

The abnormal development of our railways seems to have concentrated public attention to that method of transportation as being all-important and most economical, whereas it is an undoubted fact that there is no known method as cheap as that by water. Instead of the lake commerce being competitive with rail, it has actually developed an enormous business for the latter system which would have no existence but for the very low rates made possible by the magnificent flotilla on our lakes; boats of 3,000 to 6,000 tons on 16 feet draft, with speed of 15 and 16 knots an hour, and charges in some instances as low as $\frac{1}{2}$ of a mill per ton-mile. The best paying railroads are those which are "competing" in this traffic. Shall this commerce go out through, and pay tribute to foreign ports? We know not, and there is no time to be lost.

What are our American neighbors going to do about it? A 240-ton barge in the Erie Canal can no more compete with a 2,400-ton steamer in the open lakes and the Canadian canals than can a farmer's cart compare with a 30-ton freight car. But that will be about the relative position of American to Canadian lake trade seeking an European outlet when our canal system has been completed, unless the American commerce can have equal privileges with Canadian commerce in our exclusively Canadian waterways. Our Yankee neighbors understand this very well, but what are they going to do about it. They have tried all sorts of methods to effect their object but the right one. It has never occurred to them that any-way other than by violations of treaty and inherent rights could effect it. They do not consider any part of a treaty binding that bestows any benefit upon the other party; and they proceed to abrogate and annul and set aside such features of a treaty which they solemnly declare they will observe, as soon as they discover that these features are not entirely in their interest. Inherent rights count for nothing with them when they insist that American vessels have a right to fish within the three-mile limit on the Atlantic coast of Canada, and that Canadian vessels have no right to fish within an open sea on the Pacific side, a thousand miles from any land. They enact hostile legislation in their tariff, excluding Canadian produce from their market, entertaining the silly belief that by so doing they can force a settlement in this country favorable to annexation. And now, in the language of their Mr. Cleveland, they find themselves confronted with a situation, not a theory. Their theories regarding the coercion of Canada have all proven failures; their dreams of greed and aggrandisement are being rudely dispelled, and they are awaking to a situation where they find that at an early date their exports of grain from the Western States must of necessity be via Canada's great and only waterways. They are awaking to the fact that the American rule which declares that no Canadian vessel may carry freight between American ports, can be made to work the other way, and that Canada may with equal justice make a law that no American vessel may carry freight between Canadian ports, as for instance in transit between the Welland Canal and Montreal. Having tried hostile legislation and found it to ignominiously fail, Prof. Haupt advises that their policy lies now in the direction of harmonizing the "antagonistic" interests of the two countries, merging them under one management, "by annexation, treaty or otherwise." Declined with thanks. The persistently hostile treatment Canada has been subjected to for long years at the hands of the United States convinces us that our happiness and prosperity does not lie in

that direction. We want no annexation; and as to a treaty, why that which is now supposed to be in force has proven a delusion and a snare. National honor, like that of individuals, should not include the practice of trickery, and from our already dearly bought experience, Canada does not desire a treaty through which American trickery would find opportunity to drive a coach and four whenever it was desired to do so. American statesmanship (?) has deprived Canada of her treaty right to use American canals on the same terms that the United States is allowed the use of Canadian canals; and before we can consent to consider any proposition for another treaty it would be well to accord us that which was guaranteed us under the existing treaty.

Canada is under no obligation to the United States in this international canal traffic business, and she will be careful, very careful, how she enters into any entangling alliance with that country.

THE EXPORT OF SAW LOGS.

A FEW days ago the Ontario Government sold some timber limits in this Province upon which more than \$2,000,000 was realized. Pending the sale some of the Conservative newspapers, notably the *Toronto Empire* and the *Hamilton Spectator*, rendered themselves hoarse demanding that a condition of the sale should be that the logs should be manufactured into lumber in Ontario. Mr. Mowat did not accede to this demand, and now these and other papers are charging that he neglected a duty that he owed to the country in this respect.

Ever since Sir John Macdonald, under pressure from Washington and from some of the Ottawa lumbermen, renewed the export duty on saw logs, this journal has contended that a mistake had been made and advocated a renewal of the duty. We have shown from authentic sources that the timber supply in Michigan, Wisconsin and Minnesota was practically exhausted, and that those sections of the United States which had previously been supplied with lumber cut from timber grown in these States, were being supplied with lumber manufactured from Canadian logs. This fact has not been denied and the fact that hundreds of millions of feet of Canadian logs are being rafted across Lake Huron to American mills is corroboration of it. It was because Canada was receiving no *quid pro quo* in the transaction we advised that an export duty be laid on logs.

Under the United States tariff of March 3, 1883, (item 219) such lumber as is manufactured of these Canadian logs was liable to a duty of \$2 per thousand feet board measure, and logs were on the free list. But under the McKinley tariff of Oct. 1, 1890, (item 218), white pine lumber is assessed at only \$1 per thousand feet, there being a proviso to the effect that "in case any foreign country (Canada) shall impose an export duty upon pine, spruce, elm or other logs * * * exported to the United States, then the export duty upon the sawed lumber * * * when imported from such country, shall remain the same fixed by the law in force prior to the passage of the Act of March 3, 1883." In other words, the McKinley tariff reduced the duty on Canadian lumber from \$2 per thousand feet to \$1, with the proviso that if Canada imposed an export duty on saw