

capital of the wholesale dealer, who to that extent is really a partner in the business, receiving besides profit a share of the proceeds not less than that which he pays to the bank for discounts. This relationship between seller and buyer is one that is too frequently lost sight of by legislators on commercial affairs. The position of the retailer is looked upon simply as one of pure indebtedness to the wholesaler; there is no thought of the fact that the investment partakes of the nature of a partnership in which the wholesaler to the extent of the loan occupies the position of a sleeping partner, and who consequently must feel that he assumes a proportionate share of the risk. This way of putting it is seldom considered as long as all goes on smoothly, but if disaster overtake the adventure, if the retailer finds himself hopelessly sunk in debt, and matters going from bad to worse, it will naturally occur to him as well as to the wholesalers whom he owes that the loss should not be all borne by the former, that there ought to be some means at hand by which an equitable division may be arranged, and the unfortunate man be left with a glimmer of hope for the future. In saying this we are not unmindful of the evils attendant upon the late Insolvent Law, of the opportunities it afforded to the designing and fraudulent. It must be borne in mind, however, that the so-called privilege of the law by which the insolvent obtained settlements enabling him to sell at from 25 to 40 per cent. under his neighbor who paid 20 shillings in the pound, could not be applied in honest cases, because in these the settlement was usually made at figures which left to the unfortunate merchant a very small margin indeed wherewith to make a fresh start, the said margin often consisting of that part of his assets reckoned as doubtful book-accounts. The repeal of the Act certainly appears to have made wholesale men more careful in granting credit and retailers more careful in buying, but this has been partly met by the lessened competition through the terrible weeding out of the years of depression as shown by the following table of failures:

Years.	Failures.	Liabilities.
1876.....	1728	\$25,117,991
1877.....	1892	25,523,903
1878.....	1697	23,908,677
1879.....	1902	29,347,937
1880.....	907	7,985,077
1881.....	635	5,751,207

The continuous abundant harvests of the last three years, and the employment given to large numbers of operatives in prosperous factories, old and new, have contributed much towards the general prosperity which now prevails throughout

the country, making the relations of sellers and buyers exceedingly simple the while it lasts.

THE HAMILTON TIMES AND THE PACIFIC RAILWAY.

Our Hamilton contemporary, the *Evening Times*, must be thankful for small favors when he ventures to refer to the article in the *Hamilton Spectator* on the "Howland Syndicate" as supporting his pretension, that the tender of the latter was for the same work as that which the Pacific Company are engaged in executing. It is simply disingenuous to maintain the good faith of an offer made by gentlemen who, with the full knowledge for many months previously that the Government was anxious to enter into a contract for the construction of the Pacific Railway, nevertheless postponed making any proposition until they knew that a tender had been accepted subject to the ratification of Parliament, and that the party leaders in opposition were prepared to waive the construction of the Eastern and Rocky Mountain sections. The truth is, and it is vain to attempt to conceal it, that the opposition to the Canadian Pacific Railway Company has been from the first inspired by the United States Northern Pacific Company, which nearly ten years ago, in the time of Jay Cooke, endeavored to effect precisely the same object which his successors have recently been vainly attempting to do, and which is to divert the Canadian traffic of the North-west through the United States instead of Canada.

We have before us, as we write, the old prospectus issued nearly ten years ago, accompanied by a map showing the extension via Sault Ste. Marie to Montreal almost precisely as contemplated by what is termed by the *Spectator* the "Howland Syndicate." An extract or two from the prospectus deserves attention: "The trade of this vast region beyond the national boundary, including the transportation of supplies for the Hudson's Bay Company, will at once and permanently form part of the business of the Northern Pacific Road." * * * "The international character of the North Pacific Railroad will give it much strength and increased importance. It will be the natural and only thoroughfare and outlet for the population and products of the British possessions west of Lake Superior, and will assuredly command the carrying trade of these Provinces. The continuation of the Northern Pacific road along the southern shore of Lake Superior to the Sault Ste. Marie, thence connecting with a new Canada

"railway to Toronto and Montreal, thus forming an international all rail line from ocean to ocean, is among the probabilities of the early future." * * * "Further west other branch lines will be built, northward into the British possessions from the main trunk of the Northern Pacific Railroad, thus accommodating the entire area north of the 45th parallel." It must be sufficiently obvious that however good the intentions may be of the opponents of the Canadian Pacific Company, they are really playing the game of a foreign corporation, and are endeavoring to divert the traffic of the North-west to the Northern Pacific. Those who have taken on themselves the tremendous risk not only of constructing but of running the Canadian line, ought to have all the assurance that it is possible to afford them that they will not be ruined by competition. Apropos to land grants, it may not be out of place to notice that the Northern Pacific obtained over 50,000,000 acres, larger, says the prospectus, than the six new England States, or as large as Ohio and Indiana combined. During a debate in the Senate of the United States, it was described as "the very richest land grant by a large percentage which any railroad company has been fortunate enough to obtain."

The *Evening Times* chooses, by way of a *reductio ad absurdum*, to suggest the possibility of a Government and Parliament concurring to undertake a gigantic work, involving the expenditure of \$400,000,000, and asks whether in such an event the people would not be justified in repudiating so outrageous a departure from sound policy. We might ask whether, in the event of a Government proposing to Parliament a vote for a public work to cost \$10,000, and after obtaining its sanction, and placing it under contract, a new Parliament would be justified in repudiating the transaction. It must be assumed, that Parliament will exercise a sound discretion, and it is wholly inconceivable that it would approve of such an expenditure as that suggested. The case of the Pacific Railway is widely different from that suggested by the *Evening Times*. The construction of the railway has been undertaken in fulfillment of an agreement to which the faith of the Dominion is pledged. During the period of the ascendancy of the present opposition, the work was prosecuted, even in British Columbia, and the electors, although they had not the specific agreement before them, were fully aware that Sir John Macdonald's policy was to entrust its execution to a company. We believe that public opinion is strongly in favor of that policy, although there may