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**THE MARITIME PROVINCES**

**AND THE**

**RECIPROCITY AGREEMENT**

**BY**

**HON. W. S. FIELDING,**

**Minister of Finance of Canada.**

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# The Maritime Provinces and the Reciprocity Agreement.

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## WHY THERE IS TO BE A GENERAL ELECTION.

In the ordinary course of Parliamentary affairs, the Members of the House of Commons chosen in the fall of 1908, would hold their seats a year or two longer. But circumstances have arisen which render an earlier election desirable.

For a great many years the people of Canada have earnestly desired to obtain a fair reciprocal trade arrangement with the United States. Every Government that has held office in the Dominion proclaimed its desire for reciprocity and represented that it used its utmost efforts to obtain a satisfactory trade arrangement with the United States. Every public man of first rank, whether Liberal or Conservative, down to a very recent date proclaimed himself an advocate of reciprocity. Sir John Macdonald throughout his whole public life was an earnest advocate of reciprocity. In the last Speech from the Throne prepared by him, but a few weeks before his death, he announced the intention of his Government to send delegates to Washington to endeavour to obtain a reciprocity treaty. The Liberal party, which had, in its great convention of 1893, placed on record its desire for a more liberal tariff policy, and particularly for more extended trade with Great Britain and the United States, on coming into office in 1896 followed in the footsteps of its predecessors in seeking reciprocity.

For a long time the public men of the United States failed to respond to the wishes of Canada. Our efforts, like those of our predecessors, proved unsuccessful. We then ceased to seek reciprocity and Sir Wilfrid Laurier declared that the next overtures on the subject must come from the United States. We fully realized that, while better trade relations with our neighbours to the south would be beneficial, they were not essential, and we were prepared to deny ourselves the benefits of their markets rather than agree to terms which would be unfair to Canada.

Some months ago a change of sentiment took place on the part of the United States authorities. They frankly recognized that their policy of exclusion was unwise and they expressed a desire to re-open negotiations with Canada. The Government welcomed this change of attitude and expressed willingness to meet the representatives of the United States for the discussion of the question. If we had not done so, we should have deserved and receive the condemnation of all fair-minded men.

#### MANUFACTURERS NOT INJURED.

In previous reciprocity negotiations the chief stumbling-block had been the question of manufactures. Canada was ready for a free exchange of many natural products, but was not prepared to adopt a revolutionary policy respecting manufactured goods, as it was felt that in the United States, owing to the larger market, manufacturing industry was much more highly specialized than in this country. The representatives of the United States had desired to include manufactures, and the impression prevailed in Canada, with too much justification, that unless Canada was prepared to treat natural products and manufactures alike no reciprocity agreement could be made. So long as our neighbours adhered to their position in this respect, no progress was made. But, after a full discussion with the Canadian Ministers, the representatives

of the United States abandoned the position they had formerly taken and indicated their willingness to make an agreement which offers to Canada substantially all the tariff concessions which were sought in vain for so many years by Canadian statesmen of all parties—an agreement which offers to Canada the benefit of a free exchange of a large range of natural products, without in any way dislocating the manufacturing interests of this country.

CANADA ABSOLUTELY FREE TO CONTROL HER FISCAL POLICY.

While we have been glad to avail ourselves of this opportunity to bring about more satisfactory trade arrangements between the two countries, we have not deemed it expedient to put the arrangement in the form of a binding treaty. We have not desired to commit the Parliament or the people of Canada to any arrangement that will interfere with their absolute freedom of action respecting Canadian fiscal policy. It is distinctly declared in the correspondence which forms the agreement that, while it is hoped that both parties will find the arrangement satisfactory and therefore desire to continue it, "we do not undertake to bind for the future the action of the United States Congress or the Parliament of Canada, but that each of these authorities shall be absolutely free to make any change of tariff policy, or of any other matter covered by the present arrangement, that may be deemed expedient". That the agreement, when confirmed, will prove highly beneficial to the people of Canada we firmly believe. But, if it should be found in any way disadvantageous, the Parliament of Canada remains absolutely free to re-impose, if it so wishes, the taxes which under the agreement we are to abolish.

## EXTRAORDINARY PARLIAMENTARY OBSTRUCTION.

It might reasonably be supposed that an arrangement of this character, covering the tariff concessions in many natural products which have been so long sought, and yet leaving Canada absolutely free as to her future action, free to repeal the legislation if after a short trial it proved unsatisfactory, would have been welcomed by all parties. Unfortunately, this did not prove to be the case. The Opposition in Parliament, not content with that full and fair discussion of the subject for which the Government gave the most ample opportunity, soon made it clear that they were determined to obstruct the enactment of the measure necessary to confirm the agreement. We have good reason to believe that if a vote had been reached the measure would have been approved, not only by a Liberal majority, but also by some of the members on the Opposition side. But the Opposition leaders apparently shrank from allowing their followers to go on record and endeavored by every possible device of obstruction to prevent the determination of the question in the usual Parliamentary way. The agreement was submitted to the House of Commons on the 26th of January. In May the House adjourned for a few weeks to enable members to attend the Coronation of His Majesty. On the resuming of the Session on the 18th of July the obstruction was renewed. As often as the motion was made to advance the reciprocity resolutions, Opposition Members rose and continued to talk, not, usually, on reciprocity, but more frequently on some matter designed to divert attention from that question. In this way a few men were able, under the present rules of the House, to obstruct the whole business of Parliament.

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U. S. HAS DONE ITS PART. IT IS NOW FOR CANADA TO  
SPEAK.

In past negotiations with the United States we have sometimes been troubled by doubts as to the readiness of Congress to ratify arrangements made by the Executive. When this agreement was announced, we were told among other things, that there was no assurance that the United States Congress would confirm it. Happily no doubt on that point can now arise. The agreement between the representatives of the two Governments has been confirmed by all the authorities necessary to give it effect in the United States. President Taft and his Secretary of State, firmly believing as we do that the consummation of the agreement will make for betterment in both countries, have loyally supported the agreement made with the Canadian Ministers. The President, the House of Representatives and the Senate have united in giving their approval to the agreement. In Canada proceedings in connection with the measure have been delayed by the obstructive policy pursued by the Opposition as already pointed out. The time has arrived when Canada must act. If the fair offer of the United States, which has now come to us after these many years, be rejected, we cannot reasonably look forward to any improvement in the unsatisfactory commercial relations that have so long prevailed. Seeing, then, that by an abuse of the rules of Parliament our political opponents were determined to obstruct this great measure, we decided to submit the issue to the supreme tribunal of the people. We invite them, at the elections about to be held, to give this question of reciprocity the most careful consideration and to elect representatives who will be prepared to sustain the Government in an effort, which can now be crowned with success, to bring about those better trade relations which have been so long sought in vain by the statesmen of Canada.



Other questions there are of great importance which will have to be considered in due course. For the time being the question above all others is the acceptance or rejection of the fair and reasonable offer that is made to us by the neighbouring Republic.

#### A POLICY FOR ALL CANADA.

Never was a policy submitted to the Canadian people which gave more widespread promise of advantage. The agreement offers the prospect of increased trade in every Province of the Dominion. While, for reasons already stated, an agreement for a general free exchange of manufactured goods would not be fair to our workers in those lines, there are few Canadians who do not believe that in most of our great industries—farming, fruit-growing, fishing and lumbering—Canada need fear no competitors at home or abroad. Enlarged markets for our products have been diligently sought by our Government. With this object in view we have subsidized steamers and sent commercial agents to distant parts of the earth. Would it not be strange if we failed to avail ourselves of the opportunity to share in the markets of ninety-two millions of the richest consumers in the world?

#### THE OPPORTUNITY OF THE MARITIME PROVINCES.

To no part of the Dominion does this agreement bring greater hope than to the Maritime Provinces. While conditions here, we are glad to know, somewhat improved in these Provinces in recent years, it must be acknowledged that our growth and progress fall far short of what we ought to expect. The western country has been developing rapidly. We in the Lower Provinces recognize the conditions which have brought this about, and we have cheerfully borne our share of the large outlays which have been necessary to open up that

country. We view with every satisfaction the progress and prosperity of our western land and will cordially co-operate in every movement for its further advancement. But we cannot be expected to be indifferent to the conditions that are nearer to us. Freer trade relations with the United States have been the dream of every leading Canadian statesman for nearly half a century. In the Lower Provinces particularly the importance of such better trade relations has been universally recognized. The Conservative policy of higher tariff was only accepted by its own friends because it was declared by Sir John Macdonald himself and by other statesmen of his party to be the best possible road towards obtaining reciprocity with the United States. The increase of our inter-provincial trade and our trade with Great Britain is gratifying and we must see that every reasonable effort is made for their further expansion. But if, in addition to these, we can give our people that access to the United States markets for many of our natural products which they have been seeking for so many years, we shall undoubtedly bring new life and new hope and new strength to this eastern part of the Dominion.

The great industries of Nova Scotia, New Brunswick and Prince Edward Island are farming, fruit growing, fishing lumbering and mining. Every one of these industries has been well considered and cared for in the reciprocity agreement.

#### THE COAL TRADE.

Our chief mining industry is that of coal. Duties on coal and flour have usually been bracketed together in the past—one being treated as beneficial to the West, the other to the East. Under the agreement, there is to be a reduction of the duties on both coal and flour. I believe that I am justified in saying that our chief coal operators regard the coal situation under the agreement as a satisfactory one,

inasmuch as the reduction of duty is not sufficient to adversely affect any mining interest, while there is a substantial advantage to the coal trade in having this question of the coal duty definitely settled. I have had something to do with legislation, both at Halifax and at Ottawa, bearing on our coal trade, which has been instrumental in bringing about the marked development that has taken place during the last twenty years, and I rejoice that in conjunction with my colleagues, I have been able to place the coal question in so satisfactory a position under the operation of this agreement.

#### THE FARMERS' INTEREST.

The farming interests of the Maritime Provinces have always looked upon reciprocity as most desirable. We are glad to know that our home markets have steadily increased in recent years under the wise policy of development adopted by the Canadian Government. But there are seasons when access to the American market will be of the utmost value to all engaged in the agricultural industry.

#### THE FRUIT GROWER.

To our fruit growers reciprocity offers the prospect of a most desirable market. Some of our finest fruits are tender and will hardly bear transportation to distant countries. If properly handled and transported to the markets of the United States, they will realize prices better than can be obtained in any other quarter. The American market for our small fruits, berries, &c., is an unlimited one. The privilege of sending these things into the United States without the intervention of tariff barriers will certainly prove advantageous to our producers.

#### LUMBER.

The lumber industry in the Maritime Provinces is a very extensive one, and for some classes of our lumber the American market is the most convenient. Our own duties on

Lumber remain practically unchanged, but in the United States the duty on rough lumber is to be entirely abolished and a proportionate reduction is made on lumber in the higher classes. The very prospect of reciprocity has already added greatly to the value of our timber lands, and there can be no doubt that the lumber industry will be largely benefited by the adoption of the agreement.

#### THE FISHERMEN.

Last, and perhaps greatest amongst the chief industries which I have mentioned, is the industry of the fisherman. It would be amazing if any intelligent voice should be raised against reciprocity from the fisherman's point of view. There can be but few fishermen who do not fully realize the desirability of access to the American market. I have pointed out how the statesmen of the Conservative party as well as others have in the past strenuously sought reciprocity in negotiations along these lines. Free fish has always been regarded as a boon much to be desired. So desirous have many of our public men been to secure the free admission of fish into the United States markets that they have been willing to include in their negotiations the granting to Americans of the right to fish within the Canadian three mile limit—a right which we have not granted in our present agreement. It will be remembered that when, a few years ago, Newfoundland entered into negotiations with the United States authorities which contemplated the free admission of Newfoundland fish, the Canadian Conservative Government protested and urged that Canadian fish should be included in the arrangement. Even in the face of the duties against us, we export large quantities of fish to the United States. Free of duties, there is no doubt that our exports will largely increase. The proximity of the market will encourage the sale of fresh fish, the branch of the industry which is usually most profitable to the fisherman. Prominent fish merchants

in the United States are ready to establish branch houses in the Maritime Provinces to purchase Canadian fish. Hundreds of young men leave our shores every year to go to the United States to fish in American vessels. Why? There is only one answer: The fish taken by the American vessel is admitted free into the American market, while fish taken at the same time in a Canadian vessel would be subject to the American duty. In the present condition of affairs, there is thus great temptation to our young men to go to the United States. Many of them, I am happy to state, while engaging in the fishing business, retain their allegiance to our Sovereign and return to their homes in the Dominion. Many others, unfortunately, find the advantages of the American market so great that they break their connection with Canada and become citizens of the United States. Under this reciprocity agreement, it will be possible for our young men to engage in the fishing business in our own vessels under the British flag and yet enjoy all the advantages which have hitherto drawn our population away.

In former years when Porto Rico was a Spanish colony, we had a large trade with that island. When Porto Rico was acquired by the United States we lost that trade. The reciprocity agreement gives us the opportunity to recover to some extent the trade of the island. Under the agreement Canadian fish will be admitted free into Porto Rico.

#### THE ANNEXATION BOGEY.

Nothing more clearly shows the weakness of the case against reciprocity than the fact that our opponents have to resort to the device of waving the British flag and accusing the advocates of reciprocity of disloyalty. It is an old and well worn trick which will not deceive intelligent people. The glorious flag of the Empire was never intended to be used for so mean a purpose. Never were the people of

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British North America more loyal or more contented with British institutions then during the period of the old reciprocity treaty. It was in the very midst of that period that His late Majesty King Edward, then Prince of Wales, visited British North America and received everywhere such splendid evidence of the loyalty and devotion of our people. Sir John Macdonald, Sir Charles Tupper, Sir John Thompson, Mr. Foster and other public men of the Conservative party were not deemed disloyal when they laboured without success to obtain a reciprocal trade arrangement with the United States. It will be difficult to persuade anybody that the Canadian Ministers of to-day are disloyal when they have carried on reciprocity negotiations which have been crowned with the success that was denied to their predecessors. No Canadian who is trading to-day with citizens of the United States, in money or in merchandize, feels that he thereby in any way compromises himself as a loyal citizen of Canada and a loyal subject of the King, nor will any feeling of that kind be experienced by other citizens of Canada who will avail themselves of the larger opportunities of trade which we believe will be opened up to them by the reciprocity agreement. The pretence that the Canadian farmer, fisherman or lumberman who sells his products in the United States impairs his loyalty to His Majesty is an insult to loyal Canadians and will, I feel sure, be resented by them.

#### PEACE AND GOODWILL.

Even if we desired to do so, we could not be indifferent to our commercial relations with the people of the neighbouring Republic. Touching each other as the two countries do along a border line of thousands of miles, the people of both should always desire the best relations in commercial and all other affairs. Irresponsible speakers and writers of either nation may feel free to indulge in foolish and, too often, offensive utterances concerning the other. But responsible

Ministers in London, in Ottawa and in Washington, with the support of the best people in each country, will realize the importance of cultivating between Canada and the United States those friendly commercial relations which will make for both Continental and Imperial peace. It is in that spirit that our Government have welcomed the approaches of the authorities of the United States and have joined them in this effort to establish better trade relations between the two countries.

#### SUCCESS OF LIBERAL POLICY.

We ask the electors to view this question of reciprocity in the light of the experience which they have had of the commercial policy of Canada under a Liberal administration.

When we brought down our proposals for a revision of the tariff, soon after we came into power, we were warmly attacked by the Conservative leaders, who declared that our fiscal policy would prove ruinous to our country. To-day these leaders are forced to acknowledge that under that policy the country has prospered as never before; indeed they say that that policy is so perfect that we should now let the tariff alone.

When we submitted to Parliament the policy under which a tariff preference was to be given to Great Britain, we were condemned by our opponents. When Parliament was asked to make a distinct declaration in favor of the British preference, the Conservative leaders recorded their votes against the resolution. Yet to-day they are proclaiming the benefits of that policy and indeed would like to have the public forget the past and regard them as champions of British preference.

#### CANADA'S PROGRESS UNDER LIBERAL RULE.

The electors will not, I am sure, require to be more than reminded of the magnificent progress of Canada as a whole during the last fifteen years under Liberal rule. The trade of the Dominion, which had made comparatively small progress under previous conditions, has risen in that period from two hundred and thirty-one million dollars to nearly seven hundred and sixty million dollars. The revenue, which was almost stagnant under the higher tariff system of our predecessors, has grown from thirty-six and a half to nearly one hundred and eighteen million dollars. The national credit has been

splendidly upheld. Great works for the development of Canada have been carried on, with a comparatively small addition to the public debt. All the important services of the country have been liberally supported. Canada, which before had received scant notice abroad, has under Liberal rule taken a proud place in the Empire and in the esteem of the whole world.

The Government of Sir Wilfrid Laurier which has directed the policy under which Canada has made such splendid progress, the Government which has propounded and carried into effect the British preference, against the wish of the Conservative leaders who now talk so glibly of the benefits of preference, is the same Government which now asks the people to avail themselves of the trade opportunities to be opened up by this reciprocal agreement. And just as our opponents denounced our tariff policy for years and now come to praise it; just as they condemned the British preference and are now proclaiming its virtues; so in some future campaign, at no distant day, they will be found commending reciprocity and trying to make the country believe that they were always in favour of it.

I am not unmindful of the strength of party feeling. There are, I suppose, some Conservative citizens who will not take the trouble to study this question for themselves; they will be content to follow the party leaders in opposition to it. But I am persuaded that there are in the Conservative party thousands of electors who will be anxious to understand this question and who will be prepared to support the agreement if they receive correct information concerning it. Unfortunately there is a studied effort on the part of many of our opponents to misrepresent the terms of the agreement and busy men who have not had the time to give the question a careful study may easily be misled by these erroneous statements. As an example of such misrepresentations I take the statement which I am assured is being widely circulated that under the agreement the fishing bounties now paid to the Canadian fishermen are to be abolished. The statement is absolutely without foundation. Let those who are interested in the matter read the agreement for themselves. They will see that there is not a line or a word in it which justifies the statement that is being made in this respect by our opponents. Many other misrepresentations are made with equal readiness.



Our answer to them all is—Let the agreement speak for itself. The whole arrangement is covered by certain correspondence signed on the part of the Canadian Government by Mr. Patterson and myself and on the part of the United States Government by Mr. Knox, the Secretary of State. This correspondence has been widely published and is accessible to all who wish to read it. There is no other agreement, arrangement or understanding of any kind. The complete transaction is found in the correspondence referred to. An examination of that correspondence will show that the character of the agreement has been systematically misrepresented by our opponents. If independent electors when they hear the arrangement condemned will take the trouble to obtain a copy of the agreement and read it carefully, I am satisfied that it will commend itself to their judgment.

If it were necessary to do so the Government might safely appeal to the country on the record of what has been accomplished under the administration of Sir Wilfrid Laurier during the past fifteen years. But I would urge you to remember that the chief question to be determined to-day is that of our trade relations with the neighbouring Republic. Our opponents, while pretending that they desire to have the sense of the people taken on the question of reciprocity, are now endeavouring, by all manner of side issues, to divert attention from that great question. They must not be permitted to succeed in this respect.

The reciprocity that all the leading public men of Canada have sought for so many years is now within our grasp. To the electors of Canada is submitted the question: will you accept or reject it? Never before in reciprocity negotiations has the question come before the people in this concrete form. It only remains for the people of Canada to say "Yea" or "Nay" to it.

I cannot doubt that the answer of the electors will be in the affirmative. They will, I feel assured, appreciate the opportunity that has arisen and will send to the new House of Commons representatives instructed to enact the law necessary to bring into operation as early as possible an agreement so fraught with benefit to the Canadian people.

HALIFAX, N. S., August 19th, 1911.

