

# The Commercial

WINNIPEG, NOVEMBER 13, 1883.

## RECIPROCITY WITH THE UNITED STATES.

The question of trade relations between Canada and the United States is one that has engaged the attention of statesmen of the former for over thirty years, and seems to grow in importance with them as time advances. Unfortunately it is difficult to reason such a question as a purely trade one, without national prejudice, and while such is the case selfishness in judging the matter must remain in the ascendancy. From 1862 up to about two years ago the press of the United States frowned on the idea of reciprocity with Canada, although from the Canadian side there have been many overtures for an arrangement, some of which savored not a little of national toadyism. The tables are now turned however, and it must be acknowledged that in a great measure the turning is the result of the Canadian Protection policy introduced in 1879. Small as American manufacturers may deem Canada as a trade field its loss has been a serious one to them, and as a natural consequence American trade journals as a rule now advocate reciprocity with Canada, but reciprocity upon a principle that would open Canadian markets to them, and close them against the products of European manufacturers. Reciprocity of that description would certainly be a profitable arrangement for the United States, although it might not prove so for Canada.

Strange as it may seem the above one-sided style of reciprocity is not without its advocates in the Dominion, and still stranger it must seem that the bulk of these advocates are to be found in the ranks of the political party which has free trade as one of its professions if not of its dogmas. These parties who object so strongly to the Canadian Tariff laws, with their average of some twenty-five per cent, on foreign manufactured goods, profess to believe that the commercial and industrial progress of the Dominion would be greatly assisted by a system of commercial unity with a nation whose average tariffs are somewhere in the neighborhood of sixty per cent. By what kind of logic they can arrive at such a conclusion, the unbiassed and politically free student of commercial economy can never comprehend, and must wisely rate

the matter as a political idiosyncrasy, worthy of a party long in and weary of the cold shade of opposition.

But now in the North west where parties of all shades of politics admit that the present Canadian tariff laws are in some respects unjust to and oppressive upon this part of the Dominion, we have many who assert that our best interests lie in a system of free exchange with our neighbors across the line, and in fact in our being part and parcel of the United States commercial system. The voice of some articles in general use, without regard to the whole system of tariffs, is sufficient to confirm some in such a belief, or at least make them advocates of it in preference to our Canadian Tariff laws. If the anomaly of such a position is plain in Eastern Canada, whose manufacturers are reaping some benefit from a protective system, it must be glaring here where so much depends upon our securing supplies from the older World as cheap as possible. It is plain that no system of reciprocity with the United States, which would protect that country against European competition through Canada, would be beneficial to the North-west. The few advantages that we would gain would be lost altogether in the many disadvantages which such a system would bring about. It may be that in a few years from now matters may be greatly changed. Already there is a strong current of free trade feeling even in manufacturing circles in the United States, and at last session of Congress the thin edge of the wedge of a policy tending in that way was introduced. It can only be by a great advance in that direction that any encouragement can be given to the North-west to wish for reciprocity, and until that is reached people here would "Rather bear those ills we have than fly to others that we know not of."

A careful study of this question suggests another plea for closer commercial union directly with the Mother Country. Great Britain opens her ports free for all the products of our rich land, and our pioneers need her cheap manufactured goods. Our interests in this respect are in direct opposition to those of eastern provinces, and as time wears on the commercial breach between the East and the North-west must widen, if the present system of excessive tariffs be continued. For a time political prejudices imbued in former eastern homes may obstruct the

tide of popular opinion in this direction, but eventually the trade wants of this vast land of promise must be the most powerful influence in framing the political creed or creeds of its people. A great step towards this closer union with Great Britain would be the opening of the Hudson's Bay Route. The direct interchange of products without their passing through the toll gates of eastern middlemen, or even eastern channels of traffic would do much to correct the same, and teach people here, that, without allowing any consideration for patriotism or national leanings, it is more profitable to be linked with the Mother Country, with its generous system of open ports for the products of the whole World, than with the United States, whose whole structure of trade laws for over twenty years have been based upon dishonest selfishness, and whose people now seek reciprocity merely as a means of practising the same selfishness upon us here.

## OVER PRODUCTION.

From all points of the United States, Great Britain, and from the Eastern Provinces of the Dominion as well comes the cry of over production. The few years of unparalleled prosperity and plenty has over stimulated manufacturing industries of nearly all classes to such an extent that heavy surpluses of stock have accumulated in many cases sufficient to supply the demand for several months to come. Cotton and iron manufacture seem to be suffering the most from the results of over production. The rapid progress of railway construction during the past few years gave a special impetus to the latter. Railroads were being built by thousands of miles every season, which made a keen demand for everything in that line. Companies were formed and immense establishments went into operation and realized handsome profits from the business while the railway excitement continued. Now there is a slackening off in railway building and the capacity for iron manufacture being at the same time much greater than it was, a period of depression necessarily follows. With cotton manufacture the case is somewhat similar. There was plenty of room for a limited number of establishments to do business and make money at a reasonably rapid rate. But, as is always the case, when one man is seen to be making a success of business in a certain line there are scores of others ready to jump in and compete, never