

The Commercial

WINNIPEG, JULY 4, 1887.

COMMERCIAL UNION.

In the question of Commercial Union with the United States, Liberal journals evidently think they have discovered a cloud, which, though not now much greater than a man's hand, will yet envelop the whole Dominion. These journals have therefore placed themselves in battle array on the side of Commercial Union, no doubt hoping that the advancing tide will carry their party to victory at the next general elections. On the other side the Government journals are doing what they can to stem the apparently increasing wave, to strengthen their cause against the growing agitation in favor of Commercial Union. To the independent observer there is an appearance of the ludicrous, if not a strong feeling of disgust in witnessing the hasty manner in which the party journals have arrayed themselves for and against Commercial Union, without having ever considered the question upon its merits. The arguments too, advanced pro and con in the wordy war which is already being waged between the two factions, over the question, are many of them too absurd to be amusing, whilst in some instances they are really nauseating. The wriggling of Liberal journals in their frantic efforts to prove that the trade of Great Britain with Canada would be benefitted by Commercial Union between this country and the United States, is one of the ridiculous features of the controversy. On the other hand, the wholesale charges of some of the lower class of Conservative papers, to the effect that the "Grits and Yankees" have formed an unholy compact to ruin the country, are among the more disgusting features of the agitation—disgusting at least to the more respectable portion of the community on both sides of politics, who see nothing manly nor pleasant to contemplate in this indecent and degraded style of journalism.

Notwithstanding the agitation going on in regard to Commercial Union, the question in reality is not in order for discussion, either in Canada or the United States. So far Canada has had no intimation that the matter would receive favorable consideration in the States. Mr. Butterworth has been the only advo-

cate of the cause in legislative circles in the latter country, and his notice of motions were not reached for discussion during the last Congress. Until some official expression of opinion comes from the United States, the matter cannot be discussed as a live issue, and any reference to the question can only be made in a secondary way, or as a matter which may possibly come up in the future. It therefore seems unnecessary that party journals should be already taking sides and fighting so vigorously over the matter, as many have been doing of late.

Admitting, however, for the sake of argument, that Commercial Union is an issue open for discussion, it does seem strange that alleged free trade journals are the papers crying out in favor of Commercial Union. A more abrupt turn about could hardly be imagined. How can free traders reconcile their alleged principles with this question of Commercial Union? On the one hand they have been crying out against protection, and then they abruptly turn round and advocate a policy of doubling our duties on imports from all countries but the United States, whilst admitting merchandise from the latter country free. This is exactly what Commercial Union means. We are told by the advocates of this policy, that it must certainly be to our advantage to increase our trade with the United States. No one would deny such a statement, provided the trade could be increased in a legitimate way, but if we have to lose our trade with the rest of the world to come into more intimate commercial relations with the United States, then the statement must appear in a different light. On the one hand is the United States; on the other the rest of the world. Shall we do business on equitable principles with the whole world, the United States included, or shall we discriminate against all other nations in order to favor the latter? The alleged free trader who would advise the latter course, can have little faith in his declared principles.

To enter into a commercial compact of unrestricted reciprocity with the United States, we would be obliged to unjustly discriminate against all other countries, Great Britain included, and moreover, we would be obliged to greatly increase our duties on imports from all other countries excepting the States. In order to carry out the theories of the Commercial Unionists, the customs duties of the two countries to the compact would have

to be equalized. Naturally this means that Canada would have to come to the United States' standard, for two obvious reasons, namely; that we are the weaker country, and that the disposition in the United States is to increase rather than relax the duties. As the customs duties in the United States are much higher than in Canada, we would therefore be obliged to increase our tax to a prohibitory extent on goods from other countries. Another ludicrous feature of the case would be, that whenever the United States' tariff underwent any tinkering, Canada would be obliged to follow suit. Under the proposed reciprocal trade arrangement one country must entirely surrender its tariff arrangements to the other. Canada must be the country to surrender. Would Canadians willingly allow their trade with the rest of the world to be choked off in this way, in order that their country should occupy this subordinate position to the United States?

Another matter which would have to be taken into serious consideration, is that of raising the revenue. The throwing off of the duties upon imports from the United States, even at the present volume of imports from that country, would make a big hole in our revenue, which would have to be made up in another direction. Then again, the increase in the duties on imports from countries other than the United States, would greatly curtail imports from such countries, in favor of the United States, resulting in further decreasing the customs revenue. To meet this total deficiency in the customs revenue, we would be obliged to greatly increase the duties on necessities which could not be produced at home nor procured in the States, and perhaps have to resort to some other mode of taxation. Under the proposed Commercial Union project, the inland revenue taxes would also have to be rearranged, so as not to cause a discrimination against our manufacturers in competition with United States producers in the same lines. Should the growing feeling in the latter country in favor of the abolition of the excise tax result successfully, we would again be obliged to follow suit, and thus another source of revenue would be cut off.

One of the leading features in connection with the discussion of the Commercial Union question, has been the prominence given to the Imperial aspect of the case. The question has always been