

BRITAIN, CANADA AND THE STATES.

A Study of Fiscal Conditions.—Part II.

If almost prohibitive duties in the United States, and heavy protective tariffs in all the other civilized countries of the world, are to be looked forward to as in all probability the most pronounced features of the early history of the next century, what is the only beneficial course open for adoption by Great Britain and her colonies? The answer is now coming from hundreds of different sources, and is apparently to be found in a combination within the Empire for fiscal defence, and warm co-operation for commercial advancement.

Mr. Marshall's resolution in the session of 1888 in the Dominion House of Commons embodies the Canadian view of the subject, namely:

"That the establishment of mutually favourable trade relations between Great Britain and her colonies would benefit the agricultural, mining, lumber and other industries of the latter, and would strengthen the Empire by building up its dependencies;" while the Fair trade resolution to the following effect, passed in the meeting of the Union of Conservative Associations at Oxford in 1887, appears to represent the sentiments of a large and rapidly increasing number of people in the British Isles:

Resolved, "that the continued depression in trade and agriculture renders speedy reform in the policy of the United Kingdom as regards foreign imports and the influx of indigent foreigners a matter of vital necessity to the people of Great Britain and Ireland." The motion was carried by a vote of 1,000 to 11.

Following this came the "Report of the Royal Commission on the Depression of Trade and Industry" in 1887, with its vivid illustrations of the effect of foreign tariffs upon British trade.

The minority report, signed by such men as the Earl of Dunraven, Mr. W. Farrer Ecroyd, M.P., Mr. Neville Lubbock and others, is especially noteworthy. After an exhaustive description of what the writers believed to be the causes of the existing depression, and of the enormous losses suffered during recent years by the farmers of the United Kingdom, the report pointed out the growth of the Colonies in population, wealth and enterprise; the fact of Australasia, with 3,100,000 inhabitants, taking \$119,475,000 of British manufactures in 1884, against \$122,220,000 purchased by the 60 millions of people in the United States, and proceeded to urge the following suggestion, which, it will be seen, embodies the same principle as the resolutions already quoted, and constitutes the policy now known as Imperial Reciprocity.

This is the proposition:

"Specific duties, equal to about 10 per cent. on a low range of values, imposed upon the import from foreign countries of those articles of food which India and the colonies are best able to produce."

And this the comment:

"It would, of course, involve the abolition of the heavy duties on tea, coffee, cocoa and dried fruits which are now levied on Indian and colonial, equally with foreign produce;" while such "a slightly preferential treatment of the food products of India and the Colonies over those of foreign nations would, if adopted as a permanent system, gradually but certainly direct the flow of food growing capital and labour more towards our own dependencies and less towards the United States than heretofore. What is even more important, it could not fail to draw closer all portions of the Empire in the bond of mutual interests and thus pave the way towards a more effective union for great common objects."

This then is the policy which so many now have in view: these are the principles which they desire to see spread throughout the length and breadth of Canada and the Empire, and it is the adoption of such a policy which will elevate our country to the position of power and prosperity which she must and will attain.

But it is said to be impossible; that Great Britain will never give up free trade, and that we are battling for some chimera which can never be achieved. A favourite result of ignorance regarding the state of British politics is the quotation of Lord Salisbury's utterance of a few years since, "that a return to protection in England would involve civil war." This statement was of course very much modified by its surroundings, but the most satisfactory reply to any possible criticism is the following official letter, dated April 5th, 1887:

"I am directed by the Marquis of Salisbury to acknowledge receipt of your letter of the 3rd inst. I am to reply that Lord Salisbury does not imagine that differential duties in favour of our colonies, whatever may be said for or against them, can properly be described under the term 'Protection.'"

Not to dwell too long upon this branch of the subject, the more recent utterance of the Imperial Premier at the Guild Hall on 10th November, 1890, is sufficiently explicit and stamps him in the words of the London *Daily News* as being favourable to an Imperial Zollverein: "We are anxious above all things to conserve, to unify, to strengthen the Empire of the Queen, because it is to the trade that is carried on within the Empire that we look for vital force to the commerce of this country."

Well may Lord Salisbury desire some relief for industrial and agricultural England and Ireland, and term the battle of tariffs "the world conflict of the future;" well may Mr. Gladstone lament the continued progress of protection and his inability to understand the McKinley Bill, and wise indeed was the late Lord Carnarvon to urge that the closer the commercial union with the colonies the more likely it was that the people of England would act in legitimate self-defence.

The present condition of Great Britain, as already stated, is peculiar. Ninety millions of pounds worth of agricultural produce is imported from foreign countries, which, with high tariffs, attempt to shut out British manufactures; while, as if expressly to illustrate the beauties of a free import policy, we find that in 1886, 46 million pounds worth of manufactures was imported from Russia, Germany, France, Holland, Belgium and the United States, while 43½ millions only were exported to those countries. To show the nature of this loss from protective tariffs take the United States trade figures alone.

	American exports to the United Kingdom.	American imports from the United Kingdom.
1850.....	\$ 68,365,073	\$ 74,632,158
1889.....	379,990,131	178,269,067

Then remember the famous statement of Mr. Cobden in 1845, that: "You might as well tell me the sun will not rise to-morrow as tell me that foreign nations will not adopt Free trade in less than ten years from now," and contrast with the majority report of the Royal Commission already referred to, wherein allusion is made to "the protectionist policy of so many foreign countries which has become more marked during the last 10 years than at any previous period." Again, look at Adam Smith in the "Wealth of Nations," saying that, "If the importation of foreign cattle were made ever so free, so few could be imported that the grazing trade of Great Britain could be little affected by it," or alleging that "the small quantity of foreign grain imported, even in times of greatest scarcity, may satisfy our farmers that they can have nothing to fear from the freest competition," and remember the 600 millions worth of grain, cattle, &c., now imported yearly into the United Kingdom.

The following table gives a vivid description of the small comparative progress which Great Britain has made in recent years; adds enormously to the force of the fair trader's argument that a duty should be placed upon the produce and goods of those countries which do not trade on favourable terms with the United Kingdom; and affords a startling commentary upon the alleged increase of trade in free importing Britain. All the other countries mentioned are protectionist.

EXPORT OF PRODUCE AND MANUFACTURES.			
	1870.	1885.	Increase.
United States.....	\$392,310,000	\$756,900,000	\$364,650,000
Holland.....	159,155,000	370,530,000	211,375,000
Germany (1872).....	580,155,000	715,075,000	134,920,000
Belgium.....	138,020,000	240,000,000	101,980,000
Austro-Hungary.....	197,705,000	280,035,000	82,330,000
Great Britain.....	997,930,000	1,065,220,000	67,295,000

The round figures given below of certain increases in the imports during the same period will be of interest:

	1870.	1885.	Increase.
Cotton manufactures.....	\$ 6,000,000	6 million of dollars.	
Glass.....	3,500,000	3½	
Iron.....	12,500,000	12½	
Paper.....	3,500,000	3½	
Sugar (refined).....	10,000,000	10	
Woollen.....	20,000,000	20	
Total.....	\$55,500,000	55½	

Is it any wonder, in view of this enormous increase of manufactured goods imported; the over-production of the industrial centres of the Kingdom; the depreciation in the price of wheat and the value of land; the exodus of agricultural labourers to the cities, and the increase in the number of paupers; the rapidly enhanced population of the country and the decrease of foreign markets for the product of skilled labour, that the leading minds of the day are revolting against the dictum of the Cobden Club and the principles of the last 40 years, and that men like Lord Rosebery, the Rt. Hon. W. H. Smith, Jos. Chamberlain, Lord Aberdeen and many others are within sight of a modification of their views to the extent of accepting a policy of Imperial Reciprocity?

As Mr. Disraeli put it when speaking in the House of Commons in May, 1846, and applying it to-day in a broad Imperial sense: "When their spirit is softened by misfortune they will recur to these principles which made England great, and which, in our belief, can alone keep England great."

As Great Britain has done before she will do again, and as by long experiment and persistent effort; by the most complicated and continuous system of protection ever known; by the large accumulation of wealth and the force of reserved capital; by the talent of her inventors and the effectiveness of her machinery, she attained a position which enabled her to proclaim a system of free imports and draw the commerce of the world within the compass of her maritime supremacy, so now when she no longer finds the markets of the world open to her merchants, or the European or American wars which enabled her to stand aside and grasp the commerce falling from the nerveless hands of the nations: now that she no longer has the enormous expenditure upon railways, military works, telegraphs and governmental works which characterized the middle of this century; now that the expenditure of money by capitalists, who believing England was going to be and to remain the workshop of the world, poured their wealth into the British Islands, has ceased and been transferred elsewhere, it will be found that Great Britain is rapidly reaching a period when she will gladly consider the question of reciprocal trade relations within the Empire.

Toronto, May 5th, 1891. J. CASTELL HOPKINS.

My Stranger Friend.

Strangers—we met, both in an alien land;
Nor either questioned pedigree or brand.

Sprang he from kings! Of that he made no boast.
Sprang he from serfs! He neither cared to post.

Loved he his native land! He loved alone—
Loved he his home and kin! They were his own.

Unmatched our sympathies, our aims as clear;
Aspiring both, each held the prize as dear.

One bond had we—but *one* our hearts to twine—
He truly loved his God—his God was mine!

So friendship steady grew, more trustful, strong;
Each day its duty brought—each night its song.

Awile, life's currents mixed, and sped us on,
Then swerved the tides abrupt—lo, he was gone!

We parted friends. I only knew him *true*—
He could not that conceal—no more I knew!
Baddeck, C. B. H. H. PITTMAN.

Old Friends.

"Do you ever see Bobbie Bouncer now?"

"Oh, dear, no! He's far too great a swell! If one pitches into anything he does, he cuts up rough, if you please, and gives one the cold shoulder. Those very successful fellows always do?"

"And Bill Jakes?"

"Poor old stick-in-the-mud! Had to drop him. Doocid sight too fond of telling one the plain truth about one's self, when one's not inclined for it, you know! Always the way with those fellows who don't get on."—
Punch.

WHAT'S IN A NAME? (From a correspondent)—Sir, I send you a cutting from a communication of J. Mortimer Granville's to *The Lancet*, No. 3,527, p. 798, which, when found, make a note of: "Instead of thallin I use a periodohydromet hyloxicholin, because that is better borne and seems to be more effective than the tetrahydro-paraquinasol." These two words would be a good pennorth in a telegram. Yours, "Epigrammatist."—
Punch.