

The Commercial

WINNIPEG, JUNE 26, 1893.

RECIPROCITY OF TRADE.

In the COMMERCIAL of last week, editorial reference was made to the question of reciprocity with the United States and some statistics were given from a pamphlet published by

Robert H. Lawder, of Toronto, showing the advantage enjoyed by the republic, in its trade with this country. In addition to our comments of last week Mr. Lawder submits more figures to show the value of our custom to the United States. Our imports from the republic form 45 per cent. of our total imports, showing what a large quantity of goods we receive from the United States. The duty levied on imports from the United States is also much less than on goods brought from other countries, the average rate of duty on imports from our neighbors being 15 per cent., while the average rate of duty on British goods is 20.25 per cent. and the average rate of duty on all imports is 20.03 per cent. This shows that we deal more liberally with the United States in the matter of customs tariff, than with other countries, though the lower rate of duty on imports is accidental, rather than intentional, and is owing to the class of goods imported from that country, and not to a desire to discriminate in favor of the republic. In spite of this actual discrimination in favor of the United States in our tariff, the McKibbin bill, adopted in that country, singled out about every commodity of importance imported from Canada, for prohibitory or nearly prohibitory duties.

From the statistics of trade between the two countries, it is evident that the United States has the advantage in its trade intercourse with this country. Our trade is more valuable to them than their trade is to us. This is the case when the question is considered purely from the standpoint of the interchange of commodities. In addition to these advantages enjoyed by the United States, Canada has offered valuable concessions in the fisheries and canals, in order to secure a reciprocity treaty, these concessions being much more valuable than any equivalent advantages the United States could extend to this country.

The great trouble with many people in the United States, when considering reciprocity with this country, is the fact that they value their own market too highly. They talk about giving a market of 60,000,000 of people in return for a market of 5,000,000. This is foolishness. Mere population has nothing to do with it. It is the exchange of goods which counts, and the exchange of goods is decidedly in favor of the republic. Great efforts were put forth to obtain a reciprocity treaty with the South American countries, though most of those countries have smaller populations than Canada. The argument based on the difference in population anyway is not a sound one, and the figures show that the opposite is true.

Cattle exporters are indignant over the action of the government in raising the inspection fee from two cents to three cents per head on all

THE AUSTRALIAN-CANADIAN TRADE —ARRIVAL OF THE STEAMSHIP "MIOWERA."

Last week I considered to some extent the local aspects of the trade between Australia and Canada and gave the items of export and import as between our sister colonies and the United States, which indicate in a measure the possibilities of trade as between Australia and Canada.

There are several important considerations affecting the whole question of a new Australian line. The more we examine the potentialities of the enterprise the greater the possibilities appear to be. There are, however, temporary obstacles to success to overcome, which a great many in their enthusiasm over the arrival of the first boat have overlooked and as a consequence a good deal of "rot" has been both written and talked about it. This is excusable, done as it is, with good intentions.

First, as to the scheme as an Imperial proposition, the hope that it will divert freight traffic or a portion of it by way of Suez canal, is quite illusory, except in the case of the stoppage of that route by war. The two transshipments of freight and the long over-land haul via Canada render competition by the latter route practically out of the question. But against that we have compensating advantages as a passenger traffic and mail route. From a political and Imperial point of view it affords an alternative and all-British means of communication. This, in itself, is a matter of the greatest importance and will not fail to be duly appreciated when the matter is fully discussed and the advantages clearly understood by the Empire as a whole. Then we have the desideratum of a more enjoyable less monotonous and dangerous voyage. By the old travelled way, even with fine, fast steamers, the voyage is long, unbroken by variety of scenery, etc., and is for the most part under tropical suns. The new route is one of travel by sea and land, affording cool breezes, pleasant breaks in the voyage and a variety of scenery unequalled elsewhere in the world. One too, in which time will not be an adverse element. The fact that mails by the s.s. Miowera, a 16 knot boat, will reach London three or four days ahead of those by the San Francisco line and in about the same time as those by the Suez canal is indicative of what is possible when the services shall have been perfected in its various links. It is safe to say that the new line well established and thoroughly advertised will attract a large share of the travel, to and from Australia, through Canada.

From a purely Canadian point of view, the principal interest centres on the amount of trade that can be developed between the two countries—Canada and Australia. Here, too, several unfavorable circumstances exist. It is true that Canada stands in quite as advantageous a relation to Australia as the United States, or nearly so, and it becomes a question as to which of the two countries can produce and sell goods the more cheaply. But for the present we have the unparalleled depression existing in the southern colonies, which must for some time limit the demand that heretofore existed for and was supplied by

Canada must be a competitor. The inauguration of the Australasian-Canadian line could not therefore have taken place at a more unfavorable time. However, if it can succeed or even stay under such circumstances it means all the greater success for the future, when the depression shall have passed away. The same conditions affect the trade with British Columbia, considered apart from the Provinces, and perhaps to a greater extent, because as our natural items of export are largely in the nature of building materials, and as very little construction work is going on in Australia, there can be but comparatively little demand for these for the present.

Then we have the important question of the trade policies of the two countries and reciprocal relations, which, to say the least, do not tend to draw them closer together. We have on one side a number of politically detached colonies, each with a tariff and an independent government of its own, and on the other a country that is bound to protect itself against the hostile tariff of the United States, and which under present conditions is equally directed against all other countries, friendly or otherwise. The shipper from Canada must study the business and fiscal policy of each Australian colony individually, and adapt himself as well as possible to the same. The shipper from Australia has to face a tariff that was intended as a retaliatory measure against duties imposed by the United States. And so the trade that all desire to see cultivated is hampered in every possible way by tariff restrictions. These things in the way of the development of trade will emphasize in Australia the desirability of confederation, whereby the interests of its people will be harmonized and their home market enlarged, and in Canada and Australia the great benefits to be derived from freer and reciprocal trade between all parts of the Empire. They are already forcing themselves on the attention of the business community of this country, more especially as a consequence of the arrival of the first steamer from Australia. Naturally the question of admitting other nations included in the favored nation clause of the treaties with Great Britain will arise, but if that should stand in the way undoubtedly the popular verdict will be in favor of letting them come in, because in any adjustment of our tariff to suit the requirements of trade with Australia it is not at all likely their influence will be seriously felt. It cannot any longer be considered a wise policy to try to improve our commercial face by cutting off our commercial nose. Taking all things together, while there are the elements of great possibilities in the new line, there are also serious difficulties in the way of promoting the object in view; but if the present venture should fail, which, however, is not in anticipation, it would not be on account of lack of a future, but owing to unfavourable conditions which at the most are temporary and exceptional in their nature. It behooves, therefore, all true Canadians to use their utmost endeavours to establish on a permanent basis, what, without any doubt, is fraught with great things for Canada and the Empire.

The Miowera's cargo inwards was all dis-