

The Commercial

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TRADE WITHIN THE EMPIRE.

The continued growth of protection is undoubtedly causing uneasiness in Great Britain. The British people have been so strongly imbued with free trade principles, that they could not believe in the long continuation of protective policies among the nations of the world. They imagined that protective doctrine would prevail only for a time, and that eventually the principles of protection would be generally abandoned. They have looked long and earnestly for the expected change, but it has not come. On the other hand, the world has of late been becoming steadily more exclusive in commercial matters, and artificial barriers to commerce have been erected on every hand. Of late Great Britain has practically stood alone in regard to the nature of her fiscal policy. Many British statesmen who have all along believed in the early triumph of free trade principles, appear now to be less certain of this result. Many seem to have abandoned the belief in the early spread of free trade, and they are casting about for some means of overcoming the many obstacles which have been placed in the way of British commerce. It is undoubtedly this situation which has led to a considerable discussion of the question of the extension of trade within the empire, and also to a more limited extent to the question of imperial federation. Were trade largely free throughout the world, it would be impossible to interest the British people in any proposals which tended in the direction of protection. In the present situation, however, with tariff walls erected against them on all sides, there is certainly a great temptation in the way of the British people at home, to use the tariff with which to fight the hostile tariffs of other countries. Protection is never so seductive as when it is presented as a weapon of retaliation against other high tariffs.

The extension of trade within the empire is one phase of the question which is frequently discussed, in considering means to meet the high tariffs of other countries. It is claimed by some that the extension of trade within the empire is the best means of meeting protection, while others go so far as to assert that the resources of the empire within itself are capable of such development as to meet all requirements of the empire, and provide business for the continuation and extension of industries at home.

The present trade between the United Kingdom on the one hand, and the colonies and dependencies on the other, is about 25 per cent. of the total trade, taking imports and exports. Whatever development might be brought about by a policy favoring trade within the empire, it will be seen from the figures submitted, that in spite of hostile tariffs, 75 per cent. of the trade of the United Kingdom is with foreign countries. A policy of commercial union within the empire, would either be absolute or limited. It would either pro-

vide for complete free trade between the different divisions of the empire, with the revenue to be derived from taxes upon imports from foreign countries exclusively, or it would provide only for certain specified advantages in the movement of commodities within the empire. The latter is the view of the situation taken by those who have considered the question. The discussion of the question has advanced only to the extent of proposing that the United Kingdom should give a discriminatory duty in favor of the colonies, upon imports of certain articles to be agreed upon, while the colonies would in turn admit specified wares from the United Kingdom, upon a preferential basis. These proposals in fact are nothing more than a limited measure of reciprocity. As Great Britain is already a free trade country, the admission of a number of articles from the colonies on a preferential basis, would mean that a tax should be imposed upon similar goods from foreign countries. This means the adoption by Great Britain of a policy of protection, and to the home government it is therefore a much more serious proposal than it is to the colonies, where protection is already in force.

We have stated that 25 per cent. of the total export and import trade of the United Kingdom is with the colonies and dependencies; but less than half of this 25 per cent. is done with the self-governing colonies. About 3 per cent. is with Canada, 7 per cent. with Australia and 2 per cent. with South Africa. Of the balance, 10½ per cent. is with India and 2½ per cent. with the small crown colonies. The home government already we may say controls the fiscal affairs of the colonies and dependencies with which over half of the colonial trade is done. There remains, therefore, but 12 per cent. of the total trade of the United Kingdom with the self-governing colonies. Can we expect the United Kingdom to adopt a protective tariff, with the object of extending trade with these independent colonies with which her trade is now but 12 per cent. of her total trade?

These self-governing colonies now raise a large part of their revenue from the tax upon imports of British goods. This is decidedly so in the case of Canada. Absolute free trade with the empire would deprive the self-governing colonies of a large portion of their revenues. These colonies would probably agree only to a limited reduction in the duties upon certain imports from Great Britain. This greatly reduces the benefits which the mother country would receive from the proposals, and would hardly make it worth while for the home government to adopt a policy of protection and discrimination against foreigners, with whom they do 75 per cent. of their trade. If the colonies were prepared to accept absolute free trade within the empire, there would be more reason to hope for a large extension of the trade of the United Kingdom within the empire, and accordingly more likelihood of the proposals appealing successfully to the British people at home. Were Great Britain a protectionist country, there would undoubtedly be great reason for the colonies to work for some measure for the extension of trade within the empire. As it is, the United Kingdom already

offers the colonies practically a free market, and she has therefore little to offer in the direction of a reduction of duties in favor of the colonies. For her to adopt a protective policy, in order to have something to offer the colonies, who now trade with her to the extent of 12 per cent. of her total trade, is something which can hardly be looked for.

Editorial Notes.

It is understood that the Canadian Pacific Railway Company will give the same liberal terms to the Winnipeg Exhibition for next year that was granted in aid of this exhibition for the present year. This assures the success of the proposed exhibition for next summer. Exhibits will be carried absolutely free, and the passenger rates for visitors will be exceedingly low. Such liberality as the company has shown in this matter will certainly be appreciated.

THE Minneapolis *Northwestern Miller* is working up a plan to send a contribution of flour to assist the famine-stricken district of Russia. The *Miller* proposes that every miller in the United States shall ship as many sacks of flour as he cares to donate, to New York, where the flour will be gathered together and handed over to the Russian government. Correspondence has been opened with the Russian government to ascertain the willingness of that government to take charge of the flour at New York, pay the freight thereon, and attend to its transportation and distribution in Russia. The millers will no doubt respond generously to the proposals of the Minneapolis journal, as they usually do to any enterprise set on foot by that enterprising milling paper.

THE immunity which railways in Manitoba have enjoyed from snow blockades, is a matter of surprise to people resident farther south and east. They imagine that the difficulties of operating railways in the winter, on account of snow, must be great in latitudes north of their own. Practical experience extending over the past ten years, has shown that the railways of Manitoba, and the western prairie country in general, are more exempt from snow blockades, than is the case in eastern Canada, and the northern and eastern states of the Republic. This was exemplified in the case of the wind and snow storm of a week ago. This storm was probably the heaviest experienced here since Manitoba had a railway system, and yet the delays to traffic were comparatively trifling. There was only about twenty-four hours' delay with some of the mails, in reaching Winnipeg, though the storm raged for two days. This is nothing to compare with the blocks which sometimes exist on eastern roads for days at a time. The C. P. R. had all its lines open in short order immediately after the storm, and trains were kept moving during the first day of the storm. The Northern Pacific ran its through train out of Winnipeg both days, with only trifling delay.

EARLIER in the season, when farmers in the United States were being urged by political agitators and others to hold their wheat for big prices, THE COMMERCIAL predicted, that instead of the wheat being held back intentionally, there would be more offering than