

The Commercial

WINNIPEG, MARCH 18, 1898.

COMMERCIAL UNION PROPOSALS.

The announcement which came from Washington recently concerning the question of commercial union between this country and the United States, has occasioned quite a surprise to the people of this country. Just what has led to the sudden change of front on this question at Washington, it is of course impossible to determine, without an intimate knowledge of the inward workings of the political machine at the capital of the Republic. Canadians have been told over and over again, through the press and by the public men of the United States, that the alleged advantages of free commercial intercourse with our neighbors could only come through the medium of political union. It is therefore a surprise to learn that a resolution in favor of commercial union has been favorably considered at Washington. The committee on foreign affairs reported unanimously in favor of the commercial union resolutions, and subsequently the resolutions were passed by the House.

After the frequent declarations that political union was the only door to free commercial intercourse between this country and the United States, the sudden change of front would lead to the inference that some secret influence has been at work to cause this change. It has been a popular mistake in the United States for the past quarter of a century almost, to believe that access to the markets of the United States was actually necessary to the existence of Canada. Acting on this belief, our neighbors have imagined that by closing up their markets to our products, they would force this country into a political union with them. But after many years, the prospects that Canada will be forced into the union in this way, do not appear any nearer realization than they were at the time the old reciprocity treaty was abolished. Instead of dwindling away, this country has steadily advanced in wealth and prosperity, quite in keeping with any other part of the continent.

It may be, therefore, that the political leaders in the United States have come to the conclusion that they will be obliged to adopt a new policy in order to bring about a political union between the two coun-

tries. If this is the case, they are certainly on a better track than while pursuing the old policy. If the representative men of the United States have decided that Canada can get along without free trade with their country, they will at once recognize that a policy of exclusiveness would be entirely wrong, so far as the encouragement of political union is concerned. The encouragement of the very fullest measure of commercial and social intercourse would certainly seem to be the correct policy to pursue to improve the prospects of political union. If a friendly amalgamation of the two great English speaking nations of this continent is to come, it will be brought about by the influence of the very freest international intercourse.

There may be another reason for the change in policy at Washington. The people of the United States have always talked as though Canada only would be benefitted by freer trade intercourse between the two countries. Recently, however, trade papers in the United States have been giving some attention to trade returns between their country and Canada, and they have learned that Canada is one of their very best customers. In spite of all the artificial barriers which have been built up on both sides of the boundary, trade between the two countries has steadily and rapidly increased, and the balance has not always been favorable to Canada. On the contrary, the figures of exports to and imports from the United States into this country, show a very large balance in favor of the United States. It may therefore be taken for granted that the United States have quite as much to gain as Canada, from the encouragement of trade intercourse. For the fiscal year ended June last, exports from this country to the United States were valued at \$42,572,000, and imports from the United States, \$53,343,425. The somewhat unexpected declaration at Washington in favor of commercial union may, therefore, have been to some extent brought about by the discovery that the policy would not be a bad one for the United States.

Without at present discussing the supposed advantages of commercial union, or enquiring into the feasibility of the proposals, it is quite probable that the proposals will be favorably received by a great many in Canada. The people of Canada are almost pledged to a liberal trade policy concerning the United States, and if we remember correctly, our own National

Policy was designed to force the United States into free trade with us. The N. P. has been a slow medicine, but these commercial union proposals may indicate that it is now beginning to operate. The Liberals in Canada, who may be said to have already adopted the commercial union platform, will likely find it a very valuable card to hold, should it take more definite form by the time another general election comes around. Heretofore the opponents of commercial union could say that it was useless to make the question an issue in our political contests, as the United States would never accept the scheme. But now the situation is entirely altered, and certainly to the advantage of the Liberals. With commercial union squarley before the country, as it will probably be at the next general election, a very sharp contest may be looked for. Government organs evidently recognize this, for already a bitter opposition to the recent commercial union proposals from Washington has been shown by Conservative papers all over the country, on the line that it is simply annexation in disguise, and an invitation *a la* the spider to the fly.

THE COST OF BONUSING.

In Canada every now and again a regular epidemic of bonus-granting breaks out in some section of the country. In the province of Ontario the bonusing of railways and industries has been carried on at times to a reckless extent, by municipal corporations, and some towns have suffered severely from burdensome taxation, brought about by the bonus system. To such an extent has bonusing been carried on in Ontario, that the Legislature of that province very wisely passed an act some time ago intended to greatly restrict the evil, for such it had certainly become. Among other features this Ontario act provided that no bonus should be granted with the object of inducing the removal of an industry already established, to some other point; certainly a very reasonable proviso.

In Manitoba bonusing has been carried on to quite an extent, and not infrequently with very unsatisfactory results, as we all know very well. There seems, however, to be a fascination about this bonusing business which keeps the system in vogue, in spite of good arguments for its discontinuance. From the lessons received in the past, however, there is not the same dangers now from excessive