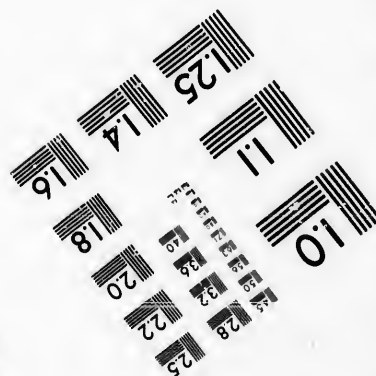
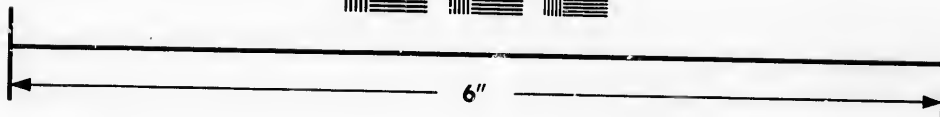
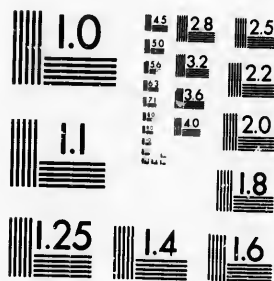


IMAGE EVALUATION TEST TARGET (MT-3)



Photographic Sciences Corporation

**23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503**



**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques



© 1986

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- ☐ Coloured covers/
Couverture de couleur
- ☐ Covers damaged/
Couverture endommagée
- ☐ Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- ☐ Cover title missing/
Le titre de couverture manque
- ☐ Coloured maps/
Cartes géographiques en couleur
- ☐ Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- ☐ Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- ☐ Bound with other material/
Relié avec d'autres documents
- ☐ Tight binding may cause shadows or distortion
along interior margin/
La reliure serrée peut causer de l'ombre ou de la
distorsion le long de la marge intérieure
- ☐ Blank leaves added during restoration may
appear within the text. Whenever possible, these
have been omitted from filming/
Il se peut que certaines pages blanches ajoutées
lors d'une restauration apparaissent dans le texte,
mais, lorsque cela était possible, ces pages n'ont
pas été filmées.
- ☐ Additional comments:/
Commentaires supplémentaires:

- ☐ Coloured pages/
Pages de couleur
- ☒ Pages damaged/
Pages endommagées
- ☒ Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- ☐ Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- ☐ Pages detached/
Pages détachées
- ☒ Showthrough/
Transparence
- ☐ Quality of print varies/
Qualité inégale de l'impression
- ☐ Includes supplementary material/
Comprend du matériel supplémentaire
- ☐ Only edition available/
Seule édition disponible
- ☐ Pages wholly or partially obscured by errata
slips, tissues, etc., have been refilmed to
ensure the best possible image/
Les pages totalement ou partiellement
obscurcies par un feuillet d'errata, une pelure,
etc., ont été filmées à nouveau de façon à
obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
						✓					

The copy filmed here has been reproduced thanks to the generosity of:

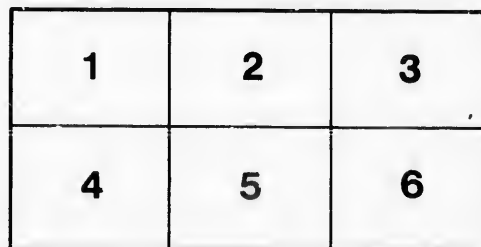
Library of the Public
Archives of Canada

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

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

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

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

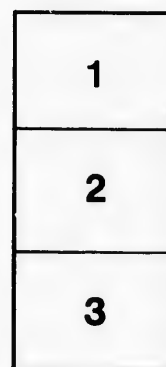
La bibliothèque des Archives
publiques du Canada

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

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

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

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.



THE Grits and Preferential Trade

THE BETRAYAL OF CANADA.

A MUTUAL PREFERENCE PLEDGED.

What was meant by preferential trade between Great Britain and the Colonies when that matter was discussed previous to and during the election contest of 1896? There was no ambiguity, no doubt, no lack of definiteness. The whole idea was based on mutual advantages—a preference in the markets of each country for the chief products of the other. Great Britain was to give to the products of the Colonies a more favorable place in her markets than was given to similar products from foreign countries, and the Colonies were to give to the manufactured products of Great Britain a more favourable place than was given to similar products from foreign countries. Thus each would have preference over all foreign countries, i. e., the preference was to be mutual.

Upon this basis the whole discussion had proceeded—in the Empire League, in the Inter-colonial conference of 1894, in the Congress of the Chambers of Commerce in London, in the press of Great Britain and of Canada.

On this basis Sir Charles Tupper and the Liberal-Conservative party made their canvas in 1896, and on this basis Mr. Wilfrid Laurier, leader of the Liberal party, made his pledges for himself and his party.

At London, Ont., June, 1896, he said:—

"Now, the statesmen of Great Britain have thought that the governments of the colonies have come to a time when a new step can be taken in their development. What is that? That there should be a commercial agreement between England and the colonies. That practical statesman, Mr. Joseph Chamberlain, has come to the conclusion that the time has come when it is possible to have within the bounds of the Empire a new step taken which will give to the colonies in England a preference for their products over the

products of other nations. What will be the possibilities of such a step if it was taken?

We sell our goods in England. We send our wheat, our butter, our cheese, all our natural products, but there we have to compete with similar products from the United States, from Russia and from other nations. Just see what a great advantage it would be to Canada if the wheat, cheese and butter which we would send to England should be met in England with a preference over similar products of other nations. The possibilities are immense.

England does not expect that we should take her own system of free trade such as she has it; but I lay it before you that the thing the English people would expect in return is that, instead of a principle of protection, we should adopt a revenue form of tariff pure and simple. These are conditions on which we can have that boon."

And on the 17th of May, 1896, he declared:—

In regard to this question of preferential trade Mr. Laurier desired to say that Sir Charles Tupper was no more favourable to the idea than himself.

"My hope is—nay, my conviction is—that on the 23rd of June the Liberal party will be at the head of the polls; and then it will be the Liberal party with its policy of revenue tariff, that will send commissioners to London to arrange for a basis of preferential trade."

No statement could be more clear, no pledge more definite and unreserved.

THE PLEDGE BROKEN.

Mr. Laurier and his party came into power. How did he implement his solemn pledge?

Did he send commissioners to London to "arrange for a basis of preferential trade?" Nothing of the kind. He did the exact opposite. He went to England. His first landing place was at Liverpool, and his first words uttered thereafter and in the very face of the eminent representative of the

British Government sent to welcome the Colonial Premiers cut off all attempts at negotiation for mutual preference.

This is what he said :—

"I claim for the present Government of Canada that they have passed a resolution by which the products of Great Britain are admitted on the rate of their tariff, at 12½ per cent., and next year at 25 per cent. reduction. This we have done, not asking any compensation.

There is a class of our fellow citizens who ask that all such concessions should be made *ex quo pro quo*."

The Canadian Government has ignored all such sentiments.

We have done it because we owe a debt of gratitude to Great Britain. We have done it because it is no intention of ours to disturb in any way the system of free trade which has done so much for England.

What we give you by our tariff we give you in gratitude for the splendid freedom under which we have prospered. It is a free gift. We ask no compensation. Protection has been the curse of Canada; we would not see you come under its baneful influence—for what weakens you must weaken us."

There was no naming of a commission.

There was no conference with the British Government.

There was no attempt of any kind to obtain a preference. Sir Wilfrid simply ignored his ante-election pledge, and closed the door so far as he could to any mutual preference for Canadian products.

No wonder that Mr. Chamberlain then said :—

"It would have been hard enough to carry through the idea had all the colonies been persistent and enthusiastic advocates of it, but Canada does not favour it, and New South Wales opposes it. These are the leading colonies, and with them in practical opposition, it becomes impossible, and I would not now touch it with a pair of tongs."

No wonder Lord Rosebery said :—

"Mr. Chamberlain had a proposal which had some force and gained some strength, but now it must be approached with the reverence due to a corpse, for Canada's premier has said that if the British Empire is to be maintained, it can only be on the condition of the most absolute free trade."

WHAT THE CANADIAN PRODUCER GETS.

What advantage does the Canadian producer receive from the present one-sided preference, in which exports from Great Britain come in at a discount of ½ of the Tariff rate? His exports to Great Britain have no advantage there over the exports from the United States or any other foreign country. He must compete on equal terms with all these, whilst the exporter from Great Britain has an advantage in the Canadian market of ½ the duty over all foreign competitors.

This advantage extends to all goods partly made in Europe, and passed through Great Britain on which British labor is expended for finishing to the extent of 25 p.c. In this way the door is opened wide to the cheap labour of Europe, and to fraud and imposition of every kind.

The only claim made by the advocates of the one-sided preference is that the British public will thereby be more disposed to buy the products of Canada than they otherwise would.

To this the answer is obvious: The British housekeeper going into a shop to purchase food supplies for her family selects those articles which by quality and price commend themselves to her regardless of the country of their origin. She does not know to what extent she may be benefited by the Canadian tariff and does not take that into consideration in making her purchases. Moreover a great deal of the Canadian produce that goes to England is not sold as Canadian. Much of it is sold as English and some of it as American. In many cases the English shopkeeper does not distinguish in any way between the products of the different countries which supply the British market. Consequently, even if the British housekeeper desired to give Canadian products a preference, she could only occasionally do so as she would seldom be able to distinguish them from other products. When an Englishman goes to a baker for a loaf of bread he cannot tell whether it is made from Canadian or American flour and he is not likely to ask the baker. But if the British Government would collect a duty of five, ten or fifteen per cent. upon all American wheat and flour before allowing it to enter the United Kingdom, while admitting Canadian wheat and flour free, there can be no doubt that the Canadian producer would get the benefit.

That Canada's increased exports are not due to gratitude felt by the British people for the pre-

ference
the follo

EXP

To
Great B
Argentin
Belgium
Hawaii.
France
Germany
Holland
Italy
Japan
Norway
British V
Spanish
United S

To all co

Canada
above is
try, exc
ish Wea
Belgic
no ince
purchas

Nor h
the bet
States a
cent. of
of our
made b
Policy
Britain
ferring t
in 1895
United
States
Britain,

"The
criminal
land and
always
kee devi
a benefi
of it."

And S
"Whe
Canada
to rever
If it had
those ca
out their
they we
terminated
developm
mother

ference given by Canada to the manufacturers, the following table abundantly proves:

EXPORTS OF CANADIAN HOME PRODUCTS.

To	1896.	1899.	Increase. Per cent.
Great Britain.....	\$62,717,941	\$85,113,681	35
Argentina.....	431,097	646,070	49
Belgium.....	95,328	446,667	370
Hawaii.....	81,876	186,086	500
France.....	573,836	1,551,809	170
Germany.....	606,919	1,310,373	115
Holland.....	62,440	170,347	1
Italy.....	56,769	126,285	180
Japan.....	8,148	133,139	1,520
Norway and Sweden.....	41,262	120,244	100
British W. Indies...	1,627,388	1,725,321	6
Spanish W. Indies...	978,589	1,187,061	21
United States.....	34,460,428	34,760,995
To all countries.....	\$108,707,806	\$137,360,792	24

Canada's increased percentage of exports shown above is less to England than to any other country, except the British West Indies and the Spanish West Indies.

Belgium, France, Germany, Japan, etc., had no incentive of gratitude, and yet the increased purchase of our exports was enormous.

THAT "YANKEE DEVICE."

Nor has this one-sided preference changed for the better the relative positions of the United States and Great Britain as regards either per cent. of duty on our imports therefrom or extent of our exports thereto. The standing reproach made by the Grit leaders against the National Policy was that it discriminated against Great Britain and in favour of the United States. Referring to the fact that our exports to Great Britain in 1895 were about \$20,000,000 more than to the United States, whilst we bought from the United States \$30,000,000 more than from the Great Britain, Sir Richard declared:

"There, if you will, is a genuine practical discrimination to an enormous extent against England and in favour of the United States. I have always said that the National Policy was a Yankee device copied from the Yankees, and in fact a benefit to them chiefly, and here is a proof of it."

And Sir Louis Davies, in London in 1897, said: "When the Liberal party came into power in Canada they thought something should be done to reverse these figures, this state of affairs. If it had been brought about by natural causes, those causes might well have been left to work out their own results; but when they saw that they were produced by artificial means, they determined that all the obstacles in the way of development of trade between Canada and the mother country should be removed."

Well, what has been done? Has this Yankee device been crippled, destroyed?

Let us see. The following table shows the

TOTAL IMPORTS FOR HOME CONSUMPTION:

	1896.	1899.	Increase. Per cent.
From Great Britain....	\$32,979,742	37,060,123	12½
From United States....	58,574,924	93,007,166	59

Under the new device we purchased in 1899 12½ per cent. more from Great Britain than in 1896; but we purchased 59 per cent. more from the United States!

The following table shows the

PERCENTAGE OF IMPORTS CONTRIBUTED

to Canadian trade by Great Britain and the United States in 1899 as compared to 1896:

DUTIABLE GOODS.

By	1896.	1899.	Loss.
Great Britain.....	30.24 p.c.	30.77 p.c.	5.47 p.c.
United States.....	43.28 p.c.	49.78 p.c.	6.45 p.c.

FREE GOODS.

By	1896.	1899.	Loss.
Great Britain.....	22.19 p.c.	15.70 p.c.	6.49 p.c.
United States.....	64.07 p.c.	73.43 p.c.	9.36 p.c.

TOTAL IMPORTS.

By	1896.	1899.	Loss.
Great Britain.....	31.15 p.c.	24.72 p.c.	6.43 p.c.
United States.....	50.80 p.c.	59.24 p.c.	8.46 p.c.

And yet they were going to do away with the disparity and discrimination!

Great is humbug, and verily the Grit leaders are its apostles.

WHAT A REAL PREFERENCE MEANS.

What would be the advantages to the Canadian producer of a mutual preference?

They would be incalculable and most beneficial. All our principal products would enter the British market with a certain percentage of advantage over all similar foreign products. In the words of Mr. Laurier in 1896:

"Just see what a great gain it would be to Canada if the wheat, cheese and butter which we send to England should be met in England with a preference over similar products of other nations. *The possibilities are immense.*"

The result would be:

- (a) An absolute margin of profit to the Canadian producer in the British market over all foreign competitors.
- (b) A corresponding increase in value of every acre of Canadian farming land and every head of farm stock.
- (c) An immense development in the area and quantity of farm products.
- (d) An immediate and important increase in immigration of the best type to our agricultural and industrial centres—for every intelligent emigrant from Great Britain and other countries would prefer, as the scene of his future labors, a country whose products held a favoured pecuniary advantage in the British markets.
- (e) An infusion of energy and capital into all the great industries of Canada, based on the assured wider agricultural development and better home markets, as well as on the preference that industrial products themselves would have in Great Britain.
- (f) Great and permanent prosperity for all classes of our people based on the sufficiency and permanence of inter-Imperial supply and demand.

CAN IT BE OBTAINED ?

This is an important question. Before 1897 everything favoured a affirmative answer. Had Sir Wilfrid Laurier kept his word, and pressed for a favourable solution with all the prestige and enthusiasm born of Jubilee year and the sweep of Imperial sentiment, there is little doubt that an arrangement could have been made, and an incalculable boon gained for Canada.

His betrayal of Canadian interests in spite of his pledged word makes the solution more difficult. Yet it is worth striving for with all the energy and persistence possible. The Liberal-Conservative party propose to do this without wavering or lack of faith.

We believe it possible, and that its realization is demanded by Imperial interest as well as by Canadian and Colonial interests.

A vast and growing sentiment in Great Britain favours it.

Mr. Chamberlain, voicing the Government, in discussing the proposed plans before the Chamber of Commerce in 1896, said :

" We have a " proposal by British Free Traders " which is rejected by the Colonies, and we have " a proposal by Colonial protectionists which is " rejected by Great Britain. We have therefore, " if we are to make any progress at all, to seek a " third course, a course in which there shall be " give and take on both sides, in which neither " side will pedantically adhere to pre-conceived " conclusions in which the good of the whole " shall subordinate the separate interests of the " parts."

In 1897 he invited the Colonial Premiers to name a commission to discuss the question with the British Government.

In 1898 he declared that Great Britain would meet " more than half-way " in any approach that might be made by the colonies, would take up the question in " no mean or huckstering spirit," and would " not be deterred either by " economic pedantries or selfishness from giving " favourable consideration to any proposals which " our brethren across the seas may make to us."

Yet in the face of all the advantages and all the encouragements, the Laurier Government have not up to this time

made one single approach to the British Government with a view to solving the greatest question now confronting us

but

have headed off and voted down every attempt of the Liberal-Conservative opposition to bring the matter to the front.

The question is now with the electors. Would it be worth having? Who doubts it? Shall we try for it? Let the electors answer.

