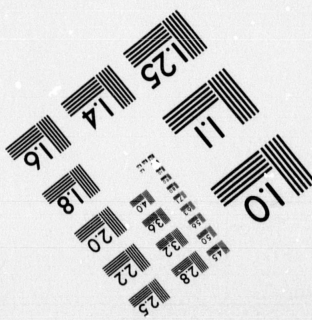
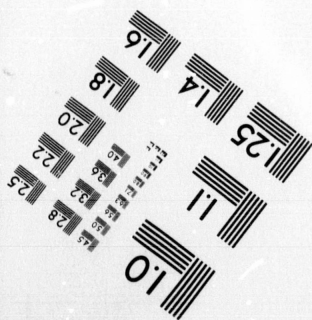
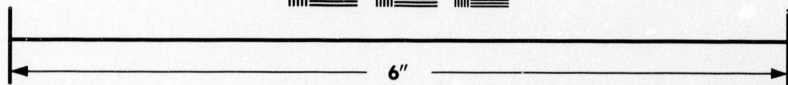
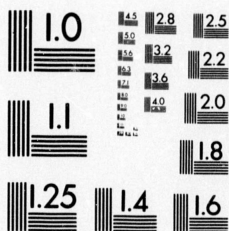


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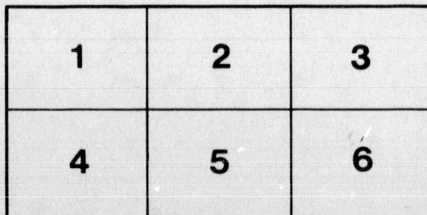
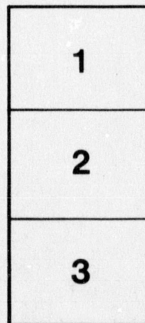
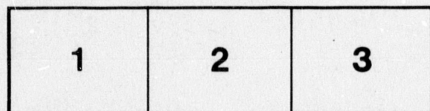
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CANADIAN RECIPROCITY.

WHY SOME CANADIANS WANT RECIPROCITY.
WHY ENGLISHMEN WANT IT. WHY
WE DON'T WANT IT.

Published by The American Iron and Steel Association, at No. 265 South Fourth Street, Philadelphia, at which place copies of this tract may be had on application by letter.

RECIPROCITY WITH CANADA—A REVIEW.

To the Editor of The Boston Commercial Bulletin:

A Zollverein between Canada, as a British colony, and the United States, which would be an arrangement for the same custom-house duties in both countries, the proceeds to be pooled and divided by the rule of population, or some other agreed rule, will come when the millennium comes, and not one day sooner. It is totally inconsistent with the present relations of Canada with Great Britain, and is scouted as impossible by all English and Dominion authorities. It will become possible when Canada becomes independent, and even in that event, although possible, it is far less probable than annexation, and, at any rate, it would inevitably lead to annexation.

The treaty of 1854 was, in substance, an arrangement for the introduction into this country of the raw products of Canadian forests, mines, and agriculture, free of duty. In form, it provided for a reciprocal freedom of duty, that is to say, for an equally unimpeded introduction into Canada of the similar raw products of the United States. But, in fact, by an established and inevitable course of trade, the movement of these products was substantially all one way, from Canada and into the United States. The reciprocity was a diplomatic flourish of words. No treaty was necessary

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at all. The whole thing might have been as well accomplished by an act of Congress exempting these Canadian products from duty.

The treaty of 1854 contained certain (so-called) equivalents for us, in fishery privileges and in the free navigation of the St. Lawrence canals and river, both of them shams, and the last-named so palpable a sham that the pertinacity with which it has been talked and written about is truly amazing. Nothing is clearer or more certain than that the St. Lawrence canals will be closed to us in time of war, and that the Canadians will be only too happy to keep them open for us in time of peace, so long as we will pay the same tolls which their own people pay. It is for tolls and business that canals are built, and Canada would even be willing to pay a round sum every year if the entire carriage of the products of our interior States to the Atlantic Ocean could be diverted to the St. Lawrence route.

But, whether shams or realities, these privileges of fishing and navigation on the St. Lawrence canals and river are disposed of in the treaties negotiated by the Joint High Commission, and can no longer be made to perform any duty, useful or ornamental, as make-weights in reciprocity arrangements with Canada.

It was commonly said, after the treaty of 1854 was abrogated, that, although that was objectionable and indefensible, a treaty might be negotiated, giving us equivalents in the introduction into Canada duty-free of various articles of manufacture, and thus converting a one-sided arrangement into one of real reciprocity. It was the reiteration of these ideas which led finally to the last reciprocity treaty, which the Senate of the United States refused to ratify, and which, the resulting discussions and developments here, in Great Britain, and Canada, show conclusively never can be ratified by any of the parties concerned.

The first result of the publication of that treaty was the call upon the British ministry of deputations of English manufacturers and English merchants, calling attention to the fact that the treaty made in terms no provision for the free introduction into Canada of the same manufactured articles from Great Britain, proposed to be admitted free from the United States. The reply of the British ministry was that that was a matter between England and Canada, not necessary or even fit to be incorporated into a treaty with the United States, and that the introduction of English manufactures into Canada on as good terms as might be allowed to any other country resulted from the nature of the political connection between

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England and Canada, and could never be a matter of question. And this view was immediately admitted by the Canadian authorities to be correct. The delusion that Canada, a non-manufacturing country, might become a great market for our manufactures, was thus ruthlessly exploded at the very start. We could go there, to be sure, but only in unrestricted competition with English manufacturers, and with the advantage in their favor of long-established mercantile relations.

Nor was this the whole of it or the worst of it. The treaty only provided for the free introduction into the United States of articles of Canadian manufacture, a competition which our manufacturers did not much dread. But how to distinguish articles of British manufacture from articles of Canadian manufacture was seen to be a problem of no small difficulty, on a land frontier line of three thousand miles, and it was seen also that compound articles might be of Canadian manufacture within the true meaning of the treaty, although parts of these might be of British manufacture. It was seen, in short, that to admit articles of Canadian manufacture free of duty was an unpleasant approximation to a repeal of our tariff on the same articles of British manufacture.

If these discoveries were distasteful to the Senate of the United States, they were, in other respects, equally so to the Canadians. Instead of competition with the United States only, they saw that their ports were to be opened to English goods, to the ruin of their revenue and the destruction of their infant and struggling manufacturing industries. They had no opportunity to act on the treaty, as they were forestalled in that by its summary repudiation by the Senate of the United States, but it is to-day certain that no treaty containing any such application to American manufactures as is found in the fancy sketches of Gen. Ward, of New York, can be negotiated or ratified with them. It is as purely a thing of the imagination as his zollverein between Canada and the United States.

The country may be deluded into expressions favorable to reciprocity by hopes of opening Canada to American manufactures, but such hopes can never be realized so long as Canada retains its British connection, or, if realized, only at the peril of destroying our tariff on English manufactures, and multiplying the frauds and costs of the long line of custom-houses on our northern and eastern land frontier.

GEORGE M. WESTON.

BOSTON, May 30, 1876.

DO WE WANT RECIPROCITY WITH CANADA?

From The Boston Commercial Bulletin.

The reciprocity discussion is continued below in another communication from our original correspondent, Mr. Weston. This time, it will be seen, he examines the question from a new standpoint. Leaving out of account the difficulty of negotiating an equitable treaty, owing to the political relations between Great Britain, Canada, and the United States, he argues that the purchasing of raw products in Canada would not lead to an increase in trade, but would simply be a diversion of trade from the West—from customers who in return buy most of their wares from us, to customers who may not buy anything from us in return.

To the Editor of The Commercial Bulletin :

No increase of trade results from buying raw products in Canada rather than at home. To do that is to buy so much more in one place, and just so much less in another. If we, of Massachusetts, conclude to purchase a million bushels of potatoes from New Brunswick, which we now purchase from Maine and Vermont, we may or may not obtain them for less money or get a better quality of potatoes. But, at all events, there is no increase of trade. As the power to purchase, which nations or individuals possess, depends upon the amount they have to sell, it is certainly true that New Brunswick, with a new market for a million bushels of potatoes, would have so much more money wherewith to buy of us or of somebody else. But it is just as certainly true that Maine and Vermont, after losing an equal market, would have so much less money wherewith to buy.

It is undoubtedly possible, by legislation judiciously adapted to that end, to transfer to the Dominion of Canada, in a large degree, the supplying of this country not only with potatoes, but with hay, butter, cheese, timber, and perhaps beef. To do that would be to increase the population and wealth of Canada, and, from its augmented capacity to buy, we might or might not reap the sole advantage. But, at the best, there would be for us no increase of trade, as our own farmers and lumbermen, having this market cut off in an exactly corresponding degree, would be by so much disabled from buying. It is much more certain that our own farmers and lumbermen would buy of us, to the extent of their sales and ability to buy, than that Canada would do so. In dealing with our own

people we have the advantage of tariffs, proximity, settled habits, and connections of trade.

The old idea of commerce was barter, or exchange of commodities. In modern times commerce is carried on with money, and people buy, not where they sell, or of those to whom they sell, but where they really can, or think they can, buy to the best advantage. No matter how much timber or hay the Canadians may sell us, they will buy where they are accustomed to buy, or can buy cheapest, when it comes to spending their money for cotton cloth or iron ware.

It is sometimes said that we could sell more to the countries south of us, if we would buy more from them. That would have no tendency to effect the object. What we need is to produce cheaply enough the articles they want, but most of all, and what we shall have in due time, a class of merchants with the enterprise and capital to push trading ventures with all parts of the world.

Our own commerce is full of illustrations of the truth that nations do not buy where they sell. We purchase raw products on an enormous scale of Cuba and Brazil, and sell comparatively little to either, and Brazil does not buy of us one dollar the more because we have exempted coffee from duty. The merchants in Rio Janeiro and Havana who sell coffee and sugar sell for cash or exchange on London, and know nothing and care nothing about the operations of other merchants in the same cities, who buy broadcloths, machinery, or piano-fortes. In our trade with Great Britain we sell more than we buy. The English purchase our wheat and cotton because they need those articles, and would purchase just the same if we did not buy a penny's worth in turn from them. They pay cash for cotton and wheat, and obtain that wherewith to pay as they can, and by disposing of their own wares wherever they can find a market.

By buying of Canadians, rather than of our own people, timber and agricultural produce, we diminish by so much the wealth and population of this country, and by so much a trade we now have with the home producers of those articles. We may or may not gain something by getting the same articles for less money. What we lose in trade with home producers we may gain by enlarged trade with Canadian producers, but there is not the slightest probability of it. And, until it can be shown that there is, the Canadian reciprocity scheme has nothing to stand upon. It will not be sufficient to demonstrate what is already plain enough, that the more Canada sells the more Canada can buy. It must be demonstrated

also that, out of a million dollars more to spend by reason of selling us that additional quantity of hay and potatoes, Canada will expend in our markets a sufficient proportion to indemnify us for the loss of a trade of a million dollars with our own farmers. And this must be demonstrated, taking into account the fact, of which there is no question, that Canada can admit no article from the United States without duty, or with only a low duty, without giving exactly the same privilege of admission to the same article from Great Britain.

BOSTON, June 14, 1876.

GEORGE M. WESTON.

RECIPROCITY WITH CANADA A DELUSION.

From The Boston Commercial Bulletin, July 29th.

The vigorous communication below, designed to prove the fallacy of the assumption that Canadian reciprocity would be of advantage to our industrial interests, we commend to the careful consideration of those manufacturers who have recently been coquetting with this reciprocity idea. Undoubtedly nearly all our New England interests, at least, would be considerably benefited at first by the adoption of free trade with the Dominion, but, as our correspondent points out, the ultimate injury to us would vastly more than outweigh this temporary gain.

It begins to be more and more apparent that, however great the temptation may be in special cases, no protectionist can, with consistency, support reciprocity with any country, any more than he can consistently call for free trade in his raw material at the same time that he advocates the imposition of duties upon his manufactures.

To the Editor of The Commercial Bulletin :

It is assumed as certain that we should gain by a reciprocal free trade with Canada in manufactures, and that this would be a fair compensation for what Canada might gain by a reciprocal free trade in raw materials. This is doubtless true in the present condition of things, the United States being much the more advanced in manufactures, but how long would it continue to be so, with reciprocity fixed by treaty for a considerable term of years? Canada has great advantages as a manufacturing country—an invigorating climate, cheap labor, low taxes, and ample water-power. It lacks capital and trained skill, but they both abound and superabound in England, and they are both of them mobile in their nature. What is to prevent their prompt transfer and upon a great scale from England to

Canada, if to the latter is secured free access to the markets of a rapidly-growing nation, already numbering forty-four millions of people?

We have seen in recent years an enormous transfer of British capital to cotton mills in India. Bombay, where the first one was built, in 1863, has now mills enough to consume annually one hundred and fifty thousand bales of cotton, and more than half this growth is within three years. This is going to the antipodes to invest money, and to a country with many elements of insecurity, social and political. Every mill in Bombay is built over a mine of gunpowder. The investment may pay before the explosion comes, and it may never come, but the gunpowder is there. It is not twenty years back to the Sepoy rebellion. It is a long line from the docks of England to India. To strengthen it at Suez, a British minister, with the ready approval of the British nation, has just paid \$20,000,000, and at this moment the British ironclads lie at the Dardanelles, ready on the instant for a death grapple with Russia, to uphold British power in India by keeping the road open by the Red Sea.

The Englishmen have built cotton mills in Bombay, not to get a new market, but to supply an old market at a better profit, and every mill they have built there is in competition with mills already existing at home. How long will they hesitate about building mills in Canada, with such a near market as the United States free and open under a reciprocity treaty, which unconstitutionally suspends, for the term of it, the inherent power of Congress to impose duties? Bombay is remote; Canada is near. Bombay is alien in race, language, religion, and climate; Canada is, in all these particulars, only another Great Britain of ten days' sail across the sea. Bombay is subject to internal convulsions and to foreign intrigues, and is held, at best, upon the indispensable condition of the British command of the ocean; Canada, as a field for the investment of capital, has every element of social and political stability for a period beyond the reach of human foresight.

With reciprocity, New Brunswick is beyond comparison a better field for cotton mills than Maine. Their water-powers are nearer to the tide at Le Preux and numerous other points on the Bay of Fundy. Coal is cheaper, labor is cheaper, and above all general and local taxes are comparatively light. National feeling would carry the Englishman to New Brunswick if the chances were only equal, but the truth is that they are so unequal and so wholly in

favor of the British province, that the American capitalist would go there in preference to going to Maine. On the water-power of the dividing river, the St. Croix, which, in the combined particulars of magnitude, safety, steadiness, and favorable position, is not surpassed in America, there is no capitalist, British or American, who would not build a cotton mill by choice on the British side, with reciprocity as an established policy.

What would be true of cotton would be true of other manufactures, and peculiarly, perhaps, of iron. In New Brunswick and Nova Scotia, the ores are in abundance and in close proximity to fuel and the needed fluxes. That industry is undeveloped there because the free importation of British iron has crushed it out. But give to those provinces, for their iron wares, the American markets, and the business would become great, not by degrees, but at a single bound. Iron and iron wares could be produced more cheaply than in Pennsylvania. For the supply of New England, freights are less than from Pennsylvania, and they would not be higher for the West and Northwest by the way of Montreal after the Welland Canal is enlarged. Nothing would be lacking but capital, and hundreds of British ironmasters, now struggling with hopeless difficulties, would hasten to this new and inviting field.

The difficulty with Canada now is that it has no markets. If commanding its own by a protective tariff, as it might but does not, the market would be small at the best and with all the precariousness and fluctuations of such a market. But, with an outlet so vast and so expanding as the United States, it would utilize all its advantages of climate, cheap labor, and access to English capital. The dream of finding in Canada only a convenient market for manufactures under reciprocity is one from which we should speedily awake to the reality of having given to British capital and trained skill the opportunity to plant themselves in manufacturing establishments along the three thousand miles of our northern and north-eastern frontiers, and, with the advantage of cheaper labor and taxes, to sap our revenues and monopolize our markets.

American as well as English manufacturers would transfer their operations to Canada on a large scale, and for the simple reason that, preserving the same market on this side of the line, they could produce many things cheaper. Precisely that would happen in manufactures which happened in raw materials under the reciprocity treaty of 1854. Then it was Americans, rather than Canadians, who started sawmills in Canada to supply the United States with

lumber, and who invested capital in the coal mines of Nova Scotia and Cape Breton to supply the United States with coal. The last fact Boston knows to its cost. It is profit and not patriotism which governs investments. The national taxes in this country absolutely required by our national debt, and the local taxes actually levied, are enormous in comparison with Canadian burdens, and these taxes are unavoidable elements in the cost of commodities and the price of labor. With reciprocity the manufacturer can escape them by simply crossing a boundary line, gaining a good deal and losing nothing. It is not politics which will prevent this hegira of Americans. If A. G. Phelps Dodge, who left New York, and is, or lately was, a member of the Canadian Parliament, is to be believed, the rich men of America with whom he had associated, and of whom he had been one, prefer a constitutional monarchy to a republic.

GEORGE M. WESTON.

WHY CANADIANS WANT RECIPROCITY.

They can speak for themselves. "Canada, so situated (with reciprocity) that *she will have all the advantages of being a State in the American Union, and all the advantages of British connection, without any of the disadvantages of either country*, will be in a most happy position. *Enjoying free access to the two best markets in the world, without any of their burdens to bear*, will make Canada about the best country to emigrate to on the face of the earth."—*Ontario Reformer*.

"The best and greatest commercial blessing that heaven could send. It means \$5 on a cow, \$25 on a horse, \$2 on a hog, 25 cents on a turkey, 12 cents on a chicken, \$2 on a ton of hay, 15 cents on barley, and 25 cents on wheat. *It means the opening of the largest and best shipbuilding business that Canada ever saw*, and the resurrection of old Quebec. It means building schooners and barges at every port on lakes Erie and Ontario, and good wages for ships and sailors; the highest price for everything the (Dominion) farmer sells, and the lowest price for all of the goods he buys!"—*Hon. Malcolm Cameron to Toronto Globe*.

"I am more convinced now than ever that in the port of Quebec must eventually centre the whole commerce of the country. Not merely has Quebec the convenient situation and the vast area necessary for the accommodation of all our own transport, but also for that of the long tier of the Northern United States, which stretch

along our border. We are now making great efforts to extend the commercial advantages we possess by the renewal of the reciprocity treaty with our neighbor. While it is of course impossible that all can gain every advantage they each desire in the matter, I am perfectly satisfied that Quebec will reap enormous advantages over all other places under the proposed measure, which will no doubt greatly extend our trade relations on both sides of the line."—*Speech of Hon. A. Mackenzie, Dominion Prime Minister.*

"Here are extracts from the testimony of Mr. W. E. Sanford, of Sanford, Vail & Bickley, wholesale clothiers, Hamilton:—'We employ a capital of over \$500,000. Our employés number over one thousand. We can obtain as much labor in Canada as we wish; if we had reciprocity or free trade with the United States we would be pleased, as we are confident we would be enabled to clean out our warehouse in sixty days.' Mr. Sanford is evidently not afraid of being ruined by a market of forty million people being thrown open to his firm, nor is Mr. E. Gurney, stove founder, Toronto, who says:—'If the tariff arrangement were reciprocal, we could enter their (the American) territory.'"—*Halifax Chronicle.*

The *Ottawa Citizen*, November 27, 1874, says that Mr. Rathbone, of Mill Point, a leading lumberman, spoke to a meeting of lumbermen in Ottawa, and impressed on them the importance of the treaty to their trade and their country.

Canadians want reciprocity because it will relieve them of the payment of duties on their raw products which are sent to this country.

"The crop of wheat in the United States is officially estimated at two hundred and forty millions of bushels. We, as a Dominion, imported more wheat and flour than we exported in 1872, as per our government official returns. It is, therefore, very evident that we could not influence in the least degree the market price of wheat in the United States, and that *if we send our wheat there we lose the duty.* The proportion of our *surplus* of horses, cattle, sheep, and wool to the amount they consume is so very small that it is equally plain that we can not influence the price in their market, and that *we lose the duty.* The Americans consumed last year nearly forty million bushels of barley, of which we gave about one-tenth. If one-tenth can control the market price, then we can dictate the price of barley in the United States, and compel the consumer to pay the duty. We think that *our farmers lose the duty on barley, or at least*

the greater part of it. The American people north of the Ohio consume not less than eight thousand million feet of pine lumber per annum, of which we gave them not to exceed seven hundred millions in any year, or about one-eleventh. The city of Chicago alone annually receives more lumber than we export to all countries. We supply a large proportion of the peas consumed in the United States, and we think that the consumer of them pays the duty, but *this is the only natural product, whether from the farm, forest, mine, or sea, which we export to the United States in such quantities as will enable us to compel the consumer to pay the duty.*—*Ontario Reformer.*

“With practical free trade with England, Canadian manufacturers would have to scale down the prices of their products, or go to the wall. Some would be compelled to follow the latter course, while others would survive, but to do this they would be compelled to cut down the price of labor and be content with smaller profits, so as to reduce values to a point where they could compete with those borne by English manufactured goods. With free trade across the border, they would thus be able to lay down their products in our northern cities at prices which would vary but little from the cost of delivering English goods at the same points, duty free. Is not this practically the same as bringing our manufacturers into unprotected competition with the cheap labor of England?”—*Boston Commercial Bulletin.*

WHY ENGLAND WANTS RECIPROCITY.

“Reciprocity over our northern border of the kind proposed is free trade to all intents and purposes. The same between Canada and England is free trade as well, and, so far as the sale of our products in the Canadian market is concerned, the result would be merely to bring them into competition with those of the cheap labor of England.”—*Commercial Bulletin, Boston.*

“Canada wool is, by the terms of the treaty, to be admitted to our country free of all duty. Wool grown all over the world would, under such a treaty, be smuggled through Canada in immense quantities. The wools produced in England and Ireland are so like those produced in Canada, that even an expert could not detect them. The effect of the treaty would be to establish free trade in wool and woolen goods not only between the Dominion of Canada, but between England and the United States.”—*Protest of National Association of Wool-Growers of the United States.*

"A few furnaces in Canada, and as many in Nova Scotia, may be made to cover hundreds of thousands of British pigs; a dozen steel and iron mills in like manner covering hundreds of thousands of tons of rails. A very moderate number of paper mills may be made to cover one hundred thousand reams of paper. Machinery of every kind, coming out in parts ready to be put together in Canada, must be here received as being of Canadian manufacture."—*H. C. Carey, Letter to President Grant.*

"We do not see the slightest hope that we can admit United States manufactures free of duty and yet impose a duty on those of Great Britain."—*Hamilton Spectator (Ontario).*

In London (England), November 27th, Lord Derby assured the delegates from fifty-two Chambers of Commerce that no differential duties against them and in our favor would follow the treaty.

"The extension of the free list to such an extent in manufactured goods necessitates the formal declaration made in memorandum of negotiations published a few weeks ago, to the effect that *whatever we admit free coming from the States must also be free coming from England.* In spite of all the publicity that has been given to this feature of the treaty—or connected with it, as we should say, for it does not appear in the treaty at all—the public generally are but beginning to find out that *free trade with England as well as the United States is really provided for.* We are every day hearing of influential, generally well-informed, men, who say that the fact just stated is to them a recent revelation, and that until very lately they had no idea that a treaty with the United States carried such sweeping consequences. They say that, had they known it sooner, they would have been heard from more decidedly on the question."—*Toronto Mail.*

"As for the British provinces, of course we know what they need and what they hope to attain. They need—and can not get elsewhere—remunerative markets for their supplies of raw produce. They have few manufactures, because they have not encouraged them, and have no local demand that is not almost wholly supplied by Great Britain. How then can opening their markets to our manufactures benefit us? Clearly there is another purpose in mind, which is the establishment in Canada of manufactures substantially British, the transfer of British capital and machinery to our frontier, there to make from the same low-priced materials, as in England, all the goods that our markets in the future will take."—*Hon. D. J. Morrell.*

"We wish well to Canada; so well that we do not wish to make her industrially dependent on the United States. But neither do we wish her to help to make us industrially dependent upon England."—*Prof. R. E. Thompson.*

"It is not denied that this treaty, if ever ratified, will materially interfere with the revenues of this country. It would very greatly encourage the erection with British capital of manufacturing establishments in Canada, which would be supplied free of duty with raw materials from Great Britain and other countries. The manufactured products of these establishments would be introduced duty free into this country and sold in competition alike with the duty-paying manufactured products of Europe and with such manufactured products of our own country as are composed wholly or in part of imported duty-paying raw materials. The importing trade of our chief seaboard cities would be transferred to Montreal and other Canadian cities. There would be a diversion to the St. Lawrence of a large part of our carrying trade. Thus would our revenues be reduced by the transfer of imports to the Dominion, and our commercial importance would be dealt a serious blow. Admitting what is not admissible, that the manufactured goods of Great Britain would not be smuggled into this country as if they were Canadian products, England would nevertheless, through the transfer of its workshops, be brought to our very doors, with its abundant capital, its skilled and cheap labor, and its long manufacturing experience. We would at last have free trade with our rival, and the statesman Cox's idea of abolishing all our custom-houses would be in course of realization. Is all this desirable?"—*Bulletin of The American Iron and Steel Association.*

In the London *Contemporary Review*, for January, 1877, we find the following frank confession of the advantages of commercial or reciprocity treaties to the nations which seek to have them established. We know of no more persistent advocates of these treaties than England and her Canadian colonies:

"It is curious how the traders, while denying protection to producers, can, in that remarkable manner in which extremes are made to touch, find political reasons for seeking advantages in national trade which are wholly inconsistent with the proclaimed principle of perfectly unshackled and unfavored commercial intercourse. There is not a single commercial treaty, from that negotiated with France by Mr. Cobden, or the first Reciprocity Treaty between the United States and Canada, downwards, which is not in spirit at

variance with the principles of free trade. They mean nothing at all if they were not meant to secure advantages to the nations entering into them, which other nations would not enjoy. If they do not create a preference for commercial dealings with *ourselves*, purchased by a concession of something which is thought by the other party to be equivalent, then they have no *raison d'être*. And this preference and this concession are nothing less than protection and differential duties under other names."

"England has been emphatically assured by the Canadian prime minister, the Canadian plenipotentiary, and, lastly and most strongly, by Lord Dufferin, in his speech at Chicago, that Canada will not consent to a differential arrangement, to the prejudice of the mother country. *In other words, what the United States is permitted to import into Canada at specific duty or free of duty, that also it will be arranged may be imported from the United Kingdom on precisely the same terms. Well, then, shall not our iron and hardware manufacturers go up and possess the land?*"—*Sheffield Telegraph (England)*.

"Our serious advice to our manufacturers is: Leave no stone unturned to take the leading position in the Canadian markets when the reciprocity treaty is ratified. Send to the New Dominion the best specimens of your manufacture, and charge the lowest practicable price, because in so doing you will be hastening the downfall of American monopoly, and, by your excellent workmanship and reasonable charges in the smaller markets of Canada, throwing open for yourselves the larger and almost unlimited market of the American Union, and obtaining a foothold there from which, if you act with sustained energy and discretion, you can never be driven."—*Sheffield Telegraph*.

The argument of the *Sheffield Telegraph* is good. Instead of deriving any benefit from reciprocity in the way of securing a larger market for our manufactures across the line, we should find ourselves exposed to a sharper competition than now exists. The Canadian government would extend us no privileges which are not shared by the manufacturers of the mother country, and with the additional stimulus thus given to trade with England, we should be driven from the Canadian markets. As it is now, we manufacture a very large part of the hardware and metal goods imported for the Canadian markets. Notwithstanding the rates of duty imposed, we have built up an important trade with the Dominion in manufactures of iron, especially in shelf hardware. During the past two

years we have been able to underbid the English agents by from ten to twenty-five per cent. The difference is not so great at this time, owing to the decline in coal and wages in England, but the American styles and patterns remain more popular where they have been introduced and more generally salable, especially where no prejudice exists for the English and against American manufactures. Among the classes of articles of American make now well established in popular favor in Canada may be mentioned saddlery hardware, bronze hardware, and imitation bronze goods of all descriptions, cheap table and pocket cutlery, house-furnishing goods, silver and nickel-plated wares, scissors and shears, and shelf hardware in general. Facility of transportation by rail is one advantage which has helped our manufacturers in competing for Canadian trade. We know of one instance in which a large hardware dealer of Hamilton, Ontario, came to New York and bought several large bills of goods. Having completed his purchases he returned home by rail, stopping but one day on the road, and when he reached Hamilton he found the goods awaiting him there. The same goods could not have been obtained from England under six weeks or two months. With these advantages we can hold our own in competition with Great Britain in the Canadian markets. Reciprocity would not help us, for the reasons set forth by the *Sheffield Telegraph*, but it would have precisely the opposite effect. The British manufacturers would be encouraged to send large quantities of goods to Canada for the *United States market*. Throw open our lake ports and border towns to so-called Canadian manufactures, and we should be flooded with cheap manufactures from Great Britain. Still worse—for smuggling could be stopped only by maintaining a costly detective system, which would bring the government no revenue—British manufacturers depending upon the American market would transfer their skilled labor to Canada, where, with the aid of improved American machinery, they could manufacture for this market under conditions with which we could not compete. We should thus build up Canadian manufactures at the expense of our own industries; and however alluring the prospect of cheap goods may now seem to those who can not reason beyond the simple proposition that it is desirable to buy what you need to-day as cheap as possible, without regard to to-morrow, millions would curse the day that such a treaty was ever ratified. No friend of American industry needs a better argument against reciprocity with Canada than that presented in its support by the *Sheffield Telegraph*.—*New York Iron Age*.

WHERE THE MONEY COMES FROM.

We cite the *Scottish-American Journal*, published in New York, on the 29th of July, 1865, as authority for the statement that the Congressional votes in favor of the so-called "Reciprocity Treaty" with Canada in 1854 were secured by a large money outlay, and that the treaty was sustained by annual subsidies from the Canadian Government. It says:

"That system was introduced by Mr. Hincks. It commenced by an expenditure of some fifty thousand dollars. It went on growing and expanding every year, after the treaty was in force, for the last ten years. And half the so-called claims, of those who lent their influence to get the treaty passed, are not paid to-day.

"Mr. Hincks was of the opinion that some of those who got most of the first outlay of money, in the neighborhood of Washington, did the most to obstruct the passage of the treaty, so that they might keep up the yearly supply of subsidies. This may have been an unjust and uncharitable judgment, but it was one held very decidedly and firmly by Mr. Hincks. Mr. Galt, profiting by the experience of his predecessor, thinks it better to see what can be done without the aid of direct subsidies from the Provincial Exchequer."

At the time this statement was published, Mr. Galt, with Messrs. Howland and Harvey, of the Canadian Government, were in Washington upon a mission with reference to reciprocity, which failed of success, perhaps for the reason that it was not sustained by direct subsidies from the Provincial Exchequer.

WHEN RECIPROCITY MAY BE DESIRABLE.—"That we will welcome the Canadians to a free participation in the advantages of our markets when they are prepared to be partakers of our burdens and defenders of our common nationality, as thereby we may extend the line of our protective defenses, and close the postern through which British goods now surreptitiously enter our territory.

"That those who desire true free trade with Canada, such as is enjoyed by the different States of a common country, will find their hopes frustrated by a treaty which shall permit the Canadians to sell their natural products in the dearest market in the world (the United States), while buying their chief manufactures in the cheapest (England)."—*From Resolutions of National Association of Wool Manufacturers.*

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