

shall have the use of the Welland and St. Lawrence Canals on terms of equality with Canadians. The alleged infraction of its provisions is the result of an Order-in-Council, passed by the Dominion Government in March last. This order provided that the toll to be paid on certain specified grains, for the passage through the Welland and St. Lawrence Canals, when shipped for Montreal or any other Canadian port east of Montreal, should be fixed at two cents per ton; whereas, the full toll of twenty cents per ton was to be exacted on all such grain if shipped for any of the lake or other ports, Canadian or American, west of Montreal. The Ottawa correspondent of the Government organ in Toronto claims that in this provision there is not the slightest ground for the charge of discrimination, since it is not aimed at American shipping, but intended to promote trade by the St. Lawrence, in which American vessels may fully participate. To the fair-minded Canadian this seems a mere subterfuge, since the evident design of the order was to favour Montreal at the expense of intermediate ports. The discrimination takes effect against all American ports. The fact that it is also against intermediate Canadian ports makes no difference from the American point of view. So far as the Order-in-Council effected its avowed object, it diverted traffic from United States ports to Montreal and foreign countries. This, it can hardly be denied, was a violation of the spirit of the clause of the Washington Treaty referred to. When it is further remembered that American vessels cannot trade between Canadian ports, it will be seen that it is scarcely correct to say that the trade intended to be fostered was one in which American vessels could freely participate. Thus, the provision at least approached very nearly to a violation of the letter as well as spirit of the treaty. It is so far satisfactory to know that the Order-in-Council was for the season only, and is not likely to be renewed. Canadians cannot afford to give the slightest colour for any charge of failure to fulfil every treaty obligation honourably and scrupulously, in the letter and in the spirit. If the United States have, on their part, failed to do this there is surely a straightforward way of calling their attention to the fact.

#### LAND VALUES AND THE PUBLIC REVENUE.

WHATEVER may be the opinion of social Conservatives as to the justice or the practicability of the land nationalization theory, it cannot be denied that the persistent and active propagandism of its advocates has done much to enlighten the public mind as to the fact which underlies it, of the enormous increase in land values, caused by the growth of population. As to this point at least there can be no room for controversy. Irrespective altogether of any opinions which may be held as to the effect of this increase upon the condition of the landless class, or the possibility of remedying social inequalities arising from this source, the discussion has emphasized and brought into prominence an important economic truth, the significance of which was formerly only appreciated by the learned few; to-day every intelligent newspaper reader is familiar with the doctrine of "unearned increment" and—attention having been directed to the subject—finds it confirmed by the every-day transactions of the real estate market.

Now, putting completely aside for the time what is distinctly known as the Henry George theory, and having regard only to the bare, universally-admitted fact which the enunciation of that theory has brought out into strong relief, let us consider what bearing this fact ought to have, as viewed from an ordinary, common-sense, business standpoint, on the course of Governments and other bodies holding valuable areas of land in trust for the public. This question has just now a practical interest for the people of Ontario, owing to the change of site, either in contemplation or actually determined upon, of several important public institutions, including the Parliament Buildings, Upper Canada College and the Lunatic Asylum. Owing to the phenomenal growth of Toronto, their present locations have become at the same time enormously valuable and in some respects less suited to the purpose of the buildings. Their removal to suburban or less central sites will leave the Provincial Government in possession of several large blocks of land of great value, which are no longer required for public use. It is proposed in accordance with the policy hitherto followed in such cases to sell this land and thereby increase the funds at the disposal of the Government.

Years ago, before the rapid growth of cities had impressed the public with the advantage of the ownership of building land over every other form of investment, there might have been some excuse for such a course. While the future of Toronto was doubtful—so long as this city had rivals, which it was possible might outstrip us in the race, the wisdom of holding, in the hope of a large future increase in value, real estate not required for public purposes might have been debatable. But that time has long passed. It is as certain as any thing human can be that Toronto will

continue to expand, and that consequently the value of all land in central localities will advance by leaps and bounds. Should the Provincial Government now dispose of the sites of the present Parliament Buildings, Upper Canada College and Lunatic Asylum they will give private individuals the opportunity of making fortunes out of the increase in value sure to increase within a few years. They will be deliberately throwing away an advantage which, even on the ground of the orthodox doctrines of political economy, ought to belong to the public as present possessors by a valid title. They will be acting as no prudent, far-seeing man would act in conducting his personal affairs. The most urgent want of ready money could alone excuse the folly either of the private investor or the holder of such property in trust for the public who would be guilty of allowing considerations of slight temporary advantage to outweigh the duty of jealously conserving it as the source of a large future revenue. But if we may believe the repeated statements of successive Provincial Treasurers, the Government is in no immediate need of money. Even if they were their credit is good, and as unearned increment on Toronto real estate augments more rapidly than interest at a moderate rate, it would be sound economy to borrow rather than to alienate these valuable sites.

The Ontario Government has been charged with living on its capital instead of husbanding it, and devoting the interest only to the current expenses of government. There are many who contend that the timber resources from which so large a proportion of our yearly income is drawn ought to be regarded not as the means of furnishing the Provinces with funds to carry on business from year to year, but as affording an opportunity to make investments as a provision for the future, when a largely increased revenue will be needed and the source of supply diminished. It is certain that the day will come when timber dues can no longer be calculated on as a steady item of revenue. Just as the "illimitable" public domain of the United States is now rapidly approaching exhaustion, so our timber supply, hitherto regarded as practically inexhaustible, must diminish, owing to the continually augmenting demand. It is none too early to anticipate and provide against this falling off. The area of Toronto real estate shortly to be vacated should be retained in the hands of the Government as by far the best investment which they can possibly make against the day of deficits. It should be leased instead of being sold, thereby securing some present income, and what is of far more consequence, retaining the public title to the freehold, so that when the leases expire the public of that day will find themselves in possession of an immensely valuable property the revenue from which will defray a considerable proportion of the expenses of government.

Special reference has been made to the Ontario Government, inasmuch as the question in their case has arisen in a present and practical form. But the same principle is equally applicable to the dealings of the Dominion Government and municipal bodies in regard to land now in their possession, unless in exceptional cases where some strong reason exists for pursuing a different policy. The objections which are made on the score of justice or expediency to the Government or the municipality treating all land as public property obviously do not apply to the retention for revenue purposes of such land as yet remains unalienated. Adherents of both the old and the new political economy can at all events unite in demanding that where a large and steadily continuous increase in value appears certain which can be secured to the public without even the semblance of a violation of private rights, this policy shall be pursued.

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#### ART IN FRENCH-CANADA.

THE late fire at the Seminary Chapel of Quebec may be viewed as a national disaster. The paintings lost therein formed a gallery singular of its kind in America, and which cannot be replaced. They were: "The Saviour and The Woman of Samaria," by the brothers Lagrenée; "The Virgin with the Needle," by Dieu; "The Crucified," by Monet; "The Thebaid," by Guilloit; "The St. Jerome and the Last Judgment," by Hullin; "The Ascension," by Philip de Champagne; "The Christ in the Tomb," by Hutin; "The Flight into Egypt," by Vanloo; "The Pentecost," by Philip de Champagne; "The St. Peter in Chains," by De la Fosse; "The Christ in Jordan," by Claude Guy Halle; "The St. Jerome Writing," by J. B. de Champagne, and "The Worship of the Wise Men," by Borenieu. The collection contained two other works—"The St. Anthony in Rapture," by Parocel d'Avignon, which was saved as if by a marvel, the frame having been burned to cinders, and "The Angels," by Charles Le Brun, which had been transported to Laval University, hard by, only a few days before. All of these paintings were more or less ancient, and of more or less merit, but as a whole they possessed exceptional value, and it is a pity that measures were not taken long ago to place them out of the danger of fire. Quebec has surely had lessons enough within the past few years. The historical citadel has been exposed to the flames once or twice, the Parliamentary Buildings have been destroyed several times, and on the