

# The Commercial

WINNIPEG, AUGUST 22, 1887.

## DISCUSSING COMMERCIAL UNION.

Those who attended the lecture by Professor Goldwin Smith, in Trinity Hall, Winnipeg, on Tuesday evening last, must have gone away greatly disappointed. The lecture could hardly be considered as a full and practical discussion of the Commercial Union question, such as was no doubt expected by the majority present. The erudite professor certainly gave much more attention in his discourse to the question of protection than to the practical consideration of Commercial Union. Indeed, the lecture might with justice be termed an attack upon the protective policy of the present Dominion Government. Against this policy the professor brought out clearly many strong points, and the applause with which his arguments were greeted showed that he had touched the right chord in the estimation of almost the entire audience.

The great majority of the people of the Northwest would thoroughly agree with the reasonings of Prof. Smith regarding protection, and his remarks in this connection were certainly appreciated, but as to Commercial Union, it is doubtful if the audience really went away with any clearer perception of this important question. No new arguments were adduced, and even the old ones were not presented in a new light. Some of the more important points of a practical nature, such, for instance, as the question of revenue, were not even hinted at, whilst, on the other hand, the professor took up a considerable portion of his time in discussing side issues of really no practical importance from a commercial point of view. The sentimental question of British connection was dealt with at length, and the professor strenuously endeavored to prove that Commercial Union, once accomplished, would not lead to annexation. It must, however, have been somewhat amusing to the audience when, later on in his remarks, the professor had to acknowledge his belief in and desire for the ultimate political union of all the English-speaking people of the American continent.

Reference was also made to the opposition to Commercial Union which the professor expects from the French clergy of Quebec, and the well-known pessimistic

views of the professor regarding the future of Canada were also given another airing. These straw men were set up and vigorously pounded with sledge-hammer arguments, whilst more practical issues were referred to but briefly or altogether neglected. Other and more practical objections to Commercial Union were not dealt with. It is not intended to represent here that the lecture was not at all to the point, but it is certain that the discourse was not such as to give the audience a clear idea of what is meant by Commercial Union, or even to enable them to grasp the more important features of the question.

Professor Smith's attempt to confound Commercial Union with Reciprocity was not at all satisfactory. It requires only ordinary intelligence to discover that Reciprocity, or the free interchange of certain commodities between two countries is quite a different thing from the formation of a Zollverein, which, whilst allowing a free interchange of commodities between the parties thereto, provides a common tariff wall of protection against imports from all other countries. Reciprocity would not necessitate any change in the Canadian tariff; Commercial Union would call for an increase in our duties to bring them up to correspond with the customs tariff of the United States, now very much higher than ours. Commercial Union means that for the privilege of trading with the United States, Canada must exclude all other countries from her markets. To exclude other countries from our markets would, in the natural course of events, mean the exclusion of Canadian commodities from such countries. For instance, ships carrying Canadian produce to Great Britain, and having no return cargoes, would be compelled to charge a much higher freight rate, thus placing a heavy tax upon Canadian exports, against which it would be found impossible to compete with other exporting countries. We are largely at the mercy of Great Britain for a market for our principal exports, the United States also producing a surplus of almost everything we have to export, therefore it would be unwise to provoke Great Britain to any act hostile to Canada, which might result from the formation of a compact with the United States necessitating a discrimination against imports of British goods. Canadians should certainly be desirous of encouraging commercial intercourse with the United States, but only

in a legitimate manner, and not by entering into a compact of discrimination against all other countries with whom we should also be anxious to do business. The statement of the professor that the tendency in the United States is toward a lower tariff, is not borne out by the facts. At the last elections the fair traders—those who were in favor of lower duties—were almost annihilated, and the Democratic party has shown no desire to bring any of their fair trade principles into practice. It is therefore clear that there is no hope of obtaining Commercial Union on a basis of a reduction in the tariff of the United States.

It was admitted at the meeting by avowed Commercial Unionists that, so far as the Northwest is concerned, we have very little which we could export to the United States. The only gain to this country from Commercial Union would be in imports. Certainly we import many things upon which we are compelled to pay exorbitant duties, but we also import a considerable amount of goods from Great Britain and other countries. Commercial Union would allow of the importation free of such goods as come from the United States, but it would increase the cost of goods coming from other countries. We would still be obliged to export our surplus agricultural products elsewhere than to the United States, though at a greater disadvantage, from the fact that in Eastern Canada and British Columbia markets, which are now largely controlled and supplied by Manitoba produce, the United States would be our active competitor under Commercial Union.

It surely should be plain to everyone that Commercial Union is not the remedy for excessive duties. The regulation of the duties the people of Canada have in their own hands. If they are excessive, remedy the matter at the polls; though, of course, the revenue must be considered. The great movement described by Prof. Smith among the Ontario farmers in favor of Commercial Union, is most likely the effects of reaction from the protectionist wave. The farmers see that protection has not greatly altered their condition, and they are now ready to be allured by another glittering bauble. So far as the Northwest is concerned, any general movement in favor of Commercial Union would be brought about (as was clearly evident from the feeling of the meeting last week) solely by a desire to get rid of