The Commercial

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UNITED STATES REVENUE.

The United States occupies a somewhat peculiar position among the civilized nations of the world at the present time in the matter of revenue. Whilst almost every other Government on the globe is striving by hook or crook to increase its revenue, the United States Government is at a loss to know what to do with the money which is pouring into its treasury. Other Governments have had to face annual deficits, and have been inventing one scheme of taxation after another, to draw funds from their people to meet expenditures. In the United States, however, the customs revenue has gone on increasing rapidly, and the annual surpluses over expenditures have grown to amazing figures. These surpluses have been applied in reducing the enormous war debt of the nation, contracted at the time of the civil war in the South, but this huge indebtedness has now shrunk to a very insignificant sum, and still the revenue keeps piling up.

A reduction in the customs duties has been proposed as a means of reducing the revenue, but the strong protectionist theories of the nation have been aroused in opposition to such a course. What to do with the money is therefore one of the important questions which the Government of the United States has to face. What a cause of jealousy this must be to the Governments of Europe, who have to face an annual deficit, and who have to give an additional turn to the screw to wrench a little extra money from their poverty-stricken populations, in order to keep up huge standing armies.

One thing, however, must not be overlooked in connection with the enviable position of the United States, and that is, that whilst the Federal Government is revelling in wealth, many of the State Governments are deeply in debt. The local taxation is very heavy in many States, and often amounts to a serious drain upon the people. Local taxes are levied with a minuteness that is unknown in this country, and very little in the way of personal as well as real property escapes the tithe gatherer. These taxes sometimes amount to over two cents in the dollar, and when the closeness with which the assessment is made is considered, the amount would represent a considerably higher figure in this country, where a great deal of personal property is exempt which in the United States would be levied upon for local purposes.

In spite then of the overflowing condition of the national exchequer, it may be seen that many individual States are not in a prosperous condition financially. Indeed, the shameful practices which some States as well as municipal corporations have resorted to, in regard to their indebtedness, are to well known to require explanation. The single word "repudiation" will tell the tale of disgraceful dishonesty which has characterized the action of some of these municipal corporations and State commonwealths.

If a portion of the surplus wealth of the Federal Government could be applied in redeeming the dishonor which has been cast upon the nation by such repudiation of honest obligations, it would be a credit to the country. But for the Federal Government to attempt such a scheme, would be to pay the debts of a portion of the people with the customs taxes abstracted from another portion who were in no ways liable for such indebtedness. To do so would therefore be to do an injustice to those States which have always met their obligations, and it would further be placing dishonesty at a premium, and encouraging other corporations to repudiate their indebtedness.

The president, in his message at the opening of the present Congress, very forcibly alludes to what he terms the evils of a constantly increasing surplus. This would almost seem like sarcasm to the financial ministers of many nations, but it only requires a superficial glance over the question to show that in many phases real evils are presented from a constant recurrence of surpluses in the finances of a nation. As President Cleveland has shown, the surplus drawn from the earnings of the people, would have to be taken from the circulation of the country and hoarded in the treasury, or it could be squandered in unnecessary and wasteful public expenditure, thus leading to corruption and national demoralization. But undoubtedly the most objectionable feature in connection with the question is shown by the president in the following language:

"When more of the people's substance is exacted through a form of taxation than is necessary to meet the just obligations of Government and the expense of its administration, such action becomes ruthless extortion and a violation of the fundamental principle of free Government."

The president follows this declaration by a recommendation that the revenue laws be so amended that the necessities of life shall be cheapened, and that free entrance be given to materials for the purposes of manufacturing in the United States. What the result will be of the consideration by Congress of this part of the message, it is hard to foretell, but with the present strong protectionist complexion of that body, it is not likely that any very radical changes will be made in the customs regulations. The deliberations upon the question, however, will be watched with the keenest interest by people on both sides of the boundary line.

THE SOUTH SHORE ROUTE.

The Minneapolis, Sault Ste. Marie & Alantic railway, which is being built in the interest of the millers of Minneapolis, to provide them with a short route to the seaboard instead of around by Chicago as at present, has been extended ninety-five miles during the past season. This undertaking was commenced two years ago, and during the first season some forty-six miles were constructed, as far as Bruce, Wisconsin. The following year little was done, but the past season the work has been pushed more actively. Next year it is intended to build 130 miles eastward from the present terminus at Rhinelander, which will bring the road to a point on Lake Michigan, six miles from Escanaba. The following year an additional 130 miles will be completed, which will bring the road to Sault Ste. Marie. The total length of the railway from Minneapolis to the Sault will be about 475 miles. At the latter place a connection will be made with the Algoma branch of the C.P.R., by the construction of an international railway bridge, giving Minneapolis a short through line to Montreal and the east. The country through which the road will pass is heavily wooded for nearly its entire length, with hardwood and pine timber.

The millers of Minneapolis are very enthusiastic in regard to the benefits which they are to derive from the opening of this railroad, though they seem to be going about the building of it very leisurely, for a matter which they consider of such vast importance to them. There is little doubt, however, but that the road