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[The main object of this document is to present the failure of a Canadian policy based upon the hope of annexation, and the pressing need of a policy based upon protection and correlative reciprocity. It also epitomizes the facts embraced in reports which I have had the honor to prepare for the Senate Committee on Interstate Commerce, the Senate Committee on Relations with Canada, statements which I have prepared by request for officers of the Government, and letters to the New York Tribune and other newspapers. It is my purpose to write a series of articles upon the subject of our Canadian Relationships after the termination of the approaching Presidential campaign. In the meantime, I shall be most happy to receive criticisms upon, or suggestions in regard to, the various statements of fact and of opinion embraced in this document from any person to whom it may be sent.]

JOSEPH NIMMO, Jr.

1831 F Street, Washington, D. C.

May 13, 1892.

# OUR CANADIAN RELATIONSHIPS

## THE ANNEXATION DELUSION AND THE NEED OF A NEW CANADIAN POLICY BASED UPON PROTECTION AND CORRELATIVE RECIPRO- CITY.

BY JOSEPH NIMMO, JR.

The cause of the cause is the cause of the thing caused; — So says a French political maxim, and it has abundant exemplification in persistent political influences which give tone and character to national life. An influence of this sort has from the beginning constituted a predominant feature of our Canadian relationships.

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The Colonial Congress of 1774 earnestly entreated the Canadians to make common cause with the revolting American Colonies, and the name *Continental Congress* adopted in 1775 was expressive of a new-born faith that the appeal to arms would eventuate in continental domain. The sole object of the military expeditions led by Ethan Allen and Benedict Arnold into Canada during the year 1775 was to drive out the British soldiery and thus to enable the Canadians to join with their brethren at the South in the struggle already begun. To the Canadians, General Washington's words were: "The cause of America and of liberty is the cause of every American, whatever may be his religion or his descent. Come, then; range yourselves under the standard of general liberty." \*

The military expeditions referred to failed of their purpose, and the Congressional invitation of 1774 was declined by the Canadians. But the faith which inspired that invitation and those expeditions has survived the vicissitudes of peace and of war. Even in the midst of the struggle for independence the Americans inserted in their first National Constitution—the Articles of Confederation—a solicitous invitation to the Canadians to come and join the Union. This is found in Art. XI of that instrument, which was signed July 9, 1778, "in the third year of the Independence of AMERICA," a phrase in itself indicative of the cherished hope of continental domain. Let it not be forgotten that our revolutionary sires entertained as large views and as earnest hopes regarding the geographical expansion of this country as are cherished to-day by the most ambitious of American citizens. More than eighty years before the great revolt Jonathan Sewall had written the inspiring lines—

"No pent-up Utica contracts our powers,  
For the whole boundless continent is ours."

This glowing sentiment is to-day emblazoned on the walls

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\* Bancroft's History of the United States, Vol. IV, p. 298.

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of our House of Representatives, but it stands as an unfulfilled prophecy.

After the War for Independence was ended, Benjamin Franklin, who conducted the first negotiations for peace, proposed to Lord Shelburne, then Prime Minister of England, that Canada and Nova Scotia should be ceded to the United States, and he based this claim, among other considerations, upon the fact that it would "prevent future wars." \* Shelburne declined Franklin's proposition and Canada repelled it.

At the close of the Revolutionary War about 25,000 persons in this country known as "Tories," who had maintained their loyalty to Great Britain, emigrated to Canada and the Provinces of New Brunswick and Nova Scotia, being liberally assisted in their exodus by the British Government. These people and their descendants have ever since been known as "United Empire Loyalists"—a title still regarded in Canada as a designation of honor. The cherished loyalty of this class to the British Crown and their inherited prejudice against the Government of the United States constitute to-day on the northern side of the national boundary line an apparently inseparable barrier to annexation, and, besides, seem to serve as an *animus* to those long continued aggressions upon American interests which characterize our Canadian relationships.

It was believed by many that the war of 1812 would eventuate in annexation, but it did not, nor did it have any perceptible tendency in that direction. Again, when the Canadian insurrection of 1837 broke out, it was supposed that annexation was nigh—even at the door. But that revolt was speedily quelled, with annexation as far from realization as ever. The dream of annexation has, however, floated in the minds of the people of this country even to the present day, and its proponents have from time to time been able so to

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\* See Lecky's "England in the Eighteenth Century," Vol. IV, pp. 244 and 246.

influence the course of our British North American diplomacy as not only to compromise the interests of the United States, but to invite a course of Canadian aggression upon American interests up to a point at which patriotism and common sense seem to call a halt.

In the year 1854 a so-called reciprocity treaty was concluded between the United States and Canada. The United States never before made so one-sided a bargain. It gave Canada free entry to the enormous and profitable markets of the United States in exchange for the privilege of the relatively insignificant Canadian market, a privilege, besides, in the nature of carrying coals to Newcastle. The idea of winning the Canadians to annexation by a taste of the commercial advantages which would accrue from such association helped to secure even this compromise of American interests. While the war of the rebellion was raging, and for two years afterward, the Canadians reaped a rich harvest from this treaty, the prices of all agricultural products being very high in our markets. But during that very period Canadian sympathy was thrown against the preservation of the Union in the supposed interest of England.

The recoil of our offended national pride led to the notice of the abrogation of the Treaty of 1854. It expired March 17, 1866. But the American annexationist was not even then squelched. On the contrary, the annexation mania broke out afresh and with unwonted vigor. It was predicted by its advocates that the loss of our markets would force the Canadians to seek admission into the Union, and great care was enjoined that nothing should occur to repel the supposed desires of our coveted neighbor. Mr. E. H. Derby, a special commissioner on Canadian relationships, reported to the Tariff Commission in 1866 that the maritime Provinces (Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland) were about ready to join the Union, and a special agent of the Treasury Department in northern Minnesota reported that the bud of annexation in



Manitoba was about to burst into a full-blown flower. He also suggested measures whereby this consummation might be expedited ; while Mr. Banks, of Massachusetts, then a member of Congress, on July 2, 1866, introduced in Congress an elaborate bill, known as H. R. 754, XXXIXth Congress, First Session, for the admission of the States of Nova Scotia, New-Brunswick, Canada East and Canada West into the Union, and for the organization of the Territories of Selkirk, Saskatchewan and Columbia. But these things only made the Canadians laugh. One year later, viz., on March 29, 1867, the British North American act, creating the Dominion of Canada, was enacted, and on the 1st of July following it was proclaimed. Mr. Erastus Wiman declared to a Senate Committee only two years ago that the abrogation of the Reciprocity Treaty in 1866 did not raise a whimper in all the British North American Provinces, and there is not the slightest doubt as to the correctness of his statement.

Perhaps the wildest and most eccentric aberration of the annexation craze was exhibited about three years ago when a tandem team of high-steppers, composed of Mr. Erastus Wiman as leader and Mr. Benjamin Butterworth as wheel horse, hitched to the band-wagon of Commercial Union, with Professor Goldwin Smith as whip, made an international campaign, which was conducted with splendid ability and great vigor. The song sung in Canada was that commercial union would strengthen the British connection, and in the United States that it would be the forerunner of annexation. But the inherent absurdity of the idea of delegating the protection of our customs revenues along our entire northern border to the Dominion Government, the absolute fiscal barrier to the adoption of such a scheme in Canada, and other inherent absurdities, soon led to the absolute and fiscal extinction of the Commercial Union humbug.

The very latest incident which has awakened the hopes and expectations of the American annexationist has just terminated in an election in the city of Toronto, where a person by the

name of Macdonald ran for member of the Ontario Legislature on an out-and-out annexation platform. After the polls were closed it was discovered that out of a total vote of nearly 10,000, Macdonald had received 172 votes. It is presumable that out of 10,000 people selected at random in almost any country there may generally be found at least 172 cranks.

There is really no reason why sensible people in this country should longer refuse to accept the logic of events. And yet it appears safe to predict that the American annexationist will survive even this latest damper upon his hopes.

The annexation policy in American politics has proved to be not only protean in form but Phœnix-like in character. It flourishes in peace and is rampageous in war; it predicates its conclusions as easily upon free trade as upon the most pronounced policy of protection. Like the ghost of Banquo, it will never down; and yet all that the American annexationist has to show for his devotion to his pet sentiment in the way of results up to the present day is the honor, the dignity, and the interest of his country compromised and invaded during a long course of outrageous Canadian aggression and repudiation of manifest reciprocal obligations, even to the denial to Americans of the most appealing demands of a common humanity. The Canadians, however, are not alone to blame for all this. Let us confess it. It is instinct in human nature. Announce to another that he may despoil you and trample upon your rights at pleasure, and the probabilities are that he will do it. Certain it is that there has never been a time when a proper application for admission into the Union would have been denied to the Canadians, and it is not here assumed that such an application ought to meet denial. There are other phases of our Canadian relationships to which I would briefly allude.

1. The Dominion of Canada has become in all respects as independent of Great Britain with respect to her internal

affairs and her foreign commerce as is the United States. The Canadian British connection is sentimental rather than practical, and it is operative chiefly as a shield to Canadian aggression upon American interests. After two years of most unsatisfactory and confusing international correspondence Mr. Bayard expressed to Sir Charles Tupper under date of May 31, 1887, his disgust of the whole diplomatic farce in the following words :

“It is evident that the commercial intercourse between the inhabitants of Canada and the United States has grown into too vast proportions to be exposed much longer to this wordy triangular duel, and more direct and responsible methods should be resorted to.”

2. A serious obstacle to mutually beneficial commercial relations between the two countries is interposed by the wide difference existing between the foreign commercial policies of the two countries. In the conduct of our foreign commerce the Government of the United States is confined to the one arm of import duties, whereas the Dominion Government may use the right arm of import duties, the left arm of export duties, and, besides, the indefinable power of “Orders in Council,” which seem to serve as a sort of kicking arrangement. The disadvantage at which we are placed in attempting to cope with such an opponent is apparent.

3. Any sort of fair reciprocal trade relationship between Canada and the United States appears to be barred by the fact that the Dominion Government has become essentially a transportation corporation at rivalry with American transportation interests from Quoddy Head on the Atlantic to Vancouver on the Pacific. The Dominion Government owns and operates the system of Canadian canals, which cost about \$52,000,000. It owns the Intercolonial Railway system, which cost over \$50,000,000, and it is the financial promoter and the responsible backer of the Canadian Pacific Railway in all its outrageous aggressions upon American interests.

This latter statement is clearly proven by the following aids extended to the Canadian Pacific Railway :

(a) Loans and gifts of various sorts amounting to \$215,000,000.

(b) Exemption from taxation, equal to a subvention of \$700,000 a year.

(c) Protection against competing lines for twenty years.

(d) An annual subvention of the Canadian Pacific line through the State of Maine of \$186,000 a year.

(e) A subsidy to a steam line between Vancouver and China and Japan of \$300,000 a year, and a steamer subsidy promised on the Atlantic of \$500,000 a year.

(f) An act of the Canadian Parliament enabling and inciting Canadian railroads to encroach upon American transportation interests, which renders the beneficial operation of our Interstate Commerce Act impossible. This fact has been clearly set forth by our Interstate Commerce Commission.

The various governmental aids to the Canadian Pacific Railway and its connecting steamer lines amount to a subvention of fully \$12,000,000 a year. This operates as a direct annual discrimination to that amount against American sea-ports and American transportation interests on the land and on the sea.

Apparently the most absurd feature of this whole subject of Canadian Pacific Railway encroachment consists in our failure to discriminate between transportation on the eastern side of the continent, where conditions of interjecting territory and climatic causes render reciprocal transportation arrangements mutually beneficial, and transportation on the western side of the continent, where no such reciprocal conditions exist, and where Canadian subsidized competition on the land and on the sea is nothing more nor less than Canadian aggression upon American commercial interests. Mr. Windom, Secretary of the Treasury, had just come to a realization of this outrageous encroachment upon American interests at the close of his life, and he proclaimed the fact with

great emphasis and patriotic fervor in the speech delivered a few moments before his tragic death.

And now let us turn to the absurd and compromising record of Canadian aggressions upon American interests, the unmistakable fruitage of the carefully nursed policy of annexation on our side of the line, and of the long and wearisome "wordy triangular duel," spoken of by Mr. Bayard, which has rendered our Canadian diplomacy utterly senseless and misleading.

First. A discrimination of 18 cents a ton on the Canadian canals is maintained in favor of Montreal as against New York, contrary to the provisions of the Treaty of Washington.

Second. Discriminating entrance and clearance fees are imposed upon American vessels in Canadian ports contrary to the Treaty of Washington.

Third. The Dominion Government refuses to allow American citizens to go to the relief of American vessels and their crews when wrecked in Canadian waters.

Fourth. A discriminating duty of 20 per cent. is imposed by Canada on silver coin of the United States.

Fifth. Canadian Pacific discriminations established by the Dominion Government against American railroads and American ships, as already described, embrace a subvention of \$12,000,000 a year, and, besides, that government openly incites commercial aggression through violation of the provisions of our Interstate Commerce Act.

Sixth. Canada maintains a position on the fishery question to-day which expressed itself in acts characterized by Daniel Manning, when Secretary of the Treasury, as "acts of barbarism fit only for savages." American fishermen escape such treatment to-day only under the terms of *modus vivendi*, which the Hon. Thomas Reed has properly characterized as "a mode of dying."

Seventh. Canada imposes a discriminating duty of 10 per cent. on tea and coffee "when imported from the United States" in the interest of the Canadian Pacific Railway.

Eighth. The Dominion Government refuses to extend the privilege of copyright to American authors after the United States had extended such privilege to Canadian authors, and after the British Government had notified the United States that Canada had acceded to the reciprocal arrangement. This fact was recently discovered by Mr. Blaine.

Ninth. The Dominion Government is conniving at the practice of importing Chinese and running them across our border contrary to our laws. Sir John McDonald gloried in this trick played upon the United States.

Tenth. The Dominion Government is using all her power to throw the full force of British diplomacy and military influence in favor of Canadian depredations upon our sealing interests in Behring Sea, which were the unquestioned and exclusive possession of Russia and the United States for a hundred years, and which Canadians now poach upon as robbers and destroyers.

Other attempts have been made by the Dominion Government, or with its sanction, to depredate upon American interests, but of so barefaced and aggressive a character that, when detected, they were discontinued for fear of retaliation by the long-suffering and patient "States."

With the British keen eye to business in politics, the Canadians discovered years ago that aggression upon American interests pays better than annexation to the United States.

But hopefully a remedy has been discovered for all this trouble. The policy of protection to American interests, supplemented by the policy of reciprocity in all cases where American interests will thereby be promoted, seems to formulate the future commercial policy of the United States toward all countries, and to furnish the key to the adjustment of our Canadian relationship on the lines of a true Americanism. The splendid success of this policy in so far as it has become operative in the countries and colonies to the south of us is indicated by the fact that our exports to Cuba

increased from \$7,981,888 during the seven months ending March 31, 1891, to \$11,607,438 during the seven months ending March 31, 1892, and by many other equally gratifying results.

The Dominion Government has, however, for years been forcing this identical policy into the conduct of our Canadian relationship, but on exceedingly hard lines. She has protected her fisheries against American competition, in the language of Daniel Manning, by "acts of barbarism fit only for savages," and by the refusal of commercial privilege freely accorded by the United States to the people of Canada, and then she has turned upon us with the insulting offer of partial exemption from such outrage in exchange for the privilege of importing Canadian fish into our ports free of duty. Such privilege would be exceedingly detrimental to our maritime interests, which we are now so earnestly trying to promote. Besides, all along our northern border line the Dominion Government maintains a policy characterized by inhumanity and outrageous aggression upon the commercial and transportation interests of this country, all of which measures, protective and enabling toward Canadian interests, are maintained by the Dominion Government as a coigne of vantage in the establishment of any sort of reciprocal relations which even the most ardent commercial unionist in Canada could possibly offer to the United States.

Apparently the true course for this country now to pursue is at once to formulate and enforce a pronounced policy of protection to American interests from the Banks of Newfoundland to the Straits of San Juan de Fuca, and to maintain such protection as the essential condition to a reciprocity which would at once defend the honor and protect the commercial, industrial, and transportation interests of the United States against further Canadian outrage, aggression, and insult.

It is believed that the people of this country are at last beginning to view the whole subject of our Canadian relation-

ship in its true light. Mr. Windom's last speech, and the fact that the Canadian Commissioners who recently came to Washington were confronted with the full record of Canadian encroachment upon American interests, indicate that the present Administration is awake to the situation. Hopefully wise and just conclusions will no longer be prevented by the dream of annexation or by the confusion of a diplomatic "wordy triangular duel." The settlement of the Behring Sea affair cannot be permitted to end the whole matter of adjusting our Canadian relationships. Respect for our dignity as a great Nation and a proper regard for our vast commercial interests forbid it. Let us recur to the farewell injunctions of George Washington against undue partiality for any Nation, especially in our commercial relations.

It will be discreditable to the Republican party if it fails to incorporate protection against every form of Canadian encroachment upon American interests into its platform for the campaign of 1892, and it will be discreditable to the country if such a policy is not fully sustained by the people.

JOSEPH NIMMO, JR.

WASHINGTON, *May* 13, 1892.







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