

volume of traffic for the St. Lawrence route as will afford a gratifying return for the expenditure incurred in their construction?

The system of transportation by this route suggested by some of the most experienced men in the grain and forwarding trades, is the employment of one strong and powerful steamer with two large and strong steel barges as a fleet, having a capacity for carrying in all, about 225,000 bushels of grain in each trip. It is estimated that this fleet should make eight round trips between Lake Michigan ports and Montreal during the seven months of navigation. This season's expenses, allowing six per cent. on cost of fleet, nine per cent. for unusual deterioration and marine insurance, and all running expenses including ordinary repairs, are estimated at not over \$45,000. Three cents per bushel for eight trips would yield for the season \$54,000, which would cover expenses and canal tolls on grain. The revenue to be derived from west-bound freight should be more than sufficient to cover any loss from unforeseen delays and contingencies. Under this estimate, the grain carried pays the forwarders a fair profit and contributes quite a large revenue to the Government in shape of canal tolls. If tolls are abolished, the three cents per bushel would cover marine insurance on the grain.

In deciding upon the merits and probable success of any of the new projects which are proposed or may be proposed, it is not enough to show that in cheapness of transportation they will be superior to the Erie or Welland and St. Lawrence canal routes as at present employed, but it must be shown that they will be cheaper routes than either of these when the proposed enlargements and improvements are completed.

A POLITICAL FALLACY.

The Boston Herald argues that the commerce between Canada and the United States is more beneficial to the latter country, because Canadians have purchased from Americans more goods than the Americans have bought in the Dominion. This is the persistent "balance of trade" theory, which is based on a combination of fallacies, the chief being the idea that trade to be profitable to one party must be a loss to the other. The Herald is of opinion that when an American sells goods to a Canadian it is profitable to the seller and detrimental to the buyer. Anyone breaking loose from theories and looking at trade in the concrete can see at once the fallacy of that idea. The Americans sell cotton to Canadian farmers, who sell grain to the British manufacturers, and these in turn cancel the debt by selling their wares to the American cotton planters. "Canada" has sent nothing to the "United States." By this persistent theory the intercourse must be injurious to the Dominion and beneficial to the United States. The same could be said of all the transactions that go to make up this circle of exchanges. The fact that trade takes place without outside bonuses is proof that it is beneficial to both the seller and buyer. The idea that purchases are evils still holds with all nations except Great Britain and New South Wales.—Toronto Globe.

Let us see how this "trade in the concrete" operates. The Americans sell to the Canadians two classes of goods—those that are admitted free of duty and those that are dutiable. In the fiscal year 1897, Canada imported more than \$3,000,000 worth of raw cotton from the United States, which came in free, and also large quantities of other articles, all intended for manufacture in this country, and most of which are not produced here. These articles constituted our raw

materials. During the same period we imported from the United States and other countries goods to the value of \$111,294,000, upon which \$19,891,000 duties were paid, and it should be remembered that Canada produces similar articles covering almost the entire list. Now, will The Globe inform us what special advantage it was to Canada that the labor expended in the production of this \$111,000,000 worth of goods should have been performed by foreigners in foreign countries if they could have been produced in Canada by Canadian labor? If the labor could have been performed to good advantage in Canada, why should it have been performed by foreigners? It is true that the imports increased the volume of our foreign trade, but why should we value that trade particularly if it was to the detriment of Canadian labor? The Globe may say that these imports were in payment for exports that we had made, and that small imports implies small exports; but it certainly cannot claim that even if we made no imports we could find no foreign markets for our exports.

Foreign trade is a good thing in its way, but why should we purchase abroad things that we can make at home? If the Canadian farmer insists upon purchasing American goods how can he expect to sell his products to the labor in Canadian establishments which could produce the same goods, but which is out of employment because of the action of the farmer. The farmer is the one who, as The Globe so elegantly puts it, pays through the nose. He pays the ship for taking his produce abroad while it might have been sold to good advantage at home, and he pays the ship for bringing back foreign goods that might have been made to good advantage at home. The farmer catches it on both sides.

FRAUDS ON THE CUSTOMS.

At the recent annual meeting of the Commercial Travellers' Association of Canada, held in Toronto, the matter of commercial frauds upon the Customs was quite fully discussed, perhaps the most interesting remarks that were made being those of Mr. P. H. Burton, of the Merchants' Dyeing and Finishing Company, of Toronto, and a member of the Canadian Manufacturers' Association. Mr. Burton asked if the importing of goods into Canada was to remain in the hands of men who are willing to make an honest declaration and pay an honest duty, or should it pass into the hands of men, who, thinking they cannot make enough profit in an honest way, are making false declarations every day upon the goods which they enter. Mr. Burton felt warmly upon the subject, and asked if the principle and the precedent was to be established that false entries could go on year after year and nothing be done at the end of it. He referred to a notorious case a few years ago, whereby a firm by systematically undervaluing goods was able to sell cheaper and drive competitors out of the market. And when brought to task, he alleged, they were able to compromise a \$200,000 claim for \$10,000. Mr. Burton then moved the following resolution, which was seconded:—"That the Commercial Travellers' Association of Canada, in annual meeting assembled, hereby declare that it has become a matter of common notoriety that frauds upon the Customs by producing for Customs' purposes false invoices in which the true value of goods entered is much underrated, so as to pay less than the proper amount of duty, have frequently been practised to the detriment of honest importing; that the members of this association, while competing against one