

The Commercial

WINNIPEG, MARCH 7, 1892.

NEGOTIATIONS WITH THE UNITED STATES.

The most important matter referred to in the address at the opening of Parliament was the paragraph dealing with the recent visit of the Canadian ministers to Washington. This was as follows:—

The meeting which had been arranged with the United States government for a day in October last, for an informal discussion on the extension of trade between the two countries, and on other international matters requiring adjustment, was postponed at their request. But, in compliance with a more recent intimation from that government, three of my ministers proceeded to Washington, and conferred with representatives of the administration of the United States on those subjects. An amicable understanding was arrived at respecting the steps to be taken for the establishment of the boundary of Alaska; and for reciprocity of services in cases of wreck and salvage. Arrangements were also reached for the appointment of an international commission to report on the regulations which may be adopted by the United States and Canada for the prevention of destructive methods of fishing and the pollution of streams, and for establishing uniformity of close seasons, and other means for the preservation and increase of fish. A valuable and friendly interchange of views respecting other important matters also took place.

The subjects mentioned are each sufficiently important in itself to warrant the visit of our ministers to Washington. A satisfactory understanding with the United States upon all these points, is desirable. The great question of reciprocal trade relations, however, is not even mentioned, and we can only surmise that the last sentence of the paragraph quoted above, which says that "a valuable and friendly interchange of views respecting other important matters also took place," has reference to the trade question.

Some further light upon the subject has since come from Washington. General John W. Foster, who has taken an active part in the negotiation of the recent reciprocity treaties concluded by the United States with other powers, has been speaking at a board of trade dinner at New York, upon the subject of reciprocity in general, and with Canada in particular. Referring to Canada, General Foster said:

While with our tropical neighbors, whose products are so dissimilar to ours, reciprocity is a simple matter, when we come to deal with a country having thousands of miles of coterminous territory, and with like products and industries, the question becomes more complex. The chief barrier to reciprocity with the Dominion, however, lay in the fact that Canada does not possess the right of negotiating her own treaties, but must have them negotiated by a distant power, controlled by economic principles entirely different from those of both the United States and Canada. So long as other interests than those of Canada are to control, General Foster said, negotiations for commercial reciprocity must prove a failure.

From the position which he occupies at Washington, Gen. Foster is able to and no doubt voices the feeling of the administration there, regarding trade with Canada. From Gen.

Foster's remarks, it may be inferred that the United States will not treat with Canada for reciprocity, unless upon a basis which leaves British trade interests completely out of the question. The action of the Liberal party in Canada, has led the United States to believe that sooner or later, we will be prepared to treat with them for a close commercial alliance, regardless as to how imperial trade interests may be affected thereby. Believing that this time will come, the leaders at Washington would no doubt conclude that they would only be delaying the day, by consenting to deal with Canada now, on a basis of respect for imperial interests. This is the only meaning that can be taken out of Gen. Foster's words, when he speaks of other than Canadian interests predominating, in negotiations for reciprocity between Canada and the United States. He knows well that the home government would not interfere in any reasonable treaty of reciprocity which Canada might desire to enter into with the United States. That is evidently not what he refers to. The case is simply this, that unless Canada is prepared to sacrifice her own and imperial trade interests, so far as they are intermingled together, she need not look for extension of trade southward. What the Washington administration want is not a fair reciprocity treaty in natural products, but they want Canada to shut out British goods and admit theirs free. This is what they hope for, and this is what they have been led to expect, by the mischievous commercial union agitation in Canada. Unless we are prepared to enter into a high-tariff compact with the United States and discriminate against Great Britain and other countries, we can only expect such treatment from the republic as was accorded us by the McKinley law. Our products will be shut out and taxed unmercifully in all directions, with the object of compelling us to submit to a trade compact such as is desired at Washington.

FORCING TRADE BY TARIFFS.

The McKinley bill in the United States has been a success in one respect, namely; in forcing a number of other countries to conclude reciprocity treaties with the United States, which are in their nature very favorable to the latter country. Mr. Blaine's trump policy of a close trade alliance between all the countries of America south of and including the United States, has not materialized in as glittering a manner as was talked of, but at the same time the United States has recently concluded quite a number of commercial treaties with other countries, which are favorable to the extension of the export trade of the republic.

One of the avowed objects of the McKinley bill, was to force certain countries to reduce their tariff upon commodities exported by the United States. It was provided that after a specified date (which date has recently expired), that higher duties might be levied upon products coming into the United States from countries which did not buy liberally from the republic. That is, in cases where the balance of trade was against the United States, the president was to suspend the general tariff upon

products coming in from such countries, and make them subject to a higher rate. This was applicable mainly to countries exporting sugar, molasses, coffee, tea and hides. Duties upon these products were lowered by the McKinley bill, but under the conditions stated above, the old duties might be again enforced after a specified date, as against certain countries which had not in the meantime arranged a reciprocity treaty with the United States. Under the pressure of the threat of higher duties upon their products, a number of countries, as stated, have submitted to a reciprocity arrangement with the republic. Others have not done so, and they have been formally notified that the higher tariff will be imposed upon their products, unless they come to time.

The reciprocity treaties which the United States has concluded, principally with South American countries, will have an injurious effect upon the trade of other nations with these countries, and will probably tell most severely upon British trade. The effect of the reciprocity provisions of the McKinley law, has therefore been awaited with keen interest in England. The matter was recently discussed briefly in the British house of commons, and it was admitted that British trade with certain countries had been placed at a disadvantage, through these reciprocity treaties concluded with the United States.

The policy of high tariffs was first adopted as an alleged means of building up home industries. Recently high tariffs have come to be looked upon as a means of forcing international trade. The policy is not a commendable one, but it is capable of exerting a wonderful influence upon the trade of the world. Fancy a commercial union of the hundreds of millions of subjects of the British Empire, and fancy this empire dictating to the world after the manner the United States has done in the McKinley law! What vast consequences to some countries would be involved under such conditions. The United States has adopted the principle that there must be something like a fair proportion of trade in its favor, in its commerce with foreign countries, and where the balance is against them, they propose to raise their tariff against such countries. The British empire is by far the largest consumer of United States products, while the latter country is not a liberal buyer of British goods. An organ of the protective party in the United States recently boasted that British board of trade returns showed that the United Kingdom had purchased 95,000,000 pounds sterling from them, while the United States had only taken 44,000,000 pounds of British goods. What a splendid opportunity there is here of administering to the United States some of its own McKinley law medicine. As British trade will suffer most severely from the reciprocity treaties the United States is now concluding, so also would the latter country be decidedly the greatest sufferer should the McKinley act be copied by the British parliament. Under such conditions the granger element of the republic, which is always a vigorous kicker, would have something to howl about in earnest. Of such a contingency, however, there is probably little need for alarm.