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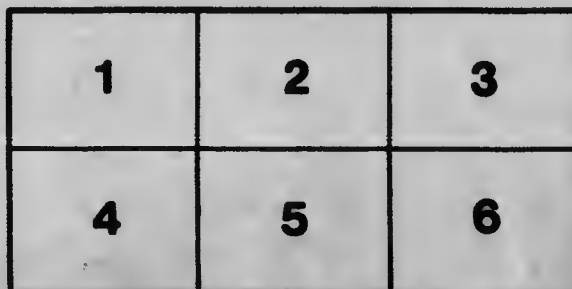
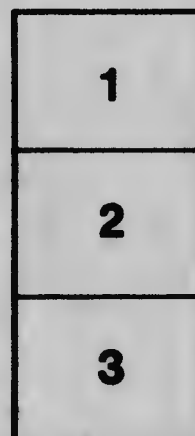
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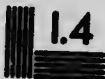
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RECIPROCITY WITH THE UNITED STATES

CANADIAN NATIONALITY, BRITISH CONNECTION AND FISCAL INDEPENDENCE.

How the Policy which has been pursued in Canada
for more than thirty years is Reversed by
the Reciprocity Agreement with
the United States;

And how Commercial and Political
Union with the United States
would follow.



Issued by The Canadian National League,
314 McInnon Building, Toronto.

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The Canadian National League

Why it was formed—What its Objects are—
How it will promote them.

THE CANADIAN NATIONAL LEAGUE was formed following the Protest against "Reciprocity with the United States of America," which was signed by eighteen supporters in Toronto of the Liberal Party in Canada, and published in the press on February 20th, 1911.

The objects of the League are:—

To oppose the adoption of the proposed Reciprocity Agreement between Canada and the United States of America and to support such measures as will uphold Canadian Nationality and British Connection, will preserve our Fiscal Independence and will continue to develop our present National policy of interprovincial and external trade, under which the Dominion has achieved its present prosperity.

The basis upon which the League has been formed is Canadian Nationality, British Connection and Fiscal Independence.

It is non-partisan in character, and opposes the Laurier Government because it believes that in negotiating this Agreement with the United States, and in endeavouring to have it adopted by Parliament, the Government is not upholding Canadian Nationality and British Connection, and is not preserving our Fiscal Independence. The League would oppose any Government, whether Liberal or Conservative, for the same reasons.

While opposing this Agreement upon the principles stated, the Agreement is also opposed upon economic grounds, because any present benefit to any section of Canada, or to any interests or individuals therein, which might accrue from it, would be more than offset by the loss and injury which would accrue to other sections, and interests, and individuals; and because the result to Canada as a whole, would be greatly injurious.

Believing that the people of Canada desire accurate and non-partisan information upon the questions involved, and that the surest way to defeat this Agreement is to supply such information, the League is engaged in collecting facts and statistics which will be embodied in pamphlets and distributed. The readers of these pamphlets may rely upon the accuracy of the statements of facts and figures, whether or not they agree with the arguments and inferences drawn from them.

We wish it to be understood that in opposing this Reciprocity Agreement no charge of bad faith or disloyalty is brought against the Government, or any member of it, or against any of those

who believe it to be their duty to support the Government's action. Nor is there any unfriendly feeling against the Government of the United States or their people.

We give both Governments credit for thinking that they are acting in the best interests of their respective peoples; but we believe that the Government of Canada is sadly mistaken, that it acted without sufficient information upon the questions involved, and without giving sufficient thought to the consequences, and under the erroneous belief that our people now want Reciprocity.

We believe that our Government failed to appreciate properly the present position and condition of Canada, contrasted with its position and condition when Reciprocity would have been welcomed, and that it lost sight of the fact that the principles underlying its own policy for years past are utterly inconsistent with the principles underlying this Agreement.

In the present pamphlets, and in those to follow, nothing will be said intentionally to wound the feelings of any one, and no offensive personal allusions will be made. The subject is above party and persons, and will be so kept and treated.

The opposition will be kept up until the people have pronounced upon the question. Should they pronounce in favor of Reciprocity then we shall have to accept the verdict for the time being. Should they pronounce against it, our opposition will be the sooner justified and we shall be encouraged to continue our work and to support such measures as will uphold for all time Canadian Nationality and British Connection and preserve our Fiscal Independence.

The President of the United States said in transmitting the Agreement to Congress, and in a subsequent speech, "Canada is at the parting of the ways."

From evidence submitted in the accompanying pamphlet it will be apparent that this statement is only too true. Canadians must now choose which way they will go:—Shall we continue along the path which has led us to our present prosperity and to our proud position as the keystone in the arch of a United British Empire; or, Shall we take the path which leads to Washington?

The answer to this question will, we hope, be found in this pamphlet, which is devoted to this branch of the subject. In future pamphlets we shall deal with the economic side, and we may again refer to the questions now discussed.

TORONTO, April, 1911.

Z. A. WASH, *Chairman.*

Canadian Nationality, British Connection, and Fiscal Independence.

When the Hon. Mr. Fielding announced to Parliament the Reciprocity Agreement he alleged, as the chief reason for making it, that ever since Confederation Canada had been committed to the policy embodied in the agreement, and earnestly desired it at the present time, that the Conservative party, as well as the Liberal party, was committed to it. He did not attempt, by facts and figures, to prove that upon economic grounds it would be beneficial to Canada; he *assumed* that it would be so.

Although the question must be decided upon Canada's position and condition in 1911, and upon the effect of the agreement in the future, and not upon whether a political party was or was not, or is or is not now committed to it; yet, as the Government have justified the making of the agreement upon the grounds stated, an enquiry into the facts upon which this justification is said to be based will not be out of place; especially as a great many Liberals oppose the agreement, and claim that, in doing so, they are consistent with the long-established policy of the Liberal party, and that the Government are now, to a very substantial extent, reversing that policy.

Reciprocity Damaged St. Lawrence Exports.

From 1854 to 1866 a Reciprocity Treaty existed between the old Province of Canada and the United States of America. This Province comprised only Upper Canada and Lower Canada (now Ontario and Quebec). Confederation did not take place till July 1st, 1867.

When this treaty was made the Province of Canada had a population of approximately 2,100,000; when the treaty was abrogated it had increased to about 2,650,000. Settlement had extended but a few miles, comparatively, north of the United States boundary in either Upper Canada or Lower Canada. The Grand Trunk Railway from Toronto to Montreal was the only railway connecting the two provinces. The Great Western Railway from Niagara to Windsor (now part of the Grand Trunk) was the only railway running through Ontario's Western peninsula. There were no large factories, and but a small home market, while the population of the United States in 1854 was 26,500,000, and in 1866 it was 36,000,000. Communication across the Atlantic was meagre and expensive. No wonder that the old provinces of Canada welcomed the Reciprocity Treaty of 1854, and that trade to the south increased. But the results upon the east and west traffic were a warning, and should be a lesson to us now.

Following the treaty, business in and out of the Port of Montreal declined. The carrying trade of the St. Lawrence in 1854 was valued at \$33,633,128. In the next year it dropped to \$15,208,600. The ships' tonnage going to the sea from Montreal and Quebec decreased from 1,487,097 to 870,794 tons, and the value of the exports from \$42,000,000 to \$28,000,000. On Canadian canals in the first year of the treaty the tolls fell off by 32 per cent.

The advance in prices of farm products which took place after the treaty was not entirely due to trade with the United States. The Crimean War, in which England, France and Turkey were fighting Russia, began

Two Wars Helped Reciprocity in 1854-66.

in 1854 and continued during 1855 and 1856, and the price of foodstuffs in Europe increased rapidly and persistently—wheat in England went up to \$2.50 per bushel. When peace was made, prices fell, until the Civil War in the United States broke out. From 1860 to 1865, because of this war, farming in the United States was considerably curtailed, and the market for Canadian products was correspondingly enlarged.

Treaty Abrogation was Disguised Blessing.

No sooner was the war over than a demand arose in the United States for the abrogation of the reciprocity treaty, from farmers and other interests, and from politicians who were irritated against England for her sympathy with the south, and wished to punish her by damaging Canadian trade. In 1866 the United States put up the tariff wall again, and the Canadian farmer was worse off than ever.

Between 1854 and 1866 Canadian producers had come to rely almost entirely upon the United States market, and to disregard the harmful side of that reliance—they were sending everything they could across the boundary and impoverishing their lands and, therefore, their capital. Almost without warning to be shut out of the market upon which they leaned was a serious thing. Many of them thought they were ruined for life, and a decided leaning towards annexation with the United States arose in many minds.

The abrogation of the treaty was a blessing in disguise. It stopped the fatal drain of fertility from the soil. At the very time the movement for confederation was fructifying, it turned the Canadian people once more to the British market, which had grown enormously through the expansion of trade in manufactured goods all over the world.

Courageous, Difficult, Patriotic Enterprise.

In 1867 Confederation came, and with it the hope which had previously been confined to a few ardent patriots—that Canada would become a Nation within a Nation, and would work out her destiny as such—spread to the mass of our people; and there and then began one of the most courageous and difficult and patriotic enterprises which has ever been witnessed, viz: the building up upon half a continent, by a handful of people, of a great Dominion, and the overcoming of enormous natural difficulties and disadvantages.

Consider, for a moment, the difficulties to be overcome. The British North America Act, Canada's constitution, first united Ontario, Quebec, New Brunswick and Nova Scotia, and provided for the union of Prince Edward Island and British Columbia and the vast territories between British Columbia and Hudson's Bay and extending from the United States boundary to the Arctic Ocean. Canada's task was to weld all these into one Dominion and to provide for its Government, and to preserve its autonomy and British connection.

The first part of the task has been accomplished. The great territories referred to were added, and the Province of Manitoba was formed on the 15th of July, 1870. British Columbia came in on the 20th of July, 1871, and Prince Edward Island on the 1st of July, 1873. This first part was comparatively easy. It is the rest which has called for, and

Confederation Welded Separated Provinces.

continues to call for, all the patriotism and courage and resources at our command.

Resisted Strong Geographical Tendencies.

Look at the geographical position of Canada, and her condition in 1871. Her total population was 3,579,782. The distance from the Atlantic to the Pacific was over 3,000 miles, every mile bordering upon the United States. Settlement was, comparatively speaking, only a fringe along a small part of this border. There was practically none in our great North West. All the natural conditions favored south and north, as against east and west, trade. To the south was a population ten times as great, comprising the same races, speaking the same language, having the same general laws and customs, and all under one general government; inter marriages constantly taking place, people from Canada settling in the United States, and people from the United States settling in Canada. These tremendous influences pulling the two countries together, had to be resisted, and the scattered provinces united, and east and west trade promoted and maintained.

Sir Wilfrid Asserts East-and-West Principle.

This was Canada's task. It is still her task. She has accomplished it, so far, because reciprocity with the United States has not existed. She could not have accomplished it had reciprocity been in force. We can speak with certainty about the past. We can only predict the future. We believe that the result of the proposed reciprocity agreement will be to check the growth and development of east and west trade, and trade between Canada and Great Britain; to weaken our British connection, and to render the task of consolidating our scattered provinces and preserving our fiscal independence and autonomy much more difficult. We believe it will eventually result in our losing our autonomy, and in our becoming politically a part of the American Union. We are aware that opinions honestly differ on these points; but we ask: "Why take the risk?"

The British North America Act, by Section 145, declared that the Intercolonial Railway was "essential to the consolidation of the Union of British North America." This principle of east and west transportation ran through the agreement with British Columbia, for it was made an essential part of the union, that the Canadian Pacific Railway should be built.

This principle actuated the Laurier Government when the building of the Grand Trunk Pacific and the National Transcontinental Railways was decided upon. Sir Wilfrid Laurier said in the House of Commons:

A railway to extend from the shores of the Atlantic Ocean to the shores of the Pacific Ocean, and to be, every inch of it, on Canadian soil, is a national as well as a commercial necessity. That such a road must be built, that it is, in the language which I have used, a national and commercial necessity, that it is a corollary of our status as a nation, that it is a requisite of our commercial development is a proposition to which, up to this moment, I have heard no dissent.

We consider that it is the duty of all those who sit within these walls by the will of the people, to provide immediate means whereby the products of those new settlers may find an exit to the ocean at the least possible cost, and whereby, likewise, a market may be found in

Grand Trunk Pacific confined to Canadian Routes.

this new region for those who toil in the forests, in the fields, in the mines, in the shops of the older Provinces. Such is our duty; it is immediate and imperative. It is not for to-morrow, but of this day, of this hour and of this minute. Heaven grant that it be not already too late; heaven grant that whilst we tarry and dispute the trade of Canada is not deviated to other channels, and that an ever vigilant competitor does not take to himself the trade that properly belongs to those who acknowledge Canada as their native or their adopted land.

Mr. Fielding for another Transcontinental.

The Hon. Mr. Fielding was equally emphatic. He said:—

It is desirable that we should give our American brethren to understand that Canada is resolved to work out her independence in these things, that the present proposal will promote this object, and that even if still another railway should be necessary we shall be prepared to construct it. The attitude that the Government has taken upon the subject . . . has already attracted much attention across the border, and there is much keener appreciation of Canada's independence than ever before.

To make the principle secure the following clauses were embodied in the agreement with the Grand Trunk Pacific Railway Company, and confirmed by Parliament.

42. It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the Government of Canada for the express purpose of encouraging the transportation of goods through Canadian channels. The Company accepts the aid on these conditions, and agrees that all freight originating on the line of the railway or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

Through Canadian Channels and Ocean Ports.

43. *The Company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavors to fulfil the conditions upon which public aid is granted, namely,—the development of trade through Canadian channels and Canadian ocean ports.*

45. The Company shall arrange for and provide, either by purchase, charter or otherwise, shipping connections upon both the Atlantic and Pacific oceans sufficient in tonnage and in number of sailings to take care of and transport all its traffic, both inward and outward, at such ocean ports within Canada, upon the said line of railway, or upon the line of the Intercolonial Railway, as may be agreed upon from time to time, and the Company shall not divert, or, so far as it can lawfully prevent, permit to be diverted, to ports outside of Canada any traffic which it can lawfully influence or control, upon the ground that there is not a sufficient amount of shipping to transport such traffic from or to such Canadian ocean ports.

Does not this reciprocity agreement practically invite the Grand Trunk Pacific Railway Company to disregard the spirit of these provisions? Does it not in fact compel them to do so? If the agreement becomes effective, will not the Grand Trunk Pacific, for self-preservation, be compelled to build or acquire lines and connections to the south, so as to secure a share of the inevitable north and south trade?

The Vital Change of Policy was in 1879.

Must not the Canadian Pacific and the Canadian Northern as well as the Grand Trunk Pacific build or acquire new lines and connections to the south? Supporters of the Government and of their policy for the past fifteen years surely have the right to complain that the essential principles of the policy which they have been supporting have been departed from; and if they are to be consistent, they surely should oppose that departure.

Fifteen years ago the Laurier Government came into power. What was the position and policy of Canada then with respect to reciprocity?
Were Faint Hearts in those Days.

At intervals from 1866 to 1896, there were those who would have liked a return to reciprocity. In the earlier years they were many in number. The memory of the easy trade situation from 1854 to 1866 and of the distress which followed 1866 still survived. Our people had grown up in the belief that reciprocity was what Canada wanted, and it was difficult to overcome that belief. It was also difficult to turn their minds to new channels of trade and to the conviction that Canada would be better without reciprocity. But the United States itself accomplished this task. Our overtures to that Government were rejected with scant courtesy, their tariff wall against us was built higher and higher, and we were compelled to find new markets.

In 1879 the Macdonald Government established the National Policy of protection to Canadian industries, including farming and farm products. This was in accordance with the clearly expressed will of the people at the General Election of 1878. It was a complete change of the policy which, up to that time, Canada had been living under—had been *dying* under, some thought. Trade was then still depressed, the belief in reciprocity as the only remedy remained in many minds; the fear of the consequences of incurring greater hostility in the United States, still existed.

When Canadian National Sentiment Began.

To quiet this fear and retain the support of those who still thought reciprocity the true remedy, the Government inserted in the National Policy Act a clause providing for reciprocity in natural and farm products, should the United States make a similar provision. Overtures were made to the Government at Washington on the subject, with no result other than to convince our people that they must in future work out their own destiny in their own way and find their own channels of trade.

The results of the National Policy thus established are well known. Factories and tall chimneys sprung up all over Canada. The building of the Canadian Pacific Railway was vigorously pushed to completion, trade revived—new channels for it were found, and the Canadian National Sentiment, which previously was at a low ebb, and which is now so splendidly strong, began to assert itself.

In the election of 1878 many supporters of the Reform Party then led by Alexander Mackenzie, supported the Conservative policy of protection, and the Mackenzie Government was defeated. But in 1896, these men in large numbers supported the Liberal party—because that party had abandoned its free trade policy and had given assurances that the National Policy would be respected should they be returned to power.

Sir Wilfrid Laurier often Renounced Reciprocity.

The election of 1896 did not involve the issue of free trade as against protection.

British Preference Begun and Extended.

The Laurier Government took office in 1896 and in 1897 Parliament repealed the clause in the Act of 1879 under which reciprocity might have been established with the United States, and confirmed and improved the National Policy of protection established by the Macdonald Government in 1879. In 1898 a preference of 25% was granted to Great Britain and in 1900 the British preference was increased from 25 to 33½ per cent. Surely the Liberal Party and the people of Canada had the right then to consider reciprocity as having been eliminated from our trade policy. Sir Wilfrid Laurier himself left no doubt upon the point. On four separate occasions since 1897 he spoke upon the question. In 1899, the year after the last abortive attempt to secure reciprocity, he said:—

If we know the hearts and minds of our people at present, I think I am not making too wide a statement when I say that the general feeling in Canada is not in favor of reciprocity. There was a time when Canadians would have given many things to obtain the American market. There was a time when the market of the great cities of the Union was the only market we had, but these days are past and over now. We are not dependent on the American market now.

Most Effective Way to be Independent.

In 1901, at a banquet in Montreal, Sir Wilfrid Laurier declared:

I remember, and you remember also, that since the abolition of the Reciprocity Treaty in 1866, we have sent delegation after delegation to Washington to obtain Reciprocity. We are not sending any more delegations. But I rather expect, and I would not be surprised, if the thing were to take place in a few years—I say—I rather expect that there will be delegations coming from Washington to Ottawa for reciprocity. Having learned from our friends in the south how to receive such a delegation, we shall receive them in the proper manner—with every possible politeness.

In 1903, in proposing the Grand Trunk Pacific Railway legislation, the Prime Minister was uncompromising:—

I have found, in the short experience during which it has been my privilege and my fortune to be placed at the head of affairs, by the will of the Canadian people, that the best and most effective way to maintain friendship with our American neighbors is to be absolutely independent of them.

Then at the Imperial Conference in 1907 he said:—

If we were to follow the laws of nature and geography between Canada and the United States, the whole trade would flow from south to north, and from north to south. We have done everything possible by building canals and subsidizing railways to bring the trade from west to east and east to west so as to bring trade into British channels. All this we have done, recognising the principle of the great advantage of forcing trade within the British Empire. . . . There is no boundary line except a purely conventional one over the whole territory of North America. Their habits are the same as ours, and therefore we are induced to trade and cannot help it by the force of nature. But so far as legislation can influence trade we have done everything possible to push our trade towards the British people as against the American people.

There was a time when we wanted reciprocity with the United

Slogan was "Let Laurier Finish His Work."

States, but our efforts and our offers were put aside. We have said goodbye to that trade and we now put all our hopes upon the British trade.

Three General Elections Without Reciprocity.

General elections were held in 1900, 1904 and 1908, but reciprocity was not an issue. On the contrary the Government went to the country and succeeded on their record of the development of Canada by railways, canals, steamships, British preference, and other ways inconsistent with reciprocity and north and south trade, and consistent only with a splendid policy of Canadian Nationality, east and west trade, British connection and trade with Great Britain.

In the election of 1908 the slogan of the Liberal party was "Let Laurier finish his work." What work was referred to? It was the building of the Transcontinental and Grand Trunk Pacific Railways for the reasons and purposes given:—

For the express purpose of encouraging the transportation of goods through Canadian channels and the development of trade through Canadian channels and Canadian ocean ports.

And in order that:—

the trade of Canada is not deviated to other channels and that an ever-vigilant competitor does not take to himself the trade that properly belongs to those who acknowledge Canada as their native or their adopted land.

Canada in 1911 not Committed.

Surely in 1911 with a Canada of eight millions of resourceful, courageous and patriotic people, with railways extending from ocean to ocean, and east and west means of transportation firmly established, with settlements hundreds of miles north of the border embracing provinces in the Northwest of magnificent size and with unlimited resources, with our population increasing and east and west trade and internal and external trade expanding by leaps and bounds, with splendid manufacturing and other industries giving employment to hundreds of thousands, with populous and enterprising cities and towns affording a fine and increasing home market, with the people prosperous and contented as never before, we have the right to say that the Government should not have undertaken to bring about this vast change in trade policy without consulting either their party or the people!

The expansion of Canadian trade has meant a greater increase in the wealth of the average man, than has taken place in any other country. In forty years while the population grew from 3,579,782 to 7,750,000, the deposits in banks rose from \$37,678,000 to \$800,000,000. In 1871, the average amount each person in Canada had in the bank was \$10.81. In 1911 it has grown to \$100.22—not at all bad for forty years in the No-Reciprocity wilderness.

Without delving into masses of statistics which fill Government blue books, two or three citations from the Budget speech on April 4th, 1911, of Mr. Fielding, will make the situation abundantly clear—Imports and Exports illustrate the amount of external business done by our people; Government income and expenditure show the cost of National house-

Our Trade and Wealth have Grown Amazingly.

keeping, and the National debt indicates the permanent obligation we are carrying and our ability to carry it. Take our Exports and Imports:—

	EXPORTS	IMPORTS	TOTAL TRADE
1900	\$191,894,723	\$189,622,531	\$381,517,254
1905	203,316,872	266,834,417	470,151,289
1910	309,682,431	418,730,764	728,413,195

Eleven months' total trade, from March 31st, 1910, to February 28th, 1911, totalled \$687,476,352, an increase of \$76,798,000 over the like period of the previous fiscal year.

As to Income and Expenditure.

	REVENUE	EXPENDITURE	SURPLUS
1909-10	\$101,503,710	\$79,411,747	\$22,091,963
1910-11	117,500,000	87,000,000	30,500,000

THE NATIONAL DEBT.

The National debt is \$340,168,546, or \$43.60 per head of the population, against \$40.00 twenty years ago. The people are far more able to carry their liability than they were in 1891, for, as Mr. Fielding said, "Twenty years ago it would have taken six years' positive revenue to pay the net debt; ten years ago it would have taken five years' revenue to pay the net debt; to-day less than three years' revenue would pay the whole net debt of Canada."

The National policy of protection, of east and west trade, and of British connection has been accompanied by a growing capacity for carrying the National debt, a growing investment of British capital in Canada, a growing trade with the Mother country, and a growing immigration of British-born people.

Trade with Britain fast Increasing.

Mr. Fielding in his Budget Speech said Canadian trade with Great Britain had grown from \$140,842,858 in 1900 to \$246,573,720 in 1910. It is rapidly increasing because of Canada's increasing power to supply the British market and of the greater efforts of the British manufacturers to supply the Canadian market.

The overshadowing feature of our commercial relationship with Great Britain has been the investment of capital in every field of Canadian enterprise. The British Government recently appointed a Trade Commissioner for Canada, Mr. Richard Grigg, whose second report issued on April 1st, 1911, shows that in the five years ending 1909, British investors sent \$605,453,852 to Canada, irrespective of the millions brought by settlers and private individuals. It is worth while to examine the widespread distribution of these investments:—

Canadian Bank Shares.....	\$ 1,125,000
Investments with Loan and Mortgage Companies	5,719,774
British Insurance Companies' Investments.....	9,731,742
Municipal Bonds Sold Privately.....	10,000,000
Industrial Investments.....	22,500,000
Land and Timber Investments.....	19,000,000
Mining Investments.....	56,315,500
Public Flotations in London (Govt. Railway, etc.)	481,061,836
Total.....	\$605,453,852

Hundreds of Millions of British Money Came.

This flow of capital continues. The *Monetary Times* of Canada, after several months' enquiry, gives details of public flotations in London during 1910 amounting to \$173,600,000.

The Map Tells the Whole Story.

A stream of British people and British money has been flowing into Canada for the last ten years—one hundred and twelve thousand British people came in 1910. Canada has achieved a remarkable popularity in Great Britain, which has been of the greatest value in financing Government and other undertakings, some of which have quite properly been placed before the British public as being important, not to say essential, to the close union of Britain with Canada.

It is idle to say that reciprocal north and south trade will not lessen our interprovincial trade, and our trade with Great Britain. Those who support this agreement do not pretend that the north and south trade will not increase. Of course it will increase, and will, to a large extent, take the place of the other. Look at a map of Canada and see what reciprocity would mean. Our country would be tapped all along the southern boundary. British Columbia would trade with Washington, Oregon and California; Alberta and Saskatchewan with Montana, the Dakotas, and states to the south; Manitoba with North Dakota, Minnesota and Wisconsin and adjoining states; Ontario with Michigan, Ohio, Pennsylvania and New York; Quebec and the Maritime Provinces with New York and the New England States.

Again we ask: "Why take the risk?"

Quite Unnecessary to Invite Evils.

As if it were an argument in favor of a reciprocity agreement, it has been said that without reference to Canada, the United States might lower or abolish their tariff against Canadian goods; and that if they did so the evils or most of them predicted for reciprocity would ensue. This is no reason why we should *invite* the coming of these evils by making an agreement on the subject. But should the United States lower or abolish their tariff on goods we want to sell to them, the results would be to give us any trade benefit which reciprocity in such goods might confer, and still leave our fiscal autonomy unhampered.

A change in tariff by the United States of its own free will, and in its own interests, would have a very different result upon our fiscal autonomy from a similar change through reciprocal legislation. In the one case we could protect our own interests without consultation with them, and without being charged with breach of international commercial honor. We could adjust our own tariff and make reciprocal agreements with Great Britain or our sister colonies, or with foreign countries, without considering the effect upon the interests of the United States. We could, for instance, do what Mr. J. J. Hill, in speaking at a Reciprocity banquet in Chicago, said we would do if the present measure should fail. He said:—

The United States might have let Bars Down.

Dreads more Canadian-British Trade.

The future union of all parts of the British Empire in a commercial federation is almost certain. When that shall have been concluded, under a system of preferential advantages securing the English market to a colonial producer of raw materials and food products, and the colonial market to the English manufacturer, it will strike the United States a double blow. Our best customer, Great Britain, and our third best, Canada, will trade less and less with us and more and more with each other. And it will then be permanently impossible to repair our error. Political and economic weather signals indicate that, should the present measure fail, no other can succeed for many years, if ever.

What does a temporary hardship to some interest here or there amount to as compared with the possible loss or severe contraction of the combined markets of Canada and Great Britain, drawn into a close commercial compact, which last year took from us nearly \$800,000,000 worth of all our products.

From the Mexican boundary to the frozen wastes within the Arctic circle, from the straits of Belle Isle to the straits of Fuca, one activity, one ambition, one merging of fear in fraternity, one commingling of interests and of effort equal to the conquest of the earth.

And Competition against United States.

Mr. Hill controls the railways which have already run several branches into Western Canada, and have nineteen others waiting to cross the border.

If the agreement be made effective then our fiscal autonomy would be so hampered—the letter of Mr. Fielding and Mr. Paterson to Mr. Knox, defining the agreement, says, the Government expects it “will remain in operation a considerable period,”—that the results predicted by the St. Paul (Minn.) *Dispatch* would follow. That paper said:—

The effectuation of that agreement would practically destroy Great Britain's scheme for Imperial federation, a scheme which not only implies closer bonds politically between Great Britain and her dependencies, but closer relations commercially, and undoubtedly preference for the products of the dependencies in the great markets of the world located in Great Britain.

If our Government rejects the proffers of reciprocity now under consideration, Canada will certainly turn the current of her trade as far as possible toward Great Britain. In that direction will pass her entire agricultural output through her own water channels to the Liverpool markets, and from Great Britain will be bought an increasing proportion of supplies of manufactured goods of all kinds. Our food products will have to compete in the world's markets of Liverpool and London at a disadvantage with the products of Canada.

We ought to be left free to deal with our tariffs in our own interests and in the interests of east and west trade, and trade with Great Britain and her colonies, and our determination to develop our country and its resources in our own way and by our own people, may be relied on to find remedies for any evils which might arise. This is one of the dangers to which Canada is subject, owing to her proximity to the great Nation to the South; this is one of the difficulties which in her Nation-building Canada may be called on to face. But the people who have successfully faced much greater difficulties may be relied on, if they are not hampered by trade agreements and entanglements, to overcome this difficulty as well. Again we ask: “Why take the risk?”

Canada can Easily Handle Her Own Problems.

Courage is With Those Who Oppose.

Are we not prosperous? Has not our prosperity resulted from the policy which has been pursued since 1879? Are we not progressing with wonderful success along the way of east and west trade and British connection? Why should we take the way which this Washington agreement has opened?

It is not a case of letting well enough alone and fearing to better our condition. The courage is with those who oppose this agreement, and who have no doubt of reaching our goal of British nationhood, or of our continued prosperity along the well-established way, notwithstanding its difficulties and natural disadvantages. The fear is with those who support the agreement and who in doing so succumb to the difficulties and disadvantages and fear that our prosperity will not continue unless we change our course and at the parting of the ways go along the new way which has been opened up.

The situation was well-known to the statesmen at Washington when they proposed to Canada a reciprocal trade arrangement. They knew that Canada had not only increased her trade with Great Britain and had obtained hundreds of millions for her development from Great Britain, but that, having answered tariff with tariff, she had drawn branches of American factories over the border, involving an investment of \$300,000,000. They knew also that between four and five hundred thousand people had left the United States for Western Canada and were well satisfied with the social, commercial and political conditions they found there.

Senator Beveridge dislikes Canadian Factories.

While the negotiations for the Agreement were in the tentative stage, Senator Beveridge, of Indiana, had spoken for his countrymen:—

There must be reciprocity with Canada. Our tariff with the rest of the world does not apply to our northern neighbour. That policy already has driven American manufacturers across the Canadian borders, built vast plants with American capital on Canadian soil, employing Canadian workmen to supply trade. That capital should be kept at home to employ American workmen to supply Canadian demand.

Senator Beveridge hoped for reciprocity in manufactures as well as in natural and farm products; but we who oppose this agreement believe that once adopted and in force for a few years unrestricted reciprocity would follow, and that the prediction of the Hon. Samuel McCall, who brought the Reciprocity Bill before the House of Representatives in the last Congress, would be verified. Speaking on this subject, even before the negotiations were begun, he said:

Add to the tremendous influences that are pulling the two countries together, the entangling web that is woven by reciprocal trade and, the inevitable day will be more quickly reached when the two countries shall be politically one.

Why should unrestricted reciprocity follow after some years of trade under the proposed agreement?

"The Entangling Web of Reciprocal Trade."

Asked for Free Trade in Everything.

The Milwaukee *Free Press* gives its conclusion upon this:—

We have absolutely no doubt that if the present agreement is approved it will be amended from time to time until we have positively free commercial intercourse with our northern neighbor. It is a splendid beginning towards a great all-American trade policy.

President Taft desired free trade in everything. He said at Atlanta, Georgia:—

When we entered upon the negotiations I asked the Secretary of State and his Commissioners to offer free trade in everything, but this Canada could not grant us because she has a protected system and she was afraid of the competition of our better organized industries. Canada is at the parting of the ways. If we now neglect this opportunity to bring about closer business and trade relations and insist upon the continuance of an artificial wall between the two countries, which differ no more in conditions of labor and production than do Kentucky and Tennessee or Georgia and Alabama, we shall throw away an opportunity for mutual benefit not likely to recur.

The Canadian Government are making a special appeal to farmers and grain growers to support this agreement. They know that unless they are supported by a majority of the farmers they will be defeated at the next election. We believe that the good sense and patriotism of this majority will lead them to oppose the agreement, even though some of them should think that it might be of pecuniary benefit to a few localities.

President is to Ask for More.

But suppose we are mistaken, and that the Government will be continued in office, what will be the result? We have sufficient evidence now that large numbers of those who support this agreement are demanding the removal or reduction of duties on manufactures, and that some are demanding full free trade with the United States.

There was added to the Reciprocity Bill now before the Lower House at Washington, a clause requesting the President to continue to negotiate with Canada for an extension of the list of things included in the agreement.

Remember that the President has already said that he offered free trade in everything. How long would it be, if the Government were sustained, until those who sustained them would demand that negotiations should be opened with the President and further reductions in our tariff agreed to, and how long would it be after that until full free trade or unrestricted reciprocity would follow? Mr. McCall said in the House, when debating the reciprocity measure:—

It is scarcely good form for us to regulate in advance, the internal fiscal policy of the British Empire. It will, however, always be within the power of Congress, if it shall appear that any undue advantage is hereafter given to Great Britain, to correct and change these rates, or repeal them all.

Opportunity to Correct and Change Rates.

The President would, no doubt, in due time comply with the request referred to, and would open negotiations for an extension of the list in-

President Taft Looks for Natural Resources.

cluded in the agreement. If Canada should not respond as wished he would probably renew the negotiations after the new railway lines and connections north and south had been built and established, and after the new channels of trade had been well opened; and if Canada should not then respond, or if she should point to pending or completed arrangements with Great Britain as a reason why she could not respond, how long would it be until Congress would "correct and change these rates or repeal them all"? Under such a threat, backed as it would be by the demands of Canadian Government supporters, who by that time would probably include many thousands of new comers from the United States, how long would it be until unrestricted reciprocity was reached? These are questions which no one can answer with certainty, but thinking Canadians should ponder them well. Again we ask: "Why take the risk?"

The quotations which we give in this pamphlet show that the United States make no secret of their desire to control the commerce of Canada and to have unlimited access to our raw materials. Transmitting the agreement to Congress, President Taft asked:—

Would save the United States Forests.

Ought we not, then, to arrange a commercial agreement with Canada, if we can, by which we shall have direct access to her great supply of natural products? Should we not now, therefore, before their policy has become too crystallized and fixed for change, meet them in a spirit of real concession, facilitate commerce between the two countries, and thus greatly increase the natural resources available to our people?

Again he said:—

By giving our people access to Canadian forests we shall reduce the consumption of our own, which, in the hands of comparatively few owners, now have a value that requires the enlargement of our available timber resources.

If the dependence of Canadian producers of natural and farm products on the United States market is renewed, and business with Great Britain is restricted, we shall have ceased to be independent and indifferent to threats of tariff legislation by the United States. In addition to increasing their share of Canada's trade the United States are aiming at an increase in Canada's share of their trade. "The entangling web woven by reciprocal trade" is in contemplation, and it will be used to prevent the increase of our trade with Great Britain.

To quote President Taft again:—

The reduction in the duties imposed by Canada will give us even *a larger share of her market than we now enjoy, great as that is.*

Once let the United States obtain, by agreement, control of our natural and farm products, and the way will be cleared for a demand for the free admission of United States manufactured goods.

"In a Commercial and Social Union."

In support of our belief that the agreement would weaken our British connection and would ultimately lead to annexation with the United States, we quote from many statements of public men and the

Speaker Champ Clark Predicts Annexation.

public press of the United States. We do not charge that the supporters of the agreement in Canada are any more desirous of annexation than we are, or that they are any less loyal to Canada and Canadian nationality than we are. We say that our views, backed as they are by the statements we quote, (which are specimens only of many, many more of the same kind), and backed as they are by the natural conditions and tendencies, and by the strong desire of the United States for annexation, are more likely to turn out correct than the views of those who support reciprocity and are willing to run all the risks involved. Again we ask, "Why take the risk?"

A few days after the agreement was announced, President Taft, in a speech at Columbus, Ohio, avowed his desire for commercial union:—

The greatest reason for adopting this agreement is the fact that it is going to unite two countries with kindred people, and lying together across a wide continent in a commercial and social union.

"Joyfully become Part of the Republic."

This is what Mr. Champ Clark, the leader of the Democratic Party, which now controls the House of Representatives, said in Congress:—

Therefore I am in favor of the reciprocity treaty because I hope to see the day when the American flag will float over every square foot of the British North American possessions clear to the North Pole. They are people of our blood. They speak our language. Their institutions are much like ours. They are trained in the difficult art of self-government. My judgment is that if the treaty of 1854 had never been abrogated the chances of a consolidation of these two countries would have been much greater than they are now. I do not doubt whatever that the day is not far distant when Great Britain will joyfully see all of her North American possessions become part of this Republic. That is the way things are tending now. I do not confine my support of reciprocity bills to this one. I am in favor of reciprocity treaties with the Central and South American Republics, including Mexico. The quicker we get them the better off we will be. Of course, as between the two, if we had to have reciprocity with Canada and not with these countries to the south, or with the countries to the south and not with Canada, I would take reciprocity with Canada.

It was said by certain Canadian newspapers that Mr. Clark was joking. He says he was in earnest—obviously he was. Here are a few American comments on his speech. Dr. Albert Shaw, an intimate personal and political friend of Ex-President Roosevelt, wrote in the *American Review of Reviews*:—

The thing most to be desired is full freedom of trade between Canada and the United States. But there is at this moment no need of a reciprocity trade agreement merely to promote good feeling. There is ample good feeling already. Mr. Champ Clark's allusion to an ultimate political union required no apologies. It has been freely talked of in England and everywhere else for half-a-century.

Talk About Annexation is Quite Sincere.

The *Union Sun*, of Lockport, New York, is candid:—

Mr. Clark spoke from conviction of long standing. He used, too, the terms which fit all the conditions of the case, namely, "the consolidation" of the two great countries. He was speaking in good faith.

It is the Wrong Time to Say the Right Thing.

We may as well begin calling our northern neighbors "Americans," because as the second greatest political unit on the American continent, they are entitled to it in exactness, if not in usage. A few of the Tories in both Canada and Great Britain may resent this concession as an uninvited imperiousness, yet common interests and a common goal, which both must see together, are drawing them together, in spite of the customs wall and the little more than imaginary line.

So is the *Tro. (New York) Press*:—

We favor it for the same reasons. Much surprise has been shown that the prospective Speaker Clark should refer to annexation, but we think it was eminently proper and prophetic. Canadian annexation would be as wise as Hawaiian and Phillippine annexation has been foolish.

In California, opinion endorses Speaker Clark, albeit the *Los Angeles Herald* thinks he might have kept quiet:—

It was unfortunate, just at this juncture . . . but just the same, though this was the wrong time to say the right thing, many of us may live to see the very result that Champ Clark hopes for brought about by this reciprocity agreement.

Invoke the Example of Goldwin Smith.

It may be predicted that the razing of the tariff bars will in time show both parties to the bargain that they have everything in common. Their social and trade relations are apt to become so intertwined that the most natural thing will be political union.

The late Goldwin Smith was the leader of a considerable party of annexationists in Canada. They have less strength, relatively, now than formerly, owing to the foolish tariff attitude of this country that has alienated many. But they are a good nucleus for the future annexation party.

At President Taft's request, Mr. Wilson, his Secretary of Agriculture, wrote a letter designed to reconcile the farmers to the idea of a decline in prices—the decline which the Canadian farmer is told will mean higher prices to him. National aggrandizement was the culminating reason given the farmers by Mr. Wilson for accepting the agreement:—

Adoption of the pending reciprocity treaty would, from the national standpoint, be as much an act of wisdom as was the adoption of treaties in the past that have added to our own country more than half its present area.

Mr. Champ Clark is not the only man who spoke with unexpected candour from his place in Congress. But his speech was omitted from the despatches of the *American Association Press*, and the utterances of several of his colleagues have been struck out of the Congressional record. Sir James Whitney, Premier of Ontario, in referring to this matter in the Provincial Legislature, said:—

I am in a position, knowing the importance of what I say, to state that dozens of speeches containing references to annexation were suppressed and never appeared in the record.

Notwithstanding this suppression, a few typical declarations made outside the Capitol are available.

Senator Cummins, of Iowa, the leader of the insurgent Republicans in the Senate, and a sure candidate for the Presidential nomination next year, said:—

Canada must Choose between Empire and Republic.

I am for the annexation of Canada. I have always been, and if it were generally understood that Canadian annexation was the purpose of the pending pact it doubtless would help the measure in becoming law here.

The Logical Conclusion of Reciprocity.

Senator McCumber, of North Dakota, also:—

Canadian annexation is the logical conclusion of reciprocity with Canada.

Ex-Governor N. J. Bacheior, New Hampshire, says:—

The only fair way for free trade to be established would be to let the Stars and Stripes float over Canada.

The attitude of the press is unmistakeable. Occasionally an editorial suggests that the writer is a little scared lest a Canadian might hear him thinking aloud; but as a rule there has been a splendid candour about the musings of the scribes.

The *New York American* thinks it speaks for Canada:—

Eventually of course, Canada will come in. That will happen when we want her. Meantime she is, so to speak, keeping herself for us in colonial cold storage.

The *Chicago Record-Herald* has no doubt about the parting of the ways:—

The people across the line recognize that Canada is about to choose between Canadian and American interests, and between the Empire and the Republic.

Eventually, Beyond Question, One Nation.

The *New York Journal* is very confident about the future:—

Intelligent Americans will favor this treaty; intelligent Congressmen will vote for it. Eventually, beyond question, the whole North American continent will be one nation.

The *Oriental Review* of New York regards the trick as already done:—

This great Republic has morally added to its union one more State, without fighting for it, and without any future need of "knocking it" into proper shape.

When the International boundary between Lake Superior and the Pacific was being delimited, the United States desired it to be at latitude 54.40, instead of at parallel 49, where it now is. Ardent spirits wished to settle the question by the sword. The difference between 49 and 54.40 is that 54.40 is north of the Saskatchewan, and that if the boundary had been fixed there no part of the Canadian West that is growing wheat for export would have belonged to Canada. The *St. Paul Dispatch* is reminiscent:—

The arrangement is just as good for the United States; so far as it goes, as the policy of "54.40 or Fight" would have been had it succeeded.

The unique position and possibilities of Canada in world politics are keenly realized by many business men and publicists in the United States. They see that Canada's political strength within the British Empire will be increased as her trade with the Empire increases.

Maritime Trade of Canada Must Go.

Control of trade and trade routes is the most powerful incentive to political aggrandizement. They openly profess that the agreement is a

Secretary Knox says, "Control Canadian Wheat."

blow to Great Britain and to the Empire. Whatever is a blow to Great Britain and the Empire is a blow to Canada.

Mr. Knox, the United States Secretary of State—chief member of President Taft's Cabinet—speaking at a Reciprocity dinner in Chicago, which, to quote the official report of the Chicago Association of Commerce, was representative of "cities as far north as Duluth and as far south as Nashville; as far east as Cleveland, and as far west as Omaha," said:—

In providing for free wheat we also take into account the facilities which the United States possesses for handling a part of the surplus Canadian crop, and thus preventing the demoralization of prices which results through the dumping of large quantities upon the European markets, where the world's price is fixed. The free admission of grain from Canada thus meets the present situation and provides against contingencies when the Canadian surplus becomes greater by placing the control in the hands of our own grain-growers.

It has been the object of Canadian statesmanship to build up Canadian ports, because control of maritime trade is of the essence of building and preserving a nation with sea coasts. Governor Foss, of Massachusetts, is wholeheartedly for the reciprocity agreement because it will draw all kinds of trade away from Canadian ports. His view of the agreement is well worth reading:—

Great Prospect for New England's Wealth.

Our great water terminal, Boston Harbour, will be improved with new docks and piers adequate to this increased business.

Our present railroads will increase their facilities and extend their lines to handle the increased business, and the great transcontinental lines of Canada will come to the port of Boston, which is the natural port of Eastern Canada, as well as New England.

Reciprocity will command a greater Boston, for our increased industrial and commercial interests will compel it. Real estate values will increase materially owing to this increased business development, and the increased population which will follow.

New factories in all lines will be established, for under these conditions our capital will no longer seek Canada for the purpose of building up those factories which it is now forced to build in Canada by unnatural tariff conditions.

To every man, woman and child in Massachusetts reciprocity will mean a greater opportunity for a livelihood, and it will mean that our young men and young women will find better opportunities right here at home and will not be compelled to seek their fortunes in other sections of the country.

Reciprocity will not only build up this section, but the whole country will receive a tremendous impetus for the next hundred years. It will enable the wealth of New England to safely invest its capital in the development of the natural resources of Canada, to the mutual advantage of both people.

This commercial union of these two English-speaking neighbors of the same family will make for the peace and good-will of the entire world.

Splendid Tide of Wealth to Flow Southward.

Governor Foss looks at the seaboard aspect of the pulling of Canadian trade to the south. At the wide end of the funnel of United States export business, *The Northwestern Miller*, a great trade organ published at Minneapolis, watches events. It speaks with vast knowledge and

The United States Millers will be much Enriched.

unquestioned authority when it voices a desire to prevent the further growth of the milling and exporting industry in Canada:—

The disposition of Canada's surplus is a question upon the answer to which depends the future, not only of the milling interests of the (American) Northwest, but indeed of the United States. Should this surplus be shipped abroad, it must inevitably mean the destruction of the American export trade, the shifting of the American milling centre, the gradual decline of the American milling interest to a comparatively unimportant place in the list of large American industries.

The miller who is able to grind this enormous (Canadian) crop will be the miller of the future, and where he is, there will be the great mills of the world.

The future of American milling with free Canadian wheat secured is a grand one. With this enormous crop flowing into the mills and elevators of the States, a splendid tide of prosperity would follow in its wake. The mills of America would go forward on their developing course, new mills would be built, and capacities enlarged. New markets abroad would be conquered.

"A Business Part of the United States."

New railways would be extended into the wheat-growing territory; American railroads carrying the flour from the mills would secure additional freights; American banks would obtain increased deposits, and greatly enlarged exchange accounts; American mill operatives would be in demand, and pay-rolls would be increased; mill machinery, bags, barrels, and other mill supplies would be required in larger quantities; more money would be in circulation, and the benefit would be felt in every artery of industrial life touched by milling.

There would be an increase in grain firms, in elevators, and in every branch of the grain-milling and flour-making interests. This would be felt in the added value of real estate and in the solid and substantial development of every undertaking and enterprise that makes a community prosperous.

The break-up of Canadian confederation is confidently predicted by Thomas C. Shotwell, in the *New York American*:—

The reciprocity agreement will check the east and west development of Canada and make that country a business part of the United States, with lines of traffic running more to the north and south. Reciprocity will really cut Canada into two countries. The section east of Lake Superior will merge with the New England and Eastern States, while the great agricultural section west will become a part of the great west of the United States.

The *New York Times* discerns great potentialities in the abandonment of the Canadian policy of building transcontinental railroads:—

Puts an End to British Policy.

The agreement opens the channels of commerce northward and southward and practically puts an end to the policy of the British Tories, which aims at blocking these channels and directing the currents of trade eastward across the ocean to the special gain of England. Incidentally, our acceptance of the agreement would also destroy the hope of the British Tories to establish a tariff wall about the markets of England, with the avowed purpose of reducing American trade.

The *Milwaukee Free Press* says further:—

Well do England's Imperialists appreciate the sequel of such a pact, a growing union of North American interests redounding to the common advancement of both Canada and the United States, and especially to the latter's ascendancy at the expense of Great Britain.

They Expect the Ascendency of the Republic.

We can do no more than indicate the great significance of the Canadian pact to the all-American ideal, to the future prosperity and ascendency of this Republic.

To head off Canada from direct trade with Europe is the ambition which moves the *Philadelphia Ledger*:—

The question is whether we shall shut ourselves off from this new domain by artificial walls and force its trade across the Atlantic, or shall establish such relations with it now that its growing wealth shall contribute with ours to the common development of the country. It is not a question of which side will reap most of the bargain. The details of the agreement are trivial, compared with the continental sentiment that underlies it

“First Alliance, and then Possibly Union.”

The *Cincinnati Enquirer* anticipates the political alienation of Canada from Britain:—

The fears of the British as to the political results of reciprocity with the United States are soundly based, for with the closer commercial relations which will result there will come a unity of political sentiment between the people of Canada and those of our own country. The people of Canada have ever been friends with us, and as the years go by that friendship will become stronger, until it produces, first, alliance, and then possibly union.

Destruction of the Imperial Ideal is foretold by the *St. Paul Pioneer Press*:—

The dream of a federated British Colonial Empire closed against us by preferential duties and trade agreements is vanished forever if this reciprocity agreement is consummated.

And *St. Paul* business men, writing to Senator Clapp, of Minnesota, have a similar belief:—

Time is of paramount importance. England favors an Imperial federation, as opposed to Canadian reciprocity, and if Imperial federation is accomplished we believe the opportunity of Canadian reciprocity will be forever lost.

The *New York American* looks for a cutting loose from European politics:—

“In ratifying this trade agreement, we should understand, therefore, that we are settling a world problem, and settling it right. British Imperialism will wane in consequence. But American trade routes will run along lines that were ordained by nature. And the prosperity of the Western Continent will receive an immense impetus through a definite, a final disentanglement from the intrigues of European politics.

The United States and Canada are stupidly separated according to the *Detroit Free Press*:—

The principal merit of the agreement is political and social. It will, it is hoped—and confidently hoped—be the beginning of the end of the stupid separation of two halves of a continent which is inhabited by substantially one people.

Next Step is Free Trade Manufactures.

How glad people in the United States are at what they regard as Canada's willingness to weaken British connection, is shown by the *Minneapolis Journal*:—

The Taft policy, spells not only North American commercial union, but also the doom of British Imperialistic commercial unity.

Too late, provided Congress acts, the British are awakening to the

The Taft Policy Dooms British Imperial Unity.

value of the prize they so fatuously rejected. Too late, if Congress rises to the level of this, perhaps the greatest piece of statesmanship effected by an American President since Thomas Jefferson annexed the west.

This is an agreement between two countries on which a future policy is to rest. The principle of give and take must first be established before the next step can be taken. The next step will be the removal of duties on manufactured products. Why should that barrier exist any more than one between Minnesota and Dakota?

To-day England is our best customer, and Canada is our third best customer. But our foreign trade wanes, and that of Canada grows. If we push Canada into England's arms, the trade arrangements between the two will tend more and more to shut us out.

How long will our trade with these two customers last if reciprocity fails? Our Canadian trade must fall off, as the east and west channels of her commerce are scoured by use. And Canada will more and more supply English needs in our stead.

Eastern Railway President's Strong Hopes.

Mr. J. J. Hill is not a lone prophet in predicting the diversion of Canada's trade to the south. His utterances in Chicago are complemented by eminent railway authorities in the east. Thus President Mellen, of the New York, New Haven and Hartford Railway justified a costly development in connection with another road in this way:—

This transaction also assigns the Boston and Maine more permanently a participation in the export grain business of Canada by way of Boston. The proposed treaty of reciprocity between Canada and the United States has largely influenced those in control of the properties to make this investment, because of their hope to secure a larger participation in the revenue from this business through a longer haul, and especially, also, because of their desire to promote the interests of the trade of the Port of Boston.

And the *Wall Street Journal*, recognizing the damage to Canada's winter ports as already assured, and the possibility of reverting to the pre-confederation dependence on United States transportation, said:—

The Canadian roads are not likely to sacrifice themselves to preserve a port so indifferent as Halifax if they can secure better access to tide-water from elsewhere. Mr. Hill's Great Northern has been developing with a view to getting more Canadian business. Its branches into Alberta and British Columbia promise to gather a rich tonnage with the possible removal of the tariff on Canadian wheat and further branches crossing the border will undoubtedly be built.

The export of Canadian wheat from New York is also clearly foreseen by the *New York Sun*:—

The scheme will give the United States greater control of the wheat market than it ever had before. It will enable its milling plants to turn Canadian wheat into flour and send the finished product abroad, and it will stimulate the sale of manufactures and other things that we have to sell to Canada. Canadian grain will pour into Minneapolis, to the benefit of American millers, handlers and exporters of grain. For every bushel that comes across the border a bushel will be exported at New York so long as the United States continues to raise more wheat than it consumes.

Americanized, if not Annexed.

The following condescending discourse from the *Washington Star* would be amusing if it were not so solemnly worded. It is only a different way of saying "From the Pole to Panama," which, according to

"Despised Colonist: Species of Political Outcast."

the *Minneapolis Journal*, is now the "Washington phrase," to express the views of the foreign diplomats as to the manifest destiny of the United States:—

But the Dominion may be and is being Americanized, though it is not being annexed. The English provinces are assimilating themselves to the Republic. The tone of the press and the tendency of public thought and action is American rather than European.

The native Canadian is by birth an American, but that name and all the modern history of his continent, and an intense nationality and national pride belong to the people of the great republic to the south of him, with whom he may unite politically without reproach. He feels that he is alienated from the tendencies and aspirations of the continent of his birth; that he is merely a despised colonist, a species of political outcast, like the man without a country, or a citizen of the District of Columbia.

In time the thoughts of the Canadians may turn towards annexation as the most-to-be-desired of all political boons. The isolation and humiliation of the colonial position will not be forever endured. Meanwhile full reciprocity in exchange of citizens and products and steady Americanization.

Why Take the Risk?

The Canadian people are invited to accept gratefully this kind of thing because commercial advantages are said to attend it.

We have said enough to convince reasonable men who place country before party, and who are not willing to allow considerations of personal gain to govern when Canadian interests are in jeopardy, that by this reciprocity agreement Canadian Nationality and British Connection and Canadian Autonomy and Fiscal Independence are in jeopardy; and again we ask: "Why take the risk?"

April, 1911.

ARTHUR HAWKES, *Secretary*.

Z. A. LASH, *Chairman*.

A POSTSCRIPT FROM PRESIDENT TAFT.

Just as this pamphlet was going to press, President Taft made a speech in New York, in which he plainly indicated the intention of the United States to prevent, by this agreement, all possibility of the commercial union of Canada with the Empire:—

I have said that this was a critical time in the solution of the question of reciprocity. It is critical because unless it is now decided favorably to reciprocity, it is exceedingly probable that no such opportunity will ever again come to the United States. The forces which are at work in England and in Canada to separate her by a Chinese wall from the United States, and to make her part of an imperial commercial band reaching from England around the world to England again by a system of preferential tariffs, will derive an impetus from the rejection of this treaty, and if we would have reciprocity, with all the advantages that I have described, and that I earnestly and sincerely believe will follow its adoption, we must take it now, or give it up forever.

In the same speech Mr. Taft disclaimed any desire on the part of the United States for the annexation of Canada. He cannot speak for the United States on this subject—but assuming that he is right with regard to annexation, he certainly is right with regard to Canada's future with the Empire if reciprocity takes effect, and again we ask: "Why take the risk?"

