

subject for the present, in the expectation of a prompt withdrawal of his charge by our contemporary. We learn from the *Minerve* that Mr. Chapleau's negotiations with the French Government, which we stated in our article of 9th September to have been "irregular," were expressly sanctioned by Sir John A. Macdonald. It was, of course, impossible for us to have surmised this on the 9th September, nor did *La Minerve* in its article, from which our information was derived, give the slightest hint that such was the case. Sir John Macdonald had very recently disclaimed to the Secretary of State having given any authority for negotiations of such a character. We readily admit that as regards Mr. Chapleau, the *Minerve's* authorized statement relieves him from the charge of irregularity, but we cannot admit that, with the information before us, we were not fully justified in making it. It has been the invariable practice in all civilized countries that, where persons are entrusted with missions to foreign Governments, the public are informed of the fact, although the nature of the instructions are invariably kept secret. We have no doubt that when Parliament meets Sir John Macdonald will be called on to produce his instructions to Mr. Chapleau.

*La Minerve* informs us that it is not "authorized" to relate what has passed in the conversations held by the Quebec Premier with the French ministers, but he has evidently been taken into the confidence of the former, and assures us that he has succeeded beyond his expectations. We hope so most sincerely. We trust that Mr. Chapleau did not fail to urge that Canadians ought at least to be put on the same footing as the Mahometans. It, however, does seem not a little irregular that Mr. Chapleau, the authorized agent of the Dominion Government should have taken *La Minerve* into his confidence, before Sir John A. Macdonald has made any communication to Parliament. This certainly is not in accordance with the usage of those, who have taken part in diplomatic missions either in Europe or America.

We have no desire to complicate the question at issue by raising a doubt as to Sir John Macdonald's competency to authorize Mr. Chapleau to undertake this mission. It is, moreover, quite possible that he may have communicated with the Secretary of State on the subject, and that the British ambassador may have been aware that such negotiations were going on. We feel assured that Sir Alexander Galt has not entered into negotiations with foreign Governments, without the know-

ledge of the Imperial Government, and we are therefore inclined to think that proper communications have taken place. We should hardly have referred to this branch of the subject but for a remark in *La Minerve*, that the only difficulty proceeded from England, but that Mr. Chapleau has discovered an indirect mode of getting over the difficulty, so that "France and Canada may exchange some products without the necessity for a treaty of commerce." This is simply for the French Chambers to adopt a resolution as they did in the case of Germany. Now we emphatically deny that England has interposed any obstacle whatever to France doing an act of justice to Canada. England has no interest whatever in the question at issue. We confess that we do not quite comprehend the meaning of "exchanging some products." There has never been any obstacle on the part of Canada, and we have never been favored with a single reason to justify France in trying to coerce Canada into an alteration of her tariff as a condition for the admission of her exports on the same terms as those of the United States, Turkey and various European States.

Sir Alexander Galt is reported to have stated at an interview with a reporter of the *Star*, that "upon the result of these negotiations (between England and France) depends any arrangement which may be looked for between France and Canada. Of the features of these negotiations I have no right to give you any information. I have never had any faith to speak of in their coming to anything. The English free trade and the French protection are of too antagonistic a nature to each other to be readily harmonized." Those who have read the English newspapers are tolerably well informed both as to the "features of the negotiations" and the difficulties to be surmounted, but Sir Alexander Galt cannot have the same confidence in Mr. Chapleau's success that *La Minerve* has, or he would not have stated so positively that upon the result of those negotiations depends any arrangement which may be looked for between France and Canada. Now, let us enquire into the nature of these negotiations in which it appears that we are so deeply involved. England and France have had a commercial treaty which has expired, and which England would have been glad to renew. France has refused to renew it except on the condition, that she will impose increased duties on manufactures, and there has been a deadlock, and Sir Alexander Galt is probably right in believing that the renewed negotiations will have no result.

What has all this to do with Canada? We do not object to the French tariff, and we have no interest whatever in the old treaty which was not applicable to Canada. France is more interested in "fair trade," to use a modern term, than Canada. We have not had "fair trade" hitherto, and we demand it. England could extort "fair trade" from France in a very short time, if public opinion would sanction retaliation. In Canada there is no obstacle to retaliation, and our contention is that as long as France imposes a duty on Canadian exports greater than what she charges to other nations, Canada should impose a discriminating duty on French exports. This is simply the *lex talionis*, and it would be efficacious beyond doubt. We shall merely observe, in conclusion, that throughout the discussion, in which we have taken part, regarding the commercial relations between France and Canada, in which the Province of Quebec is specially interested, we have been contending for the rights of Canada, while *La Minerve* and its allies have been virtually defending France, though unable to advance a single argument in justification of French policy.

#### THE BANK STATEMENTS.

The bank statements exhibit a large increase in liabilities and assets consequent in a great measure on the movement of the crops. In Ontario and Quebec the circulation has increased by over \$4,500,000, public deposits over \$3,000,000 and those of the Dominion Government \$565,000. The chief increase in the assets is in bills discounted, which are nearly \$5,000,000 more than last month. It seems deserving of notice, that the Dominion Government appears by the bank returns to have been obtaining loans from the bank of Montreal during the year, the amounts varying from about \$400,000 in May to nearly \$950,000 in July. On 30th September the loan was \$782,445. The Government deposits in the bank were at the same period \$3,787,564 on call and \$2,100,000 on notice. It is to be hoped that the loans are not bearing interest, but that they appear in that form merely as a matter of account. It is not so easy to understand how the Dominion Government can be indebted for loans from the Ontario, Molsons and other banks.

There is a slight increase in the Dominion note circulation, chiefly in ones and twos, which was to be expected concurrently with the great increase in that of the banks. The aggregate increase is under \$200,000, but in the small notes it is over \$400,000. The banks hold over ten mil-