

# ADDRESS

DELIVERED BY

MR. JAMES J. HILL

AT THE

ONE HUNDRED AND FORTIETH

ANNUAL **BANQUET**

OF

The Chamber of Commerce of the State of New York;

NOVEMBER 19th, 1908

WALDORF-ASTORIA

New York

# ADDRESS

DELIVERED BY  
MR. JAMES J. HILL

AT THE

ONE HUNDRED AND FORTIETH ANNUAL BANQUET OF  
THE CHAMBER OF COMMERCE OF THE STATE OF NEW  
YORK

NOVEMBER 19<sup>th</sup>, 1908

WALDORF-ASTORIA  
New York

A certain depth of historic background is needed to give a correct perspective in judging policies and events. We are, indeed, emerging from national childhood when the splendid organization whose guests we are to-night can celebrate the close of its fourteenth decade of existence and invite to its councils the representatives of a still more recent development upon this continent of the enterprise, the independence, the self-reliance and the mastery of affairs that are the common inheritance of our common race.

The successors of the "twenty-four gentlemen en-engaged in foreign commerce" who met in this city one hundred and forty years ago to found the New York Chamber of Commerce, the first commercial society existing in the Colonies, may look back upon a wondrous past and forward to duty and action that shall dwarf the memorable achievement of to-day.

The world was an interesting place in 1768. Louis XV was closing his long reign in France, Frederick the Great had almost completed thirty years of rule, and for eight years George III had been upon the throne of England. New York was still on the furthest frontier of the New World. In 1768 the treaty of Fort Stanwix was concluded, fixing colonial boundaries with the Six Nation Indians. Just one hundred and sixty years before that time the foundations of Quebec had been laid, and a century later the Canadian Confederation was to weld into one chain her weak and scattered provinces. At that time there were less than 700,000 persons in all Canada. It was less than ten years since its territory had passed from the control of France to that of England. That may well remain the event of most significance to all of us here; for, as the historian Green has said, "With the triumph of Wolfe on the Heights of Abraham began the history of the United States."

I should lack fidelity to what I conceive to be the inmost meaning of this anniversary if I did not place chief emphasis upon the continental integrity of our position, and the oneness of the peoples whose history has been so intimately connected ever since the days of the voyageur and the pioneer. The little port upon the Island of Manhattan has grown to a city of the first rank among the cities of the whole commercial world. Its harbor every year looks upon a trade of more than thirty million tons. This organization represents to-day

commercial and financial interests whose influence is strongly felt among the nations even to the remotest portions of the earth. No distinction can be greater for a commercial association than the right to inscribe upon its charter those two words, "New York," now a part of every language and the envy or the hope of millions in the far places of the earth.

But instead of devoting this occasion to mutual congratulations on our past, it should, I think, contribute something to an understanding of the true relations of the two great empires represented here. For as they began history together, the settlement at Quebec and that at Jamestown being separated by but a single year, so have the struggles of their childhood been mellowed , into respect and regard by years, and adult understanding. And never, save after the rending of an empire by civil dissension, were there two political divisions with such opposing commercial systems and such harmony in all the experiences that enter into nationhood. Both peoples are little differentiated. In each have been gathered human materials from every race and country, and out of the furnace where the fierce currents of free institutions run to and fro there arises a homogeneous race. Well-informed persons say that for some time 50 per cent, of the population pouring into Western Canada and a large part of the capital newly invested there have come from the United States. On our side of the line there reside to-day 1,200,000 persons born in Canada. Ontario gets her coal from Pennsylvania

and New England could get hers, when not prohibited by high tariffs, from Nova Scotia. Geography, ethnology and all the great silent natural forces are drawing us closer all the time.

Canada's population has doubled in the forty years since Confederation. That of the Northwest Provinces has doubled in the last five years. In 1846 she had but sixteen miles of railroad, and in 1907 she had 22,452 miles. Upon her splendid canal system she has spent upwards of \$ 100,000,000. Her local water transportation extends from the Straits of Belle Isle to Port Arthur and Fort William on Lake Superior, more than 2,200 miles. The total water-borne traffic of the Dominion for 1907 was 20,543,639 tons. Her mercantile marine is the fourth largest in the world, being nearly equal to that of Japan and greater than that of Spain or Russia. The statistics of commerce bear similar witness to progress on both sides of the line. I need not burden an audience in this city with figures showing the commercial advance of New York or with proofs of her supremacy. But perhaps you may be less familiar with the strides taken lately by our neighbor.

Our trade with Canada is exceeded in volume only by that with Germany and Great Britain. In 1907 the aggregate imports and exports of the United States in trade with the Dominion were, in round numbers, \$260,000,000. We think it worth while to negotiate reciprocity treaties—which the senate quietly pigeon-holes—with France; but our business with France last

year fell short of that with Canada by more than \$15,000,000. We are spending some three hundred million dollars on the Panama canal in the hope of enlarged trade with the west coast of South America. Our combined trade with all the countries on both coasts of South America in 1908 was only a little over \$200,000,000. With all Asia we did in 1907 but \$50,000,000 more than with Canada. Her total foreign trade with all countries has grown 133 per cent, in the last ten years.

From 1898 to 1906 Canadian imports from Great Britain increased from \$32,043,461 to \$69,183,915, or over \$37,000,000. During the same time her imports from the United States increased from \$74,824,923 to \$168,798,376, or \$93,973,453 according to her official statistics. In these years the exports of Canadian products to the United States increased over \$49,000,000 and to England less than \$34,400,000. In 1895 her dutiable imports from the United States exceeded in value those from the United Kingdom by \$2,500,000; in 1906 the difference on the same side of the account was nearly \$37,000,000. The value of goods reaching Canada in bond from United States ports in 1906 amounted to \$25,936,120, while the merchandise received in transit from Canada in 1908 at the Atlantic seaports of the United States and thence shipped to foreign countries was valued at \$25,300,790. To such an extent each finds it convenient to use the ports, the railroad systems and the canals of the other. There can

scarcely be a more forcible commentary upon the policy of mutual exclusion.

What the commercial relations between these countries ought to be is indicated by every fact in their common history. It is suggested by that common intellectual inheritance which has made the most scholarly mind of Canada, Goldwin Smith, as much at home perhaps in New York as in Toronto, and impelled one of the really great historians produced by the United States, Francis Parkman, to devote his life and genius to the story of the founding of Canada. It is taught by their parallel development, and by the mingling of their commerce. Without committing any others here, I do not hesitate to declare my own opinion. I believe that the most natural, the most rational, the most highly profitable commercial status between Canada and the United States is absolute freedom of trade. Pending the arrival of that, I believe that those who have the interests of both countries at heart should work for the establishment of a trade reciprocity in all natural products as ample and generous as public opinion will approve. All that I have said and all the facts of material development on both sides of the boundary lead to this conclusion, entertained to-day, if it could find voice through non-political agencies, by a greater proportion of the people of the United States than most men dream of.

That commerce must eventually move unrestrained between these two peoples is self-evident. Why not

strike off the shackles now and let it move freely instead of paying the heavy penalty of delay? I do not believe that there is one valid argument in favor of the system that makes our international boundary line bristle with custom houses and forces every dollar's worth of trade between them to show its passport and pay its entrance fee. I do not believe that there is one sound objection, on the side either of Canada or of the United States, to fuller and freer intercourse. Whatever be the strength or weakness of the economic policy known as protection—a subject which I do not here discuss—it has no meaning or effect as applied by either one of these countries against the other. The assumption of some fixed variation in the wage level is nonsense. Men are free to come and go; and New England at this moment depends for her labor largely upon her French Canadian population. Wages do vary, just as they vary between New York and Colorado; but their average under similar conditions is the same in the two countries.

A more liberal and friendly trade relation between them would be an economic gain. The manufacturer of Canada need not fear the competition of powerful combinations in the United States. Not one of these controls production in its own country. Right here the small manufacturer competes successfully with his greater rival. If there were not a duty on any natural product of either country when entering the other, not a wheel would stop, not a man be thrown out of employment in either. But the business of each would feel the



stimulus of an enlarged market. It is as clear a case of reciprocal advantage as can be found in the whole history of trade; which rests on the axiom, not always remembered in our time, that both parties to an exchange of commodities may be gainers by the transaction.

The farmer of Canada would be greatly benefited. Our cities afford a market for everything he can furnish. His breadstuffs, cattle and meat supplies, butter, cheese, eggs and wool would reach new consumers. The price of wheat in the markets of the United States is uniformly higher. In 1906 Canada exported to the United States 3,831,988 bushels of wheat, valued at \$2,981,608 according to her official statistics. This is an average price of 77 cents per bushel. In the same year the United States exported 34,973,291 bushels of wheat, valued at \$28,757,517, or an average price of 82 cents per bushel according to her official statistics. The average price of No. 2 Red winter wheat that year in the New York market was 86 $\frac{1}{2}$  cents per bushel. This difference is not always the same nor does it exist at every period of the year; but it is true that the price on the American side is usually from three to five cents a bushel greater than on the Canadian. Nor need the American farmer feel alarm; for so great is our need of a free supply of Canadian wheat that we have been obliged to cut a sluiceway through tariff restrictions; and invent a milling in bond system, by which wheat may come over the line, be converted into flour and then

exported free of duty. By the middle of this century, while some of you who are here to-night are yet active, the population of the United States will number 200,-000,000. The average requirement per capita for food and seed, according to the best estimates, is six and one-half bushels per year. This will make our consumption of wheat in the near future 1,300,000,000 bushels, with a present production of only about half that amount. This country will require from some source an immense addition to its food supply. Whatever part of it may come from the wheat fields of Northwestern Canada should be free to flow unchecked to the consumer.

Has Canada reason to fear if our trade relations were those of a liberal reciprocity agreement? Her former growth under such a policy, the ability of her manufacturers with their large supplies of cheap raw material, the magnitude of the market afforded by an addition of 87,000,000 consumers—all declare that the period of such trade emancipation would be the most splendid of her remarkable history. Has the United States anything to fear from competition on the north? Let me reinforce my opinion with that of men who would be first to sound the alarm if it were true. There is, perhaps, no man in this country better informed on this phase of the industrial situation than Mr. D. M. Parry, lately President of the American Manufacturers' Association. This is what Mr. Parry says: "The Canadian trade is more important than all the commerce

anticipated for the Panama canal, and yet our tariff policy in respect to Canada could hardly be worse had it been dictated by a foreign enemy. . . . As for the tariff on raw materials, why should this country be so anxious to exhaust its mineral wealth and denude its forests that it should bar these products from other countries?" Only last year a big lumber manufacturer of Saginaw, Michigan, representative of an industry once hostile to reciprocity, but so no longer, wrote these words in the Annals of the American Academy for the Advancement of Political and Social Science: "As a manufacturer, as an employer of labor, and as one who has been in the lumber business all his life, and is now engaged in it, as an owner of forests and timber lands and sawmills, I cannot see wherein the government of the United States is not making a great mistake in maintaining this tariff upon rough lumber, taxing our home industries for their raw material and offering a premium for the destruction of our present forest area."

In this country the policy of reciprocity between the United States and Canada has broken down popular opposition. New England favors it, the great tier of States facing the Canadian boundary and the Great Lakes favors it, the Middle West believes in and asks for it. We have too long considered it only as a boon for us to grant and Canada to ask. That may have been true thirty years ago; it is not true to-day. Not as a suppliant but as an equal she must be dealt with. Her interest is no greater and no less than ours, her position

as independent. Both sides should put away the selfish argument of a possible advantage for either through reciprocity, and join in the creation of a great trade zone wherein trade as well as men may be free. From us, the older, larger and more developed community, and the one whose past attitude has been somewhat indifferent, the invitation now should come. It should be the privilege of this place and this hour to give new voice and force to this opinion, to open the way for the adoption of a system of reciprocity that means not only international friendliness, solidarity and mutual support, but also immense trade expansion and financial gain for both parties concerned.

*You* who have witnessed the achievements due to the liberty to trade possessed in common by the people of Quebec and Ontario and those of Manitoba, Saskatchewan and British Columbia,—*You* who have seen a century of greatness grow from the impossibility under the federal constitution of restricting the interchange of commodities between Maine and New York and Iowa and Oregon—your common inheritance arises to testify to the inherent power of this domestic freedom as a builder of empires and an inspiration to great events. The tide of time sweeps all nations into a closer concordance, willing or unwilling, of governmental policies. The world grows smaller in the separateness of its people and greater in its possibilities of united action every day. With the sunlight of this era upon our faces, let the two peoples whom ties of blood and capacity for

self-government and material achievement have knit so closely, oppose a nobler manhood and a larger statesmanship to the policy of estrangement and jealousy that has been permitted to guide their fortunes. If the best thought of both countries shall declare itself, this Chamber of Commerce, which we congratulate so heartily upon its long and splendid contribution to the development of commerce beyond the Western Ocean, may celebrate its one hundred and fiftieth anniversary as the leading city of a domain recognizing no trade partition from the Arctic Circle to the Mexican boundary; a continental trade union so huge in proportion, so inspiring in operation, so beneficent in its work as to become by force of example the greatest of all the gifts which it has been the destiny of the New World to bestow upon the Old.