

CANADA'S RELATIONS WITH UNITED STATES

Latter Country Does Not Look for Any Annexation Movement—British Empire is United Commercially

THE loyalty of Canada to the empire is not questioned and annexation (of which certain Canadians seem to be fearful) is but a dream," says William B. Ellison, of New York, writing in the New York Sun. "That the material interests of Canadians might be better served were Canada a part of the United States is a question that I would leave to be answered by the million and a half of native born Canadians who felt, at any rate, that they bettered their conditions by becoming residents of this country. The subject, however, does not create even a ripple of interest here, and its discussion is almost exclusively confined to our Canadian American residents. I have in the past thirty odd years or more talked to the representatives of every political party and faction in the United States regarding it and have yet to find any favorable sentiment.

"The consensus of thought seems to be that the doors would readily open to the admission of Canada did she desire a union with us, and there is a most kindly feeling toward her and a splendid appreciation of her people; but I feel confident that this government would not tolerate a movement looking toward a political union unless it should have its initiative in Canada and have the fullest approval of the British government. In this connection, as stated in a recent issue of the St. Thomas Times-Journal, it may be that 'Canada's place as intermediary between the two great branches of the English speaking people is of the highest possible importance to both.'

"The acute industrial difficulties of the past few weeks have not been assuring to American capital seeking investment in Canada with a view of materially aiding in the development of her vast resources. Recent events in Manitoba, and earlier still (and of perhaps a different complexion) in Quebec, have not tended to create confidence in the determination of the Canadian government to suppress disorder. Canada has been wonderfully free from disorderly elements in the past, and it is to be hoped that there will be no weakening in its policy toward such disturbers.

"Former President Cleveland made his name great by an unflinching determination to suppress riot and rioters, and no government can afford to falter when the public peace is threatened. The very essence of good government is the maintenance of good order, and the use of all the forces that will secure it is justifiable.

"The Dominion Commission on Industrial Relations is promissory, however, of a better understanding between the employer and employee, and its activities should go far toward a solution and settlement of their differences. The interests of both are interdependent.

"The recent declaration by influential, if not controlling, elements in the Republican party of this country, to the effect that there will be a prompt rearrangement of the American tariff schedules, gives rise to serious reflection and will furnish a great fund of discussion in both Canada and the United States.

"We have here a large number of people who would let in the raw products of Canada free of duty. They favor free raw materials as a tariff measure. The consummation of their desires would appeal, I assume, with great vigor, to the producers of raw materials in Canada—notably the farmers. The Republicans, however, have for a long time espoused the cause of the American farmer, and evidence a determination to protect him as well as the manufacturer. It would therefore appear that we may have a renewal of the conditions that finally led to the McKinley bill in 1890.

"The passage of Mr. McKinley's tariff measure was accepted pretty generally throughout Canada as directly discriminative against her and her products, and led to some bitterness. I sincerely hope that there will be nothing of a similar nature to follow the new tariff legislation that is now proposed by the American Congress. There are people, and many of them, who believe that the United States should let in tariff free raw materials from all of the countries in both North and South America. They claim that, with our vastly increased merchant marine, and with a further

increase in our carrying power, together with our great financial strength, we would soon absorb and control the exportation of raw materials to Europe.

"These people illustrate their point by referring to the McKinley bill, which shut out the farm products of Canada and forced Canadians to seek a market therefore at Liverpool, where such products then came into direct competition with our own, instead of being controlled by us, as they had been, theretofore. All countries concerned need revenues, and it will be very difficult to adjust their tariffs so as to avoid friction and ill-will.

"In this country labor will be exploited and made to understand that to maintain the present high standard of wages the American manufacturer at least must be given a closer grip upon the American market. Capital will not resent increased protection for American goods, and it would seem to me that between the two we are very likely to have substantial increase in our tariff schedules, and, as a result, more or less friction between the countries interested.

Public Ownership

"It is quite apparent that Canada is waking up to a proper appreciation of municipal ownership and municipal operation. She has had her attention forcibly directed to the utter failure and the growing unpopularity of public ownership and operation in the United States.

"She now sees that fifteen months of governmental operation of the railroads of the United States have proved disastrous and that in spite of an increase of 25 per cent. in freight rates and of 50 per cent. in passenger rates—larger than private owners had ever dared to dream of and producing an increase in gross revenue of \$865,000,000—net earnings decreased \$285,000,000, the people suffering at the same time from an inferior service not equaled in the country in fifty years or more. In addition our people are called upon as taxpayers to advance a further \$210,000,000. It would seem that the total cost to the people of the United States of the fifteen months experiment has therefore totalled about \$1,075,000,000.

"Equally unpopular has been the government's control of the telephone, telegraph and cable systems. Government ownership and operation, like many other political fads, has exploded under practical application. That the result would be the natural sequence of the theory has long been understood by people practically familiar with proper governmental functions.

"This subject is one of most momentous importance to Canada and the United States, involving, as it may, trade relations between Great Britain and her colonies to the exclusion of the United States and other countries. And it will be seen at a glance that such an arrangement might involve many articles of commerce concerning which the United States and Canada could agree to their mutual advantage, but on which this country and Great Britain may not agree, so far as the tariff is involved.

"It may not reasonably be expected that in the reshaping of our revenue laws there will be complete harmony between Great Britain and the United States, and should Canada involve herself in some interempire arrangement she may then find our tariff prejudicially affecting many of her own products and she be correspondingly precluded from her most valuable market.

"This country is wedded to a protective tariff on manufactured goods, and I am convinced that the revision of the tariff now promised by the Republican Congress will raise, rather than lower, the duties to be paid on articles of foreign manufacture. There is, however, some radical difference of opinion, so far as raw materials are concerned, and I understand that Canadian exports are largely confined to those articles, and I am also of the opinion that this market offers better advantages than any other.

"It follows, naturally, that an interempire trade arrangement presents a subject that should be given the most mature consideration, and may lead to friction. That the subject is being seriously considered is evidenced by the speeches recently made before the Liverpool Committee of the Royal Colonial Institute, the purport of which was to begin a movement looking toward closer trade relations between Great Britain and her colonies. The idea has been most cordially received in South Africa."