

than was necessary to provide for the nation's expenditure. It was therefore plainly the duty of the government to reduce taxation. The protectionists naturally became alarmed as these vast annual surpluses commenced to pile up. Something must be done, and either the expenditure would have to be greatly increased, or the revenue reduced. The reduction of the customs revenue would not suit the monopolists who were receiving the benefit from the general taxation. They must devise other schemes to overcome the difficulty, and one of the first of these was the agitation in favor of a repeal of the internal revenue taxes. An agitation was also kept up by the protectionist organs in favor of increased military expenditure. These journals sought to alarm the people by getting up war scares and expatiating on the weak nature of the national defences. They wanted a powerful navy built; the coast line and boundaries walled in by a system of fortifications, and the country turned into a military camp after the style of Europe. This is the same old spirit of protection, to tax the many for the benefit of the few.

But the good sense of the people of the United States is evidently about to assert itself. They do not propose to allow themselves to be taxed for the purpose of turning their country into an arsenal, for the benefit of a few monopolists. The new tariff bill provides for a reduction in the customs duties which it is estimated will reduce the annual revenue from this source by about \$53,000,000. A further reduction of revenue by the repeal of internal revenue taxes will be made of \$25,000,000. A considerable number of articles are added to the free list, some of which are: Timber, lumber, salt, flax, hemp, jute, tin plates, soap, hemp and flax seed, petroleum, artificial mineral waters, manufactured clays, vegetables, game, meats and poultry, paper pulp, lime, marble, wools, hair, etc. The duties have also been reduced on many articles of metals, textiles in wool, cotton, linen, etc., earthen and glassware, chemicals, wood-ware, printing papers, grocer's and other sundries. The duties on sugars have also been reduced from one fifth to one cent per pound.

In the internal revenue department, the tax is repealed on manufactured chewing and smoking tobacco and snuff. The special tax on dealers in these articles is also repealed, as well as on dealers in

leaf tobacco. Special taxes on manufactures of stills and retail dealers in liquors are also removed.

The most important point in this new tariff bill affecting trade between Canada and the United States is the placing of lumber on the free list. The effect of this will be simply to put two dollars per thousand into the pockets of Canadian exporters of lumber to the United States, as it is not at all likely that lumber will undergo any reduction in price in the latter country, in consequence of the removal of the duties. This advantage to Canadian lumbermen will no doubt be offset by an advance in the value of timber limits in Canada, owing to the probable demand for limits from United States manufacturers.

All those in Canada who desire extended trade intercourse between this country and the United States, on broad and liberal principles, and free from the objectionable features of the proposed Commercial Union scheme, will hail with delight this tariff reform movement. The cultivation of trade relationship between the two English-speaking divisions of the American continent, on such principles, should certainly be to the advantage of both countries, and especially in the West will meet with general approval.

RAILWAY LEGISLATION.

The report of the commission appointed to take evidence regarding the advisability of further legislation to govern railways, has been laid before Parliament. The report advises the erection of a railway tribunal, by greatly increasing the powers of the present Railway Committee of the Privy Council, and the passing of a general railway act under which new companies shall be chartered, instead of granting special charters. The commission recommends that a uniform classification of freights be established for all railway companies. In reference to tariffs, the commission believe the interests of commerce will be best served by leaving the railways comparatively free. They recommend that railway companies may make and establish tariffs, subject to the approval and revision of the maxima rates by such tribunal as may be constituted. Regarding the long and short haul question, the commissioners find that it is inexpedient to adopt a rule of equal mile-

age rates. It is advised that discrimination between individuals under like conditions be effectively prohibited, and punished by severe penalties; also discriminations of an unjust or partial nature between localities, under like conditions, be prohibited. Secret special rates, the commissioners think, should be declared illegal, and all special rates should be made public on demand. Complaints of extortionate rates and discriminations to be referred to a tribunal, whose decision shall be final. The abolition of free passes is advised, except to members of the federal or provincial governments. These are the leading points in the report. The question is certainly a difficult one to deal with, owing to the vast importance of the railway interests, in its manifold bearings upon the commerce of the country. Some of the recommendations of the committee are very good as far as they go, but in other respects the report will be disappointing. Greater legislative control over the railways, especially in the direction of preventing discrimination and extortionate rates, is evidently necessary, but it is equally evident that it is a difficult matter to lay down a set of rules for the government of such cases. In the matter of rates, many Canadian railways are subject to competition from waterways and the United States roads, and for this and other reasons a certain latitude must be allowed. What is required in this railway problem is the exercise of common sense, applied to the varying requirements of the different cases which may arise. Instead of fixed rules, it would therefore seem necessary to bestow great discretionary powers upon the proposed railway tribunal. By allowing the tribunal much latitude, a just decision could be arrived at in instances where a cast iron rule could not be followed. By extending the powers of the present Railway Committee, the proposed tribunal would be under the control of the Government, and not an independent railway commission, as in the case of the United States Railway Commission, under the Interstate Act. In providing railway legislation, the object is, not to hamper the railways, but to prevent them from using their vast powers to the detriment of individuals, towns or districts, and the country generally. To do this without hampering the railway interest, or certain railway interest, is the great difficulty.