

Reciprocity in Regard to Canada's Trade Relations With the United States

Canada is Not Averse to Considering the Question of Reciprocity in Trade Matters, But Must be Shown in what Respect it will be to Her Advantage to Change the Present Fiscal Arrangements--The Two Countries are Almost Twin Nations in all but the Fundamental Principle of Government.

BY D. LORNE MCGIBBON IN THE MONTREAL HERALD

The Commercial Relations of the United States with Canada is a subject for statesmen and for business men. The commercial age in which we live calls for business in statesmanship and the gigantic undertakings of modern Americanism call for statesmanship in business.

It appears to me that our first essential is a closer knowledge of each other. Though we have lived side by side through a hundred years though we have both blazed the trail of settlement and civilization, though we have laid together each on our own corner stone, the foundations of two great Commonwealths, though we have both emerged into prosperity, and attracted the attention of the whole world, we still have a great deal to learn about each other. It may be that neither Canada nor the United States begins to realize how much of natural welfare and world wide influence hangs upon the subject which we are discussing tonight.

CANADA WAS WILLING.

Let me say first that there is every reason why the United States and Canada should be bound together by the ties of friendship and there are many reasons also why our trade relations should be closer than they are today. We have both sprung from the same greater mother of nations; we speak a common language; Providence has placed us side by side on the same great Continent; we acknowledge the same ideals the same liberty and the same general type of civilization.

Though divided by an imaginary line and tariff walls, we share with each other not only the commercial changes of prosperity and depression, but our national joys and sorrows. A million and a half Canadians have chosen to live in the United States, while thousands of United States citizens are today crowding across the border into Canada. We have recently mourned with Americans the loss of a great President and their heads have been bowed with ours in grief at the death of a great King.

How ethereal after all are the barriers between us so far as the great problems of life and humanity are concerned! Had we known each other better, had we made an honest effort in days gone by to appreciate each other's true worth, the international bond of trade might be much stronger than it is today.

THE TIDE OF PROTECTION

Since our Confederation in 1867 and even before, Canada, with her meagre population and her need for a consuming market felt the necessity for closer trade relations to a far greater extent than the United States then on the crest of her great wave of progress and prosperity.

In 1854 a reciprocity treaty was concluded between the United States and the British provinces of North America. That treaty was abrogated by the United States in 1866. During the twelve years of its operation however, the trade between the two countries increased by nearly 300 per cent. Dissatisfaction with that treaty was probably due to the rising tide of protection which was then sweeping over the United States. But Canadians looked upon its abrogation with deep regret and felt at that time that they had lost their greatest and their most natural market.

For thirty years following, Canadian statesmen, from both political parties, went to Washington all but begging for reciprocal treaties, only to find that the United States Government was frigid if not unfriendly.

FOUND ANOTHER MARKET

But during those thirty years, a great change was taking place in Canada. Barred to the South Canadians looked abroad for a market and, finally awakened to the fact that the greatest market in the world for their products was to be found in Great Britain and that Great Britain welcomed the produce and the products of Canada. What was the natural result? Canada's policy was completely changed. Instead of building her railways north and south she built them east and west. She stretched across

the continent three transcontinental railway systems; she deepened her canals and equipped her ports she subsidized ocean steamships to carry her produce across the seas; she opened up her great West; she erected her own tariff wall and is as proud in the defence of her industries as the greater nations are of theirs.

THE NEW CANADA

During this period of anxiety and change she made a discovery, a discovery which transformed her delicate struggling infancy into a buoyant robust development.

She discovered that she herself has all the essentials of a great nation; that within her broad expanse she combines the greatest wheat fields; the most magnificent lakes and water ways; the biggest forests and mines; and the finest fisheries in the world. She discovered that instead of seeking friends and markets, other countries are seeking her and that far-sighted, keen-eyed men from Europe and America are pouring themselves and their energies into her marvelous resources.

What better proof of this can be given than that Great Britain has invested in Canada during the past five years more than \$600,000,000; that 168 of the largest manufacturers of the United States have established branch factories in Canada; that already United States investments in the Dominion have reached a total of nearly \$250,000,000?

From Belgium, France, Germany, Austria and other European countries surplus capital is coming to Canada in the face of keen competition from the world.

TIDE OF IMMIGRATION

The tide of immigration shows that the majority of our new population is coming to us from the United States. Of 208,000 arriving in the year 1909, 104,000 came from across the border, while in the month of March just past out of 33,000 arrivals more than 17,000 were Americans. It is said that this great exodus, expanding and accelerating with time, is viewed with some alarm in the United States.

And with all this growth and progress there has come to the Canadian people a new confidence and a glowing optimism which they never knew before.

This is nothing more than a brief outline of Canadian conditions as they exist today, yet it serves to show that in spite of the repeated refusals of the United States to consider closer trade relations with Canada the Dominion has entered an era of prosperity which surpasses all the dreams of her early days.

BRITISH CONNECTION

There is one other important phase of Canada's commercial life which must be considered in the discussion of this great question, and that is, that as a part of the British Empire she has instituted an Imperial trade preference for British products, and that preference, amounting to one-third of her customs tariff, has the hearty support of both political parties and of the people of Canada from coast to coast.

It is quite evident also that within a few years Great Britain will extend a preference to her colonies and that British Dominions, the world over, will be still more closely united by the ties of trade.

This fact need not necessarily interfere with the consummation of closer trade relations between the United States and Canada since Canada is absolutely free in shaping her own tariff policy, but the British preference may be said to be the key-stone of that policy, and must receive the first consideration.

COMPARISON OF PURCHASES

But it is very significant that the United States has been unwilling to listen to Canada's appeals for reciprocity. Canada has for many years been the third best customer of the United States.

Though we have a population of only about 7,500,000 people, our purchases from the States during the

last ten years aggressive nearly \$1,000,000,000.

During the same period, their purchases from us were just one half that amount, although their population is twelve times as great.

Or, to illustrate this fact in another way, the people of Canada last year bought from the United States per capita \$30 worth of goods, while the people of the United States bought from Canada per capita, goods to the value of only \$1.10.

More than three-fourths of the products we have purchased from the States have been manufactured goods while we have been able to sell to them for the most part, only our raw materials and food products.

COMPARISON OF TARIFFS

So much for the balance of trade. Let us compare the tariffs of the two countries. The average rate on dutiable and free goods combined imported into the United States is about 24 per cent.; imported into Canada about 16 per cent. The average rate on dutiable goods only imported into the United States is about 42 per cent.; imported into Canada about 27 per cent. On agricultural products the present United States tariff is from 33 1-3 per cent. to 100 per cent. higher than the Canadian tariff, while on manufactured articles the United States tariff is at least 40 per cent. higher than the duties levied in Canada. Nor can we, as business men, lose sight of the fact that the United States minimum tariff, extended to favored nations, is still high enough to prevent the importation of Canadian goods, and offers no valuable concessions to Canadian exporters.

COMPARISON OF INDUSTRIES

It will readily be conceded that the Canadian farmer can compete with his brother across the border, for his land yields on an average 50 per cent. more wheat per acre, and that wheat commands a higher price than the American. But it is scarcely to be expected that Canadian manufacturing industries, many of which are only in their infancy, can compete on equal terms with the much greater, and highly specialized industries of the United States.

The manufacturer in the United States, though he has been competition at home, enjoys, to a large extent his own market. He may not appreciate fully the struggle of a small industry under a comparatively low tariff, against the highly protected competition of foreign countries.

There are a few industries in Canada, which could perhaps, compete successfully in an open market with their United States competitors, but even if the rates of duty in both countries were equal, there are scores of industries in the Dominion which would suffer through free trade or low tariff in manufactured articles. Equality in tariffs, therefore, at the present stage of our development, does not mean equality of conditions.

POLICY OF PROTECTION

Canada finds no fault with the policy which the United States has adopted in developing her great resources. We have no right to influence them in the framing of their fiscal programme, and I feel safe in saying that although our proposals for reciprocity were so persistently rejected, the Canadian people do not believe that such a course was taken with any hostility towards Canada.

The majority of Canadians have rather come to believe that the same policy, building up as it does a great home market for both the farmer and the manufacturer, is just now the correct policy for Canada. From our lower plateaus of industry, we have looked with admiration upon the commercial daring of the States as they have scaled the heights of industrial power, and what could be more natural than that we should, to a large extent, follow in their footsteps?

WHERE CANADA STANDS

The outstanding features of the whole case, from the standpoint of a Canadian, may be summed up in four brief sentences:

Canada has spent her means and her energies to develop trade within

the British Empire.

She is practically shut out of the United States markets, though she is the third best customer of the United States.

She admits United States products today at about one-half the tariffs which the United States imposes against her.

Under present conditions, she has developed a prosperity and an independence which is reflected with profound satisfaction in every phase of her commercial life.

Under these conditions, what is our conclusion to be? That Canada will oppose closer trade relations with the United States? No. It may be expected that she will endeavor to conserve for her own people and for her own industries her vast supply of raw materials. It may be expected that she will defend her young but progressing industries against all unequal competition; but there may be many food products, agricultural products, minerals and other raw materials for which she will find an advantageous market in the United States, and there may be many classes or raw materials, or products in an unfinished state of manufacture which she can purchase to advantage from her great neighbor. After having mutually agreed that the industries of both countries are not to be allowed to suffer, we may favor each other in the purchase of surplus products which we must necessarily import.

(Continued on page three)

CITY DEBENTURES FOR SALE

THE CITY OF FREDERICTON offers for sale, \$20,000 of four per cent. street debentures, authorized by Act of Assembly 1910, maturing at different dates to suit purchasers. These Debentures are exempt from taxation and should be an attractive investment.

Further particulars on application. I. R. GOLDING, City Treasurer. City Hall, July 26th, 1910.



SEALED TENDERS addressed to the undersigned, and endorsed "Tender for Extension to breakwater, Richibucto Cape, N. B.," will be received at this office until 4.00 P. M., Wednesday, August 17, for the construction of an extension to the breakwater at Richibucto Cape, Kent Co., N. B.

Plans, specifications and form of contract can be seen and forms of tender obtained at this Department, at the offices of E. T. P. Shewen, Esq., District Engineer, St. John, N. B.; Geoffrey Stead, Esq., District Engineer, Chatham, N. B., and on application to the Postmaster at Richibucto, N. B.

Persons tendering are notified that tenders will not be considered unless made on the printed forms supplied and signed with their actual signatures, stating their occupations and places of residence. In the case of firms, the actual signature, the nature of the occupation and place of residence of each member of the firm must be given.

Each tender must be accompanied by an accepted cheque on a chartered bank, payable to the order of the Honourable the Minister of Public Works for the sum of two thousand three hundred (\$2,300.00) dollars, which will be forfeited if the person tendering declines to enter into a contract when called upon to do so, or fail to complete the work contracted for. If the tender is not accepted the cheque will be returned.

The Department does not bind itself to accept the lowest or any tender.

By order, R. C. DESROCHERS, Asst. Secretary. Department of Public Works, Ottawa, July 16, 1910.

Newspapers will not be paid for this advertisement if they insert it without authority from the Department.

GUIDE FOR TRAVELLERS

INTERCOLONIAL DEPARTURES.

No. 303--Mixed for Loggieville, 5.00
No. 317--Suburban for Gibson and Marysville, 6.15.
No. 321--Suburban for Gibson and Marysville, 11.15.
No. 323--Suburban for Gibson and Marysville, 16.20.
No. 301--Express for Loggieville, Chatham, Campbellton, Quebec, Montreal, etc., 18.30.
No. 327--Suburban for Gibson and Marysville, 18.40.
No. 329--Suburban for Gibson and Marysville, 22.00.

ARRIVALS

No. 306--Suburban from Marysville 7.45.
No. 302--Express from Loggieville, Chatham Junction 11.25.
No. 308--Suburban from Marysville 13.30.
No. 304--Mixed from Loggieville and Chatham Junction, 16.00.
No. 310--Suburban from Marysville 19.15.
No. 316--Suburban from Marysville 21.55.

CANADIAN PACIFIC DEPARTURES

6.20 a.m.--Express for St. John, Portland, Boston, Woodstock, etc.
7.55 a.m.--Mixed for Woodstock and points North. Leaves St. Marys at 8.35.
9.45 a.m.--Express for St. John and points east.
4.45 p.m.--Mixed for Woodstock, via Gibson branch on Tuesdays, Thursdays and Saturdays.
5.50 p.m.--Express for Montreal, and Boston, Woodstock, St. Stephen, etc.
9.05 p.m.--Express for St. John and points east.

ARRIVALS

9.10 a.m.--Express from St. John and points east.
11.20 a.m.--Mixed from Woodstock, via Gibson branch, Tuesdays, Thursdays and Fridays.
11.35 a.m.--Express from Montreal, Boston, etc.
7.50 p.m.--Express from St. John, and points east.
9.05 p.m.--Mixed from Woodstock, and points North.
10.50 p.m.--Express from Boston, Portland, Woodstock, St. Stephen, etc.

STAR LINE S. S. CO.

Steamer Victoria leaves for St. John every Monday, Wednesday and Friday at 8 o'clock a.m. Arrives on Tuesdays, Thursdays and Saturdays at 4.30 p.m.

ST. JOHN RIVER S. S. CO.

Steamer Elaine leaves for St. John every Tuesday, Thursday and Saturday at eight o'clock. Arrives every Monday, Wednesday and Friday at 4.30 p.m.

Steamer Hampstead leaves Fredericton every week day for Gagetown at 4 o'clock p.m. Arrives from Gagetown at 10.30 a.m.

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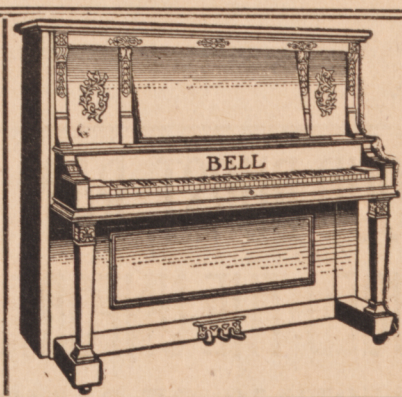
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The undersigned offers for sale his valuable farm at Tay Settlement, York County consisting of 150 acres nearly all of which is in a high state of cultivation. Buildings in good repair. Never failing water supply. Will be sold with or without crops. Full particulars on application. JOSEPH HAWKES, Tay Settlement, York Co., N.B.

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FOR SALE--One nice driving or working horse, kind and gentle, aged 5 years, weight about 1050 to 1100 pounds; one wagon, one sleigh and robe, two sets harness. Price \$250.00 in cash. I. S. RICHARDSON, Millville, July 25, 1910.

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Tenders Wanted

Sealed tenders, addressed to the undersigned, will be received up to noon of Thursday, July 21st next, for the finishing of a new room in the St. Mary's and Gibson school house. Plans and specifications may be seen at the residence of either of the trustees or Mr. John C. Machum. The lowest or any tender not necessarily accepted. WM. JAFFREY, Secretary.

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