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RETALIATION AND RECIPROCITY.

THE fishery embroglio between Canada and the United States has re-opened the broader question of the general commercial relations of the two countries. At first sight it might not appear that a rigid insistence on strict treaty rights upon our part, followed up by a retaliatory measure looking to the exclusion of our vessels from American ports, and an embargo on our fish, were likely to advance the cause of reciprocity. But on the principle that when things are at the worst they begin to mend, it is quite likely that an experience of the inconvenience and loss incident to commercial warfare may incline both nations to regard more favourably proposals for closer relations. At all events, it is significant that simultaneously with the "strained relations" arising from the fishery difficulty, projects of reciprocity or customs union are freely canvassed on both sides of the line. If a year or two of harassing and vexatious restrictions such as those embodied in the Retaliation Act should bring the Canadian and American peoples to see that their true interest lies not in multiplying but in diminishing as far as possible the artificial obstacles to free commercial intercourse the present dispute will be a blessing in disguise.

Repeated attempts to negotiate reciprocity treaties have proved failures, because of the active hostility of a few special interests which are benefited by the maintenance of the tariff line. It is unfortunately the case that while the small minority who are liable to be prejudicially affected by measures framed for the general advantage are always alert and energetic in their opposition, the mass of the people whose direct interest is but slight are comparatively apathetic. Hence the money and influence of commercial rings at Washington have sufficed to defeat the reciprocity movements of late years. With the growth of our manufacturing industries a similar pressure of private and selfish interest will make itself felt at Ottawa, as it is now making itself heard through the columns of the protectionist press. If these sinister influences cannot be overcome in any other way than by the widespread injury to trade occasioned by a season of non-intercourse and increased restrictions on traffic, by all means let us welcome retaliation. Nothing inclines a nation to peace and exorcises the spirit of jingoism so effectually as a devastating war. The fight of tariffs, embargoes, and petty, irritating frontier regulations, may produce lasting good if it takes the whole question of commercial relations out of the hands of interested cliques and rings, and forces it on the attention of the public.

As to the great benefit of reciprocity or commercial union in its most comprehensive form, there cannot be two opinions. A

glance at the map is sufficient to decide that question. A policy of commercial isolation from our neighbours compels Manitoba, the North-West and the Maritime Provinces to trade at long range with Ontario and Quebec, instead of with the American communities at their doors. It not only taxes them heavily in freights, but excludes their products from their natural markets. Any gain which the manufacturers of the central provinces may secure is far more than off-set by the loss sustained by our farmers, who, if the American tariff was abolished, would supply the large centres of population with the produce of Canadian soil. The term "native industry" has been so freely and speciously used during the interminable tariff discussion as synonymous with manufacturing operations, that we are apt to forget that agriculture is our staple industry, and worthy of the first consideration in such a discussion.

Those strenuous protection advocates who affect to regard reciprocity as opposed to the national policy conveniently forget that during the memorable N.P. campaign, its champions repeatedly and persistently declared that they were not opposed to free trade *per se*, but to one-sided, or, as the phrase went, "juggled free trade." The existence of the American tariff was constantly put forward as the justification of the movement. No one then averred that Canadians could not compete with Americans upon equal terms. The whole gist of the Protectionist contention was that the terms were unequal, and that by raising a tariff wall against Canadian exports the United States had made it necessary for us to exclude their products. To object now to the proposal to abolish all tariffs on both sides of the line, under the pretence of upholding a movement which derived its whole force from the existence of the U.S. tariff barrier, is disingenuous in the extreme. That it would force reciprocity by giving us a make-weight in future negotiations with the Americans was one of the most popular and telling arguments in the mouths of those who have of late thrown off the mask, and assume that free trade with the States is to be dreaded rather than desired.

It is too often taken for granted that continental free trade would ruin our manufactures. The history of manufacturing progress since the American war wholly disproves this bugbear of the protectionist doctrinaires. If the United States, considered as a nation is a standing argument for protection, considered as an area large enough to comprise many nations it is an equally valid argument for free trade. There are no inter-state tariffs—no customs lines between North and South, East and West. Yet, despite the absence of tariff protection, the infant industries of the South and West have grown up and prospered in the face of the keenest competition with the wealthy and long-established factories of New England and the Middle States. Massachusetts is losing its old-time supremacy in textile manufactures. Pittsburg is finding formidable rivals in the iron trade in various southern localities, and manufactures of all sorts are springing up even in the newer settlements which, according to protectionist logic, should be utterly unable to hold their own against the concentrated capital and "pauper labour" of the East.

When once the custom houses are down there is no magic in an international boundary line. Why then should Canadians fear the competition which has not been able to concentrate manufactures in any one section of the republic, or prevent the success of new and originally feeble industries unprotected by any tariff?

P. T.