

terminal. The rental depends somewhat on the traffic; last year it was \$115,000. To "go back on that agreement," in other words, to repudiate it, would be a direct breach of contract, for which damages would be due.

When Mr. Foster came near the end of his speech on St. John as a winter port, someone asked him what he would do if he were in the Cabinet. He replied that he was ready with an authorized statement, which, when unfolded, was found to contain five propositions, which are reducible to four; to contract for a good steamship service for a term of years, the vessels to be of modern type and good speed, and adequate storage equipment; traffic arrangement, characterized as reasonable, with the railways to bring freight to the ships, "with the view of maintaining harmonious and continuous co-operation between land and water carriers;" deepening the approach to the harbor of St. John; if the policy be adopted of making Montreal and Quebec national ports for summer traffic," I will be in favor of treating the winter ports of Canada—St. John and Halifax—in the same manner." At the time of Confederation, there was no idea of going farther in the way of traffic accommodation than to build the Intercolonial Railway. The Grand Trunk had extended to Portland with the consent of the Government. But when the national policy enforced a more exclusive policy, a serious blow at the Portland section was aimed, and if it be now followed up with a repudiation of an existing traffic agreement with the Grand Trunk, the honor of Canada will be sullied, and there will be a heavy bill to pay. Many people in the city of St. John naturally fall in with the views of Mr. Foster; in fact he only formalizes the demands the inhabitants have been making, for the purpose of making it clear what, under given circumstances, he is prepared to do.

The schism between the Government and the C.P.R., of which the cause centres in St. John, can scarcely be limited to a single city; it appears, in fact, to be general. If the C.P.R. be generally opposed to the Government, in this contest, some curious anomalies will be produced. Mr. Richardson and his friends, the strongest opponents of the C.P.R., will find themselves in the same boat with their chief antipathy. When George Brown joined the principal Tories, with Sir Allan McNab at their head, the temporary coalition at the polls, was not continued after the elections; it gave place to the McNab Morin coalition in Parliament, and in the Government, Mr. Brown being alone. The same thing may happen again. If Mr. Richardson and his following find themselves accidentally rowing together now, with the C.P.R., it is no common policy that unites them, except momentary opposition to the Government. When the elections are over, they will likely drift apart again.

Sir Michael Hicks-Beach, Chancellor, speaking before the Liverpool Chamber of Commerce, advocated closer commercial union between the different countries which form the British Empire; he said, what indeed we knew before, that it is impossible for Great Britain to be other than a free trade country. If

his idea of closer commercial union means the sacrifice of the entire colonial tariffs, as it seems to do, it cannot be carried into effect. The colonies must get revenue from customs duties. Nor is there much chance at present of colonial customs duties being materially lowered? The Canadian Minister of Finance, who, two or three years ago, believed the process of reduction could be carried into effect piecemeal, at successive stages, now takes the ground that we must be content with what we have got in the way of reduction, while the other party is Protectionist before everything. Sir Michael-Hicks Beach is the second member of the British Government who has declared that closer commercial union between different members of the Empire "is unattainable without free trade within the Empire," which is only another way of saying that it is hopelessly out of reach. This will dash many hopes, which had been formed of the possibility of a different course being pursued. There may be some question about what Sir Michael-Hicks Beach means by free trade. England is accounted a free trade country, and yet she raises a large revenue from a few articles in the form of customs duties. But Canada cannot even do this.

General Manager Hays, of the Grand Trunk, whose management has lifted the road out of the slough of despond, in which it had been near sinking, has resigned to take the presidency of the Southern Pacific. But the policy he has inaugurated is likely to be continued, as it doubtless will be, if his recommendation to take as his successor his chief assistant, Mr. McGuigan, be taken. There will be a decided advantage in having a new manager who thoroughly understands that policy.

Some details of the bribery of Hollander officials by the late Boer Government have come out, in the enquiry now going on at Bloemfontein. It was known before that Dr. Leyds carried water on both shoulders, and now we have some more details of the bribes he received. The evidence was given by Mr. Vorstmann, agent of Kruger's dynamite monopoly. Three bribes were mentioned, which aggregated between fifty and sixty thousand dollars. The receiver was the same man who has been shining in Europe as a roving diplomat and patriot, *par excellence*, though his country was not the Transvaal, but Holland. He and the rings with which he was confederated, practically controlled the finances of the Transvaal, in the interest of another country, and especially of themselves and their associates. Being neutrals did not prevent their fighting side by side with the Boers.

BANK DEFALCATIONS.

Something surely must be "rotten in the state of Denmark," when a system of falsification of entries can be carried on to such an enormous extent and for such a length of time without discovery, as in the case of the absconding teller, Alvord, of the First National Bank, New York. It is stated that one of Alvord's duties was to collect drafts and notes not payable through the Clearing House, a considerable part of these usually being paid in cash. He appropriated a portion of this cash from time to time, as opportunity