

Mr. Baden Powell, M. P. for Liverpool, when asked his opinion of the prospect of commercial union, replies that "geographical, industrial and commercial facts, not less than the political and ethnological development of the last few years do not point to any prospect of the consummation of such a union." The border districts are not natural allies in industry and commerce, but rivals competing with one another; commercial union, in a word, is opposed to geographical and commercial facts. In North America there are four great areas of climate and occupation, each group of which tends to produce a national type. The cohesive force in the United States is Republicanism; but "the fire of the great war has not fused the traditions and fast developing characteristics of individual localities." In the Inter-state law is seen a war of interests between the west and the south, on one side, and the east on the other. The future Canada will develop more rapidly than the Northern States, because the winter is, on the whole, less severe. Such are Mr. Powell's views of commercial union, and they are at least worth pondering.

We are glad to find Lieutenant Gordon, of the Canadian fishery cruising fleet, able to report that American fishermen have come to a better frame of mind, and evince a disposition to observe the customs' regulations and to keep outside the three-mile limit. Admiral Luce, of the American fishery fleet, will encourage no lawlessness on the part of his countrymen, but do what he can to compel them to obey the law.

Newfoundland is not in a very prosperous or satisfactory condition. She has no agriculture and no manufactures, but depends entirely upon her fishery, and when that fails everything goes wrong. The number of vessels going to the Labrador fishery this year will be smaller than usual, though the bank and the shore fisheries will be well attended to. Owing to this restricted industry, there is a constant outflow of population, which never returns, largely to Canada. At the session of the legislature just closed, a bill was passed empowering the government to build a railway to Placentia, to which St. John merchants are opposed, and which is the result of a bargain for sectarian support, a fact the discovery of which caused the resignation of Mr. Ayre, a member of the government. The Bait Bill has at length been assented to, but nobody believes that it will prove effective. Bait will be supplied to the French by smugglers, who will bring return supplies, by a like evasion of law, from St. Pierre. The idea of confederation with Canada seems to grow. The Opposition in the legislature is strongly in favor of it, and if the government took it up as a political stalking horse, it is thought they could carry the elections, next year, almost unanimously.

—The half yearly dividend of the Canadian Pacific Railway Company is announced at the rate of three per cent. It is secured under an agreement with the Dominion Government.

THE LATE SESSION.

Owing to the unfortunate break-down of the health of Mr. Blake, the government had an easy walk over the sessional course. It was enabled to do what it liked and in the way it liked. The intensifying of the National Policy, by the enactment of almost prohibitory iron duties, is the most marked feature of the session. It is claimed for these duties that they are the logical consequence of what had been done before; but if this be so, at what point are we to pull up? Are we to go on giving every manufacturer, and every person who proposes to set up a new manufactory, everything he asks? During the last three sessions, this is almost literally what has been done. If we are to continue in this path, protection must sooner or later be "run into the ground." And then a protest against it is pretty sure to come from the electorate, and the principle on which our tariff is being made to rest will be in danger of being displaced. Surely the simplest prudence might teach the protected industries that there is danger of the bow breaking if it be bent too far.

The protected iron industry of the United States has taken countless millions out of the pockets of the people, and it shows no signs of being able to stand alone, or if it be able it is as unwilling as ever to do so. We trust that the costly part of the American experiment is not about to be indefinitely prolonged in Canada. That would be a misfortune indeed. But the example, and it is the one on which we are acting, is not encouraging, except for the producers of iron. One result of the high protection, of this industry, in the Republic, has been that too much capital rushed in to share the profits which seemed to await it. Fits of abnormal activity have alternated with enforced idleness, with furnaces out of blast and workmen out of employment. The public has on the whole to pay a greatly enhanced price. Pennsylvania has become the most corrupt as well as the most corrupting state in the Union. She has thrown millions in the scale of Congressional elections. The iron men are not satisfied with protection during the infancy of their industry; they are as eager for its continuance to-day, after forty years of enjoyment, as they were at the beginning. And what is more, they would reject with scorn and indignation the modest measure of protection which Alexander Hamilton was willing to accord them, at a much earlier period in the history of the Republic. Instead of being willing to take a less measure of protection than at first, they demand a much larger one, and no one looking to the future, can pretend to name the time when protection to the American iron industry will have done its work; from all appearances, that time will never arrive.

There is no industry in which successful competition has been made so difficult as in that of iron. The British isles and Belgium have reduced the production of iron to the lowest cost; and the profit may be presumed to have reached a minimum. To compete with these countries, under high protective duties, we must be content, at

the outset, to pay enormously increased prices. Iron is the first necessity of civilized man's existence; and a great increase in the price is a serious matter. The argument, which has been used in other industries, that protection will ultimately lead to internal competition which will reduce prices still below what they are now, and in this way repay us for a present sacrifice, will not hold here. Iron is already produced elsewhere at the minimum of profit and no competition can cause it to be produced at a lower price. In this case, the recouping which is generally promised when new protective duties are put on, is impossible. We shall probably have a competition which before long will lead to over-production, with a resulting loss, similar to the experience through which the cotton industry has passed. If this competition be avoided, prices may be kept up, and the iron-workers reap the profit of protection; but in that case, the public will persistently have to pay artificially high prices. No one pretends to be able to see when if ever, the protective iron duties will produce a race of native iron-workers who will be able to stand alone.

If the protectionists be wise in their generation, they will now call a halt, and not seek to carry the game farther. The public is long-suffering, but there is a point at which it may be relied upon to make a stand. There was reason for implanting the germ of the National Policy; but there is no reason in continuing to exaggerate protection, year after year.

There is a sense in which the local railway grants attest that parliament, the provinces, the constituencies, have all passed into the declining stage of hopeless corruption. The distribution of these grants has become a grab game. There is no principle in it. And all sense of shame has been banished. These grants are every whit as bad in principle as those which Lord Durham denounced, nearly half a century ago.

Some public benefit may be expected from the creation of a department of Trade and Commerce. This department will exercise functions similar to those of the Official Board of Trade, in England. In the past we have had steamers on our inland lakes lost, without being able to get satisfactorily at the cause; a state of things which, let us hope, the new department may be able to remedy. The Departments of Customs and Inland Revenue and Finance are to be re-arranged; and the office of Solicitor General, now long suppressed, is to be revived. There may be members of the government who are not members of the cabinet, as the Solicitor General used formerly to be. An increase in the members of the government by two, makes an already long list longer still; and in view of this increase, it is no doubt desirable that not every member of the government should also be a member of the cabinet. The admission of representatives from the North-West Territories, will enable their inhabitants to make their wants known, where their publication will be most likely to prove effective. The vote for the Sault Ste. Marie canal will ensure the completion