

RECIPROCITY

The Issue

The Reciprocity Agreement in _____ was much more than a debate over a trading arrangement between the _____ and _____. The colonies in British North America had first signed a reciprocity treaty -- as a free trade deal was then called -- with the Americans in _____. The arrangement was terminated by the Americans years later in the mid 1860's. American protectionists and annexationists believed that the loss of the treaty would cause severe economic turmoil in the British colonies and thus force them to join the United States.

While more than half of Canada's exports went to Britain

compared with less than 40 percent to the United States, nearly 60 percent of Canada's imports came from south of the border. Likewise, American direct investment of \$254 million in 1909 in the Canadian economy, especially in the manufacturing sector, was more than double that of the British investors who continued to have indirect investments in Canada.



An ideal trade connection is when foreign countries import more from your country than you import from them.

THE PARTIES INVOLVED

When Prime Minister Sir _____ and his _____ government succeeded in negotiating a free trade agreement for _____ and a short

list of manufactured goods with the United States in late January, 1911, the debate and the subsequent _____ on the issue turned into a voting issue on

the nature of Canada. The opponents of reciprocity, led by businessmen in Central Canada and the _____ Party, argued that the choice was one

THE PARTIES INVOLVED (cont'd)

between Canadian nationalism with its strong British connections, and the continentalization of North America, with the United States as the dominant centre. With free trade, the opponents argued, Canada would be

_____ and the British heritage would be destroyed.

The supporters of reciprocity argued unsuc-

cessfully that it was simply just a good economic deal for Canada. Not so, the Conservative leader _____ repeatedly told the voters; the Reciprocity Agreement represented a crucial juncture in Canada's history: 'We must decide whether the spirit of Canadianism or that of continentalism shall prevail on the northern half of this continent.' Borden waved the old _____ flag

and beat loudly on the patriotic drum as Canada's first Prime Minister, _____, had done in his last election in 1891

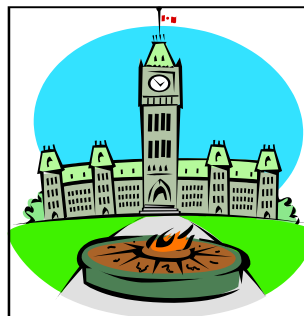


What is Manifest Destiny?

THE OUTCOME

Laurier, who had now been in office for more than 15 years, could scarcely defend himself against such nationalist rhetoric. To compound Laurier's problem, he was seen in Quebec as being too imperialistic in his proposal for a Ca-

nadian _____ and his involvement of Canadians in the _____ War. The supporters of free trade lost in 1911, and Borden replaced Laurier as Canada's prime minister.



'We must decide whether the spirit of Canadianism or that of continentalism shall prevail on the northern half of this continent.'

~ Robert Borden