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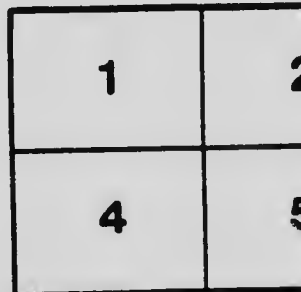
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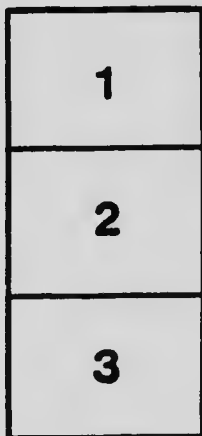
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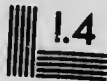
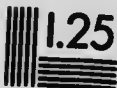
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**Reciprocity Agreement
WITH UNITED STATES**

**A Splendid Arrangement
FOR
British Columbia**

**EVERY INDUSTRY
∴ WILL BENEFIT ∴**

1911

Reciprocity Agreement With United States

Canada enjoyed reciprocal trade relations with the United States under a treaty entered into with Great Britain in 1854, but because a political party favouring protection came into power in the United States, that treaty was denounced in 1866, and the American market was blocked against Canadian products of farm and field, to the great embarrassment of Canadian producers.

Each Government of Canada since 1866 and down to 1911 has made every legitimate effort to secure a renewal of reciprocal trade in natural products with the United States. In 1878 the so-called National Policy tariff of the Conservative Government contained a clause offering to the United States reciprocal trade in natural products—similar to the agreement negotiated by the Liberal Government. It has been the accepted policy of the Conservative Government from Confederation down to January last, when the present agreement was announced. Then, for the first time, the Conservative Party, now led by Mr. Borden, went back upon its professions of forty years.

BENEFITS OF RECIPROCITY

In the province of British Columbia there are four chief industries which will be favourably affected by the ratification of the agreement. These are:

The Lumber Industry, the Fishing Industry, the Fruit Industry, the Coke Industry

THE LUMBER INDUSTRY.

One of the chief industries—if not the chief—in the province of British Columbia is the lumber industry. For the first five months of the year 1911, the entire amount of lumber exported from the province to all countries other than the United States was 19,343,448 feet, including laths and pickets. The exportations were to almost all the countries in the civilized world and outside of the United States. To the latter country the export of lumber was limited to 1,591,000 feet. The advantage of the Canadian markets of the Northwest has been wholly in favour of the American lumber manufacturer, because rough lumber has been allowed free entry into Canada since 1894. Previous to that date, the duty on lumber entering Canada from the United States was the same as that now levied on Canadian lumber entering the United States. The Conservative Government in power in 1894 removed the import duty in order to advantage the farmers who were beginning to settle thickly on the prairies. **THE REMOVAL OF THIS DUTY WAS AN INDISPUTABLE ARGUMENT IN FAVOUR OF RECIPROCITY** for it made lumber cheaper to the farmers and settlers in the West. British Columbia lumber mills did not receive the same advantage, as the United States market was kept closed against them by a duty of \$1.25 per thousand feet.

Under the terms of the **RECIPROCITY AGREEMENT** the United States removes the duty on Canadian lumber going into the United States, so that **CANADIAN MILLS HAVE THE SAME CHANCE IN THE AMERICAN MARKETS AS THOSE OF THE UNITED STATES**. Thus it must appear that reciprocity in this regard is wholly to the advantage of Canada, as Canada gives no concession. She is simply coming into her own. An enormous market is opened to Canadian lumber, as far south as Georgia and Lower California, and as far east as Maine. When, therefore, this larger market advantages the business of Canada, that business must increase, and such increase must result in the employment of more labour and better wages for the labourer.

The largest lumber manufacturers in British Columbia are on record in favour of reciprocity. These include: A. D. McRae, of

the Canadian Western Lumber Co.; S. Cameron, Westholme Lumber Co.; Peter Lund, of Wardner, and the Mountain Lumbermen's Association.

Bear in mind that reciprocity in lumber and a reduction in the American duty on Canadian shingles means that Canada yields nothing. The concessior is wholly from the United States.

THE FRUIT INDUSTRY.

When the reciprocity agreement was first announced, a section of the fruit growers of the province were apprehensive that the effect of it would be to injure their industry. Conservative politicians in the province, as soon as they learned that their party at Ottawa did not intend to support the agreement, endeavoured to increase the alarm, but due consideration of the question has convinced the fruit growers that instead of being injured, their industry will be benefitted.

The Hon. J. H. Turner, Agent-General of the province in London, and formerly the Premier; T. W. Stirling, of Kelowna; the Editor of the "British Columbia Fruit Magazine," and other authorities on the subject, expressed confidence that British Columbia fruit would more than hold its own, not only in the Canadian market, but in the United States, which, under this agreement, is to be made free.

Provincial Government pamphlets for years past have contained glowing announcements of victories won by British Columbia fruit in exhibitions in England, in competition practically with the whole empire; also in Spokane and other coast centres, in direct competition with the best fruit of Washington and Oregon. Just recently, in addressing the Victoria Board of Trade, the Acting Premier, the Hon. H. E. Young, referred with wholly justifiable enthusiasm to the manner in which British Columbia fruit has taken prizes in competition with exhibits from the fruit-growing states south of the boundary line.

But what must be accepted as absolute proof that reciprocity, instead of injuring, will benefit British Columbia fruit growers, is the effect of the announcement upon the price of fruit lands. If reciprocity was a "smashing blow" to the British Columbia fruit industry, as Mr. Burrell stated in Parliament, the effect of it would be to reduce the value of the fruit lands. What are the facts? Instead of reducing the value of British Columbia fruit lands, it has increased the value, and many sales have been recorded within the last few months of land at figures greatly in excess of those asked by the owners a year ago. Mr. Burrell himself sold his fruit farm not far from Grand Forks a few months ago at a figure considerably greater

than he was ready to accept a year ago; in other words, the value of Mr. Burrell's farm had increased within the last year, and that increase was not impaired, but very likely produced to a large extent by the reciprocity announcement. It is significant that the company to which Mr. Burrell sold his farm intends largely increasing the acreage under fruit. Another farm of 160 acres in the vicinity of Grand Forks was sold for \$200 an acre. This land could have been purchased at \$100 an acre less than a year ago. Sales of fruit lands in other districts of British Columbia show conclusively that reciprocity has increased the value of fruit lands in that province. Among these sales was that of Mr. H. M. Foster's farm on Kootenay Lake to W. G. Hunter, of Swan, Hunter, Wigham & Richardson, of Newcastle-on-Tyne. This land, consisting of 14½ acres, was sold for \$750 an acre. This does not look as if reciprocity was a "smashing blow" to the British Columbia fruit industry, to use the words of Mr. Burrell.

Opponents of reciprocity in the State of Washington use the argument that the effect of it would be to cause American fruit growers to cross the boundary, acquiring Canadian fruit lands, enhancing their value, and establishing an industry in a country possessing a better climate, capable of growing better fruit, and which would be a dangerous competitor in the United States market. Congressman Wm. Humphrey at Washington used these words:

"The results must be to greatly increase the price of Canadian farm land, and largely decrease the price of American farm land."

THE INSATIABLE MARKET AHEAD.

A single statement made by Mr. W. J. Brandrith, who is Exhibition Commissioner for the Provincial Horticultural Department, will remove the question of the competition of foreign fruit as injuriously affecting the British Columbia grower from the sphere of discussion. The statement was made by Mr. Brandrith five years ago in Winnipeg, and appears in an interview accorded to the "Manitoba Free Press," while Mr. Brandrith was in charge of the British Columbia exhibit of fruit at the World's Fair there. The statement was as follows:

If all of the land in British Columbia of which we now know as capable of producing fruit were planted in fruit trees and used for the cultivation of fruits of every kind within twenty years from now (1906), the whole area will not produce the amount of fruit necessary to supply the markets of the Northwest if the population continues to increase at the present rate, AND TO THE CAPACITY OF THE COUNTRY."

Mr. Brandrith repeated this statement in Victoria in 1911, immediately on his return to the Provincial offices from a tour of the entire fruit-growing areas of British Columbia, and preparatory to leaving for his annual Eastern tour in charge of the British Columbia exhibit.

FRUIT LAND PRICES

That the prospect of reciprocity in no way injuriously affects the prices of fruit lands within the province is amply shown by an authentic news item which went the rounds of the provincial press during the month of June, 1911. The item was telegraphed from Nelson, B. C., and was as follows:

"Remarkable increases in the fruit land values in Kootenay are shown by the sale of H. M. Foster's ranch on the Kootenay Lake to W. G. Hunter, of the great shipbuilding firm of Swan, Hunter, Wigam and Richardson, of Newcastle-on-Tyne.

"For fourteen and one-half acres, \$8,500 cash was paid, bringing the value of the twenty-five-acre block which Mr. Foster purchased from the Government for \$1 per acre up to \$25,000, or an increase of 1,000 per cent.

"Included in this block is the ranch recently sold by Dr. Clayton for \$4,500; another block sold for \$4,000; and another conservatively estimated at \$8,000."

The above statements have been verified by reference to the vendors, and the Dr. Clayton block has since changed hands at a still considerable increase on the price quoted above. Similar transactions in fruit lands all through the Okanagan Valley could be reproduced did space tolerate.

Land values in these districts have decidedly increased since the proposed reciprocity agreement was introduced.

BRITISH COLUMBIA FISHERIES

One of the industries which within recent years has developed into a business of magnitude is that of the HALIBUT FISHERIES. For many years British Columbia salmon have been known and consumed all over the world, but the development of the deep-sea fishing is of more recent accomplishment. The salmon canning industry is unaffected by tariff regulations, as the markets are chiefly in England, but at the present time the chief markets for Canadian halibut are in the Eastern cities of Chicago, New York, Boston and Washington. These fish are taken in Canadian waters within the three-mile limit or in the deep seas off Queen Charlotte Islands.

The Canadian industry—taking, packing, refrigerating and shipping draws its supply from Canadian waters.

An American company shipping in bond through Canada last year sent 21,706,000 pounds of halibut to these Eastern markets. The catch of the Sound fishing companies was between 50,000,000 pounds and 75,000,000 pounds last year. All this enormous catch of halibut (75,000,000 pounds to 100,000,000 pounds) was taken by American vessels off the coast of British Columbia, and, of course, paid no duty on entering the United States. If taken by Canadian vessels, it would have had to pay one cent a pound duty. With that duty removed by the agreement, this industry will pass into the hands of Canadian fishermen, simply because the proximity of Canadian ports to the fishing grounds will give them an advantage over the fishermen from Sound ports, who will still have to make the long voyage from Seattle to the fishing banks and back again.

Valued at only 3 cents a pound, this industry would yield \$3,000,000 annually to Canadians, where now it yields practically nothing.

Already an immense curing and cold storage plant, which is to cost \$1,500,000, is being erected at Prince Rupert to control the halibut trade. This will mean the rapid and constant advancement of the industry, which will include many other kinds of fishing and fish curing, all of which will be advantaged by the removal of the duty. As no fish are imported from the United States into British Columbia, it must appear that the whole benefit under reciprocity must accrue to Canadian industries.

THE COKE SHIPMENTS

The quality of coke manufactured in the Canadian ovens at Union Bay and in the Crow's Nest Pass commands a ready market in the Sound cities and in the smelting fields of the border states. In sending it across the line it must face an impost of 20 per cent., or about \$1.20 a ton, which, under the agreement, is removed. This will mean the employment of more men, the mining of more coal, the increase in shipping facilities and a general appreciation of the benefits of an extended manufacture and trade.

POLITICAL UNION

A great deal of effort and time is uselessly expended by the opponents of reciprocity in an endeavor to show that reciprocity must lead to the political union of Canada and the United States.

It is argued that this trade pact will weaken the bonds which unite Canadian people to the Mother Country, and this is to be brought about by the "Americanizing" of our industries and commerce.

Perhaps no province affords a better illustration of the baselessness of such a fear than the province of British Columbia, and it should be admitted that if, under existing conditions, the people of British Columbia are loyal, there is no excuse for extenuation for any possible disloyal sentiment in any other province of Canada.

It may truly be stated that the chief industries of British Columbia have been developed by American capital. Any financial authority will state frankly that the investments of British capital which have helped Canada are confined almost exclusively to securities, debentures and bonds. Practically all of the speculative, investing and industrial capital is controlled from the financial centres of the United States. Yet no province of the whole Dominion is today so genuinely loyal to the Sovereign of the Empire, the British Flag and Institutions, as is British Columbia.

The two coast cities, Victoria and Vancouver, have a larger annual passing and tourist travel from the United States than the other cities of Canada. There is not a city in Canada where Americans more largely mingle with Canadian people than in Victoria; and yet it must be said without exaggeration that there is not today a city more loyal to the British Throne, Flag and Institutions in the whole of the British Empire.

We of the West know that the effect of business, commercial and industrial intercourse with our neighbors south of the dividing line means industrial and commercial prosperity for us and for them. We know, too, that we can meet in business, industry, trade, calling, profession and society without in a single sense affecting our loyalty to the institutions and to the flag under which we prosper.

There is not a solitary argument against reciprocity which will appeal to the thinking mind when one sits down and rationally analyses the whole economic system that will be advantaged thereby.



