

case of the propositions respecting reciprocity, and has again occurred with respect to the question of rebate on canal tolls. On behalf of the Administration at Washington it is asserted that, at a conference held with Secretary Blaine in February last, representatives of the Canadian Government distinctly agreed to repeal and abandon the drawback or rebate of 18 cents per ton allowed on grain passing through the Welland Canal for shipment at Montreal. On the other hand, these representatives of the Canadian Government deny that they made any such agreement, and that they merely promised that the complaint would be taken into consideration. Which of these two statements is to be accepted? If the result of the negotiations in February had been embodied in a written memorandum, in plain unambiguous language, there would not now be any question of veracity, nor would there be any excuse for the ill feeling, whether simulated or genuine, which United States politicians of both parties are now exhibiting on a question of very little importance.

What is all the row about? The Canadian Government, with the approval and concurrence of the great majority of the people, has for many years, and is now endeavoring to encourage and extend the commerce between the ocean and the West, *via* Montreal. For this purpose, a bonus of 18 cents per ton is granted to all owners and shippers of grain passing through the Welland Canal to Montreal. They believe that in acting thus, they are keeping strictly within not only the letter but the spirit of the treaties regulating the rights of Americans to the use of Canadian canals. They believe, further, that this rebate forms a liberal bonus to the producers and shippers of the Western States. It is to be noted that the United States' complaint is, not that the regular tolls on the Welland Canal are too high; or that, at the conference in February last, their Government asked and was promised any reduction on tolls; but that the representative of the Canadian Government agreed to repeal and abandon the drawback or rebate. Considering that by far the larger proportion of the grain passing through the Welland Canal is the product of the Western States, and that, rebate or no rebate, nine-tenths of this grain would go to Montreal, the demand of the American Government is really peculiar. They say, in effect, rather than Montreal should obtain any advantage over Oswego, Rochester, Fairhaven, Cape Vincent or Ogdensburg, we would prefer that the millions of bushels of American grain going to Montreal market should pay 20 cents per ton instead of two cents as at present, for Welland Canal tolls. If this is the view of the United States Government, and it is the desire of its politicians that this business question should be settled in this way, if the maintenance of our present system is provoking so much hostility as to entail a very dangerous and injurious policy of retaliation, why not yield at once and abolish the rebate altogether. It may be that Montreal may suffer a little from this change of policy; it may be also that the profits of the transportation companies which now monopolize the carrying trade between Kingston and Montreal, may be seriously curtailed, but these are trifling evils compared with those which would result from the one retaliatory act of levying prohibitory tolls on Canadian traffic passing through the Sault canal, which is now threatened under the late action of Congress. There is a very general and apparently well founded impression that the rebate on canal tolls has tended much more to the enrichment of the St. Lawrence River

forwarding companies than to the enlargement of the ocean commerce; and the removal of the rebate will lead to the equivalent reduction in the cost of the service between Kingston and Montreal, which, in most seasons, has been excessive.

It may be, and undoubtedly is, true, that the United States has really no just cause of complaint; and that the attitude and language of its politicians, on this as on all questions affecting the commerce between the two countries, are extremely petty and despicable. Mr. Hitt's remarks, in his speech introducing the retaliatory resolutions, are examples of this. He is reported as saying: "We give in return for equality in the Welland and St. Lawrence canals, the use of the great channels at St. Mary's, [connecting Lake Superior with Lake Huron, and St. Clair Flats connecting Huron with Lake Erie, upon which the Government has lavished its money at the rate of millions per annum."

Mr. Hitt appears to argue that the use of a canal costing about \$15,000,000 is a full equivalent for the use of the entire system of Canadian canals costing over \$50,000,000. He also revives the old contention that the whole of the channel through the St. Clair Flats is exclusively the property of and within the boundaries of the United States, although the untenableness of this pretension has been thoroughly established by the surveys of his own Government's engineers.

Mr. Hitt also says: "In this adroit, indirect way, for every \$5,000 paid on cargoes going to Canadian ports, \$50,000 is exacted from the grain-raisers and shippers of our country." (That is, on cargoes going to American ports *via* Welland canal). To use his own words, "in this adroit, indirect way," Mr. Hitt seeks to convey the impression that by the system of rebate, many times \$50,000 is being unjustly levied by the Dominion Government on United States produce. What is the fact? The total amount of rebate granted on through grain passing through the Welland Canal for Montreal was, in 1890, \$41,635; in 1891, \$49,384.

Again, Mr. Hitt says: "Last fall, just at the closing of navigation, there were 110 vessels containing 13,000,000 bushels of wheat (?) lying in the outer harbor of Buffalo on Lake Erie, in danger of being frozen up for the winter in a dangerous position, because the canal facilities at Buffalo could not unload the grain promptly. If we had had the use of the Welland Canal, to which we are entitled, this grain could have been quickly taken down to Lake Ontario, where there are seven railroads, and a branch of the Erie Canal, and abundant terminal facilities at Oswego and other ports." It is no wonder that the commercial men of the United States repudiate all responsibility for or approval of the actions or language of political wind-bags at Washington. Such a statement and argument with respect to the blockade at Buffalo would have excited uproarious laughter if presented before any board of trade. Apart from the error as to quantity of wheat, every grain dealer knows that the great accumulation of grain at Buffalo was caused by the arrival of cargoes after the date at which it would have been safe or prudent to ship by canal; that a very large proportion of the vessels laid up consisted of propellers of too large a capacity to pass through the Welland Canal; that most of the grain was shipped to Buffalo on a through lake and rail freight; that the railroads at Buffalo were engaging to carry the rest of the grain at as favorable rates of freight, and at as early dates as could be arranged with any

of the seven railroads which Mr. Hitt speaks of as running from ports on Lake Ontario; in fact, that even if there had been no tolls on the Welland Canal, it is not likely that a single vessel of the large fleet at Buffalo would have used this canal at that late date in the season.

Mr. Hitt says further: "Can we forget how that hostile ministry, seeking to foment irritation between Canadians and our people, treated our fishermen in a way that Secretary Manning called inhuman and brutal; how they interrupted Mr. Bayard when he was about to settle the Behring Sea dispute, and encouraged a predatory warfare on our seals; how they have nullified our inter-state commerce law; how they impose discriminating fees on our vessels, etc." Here we have the true key to, and explanation of, the present policy of the Washington Administration. Because Canada refuses to accept such interpretations of the treaties affecting the two countries as Washington interpreters may dictate, Canada and its Government must be treated as hostile, and must be subjected to such coercion and injustice as it may be in the power of the United States to inflict. Where such an arrogant and overbearing spirit prevails, sound argument or the most moderate demands for justice can avail nothing. The United States is a powerful nation, but feels bigger than it is; its politicians are great statesmen, they do nothing by halves; they complain of an apparent injustice of a rebate of a few cents per ton; in retaliation, they threaten us with a robbery of \$2 per ton and \$5 per passenger passing through their Sault canal. Canada is a cub of the lion which too many Americans fear and detest; the vote of this chiefly foreign element is wanted for next fall's election, and as the old lion is too strong to be played with, a little tail-twisting of the cub may be practiced to party advantage. If argument is useless, if law and justice are to be ignored, what remains for Canada to do, conscious as she is of being in the right, and innocent of any just cause of offence? Unfortunately, Canada is not at present so independently circumstanced as the United States in the matter of transportation. For the latter country, the free use of the Canadian canals is a very valuable advantage, but not an indispensable necessity; but for Canada, especially for Manitoba and our North-West territories, the use of the American canal at the Sault is absolutely a necessity, and must be retained even at the cost of much dignity and money. It may be very unpleasant and humiliating for the Government and people of Canada to submit to the unjust demands of our American neighbors; and such submission may justly be thought dangerous, because of the risk of inviting even more unjust demands in the future from our very friendly cousins across the line. But what other course is open to us? Necessity has no laws, and if we must eat humble pie, let us swallow it quickly and be done with it. The abolition of the rebate will not lessen, but rather increase our revenue. The suspension of this rebate may be only temporary, and may not prove as detrimental to the St. Lawrence route as our neighbors hope for. The time may come, and that soon, when Canada will be in a position to serve up to its present tormentors a large dish of like humble pie carefully prepared on the same delectable recipe of the present cook.

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—Nobody knows for himself how many pennies there are in a dollar, except the man who has counted them one at a time from the savings of a necessary frugality.—*Ram's Horn*.