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REFLECTIONS

BY THE EDITOR

THAT German scare is dying out as fast in Canada as in Great Britain. In Canada the only people who are trying to keep it alive are those who want to use it as a club to beat the Laurier naval policy. However, the naval debate is over, and perhaps even that excuse for electrifying a corpse will then have passed.

Mr. W. R. Brock, a prominent merchant and Conservative ex-member of the House of Commons, recently ventured the assertion that the new trade arrangement with Germany, whereby the surtax on German goods was removed by Mr. Fielding, is better than ten Dreadnoughts. He meant apparently that Canada has created an additional reason why Germany would not make war on Great Britain. The *Toronto Telegram* discussing Mr. Brock's statement says that it will make no difference. If Germany was willing, as so many thought, to sacrifice her \$190,000,000 sales to Great Britain, the extra sacrifice of a possible ten millions would not count. The *Telegram's* point seems well taken. No matter how highly Germany values our trade, when she makes up her mind to sacrifice her British market, she would not consider her Canadian. However, there is no evidence that she is willing to sacrifice the British market even temporarily. There would need to be some overpowering reason for such action, and that reason is not in sight. Germany's naval activities, like those of Great Britain and the United States, are an insurance against war, a preparation only for possible contingencies which Germans, Britons and Americans hope will never occur. Are the Germans to be credited with less common-sense than either Great Britain or the United States?

ONE possible contingency in the new trade relations with Germany has yet to be mentioned. The removal of the German surtax has put German sugar on an equality with West Indian sugar in the Canadian market. This is so economically unfair to the West Indies that there will shortly be a movement to give West Indian sugar a preference in this country.

Then there is another contingency. The removal of the surtax has lessened the British preference—not nominally, but in reality. The British manufacturer who competes here with the German manufacturer must now meet keener competition than he has had for several years. How would it do, under these circumstances, to increase the British preference from 33 1-3 to 40 per cent.? Everybody seems anxious to do something to increase the sales of British goods in this country, since we are still selling much more to Great Britain than we buy. If the Conservatives think as much of the Motherland as they claim, they should be prepared for such an extension of the preference; if the Liberals are anxious for opportunities to lower the customs tariff when it can be done without hurting Canadian interests, they should be prepared for this extension. There will be some danger in it for our woollen manufacturers perhaps, but this could easily be averted by a slight raise in the woollen duties. Otherwise the possibility of hurting infant industries would be very small. Such an increase in the preference would be, in the words of Mr. Brock, "better than a gift of Dreadnoughts."

WHETHER on April 1st, there will begin a tariff war between Canada and the United States, is still unsettled. Apparently Sir Wilfrid Laurier is not greatly disturbed over the prospect or he would not be complaisant at this particular time. No member of the Government, of the Manufacturers' Association, or of a leading Board of Trade has shown the slightest public anxiety nor even an unusual interest.

Indeed, there would not be any great excitement in Canada were this country brought under the maximum United States tariff. Public sentiment would be less friendly towards the Republic, a few merchants and others would be inconvenienced, but trade would proceed much as usual. Most of the traffic across the border, from Canada to the United States, is in commodities which find a ready market at

home or elsewhere if shut out from the United States. Probably the only result would be an ultimate move to raise the tariff on United States goods coming into Canada. Our purchases

from the United States would under ordinary conditions amount to nearly two hundred million dollars this year. A retaliatory tariff would reduce that perhaps forty per cent.

So long as there is no official announcement from Washington, so long is there a chance that Canada will be placed under the ban. The newspaper despatches, however, do not give any ground for fear. The United States cannot object to the British preference, since Germany now admits that a colonial preference is not a matter of international concern. Our trade treaty with France is hardly big enough to warrant hostilities on the part of the United States. Because of this lack of tangible and sufficient ground for discrimination against Canada, President Taft will shortly announce that Canadian-American trade remains on its present basis. If he does not—but it would be unwise to say another word at present. Sufficient unto the day is the evil thereof.

SHOULD the United States demand that even a portion of United States exports to Canada be allowed to come in under our "intermediate tariff," as the *Toronto Star* correspondent at Washington intimates may occur, the situation would become interesting. The reply which Mr. Fielding will make will be delightful reading for several reasons which will appear later in the negotiations. It would be curious if Mr. Fielding should feel the weight of the lash which he prepared for his own use.

Again, the negotiations will make a splendid object lesson for the tariff reformers of Great Britain. It will enable them to quote another and up-to-date example of how any kind of tariff, high or low, enables a government to bargain with another government. Canada uses her tariff to gain trade concessions from Germany and France; the United States uses her tariff to gain trade concessions from France, Canada and other countries. *Quod erat demonstrandum.*

SHOULD the crown-lands of Canada be owned and managed by the provincial authorities or by the Dominion Government? This is a question of immediate importance to Manitoba, Saskatchewan and Alberta, and of general importance to Canada as a whole. All the provinces, other than these three, own their own public lands. They owned them before they entered Confederation. When they were independent colonies or states, they gained that boon from the British Government. After Confederation, the Dominion Government bought or secured all the unsold territory in that portion of the present Dominion of Canada, outside of the six provinces which came full-fledged into the union. Out of this newly-acquired territory, three new provinces were created, but none of them were treated by the Dominion Government with the liberality extended to the other six by the British Government.

The subject is not purely academic. Manitoba has been agitating the subject for years in the hope of getting better terms and more territory. Saskatchewan and Alberta, created only a few years ago, are already expressing serious discontent over the lack of any crown domain. As soon as there are governments in those two provinces which are politically dissimilar to that at Ottawa, the discontent will become official. It is a natural discontent. It is based on the feeling that those on the spot govern best. It is the same principle as was involved when Canada, from time to time, demanded more and greater self-government under the British crown.

THIS question as to who shall administer the crown domain has two sides. The Dominion Government is bearing nearly the whole expense of general surveys and explorations, of building trans-continental railways, canals and general public works. It is also