

PREFERENTIAL TRADE WITH ENGLAND.

In a previous issue of this journal we reviewed at considerable length a very telling article that appeared in a recent number of *The Century Magazine* on "The Decline of Cobdenism," in which the writer, Mr. Low, treats of the doctrine of free trade from a theoretical, economical and social standpoint. He showed clearly that free trade had failed to meet the expectations of its promoters, and believes that even in Manchester, Birmingham, and other manufacturing centres, this policy is fast losing ground in public estimation. The article establishes the following propositions and facts:—

That while the theory of buying in the cheapest market may be admitted as a general principle, it has been found that it has not always proved politic to buy cheap from a rival whose very object in selling at a low price is to establish a business which in due time would destroy that of the buyer. On the other hand, it may be a really good arrangement between two parties having a family or financial relationship to buy goods from each other even at a slightly higher cost than from rivals.

That a system of free imports, with protection everywhere else, cannot be properly termed "free trade."

That the effects of free trade in England have not been such as to commend the adoption of this policy to the world at large, as was expected and predicted by its promoters. On the contrary, the policy of protection is being every year more vigorously enforced by nearly all other countries.

While admitting that Great Britain has during the last fifty years, increased wonderfully in population, commerce and wealth, this cannot be attributed to its free trade policy, because the increase in these respects has been proportionally greater in some protectionist countries. Fifty years ago England occupied a most commanding position in commerce and manufactures. Now, in many important industries, she has been actually distanced by some of her competitors, and in many other industries, is fast losing ground.

That the habit of treating important public questions as purely utilitarian or commercial considerations has been undermining national sentiment, and the intelligence and patriotic feelings of the great mass of the people have led them to revolt against a policy productive of such a result. Mr. Low believes that could a vote on free trade be submitted to the people, the demand for a change would be carried by a large majority.

The propriety of imposing moderate duties upon corn, meat, wool, sugar, etc., when imported from foreign countries, as proposed by Mr. Chamberlain, is attracting much favorable consideration; and the question of an Imperial Customs Union (or in other words, Preferential Trade within the Empire), has become a live one, and is being discussed on its merits, irrespective of the taunt of "veiled protectionism."

This journal has repeatedly urged that in the preparation of a new tariff policy for Canada, Government should carefully consider the direction in which our trade is tending, and the direction in which the proposed tariff may tend to the greatest advantage to the country. There must be a decision as to whether we are to cultivate closer trade connections with the mother country or with the United States—we cannot do both. We believe that in the present temper of the latter country, any fair and satisfactory trade arrangement is

impossible. Even if the United States Government and Congress were inclined to act fairly, the present condition of Canada is such that a policy of preferential trade with the mother country or with the Empire at large would prove infinitely more advantageous than would any extension of our trade with a country most of whose products compete with our own.

The policy of foreign countries is to exclude English manufactures. This policy is every year becoming more pronounced. Politically and commercially, Great Britain is becoming more and more isolated, and is fast learning how much she must depend upon her colonies for support.

Why should there be any difficulty or delay in formulating a policy of preferential trade with England and submitting it for consideration? There may be considerable negotiation necessary to mutual agreement. This is to be expected. The time seems opportune for such a trial. Whatever may be the result, Canada may feel certain, that any proposition submitted to the mother country will meet with the most friendly consideration.

RETALIATORY TARIFFS.

Some of the industries of the United States which feel themselves aggrieved by the high tariff in certain countries which militate against the marketing there of American products, submitted to the Committee on Ways and Means during the consideration of the new tariff at Washington, several propositions demanding a retaliatory policy. Among others, Mr. Pillsbury, of Minneapolis, on behalf of the Flour Miller's Association of the United States, asked, that, when any nation imposes an import duty on American products (flour for instance) which practically shuts them out, the United States should retaliate by doubling its ordinary import duties on the products of that nation, or to work the matter another way, the ordinary duties shall be placed very high, and cut down one half in the event of any country signing a commercial treaty with the United States. *Broomhall's Corn Trade News*, commenting on this proposition, in a recent issue says:—"It is not easy to see how a struggle of this kind would end with such countries as France, Germany, Spain, etc., where strong conflicting interests would be brought into play, but Great Britain would be a mere spectator, and might possibly obtain some indirect advantage. If the Americans got their flour admitted on continental markets they would be less likely to swamp British markets in times of heavy crops, and British millers would certainly not object to less competition. On the other hand, should American import duties be doubled for the special benefit of German products, British manufacturers might have a small boom all to themselves."

Another proposition of similar tenor was submitted by Mr. W.T. Oxnard, president of the American Beet Sugar Association, complaining of the export bounty which France, Germany and Austria have granted, in the interest of their farmers, on sugar exported (in the case of Germany, from twenty-seven to thirty-eight cents per 100 lbs.) He asks, on behalf of the sugar industries of the United States, (both cane and beet sugar producers,) that the import duties on sugars should be from twenty-five to fifty per cent. above schedule rates, when imported from such countries, or from any country imposing unreasonable restrictions or exactions.

With such propositions as these this journal has no fault to