

The Commercial

WINNIPEG, FEBRUARY 23, 1891.

TRADE STATISTICS FOR 1890.

The official trade statistics of Canada for 1890, which have just been published, will be particularly interesting at this time, in view of the fact that the trade question is the only one of importance in the political contest now going on. The trade figures for the year are satisfactory, in that they show a marked increase over the previous year. The total trade of the country, export and import, amounted to \$218,607,390, against \$204,414,093 in 1889. This total has only been exceeded in two previous years in the history of the Dominion.

Our total export trade for 1890 was \$96,749,149, this also showing a substantial increase over 1889, when our exports were \$89,189,167. Great Britain has again displaced the United States as the largest consumer of our surplus products, and for 1890 the mother country is again our best customer by nearly eight million dollars. For the year Great Britain took \$49,353,694 worth of our exports, while the United States took \$10,522,810. Our exports to the republic decreased \$3,000,000 last year, while exports to Great Britain increased amazingly, being over \$10,000,000 greater than in 1889.

Trade figures between Canada and countries other than Great Britain and the United States are comparatively insignificant, the great bulk of our trade, both export and import, being done with these two. However, the year 1890 shows a gratifying increase in our trade with several other nations. Our export trade to Germany last year was nearly four times greater than in 1889, while our export trade to Spain increased to over five times what it was in 1889.

The most important point shown by these figures is, that our export trade to Great Britain last year was greater than that with the United States by nearly \$3,000,000 dollars. This is something well worth bearing in mind in the present political contest. One of our political parties has adopted a policy of commercial union with the United States. The carrying out of this policy means that we must enter into a high tariff compact with the United States, whereby we will be forced to discriminate against Great Britain. The protective policy of the United States is aimed more against Great Britain than any other country. We are invited to become a party in this policy by forming a tariff compact with the republic. Though Great Britain took \$8,000,000 more of our exports last year than our neighbors to the south, yet we are asked to enter into a high tariff compact with the republic against the mother country. Under this compact we would admit goods from the United States absolutely free of duty, but at the same time we would be obliged to vastly increase the duty upon imports from Great Britain.

We in western Canada have great faith in the Hudson bay route as the natural outlet for our exports, and all look forward to the day when

this route will be opened. This proposed commercial union compact, by cutting off our trade with Great Britain, would take away, very largely from the value of the Hudson bay route. The route should be valuable for imports as well as exports. By it we should receive cheap British manufactures in return for our surplus products. Unless there were trade both ways, the full value of the route could never be realized. An enormous tariff wall to the north, such as is proposed in the commercial union or unrestricted reciprocity programme, would drive trade away from this route. We look forward to an immense trade with Great Britain in the future, via the northern route. The possibilities of this trade are truly wonderful. We have the country here capable of producing vast quantities of agricultural products, and Great Britain offers an unlimited market for such products—in fact we may say she affords the only market for large quantities of the natural products of this country. Our wheat, our cattle and other animals, our butter, our cheese, our eggs, the United States does not want, because they produce a surplus of these. They would take our barley, but Manitoba has never done much in growing barley. In some years they would take our oats, but this would only be in certain seasons of short crops at home, such as the present. Not many years ago oats were selling at ten cents per bushel in Dakota. Our principal exports must go to Great Britain, and we must be prepared to receive some goods in return, to realize the value of our northern route. There is every reason therefore why we should keep ourselves free to trade with the world. The greatest freedom of trade with the United States is desirable, short of entering into any entangling tariff alliance with that country, which would restrict the freedom of our trade with other countries. Here we should draw the line, and adhere to the decision firmly. It has been stated that commercial union would advance the price of wheat in Manitoba. This is one of the most ridiculous assertions yet made, and it can be disposed of in a few words. The two states of Minnesota and Dakota produced last year about 100,000,000 bushels of wheat. The home consumption of these two states would be less than 20,000,000 bushels, leaving a surplus of about 80,000,000 bushels for export. This surplus goes in the shape of wheat and flour to the same markets as does the exportable surplus of Manitoba's wheat crop, and therefore it would be impossible to pay higher for Manitoba wheat under commercial union.

BETWEEN TWO FIRES.

Broad-minded free traders are certainly placed in a painful position in the present political campaign in Canada. If they remain with their old friends—the Liberals—they will be giving their support practically to a movement the consummation of which means a very great advance in our protective tariff, with this difference, that Canada and the United States will be united in a protective policy. If they support the Conservative party, in order to oppose such an iniquitous compact, they are obliged to vote in favor of maintaining our present high-tariff system. Truly in this predicament the

free trader is beset on every side, and he can only think with the gloomy Hamlet, that it is better to "bear those ills we have, than fly to others we know not of."

The broad free trader can certainly never consent to a tariff combination with the most extremely protectionist country on earth. It is against every principle of free trade, and he must contend against it as earnestly as he would contend against an average 20 per cent increase in our tariff, independent of any other country. Even if the tariff of the United States averaged lower than our own, the idea of a tariff compact would still be utterly obnoxious to the liberal minded trader, whose motto is the greatest freedom of commerce. Canada, and western Canada especially, cannot afford to enter into such a compact as that proposed. We should firmly take our stand on the principle of being ready and willing to trade with all corners, with the greatest freedom. We must not have our trade restricted in any direction. If we must double the height of our tariff wall on all other sides, in order to lower it on the south, then we better leave it as it is, until time brings relief in some other direction. In this position thorough free traders will be obliged to support the present protective policy, rather than fly to even a greater extreme of the protectionist idea.

The people of the United States, particularly in the western states, have many evils to suffer from the protective system of the country. Tariff tinkering has been carried in that country to a far greater extreme than in Canada. The financial crisis which has afflicted that country during the past few months, is attributed by the *Bankers' Magazine*, of New York, to this continual tariff tinkering. Under commercial union, the evils growing out of protection in the United States, would be inflicted upon Canada, and it is doubtful if our second state would not be worse than before.

Some politicians pretend to believe that commercial union or unrestricted reciprocity does not imply a tariff compact. No possible way of carrying the policy of the Liberal party into effect can be imagined, short of a unification of the tariff of the two countries. This is clearly understood in the United States, and in that country unrestricted reciprocity is always spoken of as a tariff compact. The Hitt resolution, as discussed by congress at Washington, clearly defines the meaning of commercial union, or unrestricted reciprocity as follows:—

That whenever it shall be duly certified to the President of the United States that the Government of the Dominion of Canada has declared a desire to establish commercial union with the United States, having a uniform revenue system, like internal taxes to be collected and like import duties to be imposed on articles brought into either country from other nations, with no duties upon trade between the United States and Canada; he shall appoint three commissioners to meet those who may be likewise designated to represent the government of Canada to prepare a plan for the assimilation of the import duties and international revenue taxes of the two countries, and an equitable division of receipts in a commercial union, and said commissioners shall report to the President, who shall lay the report before Congress.

This says there must be a "uniform revenue system, uniform internal or excise taxes, and uniform duties upon articles brought into either."