

BRITISH CONNECTION AND CANADIAN POLICY.

No. III.

Is Protection in Canada something so opposed to the interests of England that we are guilty of treason to the Empire in adopting it? Admitting it to be good for Canadian interests, is it bad for British interests, say to such an extent as to warrant the rise of an unfriendly feeling at home towards the colony? That is the question which I propose to answer.

It is an old proverb that "two of a trade can never agree," and the nearer alike the trades of any two are, the more competition and the less agreement will there be between them. The blacksmith and the waggon-maker work to each other's hands when together, but when we have two blacksmiths side by side, or two waggon-makers, then there is competition and rivalry. Now, it so happens that, owing to natural circumstances, and the fact of this being a new country, our manufactures are mostly *like* those of the United States, and *unlike* those of England. The various branches of production which Canadians "take to" and develop, are all, or nearly all, such as have already been developed in the States. We cannot lay much claim to originality; we start here the same industries that have before been started over the border, and we either buy or copy American machines to work with; except in the case of cotton and woollen machinery, which we get mostly from England. But, even with English machinery, we make cotton cloth as they do in Massachusetts, and not as they do in Lancashire. Our boot and shoe factories are simply copies of the great establishments at Lynn and Haverhill; and in making agricultural machinery we take our models from the States of New York, Ohio, and Illinois. Our patterns of stoves we get from Troy, the birth-place of the base-burner, perhaps from Buffalo or New York city. The scythes, hoes, and hayforks that we make are of American design, the clumsy English articles would not be used by any Canadian, except on compulsion. The sewing-machine industry, having been started in the States, was quickly begun here too, though its introduction into England is very slow, and not particularly successful. We build our river and lake steamers on the American, and not on the English model. In the domain of morals, manners and politics, we are largely under English influences, but our material civilization is American, not European. We follow English precedents in law, but we build and work our railways on the American plan. We have almost a slavish respect for English opinion, and we import our opinions from the old land almost as we do our books, but we either copy or buy American machines for the greater part of our manufacturing operations. And out of all these circumstances grows the remarkable case in which we find ourselves.

Our material conditions, and the requirements peculiar to a new country, as is this region of the North American Continent, make us fall into the same industrial grooves as our neighbours—our only actual *neighbours*, as we may call them. The things that we produce and have to sell are in great part the same as the productions and wares of the States nearest to our border. These States on one hand, and the Provinces on the other, are emphatically "two of a trade." We are making the same articles, and working on the same industrial lines as the Americans. Hence we are competitors of theirs rather than customers; or, let us say, we were customers of theirs under semi-Free Trade, but will become competitors under Protection. We can remain customers of theirs only through failure to improve our opportunities, and to develop our own resources. That we should continue their customers presupposes that Canada is to stand still and to make no progress; surely not the proper destiny of the Dominion. By so much as we progress in arts, manufactures, and production generally, do we become less dependent upon our neighbours, and more self-sustaining as a people. The most extraordinary folly is talked about the extension of our trade with the United States as something desirable. Imagine that the genii of an Aladdin's lamp were some fine morning to show us all our factories and foundries, with the entire population sustained by them, taken hence and set down over the border. Our imports from the States would be vastly increased, because we would have to buy there what we are now making at home. So also would be our exports thither of farm produce, because, our town and village population being reduced, we would have the more food to dispose of. There would be an enormous increase in our foreign trade, more imports and more exports, though the Dominion would be demonstrably poorer by millions upon millions. This is the *reductio ad absurdum* of the foolish idea that foreign trade, or the mere

carrying backward and forward of commodities, is necessarily a means of wealth. Say that we imported each year a million dollars' worth of goods from the State of New York, and sent thither the same value of farm produce. In this large exchange there would be profit more or less for individuals; but the Dominion would be much better off if the capital owners and the actual producers of the goods were added to our own population, and if their requirements absorbed the million dollars' worth of produce which before we had exported. Wherein lies the benefit of our buying American wheat and flour, when we have a surplus of our own? The fall wheat of Ontario is exactly like that of Michigan and New York, and the spring wheat of Manitoba is exactly like that of Minnesota. The cotton goods made at Montreal and Cornwall are exactly like some of those made at Lowell or Fall River; we say "some," because the Americans make some lines which we have not yet begun upon. There is reason in our import of raw cotton from the South, because we cannot grow it in Canada, and the exchange of our lumber and fish for tropical products is proper and natural. But for grain-growing Canada to have a grain trade with Illinois, except for transportation to European markets, or for Montreal to import from Massachusetts cotton goods that we can make here as well as the down-easters can make them there, is carrying commodities long distances to no purpose. With as much reason might two blacksmiths make horse-shoes for each other; the *trade* thus carried on would bring no real profit. We should have but little trade, comparatively, with the border States, for the reason simply that we are producing and making the same articles that they are. And, as before remarked, to the extent that we advance and progress, our purchases from these States, relatively to wealth and population, must diminish. There is not much opening for trade between two fishing villages, for instance, or between two villages both sustained by the milling and flouring business. But between one of the former and one of the latter there is an opening for trade, because each has to sell what the other wants. In other words, they are not competitors, but natural customers to each other.

Now, it would not be correct to say that there is no natural basis of trade between these Provinces and the Northern States; that would be too sweeping. Canadian fish are wanted in New York, and even grain-producing Ontario might find some advantage in the importation of Illinois corn. But in a general way it is true that, working mostly on the same lines, and producing the same articles, we and our neighbours are naturally competitors, and not customers of each other. What opening, for instance, is there for a sugar trade between Cuba and Demerara, or for a fish trade between Halifax, in Nova Scotia, and Gloucester, in Massachusetts? Or can we imagine Preston and Blackburn, in Lancashire, doing a profitable cotton trade with each other? These instances may help to bring home to the mind the fact that diversity of production is the true basis of trade and exchange. Where the diversity of production is founded on *natural* causes, as between Quebec and Jamaica, it is permanent; but where founded merely on circumstances of man's creation, as on the development of the cotton manufacture earlier in the States than in Canada, it is temporary only, and liable at any time to disappear through the progress of the country that was behind at the start. The fundamental error of the Free Traders is that they confound differences of production merely accidental and temporary with those which are natural, and therefore permanent. Hence a clever Frenchman, Bastiat, has left us pages upon pages of the merest twaddle, written to prove what nobody denies, that division of labour is profitable, that the tailor should make coats for the shoemaker, while the latter should make shoes for the tailor. Bastiat deserves to be called stupid for having missed the fact that though the individual cannot be Jack-of-all-trades—baker, butcher, candlestick-maker all at once, the nation furnishes individuals for each separate trade all through. There is just as complete a division of labour in a cotton factory in Montreal as in a Lancashire factory, and the same remark holds good in many other lines of manufacture. What the Canadian Bastiat has to do, if he can, is to show that because the Americans did in some branches get the start of us in point of time, we are therefore to fold our hands and let them keep that much ahead of us as long as grass grows and water runs. But it is not enough to say that these Provinces and the States nearest them are now very much alike in industry and production. We must realise the further and very significant fact that the likeness in *manufacturing* production is increasing every year. It *must* increase all the time, or else we are driven to the alternative that Canada is not to progress at all. Our new National Policy must inevitably give a great impetus to the process of increasing likeness, by starting