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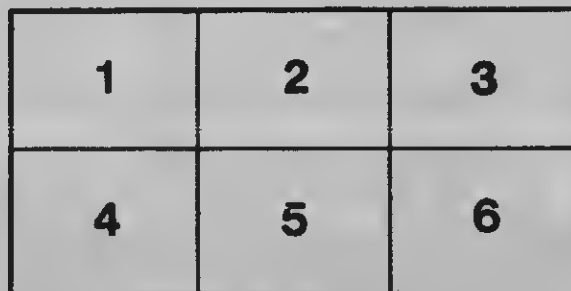
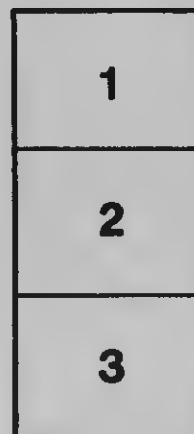
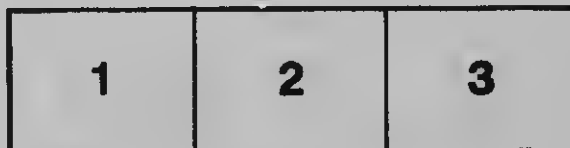
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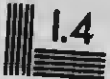
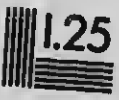
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RECIPROCITY
AND
CANADA'S FUTURE



BY
R. E. GOSNELL
VICTORIA, B. C.

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Reciprocity and Imperial Relations

Undoubtedly, the great issue in this election is "RECIPROCITY." We should endeavor in discussing it to free ourselves, if possible, from political prejudices. I am satisfied there are a great many Liberals supporting Reciprocity for no other reason than that they are Liberals, and that it is fathered by a Liberal Government. I am also quite satisfied that there are a great many Conservatives opposing it for just the opposite reason, and if we could lift Free Trade and Reciprocity out of their association with a particular party we would be in a position to better understand their merits. There is hardly any question which is wholly right or wholly wrong. Opponents see all the wrongs, and the advocates all the rights, and between them they fail to appreciate, very often, the true dividing line.

RECIPROCITY A TRADITION.

There have been several views of Reciprocity current in Canada favorable to its acceptance. One is the traditional favor in which it has been held. Another is the market of 100,000,000 it opens to Canada. Still another is the sort of general belief that absolute free trade among nations is a good thing, and the nearer we approach it in actual conditions, the better. There is still another view which has gained some ground, and that is that it is to our best interests to live on the friendliest terms with the people of the United States and Reciprocity is, therefore, a step in that direction.

This sounds well, but involves serious fundamental errors. We are all too apt to accept things for what they stand rather than for what they really are. "Free Trade" in England is an instance. A great many years ago, Adam Smith, one of the ablest of political economists, proved with much clearness and conclusiveness that under conditions which existed in his day "Free Trade" among civilized nations was a good thing for those nations—in fact, ideal.

Adam Smith's views on Free Trade became the gospel of a subsequent generation. His theories became popularised in Great Britain by such splendidly eloquent men as Cobden, Bright, and others of that school; and Free Trade was a very natural step to take owing to the peculiar genius of her people. They were essentially commercial in their instincts, a nation of shop-keepers, as Napoleon termed them, who had built up a shipping that encircled the world, and who not only carried for the world, but bought and sold, and manufactured for the world. Naturally,



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I say, a system of Free Trade appealed to each n people and they took hold of it with a vice-like grip.

But has Great Britain got Free Trade in the Adam Smith sense of the term? It would surprise most of our British friends, and it would certainly surprise Sir Wilfrid Laurier, to be told that "Free Trade as it is in England" is not Free Trade at all, not in the faintest degree. They have what they think is Free Trade and have lived long in that delusion. Adam Smith advocated a free interchange of products among nations, and not an exchange in which one side admits everything free of duty which it buys and the other imposes a duty on everything you sell them. Trade is not free unless it is free both ways. The British system is, therefore, not Free Trade. It has been rightly described as "jug-handled." Adam Smith never in a single line advocated such a system. If he were living today it is safe to say he would unquestionably denounce it as unscientific, absurd and a misnomer.

THE OLD RECIPROCITY TREATY.

Reciprocity, too, is a most plausible and seductive word and appeals to many of the people of Canada in the four different ways I have referred to much in the same way as Free Trade appeals to the people of Great Britain. Let us take the first form of appeal—the traditional favor which it has enjoyed in Canada. Under the old Reciprocity arrangement with the United States, which remained in force until after the Civil War and was abrogated because the United States Government thought Canada and Great Britain had taken sides with the South, Canada was prosperous. Canada prospered for reasons which are obvious and which have often been pointed out; for reasons which have never existed since, and for reasons which will never again exist unless the productive capacities of the people of the United States should be temporarily paralyzed by another civil war. As a consequence, the people of Canada—Conservatives and Liberals alike—associated reciprocity and prosperity as cause and effect for years after the abrogation of the treaty, and many unto this day. Whereas reciprocity simply took advantage of a condition which was temporary and ceased to exist when the causes which produced it came to an end. As a consequence, too, at various times Canadian Governments—Conservative and Liberal—have pleaded with the United States for a renewal of reciprocity, and even when the National Policy was adopted in 1878, so steeped was the Government still in the old conviction, that the measure included a clause providing automatically, so to speak, for a reciprocal tariff whenever political circumstances would permit. This traditional policy is now quoted by Liberals as a triumphant justification of Sir Wilfrid's present policy and against the Conservatives as going

back upon what was the policy of their leaders, including Sir John Macdonald, for so many years.

If, let me say, the Conservatives and many Liberals have dropped Reciprocity from their political agenda it is because economic conditions have entirely changed and what was once thought to be a specific panacea has been discovered to be something else quite different. When we ceased to plead with the United States for the supposed favor of Reciprocity, which was invariably refused, we discovered a better way. We discovered quite apart from the national humiliation involved in repeated rebuffs by a nation having a contempt for our allegiance to Great Britain, that we could do better by developing our own industries and our own inter-provincial trade, and by opening markets in Great Britain and elsewhere—that as a pure matter of dollars and cents we could do better than by tying ourselves up to the Americans.

THE PARTING OF THE WAYS.

We are truly, as President Taft has stated, "at the parting of the ways," and we shall have, within the next decade at least, to decide which is to be our destiny—Imperial Federation or Independence. It should be decided openly with all the cards on the table. The objection of every honest man should be, not so much to the intrusion of the Reciprocity issue, as a modification of the Tariff, as to the motives which have obviously inspired its introduction at the present time, and to the Machiavellian methods of advancing a cause for which reciprocity is a stalking-horse. I will only refer to it now, I shall not dwell on it; but every student of Canadian politics knows that Sir Wilfrid Laurier believes and has always believed in Canadian Independence, and has been steadily advancing it throughout his career. (1) I do not in the least find fault with his belief in Canadian Independence, or in American alliance, or in anything else of which he is honestly convinced, but as Canadians we are honestly entitled to know his purpose before he starts out to put it into effect behind our backs. Sir Wilfrid Laurier has been posed in the British public arena as a great Imperialist; but if you skim the unctuous froth from the speeches delivered for consumption to Great Britain we shall find that he has never yet expressed an Imperial wish. And every public act of his has had but one distinct and definite object, looking to the time when Canada should be ripe for severance from Great Britain—that her feet should be absolutely unfettered to go her own way.

It is denied that Reciprocity will have any alternative effect on Canadian nerves; but President Taft knows, (2) and Premier Laurier knows, and Leader Bourassa of the Quebec Nationalists knows that in the long run it is the commercial tie that binds. You cannot do business with one set of men all the time without losing your family interest in

another set, and Reciprocity is the delicately conceived mode of bringing about the estrangement of family relations.

THE ONE HUNDRED MILLION MARKET.

The second part of my subject is nearly allied with the first, already discussed, as to really form a part of it. I refer to the fable of the 100,000,000 market to be opened to Canadian producers. Assuming that there is something in this stereotyped argument for reciprocity, could you imagine the Americans giving a 100,000,000 market for one of 8,000,000? I only need to present it in this way—the way that politicians present it—to show how much claptrap it involves. The value of a market is not measured in that manner. At the present moment the Canadian market of 8,000,000 people is worth more to the Americans than the market of 100,000,000 is to the Canadians. (3) To come closer home, the market for the Alberta farmer in British Columbia is worth more to him than the whole of United States. This is true, first, because wholesale prices are higher throughout Canada than in the United States, and, second, there is less competition. For instance, it is doubtful if the farmers of Alberta will sell as much produce in the whole of the United States under the new arrangements as they do today in British Columbia, or at one-third the profit. On the other hand, they will introduce a keen competition and greatly reduce their sales in British Columbia. In other words, it will cost them more to do business at a small profit and they will find their own market in British Columbia, now firmly secured to them by the national policy, seriously cut into and rendered unprofitable. I am not arguing but that to some extent the consumer will not benefit, but these facts effectually dispose of the supposed value of the wider market. You must keep in mind all the time that the 100,000,000 consumers in the United States who look good to you are also 100,000,000 producers, and they produce more and more in proportion than you do. If we were to divide up North America into zones, we would find about four or five of these similar in their characteristics and producing powers; therefore, the fruit-grower or lumberman of British Columbia does not go to Washington and Oregon to sell his fruit and lumber, because the latter produce the same things as we do, only much more of them. He goes east of the mountains, where the people do not grow either fruit or trees. Hence the Middle West, forming the complement of British Columbia's requirements, has been largely the cause of British Columbia's recent prosperity, a prosperity every man Jack of us has shared. In a similar view, as I have already stated, the Coast Province is the largest and most profitable market the Alberta farmers have.

HOW IT WORKS OUT.

On the other hand, however, under Reciprocity the fruit-growers of Washington, Oregon and California, who are older in the business, have

much larger areas under cultivation, and their business is better organized and specialized and can reach the Middle West of Canada practically as quickly and at the same cost, and will undersell British Columbia in that market. At the same time, the farmers of these States can reach British Columbia more easily and cheaper by water, in the main, and sell us much of the products we have been buying from the Prairies. It is hardly necessary to explain that British Columbia has yet a very limited area of agricultural land under cultivation, and as its population is increasing much faster than its cultivated area it is obliged each year to import of agricultural produce much more than it produces. Heretofore, our extra requirements have been met in the Middle West—hereafter, under Reciprocity they will be supplied from Washington and Oregon. (4) That is not mere assertion,—anyone familiar with the produce situation can have no doubt of it. In those circumstances, therefore, who in the West is going to benefit most by the enlargement of the market?

THE FREE TRADE DELUSION.

I shall next dwell briefly on the belief that Free Trade among nations, generally speaking, is a good thing, and that, therefore, Reciprocity as a policy, is in the right direction. As I stated before, the merits of Free Trade are relative and depend on a variety of conditions. Needless to say, commercial and industrial conditions have entirely altered since the days of Cobden and Bright and if that were possible, still more since the days of Adam Smith. What has made the difference? Railways, steamships, telegraphic communication, telephones, electric power and light, and a variety of other commercial facilities which have grown out of steam, electricity and water power. By the aid of these agencies, large aggregations of capital have taken the place of small capitalists. Business has assumed a new phase altogether. Time and distance have been eliminated, and it is actually true that you can do business at long range and over wide areas with a large capital better than at short range and within limited areas with small capital. A single firm can control the trade in one or more products throughout an entire continent. The use of large capital in the manufacture and distribution of commodities on a large scale reduces the cost of production far below what is possible by individual enterprise in a small way. The tendency to concentration of energy and consolidation of business has increased until they have created the merger and the trust with their enormous control of capital and labor from central points. This, in the United States, has developed into a great danger, a menace even to individual liberty, with which the Government is now trying to grapple. The only check to the operations of these vast corporations is the national Boundary Line, where the Tariff wall meets them. The growth of the merger and trust has been possible in the United States because of Free Trade among forty-eight States

having in the aggregate a population of 100,000,000 people. Now, then, let us assume that Free Trade existed among all the great nations, you can see how it would be possible for a few big trusts, a few big moneyed men, to control all the business of all the world. Although it is highly improbable, it is nevertheless thinkable that one man might grasp it all. In a popular way, it is usual to attribute the creation of trusts to tariff walls. On the contrary, the wider your circle of Free Trade territory is the bigger your Trust can become. Our Free Trade and Reciprocity friends are, therefore, arguing in the terms of Free Trade and Reciprocity of fifty years ago. The world has been revolutionized since then, and they have forgotten, shall I say, that they are alive. You see, therefore, what I said at the outset is true, that what might have been right and ideal 100 or 50 years ago, might be quite wrong and inapplicable now.

THE GENERAL PRACTICAL EFFECT.

Applying these facts to the Reciprocity problem, you can best judge of the effects. If you can imagine for a moment, what is substantially true, a string of large cities of the United States close to our border line extending from the Atlantic to the Pacific; and if you can imagine a string of smaller cities on the Canadian side paralleling the United States cities for the same distance, you have the situation practically as it is. And, if you can imagine each of these cities, large and small, having a huge territory behind it, of which it is the natural distributing point, you will have a practically real situation. Roughly, the cities on the American side are Boston, Philadelphia, New York, Rochester, Buffalo, Cleveland, Detroit, Duluth, Chicago, St. Paul, Minneapolis, Grand Forks, Spokane, Tacoma and Seattle. On the Canadian side they are Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, Windsor, Sarnia, Duluth, Ft. William and Port Arthur, Winnipeg, Regina, Calgary, Nelson, Vancouver and Victoria. Each of the cities on the Canadian side will be found in a trade territory corresponding to the one on the south side of the line and in a rough way proportionate in population in the ratio of population in Canada, to that of the United States.

Now, remove the tariff line between these two series of cities and see what will happen? The result can be estimated almost in as precise terms as an astronomer can express the weight in figures of, and the force of gravitation between, two celestial bodies. The circle of trade influence referred to in each case will extend beyond the boundary line into adjacent territory, and, if conditions of trade could be maintained in both cases without change, the business done in Canadian territory by its corresponding neighbor would be in exact proportion to its population; but it is worse than that, because another law comes into operation. Smaller cities themselves within the same sphere of trade influence are absorbed by larger ones, or their growth seriously arrested. Just as Halifax and St. John have absorbed the urban population of the Maritime Provinces;

as Quebec and Montreal of Quebec Province; Ottawa, Toronto and Hamilton of Ontario; Winnipeg, Regina, Calgary and Edmonton of the Middle West; Nelson of the Southern mining Interior, and Vancouver and Victoria the province generally, so the larger cities on the American side would absorb the population and business of the smaller Canadian cities until in time the greater part of all the business that legitimately belonged to them would be diverted to the American cities in corresponding zones, and not only the business, but the population would be absorbed as well.

If anyone will take the trouble to study a good railway map of North America, note the location and size of each town on both sides, (5) and add down and figure, he will be surprised at the absolute proof the process furnishes of my statement; and then if he will take the Census returns for thirty years of the older provinces of the Dominion and the older States of the Union he will find out how absolute the rule is, that the larger cities have eaten up the smaller ones. He will find smaller cities that have only advanced slowly, of towns that have remained stationary, and any number that have gone back altogether. He will find invariably one or two cities in a Province or a State that have advanced, and these with great rapidity. The bigger the city the faster it will increase in size, because it feeds on all the other towns and cities. It is the result of the modern conditions of trade and communication already referred to. Apply the common knowledge thus acquired to the two series of cities along the International Boundary Line, and you will at once arrive at the conclusion that the experiment of Reciprocity is too dangerous to be put into practice. It is the old, old story of the lamb and the lion lying down together—the lamb not visible. It is practically impossible for Canada to exist independent, alongside of the United States with free interchange of products between them. Business would be diverted South as surely as water runs down hill. The reciprocity proposed, it is true, is not complete free trade, but to the extent to which it is it will have precisely the same effect.

THE FRIENDLY RELATIONS.

Lastly, coming to the assertion that Reciprocity will promote friendly relations with the United States, no one will dispute the proposition that it is highly desirable to live on friendly terms with your neighbors. Trade certainly promotes intimate relations, but not necessarily more friendly relations. Two nations wholly independent of each other can live side by side on the best of terms just as two neighbors can be the best of friends and still keep up high fences with stout gates around their houses and keep their back yards locked. In a civilized community you can be on the most neighborly terms with the physician next door without consulting him when you are sick, or a lawyer without taking his advice in matters of law, or a merchant without buying his goods. As a matter of fact, the less business you do with a man the less liable you are

to quarrel with him, and it is not different with civilized nations. There is such a thing as buying friendly relations at too high a price, as Benjamin Franklin bought his whistle. Dr. J. A. Macdonald, editor of the *Globe*, and others who have been trumpeting about the great result of the pact in establishing friendly relations with our neighbors, are talking for beautiful and religious effect. (6) The way to perpetuate Peace and Good will with the United States is to give no offence and to be prepared to accept none.

OUR POLICY OF DEFENCE.

And this suggests something else which is not altogether Reciprocity, but is included in the big general question of which Reciprocity forms a part. To understand Sir Wilfrid Laurier on this question you must be prepared to follow the idiosyncrasy of his entire mental make-up in respect of the future of Canada, of which Reciprocity is but one of the recesses. We require no such pact with the United States to insure safety and defence for Canada. A statesman with the marvelous opportunities of Sir Wilfrid as Prime Minister of Canada and as Canada's representative in the Imperial Conference, did not require to resort to the makeshift device, designated our Canadian Navy, when he had the resources of the entire British Empire to draw upon. He refused on the part of Canada to contribute to an Empire navy on the ground that it would involve the old question of "Taxation without Representation." In other words, that it would be unconstitutional. Sir Wilfrid knows that the Dominion Parliament has supreme power over its own revenues, and could vote to throw the money into the Rideau Canal at Ottawa. To claim, therefore, that the vote of any sum for any purpose would be unconstitutional would be utter nonsense. Even as to the principle involved, there could be nothing at all similar to the conditions out of which the old constitutional adage quoted was evolved. The American colonies objected to being taxed against their will without any voice in the expenditure. If any person can detect an analogy in a people who had no voice in a Parliament across the Sea protesting against being taxed out of their jurisdiction, so to speak, and a Parliament which itself has the power, if it has the will, to impose any taxation whatsoever, he must possess a subtle legal insight more wonderful than I can conceive of. Canada, whatever the sum voted, was paying for a service which to supply for herself in the same efficient way, would cost twenty times the sum otherwise necessary. However, Sir Wilfrid did not have the will, which is the main thing, and in search of an excuse found an old invention ready at hand. He decided to build a Canadian Navy instead; or, in other words, to accept the responsibility of self-defence.

TWO SCHEMES COMPARED.

In view of the fact that every Canadian is vitally interested in and affected by the question of national safety—his home, his family, his own

life being at stake in case of war—this responsibility is a very grave and serious one, and the Government is not only bound to substitute a scheme as efficient as the one which has been rejected, but one the cost of which will not be too excessive in comparison. In other words, if for an annual contribution of, say three, or even five million dollars, the Dominion of Canada is assured of the protection which the entire British Navy can afford, the Canadian people are entitled to an equivalent in some other way for a like sum. No rational man will say that the Canadian Navy such as we have or are likely to have will ever furnish such an equivalent. Of course, we can safely assume so long as Canada remains within theegis of the Empire, in case of attack, the British Navy would come to our rescue, but that is scarcely the thing. Why should a navy exist for our defence to which we contribute nothing? It would be rather ridiculous to assert that what we are now doing in the way of taking on our own defence would be of any assistance to Great Britain in case of war, and in this as in all other matters of national concern, we should look upon it in a business way. In either case we should consider what are we paying for it, and what are we getting for it?

A NAVY THAT IS NOT A NAVY.

Remember, first of all, that a system of defence is not a possession in the ordinary sense, something which you can buy or sell as you do real estate; it is a service. A navy is only worth intrinsically, no matter what it costs, what the ships would realize for commercial purposes, and that would be a very small amount relative to its cost. If you can buy power from a power company at so much per kilowatt you would be very foolish to pay ten times as much per kw. by erecting a power plant of your own, which in the end would fall you in extremity. The idea of having a Canadian navy for the mere sake of calling it Canadian, and of it being your own, is the most puerile kind of sentiment that a nation could indulge in. A German consular agent in Montreal the other day is alleged to have said that the Canadian Navy was useless. He had, of course, to apologise for telling the truth, which was not his business in that particular case; but the explanation which it provoked from Canadian headquarters was extremely humorous. It was to the effect that the ships were not intended for war, but as training ships. Training for what? For a navy that doesn't exist.

A NATIONAL SCHEME OF DEFENCE.

There is, however, a way in which Canada can pay for a navy and still have it; an Empire navy would be one to which all of its parts—Great Britain, Canada, Australasia, New Zealand, Newfoundland, South Africa and India—would contribute a sum sufficient for its maintenance and its increase, as necessity demanded. In the absence of Imperial Federation, the management and control of this navy would vest in a

joint board of admiralty upon which each Dominion named would have representatives, according to the amount of their contributions. This Imperial navy would be a mobile force with fleets in the Atlantic, Pacific and Mediterranean, which, in time of war, would be concentrated within a given time at given points necessary for the defence of any part of the Empire attacked. Take the resources of each of our great Dominions, with each contributing to the defence of all and we have an invincible arm of defence so created and equally at the service of all, and the common possession of all. Hence our safety and defence would be insured independent of the United States. The Empire would then be an aggregation of nations against any one of which no foreign nation dare raise its arm. We would then, as Canadians, have the very maximum of protection at the very minimum of expense, with all the advantages of a navy commanded by men of experience and imbued with the inspiration of centuries. Whereas, under Sir Wilfrid Laurier's scheme we have the smallest possible minimum of protection with the very maximum of expenditure without experience or efficiency. A navy is primarily and essentially for use in war. To be of use in war it must be on a parity with other navies. If not, it is not of use and might better be discarded at the beginning. Let Canadians figure out for themselves what it would cost to develop a navy powerful enough to be of service in case of war with the United States, or Japan, not to speak of the British Empire.

THE LOCAL ASPECT.

A serious consequence of the refusal of Sir Wilfrid to contribute to the maintenance of the British Navy was the withdrawal of H. M. ships from Esquimalt and Halifax. This was done by the Imperial authorities ostensibly as a result of a decision to adopt the new system of tactics having in view the greater mobility of the fleets, but it is common knowledge among naval men that it was the result of Canada's attitude on the defence question. The latter is only too obvious, because if Canada had made the contribution asked for or suggested we should have been entitled to have had our naval stations increased in efficiency and strength, rather than diminished and dismantled. It was a serious local loss of trade to both Esquimalt and Halifax, but in addition to that in the case of Esquimalt it was a distinct violation of one of the terms of union between Canada and British Columbia that the Dominion should use its influence with the Imperial authorities to maintain Esquimalt as a naval station for all time.

NEW CONDITIONS IN NATION-MAKING.

New conditions have arisen among nations just as they have in the industrial and commercial world. The same principles of consolidation and aggregation of forces and centralization are at work. Germany set the pace under the great Bismarck, and Bismarckean traditions and ambitions look forward to the dominancy of the commercial world. The

great nations in the strife—perhaps not a war as of old, but of commercial rivalry—will be Germany, the United States, France, Russia, Japan and China, and of the British Empire, if, indeed, it should come out of the crucible as such. The rest of the nations will be but pawns in the game of universal chess. No longer can a small nation exist independently except by favor of the big powers or as a buffer between states. The strongest argument against Canadian Independence is that under the new order of things complete autonomy would be impossible for long, and reciprocity with the United States, for instance, would merely pave the way to a Protectorate under the provisions of the Monroe Doctrine, if not to final absorption by the larger power. Canadian Independence is a chimera, because in the strife of the larger forces the United States, in self defence, will be bound to enforce the Monroe Doctrine, and Canada, isolated, as Mexico, or Peru, or the Argentine, would have to submit to the conditions which that doctrine imposed, or fight. Talk of treaties of peace and arbitration, but there is no logic so stark as self-interest, and when that looms up the claims of the brotherhood of man and the demands of an honorable pact are swept aside as easily as a feather. Did not the United States, the mover in the great wave of peace arbitration, just thirteen years ago, on the pretence of the loss of the Maine, force a fight on Spain and drive her out of America and the Philippines? Was that not essentially to assert the living principle of the Monroe Doctrine? Has the nature of the people of the United States chemically and organically changed so completely in thirteen years? Have we not a situation today in Europe by which Germany, France, and possibly Great Britain and her allies, might have been involved in a war over a question of European control in Morocco? Millionaire hobbyists and Peace enthusiasts may proclaim by reason of their great solvent that war will be no more, but unless they believe in the miracle of sudden conversion they are deluding themselves beyond human belief. War between nations is like a fight between two individuals. It is more often produced from the spark struck by the clash of hot tempers than it is premeditated, and therefore cannot be foreseen, and rarely prevented. Within the last few years we have witnessed three great epoch-making wars, besides the usual number of smaller ones. Is it safe, therefore, to assume that we have reached the millennium of peace in so short a space of time, more especially as with the great navies, standing armies and munitions of war there is always the temptation of trying conclusions?

WHOSE OX IS GORED?

Now that I have discussed the four ways in which Reciprocity favorably appeals to many Canadians, I wish to call attention to the attitude of the political press in regard to prominent men who have taken sides on the question. Of course, it is natural and usual for newspapers

to magnify the views of those who support their own and to belittle those in opposition, but there should be some basis of consistency, and I am now referring particularly to the attitude of the British Columbia press. As soon as a Canadian financier or railway man expressed himself as opposed to the pact he was immediately pilloried as a representative of "selfish interests"—as if the whole question of Reciprocity were not an appeal to selfish interests—or of corporation monopolists. For instance, among a large number of such men in Canada, many of them Liberals, (8) were Sir Wm. C. Van Horne and Sir Edmund B. Walker, two gentlemen who have been most prominently identified with Canadian business affairs of magnitude, who were represented as placing personal or corporation interests before the country's good. On the other hand, when such men as Senator Geo. Cox, Jas. J. Hill or Sir Dan Mann have expressed contrary views they are cited as broad-minded, clear-headed and patriotic examples whose opinions are of great weight. When such men of large interest take a position on a question involving matters with which they must be familiar their views are worthy of careful consideration regardless of their particular or personal relation with the Dominion Government. It is at least right to assume that the man opposed to the pact is as fair-minded and unselfish as is the man in favor of it. When Sir Wm. Van Horne, for instance, who has practically retired from active business life, with his acknowledged wisdom and experience sounds a note of warning we should give at least as much heed to him as to his great compeer, J. J. Hill, who is also a man of wide and unusual business experience, a shrewd old Solomon and prophet. One was the master mind of the C. P. R., the railway which has helped to make Canada what it is today; the other is the owner of a rival railway in the United States, and of another road which zigzags along the boundary of British Columbia, taking the line of least resistance, sometimes in and sometimes out of Canada. It was built by American capital. Its repair shops, its divisional points and everything connected with the operation and administration are in the United States. Even the work crews of the trains sleep on the other side of the line. This is the railway which will be in a position to take advantage of the business developed under Reciprocity. Its ramifications have been described as a fine-toothed comb, entering Western Canada at every point of vantage. If Jim Hill's line could be described in the words of a personality it might be said to live ON Canada and live IN the United States. Why should Jim Hill be quoted approvingly and Sir Wm. Van Horne, who is no longer in business be quoted with disapproval? Are not the statements of these two men themselves the most significant of what the actual results will be? No two men could be found whose words could weigh more in this connection.

Take again some of the leading bankers and commercial men—and the Canadian bankers are as a class opposed to Reciprocity. Why should their views not be considered to be conscientiously and patriotically

expressed? Why should self interest or corporation interest affect their views more than any others? No class of men have their fingers so closely on the pulse of business as they have and understand the factors which enter into it. If Reciprocity were going to swell the volume of business and make Canada more prosperous they would be the first to hold up their hands for and endorse it. It is the business of bankers to help business and it most accurately reflects the business of the country. If bankers and financiers oppose Reciprocity it is because they know its effect will be to divert Canadian money and business into American channels. If that view represents special and personal interests it is all the more important inasmuch as personal interests in that case are identified with the interests of the Country.

RECIPROCITY AS A BUSINESS POLICY.

For my purpose it is not necessary to go into a detailed and technical investigation of the various conditions of the pact. The question as to whether in particular instances it may or may not be of pecuniary advantage really does not affect the general question. Doubtless a great many persons in Canada will make money by buying and selling American produce. This is no index to prosperity. When times are bad auctioneers make the most money; so do money-lenders and pawn-brokers. A good many men would make fortunes if we should become annexed to the United States; that is no reason for annexation. We have to deal with the effect of Reciprocity upon industries in the aggregate and with a general national effect. If it merely meant the revision of the tariff schedule the public would not look to politicians for opinions. They would trust to the business man whose particular interests were affected, but when the whole of Canada, the whole of the United States and the whole of Great Britain are seriously disturbed over it, it portends much more than mere tariff-tinkering. There is a psychological and political significance to it best expressed by President Taft when he stated that it meant "the parting of the ways."

I stated in a letter to the press when the pact was first announced that the question of tariff should not be left to politicians to decide, but to a commission of experts whose revision would be impartial and scientific; and I shall endeavor to show that the present arrangement has not only been framed by politicians, but for political purposes, and is, therefore, vicious in motive and execution. There are practical conditions surrounding every business, often apparently very trivial, which make all the difference in the world, and these conditions are only understood by the men in the business or by experts.

NOT WANTED.

The main and determining consideration in the matter is that there was no demand for Reciprocity in any quarter but one, and the country

generally was unusually and unprecedentedly prosperous. Since in two general election campaigns long ago commercial union and unrestricted reciprocity issues were fought out and killed there has never been an attempt to resurrect them in any form. Reciprocity was the last thing the country was thinking of or wanting, when the delegates from Washington suddenly hove in sight to ask for it. The obvious thing and the only proper thing for Sir Wilfrid Laurier to have said to that delegation was: "If there are any of the products of Canada which the people of the United States require their government are at all times at liberty to remove the duty. If there are any of your products which the Canadian people want for their purposes, and it is in the interests of Canada that they should be admitted free of duty, we can do the same. Do not come to us seeking concessions and asking favors in our market at the same time. We are doing very well as it is, and while we appreciate the compliment of the Great Republic at last coming to Canada, after so many times refusing to treat with us, we do not care to do business on the proposed lines. We want to live on good terms with you, we like you as neighbors, and are at all times pleased to see you as visitors." The thing for two independent peoples, if they desire to live apart, is to regulate their own tariff to suit their own requirements. There is internal evidence, however, that the delegation from Washington was not altogether unexpected in high quarters, that in fact it was pre-arranged and that it suited Sir Wilfrid's purpose quite as well as that of President Taft.

THE TRUE GENESIS OF THE PACT.

The grain growers of the Middle West had homharded Sir Wilfrid on his western tour and his replies were neither happy nor satisfactory. In the realm of finance and economics Sir Wilfrid is a child. They followed him to Ottawa in force and filled the Legislative Chamber to overflowing, and, as one correspondent picturesquely described the incident, even sat in the throne with their legs dangling over the arms and spat on the Speaker's dais. It was carrying the war into Africa with a vengeance, and Sir Wilfrid in a dilemma hegen to see daylight. The editor of The Globe, a political missionary for Sir Wilfrid among the good people of Ontario, hied himself to Washington, as famous predecessore of his in the editorial chair had done before him, and saw the President. The latter was assured that Reciprocity as political medicine would be good to have in both houses; hut as the Canadian delegates dare not under penalty of tar and feathers go again to Washington to seek Reciprocity it would look better to have a delegation go from Washington to Ottawa.

President Taft did not stand on the order of his going when a business opportunity offered, but went. The visit was es oportune as it was welcome. The Nationeists had given Sir Wilfrid a beating in Arthahaskerville and Drummond and a worse surprlse. It appears that Sir Wilfrid's profession of love and extreme regard for the British people had been

taken somewhat too seriously among some of his compatriots; and as he had, under pressure, agreed to loan the new Canadian navy, which he had bought from the British, to the Empire in case of supreme danger, his actions were resented. There were also symptoms of unrest in certain parts of rural Ontario, also in respect to the navy. A farmer who lives on a hack concession—and I have lived there some years and know—and never sees a glimpse of salt water through the trees on his farm and would not recognize the Canadian navy if he saw it, has not a realistic conception of its uses, and objects to the price. Here was the chance for the great wizard of politics to strike three birds in one well-directed aim, and incidentally to give his own longings affect. Reciprocity would be an assurance to the Nationallists that his heart was not with the British at all, but if anything, on the other side of the Line; it would divert the attention of the Ontario farmer from brooding over the great size and expense of the navy and fill him with dreams of the 100,000,000 market in the United States for his butter, eggs and hogs; and it would completely satisfy the grain grower of the Middle West. I think you have here presented thoroughly and accurately the genesis and evolution of the Reciprocity pact. Matters looked dark for the next general election. With Quebec gone the chances for another victory were hopeless.

ASKED FOR BREAD AND GOT A STONE.

As a matter of fact, although as we have seen that the germ of the idea came from the grain growers, their programme was far from being filled. They get more of shadow than substance.

The burden of this petition was the ownership of the Hudson Bay Railway, Government controlled elevators, and assistance to the chilled meat industry, to not one of which they got a favorable reply. In respect to the tariff what they wanted in particular was that the duty be taken off agricultural implements. It can be well understood that in the Middle West where agriculture and in particular grain growing is the staple and practically the only industry, agricultural implements are of paramount importance, absolutely necessary to existence and universally in use. The business in agricultural implements is, therefore, an enormous one and constitutes the largest industry carried on in Ontario. Naturally where an article is in daily and universal use the user wants to get it as cheaply as possible. The implement business in the Middle West, however, is very largely in the control, of one or two associated firms, the principal of which are the Messey-Harris people, political friends of the party in power at Ottawa, and contributors to their campaign funds on a large scale. It would not do to alienate this support, and instead of doing what the grain growers asked for, Sir Wilfrid did something else. It is proposed to reduce the duty on agricultural implements about 2½%, a mere trifle. This was the solution, freely translating Sir Wilfrid's thought: "We cannot give you free agricultural implements, that is too large an industry

to be disturbed by American competition; besides the Massey-Harris people are our friends. We can do better for you than that. You buy a lot of fruit from British Columbia; you can buy it cheaper from Washington and Oregon if we take the duty off. British Columbia is no friend of ours—you shall have free fruit." In other words, the fruit industry in British Columbia was sacrificed in the interests of the Massey-Harris people in order that the grain growers might be placated. There is no escape from that conclusion.

It is true that fruit is a luxury indulged in largely as a dessert and that in a grain growing country agricultural machinery are the tools of necessity, so that the tenets of the soundest economics have been disregarded as well as the real wishes of the grain growers. It is true also that the British Columbia fruit grower and farmer, from whom all protection has been taken, has still to buy his tools, the implements of his trade, from the protected manufacturer. It is true that fruit, though technically a natural product, is the result of a high degree of skill and secondary industry, and, therefore, has all the claims to protection and consideration which the tools have which are used in its production. All these things are indisputably true, but political exigencies apparently know no law; and farmers and fruit growers are not rich enough to contribute to election funds.

THE BRITISH COLUMBIA FRUIT INDUSTRY.

Of all the sections of Canada and all the interests by common consent most affected by the pact are the fruit-growing districts of British Columbia. The fruit growers themselves, of all shades of politics, are alarmed at the prospect. Fruit-growing in British Columbia is a new industry, developed at great cost and with great care, and its success has been and is dependent upon the contiguous market of the Middle West of which it would be deprived if Reciprocity came into force. It is rendered very much less profitable by open competition with Oregon and Washington. I have already pointed out that in these States fruit growing is an old industry, that the area in orchards is very much larger than in British Columbia, and that production is on a very large scale. The commercial end of the business is well organized and much more highly specialized than in British Columbia, so that the dealers in those States practically as near the Middle West as we are, and with similar freight rates can easily undersell British Columbia dealers. Moreover, with the duty off, Oregon and Washington would be able to undersell our own growers in our own markets. It is said that British Columbia with its excellent fruit capabilities, etc., should not fear competition. Ten years from now it possibly would not, (10) but for the greater part the industry is still in its infancy, and the same argument which applies to manufactures applies also to fruit-growing; it can be ruined or crippled by the more highly organized and specialized industry to the south of the line. The effect of the Reciprocity

treaty will be that the Portland and Seattle dealers will hereafter control the fruit industry from Victoria to Winnipeg—of that I feel absolutely certain.

THE LOSS TO THE MIDDLE WEST.

On the other hand, our dealers in British Columbia have bought heavily from the Middle West in farm products of all kinds—wheat, oats, cattle, sheep, hogs, meat, shorts, bran, hay, etc., creating a mutually profitable trade between the two provinces. This order will now be changed. The British Columbia produce market instead of being supplied from the Middle West will be supplied from the States of Washington and Oregon. The farmers of the Middle West will discover that if they get cheaper fruit by Reciprocity they will lose a very profitable market as well. I have stated on other occasions when discussing relations as between British Columbia and Canada that Interprovincial trade is one of the chief objects of confederation; if you weaken or destroy that you weaken the whole fabric and so far as British Columbia is concerned, confederation is of little account. It has been shown by figures from the Bureau of Statistics at Ottawa that British Columbia enjoys by reasons of its isolation less than 1% of advantage by Interprovincial trade and pays 8% of the whole cost of government of Canada.

HOW ABOUT THE CONSUMER?

It is said, however, that if the producer will lose some of his profits the consumer will benefit. This will be found to be truer in theory than in practice. The consumer of fruit, for instance, does not buy from the grower, but from the retailer whose prices are artificial and out of proportion to the cost to him, largely determined by the percentage of waste of his perishable goods. It is a matter of fact that among retailers the prices are arranged each week largely irrespective of the cost of goods, but assuming that the consumer is benefitted to some degree, is he in the long run, or generally speaking, benefitted by the loss or serious depreciation of an industry which is one of our chief elements of prosperity and one of the brightest hopes of the province? It is the old Free Trade argument of cheap goods. England has cheap goods, but the mass of the people have not the money to buy them.

I am not prepared to speak with the same degree of certainty about Eastern Canada, but I am prepared to assert that Reciprocity does not offer a single advantage to British Columbia which it would not sooner or later obtain in any event, and presents obvious disadvantages. (1) Our exports are principally in the nature of "natural products," which apparently should be peculiarly benefitted by a reciprocal arrangement. This, however, is far from being the case. I have already dealt with agriculture and fruit growing in which the prospect does not present a single ray of sunshine.

LUMBER.

As to lumber, it is true that we have had a market open to us which was formerly closed by a tariff wall, while our own tariff wall has long ago been thrown down. On the face of it, this looks like a decided benefit, and several of our large lumber operators have taken that view and endorsed the arrangement. (12) In the lumber business it is a condition and not a theory that confronts us, and I have to point out what is a remarkable situation and more eloquent in itself than any statements these gentlemen could possibly make. One of these statements to which I refer was that a market was open in California for certain classes of timber and British Columbia would be in a position to compete. Let us see.

I state now what no lumberman can dispute, because the facts are commonly known and can be verified every day of the year by turning to the shipping columns of the newspapers. If you look at these columns you will find for every ship loaded in British Columbia for foreign markets there are six loaded in Puget Sound ports. Why is this? The markets are open to the world, the rates of shipping are the same, our lumber is as good, the towage rate is the same and our coast mills are nearer the sea. The stumpage is higher in Washington than in British Columbia. Then why is it that on equal footing, with the markets of the world open to both, the Sound mills do the business and ours do not? If then we cannot compete with them in the outside markets on equal terms, how are we going to get the California market in competition? On two occasions the G.T.P., a Canadian railway doing business with headquarters at Prince Rupert, placed very heavy orders for timber, ties, etc., with Puget Sound mills, notwithstanding that the railway is bound by contract with the Provincial Government to buy all its supplies in British Columbia, subject to prices being equal. Why can the Sound mills get such important British Columbia contracts away from local mills, and if so, what chance have our mills in their territory where American mills are well established?

The most that can be said in favor of the arrangement so far as lumber is concerned is that it can do no harm to our interests. Theoretically at least it is a better arrangement than we have at the present time, whereby our product is barred from the American market, and the American product is admitted free of duty; but from a practical point of view it makes little or no difference to the situation.

PULP, AND PAPER AND LOGS.

While the arrangement is unobjectionable in respect to lumber, a most indefensible condition is attached with respect to the free exchange of pulp wood and paper—an obvious attempt to force the provinces to abandon their established policy of preventing the export of logs cut off Crown lands. No one has attempted to defend this provision and no public man in any of the provinces—Liberal or Conservative—would advocate that

It would be a good thing to abandon that policy and allow our logs to be sent over to the United States to be manufactured there. It looks almost innocent on the face of it, because it cannot become operative until the provinces are agreed, but the deep design on the part of the United States negotiators is only too apparent. That design is revealed by Mr. Norris, chairman of the American Newspaper Publishers' Association, who regards the fact that logs can be exported from Dominion Crown and private lands as favorable to causing the provinces to fall in line as well, because he thinks that a competition will be created as between logs from the two classes of lands that will force the issue. There is an immense spruce area in the northern parts of Alberta and Saskatchewan from which the Americans hope to get a supply of logs, or if not logs at least of pulp manufactured on the spot. Assuming, however, that the provinces could be induced to abandon such a wise policy, what a stupid thing it would be in the interests of the country to allow logs to be shipped out free and then to permit the manufactured article in the form of paper to be shipped back free in competition with home industry. That single provision should be sufficient to defeat the entire measure, if it were otherwise unobjectionable, and one cannot imagine the Canadian commissioners being so blind, to say the least, as to agree to it, and it is one instance of the cleverness with which the whole scheme has been framed in American interests. The paper situation has become so acute in the United States that in a very short time that country would have been forced to take the duty off pulp wood, and so important is it that this provision of the pact has already gone into operation independent of what Canada may do.

OUR FISHERIES.

Even for the sake of political effect one should not feel called upon to declare a measure of the kind wholly bad because a majority of the provisions may appear to be. Theoretically, again, as in the case of lumber, there is some advantage to be gained by an increase of opportunity in what may properly be called a natural market. Again, however, there are certain practical conditions which largely offset the theoretical advantage. In Eastern Canada the men engaged in the fishery industry are not at all enthusiastic about the prospects. Some of the most prominent among them are actively opposed to it; but in British Columbia the conditions are not quite similar. We have large undeveloped fisheries—compared at all events with the Atlantic industry—and we have a much more limited home market. Under such circumstances the situation would seem to appeal to those whose interests are affected. Undoubtedly the pact will have some measure of benefit to British Columbia in this respect; but we are faced with a condition which largely nullifies what would otherwise be a very great advantage.

Our fresh fish are admitted free to American markets; but of what avail when American fishermen who fish in or contiguous to our waters

already have the American market in absolute control? There is a combine which includes all the leading fish dealers in the Eastern states and has its own fishing fleet, plant and appliances on this coast. A Canadian or British company could not sell a consignment of fish within the territory of the combine at any price, a condition which has obtained for years. How much, therefore, of that market can a Canadian company under the circumstances get? In addition to that the same general commercial conditions apply as in the case of lumber—superior organizations and more specialized methods.

There is another important matter which has been overlooked. There will be not only reciprocity in fresh fish, but in canned and preserved fish as well. This is very much on a par with pulp wood and paper. The salmon canning industry is a very large one on the American Pacific coast, very much larger than in British Columbia, and includes canneries in California, on the Columbia River, in Puget Sound and Alaska. The Canadian market for canned salmon is considerable and rapidly growing. It is a most profitable market for local industry. It will immediately be invaded by the American cannery men. Then again, the industry in preserved fish which is just beginning to assume importance in British Columbia will be diverted to Seattle and Tacoma, whether our fresh fish will be exported and where the industry will be built up on our raw material. It is true we have equal opportunities, but we are giving up our home market before we have laid hold of the other, and before we are well on our feet.

Fish, however, is one of the natural products which under the stress of tariff reform in the United States was bound to be admitted free in any event in a very short time, and is on a par with wood pulp, and other of the natural resources of Canada which President Taft says are so necessary for the United States to have at their command, and which it is now proposed they shall have at the expense of needless concessions on our part.

MINING MOST UNFAIRLY DEALT WITH.

We are thus left to mining.

Here the negotiators of the pact had an opportunity to have done real service to the mining interests, but neglected it. The duty on lead ores going into the United States has placed a serious handicap on the mining industry of the southern interior, and it was to overcome this that a bounty on the lead in the ores was granted by the government. Miners recognize that the removal of the duty on lead, which is essentially a natural product, is much more important than a bounty. The latter is only an artificial and temporary device, restricted in its effect, while the former is a natural method and would have been of great permanent benefit. It is hardly necessary to state that the United States is a big market for lead. It is strange that such an important matter should have been

overlooked, especially as the Dominion Minister of Mines is a representative of British Columbia.

Then as to coal, the duty in the United States has been reduced 5 cents per ton—not a honanza. British Columbia is a large coal-producing province and its principal market is the United States, from which on this coast there is no competition. This is a case in which both sides of the line would be benefitted; but in Nova Scotia, a province specially represented by Mr. Fielding, conditions are somewhat reversed. Nova Scotia is a large coal producer, but there the United States coal is a competitor, and it is not unnatural from a political point of view that the interests of his own province should be preferred to those of British Columbia. But it isn't Reciprocity in natural products, which the pact professes to be, and it isn't fair to British Columbia.

AN UNMIXED EVIL.

From a British Columbia point of view, therefore, there is nothing in the pact for which to thank meddling politicians, although really British Columbia has more to complain of with respect to the incidence of the tariff than any other part of Canada. She has practically from the very outset contributed in taxation to the Dominion treasury several times the average of the per capita tax of all Canada. Notwithstanding that, her people were not asking for changes, satisfied to leave well enough alone. Not outside of the grain growers of the Middle West, who are the most prosperous of the population of Canada, does it appear that any section of Canada was seeking redress of grievances. There was a general sense of contentment with existing prosperity and conditions. Therefore, as previously stated, when the American delegates came to Ottawa ostensibly on American initiative, it was Sir Wilfrid Laurier's duty to have told them to arrange their own tariff to suit their own requirements and that Canada would do the same. Such a system involves no obligations on either country, no negotiations and no political commotion. Because, it is alleged, the United States require certain of our products, why should Canada pay the United States, that is, give them concessions in our market for products they themselves want? Under ordinary circumstances that is the position any Premier of Canada knowing the spirit of the people would have taken; but the circumstances were not ordinary. Sir Wilfrid was thoroughly frightened as a result of the Arthabaskaville and Drummond election, and he had to find a road out of a dilemma previously described. Reciprocity, he concluded, was the issue by which he could capture enough seats in other parts of Canada to offset his probable losses in Quebec. He dared not go openly to Washington, but if Washington came to Ottawa it would be different—it would be a tribute to Canada's growing greatness, a tremendous compliment. President Taft knows well the spirit of the American people and he knew the time was ripe for tariff reform. Hence the scheme was one which fitted beautifully into the political plans of both

leaders. Sir Wilfrid trusting to ancient tradition of both parties in Canada did not anticipate any serious objection anywhere to such a policy. He would pin the Conservatives to their own record. Reciprocity would suit the prairie provinces and would do service in Ontario and the Maritime Provinces. In fact, it appeared to him and to Mr. Fielding as a master stroke and a supreme measure of good luck.

NOT POPULAR.

The people of Canada have not responded and no measure of public policy in years has met with such genuine, unmanufactured vigorous opposition. Canadians had not asked for it, were not looking for it and had no use for it, and the opposition has not been so much to the immediate financial aspect—although that naturally has been a good deal discussed—as the national aspect and the ultimate trend it will give to political thought and to Continental trade. Deep down in their hearts the Canadians have resented the studied contempt which Americans have displayed toward them as a people. They still feel the humiliation they have experienced in the repeated rebuffs our government received when they went to Washington on a similar mission—attempts to re-open the door which the Americans closed in their face long ago. And they have not forgotten the irritating international regulations imposed by the American Government from time to time. And now, on the very first occasion upon which the American Government, having changed its attitude toward us to one of reasonable respect from one of lofty indifference, see fit to come to us, it would appear that our Government fall into their arms and weep tears of joy. Canadians have enough pride and self respect not to appreciate that national attitude.

Canada by a very strong effort overcame her natural physical obstacles to success which in the United States seemed to be and was phenomenal, while we dragged behind, lagging in population. Canada in 1878 mapped out a policy of National development which Sir Wilfrid Laurier and his party opposed. In 1881 the unification of the provinces by the construction of a great railway was undertaken. Canada had previously spent and continued to spend millions of dollars in canals and otherwise improving waterways, and in the building of the Intercolonial Railway. Since the impetus given to National industry by the National policy and by the opening of the West by a railway Canada has made strides that have been marvelous—so much so that whereas in 1881 the party of which Sir Wilfrid is now leader declared that the building of the C.P.R. would bankrupt Canada, today there are two additional transcontinental railways under construction, for one of which Sir Wilfrid is very proud to be sponsor, and costing the country five or six times as much in cash as the C. P. R. did. As time has gone on, the results of large expenditure and stupendous enterprise have become yearly more evident. During the last ten years Canada has expanded at a rate of which there is no contemporary example, not even

In the United States. Canada, after political struggles for half a century, hampered by the growth of the Republic itself, which drew away 2,000,000 of our sons and daughters and offered as many impediments to our progress as possible, has come to the reward of her efforts; she has progressed on sound lines, has developed large industries and stable monetary institutions and has at the same time maintained a high moral tone in her financial affairs and preserved intact the best of British institutions and traditions. Today she is in the front rank of the Dominions of the Empire and is attracting population and capital at a surprising rate and to a very large extent from the United States. This remarkable success has been achieved not because of the United States, but in spite of that country; it has been achieved by overcoming physical obstacles which lay in her path East and West. A wilderness of rock and muskeg stretched between Eastern Canada and the prairies, and prodigious ranges of mountains stood between the prairies and the Pacific. Gaps in navigation had to be overcome by a system of canals. Railways had to be built and steamship lines established on the Pacific and Atlantic. All our lines of traffic laid down at the cost of over one billion dollars, are East and West—between provinces, between oceans, between Canada and Great Britain, between Canada and the Orient, between the Dominions of the Empire. Shall we after all these years of planning and building tap this stream of traffic and let it go south? The United States refused to share in this traffic until it became a mighty stream; our destiny assured, the United States now want to share it with theirs.

The Governor of Michigan in welcoming the National Editorial Association at Detroit the other day, spoke about Reciprocity being the prelude of the union of nations from the North Pole to the Isthmus of Panama.

The Governor of Michigan, Speaker Champ Clark, President Taft, Jim Hill, and every other man of mark in the United States knows what Reciprocity means and they could not even restrain themselves while the measure was passing through Congress. They express the feeling which is universal in the United States, that Canada is inevitably part of the American nation, and that as one people they have a common future. Having built up this great national structure at our own expense, shall we hand it over to the nation that stood by and reviled us while we labored? To the minds of patriotic Canadians it must appear to be the crime of the century, the very maximum of madness.

A WORD OF EXPLANATION.

This little hook was, for the most part, written before an election was in prospect. As an election is now pending and as Reciprocity will be the outstanding issue, its publication will be at least seasonable.

