

AN ATTEMPT AT RECIPROCITY
A STUDY OF THE TARIFF ISSUE IN THE ELECTION OF 1911

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CONTENTS

Chapter		Page
I	Introduction--Early Attempts to Secure Reciprocity	1
II	Introduction Continued	20
III	Events Leading to the Reciprocity Agreement	page
	(a) Negotiations(Spring of 1910)	33
	(b) Agreement in Parliament	35
	(c) Laurier's Western Tour	39
	(d) Press Opinion of Laurier's Tour	44
	(e) Grain Growers Guide and the Farmers	45
	(f) Manufacturers and the Farmers	47
	(g) Opinions of Federal Members on the Tariff	48
	(h) The Farmers at Ottawa	49
	(i) Scandals and Religion	53
	(j) Opposition to an Agreement	55
	(k) A Summary	58
IV	The Agreement in Parliament	59
	(a) The Discussion in Parliament	59
	(b) Borden's Tour of the West	78
	(c) Dissolution of Parliament	81
	(d) Summary	82
V	The Attitude of the Country Towards the Agreement	82
	(a) Political Danger From Reciprocity	82
	(b) Effect of Reciprocity on Industry and Agriculture	86
	(c) Opposition of American Farmers to Reciprocity	90
	(d) Attitude of Provinces Towards Reciprocity	91
	(e) Revolt of the Eighteen Liberals	93
	(f) Anti-Reciprocity Leagues	96
	(g) Appeal to Passion and Prejudice	97
	(h) Individual Opposition	99
	(i) Opposition from other Sources	100
	(j) Sources of Liberal Support	102
	(k) Summary	104
VI	The General Election--Campaigns and Result	105
	(a) Early Campaigning	105
	(b) Campaign Arrangements	107
	(c) Laurier's Campaign	108
	(d) Liberal Campaign in Quebec	112
	(e) Borden's Campaign	113
	(f) Nationalists' Campaign in Quebec	119
	(g) The Election	121
	(h) Opinions on the Result	122
	(i) Summary	124
VII	Conclusion	125
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Chapter 1. Introduction--Early Attempts to Secure Reciprocity.

Canada of the last half of the nineteenth century looked on reciprocity with the United States as the only salvation. The acquisition of an agreement, opening the markets of the great republic to the Dominion, was the highest goal to be attained. Both political parties tried their hands, both failed. As a result of these repeated rebuffs, the attraction to Washington of the early years gradually gave way to the attraction to Westminster, until, by the end of the first decade of the new century, an entirely new feeling had arisen in the country. The emphatic rejection at the polls in 1911 of Laurier's reciprocity agreement provided a striking illustration of this change. This thesis constitutes an attempt to trace these numerous efforts to secure a reciprocal trade agreement with the United States, special emphasis being laid on the agreement of 1911.

A revolution occurred in the history of Canadian trade and commerce in the middle of the last century following the abandonment by Great Britain of her old fiscal system. In 1846 Sir Robert Peel announced in the British House of Commons that henceforth British Commercial Policy would be based on the principle of Free Trade. As a result, at one blow the preferences enjoyed by Canadian wheat and flour since 1828, which had been increased in 1843, and by Canadian lumber since 1806 were swept away. The termination of these preferences at once caused great consternation among the lumbermen of the Maritimes and Quebec

and the grain and flour merchants of the St. Lawrence ports especially Montreal. In both cases it meant a dislocation of trade conditions which had existed for many years. (1) The severe depression which began to settle down over the colony greatly increased this consternation. Accordingly, they asked the Governor-General, the Earl of Cathcart, to intercede on their behalf.

Cathcart at once sent an urgent appeal to London asking the British Government to reconsider its decision or at least to remove the privileges more gradually. In making his request, the Governor-General explained that the sudden loss of the Imperial preferences would be a great blow to the Canadian carrying trade in as much as American grain and flour would now reach Britain via the Erie canal and New York in American ships thus making the St. Lawrence canals virtually useless, that the farmers who would now receive less for their products would not be able to consume as great quantities of British goods as formerly, and that Canada, and especially Ontario might have to repudiate its debt, at present guaranteed by Britain. In spite of this plea, however, the British Government remained adamant. Preferences had been abolished and would not be renewed.

(1) Under the Old Colonial System which prevailed prior to 1846, the colonies were only considered to be of value in so far as they were sources of raw materials, food stuffs, naval stores as tar, pitch and timber suitable for shipbuilding, and markets for manufactured goods. To ensure the attainment of these objects the commercial relations, tariff and shipping were regulated solely in the interest of Britain. None but a British or Colonial ship could carry passengers or freight between a colonial and a foreign port. British manufactures received a preference in the colonies and colonial wheat, flour and timber received a preference in Britain.

Nevertheless, a determined effort was made in other quarters to secure concessions from Britain. Many petitions and memorials from the Boards of Trade of Montreal, Toronto and Quebec were forwarded to Westminster. They requested that Canada be given some preference, even if it only amounted to only a penny a quarter, that Canada be allowed to control its own imports duties, that the Imperial Act of 1842 imposing duties on American grain and flour be repealed and that it might be shipped to England as colonial produce. These efforts to secure a preference proved no more successful than did those of the Governor-General. Mr. Gladstone, Secretary of State for the Colonies, declared that he did not think Canadian trade would suffer as it was well established whereas that of the United States had yet to begin, that Canadian taxation was light and that Canadian credit was supported by that of Britain. In regard to the lumber trade, he replied that Britain intended to maintain a duty of fifteen shillings a load on all foreign lumber. Notwithstanding Gladstone's promise, the field of Free Trade was slowly reduced. Gradually diminishing duties were retained on lumber, and the Navigation Acts were abolished in 1849. By 1860 not a vestige of the Old Colonial System remained.

Canada's demand for control of its own import duties and for the repeal of the Imperial Act, however, met with success. The British Government at once passed an act giving the British North American Colonies full control of their tariff policy. Immediately the colony set up its own tariff. Fiscal independence was thus secured.

The severance of the Commercial tie with the Home Land,

combined with the attendant loss of its preference in the British market left a heritage of bitterness in the colonies. Many considered that Britain should have granted some privilege to Canada in the carrying trade when opening its ports to American products, or that it should have endeavoured to secure free admission of Canadian products into the United States.

Such important changes of policy usually have their aftermath. This case was no exception. Four distinct movements resulted: the agitation in favour of annexation to the United States, the demand for protection with its antithesis, the desire for free trade, and the demand for reciprocity with the United States.

The Annexation Movement was caused not only by the change in British trade policy, but by the Rebellion Losses Bill of 1849 granting compensation to French-Canadians of Lower ^{Canada} who had sustained losses in the rebellions of 1837. Several prominent Canadians joined this movement and signed the Manifesto. "The signatures read like a blue-book of the men of wealth and weight in English speaking Montreal; a future Prime Minister of Canada, J.J.C. Abbott, three future Cabinet Ministers, John Rose, D. L. MacPherson and Luther Holton." (1) However, the return of prosperity in the early fifties due primarily to the emergence of markets through the Crimean War and the railway building in eastern Canada, the opposition of the British-American League, which had as its objects the defeat of the Annexation Movement, the achievement of Confederation and a National Commercial Policy, (2) and

(1) Skelton, O.D., Life and Times of A. T. Galt, p. 152.

(2) This League was largely due to the inspiration of John A. Macdonald.

of such men as Robert Baldwin, George Brown, Lord Elgin and the Colonial Secretary, soon killed all interest in the Movement.

The second proposal to lead the country out of the depression was the institution of a National Policy. Although in 1847 the duties on British goods were increased from a uniform rate of 5% to from 7½% to 12½% and 15% in the case of luxuries, and in 1849 a general tariff of 12½% was set up, there was as yet no protectionist sentiment in the country. In November 1847 at Hamilton, however, protection was for the first time advocated at a public meeting by R.B. Sullivan, afterwards of the Ontario bench. Here he advocated practically every argument since advanced by ardent protectionists. (1) The first attempt to form an organization in favour of Protection was made in 1858 when Isaac Buchanan established his "Association for Promotion of Home Industries." It succeeded in inducing Cayley in 1858 and Galt in 1859 to increase their tariffs, the rate imposed in the latter year being 20%. However, it may be noticed that in this year the Colonial Secretary acknowledged Canadian Fiscal Autonomy, in spite of the protests of British manufacturers, though it was not confirmed until the following year. (2)

The third Movement which originated as a result of the change of the British fiscal policy was that in favour of Free Trade. Although it was supported by prominent men such as George

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- (1) February 6, 1846, Buchanan, who had heard Peel's announcement in the House of Commons of the change of fiscal policy, published in the London Times a letter of protest against the ending of the preference, predicting the loss of the colonies, bankruptcy of England and repeal of the Canadian Act of Parliament giving protection to British manufacturers in Ontario and Quebec. March 26, 1846, on motion of Inspector General Cayley an address was sent to the Queen asking for a preference on Canadian wheat, peas, other grain and meal.
- (2) Masters, D.C., "A.T. Galt and Canadian Fiscal Autonomy." Canadian Historical Review, Sept. 1934, pp. 276-82.

Brown of the Toronto Globe, the lack of transportation and communication facilities prevented the movement spreading, thus it did not win much support.

The final result of the change in Britain's Fiscal Policy, and of immediate concern here, was the desire for Reciprocal Free Trade with the United States. It should be noted, however, that this desire did not arise solely from this change, rather it was increased and brought to a head by this change. The fundamental reason was the steady increase in the American tariff which by 1846 had reached the level of 20% to 30%.

As early as March 1846, George Brown had through the columns of the Globe advocated closer trade relations with the Republic. He favored free trade with the United States, free use of American ports for the shipment of Canadian exports to Europe, and freedom for Canadians to purchase manufacturers in the United States if they could do so cheaper than in Britain. In May of the same year the British Government had received favorably Canada's request that it open negotiations with the Republic on the question of reciprocity, and had instructed its ambassador at Washington accordingly. The suggestion received favorable comment in this quarter. Lord Elgin, who became Governor-General of Canada in 1847 urged the necessity of reciprocity, drawing attention to the prevalence of the strong annexionist sentiment in the country. At the same time the Maritime Provinces were fervidly advocating it because they foresaw the great calamity awaiting them in the impending repeal of the Navigation Acts. (1) New Brunswick had even communicated

(1) They saw the end of the great West Indies trade a virtual monopoly- established under the protection of the Old Colonial System.

with prominent members of Congress urging them to have that Province included in the Act, which at that time was before that body, relative to the interchange of Canadian and American products.

Notwithstanding Canada's gesture of good-will reciprocity did not come up for consideration at Washington until 1848 when it was defeated by the Senate in spite of the strong support it received from certain quarters, notably from Senator Dix of New York. The Senate rejected the proposal because it was claimed it would destroy the protection enjoyed by the grain growers, it would benefit only the railway and milling industry of New York and the manufacturers of New England and it would not gain a market for American raw produce because Canada produced its own. The United States, it was contended, would have access to the Canadian fishing grounds in any case by virtue of the treaty of 1812.

Two years later Britain and Canada determined to obtain a treaty if at all possible thus agreed to concede the navigation of the St. Lawrence and its canals as well as the Canadian markets for American raw produce. They were prevented from discussing one due to the fact that the Fugitive Slave Law and other questions arising from the extension of slavery into the new sections were engaging attention at Washington. However, after Canada agreed to concede the navigation of the St. Lawrence there was a decided advance in the movement in favour of it in the United States.

A more vigorous method of gaining admittance to the southern market was decided on by Canada in 1851. Sir Francis Hincks, the

Inspector-General, and Lord Bulwer, the British Ambassador to the United States, informed the American Government that if the reciprocity bill was again rejected, the Canadian Government might be forced to re-impose the duties on American manufacturers removed in 1846 (1). that it might be necessary to close the canals to American trade or to re-enact differential duties to attract trade to the St. Lawrence or ask Britain to impose duties on its imports of American raw produce. Retaliatory measures to gain entrance to the American markets, however, were not found necessary. Canada was able to bring pressure to bear on the Republic, to secure a treaty, from another source.

The introduction into the reciprocity discussions at this moment of the fisheries' question altered them entirely. This controversy over fishing rights re-appeared in connection with the interpretation of the "three mile limit" clause of the treaty of 1818. The United States contended that its citizens could fish inside any bay, creek or harbour as long as they were three miles from the shore while Britain maintained that they could fish only outside of an area three miles from the mouth of the bay, creek, or harbour. Elgin saw at once the opportunity that this controversy offered Canada to bring pressure to bear on the United States to secure a trade agreement, especially as the American Secretary of State was anxious to prevent what looked like unavoidable bloodshed and desired to clear up the difficulty before the arrival of the season for mackerel fishing which could only be done inshore. Consequently, Elgin immediately opened negotiations

(1) In 1846, after Canada had gained control of its own fiscal policy, American manufacturers were made subject to the same duties as those from Britain which formerly had a preference.

with Washington, later visited there, and was so successful that in June of the same year (1854) a treaty was signed. (1)

Before outlining briefly the terms of this treaty there were two other influences on the negotiations which must be noted. The first is that of the Southern Senators. They ranged themselves as a body on the side of the arrangement fearing that, if it failed to pass, Canada would join the Union thus upsetting the balance of the slave and non-slave states. When in Washington negotiating the treaty Elgin assiduously cultivated the friendship of these Southern Senators, probably emphasizing this fact, and it is generally considered that their support was an important reason for the successful outcome of the discussions. The other influence on the negotiations came from the Maine lumbermen who, under reciprocity, would be permitted to use the St. John River, the only means of transporting their logs out of the forests, without paying a duty.

The terms of the treaty were as follows: the engagement was to last for at least ten years with an additional one being required for notice of termination, there was to be a reciprocal right of catching and curing fish on the Atlantic coast of the United States north of 36° and on the coasts of Canada, New Brunswick, Nova Scotia and Prince Edward Island, Canada was to grant American citizens free navigation of the St. Lawrence and its canals on the same terms as those granted to Canadians, in

(1) I.D. Andrews former American consul at St. John N.B. played a large part through bribery, magazine articles and informal dinners, in gaining its acceptance in parts of the Maritimes and of the Eastern States. He is said to have used altogether about \$200,000 from British and American sources. -- Overman, W.D., "I.D. Andrews and Reciprocity in 1854; an Episode in Dollar Diplomacy", in Canadian Historical Review, Sept. 1934, pp. 248-65

Return for which the United States was to grant free navigation of Lake Michigan, and also to urge New York and Michigan to open their canals to Canadians on the same terms. The most important terms of the treaty provided for reciprocal free admission of nearly all the products of the mine, forest, sea and farm, with discrimination against Britain and other countries in a few commodities. (1)

Beyond all doubt, as Edward Porrit says, both countries profited greatly from the treaty. (2) But it must be admitted that Canada, aided by the increased rise in prices and imports into the Republic during the Civil War (1860-65) reaped most of the advantages. The results amply justified all the efforts expended by the Canadian and British officials to secure the treaty. A few statistics quoted by Porrit illustrate this statement: (3)

<u>Year</u>	<u>Value of Produce Exported By Canada</u>			
	<u>Lumber</u>	<u>Coal</u>	<u>Flour</u>	<u>Fish & Fish Products</u>
1854	\$ 753,000	254,000	1,792,000	1,004,000
1865	4,887,000	1,223,000	2,970,000	2,213,384

Although there was a very large increase in trade between the two countries, as the above figures for Canadian exports alone show, the attitude of the United States grew less and less favorable to a renewal of the treaty. From the first, opposition had been forthcoming from the American transportation interests, which feared the competition of the St. Lawrence route. In 1856 and 1859 antagonism was further aroused by the Cayley and Galt tariffs which increased the duties on American manufacturers to 20%.

1. Vide Hertslet, *Treaties and Conventions*, pp.996-1002 for terms.
2. Porrit, E., *Sixty years of Protection in Canada*, pp.123-24
3. *ibid.* pp. 123-24

altered the duties from a specific to an ad valorem basis, and imposed differential canal tolls. These increases in the tariff and the imposition of differential canal tolls were regarded in the United States as a breach of the treaty.

The first inquiry into the operation of the treaty of 1854 was instituted after the Cayley and Galt tariffs came into effect. Two commissioners, Israel T. Hatch of Buffalo, N. Y. and J. W. Taylor of St. Paul Minnesota were appointed in 1859 by Congress to investigate the effects of the treaty on the United States and Canada. If it had been possible, Hatch would have had it abrogated at once claiming that Canada had perverted the spirit of the treaty by the new tariff schedule. Taylor, however, strongly approved its continuation, claiming it was beneficial to the Republic. (1) In 1862 a resolution introduced by Spaulding of Buffalo, N. Y. into the House of Representatives favored negotiations for a new treaty. This resolution formed the basis of reciprocity discussions in Congress in the years 1862-64. (2).

When prospects of renewing the treaty thus appeared good incidents arising out of the Civil war put difficulties in the way too great to be overcome. Several of these incidents may be noted; the Trent Affair 1861. (3), the depredations of the Alabama and the Florida, especially those of the former, (4) the

(1) Ibid. p. 144-38

(2) Ibid. p. 145

(3) Two Confederate officers en route to England were taken off the British steamer Trent by an American warship.

(4) Confederate ships built in England, but, allowed to escape preyed upon Northern shipping. This brought a strong anti-British feeling in the North.

two abortive Johnson Island Affairs, (1) and the hostility that was aroused in the North by the Southern sympathies of certain sections of Britain and, as the North thought, of Canada. To add to these causes of animosity, the United States in November 1864 informed Britain that the Rush-Bagot Treaty of 1817, limiting armaments on the Great Lakes, would be abrogated. Then the next month the American Secretary of War ordered General Dix to seize any insurgents even though it meant trespassing on Canadian Territory.

In the meantime a resolution had been introduced into the Senate to abrogate the treaty and by January 1865 it had passed that body and been approved by President Lincoln. The Canadian Government, however, was not daunted by these various incidents and September saw the formation of a Confederate Trade Council of all the British North American Colonies, which in December appointed Galt and Howland to negotiate for a renewal of the treaty at Washington. Several Conferences were held the following January and February and a tentative agreement reached on principles virtually the same as those of 1854. However, when attempts were made to have them drafted the American demands were so unreasonable that Galt was forced to reply, "I am afraid, Sir, there is such a difference between your views and ours that to discuss these points further would be needlessly to occupy your time." (2) Thus the effort to secure the renewal of the

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- (1) Several Confederate officers, using the Canadian shore as a base of operation attempted to release southern prisoners held on Johnson Island but were foiled through the timely warning which Governor-General Monck sent to Washington.
- (2) Masters, D.C., "Reciprocity and the Genesis of a Canadian Commercial Policy", Canadian Historical Review, Dec. 1932, p. 428

treaty failed, and on March 17 of that year (1866) the treaty was abrogated.

Although the attempt to secure a renewal of the treaty failed, the privileges granted to the United States under it were maintained. The St. Lawrence and the canals remained open to American commerce, nearly all the goods which entered free under the treaty continued to do so. In deference to Britain, freedom of the shore fisheries was granted to the citizens of the United States on payment, first of a license of fifty cents a ton and later two dollars. In spite of this low fee, however, many Americans refused to pay it and later much trouble arose on this score.

In the years after the abrogation of the first treaty Canadian leaders never ceased to hope that another agreement might be reached. Time after time Canadian representatives visited Washington in quest of one. The first attempt was made by Sir John Rose (Canadian Finance Minister) only three years after the abrogation of the previous one. Both Rose and Fish, the American Secretary of State, were very desirous of coming to an agreement and the former, at the latter's request drew up a draft treaty. It provided for reciprocal free trade in the products of the farm, forest, mine and sea, the same terms regarding navigation and fishing as in the former treaty, reciprocal coasting and duties, if such were required, equal to the internal United States revenue tariff. Nevertheless, Canada was unsuccessful. The Senate refused to ratify it. Thus the first of the many attempts to secure a treaty failed.

In 1870, due largely to the opposition aroused by this rebuff, the Canadian Government imposed duties on salt, flour and other breadstuffs, and fifty cents a ton on coal and coke. The force of public opinion, however, added to the fact that these duties did not succeed in inducing the United States to open its markets, proved too strong, and the Government was forced to repeal them the next year.

Following the abrogation of the Reciprocity Treaty in 1866, Canada, as mentioned above, continued to allow Americans to fish on its Atlantic coasts, if they secured a licence. The Americans, however, refused to purchase the licence, only twenty doing it in 1868. They considered they had the right to fish there. As a result, in 1870 the Canadian Government abolished the license system and established a coast patrol to protect the fisheries from these poachers. Once again the fisheries question had come to the fore as a source of friction between the two countries. Now, as in 1854, Canada, determined to use the fisheries as a means to force the United States to open her markets, succeeded in having this question included among those to be discussed at the Washington Conference the next year.

Sir John Macdonald as one of the British representatives to this conference endeavoured to secure a Reciprocity agreement. The United States refused the offer put forward by the British members of the conference for full use of the fisheries in return for full Reciprocity. Sir John in turn refused the American offer of one million dollars for the use of them in perpetuity, declaring that only full reciprocity could secure that. He likewise opposed the offer made by the

British members of the use of the shore fisheries in return for the entry into the United States of coal, salt, lumber and fish, again declaring the consideration to be insufficient. In spite of the many difficulties, however, and the poor support he claimed he received from his British colleagues, a treaty to be of ten years duration with two years notice, was finally signed and later ratified by the Canadian Parliament. By the terms of this treaty there was to be reciprocal fishing on American coasts north of 39° and on the coasts of Canada and Prince Edward Island; the United States was to pay Canada a money compensation for the superior value of any of her fisheries, the amount of which was to be decided by arbitration; (1) and fish and fish-oil were to enter both countries free forever. The United States was allowed free navigation of the St. Lawrence river forever, and free use of its canals for the term of the treaty, in return for which Canada received the right of free navigation forever in Lake Michigan, St. Clair Flats and rivers in Alaska; and in addition the promise of the Government at Washington to urge the state governments to open their canals to Canada. There were also to be reciprocal bonding privileges. On the question of its Fenian claims, instead of obtaining compensation from the United States, Canada received from the British Government a promise of a guarantee of a loan for public works.

Sir John Macdonald's expectation of opposition to the treaty proved correct. The Nova Scotia fishermen approved it but New Brunswick condemned it due to the failure to secure compensation for the Fenian claims. The Maritimes as a whole

(1) By the Halifax Award in 1877 Canada received \$5,500,000.

doubted the possibility of obtaining adequate compensation for the fisheries.

In like manner the Western provinces denounced the treaty not only because it hurt their pride as British subjects to think that Britain surrendered, but due to the fact that in allowing the Americans the use of its fisheries, Canada had lost its lever to force open the American market. Further opposition was to be found in the fact that no compensation had been secured for the Fenian raids. Sir John's cabinet also opposed the treaty strenuously and it was only after some time that he was able to persuade the members to support it for Imperial reasons.

From 1869-73 Canada had enjoyed very great prosperity. Its trade and manufacturing had increased by leaps and bounds. The finding of new markets not only at home but in Britain made up to a large extent for the loss of the American one. This boom, however, arose chiefly from the speculation arising from the Franco-Prussian War, and nearer home, from the rapid railway building and opening of the American West after the Civil War. Then in 1874 came the crash and Canada was seen in the midst of one of the worse depressions yet experienced. This naturally had its effect on the budget, and there came a deficit for three years running. Hence, as there was only a revenue tariff at this time of 15-17%, a clamour at once arose for an increase to prevent Canada being made a "slaughter market." Prime Minister Mackenzie, however, was averse to increasing the tariff, and when such ardent protectionists as Isaac Buchanan admitted that Reciprocity was better by far than a protected

home-market, and the manufacturers expressed their willingness to compete on equal terms with those of England and the United States, he determined to try his hand at securing an agreement. Hence in 1874 George Brown was sent to Washington.

Brown set about his task in a very business-like manner. He pointed out to the United States the benefits that had accrued to it from the former treaty. With the aid of the British Ambassador at Washington and through extensive use of advertising he endeavoured to prove to the Republic that Canada had much to offer. He was so successful that after a few conferences he obtained a draft treaty to be of twenty-one years duration plus three years notice. By this agreement arbitration was to be dropped and a joint Commission appointed for the protection and propagation of fish in joint inland waters. The fisheries and navigation clauses, except in that Canada was to build the Caughnawaga Canal and deepen the Welland Canal, were to remain the same as in the former treaty. In order to stimulate trade between the two countries there was to be reciprocal free admission of Natural Products, and also of a specified list of manufacturers. The reductions in both cases were to be granted to Great Britain.

However, Brown was no more successful than his predecessors. The Senate refused to ratify the treaty. Numerous reasons may be given for this refusal, such as its belief that Canada was in despair over the abrogation of 1866 and would soon be forced to join the Union, and the feeling that they were getting the worst end of the deal. The principal reason probably was its general anti-British feeling.

Once again the "Pilgrimage to Washington" had failed to achieve its end. A clamour arose immediately, demanding retaliation by an increase in the duties from 17½ to 20%. The Liberals refused to accede to this demand whereupon the public at once swung their support to Macdonald and his National Policy of protection for home industries. The result to the Government was disastrous for in the election of 1878 the Conservatives were swept back into power with a following of 146 in a house of 206.

Though returned to power through his promise of protection for home industries Sir John was quite ready at any time to negotiate for reciprocity with the United States. However, as the time was seen to be inopportune, he turned to the other plank in his platform, "reciprocity in tariffs" or the National Policy. His first tariff contained substantial increases, such as coal taken from the free list to fifty cents a ton and implements from 5 to 17½%. Nevertheless, there was a standing offer of reciprocity, in his schedule, and before many years we again see a Canadian representative at Washington.

The preceding survey of the attempts made by the Canadian statesmen to secure a reciprocity agreement with the United States shows how largely the need for the southern market bulked in their minds. Up to 1846 the colony had possessed a secure market in Britain protected by the preferences it enjoyed. After that date, forced to look elsewhere they naturally turned to the south. Much effort was expended to secure an agreement only to see it abrogated at the end of the first term of years agreed on. However, they were not discouraged. Three

attempts were made from the date of abrogation (1866 to 1879)
All failed to secure another agreement. It certainly cannot
be said that the Canadian Ministers did not persevere.

In times of hardship and distress the public generally clamours for drastic action by the government. Such was the case in 1878. The Liberals refused to accede to their demands. Hence, when the Conservatives advocated a National Policy of protection to home industries promising prosperity almost immediately the electorate readily supported them. The re-turning prosperity was attributed almost entirely to the new policy. They never stopped to consider conditions in the world at large, such as, the railway boom in England and United States, or the opening of new parts of the American west, or the growth of immigration, all of which brought an increased demand, and the coincidence of good harvests in Canada with the worst in Britain since the beginning of the century. Considering these facts, then, it may be safely said, I think, that the new policy was not entirely responsible for the return of better times. Rather the converse was nearer the truth.

Macdonald's claim that the National Policy would prevent further depressions was soon proven fallacious. The promised "tall smoke-stacks" did not spring up all over the country. The building of the C. P. R., begun in 1881, brought prosperity for a time due to the increased demand for food stuffs and manufacturers but it proved to be artificial. By 1885 bounties had been resorted to in the iron and steel industry, foreign trade was at a lower level than in 1873 (1)

(1) Total Foreign in 1873 was \$232,000,000; 1885 was \$210,000,000 --Canada and Its Provinces, Vol.9, p.164. See also graph facing p.192.

and a depression was again settling down over the country. Several reasons may be noted for the return of 'hard-times'. Retaliation had not forced open the American market and the home market was too small; (1) the farmer was hurt through falling prices and progress of the west had halted. (2). Racial and religious troubles and sectional discord added to the general feeling of discontent and despondency. A period similar to that after 1846.

At this juncture, however, hope of securing the long-desired reciprocity agreement suddenly grew bright again. In 1864 the Democrats gained control of the Presidency and House of Representatives; and by 1887 President Cleveland had converted his party to lower tariffs. Again, in 1885 the Fisheries clause of the Washington Treaty of 1871 was abrogated by the United States and Canada at once saw in this an opportunity to regain use of its old lever, to force concessions from the Republic. On the abrogation of the clause the Canadian coast-guards had immediately seized American vessels fishing in Canadian waters, whereupon Congress had passed a Retaliatory Act enabling the President to close all ports against Canadian and British vessels. Cleveland, however, wished an amicable settlement of the dispute and arranged for a Commission which met in 1887 at Washington. Sir Charles Tupper, one of the British representatives, along with Joseph Chamberlain and Sir Lionel Sackville-West, the British Ambassador at Washington, offered the same conditions relative to the fisheries as provided in the Washington Treaty of 1871.

(1) Population of Canada in 1881 was about 4,000,000; and U.S.A. about 58,000,000.

(2) Due to inadequate transportation facilities and a charge of \$1.00 an acre, whereas in the United States means of travel were many and land free, thus the counter attraction was too great.

on consideration of a mutual agreement providing for greater freedom of trade between Canada, United States and Newfoundland. The United States, however, refused to purchase immunity from what they termed Canada's hostile and unneighborly action. As a result a draft treaty which had been drawn up, practically ending the fisheries' disputes, was refused ratification by the Senate, and the *Modus Vivendi*, (1) in force pending ratification of the treaty, remained in force. The first attempt of the new ministry to secure a treaty thus failed.

During the last few years, due principally to the depression, a movement in favour of Commercial Union had been gradually gaining momentum. This rebuff once again, gave it added strength. Up to this time, however, no strong advocate had been forthcoming. One was now found in the person of Erastus Wiman, a former Canadian but now a successful New York business man. He received energetic support from several influential persons. A few may be noted, such as, Congressman Butterworth of Ohio, who, after Congress had passed the Retaliatory Act, submitted a resolution to the House of Representatives to end all the outstanding difficulties of the two countries on the basis of a *Zollverein*; Henry Darling, President of the Toronto Board of Trade, Goldwin Smith, historian and scholar and V. E. Fuller, President of the Council of Farmers' Institutes. A Commercial League was established and a strenuous campaign conducted, principally in Ontario. Very active aid was also rendered by the Toronto Mail, Montreal Witness, and for a time, by the Toronto Globe.

(1) On payment of \$1.50 as licence fee per ton, American fishing vessels could enter bays and harbours of Canada and Newfoundland to purchase supplies, transship the catch and ship crews.

Nevertheless, the dominant feeling of the country was opposed to such a step. The Toronto Board of Trade voted it down 63 to 31, and leaders of the Imperial Federation League such as Dalton McCarthy, Colonel Denison and Principal Grant spared no efforts to stamp it out. The Conservatives had opposed it from the first, looking on it as endangering British connection, as meaning the end of Canadian fiscal independence and industrial development and as leading eventually to political union with the Republic. In the case of the Liberals, a few of them followed Sir Richard Cartwright in favour of the new policy as the only means of ending the depression and dissatisfaction aroused in the Maritimes and Manitoba by the high tariffs. By far the largest number, however, claiming it would mean discrimination against Britain and the establishment of a common tariff with the United States, followed Laurier's more moderate course. "If I (Laurier) am asked at present for my own opinion on the subject, I may say that for my part I am not ready to declare that Commercial Union is an acceptable idea. I am not ready for my part to say that Commercial Union should be adopted at the present time." (1) He urged the government to adopt a more conciliatory policy towards the United States instead of its present one of retaliation, to prove to it that Canada desired to be good neighbors, and to endeavour to secure a Commercial Union of the nations of the Empire. This policy was endorsed at the Interprovincial Conference held that autumn (1887), consisting of members of both parties. Commercial Union was

(1) Willison, J.S. -- "Sir Wilfred Laurier" (Makers of Canada Series) quoted p. 141, Part II

strongly deprecated and a resolution passed favouring Unrestricted Reciprocity as most beneficial to the provinces. A Liberal caucus held just prior to the opening of the new session in the following year (1888) passed a similar resolution. Thus any measure said to endanger British connection brought a unified opposition, regardless of party.

The victory of the Democrats in the House of Representatives in 1890 and their attempts to secure reciprocity with the Latin American countries turned rural Ontario and Quebec against the Government. This victory had been due to the increasing cost of living said to have been caused by the high tariffs of the Republicans. Macdonald saw in this opposition a grave danger to his party at the next election. Prompt action was necessary. Hence there appeared in the Toronto Mail of January 16, (1891) the announcement, later confirmed by Macdonald and Sir John Thompson (leader of Conservatives from 1892-94) in various speeches, that the United States had made overtures to Canada for a trade agreement. The Liberals were naturally confused at this volte face by the Government (1) and doubted the good intentions and veracity of Macdonald. Their doubts proved to be well founded. A few days later Blaine (American Secretary of State) wrote denying that negotiations were being carried on and asserting that the United States would not negotiate on the basis of natural products alone (2). This made it

(1) For three years (since the caucus of 1888) the Liberals had campaigned to have their policy of reciprocity accepted by the electorate, and during the whole period they had been staunchly opposed by the Conservatives.

(2) Blaine was right regarding the origin of the negotiations, but negotiations, or at least arrangements for such, were on foot due to the fact that Canada had been forced to intervene in trade negotiations between the United States and Newfoundland to protect her own interests; and at the same time had proposed a Commission to settle all disputes between Canada and the United States.

Necessary for Macdonald to change the plans of his campaign. (Parliament was dissolved February 3). Thus he was forced to seek other means of gaining support.

Sir John now fell back on the old appeal to the protected interests who feared American competition and to the inherent distrust of the Republic. His confidence in the support of the protected interests was not misplaced. This was attested by the fact that in the case of the C.P.R. alone, Conservatives were returned in every constituency through which the railway passed except one. In the case of his appeal to the distrust of the United States he was no less successful. A typical example of his appeal is seen in the following speech, "A British subject I was born, a British subject I will die. With my utmost effort, with my latest breath will I oppose this 'veiled treason' which attempts by sordid means and mercenary proffers to lure our people from their allegiance." (1) This speech has become famous. His campaign cry of "the old man, the old flag, the old policy" has become equally famous.

Two letters written at the time of this campaign played an extremely important part in deciding the issue. The first one was written by Edward Farrer of the Toronto Globe, in which he declared that as soon as Macdonald ceased to play an active part in politics there would be a movement towards union with the United States. In spite of Farrer's protest that it was his own private opinion, the Conservatives insisted that it meant that the Liberals were anxiously waiting to hand Canada over to the United

1. Skelton, O.D., "Life and Letters of Sir Wilfred Laurier",
quoted p. 415, Vol. 1

States. The second letter was written by Edward Blake (1) to his constituency of West Durham on polling day March 5. He declared that Unrestricted Reciprocity would lead to discrimination against Britain, to the loss of Canada's fiscal independence and eventually to absorption by the Republic. Although this letter came too late to influence the general election, it was undoubtedly one of the reasons for the Conservative sweep in the bye-elections in the following year.

In the face of such unscrupulous methods of attack, chances of a Liberal victory appeared slight. Laurier, however, was not the man to surrender without a fight. The reciprocity, as advocated, he declared meant the securing of the wider markets, so necessary to the farmer, and the return of prosperity. He denied the charge that it would mean discrimination against Britain or that assimilation of tariffs would necessarily follow. The charge that it was 'veiled treason' and would lead to annexation he branded as an unworthy appeal to passion and prejudice. Did a prosperous and contented people ever seek to change their allegiance? He did not think so.

Nevertheless, Macdonald's appeal to the protected interests and to the inherent dislike of the Republic, as said above, proved successful. When the results of the polling were known it was found that Macdonald had been returned by a majority of nearly thirty.

Sir John had resorted to falsehood and other unscrupulous methods to retain office and defeat reciprocity. But his desire for a more limited agreement was sincere. This is attested by

(1). He was leader of the Liberal party from 1860-1867 when Laurier succeeded him.

the fact that eight months after his victory at the polls another deputation was at Washington in search of such an agreement. This time it was George Foster, (Finance Minister), Sir John Thompson and Mackenzie Bowell. Though Macdonald's indiscriminate use of Blaine's name made progress difficult, negotiations were opened early in the new year. The representatives, however, were no more successful than their predecessors. Blaine demanded, besides entrance for a specified list of manufactures, discrimination against Britain and assimilation of tariffs. The Canadian Ministers at once refused these terms and the conference broke up. Thus ended the last attempt of the Conservatives to secure an agreement, no more successful than previous ones.

From this time until the meeting of the Joint Commission in 1897-98, except at the National Liberal Convention in 1893, (1) the question of reciprocity was not discussed. Several reasons for this apparent abandonment of the historic desire besides the recent rebuff are readily discernible. A few of them may be noted: the promise of larger markets in Britain, the McKinley Tariff of 1890 imposing prohibitive duties on Canada's natural products and the threat of the United States to suspend the bonding privileges because American vessels were subject to tolls while passing through Canadian canals, although the United States had not secured for Canada free use of American canals as provided in the Washington Treaty.

Changing conditions at home also exercised a great influence on Canada's attitude towards reciprocity. The new development of

(1). They had passed a resolution favouring freer trade with all the world and reciprocity with the United States as beneficial to Canada.

the country, especially after 1896, kept it too busy to worry about an agreement. The newly found confidence and feeling of self-sufficiency, due in a large measure to the realization by Canada of its wealth especially in the West, the growth of a movement for conservation of natural resources, hence opposition to their exportation, the growth of eastern manufacturing with the attendant increase in population, and finally the desire to build Canada into a strong and unified nation, all combined to kill the old feeling of the necessity of reciprocity with the Republic to Canada's existence.

In the year 1898 the Joint High Commission broke up without coming to an agreement over the Alaska Boundary or trade relations (1). This marked the end of all attempts by Canada to improve its trade relations with the United States by a reciprocity agreement. There does not appear to be any record that Sir Wilfred used the phrase "There will be no more pilgrimages to Washington". Probably it was coined by some newspaper at the time, like the Conservative cry of 1891 of "the old man, the old flag, and the old policy". In the session of 1899, however, in the debate on the address, Laurier 'washed his hands off the United States' in the words, "If we know the hearts and minds of our people at the present, I think I am not making too wide a statement when I say that the general feeling in Canada is not in favour of reciprocity. There was a time when Canadian would have given many things to obtain the American market. There was a time not long ago when the market of the great cities of the Union was the only market we had for any of our products. But thank heaven those days

(1). Called by the United States due to its desire to secure a revision of Paris Arbitration of 1893 giving Canada equal rights of pelagic sealing in the Bering Sea.

are past and over now. We are not depending upon the American market as we were at that time." (1)

This speech was in 1911 interpreted by the Conservatives as a formal reversal by Sir Wilfred of the traditional Liberal policy of reciprocity but the language cannot be said to bear this out. As the Manitoba Free Press said in 1911 it was "nothing more than that, having been rebuffed at Washington the Canadian people would get along with the market at their disposal until such times as the American people deemed it advisable to negotiate for better trade relations." (2) Laurier's speech in 1907 at the Imperial Conference in which he said "There was a time when we wanted reciprocity with the United States but our efforts and offers were put aside. We have said good-bye to that trade and we have now put all our hopes in British trade," (3) was given the same interpretation, but, like the former, does not bear out the claim.

Although nothing was done in the matter of trade negotiations between the two countries until the autumn of 1909 when difficulties arose over the granting of preferential duties to France, various members of the government expressed their views on it at various times. At Toronto on January 15, 1903 Sir Fredrick Borden, Minister of Militia declared he was "ready to hold up both hands for a fair and honourable arrangement for the exchange of commodities between the two countries". (4) On June 10, of the same year Clifford Sifton, Minister of the Interior,

(1) House of Commons Debates, Session 1899, Vol.1, p.102

(2) Manitoba Free Press, June 23, 1911.

(3) Dafoe, J.W., "Clifford Sifton in Relation to His Times." quoted, p.356.

(4) Canadian Annual Review for 1903, quoted, p. 379.

speaking at the Commercial Club of St. Paul, said he was "in favour of any fair treaty which should give equal advantage to products of both countries." (1)

During these years Canadian opinion on the tariff was very divided. Many were averse to any agreement or change which would disturb the stability of the tariff and check progress and prosperity. The farmers, however, under their Grain Growers Associations were insistent in their demands for reciprocity with the United States, for an increase in the British preference and for a reduction in other duties. The manufacturers on the other hand, opposed the farmers, and demanded an increase in protection especially in the form of a reduction of the British preference.

To the south, however, the attitude towards reciprocity was much more favorable. The demand for freer trade, due in the first place to the industrialists, manufacturers and railways who wished to secure raw material, wider markets and more traffic respectively grew steadily throughout the period. The desire of the people to be alleviated from the high cost of living, and the strangle-hold of the trusts and monopolies, both said to be due to the high tariff gave an increased impetus to the agitation in favor of reciprocity. Business men such as J. J. Hill of the Great Northern, and the Chambers of Commerce of such cities as New York, Boston and Detroit urged it strongly. At both the Republic and Democratic National Conventions in 1904 resolutions were put on record in favor of it. Reciprocity leagues and organizations were established, especially in the

(1). Ibid. quoted p. 379.

West and in the New England States. The question of reciprocity was thus rapidly becoming a national question in the Union.

The passing of the Payne-Aldrich Tariff in 1909 brought the agitation to a climax. By this tariff minimum and maximum duties were established. The former were the permanent duties. The latter, an extra duty of 25% of the value of the goods, both free and dutiable articles, was to be imposed on the imports from all countries who were said to be unduly discriminating against the United States. The enforcement of this duty was left largely in the hands of the President. This maximum duty was a weapon, pure and simple, by means of which the United States hoped to force concessions from other countries.

The United States forced a number of European countries to grant it their minimum duties, then turned to Canada. Though admitting that Canada had the right to grant preferences to Britain and Empire countries (this latter point was not settled until after the discussions opened) the United States demanded, on penalty of imposing the maximum tariff, the same terms as granted to France in 1909. France had made reciprocal concessions but the United States refused to do this. As a result, the Canadian government immediately refused the demand and the danger of a tariff war became imminent. President Taft, however, saw that American opinion was averse to anything so drastic, hence determined to avoid a conflict if possible. Thus in February 1910 he communicated to Lord Bryce, the British Ambassador at Washington, his desire to open negotiations with Canada.

Bryce at once referred him to Ottawa, though at the same time he notified the Governor-General of Canada of the President's wishes.

Briefly, then, the attitude of Canada and the United States towards reciprocity was completely reversed by 1910. Canada had sought three times to secure an agreement, three times it had failed. The United States had demanded terms that no Canadian government could grant. Now it was the United States who sought an agreement through necessity. Laurier had said in 1898 that any future agreement would have to be the result of overtures from the South. Apparently Canada's chance had come at last.

Chapter III Events Leading to the Reciprocity Agreement.

In the first decade of the present century an agitation against the high tariff had been gradually gaining momentum in the United States. The tariff, it was contended, was one of the causes of the high cost of living and the creation of the trusts and monopolies. The Payne-Aldrich Tariff of 1909, bringing in its wake prospects of a tariff war with Canada (1), greatly increased the tide of opposition already running high. Seeing the danger to the position of his party, as stated above, (2) Taft immediately sought through the British Ambassador to open negotiations with Canada with a view to reaching an amicable settlement before April 1, the day on which the maximum duty (extra 25% ad valorem on both free and dutiable goods) would go into effect.

The President's efforts to open discussions with the Canadian Government proved successful. On February 22, Fielding, the Minister of Finance, notified the Governor General of his readiness to open the question, preferably at Ottawa, though an intermediate point would be quite acceptable. Immediately Taft informed the Canadian Government through the British Ambassador, Lord Bryce of his appreciation of Canada's willingness to coöperate and also of his intention to send H. C. Emery, Secretary of the United States Tariff Commission, and C. M. Pepper of the State Department to Ottawa to apprise the Canadian Government of the exact state of affairs in the United States. (3)

(1) Vide. p. 30.

(2) Vide. pp. 28-30.

(3) Sessional Paper No. 103--9-10 Edward VII A 1910 (contains all correspondence relative to the meeting of the representatives.)

The two representatives arrived at the Canadian Capital on March 3 where they coöperated with John S. Foster, the United States Consul in that city, but by the 12th of the month were back in Washington again. Soon after their return it was announced that once more the demand of the American representatives for the same rates as those granted to France had been refused.

Three weeks more remained, however, for the two countries to come to an agreement which would enable Taft to grant Canada the minimum duties. The President determined to try to arrange another Conference if possible. (1) In this he was eminently successful for on the 18th, Fielding accepted his invitation to Albany for the following day. At a banquet held there in honour of the visiting representatives, the Governor-General, Earl Grey spoke favourably of reciprocity and Taft declared it to be to their mutual benefit to be close friends. This expression of goodwill on the part of the President was further emphasized in a message the following day to the Toronto Globe. In it Taft assured Canada that it was "his deliberate purpose to promote in such ways as are open to me, better trade relations between United States and Canada than at present exist. I am profoundly convinced that these two countries touching each other for more than three thousand miles have a common interest in trade, and require special arrangements in legislation which are not involved in relations of the United States with countries beyond the seas." (2)

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- (1) The capture by a Republican, on a reciprocity platform, of a Democratic seat in Massachusetts in March showed Taft the need of securing an agreement.
- (2) Canadian Annual Review for 1910, quoted p. 234.

Following the Albany Conference negotiations were resumed at Washington, Fielding and Mr. Graham, the Minister of Railways going there on the 24th of the month. Here progress was rapid and an agreement was soon reached. On the 26th Secretary of State wrote to Fielding expressing his pleasure that they had been able to come to an agreement satisfactory to both parties; he hoped the tendency towards better relations would not be hampered by the failure to agree on tariffs, and that they could later come to an agreement on a much broader basis such as Taft had so often mentioned in his speeches. Fielding, replying on the same day, accepted Knox's invitation and expressed his opinion that the British Government and the Canadian people would welcome any opportunity to better relations with the United States. (1) The following day the Globe announced, in a despatch from Washington, that the Canadian representatives had made sufficient concessions to justify the President in giving the minimum duties to Canada. On the 30th the President issued a Proclamation putting the minimum duties into force. The same day the agreement was presented to Parliament by the Finance Minister.

In submitting the agreement to the House of Commons Mr. Fielding vigorously defended the action of himself and his colleagues in making the agreement involving the few minor concessions. He emphasized the fact that it had probably saved many Canadian industries from ruin and prevented a disastrous tariff war because public opinion would have forced the Government to retaliate against any imposition of higher duties by the United

(1). Sessional Paper No. 10 J, 9-10 Edward VII, A 1910, pp. 7-8

States. To avoid such a disaster had been the duty of the Government. He then proceeded to detail the various questions that had been discussed at the several conferences. Some little difficulty had arisen over a clause in the Payne-Aldrich Tariff exempting countries which granted a preference to the mother country, from the extra duty of 25%, as it was at first thought that it did not permit of a preference being granted to another colony, such as Australia or South Africa. After some little time, however, the Senate had agreed to this exemption also. Discussion had taken place over the imposition of the maximum tax on pulpwood and over the concessions made to France in the Treaty of 1910. In the former case they had come to the decision that the maximum tariff did not apply there, and in the latter one, the American representatives, meeting again with a blank refusal from Canada to accede to their demands, finally withdrew them. The result of the conversations was that the Canadian representatives had secured the American minimum tariff for Canada whereas they (Canadian representatives) had granted to the Republic, neither the same concessions made to France, nor those made to other most-favored nations. In short the United States gained nothing as the concessions made to it became part of the general tariff. (1).

At this juncture the opposition members interrupted to inquire how the Canadian Government became advised of Taft's desire for a meeting at Ottawa, and whether or not it was through Dr. Macdonald of the Toronto Globe. Upon Fielding's failure to deny that Dr. Macdonald had been sent to Washington, the opposition

(1) House of Commons Debates, Session 1909 -10, vol. 4, pp. 5942 - 59.

declared that it was then true after all that it was the Canadian Government which had done the crawling. Fielding promptly denied the allegation declaring that he had received the invitation from Taft. In the various meetings the President had proved the sincerity of his desire to avoid a tariff war. If Canada, however, had not made the few minor concessions thus enabling him to declare that Canada was not discriminating against the United States, he would have had no alternative but to enforce the maximum tariff. Again, if Canada had not granted the few concessions, yet still obtained the minimum tariff, it would have made for friction in other fields. It had been due to the Government's desire to avoid such ill-will, that it had made the few concessions. (1)

The Finance Minister then read a list of the concessions, thirteen in number, with their respective changes in duty. A few of the more commonly known ones may be noted. The duty on figs was reduced from sixty-two and one half cents to fifty-five cents per hundred pounds, several kinds of nuts from three to two cents a pound, plane glass from fifteen to twelve percent, perfumery from thirty-five to thirty-two and one half percent, feathers from thirty to twenty-seven and one half percent, and leather from seventeen and one half to fifteen percent. (2)

The opposition, however, was not satisfied with Mr. Fielding's explanation of the reasons for the granting of these concessions, and soon returned to the attack. Mr. W.F. MacLean, Conservative for South York, asserted that Secretary Knox's

(1) Ibid, pp. 5958 -66

(2) Ibid, p. 5967 for complete list.

declaration of friendship was pure bluff due to the realization by the United States of the potential wealth of Canada in natural products and to its desire to forestall an Empire Tariff. (1) J. E. Armstrong, (Conservative for East Lambton) and Major J.S. Currie (Conservative for North Simcoe) followed, denouncing the concessions as a surrender by the Canadian Government to the threats of the United States and declared that the Government was not fit to be trusted with the interests of the Dominion as it might surrender more of them. (2). On May 3, when the matter came up again for discussion, Sir Robert Borden, Conservative leader, although admitting the concessions to be of no moment, declared also that in making them Canada had surrendered its fiscal independence and henceforth, through fear of the imposition of the maximum tariff, it would be forced to consult Washington regarding a change in the duty on any of these thirteen articles. (3) Returning to the day on which the agreement was presented, Currie wanted to know why they had not secured reciprocity in coal and thus opened the markets of New England and New York to Nova Scotia. (4) Others pushed this point further by inquiring why the government had not secured reciprocity in farm implements instead of allowing in such trifles as peanuts, perfumes and so forth. Finally it may be noticed that Both Currie and Armstrong pointed with emphasis to Canada's adverse balance in trade relations with the United States. (5)

How much we made of this?

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- (1) Ibid. pp. 5977-82.
 - (2) Ibid. pp. 5987-99.
 - (3) Ibid. pp. 8742-53.
 - (4) Ibid. pp. 5986-87.
 - (5) Ibid. pp. 5987 and 5991.

The Government was no more successful in the Senate than in the Commons in escaping an attack on their recent negotiations. There however, the debate was limited to two members, Sir Mackenzie Bowell (Conservative from East Hastings) and Sir Richard Cartwright (Liberal from Oxford). Bowell taking his cue from his colleagues in the Commons, declared that Canada had by making these concessions, through fear of the imposition of the maximum duties, surrendered at the behest of Washington and humiliated Canada in the eyes of the world. Canada should have allowed Taft to impose the duties as they would have had no appreciable affect on the country but would have wrought considerable damage in the United States. Sir Richard in reply declared that the meagre concessions, averaging only two and one half percent, were not worth jeopardizing good relations between Canada and the United States over. Besides it was to the benefit of both Canada and the Empire that Canada should cultivate good relations with the Republic. To have refused the President's request to make it possible for him to say that Canada was not unduly discriminating against the United States, would have been churlish, and, at the same time, not conducive to such good relations. (1)

It will be remembered that in March, Secretary of State Know, in the course of correspondence with Mr. Fielding regarding the recent settlement of the tariff question, expressed the hope that before long the two governments might be able to come to an agreement on a broader basis, and that Mr. Fielding in reply had said that they would certainly avail themselves of the

(1) Senate Debates, Session 1909-10, pp. 963-65.

invitation. Laurier, considering that overtures for a further agreement would be made shortly by the United States as a result of the expression of this hope, and determined to secure Western opinion on such an agreement and the tariff in general, decided to make a tour of the Western provinces that summer.

Sir Wilfred (1) began his speaking tour at Fort William and Port Arthur on the ninth of July. At both these cities he declared that it was the intention of the Government to deepen the Welland Canal, build the Georgian Bay Canal, and construct all transportation facilities necessary to the Twin-Cities. On the 12th he reached Winnipeg. The Manitoba capital gave him a great reception, fully ten thousand people listening to his speeches. Among numerous other points, he mentioned the possibility of constructing an all-water route from Edmonton to Winnipeg via the Saskatchewan River and Lake Winnipeg. Brandon was reached on the 15th where he received his baptism of Western opinion. Here the farmers put in their appearance for the first time in the form of a Deputation from the Grain Growers Associations. Memorials that had been in the making for some months were now read to the Prime Minister. In these it was asserted that nothing had retarded the progress of the west as much as the Protective Tariff. Attention was drawn particularly to those duties on agriculture implements, cement and woollen goods. The question was also asked in one of the memorials why those engaged in the Grain Growing Industry did not receive a bounty

(1) The Prime Minister was accompanied by William Pugsley, the Minister of Public Works and E.M. Macdonald, M.P. for Pictou N.S.

similar to that received by those engaged in the Iron and Steel Industry. In connection with the implement duties, it was said that the tariff enabled the manufacturers to sell these implements at prices ranging from ten to thirty percent cheaper in Great Britain than the same implements were sold in Canada. As a remedy they urged freer trade with the United States and Great Britain, although they were opposed to any measure which would increase the cost of living to the British artisan. The best possible trade relations, however, would be a wide measure of reciprocity with the United States in both manufactured goods and natural products because it would provide the farmers with a larger market in which to sell and a cheaper one in which to buy. Their last request was for the government to take over and operate the Terminal Elevators to prevent wheat manipulation and mixing, both of which lowered the grade and consequently the price of the wheat.

In reply to their Memorials, Sir Wilfred promised serious consideration of their demand for freer trade and declared himself ready for reciprocity with the United States, although the British Preference must always be to the fore, and overtures had to come from Washington. With reference to the Elevator Problem, he merely stated that some solution to the problem would have to be found.

Leaving Brandon he continued his tour, addressing gatherings and receiving memorials at most of the large towns such as Minnedosa and Birtle in Manitoba, and Melville and Yorkton in Saskatchewan. At some of the smaller places he merely spoke for a few minutes on the station platform to the crowds that gathered at every town through which he passed. All of these memorials

contained requests similar to those made before, and all were practically the same as the initial one presented at Brandon. At Yorkton, however, the additional request was made for the building of the Hudson's Bay Railway. To these the Premier gave much the same reply as he had given at Brandon. He hoped that any tariff change would be downward, for Canada ought to set Free Trade as the goal to be attained. He also favoured Reciprocity with the United States but only provided that Canada could secure a fair deal, and that the overtures should come from Washington.

At Saskatoon, on July 29, he again received numerous Memorials. One of the Grain Growers' Officials, John Evans, created quite a stir during the reading of these Memorials by accusing the Liberal Government of not fulfilling its election promises of 1896. "In 1896 the Liberal Government came into power on a distinct pledge of Free Trade. The ideal system is British Free Trade. Today you are farther from it than in 1896. In 1896 you promised to skin the Tory bear of protection. Have you done it? If so I would like to ask what have you done with the skin.?" (1)

By this time it would seem that Sir Wilfred had listened to a sufficient number of memorials to be convinced of the unqualified desire of the West for a lower tariff. On reaching Regina August 1, However, he met the most important deputation since

(1) Canadian Annual Review, 1910, p. 271. This same view is expressed by Edward Porritt in his book "The Revolt Against the New Feudalism in Canada."-- Passim and also in a scourging article in the "Independent" January, 1911, entitled "The Insurgent Movement in Canada", Passim.

that at Brandon. Their memorials, in addition to making the requests to which he had listened at Brandon and since then, asked the Government to aid in establishing the chilled-meat industry, to lower the tariff which they believed responsible for the fact that Canadian farm machinery could be bought in England at prices averaging about 20% lower than these in Canada, and to accept the United States offer of reciprocity in farm implements. Sir Wilfred's reply to their requests was substantially the same as his previous ones. From here he continued through by Weyburn, where he promised a tariff commission before any change was made in the tariff, and reached Moose Jaw August 5. Here he received the usual quota of memorials, and the Associated Boards of Trade declared themselves and western business in general to be in favour of a tariff reduction. From here the Premier turned north to Edmonton, speaking and receiving memorials as usual at most of the towns en route, then south again through Red Deer and Calgary. At the latter city about ten thousand people turned out to greet him. Turning west from here he entered British Columbia reaching Vancouver on the sixteenth and Victoria on the seventeenth of the month (August).

At both of these coast cities he found the demands to be the exact reverse of those on the Prairies. The manufacturers and lumbermen asked for increased protection, especially as the forthcoming opening of the Panama Canal would, by decreasing the transportation costs, bring increased competition. Both cities and New Westminster visited soon after, also asked for harbour improvements. A unanimous demand was also made for virtually complete restriction of Oriental immigration. Having spent a day at each of the two cities he visited Prince Rupert and New

Westminster, then struck into the interior. He visited various points such as Vernon where the demand was for continued protection for fruit, and Nelson, then turned east through the Crow's Nest Pass to Lethbridge. At this southern Alberta city he again encountered the demands for lower tariff and reciprocity with the United States, this time principally from the coal miners who desired a market for their coal and coke across the boundary. Sir Wilfred closed his tour of the west at Medicine Hat on September 2, though giving an address at Winnipeg on the way east, and arrived back at Ottawa on the seventh of the same month.

At this point let me quote a few lines from an American magazine dealing with Laurier's reception in the west.

"No Premier in any British country ever had to listen to more outspoken criticism outside the walls of the House of Commons than was addressed to Sir Wilfred Laurier by the numerous spokesmen of farmers' and grain growers Associations as he travelled through Manitoba, Saskatchewan and Alberta. This strong and unexpected criticism of the Premier arose out of the feeling that the Liberal party since 1896 had been false to its pledges regarding the tariff and false to the Liberal Programme of 1895 on which the Liberals now in control of the Government at Ottawa climbed into power." (1)

Sir Wilfred had made his tour in order to gain first hand knowledge of Western feeling regarding the Tariff. He had not been disappointed. The general opinion formed in Canada of the tour was that, besides doing a great deal to unite Canada and increase Laurier's prestige, any revision of the tariff would henceforth be downward. He had committed his party to it and declared himself to be in favour of reciprocity. Nothing was said about keeping the Western market for the Eastern Manufacturer.

In Britain, opinion of the tour divided almost strictly

(1) "The Outlook", August 27, 1910, p. 912.

along party lines. The Liberal press declared that the "Bottom was knocked out of Protection", and that Laurier's reception clearly illustrated that fact that Canada did not wish a Preference in the British market. Hence the Imperial Unity platform of the Tariff reformers was unnecessary and it would be folly to sacrifice cheap food of the British consumers when Canada did not wish a Preference. The Conservative papers minimized the agriculturists' views saying that virtually all of the demands came from Americans settled in the Canadian North-West. Further, any concessions granted to the United States would weaken the Empire, obliterate the boundary line, and with it Canadian individuality. This same view was taken later by the Conservative press in connection with the farmers' deputation to Ottawa in December. (1)

Throughout the year, and especially since the Government made the agreement with the United States, the majority of Western papers and farm journals had campaigned for a reduction in Tariffs. None of these campaigned more vigorously or gave more aid and encouragement to the farmers in their demands than did the Grain Growers Guide of Winnipeg. The need of the farmers for all the help they could obtain could not be more clearly illustrated than by the fact that E.M. Macdonald, who accompanied the Premier on his trip, declared, on his return to East that everyone in the west was satisfied with the tariff except a few disgruntled Tories.

As soon as it had become known for certain that Laurier was going to make his tour that summer, the Guide commenced to urge the farmers to meet the Prime Minister at every available point and present their grievances to him. At the same time it continued its advocacy of a lower tariff saying that "the Canadian tariff needs

to be whittled considerably and should be arranged in the interests of justice and not influenced by an false patriotism.... The cries of "Canada for the Canadians" and "Maintain National Pride" are but so much buncombe with which to pull the wool over the eyes of the people of Canada while the beneficiaries of the special privileges pick their pockets."(1) The request for the government to accept the United States offer of reciprocity in farm implements, put forward in practically every memorial to the Premier as we have seen, was also advocated with equal energy. This point had been urged more strongly than ever when various farmers began to write to the Guide stating that Canadian farm machinery could be purchased ten to thirty percent cheaper in England than in Canada. One of the letters, as early as January, declared that six-foot binders costing one hundred and sixty dollars in Western Canada were selling at one hundred and forty dollars and ninety-four cents for a Massey-Harris and one hundred and twenty-six dollars and thirty cents for a Deering at Reading England. This letter closed with the significant words, "it is evident that the home producer is paying quite a premium on machinery, this premium being a means of making millions for a few at the expense of many."(2) Another farmer declared that a Brantford Cockshutt dealer had said that he was selling implements in the United States, in competition with those manufactured there, after paying the twenty-five percent duty, hence free trade in implements would not injure him.(3)

The manufacturers at once replied to the allegations of the farmers. Through the organ of the Canadian Manufacturers Associat-

(1) Grain Growers Guide, April 13, 1910

(2) *ibid.* January 13, 1910

(3) *ibid.* January 19, 1910

ion, Industrial Canada, and at the various Annual Meetings of the Association they declared that the farmers were comparing the prices of four-foot binders in England with six and eight-foot ones in Canada. Besides it cost ten dollars more to ship one to Western Canada than it did to England.

On June 15th at Montreal, Tariff tinkering to please the United States was denounced by the Manufacturers. At the Annual Meeting of the Canadian Manufacturers Association held in Vancouver September 20-22, the tariff was the principal topic of discussion due principally to the recent demands by the farmers for its reduction. The general feeling of the manufacturers was expressed by a Toronto Manufacturer as follows: "I cannot see how any intelligent man can favour any downward revision of the tariff. It is the policy of protection that has built up Canadian industry and contributed largely to the development of the country. Of course I realize conditions have changed and that changes are necessary from time to time to meet new conditions." (1) A Montreal Manufacturer, referring to the farmers, said, "Let us not listen to a sectional parochial little meeting of grain growers." (2) They declared that the demands emanated chiefly from the Americans and British radicals in the West, hence were not representative of the average Canadian. In October, Colonel Samuel Hughes told the Winnipeg Press that "the average Canadian farmer is well satisfied with protection" and if he (Hughes)... "went west on a political campaign" he "would undertake to whip the free trade

(1) Grain Growers Guide, September 28, 1910
(2) *ibid.* September 28, 1910

farmers into line and make them understand that they would be more benefited by protection than anybody else."(1) The manufacturers and others who had probably never been engaged in farming in their lives apparently thought they could teach the farmers their business.

With such figures as quoted above before them constantly, and with the attempts of men such as Colonel Hughes, to mention only one of the many, to tell them what was best for them, is it any wonder that the farmers grew bitter against the manufacturers, denouncing them as virtual parasites, and severely criticizing Laurier during his tour for not having lowered the duties on implements and other necessities?(2)

During Laurier's tour the Guide took a poll of the opinions of the Western members of Parliament on the tariff. All of them, Liberals and Conservatives alike, with the exception of Clifford Sifton, the member for Brandon, declared themselves to be in favor of a reduction of the tariff, especially on farm implements. Sifton replied, "In my judgment it is very doubtful if any substantial reduction can be made in the tariff at the present time with any advantage to the public. My belief is that the tariff on the whole is fairly satisfactory and an agitation for further reduction is not likely to bring about beneficial results."(3)

(1) Ibid, September 5, 1910

(2) A humorous method of encouraging the farmer to continue his demands is seen in the following poem entitled "That Beautiful Tariff" appearing in the Guide in May 1910, The first two verses are given here:

The Tariff, O, the Tariff!
The glory of the great!
Protector of the working man!
Defender of the State!

The filler of the dinner pail!
The cure for every ill!
That ever blessed Tariff
Abideth with us still.

(3) Grain Growers Guide, July 13, 1910

The Toronto Sun, the organ of the Dominion Grange, took a similar poll of Federal members on the statutory offer of the United States for free trade in agricultural implements. Here the views were more varied. To illustrate, J. R. Stratton, Liberal for Peterborough replied, "I am inclined to think that our present tariff meets the situation pretty satisfactory." whereas F. L. Fowke Liberal for Oshawa declared that Sir Wilfred would meet any proposal for reciprocity in a proper manner and no offer mutually beneficial ought to be turned down. (1)

At several places during the summer Laurier told representatives of the Grain Growers Associations that he would be pleased to meet and discuss the Elevator Problem with them that autumn at the Capital. As a result of this invitation the Guide soon turned its energies to persuading the farmers to accept it, because the only way to secure their demands was to send a large delegation to Ottawa. A typical example of the Guide's efforts is seen in the following editorial:

"The British Preference has been so reduced that it is now of little value to Canadian consumers. There has been no honest and sincere attempt to secure better trade relations with the United States. The great republic is our natural market.... Now is the time for the people to assert their rights. The Western farmers want tariff reductions and better relations with the United States...." but ... "if the farmers expect to get a square deal from Ottawa they must get it this winter. If they don't there is a strong probability that an election will be held next year and when that is over people will whistle for what they want.... There should be a delegation of about five hundred farmers from the West go to Ottawa this fall... put the pistol to the heads of Laurier and Borden and every member of Parliament and demand a square deal." (2)

The efforts of the journal to promote this "On to Ottawa"

(1) Ibid, August 24, 1910

(2) Ibid, September 7, 1910

Movement was crowned with success. It was primarily due to this effort, I think, that a delegation did go East. On October 28, Laurier notified the Secretaries of the Grain Growers Associations that he was ready to discuss the Elevator Problem with them. They replied that it would be left to the larger delegation that would be in Ottawa to meet him on December 16. (1) The Delegation arrived in the East in time to attend the Annual Meeting of the Dominion Grange and the Ontario Farmers Association in Toronto on the 14th. At this Convention protection was denounced as an unjust system and a tax whose incidence was inequitable, reciprocity with the United States was approved and hope expressed that the bounties to the Iron and Steel Industry, about to expire would not be renewed. On the 16th, joining with about three or four hundred from the Eastern provinces to form a total delegation of about eight hundred and fifty to one thousand from all the provinces except British Columbia and Prince Edward Island, and led by E.C. Drury, Master of the Dominion Grange, they met Sir Wilfred in the House of Commons. (2)

The grievances of the farmers, as will be remembered, were very numerous. Papers were now read and resolutions passed on the same subjects, but as only that of reciprocity concerns us here, the rest will be omitted. Dealing with reciprocity and the reduction of duties on British goods, J.W. Scallion of Virden, declared the protective tariff to be a great burden on agriculture and the great body

of the consumers. Both the agriculturists and the consumers protest-

(1) Sessional Paper No. 113, 1 Geo. V., A 1911, for correspondence.

(2) On the previous day Laurier had received a petition from the Niagara Fruit Growers Association declaring the present tariff to be satisfactory and asking that the fruit growers be consulted before any change was made in the tariff.

ed, he claimed, against a tariff which taxed them for the special benefit of private interests, claiming it to be unjust, oppressive and legalized robbery. These industries, he declared, could no longer be classified as "Infants". Besides, the selling price of the natural products was fixed in the markets of the world, whereas the price of the manufactured goods they purchased was fixed by combinations in a restricted market. A further grievance pointed out in the memorials was that Canadian-made farm machinery could be bought much cheaper in England than in Canada. This, it will be remembered, was one of their chief causes of complaint during the summer.

As a remedy for these injustices, as they termed them, they asked for reciprocity with the United States in horticultural, agricultural and animal products, agricultural implements, fuel, spraying materials, fertilizers, lumber, cement, fish and a number of other articles. Their general attitude towards reciprocity can be seen in the following quotation: "No trade arrangement which the Canadian Government could ever enter into with any country would meet with greater favor or stronger support from the farmers of this country than a wide measure of reciprocal trade with the United States." (1) Any agreement entered into, however, should be given effect to by concurrent legislation of the two governments, not by a hard and fast treaty. It was suggested as a further remedy, that the British preference be increased to fifty percent of the general tariff, and that any advantages given to the Republic be given also to Britain. In return for these concessions they declared themselves ready to submit to direct taxation necessary to

(1) Sessional Paper No. 113, 1 Geo. V., A 1911, p. 40

(2) Canadian Annual Review for 1910, quoted p. 335

meet any deficit that might arise.

The grievances here laid before the Premier were merely a repetition of those presented to him during his tour of the west earlier in the year. In like respect, his reply did not differ from that made to the earlier memorials. On the question of reciprocity (the other questions are here omitted as outside the scope of this thesis) he declared that the Government wished better commercial relations with the United States because they believed more markets would be beneficial. Hence, negotiations been carried on had that end in view. However, and he was emphatic on this point, "nothing we do shall in any way impair or effect the British Preference. That remains a cardinal feature of our policy." (1)

The attitude of the press to the delegation was divided along party lines. The Toronto Globe said the movement ought not to be ignored for the West was growing and in the next dozen years might well be in a position to dictate Canada's fiscal policy. (2) Conservative papers, such as the Toronto News and Montreal Star, however declared that the delegation represented only about twenty-five percent of the Western farmers and that the object of the movement was simply to divert trade from Britain to the United States and convince the farmers that their interests lay with the Union not with Britain. Furthermore, this movement was due primarily to the American settlers in Western Canada. It will be recalled that this was the same charge made against the demands of the farmers during Laurier's tour. (3)

After the gathering the leaders of the delegation along with Laurier, addressed the Canadian Club at Ottawa on the farmers' demands.

(1) Canadian Annual Review for 1910, quoted p. 335

(2) December 16, 1910.

(3) Ante p. 45

In the meantime, however, the Manufacturers had been busy preparing their reply to these demands of the farmers. It was delivered in the form of a speech by T.A. Russell of the Canadian Cycle and Motor Company to the Toronto Canadian Club on the 29th of December. The speech was entitled "The Grain Growers and the Manufacturers." The farmers, he declared, had ignored every one but themselves. Yet they were in a better position today than any other class of people in Canada. In the last ten years they had grown rich, the increase in population had brought them a market consuming eighty percent of their produce, they received fifty percent more for grain and fodder, forty percent more for meat and thirty percent more for dairy products, than they did ten years previous, yet they were forced to pay only ten or fifteen percent more for those things they purchased. They knew nothing of the struggling and suffering in the East due to taxation and the like. Canada had prospered under a policy of moderate protection, but under reciprocity everything would be changed: the natural resources would be wasted, the interprovincial trade would be ruined, and the seaports sacrificed to New York, Boston and Portland. Besides the United States had always treated Canada unfairly, the average American duty was higher than the Canadian one by twenty-four to sixteen percent and in the last ten years Canada had bought one thousand and six hundred million dollars worth of goods from the Union but in return the United States had bought only eight hundred million dollars worth. Hence it was to Canada's interest not to lower its duties. Moderate protection was the policy for Canada.

Sir Wilfred was thus torn between the demands of two con-

flicting interests, and saw in this situation, danger to his party. The agriculturists demanded a much lower tariff, and the industrialists were opposed to any radical change. The danger to his party lay in the fact that in both sections were many Liberals. Russell, for example, was a Liberal, and many of the constituencies in the West now most urgent in their demands for a lower tariff, constituted Liberal strongholds.

The Government was also beset by a number of other dangers. Successive scandals had injured the reputation of the ministry. (1) At the Eucharistic Congress, a striking manifestation of Roman Catholic unity and power, held in Montreal in 1909, Sir Wilfred had walked at the head of the procession. Then the Ne Temere Decree was applied to marriages between Protestants and Roman Catholics in Quebec. This assertion of authority to annul mixed marriages at once aroused strong opposition among those who were opposed to admitting the right of the church to challenge the power of the state. These two incidents "had produced a sullen feeling among thousands of Protestants and undoubtedly there was a deliberate and calculated effort to mobilize this prevalent irritation against the Catholic leader of the Liberal party" (2) In the face of such difficulties when it became known at Ottawa in October that the United States was ready to discuss a trade agreement, W.S. Fielding and William Patterson immediately left for the American capital.

The negotiations carried on first at Washington, then at

(1) Particularly in the Dept. of the Interior under Sifton who was accused of selling land and granting timber rights to benefit himself. His successor Mr. Oliver was also accused of corrupt practices. The Dept. of Marine and Fisheries was also guilty of a certain amount of corruption.

(2) Willison, J.S., "Sir Wilfred Laurier", Part II, p. 392

Ottawa from November 4-10 progressed rapidly. It was announced in the speech from the throne in November that everything pointed to an arrangement for the exchange of a large number of products between the two countries. Meanwhile, Taft was further predisposed towards an agreement by the Democratic victories in the Congressional Elections in November. Laurier's desire for an agreement was likewise increased by the arrival of the Farmers' Delegation at Ottawa in December. On January 18, Fielding and Patterson proceeded to Washington to complete the arrangements.

While the negotiations were going on, the first signs of the opposition which was to later overwhelm the Government began to appear. English opinion in certain quarters regarded the negotiations as inimical to the Empire and declared "that the negotiations at Ottawa represent the most momentous crisis which the Empire has experienced since the Boer War. Surely Canadian Statesmen can think of other means of meeting the situation than commercial negotiations with Washington which not only endanger her political autonomy but are a grave menace to the existence of the Empire." (1)

Several prominent Canadians also raised objections to reciprocity during the time negotiations were been carried on with the United States, among whom were Sir George Foster, former Conservative Finance minister and Sir George Ross, former Liberal premier of Ontario. Foster writing in December, declared that the aim of the United States was to win Canada to compensate for the depletion of its own resources. His reply was, "Thank you very much

(1) Manitoba Free Press, Nov. 5, 1910 quoted from London Standard

Uncle Sam but really we have other ideas and other plans."

(1) "In fine we want citizens and not foreign partners, union and not division, a common and not a divided national aim. You can never make us over into states of the United States. British and Canadian we are and such we are and such we are minded to remain."

(2) He then proceeded to deal with the reasons why Canada would oppose reciprocity. As they were substantially the same ones raised later by those opposed to the agreement, only a few will be noticed. It would ruin the East to West trade built up at the cost of hundreds of millions of dollars, Canada did not need reciprocity, the Dominion had been rebuffed so often when it required a treaty that it finally set up its own tariff and was now prosperous, Canada was determined to conserve its natural resources, and the aim of Canada was to keep Canada for the Canadians. Ross raised his objections to an agree-

ment in November. In his opinion it would end-anger the identity of Canadian wheat which would be mixed with that of the United States

A fall in price would also result because it would be mixed with an inferior product. Furthermore, reciprocity would prevent the conservation of the natural resources, it would mean the end of the British preference, and finally, it would result in the American railways and shipping companies capturing Canadian trade. (3)

Later his opposition to an agreement was to be often referred to

1. Canadian Addresses of Sir George Foster, p.²⁰¹ (also pub. in North American Review for December 1910)

2. *ibid.*, 203

3. Canadian Annual Review for 1910 p.34

by the Conservatives as showing that others besides themselves were opposed to reciprocity.

Early in the New Year another Liberal voiced his opposition to an agreement. This time it was Clifford Sifton. On the 5th of January at London Ontario speaking to the Canadian Club he declared that the plans which the Conservation Commission of which he was the chairman, were working out would not be possible if a reciprocity agreement was entered into with the Republic. On the ninth at Montreal he declared that if an agreement was entered into "must not our trade, our business, our very life, become intermingled so that we shall become dependent upon them? What must follow in the natural course of events but political union?" (1)

Opposition also arose from other sources. On the twelfth and thirteenth of the month the Boards of Trade of Berlin (Kitchener) Oshawa, Brockville and Port Arthur passed resolutions against a reciprocity agreement, and on the nineteenth President W. J. Gage of the Toronto Board of Trade declared his opposition on the grounds that public opinion was such in the United States that a lowering of the tariff would come in the natural course of things. Resolutions from sources such as that of the farmers of Kent, Lincoln and Peterborough Counties, on the nineteenth were forwarded to the Premier. (2)

In the meantime progress at Washington had been rapid. Aided by the several events mentioned above affecting the representatives of both nations, an agreement was reached on the twenty-

1. Daffoe, J.W., "Clifford Sifton in Relation to His Times" p. 362

2. Toronto Mail and Empire, January 20, 1911. (on Jan. 13 Manufacturers Association placed a memorial before Laurier against reciprocity)

first of the month which was to be presented simultaneously by Taft and Fielding to Congress and Parliament respectively on the twenty-sixth. At last after nearly half a century Canada had secured a reciprocal agreement, and to add to this, in natural products only. Fielding had every right to be jubilant and full of confidence when he presented the agreement to Parliament on that eventful day.

The demands in both the United States and Canada for a lower tariff and freer trade between the two countries thus proved effective. In the Republic the demand had come from the consumers who wished alleviation from the high cost of living said to be due to the high tariff and trusts created by it, and from the industrialists and manufacturers who desired new markets and raw material. In Canada the demand had come from the agriculturists who wished a reduction in the prices of necessities and wanted a larger market.

Strong opposition had arisen in Canada to any agreement from the manufacturers, and various other individuals had denounced it, but Laurier had desired an agreement and one was secured. Probably Laurier recalled the Liberal Conference of 1895 and certain criticisms he received in the West.

Nearly half a century prior to the date on which Fielding presented the Agreement to Parliament, Canada's first and only reciprocity agreement with the United States had been abrogated. From that day, the 16th of March 1866, until near the close of the century, Finance Minister after Finance Minister had journeyed to Washington in search of another treaty. Failing in the last attempt in 1897-98, Laurier declared that there would be "No more pilgrimages to Washington" and hence forth any agreement would have to be the result of overtures from the Republic. As the years went on, however, without any gesture from the South, even the thought of reciprocity began to fade. Then in the autumn of 1910 came the invitation to the Canadian Ministers to come to Washington to discuss trade relations. Naturally even the negotiations which followed were at first regarded as mere abstractions. It did not seem possible that Washington had actually declared its willingness to open negotiations. Nevertheless, by the time of the presentation of the terms to Parliament interest was everywhere in evidence.

The great interest that had been aroused in the past reflected very strongly in the House of Commons. On January 26 Fielding submitted the results of the negotiations. The House was filled with alert members and the galleries were packed with interested crowds. (1) All listened with rapt attention as the Finance Minister read the terms.

1. Canadian Annual Review for 1911 p.30.

"The limited list had swelled and swelled and swelled as it grew to the proportions of a nation's commerce, and members leaned forward to catch every word, triumph was written on the faces of the Liberals and dismay painted on the visages of the opposition. There was not much cheering. Interest was too keen to tolerate interruption. But there were occasions when enthusiasm mastered curiosity. Free Fish, free wheat, oats barley and buckwheat, free potatoes, free dairy produce and free hay conceded by the United States, brought forth a tumult of appreciation which for a moment halted the Finance Minister in his triumphant recital, and when he closed, the Liberals cheered again." (1)

The correspondent of another paper saw the reception in a different light. "It is no figure of speech to say that the first feeling among members on both sides of the House ... was one of satisfaction." (2) There is no doubt that the scope of the agreement came as a great surprise to both parties. The jubilation of the Liberals and the dejection of the Conservatives was to be expected. To the Liberals the acquisition of this pact would probably mean another lease of power. To the Conservatives, who had already been out of office for fifteen years, it would probably mean another period of "wandering in the wilderness."

Let us now turn to the speech in which Fielding presented this agreement to Parliament and to the struggle which ensued in the House from that day until the dissolution some six months later.

1. Canadian Annual Review for 1911, quoted p.30 from Montreal Herald
2. Toronto Globe, January 23 1911.

Notice in this connection what J.S. Willison, in his Life of Laurier Part II p.395, says: "It is strange that Ministers did not discover how great was the dismay and confusion among the Parliamentary Conservatives and press for an early decision on the treaty."

He opened his address with a spirited defence of his action and that of his colleagues in negotiating the agreement. Both parties had for years sought to secure such a pact, hence to have opposed the friendly approach of the Republic now would have meant a complete reversal of the historic policy of the Dominion. Furthermore, lying side by side as they were, Canada and the United States must always be of mutual commercial interest to each other. This fact more than any other had induced the Government to enter into the negotiations. The Minister then proceeded to deal with the negotiations of the previous spring, and the invitation from Washington later in the year to discuss a wider measure of trade. The agreement before the House was the result of that invitation.

Following his defence of himself and his colleagues, the Finance Minister proceeded to read the stipulations and terms of the agreement. It was to come into force by concurrent legislation of Parliament and Congress, and all concessions made to the United States were to be extended to all parts of the Empire and to the most favored nations. The terms were of a four-fold character, a free list of natural products and a selected number of manufacturers, a list of goods having a common tariff for both countries, a list denoting the reductions to be made by the United States and finally a list denoting those to be made by Canada. A few of the items in the free list were livestock, grains, vegetables, fish and fish oils, dairy products, feldspar and fluorspar, several manufacturers such as barbed-wire, cream-separators and repairs, wire rods, typesetting machines and coke, and lumber and its products such as hewn and sawn boards, ties and telegraph poles. On

On the Schedule whose rates were set at a common level there were such articles as meats, flour, maple sugar and syrup, hay-loaders, potato-diggers, grain-crushers, manure spreaders and wind-mills, agriculture implements such as plows, harrows and horse-rakes, motor-vehicles and cutlery. The Schedule on which the United States was to reduce the duties contained, among other articles, the following: aluminium, laths, shingles, sawn boards and other lumber and iron ore. A number of the articles on which Canada was to reduce the duty were Portland Cement, coal (bituminous and mine-run) and peanuts. (1)

In the case of Pulpwood and paper, neither of these articles were to be put on the United States' free list, even though valued at four cents a pound (the minimum price at which they could be put on the list in any case) until the provinces removed their export duty, bounties and other shipping regulations. Meanwhile, until the United States put them on its free list American pulpwood and paper were to pay a duty on entering Canada.

Mr. Fielding closed his speech with the assertion that Canada would return control of its own fiscal policy. The British Preference would certainly be maintained, the tariff on British goods being adjusted to arrange for that purpose,

Canada's fiscal independence would be retained, and the arrangement was not binding on Canada. His words in this last regard were, "If on reasonable trial it is found in any way to be

1. See House of Commons Debates, Session 1910-11, vol. 2, pp. 2467 - 2495.

The Discussion in Parliament

unfavourable to the Dominion of Canada, the Government and Parliament of the day are absolutely free at any time to change the arrangement and nobody will have any right to complain." (1)

Immediately after Fielding had finished his speech Robert Borden, the Conservative leader, proceeded to attack the agreement. In his opinion it would greatly dislocate the industry of the country and involve virtually the creation of a new tariff. The stable and prosperous condition of Canada made such a change in the system unwarrantable. (2) When he again spoke on February 9, he renewed his opposition to any change in the tariff policy which the Dominion had followed for half a century. To prove that his contention was just he read statistics showing that in 1910 Britain had purchased eighty percent of the agriculture produce that Canada had expected whereas the United States had bought but nine percent. Thus to permit the agreement with its large free list to become operative would mean the destruction of that very valuable market, although no corresponding one would be gained in return. Canada had made marvellous progress under her present system, thus the Government should "Let Well Enough Alone." In support of this statement he read further statistics, as follows:

	1867	1910
Total Trade	\$116,000,000	\$649,000,000
Railway Mileage	2,240	24,731
Railway Earnings	\$12,000,000	\$174,000,000

This agreement, however, would mean the end of that prosperity and ruin of the East to West trade established at such a great sacrifice

1. *ibid.* p. 2448

2. *ibid.* p. 2497

to Canadians. The right policy for the Government to follow was to seek better trade relations, and reciprocity if possible, with the three hundred odd million people in the British Empire, and avoid at the same time, entangling alliances or engagements such as the present one. (1)

Turning to another phase of the question of markets, Borden declared that the treaty was unstable and insecure.. In his opinion, just as Canada was becoming nicely adjusted to the new conditions, the United States would either change the agreement or abrogate it altogether leaving the Dominion in a state of confusion and forced to seek new markets all over again. If, however, the Government had remained firm the previous year it would not have been forced to make the cessions and the present agreement would thus have been avoided. (2)

The Conservative leader next dealt with several other reasons for opposing the agreement. Among these were President Taft's reasons for seeking reciprocity and his various speeches in which he declared that Canada was "At the Parting of the Ways." The former, the exhaustion of the natural resources of the United States and the high cost of living in the States, were stated in his speech on submitting the agreement to Congress. Through this agreement he hope to be able to conserve the resources of the Republic and lower the cost of living or at least prevent it from rising higher. Borden saw, in Taft expectations regarding the resources, a menace to Canada, claiming that Taft aimed to exhaust

1. Ibid. pp. 3294 - 3318

2. Ibid, pp. 2499 - 2502

those of Canada in order to conserve those of his own country. The assertion that Canada was at the parting of the ways Borden said was true. Canada had two roads open to her, acceptance of the agreement with attendant loss of trade, autonomy and markets and eventual political union with the Republic or rejection of the agreement with the retention of these and separate existence under the British flag. It was not possible to have both. Thus Borden, with his tale of woe, blue-ruin and prediction of the break up of the Dominion that would follow from the agreement, opened the opposition campaign in Parliament that was to lead to the defeat of both the measure and the Government some eight months later. (1)

The following day (January 27) Colonel Samuel Hughes (Conservative for Victoria-Halliburton) began his extended attack on Dr. Macdonald of the Toronto Globe. Hughes asserted that Macdonald had been sent, or had gone of his own accord to Washington to prepare the ground for the United States to approach Canada on the question of reciprocity. Further he declared that Macdonald, along with Dr. David Starr-Jordan of Leland-Stanford University was a paid agent of Mr. Ginn of Ginn, Heath and Company of Boston, to lecture in favor of reciprocity, continental free trade and annexation, under the guise of the Peace Foundation Movement of which Ginn was head. On the 31st Hughes, in response to a telegram of denial from Macdonald, again reiterated his accusations. It is plain that the motive of Hughes was to spread the belief that, instead of the United States making overture to Canada, the latter had once again made

made a "Pilgrimage to Washington." (1)

Mr. William Patterson, the Minister of Trade and Commerce, replied to the Conservative leader on February 9. Canada's fiscal independence as well as the British Preference would be maintained as Fielding had said. He denied the accusation that the pact constituted an entangling alliance or that it would weaken the ties binding Canada to the Empire. Canada's loyalty "lies not in that direction, at least it does not on this side of the House." (2) Turning to the question of natural resources, he ridiculed the Conservative contention that the resources should be conserved and none sold. Canada wished a market in which to sell her agricultural products fish, forest products and ores. Keeping them locked up would not benefit the country. Why, he asked, should they be conserved for the grandchildren of the present generation in case they might require them, and in so doing, keep the present generation out of work? Such action did not make sense. Finally the Minister turned to the contention that the railways would be very seriously injured by the agreement. There was no grounds, he averred, for the claim that reciprocity would destroy either the east and west trade or injure the railways. The fact that in the past year twelve million bushels of grain from Fort William and seven million from other points had gone through the United States in bond disproved this claim. On the assertion that the railways would

1. Ibid. pp. 2560 - 67

2. Ibid p. 3320

lose through the American roads building spurs into the west, he said that the Canadian railways could retain their business by lowering their rates to compete with the Americans. In short, Patterson believed that under fair competition the Canadian industries and railways would not be driven out of business. (1)

The next opposition speaker, George Foster, of course took the same stand as his leader. He strongly deprecated any sale of the natural products to the United States in their raw state. Such products sold to the Union were re-imported into the Dominion in the form of manufactured products. Thus, if this was allowed to continue Canadians would become "hewers of wood and drawers of water." Turning to another phase of the pact, he declared, that through the change in the direction of the trade, the Prairies would henceforth buy their fruit from California instead of British Columbia, and ship their cattle and grain to the United States instead of British Columbia. As a result of the destruction of the inter-provincial trade and the railways would be injured immeasurably. (2) When he again spoke on February 14, he continued his attack on the agreement. It would check the investment of American capital in Canada, especially in the erection of branch factories, and stop the flow of British capital to the Dominion. The United States coveted the natural resources of Canada and aimed to drain them into its own factories for the skilled work leaving the rough labour to Canada. The result of such an agreement would be the exhaustion of the resources of the Dominion while those of the Union were being

1. Ibid. pp. 3316 - 3327

2. Ibid pp. 3327 - 3343

conserved. Other arguments used against the pact were, that it would mean the end of the British Preference, that United States and Canada were not suited for reciprocity because both produced the same, that it would not bring higher prices for wheat though it would injure the Canadian Milling Industry, that the shipment of hogs to the States would hinder the establishment of a pork packing industry and that the desire of the United States for reciprocity was dictated by political not commercial motives. (1)

Mr. Nelly (Liberal for Humboldt) speaking after Foster, denied that the Milling Industry would be ruined. He said the millers opposed the agreement because they knew, that as a result of the competition of the American buyers, they would be forced to pay the Canadian farmers a higher price for their grain. (2) Dealing next with the larger market that would be opened to Canada, he declared that it would revolutionize the cattle industry and, through bringing higher prices, have a similar effect on the grain business. Further, reciprocity should not injure the Fruit Growers. They should be able to compete with the growers further south, providing the climate was suitable, because cheaper railway transportation would compensate for the cheap coloured labour down South (3) However, Martin Burrell, (Conservative from Yale-Caribou) speaking later, declared that if the pact was allowed to come into force the fruit industry of British Columbia would be ruined. He also read several petitions from various Fruit Growers' Associations in that province to confirm his statement. Whether or not the

1. Ibid. pp. 3530 - 3563

2. On April 18, James Robb (Liberal), a miller for thirty-five years held the same view - Ibid pp. 7528 - 39

3. Op. cit. pp. 3563 - 79

industry would have been ruined it is hard to say, but claiming that it would ensured him of the support of the Fruit Growers who claimed that they could not compete with those to the south whose costs of production were less. (1)

By this time the debate had resolved itself into a statement of a fact by one party and its denial by the other. Hugh Guthrie (Liberal, South Wellington) speaking on February 15, said there was nothing in the agreement to warrant the cry of annexation and disloyalty. The treaty of 1854 had ended the annexation movement rather than increase it. (2) This same view was re-iterated the following day by Warburton (Liberal Prince Edward Island) and by George Kyte (Liberal, Richmond Nova Scotia) on the 21st. (3) The latter declared that though the Conservatives saw disloyalty in reciprocity in the Tariff Schedule of 1879, yet nobody had ever considered him disloyal. In spite of these assertions, however, Conservatives such as J. E. Armstrong (East Lambton) still contended that annexation was the inevitable result of reciprocity. The aim of the United States, he said, was to annex Canada. Speeches of various influential Americans proved it. Champ Clark (Speaker in the House of Representatives) said, "I am for annexation of Canada. I have always been, and if it were generally understood that Canada's annexation was the purpose of the pending pact, it would doubtlessly help the measure in becoming law here." (4) Senator McCumber of North Dakota declared that "Canadian annexation is the logical conclusion of reciprocity with Canada." (5)

1. Ibid pp. 3579-99

2. Ibid pp 3630 - 63

3. Ibid pp. 3709 - 37 and pp. 3956 - 80 respectively.

4. House of Commons Debates, Session 1910 - 11, Vol 2, quoted B.3743

5. Ibid pp. 3743- quoted.

Various other arguments were advanced by the Liberals in support of the agreement. It would mean larger markets for agriculture, and dairy, products and fish as Canada would henceforth have three instead of two markets. In many cases it would mean increased prices. As Warburton pointed out on February 16, this pact would be especially beneficial to the Maritimes because their failure to increase in population was due their lack of markets.(1) Further the Liberals contended, the railways would not be injured because their through lines would have a decided advantage over the routes via three or four lines in the United States. This last point was given considerable emphasis by Guthrie on February 15. Lemieux (Post Master General) on the 21st and Michael Clark (Red Deere) on the 23rd, to name only two, re-iterated these views.(2)

The many advantages that the Liberals claimed would result from the agreement were of course denied by the opposition. The markets were declared to be illusory for the United States produced sufficient for its own requirements, in fact exported large quantities of these very products. Hence Canada would lose its own market, and at the same time become dumping ground for, not only the States, but for the twelve favored nations and the Empire countries. It is worth noting again that a point used by nearly every speaker of the opposition was that Canadian wheat would lose its identity if shipped through the United States. Manitoba wheat would no longer be known as Manitoba No. 1 or Manitoba No. 2, but merely as North American wheat. As a result, the British market would be lost and the price of the wheat would fall. Mr. Ames (Conservative for St. Antoine, Montreal) speaking

1. Ibid. pp. 3727 - 33

2. Ibid pp. 3630-63, pp. 4005-4039 and pp. 4143 - 4167 respectively

on February 22 put considerable emphasis on these points. (1)

Up to this time the debate in Parliament was divided strictly along party lines. The Liberals extolled the advantages the pact would bring; the Conservatives denied these advantages and declared it would bring ruin and eventual union with the Republic. On February 28, however, the first breach in the ranks occurred when Clifford Sifton, former Minister of the Interior in the Government voiced his opposition to the measure. He denied that both or even one party had favored reciprocity for forty years, as the rest of his colleagues claimed. They had abandoned it upon their failure to secure an agreement in 1898 and no mention had been made of it in the next three elections. As a result the Government had no mandate from the people to change the fiscal policy of the country. Besides the country had prospered under the present policy of moderate tariff and any radical change was not only unnecessary but unsafe. In brief, the policy for the Government was "To Let Well Enough Alone."

Sifton dealt next with his more specific reason for opposing the agreement. It would prevent the Conservation of the Natural Resources (2) injure many Canadian Industries and destroy others. The industries would be exposed to the various American Trusts such as the meat trust, the milling trust, and the harvester trust, with which they could not compete. Another

1. Ibid pp. 4083 - 4109

2. As Sifton was chairman of the Conservation commission and a Liberal, his word carried added weight; especially in Ontario.

Another Canadian Industry to be injured would be that of fruit growing. It could not compete with that of the southern states. Further the investment of American capital in branch factories in Canada would be curtailed and existing branches closed. He quoted the President of the Quaker Oats Company to the effect that eighty percent of the Peterborough plant would be closed if the agreement came into operation. The railways also would be seriously injured. By diverting the trade from East and West to North and South it would not only injure the railways and thus the ports, by the trade being transferred to New York and New England ports, but it would break the whole Canadian transportation policy on which much of the unity of the Dominion rested. British Columbia would become bound to the States of Washington and Oregon, Alberta to Montana, and so forth. The result would be the domination of Dominion by the United States and the reversal of the whole policy of Canada in fighting to maintain her independence against almost insurmountable obstacles.

In conclusion Sifton branded as pure fiction the claim that Canada would gain an additional market in the United States. By concentrating on this mythical market, however, Canada would be giving up the British market which was certain and the facilities established. He also pointed to the danger of being swamped by the produce of not only the Republic but of the Empire countries and the most favored nations, and to the loss of identity by Canadian wheat when going out through American ports. In short, then the agreement was a detriment not a benefit to the former for whom it was principally secured.

The Minister of Agriculture, Mr. Fisher, replied to Sifton. He asserted that both parties had always sought reciprocity, and, due to that reason and the fact that the people wished an agreement, the Government had sufficient mandate to negotiate for the present agreement. Discussing next markets and prices, he denied Sifton's allegation that the farmers would gain neither a wider market nor an increase in prices. Prices in Buffalo and Chicago were nearly always higher than those at Toronto and Montreal. In the case of the effect of the agreement on the supply of wheat for the Millers, much of it would go to the United States because the American buyers would pay the farmer more for it than the Canadian buyer. The result of this competition would be that the monopoly enjoyed in the past by the Canadian buyer would be broken. However, the miller would not be forced out of business if he was willing to pay the same price as the buyer for the American miller. (1) The Minister likewise put little stock in Sifton's accusations that the Natural Resources would be exhausted or that the Packing Houses would be swamped by the American firms. In the former case he said Conservation did not mean that no mines should be worked, no more timber cut nor any more fish caught. To take the case of the forests alone, conservation there meant the establishment of reserves and reforestation, not the ending of all cutting. Then turning to the latter point, he declared that Winnipeg with a larger supply ought to be able to compete near Chicago, Omaha or any of the large cities in the Packing Industry in the United States. He closed his speech with the re-assertion

1. See in this connection "Canadian National Economy" by J.J. Harpell pp. 166 - 168. (The result would be that the millers, forced to pay the farmer a higher price for his grain, would secure a smaller return.)

of the point stated so many times before, that Canada's loyalty was not based on trade or cash and to make that claim was an insult to Canadians. (1)

Sifton was not to be the only deserter from the Liberal ranks for on March 2, Mr. German (Welland) and on March 8, Lloyd Harris (Brantford) declared their opposition to the agreement. The former, however, opposed the Conservatives on the loyalty question. (2) He declared that the agreement would not lead to annexation. Canada's loyalty was not founded on commercialism nor on dollars and cents. Mr. Harris was in complete accord with the opposition on every point. (3) It might be noticed in regard to the latter that he was a manufacturer and a former vice-president of the Canadian Manufacturers' Association. Mr. German was a lawyer and director of the National Land, Fruit and Packing Company.

The debate continued along the same lines during the rest of the session. Hence to deal with each individual speaker would be to needlessly repeat statements. Reference therefore will be made to only one or two more. Laurier spoke at length for the first time on March 7. He denied that he had abandoned reciprocity in 1897 or that the Government had no mandate because reciprocity was not discussed in the last election. The necessity of having to submit every measure to the electorate was contrary to the British and Canadian Constitution. Neither Confederation nor the Washington Treaty had been submitted to the people. Thus why make this agreement the exception? (3) The remainder of the

1. Ibid pp. 4482 - 96

2. Ibid pp. 4877 - 4905

3. Ibid pp. 4741 - 71

Prime Minister's speech was simply a re-iteration of what had been said by Fisher, Fielding and several other members of the party. Two other members spoke after Sir Wilfred, Mr. Currie (Conservative for North Simcoe) and Mr. Templeman the Minister of Inland Revenue, asserted once more that the pact would injure the home market

through competition from the South, from the most favored nations and from Empire countries, that the prices received would not be higher than those received in Canada and that the home trade was the best and should not be depleted. (1) Mr. Templeman of course, spoke of the great advantages that would result from this agreement and pointed especially to these advantages to be derived by the miners and fishermen through obtaining a wider market and by the consumer through a fall in cost of living as a result of the reduction in the tariff. (2)

Petitions and telegrams continued to arrive daily from the constituencies for the members. A number of these were read on March 17 and a further number on the twenty-first. Among those read that were in favor of the agreement were ones from the Seaforth Branch of the National Council of Agriculture, the Board of Trade of Kings County Nova Scotia, Yarmouth Board of Trade and The Central Saskatchewan Consolidated Boards of Trade. Numerous ones were also read protesting against the pact, such as those from the British Columbia Farmer's Institutes, the Imperial Order of Daughters of the Empire and the Brantford Board of Trade. (3)

George Foster again attacked the Government on April 4. He asserted that the Prime Minister's only idea of progress appeared to be to tear up the railways, do away with the steamship lines and

1. Ibid pp. 4771 - 4811

2. Ibid pp. 4811 - 23

3. Ibid pp. 5541 - 51 and 5727 - 51 respectively.

stop all Canadian mechanism of development and transportation. (1)

The Conservative member from Selkirk Manitoba, Mr. Bradbury who spoke the following day affirmed Mr. Foster's views. He laid special stress on the statement that it was unfair to submit the Canadian farmer to the competition of the cheap labour of countries such as Japan, Russia and the Argentine or to that of the negro labour in the southern states. (2) R. Smith (Liberal from Nanaimo) ably replied for the Government the following day. He denounced the talk of ruin and annexation. It did not speak well for Canada's ability to succeed under fair competition or for the strength of the British instinct in the opposition to stand a simple trade agreement with the United States. If trade with the "Republic" would break up the Dominion it would have been broken up years ago and Canada part of the Union today. He also dealt briefly with the effect of the pact on the fruit growers. The industry could no longer be termed an "infant" hence it ought to be able to succeed without the high protection that Martin Burrell claimed it needed (3) In closing Mr. Smith said, that if the agreement had only been a means of lowering the cost of living it would have been worth negotiating. (4) Briefly, then the Conservatives still pointed to the ruin that would result from the agreement, commercially and politically, and the Liberals deprecating their fears, still claimed that untold advantages would be the result.

A final speech, that of Colonel Hughes may be noted. He spoke again on April 11 in denunciation of the agreement. As usual he was given to exaggeration and bombast. He claimed that none of the leaders of the Grain Growers Associations were honest at heart.

1. Ibid. Vol IV, pp. 6668 - 6669

2. Ibid. pp. 6680 - 6711

3. Ante. p. 62

4. Op cit., pp. 6711 - 39 and (whole speech)

all being in the pay of either the Liberals or of Americans such as J. J. Hill of the Great Northern Railway. Further, the delegation of the previous December had been composed of the type of men who hung around blacksmiths' shops and allowed their wives to clean out horse stables. One other point may be noticed in his denouncement. The Americans were not to be trusted. They had made a reciprocal agreement with Hawaii, another with Cuba and so on. What had been the results of these treaties? They had annexed those countries. Might they not have the same aim in mind in the case of Canada? He thought it quite likely!⁽¹⁾ Although Hughes was given to exaggeration it is quite possible that he had a sincere distrust of the United States, and this was a good opportunity to give vent to his feelings. (2)

Meanwhile momentous decisions were been made by both parties outside of Parliament. On April 26, at a Conservative Caucus held at Ottawa, it was decided to resist reciprocity to the bitter end. The agreement was declared to involve the national existence of Canada and her relations with the British Empire, hence a truce with the Government was out of the question.

W. J. Bowser and W. R. Ross of the British Columbia Government addressed the caucus and helped to increase its fighting spirit. A Liberal Caucus held the following day arrived at the same decision, namely, to fight to the bitter end. The result of this decision by the Liberals was Laurier's announcement on April 28

1. House of Commons Debates, Session 1910-1, Vol. 4 pp. 7126-86

2. His history was not very sound on these facts. Hawaii was temporarily made a protectorate of the U.S.A. in 1893, after a revolution, engineered by American residents deposed the Queen and established a Republic. In 1897 the Hawaiian senate ratified the treaty for annexation to the U.S.A. Cuba was annexed in 1899 after the war with Spain.

in the House that he had taken passage to sail May 12 for England unless prevented by public business. To Borden's assertion that he would give the agreement his "Uncompromising Hostility" Laurier replied that he would give it his "Uncomprising Support". On the same day the Prime Minister refused Borden's suggestion that the House be adjourned for two or three months after interim supplies had been voted, to enable him to attend the Imperial Conference and Coronation. Such action seemed to Laurier too much like a truce. A deadlock thus appeared imminent. The Liberals, however, were at the mercy of the opposition over supplies. (1) As a result, at a second Liberal Caucus held May 5 it was decided to adjourn from May 23 until July 18. Thus the opposition succeeded in their obstruction policies.

At a meeting of Conservative Premiers of New Brunswick and British Columbia and Mr. Robert Rogers of Manitoba held the same day the decision just made by the Government was termed as a surrender. Borden announced at the same meeting his intention of making a tour of the Western provinces that summer.

The Tour of the Conservative Leader, while not so extensive as that made by Laurier the previous year, nevertheless included most of the important cities and towns on the prairies. (he did not enter British Columbia). A number of the more important places visited were Winnipeg, at which his tour began on June 17, Brandon

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1. Laurier could have made use of the closure ending the debate in the House and forcing a vote on the agreement as Borden did over the Navy estimates later in the year after he came into office. Had Laurier done so, the agreement would of course passed. His refusal however, was due to the fact that he believed in freedom of debate in House.

Estevan, Weyburn, Moose Jaw, Regina, Maple Creek, Medicine Hat, Lethbridge, Calgary, Edmonton, Prince Albert, Saskatoon, Yorkton, Melville, Dauphin, Portage La Prairie, Morden and Somerset, Manitoba where he ended his tour on July 8.

During his tour Sir Robert was the recipient of large delegations of Grain Growers similar to those who met Laurier in 1910. Their demands likewise showed practically no change from the earlier ones. They requested that the protective tariff be lowered and eventually abolished, that the British Preference be increased, that the reciprocity pact be allowed to come into force, that the Hudson's Bay Railway be built by the Government, that Terminal Elevators be taken over by the Government and finally, that a redistribution of seats be effected before the next general election. Much emphasis was put on this last demand due to the fact that the population of the west had increased considerably since the last Census. A striking illustration of the fact that the farmers' attitude towards the manufacturers and towards reciprocity, had not changed was manifested at Saskatoon. Here they declared that "the manufacturers have their hands bloody with the life-force of the farmers," and further "that we regard reciprocity as a measure of Free Trade therefore we endorse it." (1)

Sir Robert's replies to the demands of the farmers and his statements of policy followed closely those made in Parliament. The country was prosperous and they ought to "Let Well Enough Alone" Canada would lose its autonomy and control of its tariff, American Trusts would gain control in Canada, Canadian products would lose their identity when being shipped out by American ports and Canadian producers would be subjected to the competition of the United

1. Canadian Annual Review for 1911, quoted p. 94

States, the twelve most favored nations and the rest of the Empire, yet no new market would be gained in return. Besides, the Dominion would be broken up by the destruction of the East to West trade and Political Union with the United States would be the result. (1) Thus, speaking in the section of the country which was the most strongly in favor of reciprocity, Borden still maintained that the agreement would injure the farmers.

Believing an Election to be near at hand if he continued his obstructionist policy, Borden had made this tour in the nature of an election campaign. At his Winnipeg Meeting he made several pledges of what he would do if returned to power. He promised to recognize the rights of the Prairie Provinces to their lands and natural resources, to extend the boundary of Manitoba to the Hudson's Bay, to build the Hudson's Bay Railway and operate it under an Independent Commission, to take over and operate the Terminal Elevators, to aid the chilled meat industry and finally, to establish a Permanent Tariff Commission.. Knowing that the Naval question would be one of the main issues in the next election he made it the key-note of most of his speeches and included it in his pledges. The Liberals, he asserted, wished to enjoy the rights, prestige and protection of the British Navy until trouble came then declare their neutrality, even if the flag had been fired on. The Conservatives, however, had a different policy. They believed in and would make monetary contributions to the British Navy. By following this policy Canada would not be leaving the whole burden of defence on Britain's shoulders. These pledges were distinctly a means of winning votes at the next election through favoring as many of the demands of the farmers and claiming that Laurier was disloyal.

1. Ibid pp. 90 - 96 (The Grain Growers Guide also published full reports of his Tour in June and July)

When Parliament assembled again on July 18 Fielding moved immediately for consideration of the reciprocity pact. It was not discussed at once, however, because the Conservatives, determined to obstruct the government, moved in their turn for consideration of the Fenian Raid veterans. The debate was finally resumed, but as it followed the same lines as before adjournment, no reference will be made to the speeches except a few lines from that of Fielding on the 24th. He said "But if perchance the manufacturers in their great power unite in opposing and possibly condemning or even defeating this measure then there will rise up in the Western country such a storm-cloud bigger than a man's hand and the end will be a change in the fiscal policy of the country which the manufacturers will find much greater than anything they conceived of." (1)

The subject of redistribution came up for discussion on the 24th. Borden declared that redistribution should be attended to before an election was held, but Laurier replied that owing to the fact that the census had just been taken in June, a redistribution was impossible until the next year. Though Borden continued to demand one and accuse the government of been afraid of the increase in representation, nothing was done in the matter. Finally on July 29, as the Conservatives continued their obstructionist policy and supplies were not voted, Parliament was dissolved with the election scheduled for September 21.

In review than, it may be noted once again that the agreement was debated almost entirely from a party standpoint. The Liberals extolled the advantages that Canada would derived from the

(1) House of Commons Debates, Session 1910-11. Vol. 5, p. 10019

measure in the form of new markets, higher prices and general prosperity of the country. The Conservatives denied these advantages would result, instead pointed to the danger to Canadian fiscal independence and connection with the Empire that would result. Though many, perhaps the majority had a sincere belief in their contentions, it is probably no less true that political expediency was in many cases the driving force.

Chapter V The Attitude of the Country Towards the Agreement

Opinion of the agreement was no less divided throughout the country than in Parliament. Outside of the House, however, this division did not follow party lines. Manufacturers and others who had vested interests, and many opponents of the scheme who made use of the appeal to passion and prejudice, aided by references of thoughtless Americans to annexation, played a very active part in the campaign. The inevitable result was that in many cases parties were rent asunder. The newspapers, however, remained uncompromisingly either Liberal or Conservative. Each one supported its party right or wrong. Notice shall be first taken of the efforts of a few of these papers.

In newspaper warfare neither side gives any quarter. Generally, the "end justifies the means", and the campaign of 1911 was no exception to this rule. This was particularly true over the question of loyalty. The opposition papers regarded no imputation or accusation as being too strong. To illustrate:

"There can be no doubt that both parties to the reciprocity bargain were anxious to come to terms largely because an arrangement between Canada and the United States would render difficult, if not impossible, the carrying into effect of the great policy of inter-British trade with which the name of Joseph Chamberlain is associated...as Sir Wilfred Laurier is one of the fathers of the Continental as distinguished from the pro-British policy.... The gradual separation of Canada from the Empire is the goal at which the right honorable gentleman Laurier says he aims, not by revolution, not by bloodshed, but gradually and as the ripe fruit falls from the parent tree, Sir Wilfred hopes to draw us from Britain."(1)

"The impression is gaining ground that as Sir Wilfred draws near to the end of his political life he is exposing his real desires and that these are not conducive to the best interests of the British Empire as a whole or to the best interests of Canada as a part of the Empire."(2)

(1) Toronto Mail and Empire, January 28, 1911

(2) Calgary Herald, June 10, 1911

A vigorous campaign was also waged through the medium of various periodicals, chiefly British ones, by those who opposed the agreement on the grounds that it would mean the separation of Canada from the Empire and eventual annexation to the Republic. A few of the arguments put forward by these opponents may be noted. One of them declared that the German Zollverein had led to the creation of the German Empire a generation later, and that trade and commerce was the creative force behind the making of the American Constitution. The same must inevitably follow in the case of Canada. The majority of the Americans believed that such would be the result. Champ Clark, speaker in the House of Representatives had voiced that opinion, and Congressman McCall of Massachusetts had declared that it would have the effect of another "Louisiana Purchase". In short

"We shall soon see that, no matter which view is taken, whether in the United States or in Canada or in the United Kingdom, if we look at the agreement honestly from any standpoint whatever, it will be found impossible to exaggerate its political importance"(1)

A Canadian author and journalist, Albert R. Garman of Montreal, took an extreme view of the danger of the agreement. The United States had taken Hawaii, Porto Rico, the Philippines and Panama, and now aimed to take Canada. This agreement would mean the end of Protection and the beginning of disaster for the farmers, the end of the East to West trade, the supremacy of American trusts in the Dominion, and Canada's loss of commercial independence. Canada was thus fighting

"one of the decisive battles of history. Quite as much depends

(1) Garvin, J.L., "Imperial Union and American Reciprocity", Fortnightly Review (London), March 1911

on how it goes as was at stake at Sadowa--more, in my opinion than was at stake at Waterloo."(1)

An English periodical under the title of "The American Challenge" expressed much the same view. This measure was merely another attempt of the United States to bring about the disintegration of the British Empire, similar to the invitation to Canada in 1775 and the abrogation of the Treaty in 1866.(2) From the quotations given it is quite evident that the opponents of the measure were endeavouring to rouse the latent antagonism to the Republic and make the latter appear to be a monster in disguise, only waiting a chance to pounce on and devour poor little defenceless Canada.

Indiscreet references to annexation in many American periodicals and newspapers had a prodigious effect in strengthening the opposition throughout the Dominion. One of the most extreme of these is seen in the following quotation:

"It is not for the best permanent interests of Canada that her larger policies should be dictated from Westminster or that she should regard herself as destined in a self-abnegating way to serve the purposes of the British Empire. We have never hesitated in this Review to say with all neighborly frankness that Canada ought not to have taken part in the South African struggle.... Canada's real guarantee of safety and quiet within her own domain does not lie at all in her being part of the British Empire.... Canada's general relationships as a neighbor and intimate associate ought to be with the United States. A development of the British tie that had as its object the creation of a military power along our northern frontier would inevitably bring about its logical effect, an annexation movement that would have unpleasant features"(3)

The New York Evening Journal of June 16 said reciprocity would do more than anything else to promote political union of Canada and

(1) Carman, A. R., "Will Canada be Lost?" National Review (London) July 15, 1911

(2) Saturday Review (London), February 15, 1911

See also articles by Beattie Crozier and Lethbridge Upper in the Nineteenth Century (London) for June 1911.

(3) Review of Reviews (American), June 1911, p. 645

the United States; the Southern Lumber Journal of Wilmington South Carolina said on August 1 that if there was any virtue in this agreement it was the fact that it laid the foundation for the annexation of Canada that should have been part of the Union long before; and several papers such as the Chicago Tribune and the Chicago Record-Herald favored as it would detach Canada from the Empire and kill British Imperialism.(1)

Many thoughtless individuals in the Republic also referred to Annexation. The most conspicuous and most quoted was Champ Clark, speaker in the House of Representatives. The speech which created the greatest sensation in Canada was delivered to the House on February 4th, Speaking of the agreement he said,

"I am for it 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.... My judgment is that if the Treaty of 1854 had never been abrogated the chances for consolidation of the two countries would have been much greater than they are now"(2)

Senator Knute Nelson of Minnesota on June 20 saw ^{the} only benefit in the agreement, viz., that it might lead to the annexation of Canada, "if we can accomplish the annexation of Canada we will have done a great deal"(3) On February 16, W.S. Bennet of New York presented a resolution for the United States to open negotiations with Britain for the annexation of Canada. The examples cited are only a few of many such utterances, but they are sufficient to illustrate the thoughtlessness of many Americans and the strength which the antagonists of the pact in Canada could derive from them.(4)

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- (1) A summary of the views expressed by the various American newspapers is contained in the Canadian Annual Review for 1911, pp. 67-70
(2) Canadian Annual Review for 1911, quoted p. 62
(3) Toronto Mail and Empire, June 20, 1911
(4) op cit., pp. 61-66 for summary of individuals' opinions in U.S.

At the same time the Liberal organs across the Dominion were not slow to denounce these accusations. Britain had close trade relations with Napoleon during the period of the Napoleonic Wars and close relations with Germany today, and Canada had close trade relations with the United States in the years 1854-66, yet in none of these cases did annexation result.

"What sort of base-born, nation-bartering men do these faint hearts think Canadians are?.... Insults of that nature will be continued till young Canada takes the men who give them currency by the coat collar and shake them vigorously to the accompanying question "Do you think I too, am a thirty percent loyalist?"(1)

The Government also had its supporters in the west. The Regina Leader, in dealing with the loyalty cry and the appeal to the British born declared it to be about "as dishonest and as despicable as one could imagine."(2) Though this appeal to passion and prejudice was denounced by all supporters of the government, it had a great effect on the public and was one of the most potent influences in bringing the defeat of Laurier.

Let us now turn to the Campaign carried on along other lines by the papers. One of the strongest and most conspicuous of the opponents was the Toronto News. In April it declared that the industrial east and Canadian business in general were threatened by reciprocity.

"It is of no avail to say that the manufacturers and workmen of older Canada are unaffected by the trade agreement with Washington. They are not fools to be fattened on theories. They know that the reciprocity agreement will send an immense volume of Western trade into the United States. They know that the volume of through traffic by Canadian railways

(1) Toronto Globe, January 30, 1911 (It is interesting to note that the Kingston Standard (Conservative) favored the pact and urged the public not to be deluded by the annexation bugaboo)

(2) Regina Leader, August 9, 1911

will be enormously diminished. They know that once Free Trade in natural products is established there will be an irresistible demand for Free Trade in Manufacturers".(1)

The chief fomenter of the Free Trade agitation in the West, the News declared, was the typical British radical who "having done what he could in his offensive economic arrogance to ruin the Empire at home, he now endeavours to complete the ruin in Canada".(2)

The Calgary Herald also came out strongly against the agreement not long after its submission to Parliament.(3) British trade as well as the political connection would be greatly injured, the East to West trade would give place to one North and South thus injuring Canadian industries and railways and the work of a quarter of a century would be undone at one stroke. The result of this ruin of Canada's industrial system would be that Canada would become the backyard of the Union. The safe policy for Canada was to maintain its present fiscal system, or, in other words "Stand Pat".(4)

Furthermore, the agreement would not secure the markets for Canadian produce in the United States promised because the average acreage under cultivation there was increasing. From 1898-1908 it forty-six millions acres but in 1910 it was forty-nine million.(5) Moreover, under this pact the farmer would be open to the competition of the farmers of the Republic, the twelve most-favored nations and the Empire countries, in his own market at home. The result would be that the prosperity now prevailing in the country would give place

(1) Toronto News, April 18, 1911

(2) *ibid*, April 18, 1911

(3) On the 27th the Herald had come out in favor of the pact as providing another market for the farmer though not injuring the industries of the Country. The railways and millers could stand any competition from the United States.

(4) Calgary Herald, January 31, 1911

(5) *ibid*, September 2, 1911

to a depression similar to that south of the boundary. Accordingly, it was to the good of the farmers to defeat the measure in order to keep the working man in the city working and retain their market.(1)

Protagonists of Reciprocity were no less busy. From the moment in which the terms became public the Toronto Globe, the Toronto Sun, Manitoba Free Press, Regina Leader and of course the Grain Growers Guide were loud in their praises of them. The greatest advantage claimed for the agreement was that it would provide a wider market and higher prices for the products of the farm, forest, mine and sea. In July the Sun declared that it was a well known fact that farmers in the vicinity of Toronto shipped hogs to Buffalo right past Toronto and made a profit due to the higher prices, in spite of the high tariff against them.(2) Thus they claimed, the Republic was Canada's market. The assertion of the opposition that Britain not the United States was the best market was a fallacy. To prove this the Manitoba Free Press published statistics showing the greater value of the produce exported to South even under the existing high tariff. In the list of nine articles published there was a market in Britain of any account for only two of them, hay and flax. In the case of swine, turnips, berries, milk, and cream none existed. Yet in milk and cream alone \$1,719,919 worth was sold to the United States in 1911.(3) Proof of higher prices south of the border was also published. Taking barley alone, it was shown that \$1.00 to \$1.10 a bushel was being secured at Buffalo on November whereas only 58½ cents was secured

(1) Ibid August 24, 1911

(2) Toronto Sun, June 14, 1911 (See Manitoba Free Press August 26 for statistics of wheat exports of U.S (1881-1911) & Canada (1900-10)

(3) Manitoba Free Press, September 5, 1911

at Toronto and other Ontario points.(1) As large quantities of barley would be demanded it was said that the farmers would be thousands of dollars in pocket by the pact. A farmer was quoted to the effect "that for this one item alone we could profitably spare the Honorable Mr. Fielding and the Honorable Mr Patterson a week at Washington"(2) Evidence was also printed to prove that higher prices would also be secured for other things. To illustrate: a horse raiser of Norfolk county told the Globe that draft horses of sixteen hundred to eighteen hundred pounds sold for \$250 to \$350 in Toronto whereas they fetched \$500 to \$600 in New York;(3) and a correspondent of the same paper reported that fruit growers were already(March) receiving a higher price for their produce than they had received a year previous due to the fact that the buyers feared the American competition.(4) The evidence here submitted was picked at random but it is proof that the Liberals' contention that the farmers would secure higher prices was based on solid facts.

Other advantages that would result were claimed by these papers. Besides asserting that these higher prices would bring a boom in the cattle, sheep, and horse-raising industries, they said it would prove of inestimable value to the Nova Scotia fishermen (5) and fruit-growers through opening a market nearby. It would not, however, hurt the west coast growers. to the extent claimed. The representations made to Washington by the growers of the states of Oregon and Washington against being subjected to the Canadian

(1) Toronto Globe, August 9, 1911 (See also Manitoba Free Press, Aug. 30)

(2) *ibid.*, August 9, 1911

(3) *ibid.*, August 25, (See also article in Manitoba Free Press, Sept. 8 for article showing beneficial effect of pact on Horse Industry)

(4) *ibid.*, March 17.

(5) Grain Growers Guide February 8, quotes head of Montreal Fish Corporation and representative of Massachusetts's fishermen)

competition was declared to be proof of this.(1) Further they denied that the millers would be driven out of business, in view of the fact that they had always sold at a profit in the past,(2) or that the railways would suffer because they could retain their business by lowering their freight rates.(3) Finally, it was claimed that it would result in a lower cost of living due to the reduction in the tariff.(4)

The campaign been carried on at this time by the American farmers in opposition to reciprocity was of great value to those favoring it in Canada. Some of the principal grounds of the opposition in the Union may be noted. It cost less to produce wheat in Canada because the wage scale, the land values and the cost of living were lower and the return per acres was greater due to the greater fertility of the soil. Hence this agreement would bring unfair competition and destroy the market at home for agricultural products by lowering prices. The effect of such conditions would bring hardship to the farmers and the emigration of many of them from Dakotas and Montana to Western which would result in falling land values in the North Western States. The only ones to gain from the pact were the manufacturers and trusts. They retained their protection and obtained new markets. What the farmers needed was protection equal to that received by the manufacturers.(5) Denouncing

(1) and (2) Ibid, February 1.

(3) Regina Leader, August 9, 1911

(4) Manitoba Free Press, September 15, 1911

(5) Outlook, May 20, 1911 and The Forum, May 1911

It should be noted, however, that many in the United States denied that the farmers would suffer from the Canadian competition. Among these who held this view was Professor F.W. Taussig of Harvard University. In his opinion the agreement would just provide a "border trade of convenience", i.e., at times it would be more profitable for the U.S to buy from the Dominion than to produce its own necessities, and vice versa. ---See Journal of Political Economy for July 1911.

the measure one American summed up the farmers' position thus:

"In the name of the farmers who are furnishing America this year with over nine billion dollars worth of produce and are ready to do it again next year and the year after and the year after that if they have a chance to keep the farms running, I object to any proposition so unjust, so dangerous, so certainly injurious to the whole of the country as depriving them of their rights to reciprocal protection, for the political pacification of the manufacturers and the East." (1)

As a result of this opposition the Government was able to claim that the American farmer feared Canadian competition hence reciprocity would be of great benefit to the Dominion. Briefly, then the opposition prophesied great catastrophe if the measure became operative, whereas the proponents promised that incalculable prosperity would follow.

The part played by the Provincial parties and the influence they wielded in the campaign was very great. Dividing along party lines in all provinces except one they worked unceasingly. The one exception to the rule was F.W.G. Haultain, leader of the Conservative opposition in Saskatchewan. Though the agreement did not go so far as he would have liked because the duties pressed unduly on the West, he gave it his full support believing it would prove beneficial to the West and at the same time would not be dangerous to the unity of the Dominion. In his opinion, wider markets with the resulting prosperity would do much to prevent closer political relations with the United States. (2) He strongly deprecated any hints that the Americans in the West were disloyal. On the question of the East speaking of disloyalty he declared that the West

(1) Young, Lafayette, "Reciprocity in Protection", Independent, June 1911.

(2) He probably based his contention on the fact that the reciprocity treaty of 1854-66 killed the desire for annexation to the United States roused by Britain's change in fiscal policy in 1846 and the consequent depression in the colony.

could decide on that just as well as the East. Premier Scott, in dealing with the agreement, gave it as his opinion that reciprocity would not injure any industries in the country nor lead to annexation. The result of this discussion of reciprocity on its merits was a resolution passed on March 8 unanimously in favor of the pact.

In Alberta Premier Arthur Sifton (brother of Clifford) went on a speaking tour throughout the province in support of Laurier. The arguments used were the same as those employed in other provinces with special emphasis been laid on the value of the measure to the miners in the southern part of the province. His most energetic opponent on the question was R.B. Bennett, K.C. of Calgary.

The Conservative Government in Manitoba under Premier Roblin threw its full weight against Laurier. Roblin declared that the agreement "would not only be a dangerous experiment but a national calamity...the most alarming feature of the proposition...being...the free exchange of wheat, oats, cattle, hogs etc." (1) Mr. Robert Rogers, Minister of Public Works, in the government expressed himself thus: "I believe a great blow has been struck at our Canadian National Development...and anything that would savor of treachery to Confederation should not be condoned by the possibility that it might save a cent or a dollar to some individual or some community!" (2) T.C. Norris the leader of the Liberal opposition in the Legislature and several of his colleagues spoke throughout the province urging the farmers to "stick to their guns!" On February 23, an amendment by Rogers denouncing the reciprocity pact, to Norris' resolution in favor of it passed on a strict party vote.

Conservative governments under R. McBride and Sir James Whit-

(1) Winnipeg Telegram January 30, 1911 (see also Man. Free Press, Mar. 23)
(2) Toronto Mail and Empire, January 28, 1911

ney in British Columbia and Ontario respectively likewise supported Borden. The principal argument resorted to in the former province was that reciprocity would injure the fruit industry. As the Liberals in opposition numbered but one in that province and the Socialists supported the government the proponents of the pact received no aid. In Ontario the government was able to vote down several resolutions introduced by A.G. Mackay, leader of the Liberal opposition, in support of Laurier. Mackay also toured the province in support of the measure.

Finally, in the Maritimes it may be noted that in Nova Scotia and Prince Edward Island, where Liberal governments were in office, resolutions passed in favor of the agreement. They claimed that it provided a wider market, higher prices and did not injure the East to West trade. The Conservatives in opposition here and in office in New Brunswick, opposed it on the grounds that it would injure the Iron and Steel Industry, the East to West Trade and the ports, while it would not provide a wider market. So much for the influence of the press and the provincial parties. Let us now turn to further influences that effected the outcome of the campaign and the election.

A very influential part was played in the discussions of the agreement by several prominent men and by a number of societies or leagues. Perhaps the most active and influential of these individuals were the Eighteen Prominent Toronto Liberals who came out in opposition to Laurier's agreement. The speech of Sir Edmund Walker, President of the Bank of Commerce, and heretofore a strong supporter of the Liberal party's policies, at a meeting of the Toronto Board of Trade February 16, in which he denounced the pact, foreshadowed the coming Liberal revolt. The reasons for opposing the agreement touched upon by him were substantially those used by all in oppos-

ition. The farmers did not require experiments. They were prospering, their mortgages having been paid off, good prices being secured for their products and markets available within the Empire. The salmon and halibut fisheries of British Columbia would be injured, the lumbermen would be exposed to competition of the low grade American lumber been dumped on the market and the fruit growers of the province would be ruined. Moreover, through Canadian wheat and cattle been diverted to the south the railways would lose considerable trade, Winnipeg would lose its position as the greatest primary wheat centre on the continent and Port Arthur and Fort William would be set back for many years. Finally, this deal had aroused the dormant hope in the Republic that Canada would some day be part of the Union. British connection was thus threatened and Canada had to choose between British Imperialism and Continentalism.

Four days after this speech the Manifesto of the Eighteen Liberals in opposition to the agreement was published. Among the signatures appearing on it were those of some of the most influential men in the Dominion. Eight of them were engaged in bank business. Walker's name headed the list. Among the others were W.D. Matthews, Vice-President of the Dominion, George T. Somers, President of the Sterling Bank, W.K. George, Vice-President of the Sterling Bank, W.T. White, Vice-President and General Manager of the National Trust, Robert Gourlay, President of the Toronto Board of Trade, R.J. Christie, President of the Christie, Brown and Company, Sir William Mortimer, former Lieutenant-Governor of Ontario, George Somerville, Director of the Manufacturers Life Assurance, Z.A. Lash, Toronto Lawyer and John C. Eaton of the T. Eaton Company.

The reasons cited on this Manifesto for opposing reciprocity

may now be noted. The government had no mandate from the people to negotiate the agreement, legislation relating to it having been repealed in 1898. The prosperity of the country was due to the development of the natural resources and of interprovincial trade on which millions of dollars had been expended. If, however, this agreement was allowed to pass it would check the development of this trade, diverting it to the south, with the consequent retardation of the progress of the Dominion. Moreover, if a North and South trade was set up, Canadian industry would be established to suit that trade with resulting disturbance of Canadian industry if the agreement should be abrogated or any of the duties increased. The result in such a case would be that Canada would be forced to extend the scope of the agreement to include free trade in manufactures and thus further injure industry throughout the country. Finally, it was asserted that this agreement would greatly weaken the ties of Canada with the Empire, because unrestricted reciprocity which would inevitably follow would make political union with the United States difficult to avoid. The abrogation of the treaty in 1866 had turned the thoughts of many to annexation, and now it would be more difficult to avoid than ever due to the fact that most of the population was either of Canadian or foreign birth. Like the Conservatives they saw nothing but danger in the pact, economically and politically.

The publication of this Manifesto at once brought a strong condemnation from the Liberals and many of their supporters. Their principal reply was that the chief opposition came from the "big interest" of finance and manufacturing against a proposal which would benefit the "little man". Their appears much justification for

this argument when it is considered that eight of these men were engaged in the banking business. The reception given to it by the "little man" can be seen from the following letter written to an eastern daily.

"I have been doing business in the United States for sixteen years... yet I find I am no annexionist, yet we are told by such an authority as Sir Edmund Walker that if we trade with the United States we cannot escape inoculation.... Sir Edmund has had large experience in business in the Republic to the south of us.... Has he found that in his case it has created an annexionist sentiment? Possibly it has but his well known Imperialistic views enable him to overcome that feeling.... Sir Edmund feels, however, that it would not be right to expose the farmer to temptation. That is, he feels that while it is wise and profitable for him with his millions to trade in the United States, it would have an effect on the loyalty of the farmer if he were enabled to get fifteen dollars more for a horse or five cents a bushel more for wheat a little south of where he now sells it." (1)

The effect of this Manifesto was to greatly strengthen and increase the opposition throughout the country and in Parliament. On the 28th of the month (February) Clifford Sifton, former Minister of the Interior in the Liberal Government, came out in Parliament against the agreement. (2) He was followed on March 2 by Mr. German (Welland) (3) and on March 8 by Mr. Lloyd Harris (Brantford). (4) Sifton's action was strongly denounced by the Grain Growers Associations who declared that he no longer represented the views of the west. (He was the member for Brandon) In 1896 they said, he was a resident of the west and for the people of the west, but now he was living in Ottawa as a rich man and capitalist, as a result of which, he favored the "big interests". (5) The Conservatives, as a result of the desertions of these three Liberals, were able to claim that even many Liberals were opposed to the pact.

(1) Toronto Globe, February 18, 1911

(2) Vide, pp. 71-72

(3) Vide, p. 74

(4) Vide, p. 74

(5) Grain Growers Guide, March 8 and 15, 1911

In the meantime, the opposition had been seeking other means of influencing the country. The result was the formation of two associations. The organization of the "Canadian National League" in Toronto in March, with Z.A. Lash as chairman was one of the first efforts. The object of this league was to oppose reciprocity and support such measures as "will uphold Canadian nationality and British connection, will preserve our fiscal independence and continue to develop inter-provincial and external trade under which the Dominion has achieved its present prosperity." (1) The chief motivator behind this league as well as the revolt of the eighteen Liberals was Lash. At the same time the "Anti-Reciprocity League" of Canada was established in Montreal to work in cooperation with the National League. The chairman of this second league was Charles Chaput, a Montreal merchant. Although purporting to be non-political much evidence goes to prove its aimed in its campaign to trick Liberals into taking a stand in opposition to the government. The directions sent to a St. John N.B. business man regarding the organization of local branches does much to prove this contention. The inaugural meeting consisting of prominent citizens was to contain as many Liberals as possible. The chairman, chosen beforehand, was to be a prominent Liberal if possible. Finally, this initial meeting was to be held behind closed doors, no press reports were to be made and no one favoring reciprocity was to be admitted. (2)

Thousands of pamphlets were spread throughout the country and petitions sent to Parliament by both of these leagues. As

(1) House of Commons Debates, Session 1910-11, Vol. 5, p. 9674

(2) See "Readers Guide" issued by the Government during the campaign, pp. 72-74. in private files of Mr. Dafoe at Free Press, on reciprocity in this year.

illustrative of the type of literature that they spread some of titles may be noted as follows: "Home Market and the Farm"(August), "Reciprocity with the United States--Canadian Nationality, British Connection and Fiscal Independence"(April), "Speech Delivered by Sir Clifford Sifton on Reciprocity", "Results of Reciprocity--Evils the Taft-Fielding Agreement Will Bring", "What Do Our Neighbors Mean?" "Butter and Cheese", "Egg Money", "What We Have We Hold" and "La Réciprocité et le Cultivateur". Explanation of the arguments used in them is not required, the titles speak for themselves. At the same time these titles show the wide range of the appeal made to the country.

In addition to these two leagues, a special appeal was made to the British born in Canada. The leader in this appeal was Arthur Hawks, an English and Canadian journalist, and also general secretary of the Canadian National League since its inception in March 1911. On January 23, 1911 he established the "British News of Canada" making an appeal to this class. The "News" ¹⁸in February published a full page appeal to the British-born in Canada in which the hardships of the early settlers in Canada and their struggles to gain unity were pointed out, and they were urged to stand by the Empire and repudiate reciprocity as endangering their connection with the Empire. This appeal was published in June in pamphlet form by the National League and distributed like their own literature. Following this appeal an organization was established and the campaign became more intensive. They gained support when on August 2 a "Canadian-British Association" was organized in Toronto and branches established. (1) This association had an immense influence on the

(1) The work of this organization was based on the Sons of England.

Election and on voting day published an appeal entitled "Which shall it be? Borden and King George of Laurier and Taft?" (1) An Imperial Mission launched as a branch of the English Association also did much to spread the belief that British connection was really in danger. (2) This appeal to passion and prejudice was one of the most important, if not the most important influence in bringing the defeat of Laurier.

Turning back to the Eighteen Liberals who had come out in opposition to the agreement, their next step after issuing their Manifesto was to call a great public meeting in Massey Hall Toronto on March 9. Several of those who had signed the Manifesto were present at the meeting. Speeches were given by W.T. White, W.K. George, Arthur Hawks and George T. Blackstock a Toronto lawyer. The atmosphere of the Hall was distinctly pro-British and anti-American. Union Jacks were draped everywhere and the Stars and Stripes was hissed whenever mentioned. Their speeches likewise were very Imperialistic and anti-American, claiming that they favored Canada for the Canadians and continuance under the British flag, and asserted their great distrust of the American policy and ambitions. W.T. White summed up their opinion of the United States in the words "you are let go on suspended sentence, you are next." (3) A resolution, moved by Z.A. Lash and seconded by W.T. White, denounced the agreement on the grounds that it would reverse the policy that had made Canada prosperous, that it would injure trade, especially interprovincial trade, and many other interests, thus hampering Canada's development and peop-

(1) Canadian Annual Review for 1911, quoted p. 202.

(2) The Association was organized by G.T. Blackstock, A.W. Wright and A.C. Pratt Conservative members of the Ontario legislature.

(3) Op cit., quoted p. 57

ardizing its position in the Empire. Finally, it would eventually lead to commercial then political union with the Republic. The whole aim of this meeting was to point out the evils that would result from the agreement with special emphasis been laid on the danger to the British connection.

Meanwhile, several individuals had been voicing their opposition to the agreement. Clifford had followed up his speech in Parliament by speaking on March 18 at the Annual Banquet of the Hamilton Manufacturers and on the 20th at an Anti-Reciprocity Meeting at Montreal. His speeches on these two occasions did not differ from his first one in Parliament in February. On July 28, in a letter to his constituency he stated his reasons for opposing the agreement. Reciprocity was of no advantage commercially to Canada, and at the same time it was nationally disastrous and prejudicial to Canada's progress toward an influential position in the Empire. A Manifesto published on August 2 reviewed his reasons for opposing the agreement. Then came a speaking tour in support of Borden beginning August 23 which carried him as far East as Halifax. At Windsor on September 16 he declared that the alliance of Laurier and the Republicans in the United States was infinitely more unholy than that of Borden and Bourassa. The influence of Sifton's support cannot be over estimated. His ability as a speaker and the fact that he was Chairman of the Conservation Commission and a former Liberal minister carried much weight with the public especially in Ontario. (1)

(1) Arthur Hawks in an article in the Manitoba Free Press September 21, 1929, said it was Sifton not Borden who defeated Laurier. Three weeks before the election, he says, Laurier was feeling nervous of the outcome. Skelton in his Life of Laurier accuses Sifton of raising the "No popery cry" in the back concessions of Ontario, but J.S. Willison in his Life of Laurier denies this strongly.

Numerous other individuals joined Sifton in making speaking tours throughout the summer in support of Borden. Foremost among these were Sir William Van Horne (former President of the C.P.R.) and W. T. White. An often quoted speech by the former is worth quoting again. In a letter written August 8 to Charles Chaput, Van Horne said:

"To my amazement and distress and shame I now see the magnificent work of a generation traded away for a vague idea, for a childish sentiment... the splendid commercial and industrial position we have reached and our independence, bartered away for a few wormy plums.... Was there ever such an exhibition of crawling and cringing as Canada's representatives have just now given at Washington?"(1)

White, in the course of his tour visited most of the important cities and towns in Ontario. Making a good impression on all his audiences he was listened to intently and was able to render much service to Borden. In a speech at Toronto August 23, he declared that if this agreement went into force Canada would soon have a depression similar to that in the United States. Only her fiscal independence had prevented it in the past. A final point that may be noticed was, viz., that in his opinion the rejection of reciprocity would be equivalent to the issuance of a new Declaration of Independence.

Opposition to Reciprocity also came from a number of other sources. D.C. Cameron (Liberal) wealthy Winnipeg Lumbermen declared himself to be strongly opposed to the agreement; E.B. Biggar in his many pamphlets strongly attacked the pact;(2) and finally it may be noted that Professor Stephen Leacock of McGill University, in addition to his speeches in opposition to the agreement also wrote

(1) Canadian Annual Review for 1911, quoted p. 54

(2) Two of these pamphlets were: "Reciprocal Trade Treaty of 1854-66"-passim; and "Canada's Crisis"-passim

many articles for various newspapers.(1) Many manufacturers and ones engaged in various other pursuits likewise denounced the agreement. J.T.Gordon of Gordon,Ironsides and Eares of Winnipeg asserted "it will simply kill the hog industry of Canada if United States Packers are allowed to ship their produce in here."(2) Mr.Findlay, Assistant General Manager of the Massey-Harris Toronto declared that "it is a very serious matter for implements manufacturers.We have been made the scape-goat as usual!"(3) Mr. F.W.Thompson,Vice-President of the Ogilvie Flour Mills Co.,wrote to the Company's buyers in the West as follows "We are on eve of a general election in Canada and I wish to point out to you how vitally necessary it is for you and those you can influence to work unceasingly in favor of the candidate in your district who is opposing reciprocity!"(4) The Meat Packers also opposed it and sent a deputation to Laurier on February 13.(5)

Others besides the manufacturers and industrialists opposed the agreement.On February 10 a deputation of Ontario Fruit and Vegetable Growers waited on Laurier and read him a number of memorials in opposition to reciprocity. Any change in the tariff downward would practically ruin the fruit growing industry they said.Much help had been received in the past from the government but it would be lost now if this agreement should go into effect. Transportation facilities had been established along certain lines and many British settlers had invested in the fruit industry because they expected continual protection.Hence if the protection was removed millions of dollars would be lost and many ruined. Finally,the en-

(1) See series of twelve articles in Calgary Herald February 9-24

(2) Grain Growers Guide,February 8,1911

(3) ibid, February 8,1911

(4) Regina Leader,September 20,1911

(5) Sessional Paper No.113b, 1 Geo.V. A1911

trance into Canada of the early maturing American fruit would ruin the market for the home producer. The American fruit coming on the market early would secure the high prices. Thus when the Canadian produce was ready for market there would be no demand hence they would only secure a very low price. (1) Many resolutions were passed denouncing the agreement by the Boards of Trade of various cities such as Toronto (February 16), Hamilton, Sarnia and Fort William (February 20), the Associated Boards of Trade of Ontario (February 27) and Winnipeg (February 22) Many other individuals, manufacturers, industrialists or otherwise, and other Associations and Boards of Trade too numerous to mention expressed their opposition to the agreement. It is hoped, however, that the few cited will suffice to illustrate the wide range from which the Conservatives gathered support in their campaign against the measure.

Consideration may now be taken of a few of those who favored the agreement and did all that they could to further its acceptance. The chief supporters of the pact were, of course, the farmers of the West and many of them in the East. Their views being presented previously in connection with the tours of the party leaders and the deputation to Ottawa in December 1910, they will not be discussed here. (2) A few illustrations will show, however, a number of the sources from which help was derived. Mr. Frank Cockshutt of the Cockshutt Flow Company Brantford, asserted that he favored the pact asking "why in the name of common sense should we not accept the commercial privileges now offered which will so greatly stimulate

(1) Sessional Paper No. 113a, 1 Geo. V, A 1911

An interesting point regarding fruit growers was expressed by G.C. White of Nevada in Journal of Political Economy, July 1911. He said the early ripening American fruit would go to Canada and the later ripening Canadian fruit would go to the U.S. thus aiding nature.

(2) A Free Trade League in Winnipeg did much to aid reciprocity at this time.

production, extend commerce, and promote the prosperity of Canada?"

(1) William Mackenzie of the Canadian Northern Railways, though at first opposing reciprocity, later modified his opinion declaring that it would do no appreciable harm to Canadian industry and would not injure the Canadian railways. (2) William Alger of the Beaver Knitting Mills, Alton Ontario, said "that as a Canadian manufacturer" he extended his sincere thanks and congratulations to the Government and predicted that "Canada will endorse what you have done". (3) Though Walker had opposed the agreement, a number of Western bankers voiced their approval of it. Mr. A. McCachen, Manager of the Bank of Montreal Winnipeg, said, "On the whole I should think it would be beneficial and I do not see that any interests are likely to suffer." (4) Writers such as Professor O.D. Skelton of Queens University and J. J. Harpell gave it their strong support. The former did not put much stock in the argument that the railways would be ruined declaring that "In view of the immense possibilities of increased traffic, of the existence already of the bonding system, and the ownership by the Canadian railways of thousands of miles of railways in the United States, this transportation argument seems rather thin." (5) On the question of it destroying natural resources, he said that the way to conserve them was, in say, the forests, to protect them against fire and in the creation of forest reserves. (6) Harpell favored it as bringing higher prices and a wider market. (7). Finally it may be noted that the Boards

(1) Toronto Globe, March 8, 1911.

(2) Manitoba Free Press, February 27, 1911.

(3) Toronto Daily Star, March 16.

(4) Grain Growers Guide, February 8.

(5) Journal of Political Economy, February 1911, p. 87.

(6) *ibid.* p. 85.

(7) Harpell, J.J., "Canadian National Economy", pp. 155-81.

of Trade of Yarmouth Nova Scotia (March 10) Calgary Alberta (February 27), and Vancouver (February 24) passed resolutions in favor of the agreement. Similar resolutions were passed by the Central Saskatchewan Consolidated Boards of Trade on March 16 and by the Toronto City Council February 6. These opinions given, like those given that were against the pact, constitute only a very few of the total. However, they illustrate the wide range of support that Laurier was able to depend on, and that even within the same industry opinions differed. (1). So much then for opinion and actions outside of Parliament.

In review, then, the opinions of the pact differed immensely. The opposition claimed that it would ruin the country, Canada becoming a virtual backyard of the United States and eventually losing its fiscal then political independence. The proponents of the measure on the other hand, denied all these accusations, claiming in the case of the annexation cry that the opponents were insulting Canadians in saying that they would sell their birthright and loyalty for the sake of a few paltry dollars. In general, however, it may be said that the predominant feeling on the Prairies and in the Maritimes was favorable to reciprocity whereas the feeling in Ontario, Quebec and British Columbia was opposed to it.

(1). The brother of Frank Cockshutt, F. W. Cockshutt, had strongly opposed the agreement; and as we know the majority of the Eastern bankers had opposed it.

Chapter VI. The General Election--Campaigns and Result.

Long had both parties fought in the House; long had the Conservatives, seeing in this agreement their first good opportunity in fifteen years to regain office, obstructed the Government in an endeavour to force a dissolution. In an Election on this issue they considered that they had a good chance of defeating the Liberals; most of the manufacturers were opposed to the measure, many prominent Liberals had deserted their party, the Nationalists in Quebec opposed Laurier over his Naval Policy and, finally, they could arouse the old distrust and dislike of the United States. The Liberals, however, were equally confident of victory. In this frame of mind, then, both parties opened their campaigns.

Although Parliament was not dissolved until July 29, many members of both parties had spoken at various points throughout the country prior to that date. On March 3, W. L. Mackenzie King, the Minister of Labour, speaking at Woodstock, declared that the only way to keep the people on the land was to make farming profitable. This could be done only through securing wider markets such as were promised by the present agreement. Fielding speaking at Montreal three weeks later, said that the farmers, fishermen and lumbermen wanted reciprocity, and he believed that they were going to have their wish fulfilled. The manufacturers, however, had not been sacrificed. He asked them not to oppose the measure because such an action might well establish an antagonism between the East and the West which, with the growing possibility of the West soon dominating Canada, would eventually be to the detriment of themselves. Speaking at the

same meeting, Mr. Fisher (Minister of Agriculture) pointed out how the United States had made the first advance, in securing the agreement, had brought down its tariff and abandoned its demand for free entry of its manufacturers. He warned his listeners that if the wider market was denied the West might well demand annexation to the Republic. Views similar to these were expressed by Mr. Oliver (Minister of the Interior) at Winnipeg and Calgary on April 12 and 14, respectively. Reciprocity would lower the cost of living to the West such as it had demanded; and only by giving fair treatment to each section of the Dominion could a split be avoided.

Various other arguments were also used by the proponents of the measure. It would provide a wider market and increase the friendship of the United States and England. In the former case, they said that Canada depended entirely on the initial producer such as the farmer and miner, in developing the natural resources of the country. As soon as he prospered then the rest of Canada prospered. That was possible, however, only if he had an adequate market. On the question of the relations of the Union and Great Britain, the advocates of the measure claimed that the United States desired an alliance with Britain through Canada, to maintain the Monroe Doctrine, No better means of bringing this about, and thus cementing the friendship of the two great powers, was possible than by this agreement. So much then for some of the early speeches of the government members.

At the same time the Conservatives and others in opposition had been no less active. As it will be recalled, Borden had toured

the West in June and July (1), Sifton and White (2), to name but two, had spoken at various points in Ontario and Québec, and the various leagues such as the National League and the Anti-Reciprocity League had arranged for speakers in support of Borden. Thus, even before Parliament dissolved a campaign had been going on for some time.

By the end of May it had become apparent that a dissolution and election would follow soon after the re-assembling of Parliament on July 18. Hence both parties had, by the time of adjournment, arranged for their campaigns. The Liberal ministers were to be in charge of the Provinces, the Provincial Liberal parties were to continue to give their full support to Laurier, and arrangements had been made for a number of speakers, among whom were Graham, Patterson, Sir Allen Aylesworth, Members of the Dominion Trades Congress, E. A. Atkinson, Editor of the Toronto Star, Sir Richard Cartwright and Dr. Macdonald of the Globe. (3) At the same time the Conservatives had also arranged their campaign. In Ontario F. Cochrane, Provincial Minister of Mines and Land, was to be in charge, in Manitoba Robert Rogers was in charge and he had also general supervision over all Canadian arrangements, in British Columbia Premier McBride was to supervise, in New Brunswick Premier Hazen took command, in Saskatchewan Haultain, leader of the Conservative opposition was in charge and in Alberta R. B. Bennett of Calgary managed affairs.

(1) Vide pp. 78-80.

(2) Vide pp. 99-100.

(3) At Paris Ontario, September 19, Macdonald attacked Sifton declaring that "for my self, I am bound to say that during the nine years of my editorship of the Globe the Hon. Clifford Sifton and what the Conservatives call "Siftonism" was absolutely the heaviest and most irksome burden we had to hear"-- Canadian Annual Review for 1911, quoted p. 230.

Members of the Federal Party also spoke in the Provinces, the most active ones being George Foster, H. B. Ames, W. F. MacLean and Arthur Meighen. As a result of these earlier efforts the campaign after dissolution really amounted to little more than more intensive action along the same lines.

Let us now consider the campaigns of the parties. On July 29 Laurier issued his Manifesto. In it he declared that the policy of both parties since 1866 had been to obtain just such an agreement as this one. In 1896 the Government had failed to secure a treaty and as a result, had said that there would be no more "Pilgrimages to Washington", and that any agreement henceforth would have to be the result of overtures from the South. Now these overtures had come, United States had asked for an agreement and passed legislation in favour of it through Congress (1) only to have the Conservatives block it by every possible manner of obstruction. In so doing, however, they were reversing their lifelong policy and principles enunciated by Sir John Macdonald. The claim that Canada's connection with Britain was endangered, he declared was hardly worth calling an argument. It meant that prosperity would induce Canada to change its allegiance. Such an assertion was absurd. Dealing with a number of other arguments, the Manifesto declared that the British Preference

(1) January 26 submitted to Congress; January 28, Congressman McCall introduced a bill in House of Representatives for ratification of the agreement; February 11, Committee of Ways and Means recommended its adoption; February 14, passed in House 221-92. February 15-24 considered by Senate; March 4, Congress adjourned but new session called for April 4; April 4, new Congress convened; April 24 received by Senate; June 8, Senate Committee passed it with amendment re pulpwood clause; June 26, the Senate defeated the Amendment; July 22, passed Senate 53-27 and July 26 signed by Taft.

would be maintained, that Canada's fiscal independence would not be jeopardized and that such close trade relations made for good Anglo-American relations. In closing, it expressed confidence in the outcome of the election saying that the Government was content to leave the issue in the hands of the Electorate. (1).

Laurier opened his campaign at Simcoe Ontario on August 15, at a large outdoor gathering consisting mostly of farmers. His speech here consisted mainly of a strong personal appeal. Sir John Macdonald, he said had been "the Moses of Reciprocity who failed to reach the Promised Land; he would be the Joshua who would lead the people to the goal." (2) Turning to the question of trade he said that in bringing better times to the farmers he was benefiting all Canada for agriculture was the basis of Canadian prosperity. The claim that the competition of the favored nations would injure Canadian farmers, he ridiculed. Trade with them was in laces, rice, wines and such like, not wheat. In closing he repudiated the thought of annexation and asserted that this agreement would go a long way to improve relations with the Republic. From Simcoe he entered Quebec, speaking at Three Rivers on the 17th, at Quebec on the 18th, at St. Julienne on the 21st, St. Eustache on the 22nd, Sorel on the 23rd, and St. Jerome on the 24th. At the first place he accused Bourassa and Borden of forming a conspiracy. Borden opposed him, he said, because, in his opinion, the Navy would be of no use to Britain, and Bourassa opposed him because he had created a Navy. But French-Canadian security was only to be secured under British

(1) Canadian Annual Review for 1911, pp. 158-60.

(2) *ibid.*, Annual quoted p. 161.

Rule, and Canada should help to maintain that rule. At St. Julienne, Lemieux asked who would hesitate to help the flag which stood for justice, toleration and liberty if England was ever threatened. The Navy Laurier asserted at Quebec, would not cost over three million dollars a year, but Beland (Post-Master General) said after him that there would be a much larger Navy and an Imperial one too, if Borden came into office. The wider market that would be gained and the duties saved such as four dollars a ton on hay, a dollar a ton on straw and twenty-five percent of the value of horses, all of which would go into the pockets of the farmer, was pointed out at St. Julienne, Sorel and later in September at London and Stratford in Ontario. Speaking of the Borden-Bourassa-Monk-Sifton alliance at St. Eustache, he said "What a Salad!" Monk and Bourassa were the oil and vinegar respectively and Borden had to eat it. His great optimism was shown at St. Jerome in his prediction of a greater majority than ever, and in his declaration that if he was only fifty he might begin the struggle as opposition chief all over again. A brief glance back will show that the chief arguments resorted to up to this point were the great market that would be provided and especially the great debt that the French-Canadians owed Britain who allowed them to retain their privileges.

Leaving St. Jerome the Prime Minister crossed into New Brunswick his next stop being St. John. on the 28th. Here he received a torch-light procession and a splendid reception. The St. John Telegraph in its eulogy of him declared that "Canada

Has had no leader who was Sir Wilfred's peer, no statesman whose achievements may properly be compared with his vision."

(1) At the meeting held here, seven thousand turned out to listen to him. Dealing with the British Preference he said that the Liberals had created and raised and would do so again if need be, but would not bargain with the mother country. Britain would do what she deemed was best for her people and if she chose to give Canada a preference, there was nothing in the agreement to prevent the Dominion entering into a similar one with her. The loyalty and annexation cries, he said, were utter nonsense. In closing he appealed to the people to uphold his Government against the "Unholy Alliance" of Borden, Bourass and Monk. Laurier spoke next at Digby Nova Scotia where he received the support of Fielding. A sentence from one of the speeches of the latter deserves notice. "I am a reasonable, sane and national free trader but I am not such a Free Trader as to strike down any legitimate industry and I have told the manufacturers that if they are just and reasonable they can count on my support." (2) Moving on from here, the Prime Minister visited Halifax, Truro, Middleton and New Glasgow in Nova Scotia then crossed into Prince Edward Island for several meetings after which he turned west once more. To this point the chief arguments resorted to were, that the pact would provide wider markets, higher prices, not endanger the British Preference and British connection and make for better Anglo-American relations.

Sir Wilfred's first stop on reaching the mainland again was

(1) Canadian Annual Review for 1911, quoted p. 164-65.

(2) Canadian Annual Review for 1911, quoted p. 165.

Moncton New Brunswick on September 2, where a procession was held similar to that at St. John. Continuing, he spoke at Montreal on September 3 where he declared that his re-election was as certain as the sun shines, at Coteau September 4, where he accepted nomination for Soulanges county and then at Glengarry the first town in Ontario, the following day. Here he pointed out that the Arbitration Treaty just signed by Britain and the United States prevented any possibility of war between them and thus of forcible annexation of the Dominion by the Union. Cobourg was visited on the 5th, Sudbury on the 6th where to his audience which consisted mostly of French-Canadians, he said, referring to Taft's speeches that Canada was at the "parting of the ways", "If it is true that President Taft said that Canada is at the parting of the ways I would say to President Taft that he does not know what he is talking about. I would say to him: we are prepared to meet you in business but if you want to talk politics keep to your side of the line and we shall keep to ours." (1) At Cobourg he denied the Conservative claim that the farmers would be injured and said the favored nation treaties would be abrogated thus leaving Canada free to make her own arrangements. Here and at Windsor on the 9th, he emphasized the point that his policy was Canada first, last and always, and outside of this, to secure peace and friendship between Canada and the United States. Following his Windsor speech, he entered Quebec and from September 11 to 17 spoke at many of the smaller towns, pointing out the gain of the lower tariff, denouncing again the "Unholy Alliance" and warning the manufacturers, as he did in many of his speeches

(1) Canadian Annual Review for 1911, quoted p. 167.

that in opposing Reciprocity they were only preparing a rod which they would one day feel themselves. On the 18th of the month he was back again at Ottawa, after which he addressed a series of meetings at Montreal, to close one of the most strenuous campaigns of his career. (1) He spent election day at Quebec.

Before dealing with Borden's Tour it should be noted that a special campaign was begun in the early spring, in Quebec by Lemieux, and Fisher for the French and English population respectively. At Farnham on May 27 and at many other places Lemieux had declared the Nationalist Party to be one of hatred, envy and jealousy and warned the manufacturers against opposing the demands of the farmers. On June 18 at St. Constant and at Flessisville on July 1 that, although the King to be crowned in England was a Protestant he was the defender of the faith and the French Canadians would be assured of the liberty of their faith and language. This safety, however, was only due to England's supremacy on the sea, and if England ever needed their aid they would give it willingly, because, as he said at Montreal on August 30, it was only "hot-headed, brainless and broken-down men who go about the country saying that we owe nothing to England." (2) It was up to the French-Canadians he said on September 6 to "never let the old flag fall". At St. Hyacinthe on August 13, to name only one instance, Mr. Beland supported Lemieux when the latter's conflict with Bourassa took on a personal note. At this meeting Lemieux branded as a lie the assertion of the opposition that

(1) Ibid, pp. 161-69 for speeches.

(2) Ibid, quoted p. 94.

French-Canadians would be dragged from their homes to fight in the new navy and die in some foreign land in the service of the Empire whether just or unjust, and defied Borden (Borden was on the platform) to show him a reference in Laurier's speeches in favor of conscription. Thus the main point on which the Liberals were forced to concentrate was not reciprocity, but the Naval Issue. They had to convince the habitants that the new Navy, in spite of allegations, would not mean conscription. (1)

Borden's Campaign may now be considered. The Conservative party was on the whole very optimistic. Borden considered that he had made a decided impression in the West. The Conservative press claimed that the Nationalists would injure the Liberals in Quebec, that the Imperialist thought was antagonized, that Laurier's attitude at the Conference was unpopular and that the Industrialists would oppose him as they feared danger to their interests. With such a feeling of strength in his favour Borden might well go into the campaign with a feeling that victory would be his.

The opposition leader issued his Manifesto on July 30, It was, however, only introductory in character claiming that the Election, brought about through haste and panic on the part of the Government, had come as a surprise to the Liberals, that the House was dissolved without any supplies or redistribution, that the sudden election had stopped the inquiry into the charges against Oliver (Minister of the Interior) and that he (Borden) was glad it had come because Taft had said Canada was at the "Parting of

(1) Ibid, pp 191-5 for speeches.

the Ways" and the people ought to decide on that question. (1) Two weeks later (August 14) his "Address to the People of Canada" was issued and became the basis of Conservative arguments. The points of his "Address" did not differ from any of the arguments resorted to in Parliament. A few of them may be noted, such as, the Government had no mandate, that the agreement altered the status and conditions of natural growth, that fiscal independence would cease, because the United States would dictate any change in the measure, that Canadian farmers would be subject to the competition of the United States, that the favored nations and the Empire countries in the home market, that natural resources would be exhausted and that American trusts would have Canada at their mercy. The next section of the address dealt with Laurier's Manifesto. Conservatives were not pledged to reciprocity and the Liberals had not long before voiced their opposition to reciprocity. Borden re-asserted his warning that annexation would result, saying that the majority of Americans supported the measure fully believing it to be a step in that direction. On the Naval question he said that the Liberal policy was totally inadequate to fulfill Canada's duty to the Empire. The final section of the address outlines the Conservative policy as being for the re-organization of the method of supervision of public expenditure, granting Natural Resources to the Provinces, building of the Hudson's Bay Railway and operation of the Terminal Elevators by the State, aid to the chilled-meat industry, establishment of a Permanent Tariff Commission, aid to agriculture and education and development of Canada as a

(1) Canadian Annual Review pp. 160-61.

nation within the British Empire. (1) Certainly it was an auspicious programme, but promises are at times easier to make than carry out.

Two days after Borden issued his "address" the opening blast of his tour (2) was given at London Ontario. Here he quoted from Laurier's speeches of 1899, 1901, 1903 and 1907 which in his opinion proved that Canada did not want and did not need reciprocity. The country was prosperous, thus why should the present policy be changed for a new and untried one which at the same time was the thin edge of the wedge leading to Continental Free Trade. In other ways too, this would hurt Canada. The produce of the Dominion would lose its identity, the railways would be injured, the natural resources would be exhausted and Canada would not be able to withdraw from the agreement when she chose. In closing, he denounced the Liberal policy in naval affairs as useless, and claimed that responsibility for Empire defence warranted a share in Empire policy. Leaving here, he held a series of meetings at Simcoe on the 17th where the danger of the competition of the favored nations was pointed out; at Woodstock on the 18th where Foster said that he was sorry that the Liberals were trying to make the farmers believe that the east was against them; at Guelph on 21st where Borden said that there was no relief from protection in this measure; at Toronto on 23rd where to a mass meeting at Massey Hall he praised the Eighteen Liberals who had supported him as putting country before party; and at Peterborough where he favour-

(1) Canadian Annual Review of 1911, pp. 169-71
(2) *ibid*, pp. 171-179 for speeches.

ed Empire reciprocity. He closed the Ontario section of his tour at Brockville on the 28th. In summing up the arguments used in his tour so far it can be said that they centred around the danger that would result to Canadian trade, natural resources and railways and, in his opinion, Laurier's useless naval policy.

Leaving Ontario Borden entered Quebec speaking at Montreal on the 29th then touring the Eastern Townships. At the former place he received the support of C. H. Cahan, J. S. Bergeron, G. J. Doherty and several others. In his speech here he asserted that Laurier had only stated three arguments in favor of the agreement, viz., Canada had desired reciprocity in 1866, but this was 1911; that every statesman had striven for it but if that was so, then Sir Wilfred was not a statesman as he had said that the best way to remain on good terms with the United States was to remain independent of them; and finally, that reciprocity secured a market of ninety millions in the United States, but that was a fallacy because the Republic exported a great deal itself. Thus up to this time his speeches consisted mainly of denunciations of Laurier's Naval policy and denials of any advantages that would result from the agreement.

Just before entering New Brunswick, Borden on August 31 issued an address to his old constituency of Halifax. In it he promised federal aid, if returned to power, for permanent provincial highways, pledged extension of free medical service to boat fishermen and declared it to be his aim to make Halifax a large railway terminus. He also supported the various railway extensions in the province that had been promised by the

government. It does not need to be said that this was an election ruse: a means of catching votes.

We now come to the last lap of Borden's tour. He arrived at Gagetown N. B. on Labour Day and St. John the next day. At the former place he claimed that Canada owed the United States two great debts of gratitude, the abrogation of the treaty in 1866 and the setting up of the McKinley tariff in 1890, as a result of which Canada had been thrown back on herself and was now independent of the Republic in both trade and political affairs. His reception at St. John was similar to that received by Laurier. He promised here to maintain expenditures to make that city a national port. On the 7th and 8th he addressed several meetings in Prince Edward Island, then turned to Nova Scotia reaching Halifax on the 12th. At the Nova Scotia capital he was joined by Sir Charles Tupper. The most notable points in their speeches were, that this campaign was similar to that Macdonald fought in 1891, that reciprocity would seriously injure the ports of Halifax and St. John and that the Fishermen would lose their home market. He continued his tour the next day, ending it at Musquodoboit on the 18th after which he returned to Halifax where he remained until Election day. Though the arguments used by him were the stock-in-trade of the high protectionists, it should be noted that in the United Empire Loyalist sections of the Maritimes a special effort was made to rouse the old enmity and distrust of the United States.

Two further efforts to promote his cause were made just before the election. On the 16th he sent a special despatch to

St. John assuring them that even if the Government was defeated, the port would be developed. The day before the election he made his final appeal in the form of a final "Message to the People of Canada" declaring this to be the most important issue ever put to them. In this "Message" he also reviewed the various arguments employed by the party especially emphasizing the danger of annexation from the agreement.

In the meantime, while Borden was making his tour of the provinces, in fact some time before his tour, two other members of the "Unholy Alliance", Bourassa and Monk, leader of the Nationalist Party and chief Conservative in Quebec respectively, were carrying on a vigorous campaign in the French province. Here it was the Naval issue as mentioned above, not reciprocity, that was the key-note of their speeches. *Le Devoir*, the organ of the Nationalist Party (1), concentrated every effort upon arousing opposition to the Government on its Naval Policy. At first Bourassa favoured reciprocity, believing it would stimulate agriculture while not injuring the other industries, and help to kill the imperial preference scheme of Chamberlain. By the end of May, however, he was opposing it, not on principle, but because he declared it was a "Big ditch" dug by Laurier to hide his Naval policy. Though at the same meeting (on May 31) where he gave the above as his opinion, the government was denounced for playing into the hands of Tatt by giving him the free imports and into those of Asquith for hurting those in favor of Britain giving a preference, and an election was demanded

(1) Bourassa was editor of *Le Devoir*.

to settle the Naval and reciprocity issues, the Nationalist soon relegated reciprocity to a secondary position.

In the course of the next few months Bourassa's utterances in opposition to the Naval policy took on an extreme note. At Joliette on June 12, he said that it would mean Canadians being dragged to every war in which England was engaged; on July 1 he claimed that the post-masters in Canada were being paid a premium for those joining the Canadian navy to be massacred in the services of England and on the same day described the South African War as "infamous"; on July 29 Dr. Paquet a conservative, accused the Government of making an arrangement with the British Government suicidal to Canadian political autonomy and of burdening Canada with unnecessary expenses; on August 18 Bourassa said that Canada would help Britain best by building up the country, providing more transportation facilities such as railways and canals, and keeping Canada's money in the country; on August 31, he openly advocated neutrality in the event of Britain being engaged in a war and favored local defence only; and on September 17 he made one of his famous speeches. "Mothers, you have a right to see that no government be permitted to pass laws destined for the death of those children whom you have brought forth for your country." (1) Apparently Bourassa wished to have the habitants believe that the old time press-gangs were going to be revived to man the Canadian navy. (2)

(1) ^{OP CITE} ~~ibid~~, quoted p. 190.

(2) *ibid*, pp179-91 for Nationalist's Campaign.

The confidence of both parties remained until the end of the campaign. The Liberals felt certain of another victory though the majority differed considerably. Except in a few cases, however, the opposition did not express an opinion. One of these exceptions was Sifton. He said that the Liberals would be badly beaten and that not a seat in Ontario was safe. The actual outcome, however, astounded the country. Laurier, had secured majorities of thirty-four, fifty-three, fifty-two and forty-seven in his four previous elections and no one expected such a complete reversal bringing Borden a majority of forty-five (133-88). Seven cabinet ministers were defeated, namely Fielding, Patterson, Sorden, Mackenzie King, Graham, Fisher and Templeman. Ontario, however, furnished the greatest upset returning seventy-two Conservatives to fourteen Liberals in place of the fifty Conservatives and thirty-six Liberals in the previous election. Some of the majorities for the Conservatives in this province were extremely large such that of eight thousand for E.B. Osler in West Toronto and two thousand for George Foster in North Toronto. In the case of the two leaders, Laurier was elected both at Quebec East and at Soulanges and Borden was elected at Halifax, though it was thought, up until late on election night, that he had been defeated. That the Nationalists campaign made itself felt in Quebec is manifest by the fact that twenty-seven Conservatives and thirty-eight Liberals were returned whereas the standing in the House before the election was fifty-four Liberals to eleven Conservatives. The returns in the other provinces

except in the case of British Columbia, where a solid Conservative front was returned, (1) were more evenly divided. The Maritimes returned nineteen Liberals to sixteen Conservatives and the Prairies seventeen Liberals to ten Conservatives (2). Thus reciprocity was defeated, but it may be truthfully said, I think, that it was the loyalty cry in Ontario and the Nationalist's Campaign against Laurier's Naval Policy in Quebec that decided the outcome.

On being questioned after the election regarding the result, Laurier said:

"I accept the verdict but the problem is still there. To the Prairie Provinces larger markets are an indispensable necessity.... We have lost our friends, power, popularity, but I regret nothing. We have sown the seed: we shall yet see it germinate." (3)

Further on in the same speech he said:

"It is the Province of Ontario which has defeated us. Our losses elsewhere were not very serious and would simply have reduced our majority but Ontario went solid against us. It is becoming more and more manifest to me that it was not reciprocity that was turned down but a Catholic premier. All information which comes to me from that Province makes this quite evident." (4)

Borden expressed his opinion that the result justified his arguments, that the people were opposed to reciprocity being forced upon them, and it "was" a triumph of the Canadian people rather than any political party.... The fight was a hard one, but the victory would have been more sweeping if the campaign had continued for two weeks longer. Canada has emphasized her adherence to the policy and traditions of the past. She has wisely determined that for her there

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- (1) Solid opposition to Laurier because he refused, for Imperial reasons, to completely exclude Orientals from the Province.
 - (2) Manitoba returned 8 Conservatives to 2 Liberals, the other two provinces one Conservative each.
 - (3) Skelton, O.D., "Life and letters of Sir W. Laurier", Vol. 11 quoted p. 389.
 - (4) *ibid.* p. 389.

"shall be no parting of the ways, but that she will continue in the old paths of Canadianism--true Canadian nationhood and British connection. She has emphasized the strength of the ties that bind her to the Empire." (1)

A few typical comments on the result from varying other sources may be noticed.

"Yet with all these cross-currents (Naval policy, Borden and Bourassa) it was undoubtedly the reciprocity issue that decided the election. It is further beyond doubt that it was the political rather than the economic aspect of the case that carried the most weight." (2)

"As a Liberal paper supporting the policy of freer trade the Leader naturally regrets the verdict reached by the electors. Furthermore we believe they will regret it in due course. But we do not regret that the Liberal Government made lower tariffs and reciprocity their policy. If the party had to go down to defeat the Leader rejoices that it did so standing steadfast to a great principle and is overthrown on a clear cut issue." (3)

"It proves that there is a real national sentiment in the hearts of the Canadian people, that their place in the British Empire is the place they desire to build." (4)

The New York American--one of the Hearst papers and chief advocates of the annexation cry--designated it as a "Trust and Demagogue Triumph", but Chicago Tribune saw a certain splendour in it and the Chicago News thought Canadian self-reliance worthy of admiration.

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- (1) Canadian Annual Review for 1911, quoted pp. 265-66
 - (2) Skelton, O.D., "Canada's Rejection of Reciprocity" Journal of Political Economy, November 1911, p. 726.
 - (3) Regina Leader September 27, 1911.
 - (4) Canadian Annual Review for 1911, quoted p. 266 from the Montreal Gazette.

In brief, then, the opponents triumphed, their fears that it would ruin Canadian industry and agriculture, their accusations of disloyalty and their predictions that it would lead to annexation to the Union, had their deadly effect. A consideration of all the arguments used against the agreement, however, makes it clear that it was the distrust of the Republic and the fear that annexation would result that determined the result. In short, a political victory.

At the close of the last century a Canadian Prime Minister said "there will be no more pilgrimages to Washington". In that year ended the journeys that had for three decades worn brown the paths between Ottawa and Washington. These trips had been fruitless at the time but not barren of results in after years.

From the abrogation of the first trade agreement by the United States in 1866 until the close of the last century Minister after Minister, every few years, made the journey south. Every one received the same reply, "Reciprocity in natural products alone? Never". Then had come the change. A new and more active party entered office; A party filled with both hope and belief in the country. World wide conditions were bringing better times. If the nineteenth century had been that of the United States, the twentieth century was expected to be that of Canada.

With the turn of the century Reciprocity was quickly forgotten throughout the country. Canada was prospering through the revelation of the inestimable wealth of the West, the ever increasing tide of immigration due to an active Minister, the opening of new markets by treaties and preferences and the building of railways. The country was absorbed in its own development, opportunities were many and the market overseas was ever expanding. On the surface everything was calm but underneath a rumbling soon became audible. The West was beginning to make itself heard. The farmers had at last organized and ere long deputations and memorials began to appear before the Government protest-

country and Parliament. Prominent Liberals deserted the fold, both in Parliament and out, leagues were formed to oppose the agreement, the old cry of disloyalty was cast upon the Government, it was conspiring with the President to hand Canada over to the United States and thoughtless utterances by Americans gave it weight, and Canadian industry would be ruined. Railways, millers, packers, fruit growers would be driven out of business. The larger market was deemed a fallacy and the claim of higher prices was said to be no less untrue. To add to this the Naval issue was brought into the fray in Quebec and the English speaking provinces. In the former Bourassa, Monk and others claimed Laurier's navy would mean the virtual revival of the press-gang. Further they opposed any participation in the wars of Britain. In the latter Borden and his supporters claimed Laurier did not go far enough in his Naval policy. The navy would be useless, of no use to Britain in the event of war (as Laurier said "What a Salad!"). In this manner then the battle waged, the Government loud in its praises of the agreement, the opposition just as loud in its denunciation. The latter's contentions proved successful. On election day came a reversal of majorities, perhaps equalled only by the National Policy Election of 1878.

Thus the agreement was defeated. Canada was content to "Let Well Enough Alone". It would not tolerate any radical changes in the conditions of the country. Though the opposition had pointed to the injury that would be done to the manufacturers, to the Railways, etc. by Reciprocity, the most potent factor in bringing the defeat of Laurier was the loyalty cry. To the majority of the people Reciprocity was merely an insidious step towards

country and Parliament. Prominent Liberals deserted the fold, both in Parliament and out, leagues were formed to oppose the agreement, the old cry of disloyalty was cast upon the Government, it was conspiring with the President to hand Canada over to the United States and thoughtless utterances by Americans gave it weight, and Canadian industry would be ruined. Railways, millers, packers, fruit growers would be driven out of business. The larger market was deemed a fallacy and the claim of higher prices was said to be no less untrue. To add to this the Naval issue was brought into the fray in Quebec and the English speaking provinces. In the former Bourassa, Monk and others claimed Laurier's navy would mean the virtual revival of the press-gang. Further they opposed any participation in the wars of Britain. In the latter Borden and his supporters claimed Laurier did not go far enough in his Naval policy. The navy would be useless, of no use to Britain in the event of war (as Laurier said "What a Salad!"). In this manner then the battle waged, the Government loud in its praises of the agreement, the opposition just as loud in its denunciation. The latter's contentions proved successful. On election day came a reversal of majorities, perhaps equalled only by the National Policy Election of 1878.

Thus the agreement was defeated. Canada was content to "Let Well Enough Alone". It would not tolerate any radical changes in the conditions of the country. Though the opposition had pointed to the injury that would be done to the manufacturers, to the Railways, etc. by Reciprocity, the most potent factor in bringing the defeat of Laurier was the loyalty cry. To the majority of the people Reciprocity was merely an insidious step towards

annexation. In short, Borden won a political victory.

A Study of the Tariff Issue in Election of 1911

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