

TIME TRAVELLER'S DIARY: Aurora manufacturer Herbert Fleury backs Free Trade with the U.S.

By **Bill Fleury**

More than a family quarrel, the issue of trade and tariffs boiled over at the G-7 meeting in Quebec City. U.S. President Trump has launched trade protectionism not seen since the 1930s. Canada is set to retaliate against the United States with higher tariffs of our own, starting symbolically on Canada Day.

This isn't the only moment in Canada's history when trade relations with the United States, and tariffs on both sides of the border, have made people fear that the future direction and prosperity of the country was at stake.

With an Aurora lens, let's look back at one of those earlier times when it was Canada that spurned a U.S. offer of freer trade and the Town of Aurora was embroiled in the debate.

The fall of 1910, like today, looked back on a decade of growth in the Canadian economy. Cross border trade had grown as well despite relatively high tariffs on both sides. U.S. President Taft, seeking to offset Canada's trade preferences within the British Empire and with other countries, approached the Liberal government of Sir Wilfrid Laurier to negotiate an agreement on freer trade (reciprocity) with Canada. Laurier's government responded positively. With an eye on the votes of Ontario and Western farmers who sought lower prices, particularly on agricultural machinery, and new access to the American market for their wheat and other natural products, Laurier seized the opportunity. He made good on a longstanding freer trade plank of the Liberal Party and signed a Reciprocity Agreement with the United States on January 21, 1911. Over the next few months, the issue riled the country and Aurorans. Laurier was forced to call a federal election for September 21, 1911, with the agreement at stake.

In Aurora, Herbert Fleury, a former mayor and a leading manufacturer, was a key voice in the private and public debate that swirled about the Laurier government's pledge for reciprocity with the United States. Fleury was a partner in the family agricultural implements business, J. Fleury's Sons, which employed some 200 men (and a couple of women), a significant number of the Town's population of about 2,000 residents.

As a recent President of the North York Liberal Association, Fleury knew the Prime Minister. In fact, as early as 1888, having recently inherited the family business, 28-year old Fleury had escorted Opposition Leader Laurier through the factory on Wellington Street West.

Now, on December 9, 1910, Fleury wrote privately to the Prime Minister. In a letter anticipating the agreement, he sought to express his concerns as a manufacturer about lowering tariffs while also avowing support for freer trade.

Over past decades, high Canadian tariffs had protected the development and growth of the Canadian farm implements industry in Ontario and Quebec an important high tech industry of the day against American competition.

Fleury pointed out that the current tariffs on farm implements were already low and that competition in the industry was exceedingly keen.

His most important point was that Manufacturers of Ontario and other Eastern Provinces, to have a successful and a growing trade, must have and hold the greater part of the trade of Western Canada. Given all the advantages of lower costs and the large home market that manufacturers in Illinois enjoyed, any reduction of duties on implements without a radical change in duties on raw materials, factory supplies (a great variety) and machinery, would lose to the Eastern manufacturers the greater part, if not all, the trade of Western Canada. This, of course, would close up many factories in the East.

In an appeal based on his conviction that a growing Canada should foster an east-west economy, Fleury asked: Shall the West, probably the most prosperous part of Canada, developed largely by the wealth and sacrifice of Eastern Canada, consult only its own local and present (not ultimate) benefit, without consideration of the interests of Eastern Canada, or of Canada as one country under one government?

In summary, Fleury claimed that he was a Free Trader, one who believed that a much wiser policy than that of high protection might have been adopted by Canada with much greater advantage. But, it was just as important to have continuity and consistency in Canada's trade policy. He concluded, I think we should be careful about any increase in duties and should lower them when it can be done without injury to established industry: but in the case of Farm implements, speaking generally, there is no way of lowering the duties (not abolishing) without most seriously affecting their manufacture in Canada, except by radical changes in duties on raw materials and supplies, and reduction in railway rates.

In the months after the Reciprocity Agreement was signed, most manufacturers in Ontario, including Liberal ones, opposed the lowering of tariffs and deserted Laurier. Herbert Fleury was travelling in Europe from January to June and avoided the breaking

political storm. But as an inveterate newspaper reader, he no doubt kept track of events back home. In an April post card to his neighbour, Dr. R.M. Hillary, he professed himself "beginning to feel restless to get home". I fear it's business."

Shortly after his return in June, Fleury set off for a business trip to Winnipeg, the center of his company's farm machinery sales to Western farmers. When he returned to Aurora, Fleury used the late summer months leading up to the election in September to make the public case for the Liberal cause.

On September 8, 1911, Fleury was the first to stand in Aurora's Mechanics Hall, filled to the doors, and rally support for Liberal candidate, T.C. Robinette. Fleury observed that the growth of Aurora since the turn of the century "and Canadian prosperity generally" was particularly due to the agricultural industry. Fleury drew the lesson, "If the farmer was prosperous, the manufacturer would accordingly be prosperous."

He concluded: "So far as our factory is concerned, I will say this reciprocity will have an immense effect in increasing and enlarging our trade with the west. For that reason "selfish you may believe" we favour reciprocity. If that is the case, is there any man employed in Aurora who would not honestly and fairly, except for small partisan considerations, vote against himself and his fellow labourers?"

What was the result of the debate and the election in 1911?

Robinette was defeated in North York and the Laurier Liberals went down in a crushing defeat across Ontario. In Aurora, the North and Centre Wards supported Robinette, but the South Ward swung the Town to a 15 vote majority for the Conservative candidate, J.A.M. Armstrong. Canada, under Borden's Conservatives, rejected freer trade under the Reciprocity Agreement and set a protectionist trade stance towards the United States well into the future. Fleury continued to thrive, as did his business. But fear of the United States, accentuated by President Taft's pre-election remark that Canada was at "a parting of the ways" between Britain and the Empire, and the United States, turned Canadians away.

For more information on this decisive debate and election, please see *Canada 1911*, by Patrice Dutil and David MacKenzie, Dundurn Press, 2011.