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REFLECTIONS

BY THE EDITOR

SOME people in Canada are calling the new tariff arrangement with the United States a "surrender," some are thoroughly satisfied, but the great majority neither understand nor care.

The London *Morning Post* says that Canada was bluffed into giving something for nothing, but then it must be remembered that Mr. Jebb is on the *Morning Post* and that Mr. Jebb is one of the men who would tie the Empire together with the iron bands of preferential tariffs and a unified fiscal system.

On the whole it may safely be said that the Fielding-Taft arrangement has given general satisfaction in all three countries. In the United States, Mr. Taft's friends are pointing out that he has brought Canada and the United States into more harmonious relations than at any time during the past twenty years. Mr. Taft had a chance to hit us and had he been a man like Grover Cleveland, for example, he might have brought the two nations into industrial and political conflict. He frankly admitted that while he must force us to make concessions, he would not press the advantage unduly. And he did not. Under the circumstances, he acted moderately and considerately.

Great Britain is more interested in Anglo-Saxon peace than she is in the question of whether our duty on fruits and cotton-seed oil shall be 17½ or 20 per cent. Her settled policy is to avoid misunderstanding with the United States and she desires Canada to have the same ambition. Therefore, so long as no portion of the national honour is sacrificed and so long as the reductions in the Canadian duties apply to British goods as well as United States goods, she must necessarily regard the settlement as satisfactory.

CANADA has certainly made concessions but the general impression here is that the concessions were not too great, considering the circumstances. All peaceful settlements of disputed questions involve mutual concessions. When a country of eight million people have a dispute with a country of eighty million, it is only natural that the smaller must yield as much or just a little more than the larger. That is the usual result of successful diplomacy.

The Toronto *Telegram* says that Canada's tariff back-down is a desertion of Canadianism for continentalism, and thinks we have gone back to the old days when "looking to Washington" was a source of national weakness. The leading Conservative organs complain that Canada has given something for nothing and denounce the surrender in unmeasured terms. This is a view of the situation which the Opposition press might be expected to take. Its business is to minimise the statesmanship and diplomacy of the government. They have just enough reason for their statements to justify them in doing a bit of shouting. Nevertheless the general public will accept the settlement as being fairly justifiable if not wholly satisfactory. If the reductions in duties had not been confined mainly to articles which are not produced in this country, if the reduction had been greater than 2½ per cent., or if the reductions had not applied to all countries with whom Canada does business, there might have been reason for criticism. We are well out of a dangerous situation, and we should be thankful.

WE have Sir Wilfrid Laurier's assurance that, as a result of these negotiations, Canada is free to negotiate with other nations for better commercial relations. Apparently the United States were anxious to penalise us for the French treaty, and the Canadian Government successfully resisted being treated with on such a basis. This is an important point, although Sir Wilfrid may have unintentionally over-stated the position. For example, if we were to negotiate a reciprocity treaty with Germany, similar to the treaty with France, would the United States be able to again invoke the aid of the Aldrich-Payne tariff club and demand further concessions? Sir Wilfrid says not, and his word must be accepted until there is proof to the contrary.

Mr. W. F. Maclean in his speech on the subject in the House

admitted that the Government had done good work in vindicating Canada's right to give a preference to Great Britain and also to make reciprocal trade treaties with other

nations. Apparently Mr. Maclean agrees with Sir Wilfrid Laurier on this point. The Toronto *Globe*, whose editor has taken some part in the negotiations, also takes this view. The following paragraph is taken from an editorial which appeared in that journal on the day after the announcement:

"The only possible objection that could reasonably be urged against the concessions would be on the score of principle. It might be held that the concessions were an acknowledgment that Canada is precluded from making exclusive bargains with foreign powers. It will be seen by Mr. Fielding's statements and letters that our rights in this respect are firmly maintained, and that the present course of the Canadian Government affords no ground for supposing that we forego any portion of our liberty of action in that respect."

Let us hope that all these gentlemen are not mistaken.

CANADA is certainly moving away from extreme protection rather than toward it. The French treaty reduced duties and lessened the measure of protection which the tariff gave. The new arrangement with Germany had an even greater effect in that direction. The reductions granted by arrangement with the United States are a third item in the count. The fourth is in sight, because the assertions of both the United States and Canadian governments point to an early discussion of reciprocity on a large and comprehensive scale. At the next general election, the supporters of the Laurier Government will be able to say to the free-traders of the Western Provinces, "Look at what we have done to reduce the tariff and to ease the burden on the consumer of imported goods!" It will be a strong argument and one which the Opposition will find rather irksome.

Perhaps the protectionist element will seek to meet this new situation by trying to arouse the people against these reductions, but at present they have given no official sign of discontent. The Canadian manufacturer is so busy trying to keep up with the growing demands of the domestic trade that he has little time to spare for agitation.

THERE is another point to consider. How will all these concessions to Germany, France and the United States, affect the sales of British goods in this market? Is it not reasonable to assume that by these three actions, the Government has lessened the value of the British preference? If these concessions and treaties are to increase the sales of German, French, Swiss, Italian and United States goods in Canada, will the sales of British goods decline? British sales are none too large at the present moment, and it would be a serious matter if they were to decline. Great Britain is our best customer and we should treat her well. We have treated her well, and she has freely admitted the value of the preference which we gave her. Would it not be wise to go now to the British Government and say, "We have been making some concessions to foreign countries and we now come to you to see if there is anything we can do to improve the trade between Canada and Great Britain?"

If Canada is going on to negotiate a reciprocity treaty with the United States, it will surely be necessary to consider what effect that will have on our trade with Britain. To say that it is Britain's business to look after her own interests would hardly be a sufficient excuse for neglecting such a consideration. Great Britain is a free-trade country and at present cannot give us any concessions in her market in return for past or future preferences, therefore anything we have given or might now give her must be voluntary. Nevertheless because she is our best customer, self-interest if not filial affection should cause us to consider her interests in this market. We have won from Germany, we have settled our trade relations with