

Imperial Preferential Trade.

A PAPER READ BY

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BEFORE THE POLITICAL ECONOMY CLUB OF MONTREAL.
ON 10TH NOVEMBER 1905.

The question of Imperial Preferential Trade is so many-sided that it is hopeless to attempt to discuss it in all its aspects, within the limits of a paper of the ordinary length of those submitted for the consideration of this Club.

Fortunately, or perhaps unfortunately, certain features of the subject have been discussed so much during the last five or six years that it would be hard to say anything new or interesting with regard to them. Many of the utterances of public men, and of the press, upon this question, might properly be added to Mr. Punch's celebrated list of "Things Better Left Unsaid" because they have rather tended to becloud the issue by erroneous assumptions. British politicians have assumed the existence of conditions and sentiments in the colonies, of which we, who live in Greater Britain, are unconscious: and colonial political economists have taken for granted the existence in the United Kingdom of a state of affairs of which the British elector is in happy ignorance.

I propose, therefore, this evening to confine my remarks only, or at any rate chiefly, to one or two aspects of one of the greatest problems in political economy ever submitted to a great nation, or confederation of nations, as you may prefer to regard it.

Is that putting it too strongly? Let me remind you that as Mr. Cleveland would say "We are face to face with a condition, not a theory." And what is the condition? A league of self-governing peoples dwelling over-seas at immense distances from each other and from the Mother Country, united by a common allegiance and by strong sentimentalities, but divided by the fact that the Mother Country and the colonies respectively have each attained a degree of prosperity which is the envy of the world, under fiscal policies so divergent as to appear at first sight absolutely irreconcilable.

There is nothing to be gained by ignoring or by unduly minimising the essential difficulties of such a situation, or by any members of this imperial family of nations failing to recognize or appreciate the natural divergencies of opinion due to the differences in the point of view.

The United Kingdom is so far in advance of the rest of the world in trade and commerce that, as was said of one of the most celebrated Derbys ever run, it is a case of "*Eclipse*" first, the rest nowhere."

You can never make the average Briton believe

but that the immense foreign trade, the enormous mercantile marine, even the vast colonial expansion itself of the British Empire are due to England's glorious policy of free trade.

And let me add here, that I, who am a firm believer in the policy of reasonable protection for Canada, am quite willing to be counted with the average Briton upon this point.

On the other hand, you have the colonial Empire "Britain over the seas" prospering as no other colonies have ever prospered under a policy of protection.

To you as Canadians I say: "Put yourself in his place." Remember that from the days of Cobden, Free Trade has been part of an Englishman's religion; not merely a question of policy, but (perhaps on account of its success from a commercial point of view) a question of morals. To John Bull, Protection, is not merely unwise, it is unclean, almost wicked.

I take it for granted that all the members of the Political Economy Club are in favour of improving the commercial relations between the component parts of the Empire and of strengthening the ties which bind them together. That much being conceded, the question narrows itself, or shall I say gets less awfully wide, to the problem, how to reconcile these varying interests and opinions.

First let me advance the idea that business questions cannot be settled permanently upon a sentimental basis. As Mr. Tarte said, or, I rather think, did not say—"Business is Business."

Let me ask some of you gentleman who are Montreal merchants: "Are you in the habit of cutting prices to customers who happen to be Mont-realers?" Or is it possible that the virtue of hospitality is so strongly developed in you, that you do occasionally encourage the stranger within your gates, from New York, or Boston, by putting him on the most favoured customer basis? In either case I think I would be doing an injustice to your intelligence by imagining that sentiment had much to do with the matter.

Well, if we do not for sentimental reasons habitually favour the Canadian because he is a Canadian, why should we pretend to be anxious to favour the Englishman because he is an Englishman?

To go a step further, why should we expect the Briton in England to sacrifice his own interests for the benefit of another Briton simply because the other lives three thousand miles away?

The imperial sentiment is all right; and let us do all we can to encourage it, but do not let us delude ourselves with the idea that we can make it the basis of permanent business arrangements involving much sacrifice on one side or the other.

I do not, however, on account of the difficulties