

rather than the conduct of public business on business principles, in the conscientious discharge of a public trust. It is painfully apparent that this baneful idea of "patronage" is at the bottom of much of the wrong-doing which is wasting the national resources and bringing disgrace upon the Canadian name.

THESE are, perhaps, no more difficult questions in political economy or in business ethics than those concerning the limitations which may properly be placed upon the freedom of individuals in combining for mutual advantage in matters of trade and manufacture. Some of the difficulties involved have been pretty clearly brought out in connection with Mr. Clarke Wallace's efforts to promote anti-combine legislation at Ottawa. Nothing can be clearer than that the merging of several small competing factories into one large combination must materially decrease the cost of production of the article, whatever it may be, by increasing the capital available for the perfection of machinery, by facilitating the division of labour upon which cheapness of production so largely depends, by reducing the cost of management, and so forth. The result might be, if the combiners were only so disposed, a real and tangible gain to the public in the reduction of the cost of the article in question—and that, too, without any diminution of the profits of the manufacturers. In the same way a combination of the wholesale dealers in any article of general use and necessity, enabling them to effect a great saving in the cost of management, travelling agents, distribution, etc., should redound to the public benefit by lessening the cost of the wares handled by the dealers in question. A closely-related problem is briefly dealt with in a late number of *Bradstreets*. Referring to the view taken in some quarters that there is a vital difference between the holding back of wheat by wheat-growers, so as to secure higher prices, and the "corners" in wheat by means of which owners of wheat and dealers therein aim to raise the price of the staple and increase their returns from their holding of the same, *Bradstreets* thinks that the distinction is not really very clear:—

Assuming that the wheat-grower has contributed his labour and even capital to the production of the wheat, it is also true that the buyer, and hence the owner, of the wheat exchanges for it his capital, which represents saved or stored labour, so that they both hold the wheat by an equally valid title. The point is made that every individual wheat-grower has the right to sell the product of his own labour where and when he can get the most satisfactory price, or not to sell at all if that suits him best at the time. If that right pertains to the grower, why not to the buyer and owner of wheat, who has also transferred his labour or the representative thereof for the wheat, and holds it by as just a title?

So far, in either case, the argument in favour of freedom to combine for cheaper manufacturing or handling of staple goods, and of freedom to purchase and hold for sale wheat and other articles of prime necessity, seems sound and cogent. In regard to the point touched by *Bradstreets*, it used to be even argued by the old writers on economy that the speculator who, foreseeing a scarcity, buys in large quantities and "holds for a rise," is really though unconsciously a public benefactor, inasmuch as he prevents extravagance and waste, and lays up in storehouses, like Pharaoh's Prime Minister, Joseph, against the day of need.

BUT there is, unhappily, another side to the shield. This theory of freedom, carried to its logical conclusion under present day conditions, and especially when aided by high protective tariffs, may at any time leave whole communities practically at the mercy of the combines, or the speculators. Thinking people are coming to see more and more clearly every day that the system of competition held up by political economists of the old school as the perfection of business methods, and even yet much praised by many writers and legislators, is really one of the most wasteful and in many cases most cruel and unjust that can be imagined. But it is equally clear, on the other hand, that the destruction of this competitive system, whether by the operation of combines and speculative corners, or by direct or indirect legislation, tends to foster worse evils than any which can be the outcome of the freest competition. Here we have, in a nutshell, as we have said, one of the hardest problems of modern civilization. It is just this logical dilemma which is giving rise to the various schemes of State socialism which are being mooted, and in some cases tentatively adopted in different countries. Whether this way lies deliverance, or some better way out may be devised under the stress of necessity, remains to be proved. Many are looking for relief

to an extension of the principle of coöperation or profit-sharing, and no doubt some of the worst evils both of excessive competition and of combination may yet be counteracted in this way. The progress of these methods is no doubt an omen of good. One of the latest and apparently most successful applications of the coöperative principle is being now carried out, strange to say, in Ireland. Driven by the unequal competition with the better and cheaper products of the Danish factory creameries, the producers of butter in certain parts of Ireland resorted for a time to creameries started in their own country. But under the law of competition one of the results was a deterioration in the quality of milk supplied to the factories, and consequently in the quality of the butter produced. To remedy this, twenty coöperative creameries have been established within the last two years, with the most hopeful results. The experiment is said to have proved in every way economical and profitable, and the principle has been so far extended that the entire product of these creameries is now purchased by a "coöperative wholesale society," which in turn sells to perhaps a thousand coöperative retail shops. "It is noteworthy," says the exchange from which these facts are gleaned, "that this experiment was started purely from commercial motives, not with an idea of social or labour reform." Another paper announces the promising beginning of a scheme of coöperation of another kind. Pursuant to the plan of profit-sharing it has inaugurated, the great house of S. S. Pierce and Company, of Boston, Mass., is said to have divided, at the close of last year, \$10,000 among one hundred and sixty-five workers, each man receiving in consequence an addition of almost exactly ten per cent. to the wages regularly earned. Still, however welcome and hopeful as a solution of the labour and social problem, in some of its phases, it is evident that neither coöperation nor profit-sharing is likely to meet fully the requirements of the situation as between competition and combination or monopoly, as there is nothing to prevent a coöperative or profit-sharing concern from itself operating as a combine or monopoly of a most oppressive kind, so far as outsiders are concerned.

DURING the last thirty-five years, many great advances have been made in the direction of liberalizing the great English universities, but we have little hesitation in saying that the last remarkable movement, known as University Extension, bids fair to eclipse them all. Within the period indicated religious tests have been abolished; students have been admitted without compulsory residence in a hall or college; courses of study have been greatly liberalized and extended, and have been made largely elective. Each of these reforms had the effect of bringing the benefits of university training within the reach of a larger number. But the privileges of the universities were still brought within reach of a very few, and these mostly of select classes. The establishment of examinations at various local centres, which began to be held by both Oxford and Cambridge in 1858, was a great advance. It had the two-fold effect of raising the general standard of education in the country and of largely increasing the attendance at the universities. This example was after a time followed by some of the larger institutions in the United States and Canada, and is still continued with excellent results. The next innovation, and the most sensible and beneficent of all, was the commencement of *teaching* at local centres. This it is which promises to revolutionize all the old methods of the universities and to bring the essential conditions of the best university training within the reach of students of all classes and all ages. Outside university teaching was commenced in England in 1867, and nine years later the "London Society for the Extension of University Teaching" was founded. This Society was managed by a Board of Control representing not only the two great universities, but the higher educational institutions of London. Though it has not been pushed in the past with the vigour that is likely to be used in the future, the work has so far grown that no less than 40,000 English men and women were last winter under university instruction at the local centres in England. Scotland, Ireland, Wales and Australia are now falling into line. The first attempt to introduce the extension system into the United States was made by individuals in connection with Johns Hopkins University in 1887. Local centres were established, not only in the vicinity of the university, but at Buffalo, St. Louis and other places. Last year "The American Society for the Extension of University Teaching" was organized in Philadelphia, and immediately commenced operations on a scale and with an

energy characteristic of the people of that country. During the first year of its existence, we are told, no less than forty courses of instruction were established at as many different local centres, and more than 50,000 persons took advantage of the opportunities thus brought within their reach. As our readers are no doubt aware, Dr. Harper, President of the new University of Chicago, is making extension work a part of the very framework of that unique institution, while the University of the State of New York has obtained an appropriation from the Legislature to aid it in carrying on the work at local centres all over the State. No one who has faith in higher education as a thing to be desired for its own sake, irrespective of profession or occupation, can fail to see that immense possibilities and potencies are wrapped up in this new system. The American society is asking, and will no doubt receive, as soon as its objects become a little better understood, large donations to enable it to carry on its work. What is Canada going to do about it? If we are not to be left hopelessly in the rear in the march of higher education, it is time that our universities and all friends of education for the many were moving in the matter.

THE current number of the *Edinburgh Review* contains a noteworthy article on "Colonial Independence." The writer takes strong ground against both the possibility and the desirability of Imperial Federation. Into the validity of the objections, which he marshals with marked ability in dealing with this part of his subject, it is not our purpose just now to enquire. Many of these objections have from time to time been presented in these columns. Others touching practical difficulties connected with the establishment and operation of Federal Courts of Law, Federal judges, etc., that would be necessary to maintain the authority of the Act of Federation, and to enforce the execution of the Federal will, are to a certain extent new; at least we have not seen them before so clearly and forcibly set forth. But what may be called the affirmative part of the article contains some thoughts and suggestions which are certainly worthy of attention in considering the change of the Colonial relationship, which it seems to be generally assumed must take place in the not distant future. After maintaining that any such "control of the Empire as a whole from a single centre," and "as a single nation amongst the nations of the earth," as is, he argues, inseparable from the Federation scheme, could prevail only at the cost of local independence, and would endanger, not strengthen, the mutual friendly sentiments now existing between the Mother Country and the Colonies, the writer proceeds as follows: "Let us by all means endeavour to work together in friendship towards common ends; and in order to do so let us recognize facts, and let us found our co-operation frankly on alliance between virtually independent states—not on the fiction of a common subordination to supreme control." This thought is more fully developed in another passage in the article in which "friendly alliance between Great Britain and those great English communities beyond seas now called Dependencies, but soon to be independent states," is set forth as the writer's ideal. He believes that "as time goes on facts will prove too strong for sentiment, and that, without any great wrench to our Constitution, due recognition will ultimately be given to existing conditions; that virtual independence will have to be recognized as such, and that the relations between Great Britain and Australia and Canada will be determined by contract or treaty freely entered into between them, just as now are the relations between Great Britain and foreign nations." These words remind us of an anomaly in the proposals of the Imperial Federationists which has been on former occasions pointed out in these columns, but which we do not remember to have seen touched upon elsewhere. We refer to the awkwardness, if not incongruity, involved in the idea of negotiations looking to a Federal agreement, being carried on between the Imperial nation and her own dependent and subordinate colonies. The very notion of federation seems to imply that the parties thereto should confer and unite on equal terms; in other words that the absolute independence of the federating colonies should be a condition precedent to any federal compact.

THE London *Spectator* "in a great measure agrees" with the writer of the *Review* article, in his description of the future of the Empire. The main point of divergence in opinion is that indicated in the following interesting extract from the *Spectator* of July 25:—

We think, however, that he (the writer of the *Review*)