linseed, cotton-seed, and other oil seeds; grass seed, including timothy and clover seed; garden, field, and other seed not herein otherwise provided for, when in packages weighing over one pound each (not including flower seeds).

Fish of all kinds, fresh, frozen, packed in ice, salted or preserved in any form, except sardines and other fish preserved in oil; and shell fish of all kinds, including oysters, lobsters, and clams in any state, fresh or packed, and coverings of the foregoing.

Seal, herring, whale, and other fish oil, including cod oil.

Salt.

Mineral waters, natural, not in bottles or jugs.

Timber, hewn, sided or squared otherwise than by sawing, and round timber used for spars or in building wharves.

Sawed boards, planks, deals and other lumber not further manufactured than sawed.

Paving posts, railroad ties, and telephone, trolley, electric light and telegraph poles of cedar or other woods.

Wooden staves of all kinds, not further manufactured than listed or jointed, and stave bolts.

Pickets and palings.

Plaster rock or gypsum, crude, not ground.

Mica, unmanufactured or rough trimmed only, and mica ground or bolted.

Feldspar, crude, powdered or ground.

Asbestos not further manufactured than ground.

Fluorspar, crude, not ground.

Glycerine, crude, not purified.

Talc, ground, bolted or precipitated, naturally or artificially, not for toilet use.

Sulphate of soda, or salt cake; and soda ash.

Extracts of hemlock bark.

Carbon electrodes.

Brass in bars and rods, in coil or otherwise, not less than six feet in length, or brass in strips, sheets or plates, not polished, planished or coated.

Cream separators of every description, and parts thereof imported for repair of the foregoing.

Rolled iron or steel sheets, or plates, number fourteen gauge or thinner, galvanized or coated with zinc, tin or other metal, or not.

Crucible cast steel wire, valued at not less than six cents per pound.

Galvanized iron or steel wire, curved or not, numbers nine, twelve, and thirteen wire gage.

Typesetting and typesetting machines and parts thereof, adapted for use in printing offices.

Barbed fencing wire of iron or steel, galvanized or not.

Coke.

Rolled round wire rods in the coil, of iron or steel, not over three-eighths of an inch in diameter, and not smaller than number six wire gage.

Pulp of wood mechanically ground; pulp of wood, chemical, bleached or unbleached; news print paper, and other paper, and paper board, manufactured from mechanical wood pulp or from chemical wood pulp, or of which said pulp is the component material of chief value, colored in the pulp, or not colored, and valued at not more than four cents per pound, not including printed or decorated wall paper.

Provided that such paper and board, valued at four cents per pound or less, and wood pulp, being the products of Canada, when imported therefrom directly into the United States, shall be admitted free of duty, on the condition precedent that no export duty, export license fee or other export charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise), or any prohibition or restriction in any way of the exportation (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly) shall have been imposed upon such paper, board, or wood pulp, or the wood used in the manufacture of such paper, board or wood pulp, or the wood pulp used in the manufacture of such paper or board:

Provided also that such wood pulp, paper or board, being the products of the United States, shall only be admitted free of duty into Canada from the United States when such wood pulp, paper or board being the products of Canada, are admitted from all parts of Canada free of duty into the United States.

NOTE—It is understood that fresh fruits to be admitted free of duty into the United States from Canada do not include lemons, oranges, limes, grape fruit, shaddocks, pomelos, or pineapples.

It is also understood that fish oil, whale oil, seal oil, and fish of all kinds, being the product of fisheries carried on by the fishermen of the United States shall be admitted into Canada as the product of the United States, and similarly fish oil, whale oil, seal oil, and fish of all kinds, being the product of fisheries carried on by the fishermen of Canada, shall be admitted into the United States as the product of Canada.

SCHEDULE B.

Articles the growth, product or manufacture of the United States to be admitted into Canada at the undermentioned rates of duty when imported from the United States; and reciprocally the same articles the growth, product or manufacture of Canada to be admitted in the United States at identical rates when imported from Canada.

Articles.	Rates of Duties.
Fresh meats, viz.: beef, veal, mutton, lamb, pork, and all other fresh or refrigerated meats excepting game	One and one-quarter cents per pound.
Bacon and hams, not in tins or jars	One and one-quarter cents per pound.

Meats of all kinds, dried, smoked, salted, in brine, or prepared or preserved in any manner, not otherwise herein provided for.	One and one-quarter cents per pound.
Canned meats and canned poultry	Twenty per cent. <i>ad valorem</i> .
Extract of meat, fluid or not	Twenty per cent. <i>ad valorem</i> .
Lard, and compounds thereof, cottolene and cotton stearine, and animal stearine.	One and one-quarter cents per pound.
Tallow.	Forty cents per 100 lbs.
Egg yolk, egg albumen and blood albumen.	Seven and one-half per cent. <i>ad valorem</i> .
Fish (except shell fish), by whatever name known, packed in oil, in tin boxes or cans, including the weight of the package:	
(a) when weighing over twenty ounces and not over thirty-six ounces each.	Five cents per package.
(b) when weighing over twelve ounces and not over twenty ounces each	Four cents per package.
(c) when weighing twelve ounces each or less	Two cents per package.
(d) when weighing thirty-six ounces each or more, or when packed in oil, in bottles, jars or kegs.	Thirty per cent. <i>ad valorem</i> .
Tomatoes and other vegetables, including corn, in cans or other air-tight packages, and including the weight of the package.	One and one-quarter cents per pound.
Wheat flour and aemolina; and rye flour	Fifty cents per barrel of 196 pounds.
Oatmeal and rolled oats, including the weight of paper covering.	Fifty cents per 100 pounds.
Corn meal.	Twelve and one-half cents per 100 pounds.
Barley malt.	Forty-five cents per 100 pounds.
Barley, pot, pearled and patent.	One-half cent per pound.
Buckwheat flour or meal.	One-half cent per pound.
Split pease, dried.	Seven and one-half cents per bushel of 60 pounds.

- Prepared cereal foods, not otherwise provided for herein. Seventeen and one-half per cent. *ad valorem*.
- Bran, middlings and other offals of grain used for animal food. Twelve and one-half cents per 100 pounds.
- Maccaroni and vermicelli. One cent per pound.
- Biscuits, wafers, and cakes, when sweetened with sugar, honey, molasses or other material. Twenty-five per cent. *ad valorem*.
- Biscuits, wafers, cakes, and other baked articles composed in whole or in part of eggs or any kind of flour or meal when combined with chocolate, nuts, fruits or confectionery; also candied peel, candied pop-corn, candied nuts, candied fruits, sugar candy, and confectionery of all kinds. Thirty-two and one-half per cent. *ad valorem*.
- Maple sugar and maple syrup. One cent per pound.
- Pickles, including pickled nuts; sauces of all kinds, and fish paste or sauce Thirty-two and one-half per cent. *ad valorem*.
- Cherry juice and prune juice, or prune wine, and other fruit juices, and fruit syrup, non-alcoholic. Seventeen and a half per cent. *ad valorem*.
- Mineral waters and imitations of natural mineral waters, in bottles or jugs. Seventeen and a half per cent. *ad valorem*.
- Essential oils Seven and a half per cent. *ad valorem*.
- Grape vines; goosecherry, raspberry, and currant bushes Seventeen and a half per cent. *ad valorem*.
- Farm wagons, and finished parts thereof. Twenty-two and a half per cent. *ad valorem*.
- Ploughs, tooth and disc harrows, harvesters, reapers, agricultural drills and planters, mowers, horse-rakes, cultivators; threshing machines, including windstackers, baggers, weighers, and self-feeders therefor; and finished parts thereof im-

Articles.	Rates of Duty.
ported for repair of the foregoing.	Fifteen per cent. <i>ad valorem</i> .
Portable engines with boilers, in combination, horse-powers and traction engines, for farm purposes; hay loaders, potato diggers, fodder or feed cutters, grain crushers, fanning mills, hay tedders, farm or field rollers, manure spreaders, weeders, and windmills; and finished parts thereof imported for repair of the foregoing, except shafting.	Twenty per cent. <i>ad valorem</i> .
Grindstones of sandstone, not mounted, finished or not	Five cents per 100 pounds
Freestone, granite, sandstone, limestone, and all other monumental or building stone, except marble, brecchia, and onyx, unmanufactured, or not dressed, hewn or polished. . . .	Twelve and a half per cent. <i>ad valorem</i> .
Roofing slates.	Fifty-five cents per 100 square feet.
Vitrified paving blocks, not ornamented or decorated in any manner, and paving blocks of stone	Seventeen and a half per cent. <i>ad valorem</i> .
Oxide of iron, as a color.	Twenty-two and a half per cent. <i>ad valorem</i> .
Asbestos further manufactured than ground; manufactures of asbestos, or articles of which asbestos is the component material of chief value, including woven fabrics wholly or in chief value of asbestos.	Twenty-two and a half per cent. <i>ad valorem</i> .
Printing ink.	Seventeen and a half per cent. <i>ad valorem</i> .
Cutlery, plated or not, viz.: pocket knives, pen knives, scissors and shears, knives and forks for household purposes, and table steels.	Twenty-seven and a half per cent. <i>ad valorem</i> .
Bells and gongs; brass corners and rules for printers.	Twenty-seven and a half per cent. <i>ad valorem</i> .

Articles.	Rates of Duty.
Basins, urinals, and other plumbing fixtures for bath rooms and lavatories; bath tubs, sinks and laundry tubs, of earthenware, stone, cement or clay, or of other material.	Thirty-two and a half per cent. <i>ad valorem</i> .
Brass Band instruments.	Twenty-two and a half per cent. <i>ad valorem</i> .
Clocks, watches, time recorders, clock and watch keys, and clock movements.	Twenty-seven and a half per cent. <i>ad valorem</i> .
Printers' wooden cases and cabinets for holding type.	Twenty-seven and a half per cent. <i>ad valorem</i> .
Wood floor.	Twenty-two and a half per cent. <i>ad valorem</i> .
Canoes and small boats of wood, not power boats.	Twenty-two and a half per cent. <i>ad valorem</i> .
Feathers, crude, not dressed, colored or otherwise manufactured.	Twelve and a half per cent. <i>ad valorem</i> .
Antiseptic surgical dressings, such as absorbent cotton, cotton wool, lint, lamb's wool, tow, jute, gauzes, and oakum, prepared for use as surgical dressings, plain or medicated; surgical trusses, pessaries, and suspensory bandages of all kinds.	Seventeen and a half per cent. <i>ad valorem</i> .
Plate glass, not bevelled, in sheets or panes exceeding seven square feet each, and not exceeding twenty-five square feet each.	Twenty-five per cent. <i>ad valorem</i> .
Motor vehicles other than for railways and tramways, and automobiles, and parts thereof, not including rubber tires.	Thirty per cent. <i>ad valorem</i> .
Iron or steel digesters for the manufacture of wood pulp.	Twenty-seven and a half per cent. <i>ad valorem</i> .
Musical instrument cases, fancy cases or boxes, portfolios, satchels, reticules, card cases,	

Articles.	Rates of Duty.
purses, pocket books, fly books for artificial flies, all the foregoing composed wholly or in chief value of leather.. . .	Thirty per cent. <i>ad valorem</i> .

SCHEDULE C.

Articles the growth, product or manufacture of Canada to be admitted into the United States at the undermentioned special rates of duty when imported from Canada.

Articles.	Rates of Duty.
Aluminum in crude form	Five cents per pound.
Aluminum in plates, sheets, bars, and rods	Eight cents per pound.
Laths	Ten cents per 1,000 pieces.
Shingles	Thirty cents per thousand.
Sawed boards, planks, deals, and other lumber, planed or finished on one side	Fifty cents per M. feet B.M.
Planed or finished on one side and tongued and grooved, or planed or finished on two sides	Seventy-five cents per M. feet B.M.
Planed or finished on three sides, or planed and finished on two sides and tongued and grooved	One dollar and twelve and a half cents per M. feet B.M.
Planed and finished on four sides	One dollar and fifty cents per M. feet B.M.
and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing, and grooving.	
Iron ore, including manganiferous iron ore, and the dross or residuum from burnt pyrites	Ten cents per ton of 2,240 pounds.
Coal slack or culm, of all kinds, such as will pass through a half-inch screen	Fifteen cents per ton of 2,240 pounds.

SCHEDULE D.

Articles the growth, product or manufacture of the United States to be admitted into Canada at the undermentioned special rates of duty when imported from the United States:

Articles.	Rates of Duty.
Cement, Portland, and hydraulic or water lime in barrels, bags, or casks, the weight of the package to be included in the weight for duty.	Eleven cents per 100 pounds.
Trees, viz.: Apple, cherry, peach, pear, plum, and quince, of all kinds, and small peach trees known as June huds.	Two and a half cents each.
Condensed milk, the weight of the package to be included in the weight for duty	Two cents per pound.
Biscuits without added sweetening.	Twenty per cent. <i>ad valorem</i> .
Fruits in air-tight cans or other air-tight packages, the weight of the cans or other packages to be included in the weight for duty.	Two cents per pound.
Peanuts, shelled	One cent per pound.
Peanuts, unshelled.	A half cent per pound.
Coal, bituminous, round and run of mine, including bituminous coal such as will not pass through a three-quarter-inch screen.	Forty-five cents per ton.

TREATY OF 1854-66.

By this treaty the North Atlantic Fishery dispute was temporarily settled. The Americans obtained the privilege of fishing in Canadian waters, while by Article 2 Canadians obtained the less valuable privilege of fishing in American waters. The Fielding agreement does not give the American fishermen that liberty. The fishery question has been pretty well adjusted to the advantage of Canada by The Hague tribunal. Article 3 of the Treaty of 1854 was as follows:

It is agreed that the articles enumerated in the schedule herenunto annexed, being the growth and produce of the aforesaid British colonies, or of the United States, shall be admitted into each country respectively free of duty:

SCHEDULE.

Grain, flour, and bread-stuffs of all kinds.
 Animals of all kinds.
 Fresh, smoked, and salted meats.
 Cotton-wool, seeds, and vegetables.
 Undried fruits; dried fruits.
 Fish of all kinds.
 Products of fish and of all other creatures living in the water.
 Poultry.
 Eggs.
 Hides, furs, skins or tails undressed.
 Stone or marble in its crude or unwrought state.
 Slate.
 Butter, cheese, 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, unmanufactured in whole or in part.
 Fire-wood.
 Plants, shrubs, and trees.
 Fish-oil.
 Pelts, wool.
 Rice, broom-corn, and bark.
 Gypsum, ground or unground.
 Hewn, or wrought or unwrought burr or grindstones.
 Dye stuffs.
 Flax, hemp, and tow, unmanufactured.
 Unmanufactured tobacco.
 Rags.

The Treaty gave the Americans the right to navigate the St. Lawrence and the canals of Canada between the Great Lakes and the Atlantic on the same terms as Canadians with respect to canal tolls; while we were given the right to navigate Lake Michigan, an American inland sea. The Treaty was to last for ten years and so much longer thereafter as might be agreed on; but was terminated by Congress in 1866.

The Washington Treaty of 1871 also included a temporary settlement of the Fishery question, to which reference has been made elsewhere. But by The Hague Award, for which we have largely to thank Sir Allen Aylesworth, the present Minister of Justice, most of the points in that controversy have been decided in our favor, and the rights of Canada and the United States under the convention of 1818 permanently defined. Hence Mr. Fielding, in his agreement with Mr. Knox, was in a position to reduce the tonnage tax on American vessels entering Canadian ports for various conveniences under the Modus Vivendi of 1888. This reduction will be profitable to the Canadian storekeeper who has goods to sell to American fishing vessels, as well as to the Canadian fisherman from whom they must purchase bait.

