

The Commercial

WINNIPEG, DECEMBER 7, 1886.

RECIPROCITY.

It would appear from a recent communication received by President Mackenzie, of the Winnipeg Board of Trade, from the St. Paul Chamber of Commerce, that the latter body is strongly in favor of reciprocal trade relations between Canada and the United States. The communication states that "the St. Paul Chamber of Commerce have repeatedly recommended to Congress the propriety of securing a reciprocal treaty with the Canadian provinces." An expression of opinion is asked from the Winnipeg Board of Trade on the question. There is undoubtedly a strong feeling in many parts of the United States in favor of a reciprocity treaty with this country, which the existing fishery difficulties have tended to bring into prominence. However, a great deal of opposition to such a scheme would come from certain classes in both countries, and the sentiment fostered by the present high tariff regulations in Canada as well as in the United States, would stand in the way of the substitution of a reciprocity arrangement between the two countries.

It cannot be said that the state of public opinion in the United States has made any great advance toward the principle of free trade. Indeed, the November elections just past would indicate that the opposite is the case; and whilst a free trade sentiment undoubtedly does prevail to a considerable extent in the West, it has been lately asserted that the doctrines of the protectionists have been coming rapidly into favor in the South during the past few years. This is quite probable, as it would be natural to expect that the rapid growth in the iron, cotton and other manufacturing industries in the South would carry with them a good deal of protectionist sentiment. This impression would seem to be borne out by the fact that a Democratic administration has done nothing toward taking a decided step in the direction of free trade, and that nothing more than a few vague hints about tariff tinkering have been thrown out. Such hints as have been given in regard to a remodeling of the tariff have not indicated any radical changes from the present system, but they have been sufficient to arouse a strong display of hostility

against any proposals to alter the existing state of things. The tariff question exerted no light influence in deciding the recent elections, and the result was manifestly against any relaxation in the duties, as was shown in the defeat of many of the candidates who were in favor of tariff revision. It would therefore appear that so far as the sentiment in the United States is concerned, there would be a considerable opposition to a reciprocity treaty from that quarter, in so far as it would indicate a disposition to relax protectionist principles.

In Canada also there would now be a very strong opposition to such a treaty coming from a wealthy and influential portion of our population. Eight or nine years under a high protective tariff has been sufficient time to call into existence a powerful element of opposition to the proposed change. Many lines of manufactures have been established which depend to a great extent upon tariff protection, and which would be left in a serious way by the removal of the same. Some of these industries have been called into existence solely through the adoption of the protective tariff, or the National Policy, as it is usually termed, and they have since continued to lean upon this policy for support. The removal of the prop would mean their annihilation. Such industries, established through the influence of a protective tariff, and depending either wholly or in part upon it for support, have come to be looked upon by many as "vested rights," and worthy of due consideration in any proposals to alter the duties affecting the same. Without discussing the question of vested rights, it is evident that any attempt toward reducing the customs duties would meet with determined opposition from a large section of our people; and the question of reciprocity with the United States, would now find fewer supporters in this country than at any time since the abrogation of the last reciprocity treaty with that country.

There are those in Canada who look upon the tariff question solely from a party standpoint, and who, without understanding the principles of free trade *versus* protection, would be willing to follow their political party in whatever policy the party might adhere to. Some of these would be quite willing to see Canada buried commercially in the United States if their party should so dictate. By a policy of extreme protection, a vast man-

ufacturing interest has been built up in the States; and now stands upon a firm footing. In Canada many manufacturing industries are but in their infancy. To throw our markets open to the highly protected manufacturers of the United States would therefore be to place our home producers of many lines of goods at the mercy of the foreigners, the latter being at the same time shielded from outside competition by the high tariff wall. Thus it might be shown that reciprocity would not prove an unmixed blessing to Canada at large, and many objections might be urged against entering into such a favored nation's arrangement, without at all combating the principles of free trade. A free interchange of natural products between Canada and the United States, without the imposition of duties, would undoubtedly prove of benefit to both countries, but to go beyond this would be to provoke a strong feeling of opposition from a large section of our people.

JAMES' BAY RAILWAY.

Notwithstanding the opposition which has been manifested against the Winnipeg and Hudson's Bay railway in the East, and the expressed belief of the people there in the impracticability of the undertaking, it would appear that these people have after all a great deal of faith in the enterprise. They have been very reluctant about confessing it, but it has at last come out. In Toronto, where save Montréal, the greatest incredulity was expressed in the Winnipeg scheme, they are now agitating for the construction of a railway through Ontario to James' Bay. The financial part of a scheme to build a railway from Lake Nipissing to James' Bay is said to have been satisfactorily arranged, subject to the granting of bonuses by the Dominion and Ontario Governments. It is proposed to ask the Ontario Government for a grant of \$6,000 per mile for 150 miles, whilst an endeavor will be made to mulct the Dominion to the tune of \$4,000 per mile for 350 miles. The engineer has submitted a report showing that the road can be well and substantially built at a cost of about six and a half million dollars, which sum it is proposed to raise by ordinary stock and mortgage bonds, with the assistance previously noted from the respective Governments. The proposed road will run entirely through wild land, without settlers. The directors express their firmness in their belief that the